

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. **4736**

EXPLANATORY NOTE

This bill seeks to require the publication in two (2) national newspapers of general circulation within one (1) month after the signing of any foreign aid agreement.

Foreign aid has been defined as the international transfer of public funds in the form of loans or loans and grant either directly from one government to another (bilateral assistance) or indirectly through the vehicle of multilateral assistance like the World Bank.

The Philippines is a perennial recipient of foreign aid but even with such assistance, the country's development is still lagging behind those of many other nations in Southeast Asia. This simply reflects the unrealized supposed benefits of foreign aid. Among the reasons for the dismal result include poor institutional development, corruption, inefficiencies and bureaucratic failures in the developing countries.

Primarily, however, the lack of transparency in the disclosures of foreign aid granted to the country and the supposed beneficiary of the same is perceived as one of the main causes of the wastage in foreign aid. Even a NEDA study shows that the capacity of the Philippines to meet commitments based on the Paris Declaration on Aid Effectiveness by 2010 is "disturbing." The Paris Declaration is an international agreement endorsed by more than 100 ministers, heads of agencies and other senior officials on March 2, 2005. It commits the signatories to increasing efforts in harmonization, alignment and management of foreign aid, including official development assistance (ODA), using a set of actions and indications that can be monitored. Of the nine indicators mentioned in Paris Declaration, the Philippines has so far achieved the 2010 target for only one indicator, that of coordinated capacity development.

Considering the present allegations of misuse or non-use of foreign aid, it is high time that the government shows transparency in the utilization of foreign aid. This bill, requiring publication of the foreign aid agreement upon its signing is a step in this direction.

In view of the foregoing, approval of this bill is earnestly sought.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

REQUIRING THE PUBLICATION OF ANY FOREIGN AID AGREEMENT WITHIN ONE MONTH AFTER THE SIGNING THEREOF IN TWO NATIONAL NEWSPAPERS OF GENERAL CIRCULATION

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

SECTION 1. Any agreement on foreign aid, whether loan or loan and grant, shall be published within one (1) month after the signing thereof in two (2) national newspapers of general circulation. The publication shall include the agreement itself, the country or organization which is the source of the foreign aid, the amount involved, the beneficiaries thereof, the project or program covered, and the conditional ties attached thereto.

SEC. 2. The Director General of the National Economic Development Authority (NEDA) shall be responsible for the publication mandated by this Act.

SEC. 3. Any agreement on foreign aid which does not comply with the provisions of this Act shall be of no force and effect and shall not bind the government to the terms of the agreement nor shall the government be bound to pay the amount of the obligations covered therein.

SEC. 4. Within sixty (60) days after the effectivity of this Act, the Director General of the NEDA shall issue rules and regulations that may be necessary to implement the provisions of this Act.

SEC. 5. All laws, decrees, orders, rules and regulations, and other issuances, inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 6. This Act shall take effect fifteen (15) days after publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved,