16 <sup>TH</sup> CONGRESS OF THE REPUBLIC	)
OF THE PHILIPPINES	)
Second Regular Session	)

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## SENATE

COMMITTEE REPORT NO. 184

Submitted by the Committee on Finance on JUN 1 0 2015.

Re: P.S.R. No. 195

Recommending that it be archived

#### MR. PRESIDENT:

The Committee on Finance to which was referred P.S.R. No. 195, introduced by Senator Grace Poe, entitled:

"RESOLUTION **URGING** THE **APPROPRIATE SENATE** COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REGULATION AND USE OF NON-GOVERNMENT ORGANIZATIONS AND FOUNDATIONS IN QUESTIONABLE GOVERNMENT TRANSACTIONS IDENTIFIED RECENTLY BY THE COMMISSION ON AUDIT (COA) WITH THE INTENTIONS OF TIGHTENING THE PRESENT LAW **GOVERNING** NGOs, **MEANINGFULLY** HELPING **TRUE** TARGET BENEFICIARIES OF GOVERNMENT PROGRAMS AND HONORING THE PRINCIPLE OF INTEGRITY IN PUBLIC SERVICE"

has considered the same and has the honor to report it back to the Senate with the recommendation that it be archived considering that the participation of NGOs in the implementation of government projects shall be thru the modes of procurements of goods and services authorized under the Procurement Law, R.A. 9184. Preference for NGOs' participation in the implementation of government project will happen only if there is a law or ordinance that specifically allocates funds for projects to be implemented by NGOs. This will be covered by the Guidelines on Non-Governmental Organization Participation in Public Procurement issued by the Government Procurement Policy Board (GPPB) pursuant to R.A. 9184.

In addition, RA 10651, the 2015 General Appropriations Act also carries provisions that will ensure that the government agencies shall deal only with legitimate NGOs and that accountability of funds remains with the national government entities. Existing laws and guidelines, if strictly followed and implemented will be sufficient to address the concerns embodied in P.S.R. No. 195.

**G. ESCUDERO** Chairman, Committee on Finance

RALPH G. RECTO

Senate Président Pro-Tempore Chair, Finance Sub-Com "D"

LOREN B. LEGARDA

Chair, Finance Sub-Com "C"

SERGIO R. OSMEÑA III Chair Finance Sub-Com "B"

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**RALPH G. RECTO** 

Senate President Pro-Temporé

FRANKLIN M. DRILON

Senate President

# SIXTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

First Regular Session



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SENATE P.S. Res. <u>195</u>

RECEIVED BY:

Introduced by Senator Poe

### RESOLUTION

URGING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REGULATION AND USE OF NON-GOVERNMENT ORGANIZATIONS AND FOUNDATIONS IN QUESTIONABLE GOVERNMENT TRANSACTIONS IDENTIFIED RECENTLY BY THE COMMISSION ON AUDIT (COA) WITH THE INTENTIONS OF TIGHTENING THE PRESENT LAW GOVERNING NGOs, MEANINGFULLY HELPING TRUE TARGET BENEFICIARIES OF GOVERNMENT PROGRAMS AND HONORING THE PRINCIPLE OF INTEGRITY IN PUBLIC SERVICE

Whereas, the great Filipino hero Jose Rizal rightly summed up the correct relationship between the citizens and the government: "tal pueblo, tal gobierno" ("As the people are, so is their government");

Whereas, the 1987 Philippine Constitution provided landmark guides that government leaders are the servants of the people ---

- "Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives." (Art. XI, Sec. 1)
- "The State shall maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption." (Art. II, Sec. 27)
- "Subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full disclosure of all its transactions involving public interest." (Art. II, Sec. 28)

Whereas, many corrupt transactions have been exposed in the Senate and in media, but the climate of greed and impunity continue to permeate the bureaucracy and make a mockery of our laws, setting a bad example for the people, especially the youth and the impressionable minds;

Whereas, as reported, the corruption has become humongous that the amounts are no longer just in the millions but in the tens of billions of pesos and has become complex that non-government organizations and peoples' organizations are utilized to masquerade illegal activities;

Whereas, very recently, the Commission on Audit (COA) disclosed that the Department of Budget and Management (DBM) funneled Php 6.156 billion in the form of Priority Development Assistance Fund (PDAF) to questionable non-government organizations from 2007 to 2009 and that some of its conclusions are as follows:

- 1. Billions of pesos in pork barrel funds were anomalously disbursed and misused from 2007 to 2009:
- 2. Most of the NGOs utilized were managed or owned by the same persons;
- 3. That the list of beneficiaries were falsified, manufactured and names are unfairly used and were simply taken from the list of board and bar passers;

Whereas, the PDAF is a lump sum appropriation in the annual national budget intended for the various projects and advocacies of a legislator;

Whereas, the stories of misuse and mismanagement of government funds are happening at the time that hunger and poverty in the country are at a significant high: the latest survey indicated that 4.9 million families are experiencing hunger due to lack of food supply;

Whereas, the misused and mismanaged funds were to the detriment of countless Filipino farmers, fisher folks, agrarian reform beneficiaries, and other marginalized sectors who have been initially targeted as recipients of the PDAF allocation;

Whereas, in fairness to the present leadership, the administration is continuously embarking honest efforts to clean the bureaucracy with an improved latest ranking of the Philippines in Transparency Index (105<sup>th</sup> out of 176, December, 2012) and has approved a Good Governance and Anti-Corruption Cluster (GGAC) plan for 2012-2016, which includes measures aiming to promote transparency and accountability in government operations;

Whereas, this resolution is being submitted to condemn the wanton mismanagement of public funds but at the same time hopeful that justice will be eventually served, an honest and upright people can only have an honest and upright government: Now therefore be it

RESOLVED, BY THE SENATE OF THE PHILIPPINES, AS IT HEREBY RESOLVES, To Urge the appropriate Senate Committee/s to conduct an inquiry, in aid of legislation, on the regulation and use of non-government organizations and foundations in questionable government transactions identified recently by the Commission on Audit (COA) with the intentions of tightening the present law governing NGOs, meaningfully helping true target beneficiaries of government programs and honoring the principle of integrity in public service.

grace poe

Adopted,

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