

SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

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SENATE

RECEIVED

P. S. Res. No. 1026

Introduced by Senator Ralph G. Recto

A 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

WHEREAS, Article II, Section 9 of the 1987 Constitution mandates the State to “promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for allⁱ;

WHEREAS, Article XII, Section 1 of the 1987 Constitution spelled out the goals of the national economy to include “a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivilegedⁱⁱ;

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

WHEREAS, the Philippine Development Plan 2017-2022 seeks to “lay a stronger foundation for inclusive growth, a high-trust society, and a globally-competitive economy,” thus enabling the Filipinos to attain “*matatag, maginhawa at panatag na buhay*”^{iv};

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

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

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

WHEREAS, the Duterte Administration intends to spend around One Hundred Fifty Eight Billion Dollars (US\$158,000,000,000.00) on the “Build, Build, Build Program” within the period 2017 to 2022^{vi};

WHEREAS, the “Build, Build, Build Program” will finance about 4,984 programs, projects and activities on transportation, water resources, energy, social services, information and communications technology (ICT), and other public infrastructure; as well as on housing, peace and security, and environment protection and natural resources preservation^{vii};

WHEREAS, the NEDA Board approved the adoption of seventy-five (75) high-impact “Infrastructure Flagship Projects” that “represent the major capital undertakings that the government will implement within the medium term^{viii},”

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

WHEREAS, the programs and projects under the “Build, Build, Build Program,” may induce fluctuations in inflation rates, interest rates and currency exchange rates, which in turn may cause inflated public spending and may impair the ability of government to realize the intended benefits of its programs and projects^{ix};

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

WHEREAS, the increased government reliance on foreign loans and government-guaranteed undertakings may result in a “state of fiscal shock” wherein the unforeseen and substantial government obligations put a strain on government fiscal resources and impair the government’s capacity to respond to fiscal and economic predicaments;

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

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

WHEREAS, addressing the issues and challenges of implementing the “Build, Build, Build Program” is critical, given its cost to taxpayers and end-users, and its impact on government operations and public welfare;

NOW THEREFORE, BE IT RESOLVED, by the Philippine Senate, to direct 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.

Adopted,

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RALPH G. RECTO

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- ⁱ Republic of the Philippines. (1987). Constitution of the Republic of the Philippines. Quezon City: Republic of the Philippines.
- ⁱⁱ Republic of the Philippines. (1987). Constitution of the Republic of the Philippines. Quezon City: Republic of the Philippines.
- ⁱⁱⁱ Office of the President (2016). "Executive Order No. 05: Approving and adopting the Twenty-Five-Year Long Term Vision Entitled 'Ambisyon Natin 2040' as Guide for Development Planning." Manila: Office of the President.
- ^{iv} National Economic Development Authority. (2017). *Philippine Development Plan 2017-2022*. Pasig City: National Economic Development Authority.
- ^v National Economic Development Authority. (2017). *Philippine Development Plan 2017-2022*. Pasig City: National Economic Development Authority.
- ^{vi} Department of Finance. (2018 January 23). "Build, build, build roll 75 projects worth \$35.5b." Accessed from Department of Finance at <https://www.dof.gov.ph/taxreform/index.php/2018/01/23/build-build-build-roll-75-projects-worth-35-5-b>.
- ^{vii} National Economic Development Authority. (2017). *Public Investment Program 2017-2022*. Pasig City: National Economic Development Authority.
- ^{viii} National Economic Development Authority. (2017). *Public Investment Program 2017-2022*. Pasig City: National Economic Development Authority.
- ^{ix} Sicat, G. P. "Economic risks of the Build Build Build program." Accessed from Philstar Global at <https://www.philstar.com/business/2018/07/11/1832347/economic-risks-build-build-build-program>.
- ^x National Economic Development Authority. (2017). *Philippine Development Plan 2017-2022*. Pasig City: National Economic Development Authority.