

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
Third Regular Session

HOUSE BILL NO. **10713**



Introduced by Representative Michael L. Romero

EXPLANATORY NOTE

The **1987 Constitution** mandates the state to support a leading **source of policy research** and advice institute that is globally recognized that is an enabling partner of government in ensuring a better life for every Filipino through appropriate technology and standards, with adequate financial, and other support services.

The **Philippine Institute for Development Studies (PIDS)** serves as the Philippine government's primary socioeconomic policy think tank. Since its establishment, PIDS has been engaged in the conduct of policy-oriented studies to assist policymakers and planners in crafting development policies, plans, and programs that are based on sound research evidence. It has completed numerous studies on a wide range of development topics.

These studies have supported the Philippine government in the formulation of relevant policies and programs that are vital to attain inclusive and sustainable development. The Institute has also made significant contribution and influence to Philippine policy development through its active and close collaboration with Congress, government agencies especially the oversight offices (**National Economic and Development Authority (NEDA)**, **Department of Budget and Management (DBM)**, **Department of Finance (DOF)**), academic and research organizations, private sector, civil society, and international organizations. Its research outputs are widely disseminated through publications, seminars and conferences, knowledge databases, and social media.

Change, as it seems, is the inescapable destiny of the **PIDS**. But as history proves, whatever the nature of change brought about by national political events, the Committee manages to make it for the better.

This House Bill seeks to ensure, and help improve government operations, in partnership with stakeholders, for the benefit of the Filipino people.

This House Bill seeks to provide modernization to the **Philippine Institute for Development Studies (PIDS)**, to promote and hasten the imposition and implement laws, policies, plans, programs, projects, rules and regulations of the **NEDA**; and to provide efficient services to the Filipino people.

Thus, the early passage of this bill is earnestly requested.

A handwritten signature in black ink, appearing to read 'Michael L. Romero', with a long horizontal stroke extending to the right.

MICHAEL L. ROMERO Ph.D.

Republic of the Philippines
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AN ACT

PROVIDING FOR THE MODERNIZATION OF THE **PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES (PIDS)**, TO PROVIDE FORWARD-LOOKING, RESPONSIVE, AND EVIDENCE-BASED POLICY RESEARCH, ACTIONABLE ADVICE FOR THE FORMULATION OF DEVELOPMENT PLANS AND POLICIES, TO ENABLE INFORMED PUBLIC DISCOURSE IN THE COUNTRY 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 Institute for Development Studies (PIDS) modernization Act of 2024**.

SECTION 2. DECLARATION OF POLICY — It is a declared policy of the state in conformity with the mandate of the Constitution.

the state shall ensure to augment the formulation and implementation of policies, standards, rules and regulations, programs and projects for an integrated,

The **(PIDS)** is mandated to assess the vulnerabilities and risks, As the country's leading institution for policy-oriented research, **PIDS** responds to current and emerging challenges to national development. We provide forward-looking, responsive, and evidence-based policy research and actionable advice in the formulation of development plans and policies.

We enable informed public discourse by effectively communicating our research findings and recommendations.

We commit to:

- Professionalism, Integrity, Dedication, and Service orientation;
- Legal and ethical standards in the conduct and dissemination of policy-oriented research; and
- Continual improvement of our personnel, processes, and Quality Management System.

For these purposes, the state shall provide the mechanisms to improve facilities and programs by maximizing the use of all existing resources. recognizing in the process the government's responsibility to instill these **control mechanisms** as having priority over its other functions.

It is imperative that the state prioritizes and provides the appropriate tools, means and funding in order for the **(PIDS)** to perform its noble mandates.

To carry out its mandate, the Institute maintains three basic programs:

- a)** Research
- b)** Dissemination and Research Utilization and
- c)** Outreach

SECTION 3. AUTHORITY - No law shall be passed exempting any entity of the Government or its subsidiary in any guise whatever, or any investment of public funds, from the jurisdiction of the **PIDS**.

Section 31, Chapter 10, Title III, Book III of EO No. 292 (s. 1987) or the "**Administrative Code of 1987**," provides that the President shall have continued authority to reorganize the Executive Department in order to achieve simplicity, economy and efficiency.

Section 17, Article VII of the Constitution provides that the President shall have control over all the executive departments, bureaus and offices, and shall ensure that the laws are faithfully executed.

SECTION 4. CHARTER – PIDS is a nonstock, nonprofit, government research institution engaged in long-term, policy-oriented research. It was established on September 26, 1977 by virtue of Presidential Decree **(PD) No. 1201** as an agency attached to the National Economic and Development Authority **(NEDA)**, the Philippine government's socioeconomic planning arm, for policy and program coordination.

PIDS was created to serve as an effective means of bridging the gap between public policy formulation and research. Given the orientation and character of pure academic research, it was the government's goal to establish a national research institution that will perform policy-oriented research on all aspects of the Philippine economy and assist the government in formulating plans and

policies that are evidence based and fully responsive to the requirements of national planning and policymaking for national development.

SECTION 5. RESEARCH POLICY DEMANDS:

- A.** there is a present need for adequate research studies and materials properly oriented to the formulation of plans and policies relative to national development;
- B.** under the existing set-up, the demand for research studies are in part supplied by the research output of academic and other research institutions but these research efforts are not, however, fully responsive to the requirements of national planning and policy making;
- C.** research in the social sciences and economics under the existing set-up has given rise to the problem of the weakness of the link between public policy formulation and research because of the orientation and character of pure academic research;
- D.** an effective means of bridging this gap is to establish a national research institution that will perform policy-oriented research on all aspects of the Philippine economy and assist the government in formulating plans and policies for national development.

SECTION 6. POWERS AND FUNCTIONS. The Institute shall have the following powers:

- (a)** To adopt, alter and use a corporate seal;
- (b)** To collect, receive and maintain a fund or funds from government appropriations and from donations, grants, gifts, bequests, loans from domestic and foreign sources, and to apply the income and principal thereof to the promotion of its aims and purposes;

(c) To own, manage and hold such real and personal property as shall be necessary for the Institute's purposes;

(d) In furtherance of its purpose and objectives, to extend financial assistance to, and enter into contracts of every kind and for any lawful purpose, with any person, firm, association or corporation, domestic or foreign, or others in which it has a lawful interest;

(e) To invest its funds in such undertaking as it may deem wise or necessary to carry out its objectives; and

(f) In general, to do all such acts and things as may be necessary to carry into effect the provisions of this Decree.

SECTION 7. FEES OF RESEARCH FELLOWS AND ASSOCIATES. Any provision of law, rule or regulation to the contrary notwithstanding, the Institute is hereby authorized to engage researchers and other professional staff from other government offices and agencies to conduct specialized studies and research for the Institute. Those so engaged by the Institute shall be issued appointments as Research Fellows or Research Associates and shall be paid, as they are hereby authorized to be paid such fees as determined by the Board in addition to whatever compensation or emoluments, they are receiving in their respective mother offices or agencies.

SECTION 8. RESEARCH AND ADVISORY COUNCIL - The Institute shall have a **Research Advisory council** which shall be composed of personalities well-known in the field of research relevant to national development and may include foreign scholars. The Committee to be set up by the **Board of Trustees** shall have the following functions:

(a) To advise the Board on the selection of, and design of the methodology of research projects;

(b) Evaluation, announcement and publication of major research studies; and

(c) Advise the Board on such other research activities deemed necessary to meet the needs of national development.

SECTION 9. GRANTS - There is hereby established funds which shall be self-sustaining and shall consist of contributions, donations, grants, or loans from domestic and/or foreign sources, government subsidies and other income accruing from the operations of the Institute.

For the initial organizational and operational requirements of the Institute, there is hereby appropriated out of any fund in the National Treasury not otherwise appropriated the sum of five **(5)** hundred million pesos **(P500,000,000.00)**. Hereafter, funding for the operational activities of the Institute shall be generated by the Institute from earnings of this Fund.

SECTION 10. GOVERNMENT CONTRIBUTION TO RESEARCH FUNDING. There shall be included in the annual budget of the **NEDA** such sum as may be determined by the **NEDA Director General** as contribution in financing the research activities of the Institute. Other government agencies are hereby authorized to include in their respective annual budget such necessary amounts as their contribution to the funding of certain research activities of the Institute. These contributions shall be treated as distinct from the Endowment Fund and shall be managed under separate account.

The Institute shall submit to the Director General of the NEDA a work program with budget estimates for each calendar year, not later than November 25 of the preceding year.

Section 11. TAX EXEMPTION. - Any provision of law to the contrary notwithstanding, any donation, contribution, bequest, subsidy or financial aid which may be made to the Institute shall be exempt from taxes of any kind and shall constitute allowable deductions in full of the income of the donors or grantors for income tax purposes.

The Institute, its assets, acquisitions, income and its operations and transactions shall be exempt from any and all taxes, fees, charges, imports, licenses and assessments, direct or indirect, imposed by the Republic of the Philippines or any of its political subdivision

SECTION 12. SUPERVISING AND ASSESSMENT CONCERNS. — the **National Economic Development Authority (NEDA)**, shall provide the necessary technical and financial assistance to ensure effective operations and build-up.

SECTION 13. IMPLEMENTING AGENCY. — The **National Economic Development Authority (NEDA)**.

SECTION 14. IMPLEMENTING RULES AND REGULATIONS. — Within ninety **(90)** days from the effectivity of this Act, the **PIDS**, shall, in consultation with **DBM** and **DOF** concerned government and private agencies, promulgate the necessary rules and regulations to carry out the provisions of this Act.

SECTION 15. MODERNIZATION FUNDING. – The amount of Two Billion Pesos **(Php 2, 000,000,000.00)** for the operation and administration of the **Philippine Institute for Development Studies (PIDS)** shall be chargeable against funds for the purpose and other sources recommended by the **Department of Budget and Management (DBM)**.

The amount necessary for the initial implementation to fund this act shall be charged under the **National Economic Authority (NEDA)**.

Thereafter, appropriations for the **(PIDS)**, shall be included in the budget proposals under the annual **General Appropriations Act (GAA)**

The Department of Budget and Management **(DBM)** shall rationalize the existing organizational structure and staffing pattern of the **(PIDS)** in accordance with the prevailing provisions and relevant compensation and position classification laws, rules and regulations.

Thereafter, the amount needed for the continued implementation of the modernization program shall be included in the annual **General Appropriations Act (GAA)**.

SECTION 16. MODERNIZATION FUND – There is hereby created the **Philippine Institute for Development Studies (PIDS) Modernization Fund** to be used exclusively for the **(PIDS) Modernization** Program.

The **(PIDS)** Modernization Fund shall be administered by the **Director General** of the **NEDA** in accordance with existing government budgeting, accounting, and auditing rules and regulations.

SECTION 17. PROGRESS REPORT – The **Director General** of the **(NEDA)** shall prepare an annual report on the status of the implementation of the Modernization Programs which shall be submitted, to the Office of the **President**.

SECTION 18. INCREASE OF PERSONNEL. – The **(PIDS)** shall maintain a sufficient staffing pattern.

Hence, it is authorized to increase its manpower to meet such required and may continue to increase personnel per percentage rate increase of committed mandates annually or as the need arises.

SECTION 19. PERIOD OF IMPLEMENTATION – The modernization program under this Act shall be implemented for an initial period of three **(3)** years:

Provided, that payments for multi-year contract obligations incurred under this Act may extend beyond this period:

Provided, further, That the **(PIDS)** shall continue to develop, modernize and constantly update its operational capabilities to keep pace with best global practices.

SECTION 20. TRANSPARENCY - It is the duty of every citizen to preserve and conserve government transparency and all its resources. The retrieval and conservation of government transparency and its resources shall be vigorously pursued.

SECTION 21. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 22. PERIODIC REPORTS - The **Director General** of the **(NEDA)** shall submit periodic reports on its findings and make recommendations on actions to be taken by the Office of the President and other appropriate departments, in order to carry out the objectives and mandates of this Act.

SECTION 23. AUTOMATIC REVIEW - Every three **(3)** years after the effectivity of this Act, an independent review panel composed of experts to be appointed by the **President of the Republic** shall review the policies and implementation in the modernization program and shall make recommendations, based on its findings.

SECTION 24. PENAL CLAUSE. – Any person, whether natural or juridical, violating any section of this Act shall, upon conviction, therefore, be liable to a fine of not less than five hundred thousand pesos **(P500,000.00)** or imprisonment for a term not less than six **(6)** years, or both, at the discretion of the court for each and every violation.

In case the violation is committed by a corporation or an association, the penalty shall devolve upon the president, director, or any other officer responsible for such violation.

SECTION 25. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty **(60)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 26. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 27. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 28. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,