



Republic of the Philippines  
**QUEZON CITY COUNCIL**  
Quezon City  
19<sup>th</sup> City Council

PR19CC-351

24<sup>th</sup> Regular Session

RESOLUTION NO. SP- **5938**, S-2014

**A RESOLUTION AUTHORIZING THE CITY MAYOR, HONORABLE HERBERT M. BAUTISTA, TO ENTER INTO A MEMORANDUM OF AGREEMENT (MOA) FOR AND IN BEHALF OF THE CITY GOVERNMENT WITH THE BANGKO SENTRAL NG PILIPINAS (BSP) AND OTHER CONCERNED STAKEHOLDERS FOR THE ESTABLISHMENT OF THE QUEZON CITY CREDIT SURETY FUND, APPROPRIATING THE NECESSARY FUNDS THEREOF, AND FOR OTHER PURPOSES.**

*Introduced by Councilors JOSE A. VISAYA and MARIVIC CO-PILAR.*

*Co-Introduced by Councilors Ricardo T. Belmonte, Jr., Dorothy A. Delarmente, Precious Hipolito Castelo, Roderick M. Paulate, Ramon P. Medalla, Estrella C. Valmocina, Franz S. Pumaren, Jaime F. Borres, Jesus Manuel C. Suntay, Julienne Alyson Rae V. Medalla, Godofredo T. Liban II, Andress Jose G. Yllana, Jr., Diorella Maria G. Sotto, Rogelio "Roger" P. Juan, Melencio "Bobby" T. Castelo, Jr., Donato C. Matias and Ricardo B. Corpuz.*

*WHEREAS, the Bangko Sentral ng Pilipinas (BSP) developed the Credit Surety Fund Program, a multi-sectoral credit enhancement scheme at the provincial and city level that aims to provide surety cover for bank loans of micro small and medium enterprises (MSMEs);*

*WHEREAS, the said scheme was conceptualized because eighty percent (80%) of the MSMEs demand for credit is not served due to lack of collaterals, credit knowledge, and credit track records. The said scheme is expected to increase credit flows to the MSME sector, which comprise ninety nine percent (99%) of all registered firms in the country, and eventually enable the said sector to improve its impact on the economy;*

*WHEREAS, the Credit Surety Fund will be created through the pooling of contributions of: }*

- a. At least five (5) cooperatives and/or NGOs operating in the locality;
- b. the local government unit, and
- c. the three (3) partner/donor institutions of the BSP – the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), and the Industrial Guarantee and Loan Fund (IGLF);

WHEREAS, the Quezon City Government affirms that facilitating credit flows to MSME members of cooperatives will generate a positive impact to the local economy through the:

- a. generation of higher income levels for cooperative members-constituents;
- b. creation of employment opportunities for constituents; and
- c. generation of additional revenues for the City in form of taxes and fees due to the increase in economic activities;

WHEREAS, the Quezon City Government recognizes that the establishment of a Quezon City Credit Surety Fund Program is a long term, sustainable mechanism that is consistent with the City's poverty alleviation initiatives. Moreover, this method of assistance to develop cooperatives and MSMEs in the City as mandated in the Local Government Code is done through viable partnerships with different stakeholders, all of whom will benefit from the said program;

WHEREAS, the Quezon City Government, various city-based cooperatives, and other concerned stakeholders have agreed to initiate the creation of the Quezon City Credit Surety Fund, which shall consist of all funds contributed as well as the earnings thereof;

WHEREAS, the Quezon City Government has committed to provide the counterpart contribution to the fund in the amount of Five Million Pesos (Php5,000,000.00) from the funds of the Office of the Mayor;

WHEREAS, additional counterpart contributions may be made by the Quezon City Government subject to the viable operations of the program upon the evaluation of the Finance Committee, as well as the availability of funds from the Office of the City Mayor. ✕

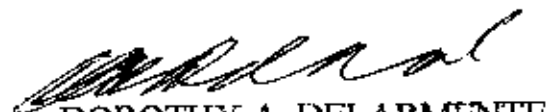
  

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF QUEZON CITY IN REGULAR SESSION ASSEMBLED, to authorize, as it does hereby authorize the City Mayor, Honorable Herbert M. Bautista, to enter into a Memorandum of Agreement (MOA) for and in behalf of the Quezon City Government, with the Bangko Sentral ng Pilipinas (BSP) and other concerned stakeholders for the establishment of the Quezon City Credit Surety Fund with an initial counterpart amounting to Five Million Pesos (Php5,000,000.00).

RESOLVED, FURTHER, that a copy of this Resolution be given to the BSP Governor, Amando M. Tetangco Jr., and the other stakeholders for their information, reference and appropriate action.

ADOPTED: March 24, 2014.


  
DOROTHY A. DELARMENTE  
President Pro-Tempore  
Acting Presiding Officer

ATTESTED:

  
Atty. JOHN THOMAS S. ALFEROS III  
City Gov't. Asst. Dept. Head III

CERTIFICATION

This is to certify that this Resolution was APPROVED by the City Council on Second Reading on March 24, 2014 and was CONFIRMED on May 26, 2014.

  
Atty. JOHN THOMAS S. ALFEROS III  
City Gov't. Asst. Dept. Head III