A RESOLUTION URGING THE PROPER COMMITTEE OF THE HOUSE OF REPRESENTATIVES TO CONDUCT AN INQUIRY AND INVESTIGATION, IN AID OF LEGISLATION, ON THE FAILURE OF THE PHILIPPINES TO ACQUIRE A GRANT FROM THE UNITED STATES OF AMERICA’S MILLENNIUM CHALLENGE CORPORATION DUE TO A FINDING OF RAMPANT CORRUPTION IN GOVERNMENT

WHEREAS, the Millennium Challenge Corporation (MCC) is an independent United States government corporation that aims to “forms partnerships with developing countries who are committed to good governance, economic freedom and investing in their citizens” by providing time-limited grants to these countries to promote economic growth, reduce poverty and strengthening institutions;

WHEREAS, to determine the eligibility of its partner nations in providing access to the grant, the MCC has provided twenty (20) selection indicators that serve as the basis for ascertaining whether the potential nation-partners have undertaken sufficient governmental, economic and societal action that justify the issuance of the grant money from the MCC;

WHEREAS, these selection indicators include, among others, several parameters that include Access to Credit Indicator, Child Health Indicator, Business Climate Indicator, and Control of Corruption Indicator, which are based on quantitative metrics provided by agencies such as the World Bank, the International Monetary

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1 https://www.mcc.gov/about
Fund, and even prestigious academic institutions such as Yale University and Columbia University;²

WHEREAS, according to a report released by the MCC, the Philippines was deemed ineligible by the former to avail of the grant in 2020 for capturing failing mark on corruption control, the rule of law, freedom of information, health expenditures, immunization rates, and access to credit;³

WHEREAS, for 2021, the Philippines once again failed to qualify for the grant,⁴ acquiring failing scores in access to credit and business startup (in economic freedom), control of corruption, the rule of law, and freedom of information (in ruling justly), as well as health expenditures, primary education expenditures, and immunization rates (in investing in people);⁵

WHEREAS, this failure to secure the grant has effectively deprived the nation of access to the grant that was worth $434 million, which was extended in 2011 and covered three projects that built roads, reformed revenue administration, and supported the delivery of social services to the poor;

WHEREAS, this failure to qualify for the grant is of the most detrimental for the millions of impoverished Filipinos during this pandemic, due to the government’s inability to provide consistent and timely financial assistance to them, and at a time when our economic recovery has been projected to only return to pre-pandemic levels in 2023;

WHEREAS, the failure of our country to pass the metrics of the selection indicators for health expenditure, primary education expenditure, and control of corruption are among the most troubling, especially for the most impoverished Filipinos, since the government already has established laws such as the 4Ps program under Republic Act 11310, which should have served as sufficient metrics to justify the issuance of the grant;

WHEREFORE, despite the repeated assurances of the administration to curb corruption and address economic inequality, this quantitative assessment by the MCC should serve as a basis to examine our fiscal and institutional policies that led to failure to acquire access to the grant, which the country has actually failed to qualify for since 2016;⁶

² https://www.mcc.gov/who-we-select/indicators
⁵ Id.
⁶ Is.
NOW, THEREFORE BE IT RESOLVED, by the House of Representatives to direct the appropriate committee to conduct an inquiry and investigation, in aid of legislation, on the failure of the Philippines to qualify for the grant of the MCC due to its devastating impact on the most impoverished Filipinos and its clear implications of corruption in Philippine government.

Adopted,

HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA

HON. DOMINGO C. RIVERA