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## COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
<b>East ASEAN Growth Area</b> (Special Committee)	HR 791	Deputy Speaker Pacquiao	Directing the Mindanao Development Authority (MinDa), the Philippine Coordinating Office in Brunei Darussalam - Indonesia - Malaysia -Philippines - East ASEAN Growth Area (BIMP-EAGA), and the national secretariat for the BIMP-EAGA subregional initiative to vigorously undertake convergence strategies with national government agencies and local government units concerned as outlined in the BIMP-EAGA Vision 2025	The Committee, chaired by Rep. Sabiniano Canama (Party-List, COOP-NATCCO), adopted HR 791.

## TECHNICAL WORKING GROUP MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
<b>Local Government</b> (Technical Working Group)	HBs 653, 2058 & 9263	Reps. Abaya, Villa, and Deloso-Montalla	Institutionalizing the income classification of provinces, cities, and municipalities	<p>The technical working group (TWG), chaired by Rep. Cheryl Deloso-Montalla (2<sup>nd</sup> District, Zambales), terminated its deliberation on HBs 653, 2058, and 9263.</p> <p>Rep. Deloso-Montalla, who is also the author of HB 9263, said that the TWG is tasked to come up with a substitute bill to the three measures. One of the main provisions of the proposed law is to give the Secretary of the Department of Finance (DOF) a clear-cut authority and mandate to undertake regular income reclassification of provinces, cities, and municipalities.</p> <p>The Chair said that under the existing setup, the income reclassification of local governments has evolved in such a way that their income class is not truly reflective of their financial capability, particularly in generating locally-sourced revenues.</p> <p>Based on the explanatory note attached to HB 9263, the income classification of LGUs serves as basis for the determination of financial capability of LGUs to undertake development projects and other priority projects in their localities, and for the allocation of financial grants and aids and other forms of assistance to LGUs. The advantages of upgrading the income classification of local governments are the corresponding increase in the IRA and in salaries of LGU officials and personnel.</p> <p>In today's meeting, the members of the TWG discussed all the sections of HB 653, which was used by the TWG as the reference bill.</p>

<p>Continuation... Local Government (Technical Working Group)</p>				<p>Expressing support for the proposed law were resource persons from the Bureau of Local Government Finance, Department of Budget and Management, and the Leagues of Cities and Provinces of the Philippines.</p> <p>Among the agreements reached during the meeting were the following:</p> <ul style="list-style-type: none"> <li>• The phrase "Internal Revenue Allotment" in the body of the bill shall be replaced with "National Tax Allotment" to align this with the Supreme Court (SC) ruling on the Mandanas vs. Ochoa case. The SC ruling declares the phrase "internal revenue" appearing in Section 284 of RA 7160 (Local Government Code of 1991) as unconstitutional and ordered the deletion of the same from the law along with other references to it.</li> <li>• The term "Annual Regular Income" shall refer to the revenues, including fees and receipts actually realized which are reported yearly on cash basis by provinces, cities, and municipalities from regular sources, including the National Tax Allotment and other shares of LGUs as may be provided by law.</li> <li>• The language of Section 8 will be amended to reflect that there will be no employee layoffs as a result of the income reclassification. Section 8 of the bill pertains to the guidelines in cases where a fourth or lower income class province, city, or municipality receives a third or higher income class designation as a result of the income reclassification.</li> <li>• Section 9 (Effectivity of the Income Reclassification) will be incorporated in Section 6 (Period of Income Reclassification).</li> <li>• The implementing rules and regulations shall be promulgated by the DOF Secretary in consultation with the Department of the Interior and Local Government and the Leagues of Municipalities, Cities and Provinces.</li> </ul>
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AGENCY BRIEFING		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
<p><b>East ASEAN Growth Area</b> (Special Committee)</p>	<p>Briefing by concerned government agencies on their respective programs that enhance and strengthen the credit capacity of agricultural cooperatives in the Brunei Darussalam-Indonesia-Malaysia-Philippines - East ASEAN Growth Area (BIMP-EAGA) to better respond to the economic setbacks caused by the COVID-19 pandemic</p>	<p>The Committee, chaired by Rep. Sabiniano Canama (Party-List, COOP-NATCCO), listened to the presentation of concerned agencies on their respective plans and programs that enhance and strengthen the credit capacity of agricultural cooperatives in the BIMP-EAGA.</p> <p>Rep. Canama said that the COVID-19 pandemic also affected the agricultural cooperatives in the BIMP-EAGA. He underscored the need to implement interventions that will help these cooperatives</p>



<p>Continuation... East ASEAN Growth Area (Special Committee)</p>	<ul style="list-style-type: none"> <li>Philippine Economic Zone Authority (PEZA)</li> <li>Land Bank of the Philippines (LBP)</li> </ul>	<p>requirements of agri-fishery-based micro and small enterprises.</p> <p>Deputy Speaker Ungab requested the DA to submit the loan portfolio of ACPC's credit programs.</p> <p>PEZA Director General Charito Plaza presented PEZA's Transformational Roadmap in the next 25 years, which will be the blueprint that will unlock the potential of Philippine industries, enhance the country's human capital, and promote the sustainable use of natural resources towards a full, sustainable, and green industrialization.</p> <p>Plaza also highlighted the implementation of Administrative Order (AO) No. 18, series of 2019, entitled "Accelerating Rural Progress Through Robust Development of Special Economic Zones in the Countryside." AO No. 18 mandates various government agencies to develop and support ecozones in the countryside as this will provide jobs to the people especially in the rural areas and thereby improve their individual and family income and overall quality of life.</p> <p>She also reported that PEZA conducts a series of virtual investors forums to constantly brief and update both potential and existing investors on the investment climate in the country during this pandemic. Through the forum, she said PEZA aims to promote the different economic zones in the country and inform as well the relief and assistance that PEZA can provide to investors within the country's economic zones.</p> <p>Meanwhile, LBP Assistant Vice President Edgardo Luzano said that the LBP continues to develop and enhance its agri-credit programs and is working on simplifying further the documentary requirements of the programs in order to increase the number of beneficiaries. He discussed LBP's credit programs for the cooperative sector, in partnership with the DA, which include the Agricultural Competitiveness Enhancement Fund Lending Program, Socialized Credit Program under the Sugarcane Industry Development Act, and Expanded SURE Aid. He also mentioned the credit program called Expanded Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders, which is under the Department of Agrarian Reform.</p> <p>According to Luzano, the number of farmers and fishers that have been assisted by the LBP through its loan programs continues to increase. He said out of the top ten provinces with high number of farmers and fishers assisted by the LBP, five of are in Mindanao (South Cotabato, North Cotabato, Maguindanao, Misamis Oriental, and Bukidnon).</p> <p>Rep. Canama thanked the resource persons for their comprehensive reports and the Committee Members from Mindanao and Palawan for their active participation in the meeting. He asked for their support in further intensifying the implementation of programs that will strengthen the credit capacity of agricultural cooperatives in the BIMP-EAGA.</p>
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