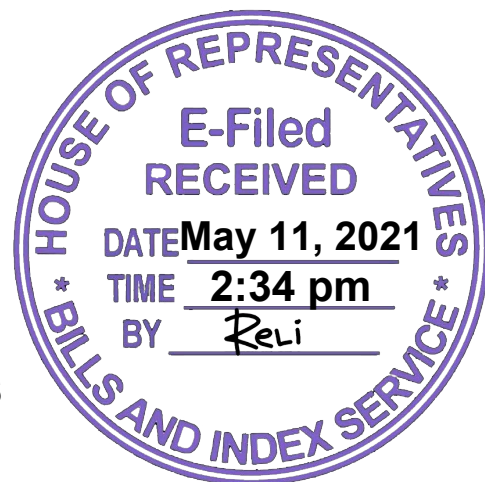




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila



**EIGHTEENTH CONGRESS**  
Second Regular Session

**RESOLUTION NO. 1760**

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Introduced by CIBAC Party-List Representatives  
**EDUARDO “BRO. EDDIE” C. VILLANUEVA and DOMINGO C. RIVERA**

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**A RESOLUTION CALLING FOR THE IMMEDIATE CONVENING OF THE CONGRESSIONAL OVERSIGHT COMMITTEE ON OFFICIAL DEVELOPMENT ASSISTANCE (COCODA) FOR THE 18TH CONGRESS AND URGING THE SAME TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THREE (3) CHINA-FUNDED PROJECTS ALLEGEDLY RIDDLED WITH SECRETIVE CONDITIONS THAT GIVE CHINA UNDUE ADVANTAGE IN DEBT SETTLEMENT**

**WHEREAS**, it is the policy of the State that, “subject to reasonable conditions prescribed by law, the State adopts and implements a policy of full public disclosure of all its transactions involving public interest,” as provided for in Section 28 of Article II of our Constitution;<sup>1</sup>

**WHEREAS**, Section 7, Article III of the Constitution guarantees the right of the people to information on matters of public concern;

**WHEREAS**, Republic Act No. 8182, otherwise known as the Official Development Assistance Act of 1996, mandates that there shall be a

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<sup>1</sup> 1987 Constitution

Congressional Oversight Committee on Official Development Assistance (ODA) which shall discharge oversight function on the utilization of ODA;

**WHEREAS**, the COCODA for the 18th Congress has not yet been convened as of date;

**WHEREAS**, the recognition of such right duly instituted in the Constitution stresses the need to enhance transparency and accountability in government official acts, transactions, or decisions;

**WHEREAS**, section 3 of Executive Order No. 02 provides that, "Every Filipino shall have access to information, official records, public records and to documents and papers pertaining to official acts, transactions or decisions, as well as to government research data used as a basis for policy development";<sup>2</sup>

**WHEREAS**, on April 1, 2021, a report was published by the Philippine Star via Philstar.com entitled, "China projects in the Philippines found riddled with secretive conditions," alleging that the country's contracts with China give the latter undue advantage in settlement of debts incurred by the government under the \$493.08 M 'Build, Build, Build' program;

**WHEREAS**, the aforementioned report alleged that the government contracts with China on the construction of the Kaliwa Dam, Chico River Pump Irrigation, and Philippine National Railway (PNR) South Long Haul projects subject the Philippines to the "persistent threat of a debt trap;"

**WHEREAS**, the aforementioned Philippine Star report was based on a study called "*How China Lends: A Rare Look into 100 Debt Contracts with Foreign Governments*," which was published in late March by a think tank called AidData, an organization backed by the Global Research Institute at the College of William & Mary, the Center for Global Development, and the Peterson Institute for International Economics in the United States, and the Kiel Institute for the World Economy in Germany. The abstract of the aforementioned study asserts that said study reveals "unusual confidentiality clauses" in Chinese loans, that "Chinese lenders seek advantage over other creditors," and that "cancellation, acceleration and stabilization clauses in Chinese contracts potentially allow the lenders to influence debtors' domestic and foreign policies";<sup>3</sup>

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<sup>2</sup> Executive Order No. 02, Operationalizing in the Executive branch the people's constitutional right to information and the state policies to full disclosure and transparency in the public service and providing guidelines therefor

<sup>3</sup> How China Lends A Rare Look into 100 Debt Contracts with Foreign Governments, [https://docs.aiddata.org/ad4/pdfs/How\\_China\\_Lends\\_\\_A\\_Rare\\_Look\\_into\\_100\\_Debt\\_Contracts\\_with\\_Foreign\\_Governments.pdf](https://docs.aiddata.org/ad4/pdfs/How_China_Lends__A_Rare_Look_into_100_Debt_Contracts_with_Foreign_Governments.pdf)

**WHEREAS**, Philippine Star took down the aforementioned report at 4:55 p.m. on April 1, 2021, apparently after receiving a letter from the Department of Finance duly signed by the Secretary of Finance, which Philippine Star published the following day;

**WHEREAS**, on the aforementioned letter, the Secretary of Finance, Carlos Dominguez III, wrote that "instead of the Philippine contracts' being riddled with secretive conditions, it is, in fact, the Philstar article, which is riddled with inconsistencies, half-truths, and outright lies";<sup>4</sup>

**WHEREAS**, Philippine Star published the letter from the Department of Finance, but it took down the pertinent report, depriving the public of any reference for an intelligent evaluation of the response;

**WHEREAS**, not only that it is a duly enshrined requisite in our Constitution, which provides the need to examine, monitor, scrutinize, and question the terms of government contracts with any other country or entity, there is a pressing need to do so particularly with China because of the history of previous deals we had with the same, China's dismissal of an arbitral decision which favored the Philippines' claim over its territorial waters and its current aggressive activities in the West Philippine Sea;

**NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED** by the House of Representatives to direct the appropriate committee to conduct an inquiry in aid of legislation on China-funded projects allegedly riddled with highly secretive conditions that give China undue advantage in debt settlement.

**Adopted,**

  
HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA

  
HON. DOMINGO C. RIVERA

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<sup>4</sup> Department of Finance (DOF) letter addressed to Miguel Belmonte and Kevin Belmonte, CEOs of PhilStar Media Group and PhilStar Global Corporation respectively, as published by the Philippine Star