

SEVENTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session

1

'16	DEC 13	P2 54

RECEIVED BY:

SENATE

)

)

)

P. S. R. NO. 253

INTRODUCED BY SENS. AQUILINO "KOKO" PIMENTEL III AND ANA THERESIA HONTIVEROS-BARAQUEL

RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEE TO INQUIRE, IN AID OF LEGISLATION, INTO THE FOREIGN LOANS CONTRACTED BY THE PHILIPPINE GOVERNMENT WITHIN THE LAST FIFTEEN YEARS THROUGH THE CONDUCT OF A DEBT AUDIT

WHEREAS, the Philippines has accumulated an external debt
 burden which now stands at 77 billion US Dollars as of June 2016. This
 is debt for which we are compelled to set aside a substantial portion of
 our annual budget, pursuant to our Automatic Appropriations Law;

WHEREAS, in the 2016 General Appropriations Act, 214.5
 Billion Pesos was allotted for debt servicing for foreign liabilities;

WHEREAS, out of this 214.5 Billion Pesos, around 3.78 Billion
 will go to interest and principal payments in connection with a number
 of questionable loan-funded projects as identified by Freedom from Debt
 Coalition (FDC), including: the Power Sector Development Program,
 Sixth Road (Tullahan), Pampanga Development Flood Control, Bohol
 Irrigation II, and Angat Water Supply Optimization;

WHEREAS, it is our duty to verify whether the loan agreements our country has entered into with international financial institutions are compliant with *Article VII*, *Section 20* and *Article XII*, *Section 21* of the *Constitution*, which requires the prior concurrence of the Monetary Board before the President may contract or guarantee foreign loans, and
whether these foreign loans are in accordance with the *Principles on Promoting Responsible Sovereign Lending and Borrowing* by the United
Nations Conference on Trade and Development (UNCTAD);

5 WHEREAS, our debt servicing policies have effectively diverted 6 money from health, education and social services financing;

WHEREAS, it is incumbent upon the Senate, in the exercise of its
 power of the purse, to ensure that public funds are appropriated and used
 properly;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY 10 **RESOLVED TO URGE THE PROPER SENATE COMMITTEE** 11 TO INQUIRE, IN AID OF LEGISLATION, INTO LOANS 12 CONTRACTED BY THE PHILIPPINE GOVERNMENT WITH 13 THE END IN VIEW OF CONDUCTING A DEBT AUDIT TO 14 VERIFY WHETHER THERE ARE ONEROUS FOREIGN LOAN 15 CONTRACTS ENTERED INTO BY THE GOVERNMENT AND 16 TO ENACT MEASURES TO ENSURE THE PRUDENT AND 17 PROPER USE OF FOREIGN LOANS, IN ORDER THAT THESE 18 LOANS MAY BENEFIT INSTEAD OF BURDEN THE FILIPINO 19 PEOPLE. 20

Adopted,

AQUILINO **"KOKO" PIMENTEL III**

ANA THERESIA HONTIVEROS-BARAQUEL