



Republic of the Philippines
SENATE OF THE PHILIPPINES
Pasay City

 Senate
Office of the Secretary

12 JAN -9 P 3:42

Fifteenth Congress
Second Regular Session

12 JAN 2012 3:42 PM


P.S. Resolution No. 674

Introduced by **SENATOR FRANKLIN M. DRILON**

A RESOLUTION

DIRECTING THE SENATE OVERSIGHT COMMITTEE ON PUBLIC EXPENDITURES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED IMPROPRIETIES IN THE IMPLEMENTATION OF THE US\$21.9 MILLION JUDICIAL REFORM SUPPORT PROJECT BY THE SUPREME COURT, PARTICULARLY IN LIGHT OF A WORLD BANK REPORT RENDERING AN UNSATISFACTORY OPINION ON HOW THE FUNDS THEREIN WERE MANAGED AND DISBURSED, WITH THE END IN VIEW OF DETERMINING WHO THE ACCOUNTABLE PUBLIC OFFICIALS ARE, PRESERVING THE INTERNATIONAL CREDIT WORTHINESS OF THE NATIONAL GOVERNMENT, ITS BRANCHES AND INSTRUMENTALITIES AND INSTITUTING ENHANCED SAFEGUARDS IN FUTURE GENERAL APPROPRIATIONS MEASURES

WHEREAS, Section 1, Article XII of the 1987 Constitution mandates: "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;"

WHEREAS, Section 2, of RA 6713, otherwise known as "The Code of Conduct and Ethical Standards for Public Officials and Employees," provides: "It is the policy of the State to promote a high standard of ethics in public service. Public officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest;"

WHEREAS, on 2 October 2003, a US\$21.9 million loan was approved by the World Bank's Board of Executive Directors, to finance the Judicial Reform Support Project ("JRSP") to be managed by the Supreme Court ("SC"), with the end in view of (a) improving case adjudication and access to justice; (b) enhancing institutional integrity; (c) strengthening institutional capacity and (d) establishing support for the reform of the judicial system;

WHEREAS, there are reports that the World Bank ("Bank") recently rendered an opinion to the effect that since mid-2010, progress in attaining the development objectives of the JRSP and its implementation have been rated "unsatisfactory", with the fiduciary environment pertaining to the project deteriorating to a point that the JRSP has been rated "high risk" on project management, project procurement and financial management decisions;

WHEREAS, the Bank allegedly noted that several procurement of goods were undertaken without prior agreement and in some cases, even against the approval of

the Bank, resulting to the present situation wherein further expenditures must be undertaken only with the prior agreement of the Bank, in writing, and reflected in the agreed procurement plan;

WHEREAS, the Bank also reportedly stressed that the lack of appropriate segregation of duties of key Court Officials involved in the Project broke the control environment, increased fiduciary and reputational risks and led to irregular or inappropriate procurement and expenditure decisions;

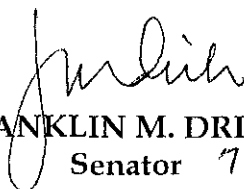
WHEREAS, the circumstances described above, if found true, could prejudice the standing and credit-worthiness not only of the Supreme Court, but the National Government as a whole, before such international financial institutions like the World Bank and curtail the inflow of much-needed loans and other monetary assistance;

WHEREAS, such loans like the arrangement granted to the Judiciary for the JRSP, constitute future financial drain on the limited monetary resources at the disposal of the government and determined annually by the Congress of the Philippines;

WHEREAS, there is a need to closely monitor the management and disbursement of such funds and institute improved safeguards in future general appropriation measures to prevent undue dissipation of the already limited government monetary resources; *NOW THEREFORE*,

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate direct, as it hereby directs, the Senate Oversight Committee on Public Expenditures to conduct an inquiry, in aid of legislation, on the reported improprieties in the implementation of the US\$21.9 million Judicial Reform Support Project, by the Supreme Court, particularly in light of a World Bank report rendering an unsatisfactory opinion on how the funds therein were managed and disbursed, with the end in view of determining who the accountable public officials are, preserving the international credit worthiness of the National Governments, its branches and instrumentalities and instituting enhanced safeguards in future general appropriation measures, and for other purposes.

Adopted,


FRANKLIN M. DRILON
Senator 7