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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 1664



Introduced by **HONORABLE IMELDA ROMUALDEZ MARCOS**

EXPLANATORY NOTE

This bill seeks to ensure the successful fulfillment of the Philippine Government's commitment to attain the Millennium Development Goals by setting up the structure and program that will identify gaps and shortcomings in existing programs and providing the institutions and resources that will be needed in response thereto.

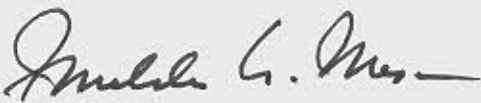
The Philippine Government is one of the United Nations member countries that committed to attain the eight-point Millennium Development Goals adopted at the 2000 UN Millennium Summit in Paris.

Pursuant to its commitment, the Philippine Government has pursued programs, projects, initiatives and activities that will enable it to meet the development goals it has committed to. Indications are these efforts would succeed better, more sustainably and permanently even after the 2015 deadline if necessary steps are taken to address shortfalls and shortcomings of existing efforts, particularly the adoption of called-for legislation, and setting up of necessary programs and institutions to fill the gaps and address the identified shortcomings.

This bill seeks to attain these needs by setting up the institution for this purpose and giving it the appropriate policy guidelines, powers, authorities, responsibilities and accountability to fulfill its assigned tasks and thereby help ensure that the Millennium Development Goals for the country to which the Government has committed itself to attain are indeed attained and institutionalized for sustainability and permanence beyond the 2015 MDG deadline.

To address the usual problems of inadequate resources, this bill seeks to mobilize some 10 billion dollars in a mutual fund subscription campaign till 2015 from Overseas Filipino Workers (OCW), in the **Bayan Mo, Bayan Ko, Mahalin Natin** fund campaign.

Given the urgency of the situation with 2015 looming within the next half-decade, immediate approval of this bill is earnestly recommended.


IMELDA ROMUALDEZ-MARCOS
Representative
2ND District, Ilocos Norte

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Introduced by **HONORABLE IMELDA ROMUALDEZ-MARCOS**

AN ACT
CREATING THE PHILIPPINE MILLENNIUM DEVELOPMENT FUND,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* This Act shall be known as the "Philippine Millennium Development Fund Law of 2010".

SECTION 2. *Declaration of Policy.* It is hereby declared the policy of the State:

(a) To promote and attain the welfare of its people as specified in the Philippine Constitution in all areas of national life;

(b) To fulfill its national obligations as a responsible member of the family of nations by its membership in the United Nations; and

(c) To attain the commitments it has made to the Millennium Development Goals To which it committed when it attended and ratified the 2000 UN Millennium Summit in Paris.

SECTION 3. *Creation of the Philippine Millennium Development Fund.* To carry out the above-declared State policy, there is hereby created the Philippine Millennium Development Fund, also referred to herein as the Fund.

The Fund shall be a body corporate, with principal office in Metro Manila, but Its Board may hereafter establish branches/offices elsewhere in the Philippines or in any foreign country as it shall deem necessary.

SECTION 4. *Sources of Funds.* – The Fund shall have the following sources of public and private funds:

- (a) Contributions from PAGCOR equivalent to FIVE HUNDRED MILLION PESOS (PhP500,000,000) annually;
- (b) Contributions from PCSO equivalent to ONE HUNDRED MILLION PESOS (PhP100,000,000) annually;
- (c) Proceeds from bonds and other investment fund subscription alternatives, such as but not limited to, a mutual fund subscription campaign exclusively targeting the OFWs, the Bayan Mo, Bayan Ko, Mahalin fund campaign.
- (d) Local and foreign donations, gifts, charities and similar joint undertakings; and
- (e) Global partnerships through bilateral and multilateral agreements with foreign states and international organizations.

SECTION 5. *Corporate Functions and Powers.* - The Fund shall have the powers and functions specified in this Act and the usual corporate powers:

- (a) To pursue the attainment of the Millennium Development Goals by 2015 and sustain and even improve the levels of achievement beyond said target year;
- (b) To catalyze public-private investment cooperation in Millennium development goal programs through joint venture projects and similar mode of cooperation;
- (c) To provide micro-finance livelihood initiatives through the rural banks, private development banks, credit cooperatives and other community-based financial conduiting;
- (d) To support local government projects on Millennium Development goals with special emphasis on barangay level self-sustaining education, health and livelihood projects;
- (e) To prepare a national strategy for barangay-based Millennium Development implementation plans utilizing CBMS and Geographic Information System (GIS);
- (f) To make policies and guidelines, as well as adopt, amend and rescind such rules and regulations as may be necessary to carry out the provisions and purposes of this Act;
- (g) To acquire, utilize, or dispose of, in any manner recognized by law, real or personal properties to carry out the purposes of this Act;
- (h) To set up its own accounting and computer systems; to conduct continuing statistical studies and valuations to determine the financial viability of the Fund and its projects; to require reports, compilations and analysis of statistical and economic data, as well as make such other studies and

surveys as may be needed for the proper administration and development of the Fund;

- (i) To have the power of succession; to sue and be sued; to adopt and use a separate seal;
- (j) To enter into and carry out contracts of every kind and description with any person, firm or association or corporations, domestic or foreign;
- (k) To borrow funds from any source, private or government, foreign or domestic;
- (l) To invest, own or otherwise participate in equity in any establishment, firm or entity; to form, organize, invest in or establish and maintain a subsidiary or subsidiaries in relation to any of its purposes;
- (m) To accept and/or grant, donations in any form, from/to any entity, private or government, domestic or foreign;
- (n) To acquire equipment, supplies, medical commodities (drugs, machines, etc), and raw materials by outright purchase or lease or rent from, as well as contract services or the undertaking or development projects to any person or entity, domestic or foreign, private or government, with or without bidding as the Board may deem reasonable and proper;
- (o) To issue bonds, promissory notes, debentures, certificates of indebtedness and other debt instruments in local and foreign currency; **provided** that the bonds, promissory notes, debentures, certificates of indebtedness and other debt instruments issued in local or foreign currency shall be at such interest rates, maturities and other terms and conditions as the Fund may determine; **provided further** that the debt instruments shall be fully exempt, both as the principal and interest, from any and all taxes imposed by the government or any of its subdivision; and **provided finally** that the debt instruments shall be fully negotiable and shall be unconditionally guaranteed both as to principal and interest by the Government of the Republic of the Philippines, which guaranty shall be indicated on the face thereof; and
- (p) To exercise such powers and perform such acts as may be necessary, useful, incidental or auxiliary to carry out the provisions of this Act.

SECTION 6. Board of Trustees. - The powers and functions of the Fund shall be exercised by a Board of Trustees composed of a Chairman to be appointed by the President of the Philippines from the private sector for a fixed term of six years, the incumbent President of the Rural Bankers Association of the Philippines, the incumbent President of the Governors League of the Philippines, the incumbent President Liga ng mga Barangay, and the Director-General, NEDA, the Secretary of Finance, the Secretary of DOLE, and the Executive Director of the Fund, as ex officio members.

The private sector members of the Board shall receive a *per diem* and reasonable transportation and representation allowance at par with other private financial institutions, while the government (ex officio) members shall receive per diem and reasonable transportation and representation allowance at par with other government financial institutions as may be provided for by the Board of Trustees.

SECTION 7. *Powers of the Board.* - The Board shall have the following powers:

- (a) To formulate policies, plans, projects, rules and regulations to carry out effectively the functions of the Fund under this Act;
- (b) To prescribe and amend the By-Laws of the Fund;
- (c) To direct operations, management and administration of the Fund;
- (d) To authorize expenditures of the Fund in the interest of effective administration and operations; to adopt from time to time the budgets for said purposes;
- (e) To approve appointments of personnel; fix and authorize payment of salaries, allowances, per diems, honoraria and other remunerations or emoluments of the members of the Board, Chairman, Executive Director, other officers and personnel; and
- (f) To exercise such other powers as may be necessary to carry into effect the powers and accomplish the purposes for which the Fund is established.

SECTION 8. *Rule-Making Power.* - The Board of Trustees is hereby authorized to make and change needful rules and regulations, which shall be published in accordance with law or at least once in a newspaper of general circulation in the Philippines, to provide for, but not limited to, the following matters:

- (a) The effective administration, custody, development, utilization and disposition of the proceeds from the investment/bond flotation component of the Fund or parts thereof, including payment of amounts credited to subscribers/investors or to their beneficiaries or estates;
- (b) Extension of coverage of the investment/bond flotation component of the Fund to other working groups;
- (c) Fund earnings and their distribution, investment and/or plowing back for the exclusive benefit of the subscribers/investors; and
- (d) Other matters that, by express or implied provisions of this Act, shall require implementation by appropriate policies, rules and regulations.

SECTION 9. *Powers and Duties of Chief Executive Officer.* - The Executive Director of the Fund shall execute and administer the policies and resolutions approved by the Board of Trustees, prepare its agenda and direct and supervise the operations and management of the Fund. Subject to the approval of the Board, said officer shall appoint and assign the personnel of the Fund, remove, suspend or otherwise discipline them for cause and prescribe their duties and qualifications. The Executive Director shall likewise represent the Fund in all dealings with offices, agencies and instrumentalities of the government and other entities, public or private, domestic or foreign.

SECTION 10. *Money Investments.* - All moneys of the Fund as are not needed to meet current administrative and operational requirements, shall be invested with due and prudent regard for its safety, growth and liquidity needs.

SECTION 11. *Tax Benefits.* - Notwithstanding any provisions of existing law, decree, executive or administrative order, rule or regulation to the contrary, the Fund and all its assets, collections, receivables and increments as well as all distributions therefrom, whether of contributions, ratable income of the Fund, or dividends paid or received by the subscribers/investors thereof, or their heirs/beneficiaries, shall be exempt from the payment of any and all forms of taxes, assessments and other charges, including but not limited to all charges imposed under the Tariff and Customs Code of the Philippines, all income taxes, all import duties, compensating taxes and advance sales tax, and wharfage fees on foreign goods imported for its operations. All such subscription/dividend payments shall not be liable to attachment, garnishment, levy or seizure by or under any legal or equitable process whatsoever, either before or after receipt by the persons entitled thereto.

SECTION 12. *Administration Costs.* - The Fund shall bear the costs of its administration and development, in such amounts and/or limits as the Board of Trustees may deem appropriate; **provided** that only the funds sourced from contributions of the PAGCOR and PCSO shall be utilized for this purpose.

SECTION 13. *Audit.* - The Chairman of the Commission on Audit shall act as the *ex-officio* auditor of the Fund and, accordingly, is empowered to appoint a representative and other subordinate personnel to perform and report on such audit duties, subject to the approval of the Board of Trustees and without prejudice to the power of the Board of Trustees to contract for another mode of independent audit service, in addition to that provided by the Commission on Audit.

SECTION 14. *Legal Counsel.* The Board of Trustees shall create the position of General Counsel who shall be the Legal Counsel of the Fund. The General Counsel shall furnish such legal opinions, advice, counsel and representation as shall from time to time, be required by the Board of Trustees. In the performance of these duties, the General Counsel shall coordinate with the Office of the Government Corporate Counsel and is hereby authorized to use the staff of the Fund, and with the approval of the Executive Director, to retain outside counsel in accordance with policies established by the Board of Trustees.

SECTION 15. *Reports.* The Fund shall submit annual report to the President of the Philippines, the Senate President and the Speaker of the House of Representatives within the first quarter of the year.

SECTION 16. *Sunset Review.* Every year after the effectivity of this Act, Congress shall conduct a sunset review to determine whether or not its performance, impact or accomplishment with respect to its mandates merits its continued existence. Such review shall be undertaken by the Special Committee on Millennium Development Goals and the Committee on Government Enterprises and Privatization of the House of Representatives and the Committee on Government Corporation and Public Enterprise of the Senate of the Philippines.

SECTION 17. *Separability Provisions.* If for any reason, any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remaining provisions not affected thereby shall continue to be in full force or effect.

SECTION 18. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,