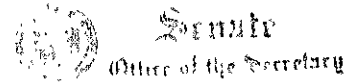


SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)



15 APR 16 P2:39

SENATE
P. S. R. No. 1281

OFFICE OF THE SECRETARY

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID
OF LEGISLATION, ON THE REPORTED NEED TO REVIEW THE PLAN TO PRIVATIZE
COCO LEVY ASSETS

WHEREAS, the Constitution, Article 2, Section 18 provides: "The State affirms labor as
a primary social economic force. It shall protect the rights of workers and promote their
welfare";

WHEREAS, Presidential Decree No. 276, item number 1, paragraph (a) states that:

A levy, initially, of ₱15.00 per 100 kilograms of copra resecada or its
equivalent in other coconut products, shall be imposed on every first sale...

The proceeds from the levy shall be deposited with the Philippine National
Bank or any other government bank to the account of the Coconut Consumers
Stabilization Fund, as a separate trust fund which shall not form part of the
general fund of the government;

WHEREAS, the *Philippine Daily Inquirer* on 21 March 2015 reported that coconut
farmers' groups opposed President Benigno Aquino III's plan to privatize the estimated ₱73
billion coconut levy funds;

WHEREAS, President Benigno Aquino III reportedly signed on March 18 Executive
Order No. 179 and Executive Order No. 180, ordering the sale of all coco levy assets to raise
funds for the improvement of coconut farm productivity, boost coconut farmers' income,
strengthen coconut farmers' organizations and ensure a balanced and sustainable growth of the
coconut industry;

WHEREAS, according to Presidential Commission on Good Governance (PCGG) Chair
Andres Bautista, the coco levy assets to be covered comprise about ₱73 billion in cash held by

1 the treasury from the settlement of the disputed San Miguel Corp. shares and about ₱10 billion in
2 stock and other noncash assets of the United Coconut Planters Bank (UCPB) and the Coconut
3 Industry Investment Fund (CIIF) oil mill group;

4 WHEREAS, Nestor Villanueva, spokesperson for Coco Levy Funds Ibalik sa Amin
5 (CLAIM), reportedly said that the privatization will completely diminish and deny small coconut
6 farmers their legitimate claim over coco levy-funded assets and corporations, and that there is no
7 guarantee that small coconut farmers would benefit from the proceeds;

8 WHEREAS, according to Janseph Geronimo, spokesperson for the Kilusan Para sa
9 Tunay na Repormang Agraryo at Katarungang Panlipunan (Katarungan), the farmers have been
10 pushing for the creation of a coconut farmers trust fund from the levy funds, which could be used
11 for substantial programs to uplift the plight of millions of small coconut farmers;

12 WHEREAS, there is a need to democratize the development of state policies pertaining to
13 the coconut industry through consultation with the various stakeholders in the coconut industry –
14 the tenant-farmers, the landowners, copra traders, oil millers, and exporters of coconut by-
15 products in order for legislators to craft a more effective legislation;

16 WHEREFORE, BE IT HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct
17 the proper Senate committee to conduct an inquiry, in aid of legislation, on the reported need to
18 review the plan to privatize coco levy assets.

Adopted,


MIRIAM DEFENSOR SANTIAGO
FP

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