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

EIGHTEENTH (18TH) CONGRESS
Second Regular Session

House Resolution No. 1642

Introduced by Representative Rodante D. Marcoleta

DIRECTING THE COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE JOINT VENTURE AGREEMENTS ENTERED INTO BY LOCAL WATER DISTRICTS AND PRIVATE ENTITIES WITH THE VIEW OF CRAFTING MEASURES THAT WILL ENFORCE THE NATIONAL POLICY ON TRANSPARENCY, PUBLIC CONSULTATION, AND REGULATION OF ACTIVITIES IMBUED WITH PUBLIC INTEREST

WHEREAS, the National Economic and Development Authority (NEDA) issued on 16 April 2008 the guidelines and procedures for entering into Joint Venture (JV) Agreements between government and private entities (2008 NEDA Guidelines) pursuant to Section 8 (Joint Venture Agreements) of Executive Order (EO) No. 423 dated 30 April 2005;

WHEREAS, the NEDA, in consultation with the Government Procurement Policy Board (GPPB), Office of the Government Corporate Counsel (OGCC), and the Government Commission for Government-Owned and/or Controlled Corporations (GCG) issued the revised version of the aforementioned guidelines, which is commonly known as “2013 NEDA guidelines”;

WHEREAS, by virtue of the 2013 NEDA Guidelines, some Local Water Districts (LWDs) entered into Joint Venture Agreements (JVAs) with private entities for the financing, development, rehabilitation, expansion, improvement, operation and maintenance of the water supply and septage system within the jurisdictional area of such LWDs;

WHEREAS, under the 2013 NEDA Guidelines, a joint venture is an arrangement which requires the parties to contribute money/capital, services, assets (including equipment, land, intellectual property or anything of value), or a combination of any or all of the foregoing to undertake an investment activity for the purpose of accomplishing a specific goal; it involves a community or pooling of interests in the performance of such investment activity; and each party shall have the right to direct and govern the policies in connection therewith with the intention to share both profits and, risks and losses subject to their agreement;
WHEREAS, it has been noted that despite the existence of JVAs for a considerable length of time, the water supply service of the LWDs with JVAs has not substantially improved while some even got worse thereby casting doubt on the financial and technical capabilities of the private JV partners to implement the JV project or activity;

WHEREAS, the execution of JVAs by some LWDs with private entities showed findings of: (1) no prior public consultation; (2) higher water tariffs; (3) uncertain contribution of private entities; (4) unimproved or even deterioration of water and sewerage services; (5) unaccomplished performance targets; (6) circumvention of the existing laws and guidelines; and (7) unfavorable findings of the Commission on Audit (COA);

WHEREAS, the government’s responsibility to provide safe, clean, accessible and affordable drinking water to the public is of utmost importance;

WHEREAS, considering that the public primarily suffers from poor water sewerage services, there is also an urgent need to address the same, by revisiting government policies, guidelines, procedures, and programs which relate to JVAs with private entities, including the mandate, manpower, and resources of regulatory government agencies in fulfilling their respective roles.

NOW, THEREFORE, be it resolved by the House of Representatives to direct the proper committee to conduct an inquiry, in aid of legislation, on JVAs executed by and between LWDs and private entities with the end in view of enacting legislative measures to enforce the state’s policies on transparency, public consultation, and regulation.

Adopted

RODANTE D. MARCOLETA
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