

20 October 2017

REPRESENTATIVE PETER UNABIA

Chairperson
Committee on Small Business and
Entrepreneurship Development
House of Representatives
Quezon City

Dear Representative Unabia:

The Department of Social Welfare and Development submits its comments on House Bill No. 4498 entitled, "An Act To Further Promote Entrepreneurship By Strengthening, Empowering And Enhancing The Financing Programs For Micro, Small And Medium Enterprises, Amending For The Purpose of Republic Act No. 6977, As Amended, Otherwise Known As The Magna Carta For Small Enterprises and For Other Purposes", introduced by Representative Maximo B. Rodriguez, Jr. which seeks to amend Republic Act No. 9501 or the Magna Carta for Micro, Small and Medium Enterprises (MSMEs) to strengthen and enhance the financing programs for MSMEs.

1. Under **Sec. 3:** If still applicable, include the number of employees in the definition of MSMEs in accordance with the number of employees per Philippine Statistics Authority (PSA) as stated below:

Micro: 1 - 9 employees

Small: 10 - 99 employees

Medium: 200 or more employees

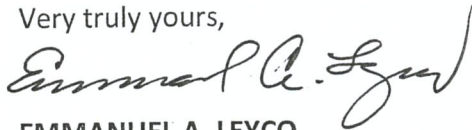
2. Under **Sec. 9:** Strengthen coordination with the Credit Information Corporation and the Department of Information and Communications Technology (DICT) to provide technical assistance needed in the information and communications technology infrastructure.
3. Under **Sec. 18:** The Department has reservations in the proposed provision. First, MSMEs are businesses while Conditional Cash Transfer (CCT) beneficiaries are indigent households. CCT's objective is basically to improve the health and education outcomes of these households. CCT is not for capital creation for business but for households.

Second, it should be noted that cash transfer/grants are line items that cannot be easily re-aligned to trust fund unless a separate fund indicating such purpose is mentioned in the proposal.

Third, beneficiaries are already supported by the Department through the Sustainable Livelihood Program (SLP) which is a separate program that complements the Pantawid Pamilyang Pilipino Program and Modified Conditional Cash Transfer Program. The SLP caters to Listahanan-identified poor households, which prioritizes Pantawid Pamilya beneficiaries, and helps them to acquire the necessary assets to engage in and maintain thriving livelihood that help improve socio-economic conditions.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Emmanuel A. Leyco". The signature is fluid and cursive, with the first name being the most prominent.

EMMANUEL A. LEYCO

Undersecretary and Officer-in-Charge