

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



Senate
Office of the Secretary

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SENATE

P. S. Res. No. 111

RECEIVED BY 

Introduced by Senator Ralph G. Recto

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATUS AND PROGRESS OF THE "BUILD, BUILD, BUILD PROGRAM," WITH THE END IN VIEW OF MITIGATING THE RISKS ASSOCIATED WITH ITS IMPLEMENTATION, ADDRESSING ISSUES THAT IMPEDE ITS PROGRESS, ENSURING THE REALIZATION OF ITS OBJECTIVES, AND SAFEGUARDING NATIONAL SECURITY AND PUBLIC INTEREST

1 WHEREAS, the 1987 Constitution mandates the State to "promote a just and
2 dynamic social order that will ensure the prosperity and independence of the nation
3 and free the people from poverty through policies that provide adequate social
4 services, promote full employment, a rising standard of living, and an improved quality
5 of life for all;"

6 WHEREAS, the 1987 Constitution spelled out the goals of the national economy
7 to include "a more equitable distribution of opportunities, income, and wealth; a
8 sustained increase in the amount of goods and services produced by the nation for
9 the benefit of the people; and an expanding productivity as the key to raising the
10 quality of life for all, especially the underprivileged;"

11 WHEREAS, President Rodrigo Duterte issued Executive Order No. 5 s. 2016,
12 adopting *Ambisyon Natin 2040* as the long-term vision of the Philippines, which
13 envisages the country as a prosperous, predominantly middle-class society where no
14 one is poor, and where smart and innovative people live long and healthy lives in a
15 high-trust society;

1 WHEREAS, the Philippine Development Plan 2017-2022 seeks to “lay a stronger
2 foundation for inclusive growth, a high-trust society, and a globally-competitive
3 economy,” to enable Filipinos to attain “*matatag, maginhawa at panatag na buhay*,”

4 WHEREAS, the acceleration of annual infrastructure spending to account for
5 five percent (5%) of the Philippine Gross Domestic Product (GDP), incorporated as
6 one of the “zero to ten-point socioeconomic agenda” of President Rodrigo Duterte,
7 was included as one of the strategies to achieve the Philippine development targets in
8 the medium term;

9 WHEREAS, this infrastructure initiative, labelled “Build, Build, Build Program,”
10 was seen to boost infrastructure development and usher in the “Golden Age of
11 Infrastructure” of the country in the medium term;

12 WHEREAS, the “Build, Build, Build Program” is intended to spur economic
13 development by investing on public infrastructure, boosting local employment, and
14 reducing the actual and opportunity cost of transportation;

15 WHEREAS, the Department of Finance revealed that the government intends
16 to spend US\$158 billion on the “Build, Build, Build Program” from 2017 to 2022;

17 WHEREAS, under the Public Investment Program 2017-2022, the government
18 will finance about 4,984 programs, projects and activities on transportation, water
19 resources, energy, social services, information and communications technology (ICT),
20 and other public infrastructure; as well as on housing, peace and security, and
21 environment protection and natural resources preservation;

22 WHEREAS, the National Economic Development Authority (NEDA) Board
23 approved the adoption of seventy-five (75) high-impact “Infrastructure Flagship
24 Projects” that “represent the major capital undertakings that the government will
25 implement within the medium term;”

26 WHEREAS, despite the noble intents of the “Build, Build, Build Program,” fiscal
27 and operational realities of program and project implementation may expose the
28 Philippine Government to a number of risks;

29 WHEREAS, noted economist Gerardo Sicat contended that the programs and
30 projects under the “Build, Build, Build Program,” may induce fluctuations in inflation
31 rates, interest rates and currency exchange rates, which in turn may cause inflated

1 public spending and impairment of government's ability to realize the benefits of its
2 programs and projects;

3 WHEREAS, the impaired absorptive capacity of government agencies and
4 unaddressed legal and bureaucratic bottlenecks may hinder the expedient
5 implementation of programs and projects and may cause unintended public sector
6 obligation in the form of commitment fees as in the case of sovereign-guaranteed
7 Official Development Assistance (ODA) programs and projects;

8 WHEREAS, the increased government reliance on foreign loans and
9 government-guaranteed undertakings may result in a "state of fiscal shock" wherein
10 the unforeseen and substantial government obligations put a strain on government
11 fiscal resources and impair the government's capacity to respond to fiscal and
12 economic predicaments;

13 WHEREAS, exposure of critical public infrastructure to foreign interests may
14 adversely impact on national security and public interest of the Philippines;

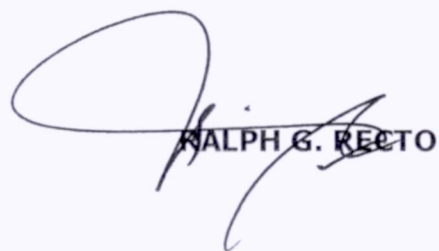
15 WHEREAS, the Philippine Development Plan 2017-2022 noted that there is a
16 need to not only intensify infrastructure spending, but also to address persistent issues
17 and challenges that hamper the implementation of infrastructure programs and
18 projects in the Philippines;

19 WHEREAS, addressing the issues and challenges of implementing the "Build,
20 Build, Build Program" is critical, given its cost to taxpayers and end-users, and its
21 impact on government operations and public welfare: Now, therefore, be it

22 RESOLVED BY THE SENATE, as it is hereby resolved, To direct the proper
23 Senate Committee to conduct an inquiry, in aid of legislation, on the status and
24 progress of the "Build, Build, Build Program," with the end in view of mitigating the
25 risks associated with its implementation, addressing issues that impede its progress,
26 ensuring the realization of its objectives, and safeguarding national security and public
27 interest.

Adopted,

/mdg



RALPH G. RECTO