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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 496



Introduced by **Hon. Arthur "Dodo" Y. Pingoy, Jr., M.D.**

Explanatory Note

In view of current initiatives to institute reforms in the country's debt policy and effectively extricate the country from the vicious debt trap, it is of equally crucial importance that Congress must wield an active role not only in the determination of substantive areas in debt policy and management but also in its regular negotiations with the country's creditors on all matters pertaining to the nation's national debt.

For many decades now, Congress has continuously abdicated in the exercise of its exclusive power of appropriation and in its role as the highest policymaking of the land to the detriment not only in the shaping and determination of our country's debt policy and management but as well as in the effective delivery of basic social and health services for the Filipinos.

This bill lays a vital component for Congress to assert what is rightfully and constitutionally vested in the institution in the exercise of such powers and in this case, in the realm of contracting loans for the country's development and ensuring that the country's interests are protected.

This legislative initiative, thus, calls for a more active participation of Congress in the contraction of loans in the name of the national government and the negotiations of all matters related to it. It must be stressed that this bill does not accord a complete and total control, as the expertise and competence of our finance experts in the executive branch will continue to be considered and harnessed in all aspects of this governmental performance and endeavor. Its actions and decisions will always entail a collegial and centralized deliberation in accordance with traditional and broadly accepted rules of procedure inherent in all policymaking bodies of government.

Such high-level partnership among the two branches of government will effectively preclude possible intrusions by either branch, if not an overlapping or a collision, in the exercise of its own policymaking powers specifically in pushing for debt reforms. No undermining or encroachment of either's domain will take place. In fact, it will necessarily promote greater cooperation and efficiency of the national government as it tries to usher in out a more favorable policy environment to introduce all the desired reforms in the management of our country's debt.

Although this initiative may be easily carried out by a mere executive fiat or a presidential directive, it may also be momentarily set aside or even wholly dispensed with by the Executive on a mere whim, political pressures and political contingencies and even by the prodding of big lending institutions.

It is, therefore, my humble submission that a clear-cut policy must be put in place and firmly entrenched in our statutes which will secure the active involvement of Congress in any governmental decision regarding any increase in our foreign borrowings and in all matters relating to our country's debt policy and management strategies.

Approval of this bill is therefore earnestly sought.

Arthur "Dodo" Y. Pingoy, Jr., M.D.

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AN ACT
CREATING THE JOINT LEGISLATIVE-EXECUTIVE NATIONAL DEBT COORDINATING
COUNCIL OF THE PHILIPPINES (NDCCP) TO ASSIST
THE NATIONAL GOVERNMENT IN INSTITUTING REFORMS AND
DIRECTIONS IN THE COUNTRY'S FOREIGN DEBT POLICY

Be it enacted by the Senate and House of Representatives in Congress of the Philippines assembled:

SECTION 1. Objectives and Principles. The need to arrest our mounting foreign debts and institute paramount reforms in the country's debt policy and management strategies shall be guided by the following objectives and principles:

(a) Any policy relating to our foreign debt service burden shall not be subordinated to the national goals of economic growth, poverty alleviation, promotion of employment and the delivery of basic social and health services;

(b) An institutional mechanism must be created that will ensure the cooperation and coordination between the executive and legislative branches of government in the formulation, implementation, monitoring and evaluation of foreign debt management strategies that may include debt reduction and debt relief options;

(c) Congress shall ensure that any matter relating to the foreign debt and policy directions regarding the same will not be contravened, delayed, diluted or undermined or in any manner affected by independent actions of the executive branch;

(d) Congress shall jointly represent the Government of the Republic of the Philippines in the negotiation of any matter concerning our foreign debt which includes the application of loans and its schedule of payments and other conditions as well as in the selection of options in maximizing the use of its proceeds and meeting any outstanding obligation;

(e) Continuing researches and studies on the foreign debt and its impact on national development goals must be promoted as well as nationwide consultations and public hearings on the foreign debt.

SEC. 2. There is hereby created a Joint Legislative-Executive Debt Coordinating Council (LEDDC) thirty (30) days after the effectivity of this Act which will adopt its own rules of procedure in the conduct of its meetings and decisions and all necessary matters in the pursuit of the aforementioned objectives and principles;

SEC. 3. Composition.--The Council shall be composed of eleven (11) members as follows:

- (a) Secretary of the Department of Finance;
- (b) Secretary of the Department of Budget and Management;
- (c) Director-General of the National Economic and Development Authority;
- (d) Head of the Bureau of Treasury;
- (e) Three (3) senators, one of whom is a member of the minority in the Senate and all to be designated by the Senate President;
- (f) Four (4) members of the House of Representatives, one of whom will come from the minority and another one from the party-list representatives and all to be designated by the Speaker of the House.

It will have one Chairman and one co-chairman who will be elected from among the members.

SEC. 4. *Term.*--The term of each member at the Council shall be coterminous with their term of office where they originally serve their functions and responsibilities in government. Once their appointment or designation is made, it can no longer be rescinded or recalled. In case of death, permanent disability, removal from office or resignation, an appointee or designated member can only serve the unexpired term of the one replaced.

SEC. 5. *Quorum.*--A majority of the members of the Council shall constitute a quorum for the conduct of business.

SEC. 6. *Staffing Support.*--The Council may call on any department, bureau, office and instrumentality of government for appropriate assistance.

SEC. 7. *Submission of Report.*--The Council shall submit to the President of the Philippines, the Senate president and the Speaker of the House an annual report of its activities, assessments and recommendations on the country's foreign debt policy and management strategies within thirty (30) days from the end of the last quarter of the year.

SEC. 8. Nothing herein shall preclude Congress from submitting a specific foreign debt policy.

SEC. 9. Any law, decree, order, rule or regulation which is inconsistent with or contrary to the provisions and purpose of this Act is hereby amended, modified or repealed accordingly.

SEC. 10. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,