

DEPARTMENT ORDER NO. 05 (27 JUN '98)
(Series of 1998)

AMENDING CERTAIN PROVISIONS OF DEPARTMENT ORDER NO. 26, SERIES OF 1995, ENTITLED INTEGRATED GUIDELINES FOR ACCESSING TO FUNDS OF THE WORKERS ORGANIZATION AND DEVELOPMENT PROGRAM.

To further facilitate the implementation of the Workers Organization and Development Program (WODP), certain provisions of Department Order No. 26, Series of 1995, are hereby amended as follows:


SECTION 1. Article VI, Paragraph B of the Order is hereby amended as follows:

"B. Creation and upgrading of Libraries. Library assistance shall either be for the creation of a new workers' library, or the upgrading of an existing one.

"The maximum amount of grant in the creation of a new library shall be Two Hundred and Fifty-Thousand Pesos (P250,000.00), at least Two Hundred Thousand Pesos (P200,000.00) of which must be used for the acquisition of library materials, which include books, research and information materials including computerized systems or software relevant to labor concerns; provided, that the workers organization shall set up a suitable and accessible venue for the library; provided further, that the workers organization shall be responsible for overhead expenses, including salaries of personnel who will manage and run the library; and provided finally, that an amount not exceeding fifty-thousand pesos (P50,000.00) out of the total grant may also be used for the construction, improvement or acquisition of physical facilities, including chairs, tables, shelves and cabinets."

"The maximum amount of grant in the upgrading of an existing library shall be Fifty Thousand Pesos (P50,000.00), all of which must be used exclusively for the acquisition of library materials.

"A workers' organization may be granted assistance for the creation of a new library only once in its organizational life. Upgrading assistance may be granted to a workers' organization only once a year, provided that no workers' organization may be allowed such assistance for more than two consecutive years."



SECTION 2. Article VI, Paragraph C of the Order is hereby amended as follows:

✓ "C. Scholarship grants shall either be for long-term or for short-term courses.

"A. A long-term course is one offered or intended to be offered on a regular or periodic basis to the general public by an educational or training institution which entitles the beneficiary to earn academic/vocational credits/units, and the completion of which requires academic or training work equivalent to at least the normal load of one regular semester. A scholarship grant for a long-term course may be awarded to a member of a workers' organization for a maximum of four (4) semesters or its equivalent, to enable such member 1) To take up a technical or vocational course; 2) To complete a bachelor's degree; or 3) To take up a masteral degree or complete a post-graduate degree.

"A short-term course is one offered or intended to be offered on a regular or periodic basis to the general public by an educational or training institution which does not entitle the beneficiary to academic/vocational credits/units. A short-term course includes review classes for a professional or board examination.

"Any member or officer of a workers' organization desiring to avail himself of assistance for a long-term or short-term course shall be subject to the following requirements:

- 1) He must be an officer/member in good standing;
- 2) For a long-term course, he must not have been a recipient of any previous assistance for a long-term course; for a short-term course, he must not have previously undergone through the WODP the same or similar course being applied for;
- 3) He must be recommended by the president and at least two officers of the organization;
4. He must not be over forty (40) years of age;
5. He must pass the screening and selection process of the DOLE and the educational or training institution in which he intends to enroll. For this purpose, the appropriate DOLE implementing agency may allow enrollment only in those educational or training institutions with established reputation and proven track record in their fields of specialization; and

6. The workers' organization to which he belongs must guarantee that upon completion of the semester, term or course in which he is enrolled, he shall submit a true copy of his grades or certificate of attendance or completion, as the case may be, to the appropriate DOLC implementing agency.

"For a long-term course, the individual beneficiary must enroll in successive semesters, unless the appropriate implementing agency allows otherwise for justifiable grounds other than academic deficiency. The individual beneficiary must satisfy all the academic requirements of the subjects in which he was previously enrolled as a condition precedent to further assistance in succeeding semesters.

"For both long-term and short-term courses, the number of scholars from one workers' organization shall not exceed five (5) at any given time. It shall be the responsibility of the appropriate DOLE implementing agency to determine which course is best suited to a particular organization. For this purpose, it may deny any application for scholarship for absence of any showing that the course will redound to the benefit of the organization to which the scholar belongs.

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"The schedules of the maximum allowable amounts of grants shall be as prescribed in memorandum circular no. _____, dated _____ February 1998. Thereafter, the amount may be adjusted not oftener than once every school year by the Bureau of Labor Relations, in accordance with the prevailing tuition fee rates of reputable educational institutions and with reasonable increases in incidental expenses.

SECTION 3. Article VII, Paragraph A of the Order is hereby amended as follows:

"A. Uniform provisions. Unless the context provides otherwise, the following provisions shall apply to every loan assistance for entrepreneurship, whether through the WE, GED or WEED:

"X X X X.

"3. Amounts of assistance. - Amounts of assistance shall be subject to the following ceilings:

"a) WE projects. For each trade union center, federation, or national union, the maximum loanable amount shall be 1.5 million pesos.

For each local/chapter or independently registered union, the maximum loanable amount shall depend on the size of union membership, as follows:

| | | |
|----------------------|---|-------------|
| Less than 20 members | = | P100,000.00 |
| 20 TO 50 members | = | 200,000.00 |
| Over 50 members | = | 300,000.00 |
| Over 100 members | = | 400,000.00 |
| Over 300 members | = | 500,000.00 |

"b) **GED** and **WEED** projects. For each rural or women workers' organization, the maximum loanable amount shall be P300,000.00. The aggregate amount of funds each beneficiary can avail of shall be determined on the basis of the project requirements as reflected in the project proposal but in no case shall exceed P300,000.00.

"Amounts relented by the workers' organization to its individual members, whether through **WE**, **GED** or **WEED**, shall depend on the nature of the project of each individual member. The nature or description of the individual projects and the amount relented under such projects shall be part of the periodic reports required under these guidelines to be submitted by the beneficiary organization to the implementing agency.

" x x x x.

"7. Interest rates. - The workers' organization shall pay to the DOLE an annual interest of 6%, based on the diminishing balance of the loan.

"Where the workers' organization relends the whole or part of the loan proceeds to its affiliates or individual members, the interest rate for the relented amount shall not exceed 18 % per avancement, based on the diminishing balance of the loan.

"8. Collateral/Chattel mortgage.- All assets acquired with the loan proceeds shall stand as collateral for the loan, with the beneficiary being under an obligation to execute the appropriate deed or document from the time the loan or a portion thereof is received by him. The appropriate DOLE implementing agency may require the workers' organization to put up additional security, collateral or surety for the loan.

"9. Rebates/Penalties. - A 1% rebate shall be given for prompt payment for every scheduled amortization. However, if there is a delay in payment, a 2% penalty a month shall be charged on the amount due. Payment shall be considered delayed if not made on or before the scheduled date of payment.

"x x x x."

SECTION 4. Article VIII, Paragraph A, sub-paragraph 2 and Paragraph B, sub-paragraph 2 are hereby amended as follows:

"A. Filing and processing of applications.

"x x x x.

"2. Venue for filing/processing. - a) Applications of trade union centers, federations and national unions shall be filed with and processed by the Bureau of Labor Relations (BLR).

"Applications of independent unions and locals/chapters shall be filed with and processed by the Labor Relations Division (LRDs) in the Regional Offices where these organizations principally operate or alternatively with the BLR.

"x x x.

"B. Approval of Applications

"1. Project proposals amounting to P500,000.00 or less shall be approved by the appropriate Bureau/Regional Director.

"2. Project proposals amounting to more than P500,000.00 shall be approved by the Secretary of Labor and Employment."

SECTION 5. These Guidelines shall supersede the pertinent provisions of Department Order No. 26, Series of 1995, and shall take effect immediately. All other provisions of Department Order No. 26 which are not inconsistent herewith shall remain in full effect.

Manila, Philippines, 27 February 1998.


CRESENCIANO B. TRAJANO
Secretary