


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

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SENATE

RECEIVED BY: 

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INTRODUCED BY THE HONORABLE MAR ROXAS

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A RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE CIRCUMSTANCES LEADING TO THE WORLD BANK'S DEFERMENT OF THE US\$232-MILLION LOAN TO THE PHILIPPINES DUE TO ALLEGED BIDDING IRREGULARITIES AND CORRUPTION, AS WELL AS THE GOVERNMENT'S RESPONSE TO THE SAME.

*WHEREAS*, in support of the Philippines's National Roads Improvement Management Program (NRIMP), the World Bank in 2000 approved a US\$150-Million loan to fund the implementation of the first phase of the NRIMP;

*WHEREAS*, by 2006, the World Bank was working for the second phase of the NRIMP, which would be funded by a new US\$232-Million loan, even amid allegations of overpricing and collusion in the biddings for the road projects during the first phase of the NRIMP;

*WHEREAS*, on 19 November 2007, the World Bank released a statement that it ordered the suspension of the US\$232-Million loan for the second phase of the NRIMP, thus affecting the government's infrastructure development plan;

*WHEREAS*, in its statement, the World Bank said it rejected two large road contracts between 2003 and 2006 because of strong signs of collusion and excessive pricing, which led to its own internal investigations unit, the Department of Institutional Integrity (INT), to launch an investigation of the project;

*WHEREAS*, the rejected contracts, worth around US\$33 million, representing about 10% of the total project cost, were never financed by the World Bank;

*WHEREAS*, the World Bank report is not a trivial matter considering the huge amount of trust funds earmarked for its Philippine program and the prominent role it plays in promoting anti-poverty programs throughout the world;

*WHEREAS*, as of August 2007, the World Bank's assistance program in the Philippines includes 23 active projects (21 project loans and two stand-alone Global Environment Facility (GEF) projects) with a total value of US\$1.28 Billion;

*WHEREAS*, World Bank lending for the Philippines is projected to reach US\$1.7 billion in FY 2008-2009;

*WHEREAS*, there is a need to tighten government bidding procedures, and institutionalize reforms to meet the highest standards of transparency and fairness to prevent a crisis crunch arising from such deferment of development loans;

*WHEREAS*, if allegations of malfeasance or misfeasance in relation to projects funded by the World Bank are true, then the Philippine government must not waste time in filing appropriate charges against those found guilty of rigging said project biddings;

*WHEREAS*, it is imperative that the Philippine government addresses this situation in a sober and systematic manner rather than being quick to put the blame on the alleged "internal row" among top officials of the World Bank;

*WHEREAS*, an inquiry in aid of legislation is necessary to ensure a systematic and transparent review of the processes and procedures related to these failed biddings and to help establish corrective measures that have been undertaken to subsequently lift the suspension of the loans' deferment;

***NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED***, that the Senate direct the appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the circumstances leading to the World Bank's deferment of the US\$232-Million loan to the Philippines due to alleged bidding irregularities and corruption, as well as the government's response to the same.

Adopted,

  
M A R Roxas  
Senator