



HOUSE OF REPRESENTATIVES

H. No. 10322

BY REPRESENTATIVES GAITE, ZARATE, CULLAMAT, CASTRO (F.L.), BROSAS, ELAGO, SALCEDA, RODRIGUEZ, DAGOOC, KHO (E.), FARIÑAS (R.C.), VILLA, BASCUG, NOLASCO, FORTUN, QUIMBO, TAMBUNTING, COLLANTES, FUENTEBELLA, REVILLA, YU, SUANSING (E.), SUANSING (H.), TAN (A.), LACSON, VIOLAGO, SAVELLANO, ESPINO, TAN (A.S.), SUNTAY, DELOSO-MONTALLA, ESCUDERO, NOGRALES (J.J.), CALDERON, GARIN (S.), GO (M.), ACOSTA-ALBA, EBCAS, MENDOZA, TEJADA, CO (A.N.), GORRICETA AND DALIPE, PER COMMITTEE REPORT NO. 1275

AN ACT
ENSURING THE EFFECTIVENESS OF OFFICIAL DEVELOPMENT
ASSISTANCE LOANS AND GRANTS, AMENDING FOR
THE PURPOSE REPUBLIC ACT NO. 8182, OTHERWISE KNOWN AS
THE OFFICIAL DEVELOPMENT ASSISTANCE ACT OF 1996,
AS AMENDED

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. *Short Title.* – This Act shall be known as the “ODA Effectiveness
2 Act.”

3

4 SEC. 2. Section 2 of Republic Act No. 8182 is hereby amended to read as follows:

5

6 “Sec. 2. *Official Development Assistance (ODA) AND AID*
7 **EFFECTIVENESS.** – For purposes of this Act, ODA is a loan or loan and
8 grant **PACKAGE** which [means] **MEETS** all of the following criteria **FOR**
9 **ODA TO BE EFFECTIVE:**

1 (a) It must be administered with the objective of promoting [sustainable
2 social and economic development and welfare of the Philippines] **AND**
3 **ACHIEVING SUSTAINED REDUCTION OF POVERTY AND**
4 **INEQUALITY, SUPPORTING THE ENJOYMENT OF HUMAN**
5 **RIGHTS, DEMOCRACY, ENVIRONMENTAL**
6 **SUSTAINABILITY AND GENDER EQUALITY BY THE**
7 **FILIPINO PEOPLE;**
8

9 (b) It must be contracted with governments of foreign countries with whom
10 the Philippines has diplomatic, trade relations or bilateral agreements or
11 which are members of the United Nations, their agencies and
12 international or multilateral lending institutions[.], **BASED ON THE**
13 **PRINCIPLES OF DEMOCRATIC OR COUNTRY OWNERSHIP**
14 **AND MUTUAL ACCOUNTABILITY WITH THE UTMOST**
15 **INTENTION OF UPLIFTING THE ECONOMIC, SOCIAL, AND**
16 **CULTURAL CONDITION OF THE FILIPINO PEOPLE;**
17

18 (c) xxx;

19
20 (d) It must contain a grant element of at least twenty five percent (25%).
21 Grant element under this Act is the reduction enjoyed by the borrower
22 whenever the debt service payments, which shall include both principal
23 and interest and expressed at their present values discounted at ten
24 percent (10%) **OR AT THE YIELD ON COMPARABLE DEBT**
25 **INSTRUMENTS MOST RECENTLY ISSUED BY THE**
26 **NATIONAL GOVERNMENT, WHICHEVER IS LOWER,** are less
27 than the face value of the loan or loan and grant. The grant element of a
28 loan or loan and grant is computed at the ratio of (i) the difference
29 between the face value of the loan or loan and grant and the debt
30 service payments to (ii) the face value of the loan or loan and grant.”
31

32 SEC. 3. Section 4 of Republic Act No. 8182, as amended by Republic Act No. 8555, is
33 hereby further amended to read as follows:
34

35 “**Sec. 4. Use of ODA for Equitable Development.** – The proceeds of
36 ODA shall be used to achieve equitable growth and development in all
37 **REGIONS AND** provinces through priority development projects for the
38 improvement of economic and social service facilities taking into account such
39 factors as land area, population, scarcity of resources, low literacy rate, infant
40 mortality, and poverty incidence in the area: *Provided,* That rural
41 infrastructure, countryside development and [economic zones] **SOCIAL**
42 **WELFARE PROJECTS AND PROGRAMS** established under the [PEZA]
43 law shall be given preference in the utilization of ODA funds[.]: **PROVIDED,**
44 **FURTHER, THAT THE SOCIAL AND ECONOMIC IMPACTS OF THE**

1 **DEVELOPMENT PROJECTS ARE EVALUATED PROPERLY AND**
2 **THE INTENDED BENEFICIARIES OF THE PROJECTS ARE DULY**
3 **CONSULTED.** Towards this end, the National Economic and Development
4 Authority (NEDA) shall endeavor to obtain ODA funds from donor countries,
5 which shall approximately be five percent (5%) of the total ODA loan from the
6 immediately preceding year. Said funds shall be administered by the NEDA for
7 project identification, feasibility studies, master planning at local and regional
8 levels, and monitoring and evaluation: *Provided, further,* That ODA shall not
9 be availed of or utilized directly or indirectly for the following:

10
11 (a) xxx;

12
13 (b) xxx;

14
15 (c) xxx.

16
17 xxx.”

18
19 SEC. 4. Section 8 of Republic Act No. 8182 is hereby amended to read as follows:

20
21 “**Sec. 8. Oversight** – Pursuant to its constitutional duties, the Executive
22 Department, particularly **THE NEDA**, the Commission on Audit and Congress
23 shall discharge Oversight functions, to wit:

24
25 (a) xxx;

26
27 (b) xxx;

28
29 (c) There shall be a Congressional Oversight Committee composed of the
30 [Chairmen] **CHAIRPERSONS** of the Committee on Ways and Means
31 of both the Senate and the House of Representatives, five (5) members
32 each from the Senate and the House representing the majority and two
33 (2) members each from the Senate and the House representing the
34 minority to be designated by the leaders of the majority and minority in
35 the respective chambers.

36
37 **THE CONGRESSIONAL OVERSIGHT COMMITTEE SHALL**
38 **HAVE THE FOLLOWING DUTIES AND RESPONSIBILITIES:**

39
40 **(1) MONITOR AND ENSURE THE PROPER IMPLEMENTATION**
41 **OF THIS ACT;**

42
43 **(2) REVIEW ODA LOANS OR LOANS AND GRANTS INCURRED**
44 **AND ENTERED INTO BY THE PHILIPPINE GOVERNMENT;**

1 **(3) ENSURE THAT MECHANISMS ALLOWING CONGRESS TO**
2 **ASSESS AND REJECT CONDITIONALITIES THAT RUN**
3 **COUNTER TO THE INTEREST OF THE COUNTRY ARE IN**
4 **PLACE;**

5
6 **(4) REVIEW THE IMPLEMENTATION AND STUDY THE**
7 **IMPACT OF ODA PROJECTS; AND**

8
9 **(5) INITIATE INDEPENDENT IMPACT STUDIES OF ODA**
10 **PROJECTS, AND IN FURTHERANCE THEREOF, REQUIRE**
11 **THE SUBMISSION OF ALL PERTINENT INFORMATION**
12 **FROM GOVERNMENT ENTITIES IMPLEMENTING ODA**
13 **PROJECTS, WHEN NECESSARY.”**

14
15 SEC. 5. Section 8 of Republic Act No. 8182 is hereby amended by inserting new
16 Section 8-A and Section 8-B, to read as follows:

17
18 **“SEC. 8-A. *ROLE OF CIVIL SOCIETY ORGANIZATIONS.* – THE**
19 **GOVERNMENT SHALL ENCOURAGE THE BROADEST**
20 **INVOLVEMENT AND PARTICIPATION OF STAKEHOLDERS IN**
21 **THE MONITORING AND EVALUATION OF ODA PROJECTS. CIVIL**
22 **SOCIETY ORGANIZATIONS SHALL PLAY AN IMPORTANT ROLE**
23 **IN DETERMINING MORE APPROPRIATE INDICATORS TO**
24 **MEASURE THE IMPACT OF AID EFFECTIVENESS, AND IN**
25 **ENSURING THE EFFICIENT, EFFECTIVE, AND TRANSPARENT**
26 **IMPLEMENTATION OF ODA PROJECTS FROM**
27 **CONCEPTUALIZATION UNTIL COMPLETION.**

28
29 **SEC. 8-B. *CITIZEN’S PARTICIPATION IN ODA PROJECTS.* –**
30 **TO ENSURE THE EFFECTIVE OVERSIGHT OF ODA-FUNDED**
31 **PROJECTS AS HEREIN CONTEMPLATED, A CITIZEN’S**
32 **PARTICIPATION COMMITTEE SHALL BE CREATED FOR EACH**
33 **ODA-FUNDED PROJECT, TO BE COMPOSED OF CIVIL SOCIETY**
34 **ORGANIZATIONS, THAT SHALL MONITOR, REVIEW, AND**
35 **SUBMIT RECOMMENDATIONS FOR THE PROPER**
36 **IMPLEMENTATION OF THE SAME.**

37
38 **THE NEDA SHALL CRAFT THE APPROPRIATE RULES AND**
39 **REGULATIONS TO EFFECTIVELY IMPLEMENT THIS SECTION IN**
40 **CONSULTATION WITH VARIOUS CIVIL SOCIETY**
41 **STAKEHOLDERS.”**

42
43 SEC. 6. Section 10 of Republic Act No. 8182 is hereby amended to read as follows:

1 “**Sec. 10. Report.** – It shall be the duty of the President of the Republic
2 of the Philippines to submit, within thirty (30) days after the opening of every
3 regular session, a separate report to each member of Congress on the amount of
4 ODA loans and grants incurred under this Act, **INCLUDING THE**
5 **PROGRAMMED AND ACTUAL AVAILMENT OF SUCH LOANS AND**
6 **GRANTS, AND THE DISBURSEMENT OF PROCEEDS**
7 **THEREFROM.”**
8

9 SEC. 7. Section 11 of Republic Act No. 8182 is hereby amended to read as follows:
10

11 “**Sec. 11. Implementation, Restrictions, Rules and Regulations.** – In
12 the implementation of the projects: (a) Consultants for the feasibility and
13 design aspects of the project may not participate, directly or indirectly, in any
14 subsequent phase of project implementation; (b) Project execution shall not be
15 delegated by the implementing agency except where the latter does not have
16 the capacity to implement such project; (c) In the hiring of consultants,
17 contractors, architects, engineers, and other professionals necessary for a
18 project's implementation, Filipinos shall be given preferences; (d) In the
19 purchase of supplies and materials, preference shall be given to Filipino
20 suppliers, and manufacturers, [so long as the same shall not adversely alter or
21 affect the project, and such supplies and materials are to the] **WHO MEET** the
22 standards specified by the consultants, contractors, architects, engineers, and
23 other professionals connected with the projects; and (e) ODA projects shall not
24 be exempt from the requirement of first obtaining an Environmental
25 Compliance Certificate (ECC), or other such certificates and clearances
26 necessary or required by law for the purpose of environmental protection, from
27 the Department of Environment and Natural Resources (DENR) or proper
28 government agency, as the case may be.
29

30 xxx.

31 xxx.”
32
33

34 SEC. 8. *Separability.* – The provisions herein which may be declared unconstitutional
35 shall not affect the effectivity and enforcement of other provisions of this Act.
36

37 SEC. 9. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations
38 and other issuances inconsistent with this Act are hereby repealed or amended accordingly.
39

40 SEC. 10. *Effectivity.* – This Act shall take effect after fifteen (15) days following its
41 complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,