



LEAGUE OF CITIES OF THE PHILIPPINES

Unit J & K, 7th Floor, CyberOne Building, Eastwood Avenue, Bagumbayan, Quezon City, Philippines 1110
Tel. No.: +632.470.6837, +632.470.6813, +632.470.6843 | Fax No.: +632.470.7210
URL: <http://www.lcp.org.ph>

Discussion Paper on House Bill No. 7198 Institutionalizing Strategic Volunteerism Based on Multi-Sectoral Public-Private Partnership Framework in all LGUs and Congressional Districts in the Country

INTRODUCTION

The League of Cities of the Philippines supports the laudable intent of House Bill No. 7198 entitled “An Act to Strengthen Nation Building through the Institutionalization of a Strategic-Based Multisectoral Public-Private Partnership Framework in all Local Government Units and Congressional Districts in the Country and for Other Purposes.” The Bill, if enacted, will systematize and institutionalize the process of utilizing volunteerism to stimulate local development. Further, The League respectfully puts forward and expounds on the following suggestions to strengthen the potential of the proposed bill passing into law:

1. The Bill may benefit from additional provisions addressing cost estimates and source of funding.

Under Section 14, the Bill makes an appropriation from the annual General Appropriations Act for the implementation of its other provisions. The LGUs shall likewise allocate the necessary funds for the implementation of the VNB program.

The fact that the funds for the implementation of the above-cited provision of the Bill is proposed to partially come from local resources may compromise the capacity of the LGUs to financially prioritize policies as they deemed suitable to the unique needs of their constituents. We are of the opinion that should this bill becomes a law, it would result to an unfunded mandate.

A law left unfunded is the point where a potentially beneficial policy digresses from implementation. From 1991 to 2015, there are at least 134 unfunded laws enacted, 105 of which concern LGUs. Based on the report of the Congressional Policy and Budget Research Department (CPBRD), these laws amounted resulted in a funding deficiency amounting to a total of P125.2 billion. Considering that there are unfunded laws with ‘unquantifiable’ funding requirements, this is highly a conservative estimate. Aside from the non-availability of government resources, the CPBRD study faults the proliferation of unfunded laws to lack of cost estimates and nonexistence of implementing rules.



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In this regard, the League sees the benefit of identifying in the proposed bill, the specific budget item to finance the operating expenses associated with its implementation.

2. The socialized housing tax may not be reliable source of funding for the implementation of the VNB program at the local level.

Section 11 Paragraph D stipulates, “The socialized housing tax as authorized to be imposed by LGUs, under Section 43 of RA 7279; otherwise known as “the Urban Development and Housing Act of 1992” shall be used as additional government equality under the VNB framework, subject to an inter-agency Memorandum of Agreement.” The League would like to seek clarification from the Committee as to what is meant by “government equality” and its implications on the collection of the socialized housing tax by the LGUs.

It is also worthy of note that the imposition of the socialized housing tax under RA 7279 is not mandatory and, as such, not all cities observe the provision. In fact, only Quezon City imposes such a tax at the moment. It may therefore not be a reliable source of funding for the implementation of the VNB program at the local level.

3. The functions of the PNVSCA, VBN National and Cooperating Agencies, and the MSAB can be further rationalized.

The enumeration of functions of lead agencies stated in Section 6 of the Bill can be enhanced by dovetailing it with the incentives proposed under Section 11. For instance, the granting of tax incentives is a function of the attached agencies of the Department of Finance. It is better to discuss this in Section 11 than in Section 6. Alternatively, Section 6 can be taken out of the current draft.

Also, the bill has to be clear on the functions of the various structures that it is proposing to carry out VNB programs. It has to delineate the roles of the VNB Coordinating Agency with the Inter-Agency Coordinating Committee or the existing multi-sectoral advisory board. It is our humble opinion that the MSAB already being an inter-agency committee may absorb the VNB Key National and Cooperating Agencies, extending its mandates and membership as stipulated in Section 6. This may require amendments on RA 9418 or the Volunteer Act of 2007. Functions



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particular to each supporting agency listed under the same section should be delineated so as to preempt overlapping and conflicting roles.

4. The accreditation system should be designed at the national level for purposes of standardization.

In Section 10, the Bill provides for the establishment of a system of accreditation of VNB program partners to be adopted and implemented by the LGUs with proper consultation with concerned agencies. Since the criteria and perquisites for accreditation are proposed to be determined at the national level for the purpose of standardization, we are of the opinion that accreditation should might as well be executed at the national level. In the future, cities can be deputized as accrediting agency depending on its willingness, magnitude of VBN volunteers, and availability of resources.