



SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Second Regular Session )

14 SEP -4 P 1 :40

SENATE  
P. S. R. No. 896

RECEIVED BY: *f*

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE COA AUDIT REPORT THAT ₱660 MILLION DISBURSEMENT ACCELERATION PROGRAM FUNDS THAT WERE GIVEN TO THE PHILIPPINE INSTITUTE FOR DEVELOPMENT STUDIES MEANT TO BOOST THE ECONOMY REMAIN UNSPENT OR UNACCOUNTED FOR

WHEREAS, the Constitution, Article 2, Section 27 provides: "The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption";

WHEREAS, Section 28 of the Constitution also states: "Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest";

WHEREAS, the *Philippine Daily Inquirer*, in its 3 September 2014 issue, reported that the Commission on Audit (COA) has raised red flags on the use of ₱660 million from the Disbursement Acceleration Program (DAP) that was given to the Philippine Institute for Development Studies (PIDS), a government think tank, saying that the huge sums meant to boost the economy remained either unspent or unaccounted for;

WHEREAS, the PIDS is a nonstock, nonprofit state corporation that provides research papers and studies to help the government in national planning and policy-making; it was created in 1977 by virtue of Presidential Decree No. 1201;

WHEREAS, according to the 2013 annual audit COA report, ₱213 million of DAP funds granted to the PIDS from 2011 to 2012 remained dormant in Landbank deposit accounts;

WHEREAS, the COA also reported that the PIDS had failed to account for ₱297 million in channeled funds to government schools, universities, and colleges (SUCs);

WHEREAS, the COA also reportedly said that even the ₱100 million in DAP funds that the PIDS, an attached agency of the National Economic and Development Authority (NEDA), was able to spend for real estate turned out to be problematic;

WHEREAS, a blueprint of the agency's research program called the PIDS Research Agenda is updated every five years to respond to emerging economic and social issues; the areas added in the new master plan for 2010 to 2014 include geopolitics, metropolitan issues, infrastructure, industrial policies, and conditional cash transfer;

WHEREAS, according to the COA report, the utilization of the ₱560 million from the DAP granted to the PIDS and the Commission on Higher Education (CHED) to fund various research, development, and extension projects did not accelerate spending as envisioned in the DAP; this means that the expected amount that should have flowed as stimulus to boost the economy remained in the possessions of these agencies;

WHEREAS, the *Inquirer* reported that the PIDS requested the funds and it tapped the CHED as a conduit for the deployment of the bulk of these funds—P536 million for distribution to 49 research projects in 25 SUCs; however, the COA said that of the amount given to the CHED, P309.79 million was released as of end-2013, with P194.2 million left unused;

WHEREAS, Socioeconomic Planning Secretary Arsenio Balisacan, PIDS chair and director general of the NEDA, reportedly said that the use of the P300 million in question was aboveboard;

WHEREAS, according to Balisacan, the PIDS has not actually utilized all the funds yet and some of these funds will spill into 2015;

WHEREAS, the COA reportedly asked the CHED to fully account for some P2.4 million in interest income from the money kept in a bank account for one-and-a half years, saying that aside from the check number in the CHED report, no documents acknowledging the receipt of fund by each SUC was submitted;

WHEREAS, according to the COA, the PIDS also failed to submit the copies of the agreements between CHED and SUCs on the use of the DAP funds;

WHEREAS, the COA noted that it would have been more appropriate for the PIDS to have had a copy of these individual agreements since it is the institute primarily responsible for the DAP fund, having received the full amount directly from the Department of Budget and Management;

WHEREAS, the COA report said that the PIDS used only P36.764 million, or 66 percent, of the P56 million left in its coffers, with the balance of P19.235 million still untouched as of 2013;

WHEREAS, the COA has reportedly ordered the PIDS to return the interest earned from the idle funds but the PIDS claimed that these were deposits in noninterest-earning accounts;

WHEREAS, the COA, in addition, noted that the PIDS has made bad land investment using P100 million in DAP funds;

WHEREAS, the COA reported that the PIDS was granted P100 million in DAP funds for the purchase of a property in Quezon City from the National Housing Authority (NHA) in August last year to use the property for its own building; but the COA noted that the 2,580-square-meter property turned out to be the site of the sewage treatment facility of Philippine Children Medical Center (PCMC);

WHEREAS, the COA report stated that the hospital's eviction from the area has prompted widespread opposition, forcing the PIDS and the NHA to suspend the deal; it was learned that the PIDS management was aware of this situation and that prior to the sale, the head of PCMC was informed of the ongoing negotiation, and he raised no objection against the transaction;

WHEREAS, to resolve the problem, PCMC proposed to buy back the property from the PIDS but the COA noted that up to now, the DBM had yet to release funds to facilitate the deal;

WHEREAS, in its recommendations, the COA suggested that the NHA replace the PCMC lot with another property of equal value and within the same vicinity and request the DBM to return PIDS' P100 million to be deducted from PCMC's annual subsidy;

WHEREAS, the COA also asked the PIDS to speed up the use of the DAP funds; urge the CHED to force the SUCs to submit a liquidation report; suspend DAP releases to SUCs that have not yet used up their initial allocations; and return the unused DAP funds to the National Treasury, including the interest earned on the idle funds;

WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED BY THE PHILIPPINE SENATE to direct the proper Senate committee to conduct an inquiry, in aid of legislation, on the COA audit report that ₱660 million Disbursement Acceleration Program funds that were given to the Philippine Institute for Development Studies meant to boost the economy remain unspent or unaccounted for.

Adopted,

  
MIRIAM DEFENSOR SANTIAO  
PP

/mamt4Sept2014