

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



23 JAN 17 P4:51

SENATE
Senate Bill No. 1686

RECEIVED BY:

Introduced by: **Senator Raffy T. Tulfo**

**AN ACT MANDATING THE FULL ACCOUNTING OF ALL DISASTER-RELIEF AID
OR DONATIONS RECEIVED BY THE PHILIPPINE GOVERNMENT FOR NATURAL
AND HUMAN-INDUCED CALAMITIES**

EXPLANATORY NOTE

After the severely damaging super typhoon Yolanda (international codename: Haiyan) slammed our nation on November 8, 2013, there was a tremendous outpouring of support for the Philippines from both domestic and international contributors in the form of monetary and in-kind donations. Amid the crisis, accusations arise claiming there was corruption in the use and accounting of donated goods due to the reflected physical response of the government such as aids received and undertaken rehabilitation programs. In response to that, Senator Miriam Defensor-Santiago presented Proposed Senate Resolution No. 363, with the following language:

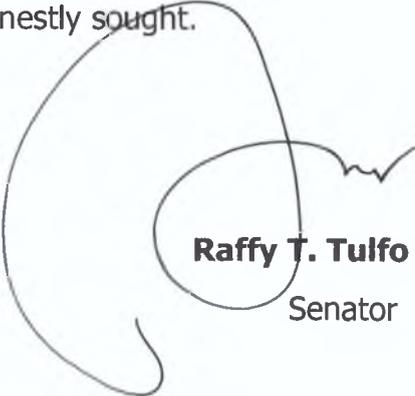
RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE NEED FOR
TRANSPARENCY AND ACCOUNTABILITY WITH REGARD TO INCOMING
FOREIGN AND LOCAL AID FOR THE VICTIMS OF SUPER TYPHOON
YOLANDA

which was referred to the Committee on Finance.

Several hearings and technical working group meetings conducted last February and March 2014 by the committee of Finance together with the resource persons from the Department of Foreign Affairs, Department of Budget and Management, Department of Finance and Commission on Audit, has led to a conclusion that none of these concern departments has the possession and knowledge of the total amount of local and foreign donations for the victims of Super Typhoon Yolanda. The Foreign Aid Transparency Hub or FAITH, an online information portal created by the national government, captures only the foreign aid pledged and received by the country for the victims of Yolanda. It does not include the foreign or local donations that were deposited directly to the accounts of various departments or agencies, or the foreign or local donations received directly by the affected local government units.

The above findings indicated the need to institutionalize, preferably through legislation, a mechanism for the monitoring and accounting of all foreign and local donations for natural and man-made calamities. In addition, the public clamor for transparency and accountability in the utilization of the monetary and non-monetary aid received from foreign and local beneficiaries calls for proactive action from the Commission on Audit. It is also the government's duty to initiate and implement transparent disbursement of humanitarian aid.

In view of the foregoing, the approval of the bill is earnestly sought.



Raffy T. Tulfo
Senator



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AND HUMAN-INDUCED CALAMITIES**

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

1 **Section 1. Title.** – This Act shall be known as the “Donation Transparency Ad”.

2 **Sec. 2. Declaration of Policy.** – It is hereby declared the policy of the State to
3 promote transparency and accountability in the receipt and utilization of foreign and 4
4 local donations for natural and human-induced calamities that cause havoc and 5
5 destruction in the country.

6 **Sec. 3. Coverage.** – This Act shall cover all foreign and local donations directed
7 to the national government, government-owned or- controlled corporations (GOCCs) and
8 local government units (LGUs) from all sources, such as foreign governments, bilateral or
9 multilateral organizations and institutions, and private individuals or 10 groups.

10 **Sec. 4. Definition of Terms.** – For purposes of this Act, the following shall refer
11 to:

- 1 a) "Calamity"- a natural or human-induced disaster causing widespread human
2 material, economic or environmental losses to a community or society.
- 3 b) "Donations"- cash or non-cash aid or grants received by the government 17 for
4 disaster relief, recovery or rehabilitation.
- 5 c) "Donor" - refers to foreign governments, bilateral or multilateral organizations and
6 institutions, private or groups who donate cash or non-cash aid or grants to the Philippine
7 government for disaster relief, aid or rehabilitation.
- 8
- 9 d) "Donee"- refers to departments, bureaus, and offices of the national government
10 including constitutional offices, state universities and colleges, government-owned or-
11 controlled corporations and local government units that receive donations from various
12 sources.
- 13 e) "Donation in Cash" refer to cash assistance from a donor entity/individual to the
14 Philippine government through any of its agencies or instrumentalities.
- 15 f) "Donations in kind" - refer to assistance in kind such as but not limited to food,
16 clothing, medicine and equipment coming from the donor entity/individual to a specific
17 national government agency or local government unit for the purpose of disaster relief,
18 recovery and rehabilitation efforts.

19 **Sec. 5. Donations.** – Departments, bureaus and offices of the National
20 Government, including constitutional offices enjoying fiscal autonomy, and state
21 universities and colleges may accept donations in cash or in kind from various sources,
22 domestic or foreign, for purposes relevant to their respective functions, and which shall
23 be used to cover aid, relief and rehabilitation, repair and reconstruction of permanent
24 structures affected by natural and man-made calamities. Such donations, whether in cash
25 or in kind, shall be deemed automatically appropriated.

26 **Sec. 6. Utilization and Treatment of Donations.** – Donations shall be utilized
27 in accordance with the purpose identified by the donor. Donations for a specific purpose,

1 as identified by the donor, shall be treated as trust receipts: Provided, That in case the
2 donor does not identify a specific project or activity to be funded, such donation shall be
3 considered as calamity aid for the use of the Department of Social Welfare and
4 Development: Provided, further, That donations intended for program support
5 for calamities in general shall be booked as income of the National Government or local
6 government unit, as the case may be.

7 **Sec. 7. Cash Donations.** – All cash donations shall be deposited under the
8 account of the Bureau of Treasury (BTr), except when the donation is made directly to
9 the agencies, in which case the donee-agency shall inform the BTr of cash donation upon
10 receipt thereof: Provided, That if the donation is made directly to an LGU, the Bureau of
11 Local Government Finance (BLGF) shall be informed upon its receipt of the cash donation
12 for purposes of consolidating the quarterly reports to be submitted to the Office of Civil
13 Defense (OCD), the secretariat of the National Disaster Risk Reduction and Management
14 Council (NDRRMC). An official receipt shall be issued by the concerned donee-agency or
15 LGU for cash donations received.

16 Donations in foreign currency shall be converted to the Philippine Peso at the 38 prevailing
17 rate at the time of the receipt of the donation. Donations shall be taken up 39 in the
18 books of the BTr as income or trust receipts.

19 The amounts received by the donee-agency shall thereafter be deposited to the account
20 of the Treasurer of the Philippines, and shall be made available to the implementing
21 agency concerned through a Special Budget pursuant to section, Chapter 5, Book VI of
22 E. O. No. 292: Provided, That if the donee-agency is an LGU, the same shall be deposited
23 to the account of the Local Treasury as a separate special account maintained in every
24 provincial, city or municipal treasury and recorded as a Trust Fund under the Special
25 Funds pursuant to Section 309 (b) Article I, Chapter II, 8 Title V, Book II of the Local
26 Government Code.

1 In no case shall the cash donation be used for payment of Personal Services of 10 any
2 government unit or any other expenses not related to disaster relief, recovery and 11
3 rehabilitation efforts.

4 **Sec. 8. Donations in Kind.** – For donations in kind, an acknowledgement receipt
5 shall be issued to the donor by the donee-agency. The value of donated Property, Plant
6 and Equipment (PPE) shall be based on the declared value in the Deed of Donation or
7 the bill of lading/airway bill/parcel notice and other related documents. The fair market
8 value/appraised value shall be used in the absence of declared value. The donee-agency
9 shall submit either in printed form or by way of electronic document to the OCD, quarterly
10 reports on the receipt of donations in kind: Provided, That the LGU shall submit to OCD
11 thru BLGF all donations in kind that they have received: Provided, further, That the
12 Bureau of Customs (BOC), which processes all foreign donations pursuant to Section 18
13 of RA 10121, otherwise known as the "Philippine Disaster Risk Reduction and
14 Management Act", shall submit a report on the conditionally-free importation under this
15 section to the OCD.

16 The head of the donee-agency or LGU shall be primarily responsible for the accounting
17 and safeguarding of all donated supplies, materials, equipment and relief goods against
18 loss and wastage.

19 **Sec. 9. Foreign Donations.** – Foreign donations, whether in cash or in kind,
20 from foreign governments shall be subject to the prior clearance and approval of
21 the President upon the recommendation of the Department of Foreign Affairs (DFA). The
22 DFA shall also submit to OCD a report on foreign donations that it has processed.

23 **Sec. 10. Consolidated Reports.** – The head of the donee-agency and the
24 agency's web administrator or his/her equivalent shall be responsible for ensuring that
25 the quarterly report of all donations received, whether in cash or in kind, are posted on
26 the agency's official website.

1 The BTr shall submit to OCD a quarterly report on all amounts deposited under 36 the
2 special account it maintains for all donations received, including the amount 37 retained
3 by the donee-agency under Section 7 of this Act.

4 The Department of Foreign Affairs (DFA) shall likewise submit a report on all pledges
5 made by foreign governments, bilateral or multilateral organizations and institutions,
6 private foreign individuals or groups to the Philippine government for disaster relief, aid,
7 or rehabilitation to OCD.

8
9 The OCD shall submit, either in printed form or by way of electronic document, to the
10 Department of Budget and Management (DBM), the House Committee on Appropriations
11 and the Senate Committee on Finance, a consolidated quarterly report of all submissions
12 made to OCD under this Act. The Executive Director of the OCD and the NDRRMC's web
13 administrator or his/her equivalent shall be responsible for ensuring that said quarterly
14 reports are likewise posted on the official website of the 11 NDRRMC.

15
16 **Sec. 11. *Implementing Rules and Regulations.*** – The DBM, CCD, DOF, DFA,
17 Department of Interior and Local Government (DILG) and the Commission on Audit 14
18 (COA) shall promulgate the Implementing Rules and Regulations (IRR) for the
19 implementation of this Act within thirty (30) days from its approval.

20
21 The said IRR shall take effect five (5) days after its publication in a newspaper of general
22 circulation.

23 **Sec. 12. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
24 complete publication in the Official Gazette or at least two (2) newspapers of general
25 circulation.

26 Approved,