

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
First Regular Session

HOUSE BILL NO. 5800



Introduced by Representative Michael L. Romero

EXPLANATORY NOTE

The **National Development Company (NDC)**, one of the oldest companies in the Philippines was established on March 10, 1919 via **Legislative Act 1248**. NDC's first name was "Compania de Fomento Nacional".

In the context of Philippine economic history, the NDC has remained a constant force, initiating ventures, facilitating cooperation, and ensuring a continuity in stewardship for whatever it has started. It was, and remains, a vital link in the machinery, allowing bigger and more powerful entities to interact and make a difference. It may be a modest link, but through its unifying function, it has helped consolidate efforts and resources for outcomes that have changed lives, proving that the whole can indeed be greater than the sum of its parts.

This House Bill seeks to provide **Modernization Funding** to the **National Development Company (NDC)** to act as the Philippine's leading state-owned enterprise investing in diverse industries, serving as an effective catalyst for inclusive growth.

Thus, the early passage of this bill is earnestly requested.

A handwritten signature in black ink, appearing to read "Michael L. Romero", written over a horizontal dashed line.

MICHAEL L. ROMERO

Republic of the Philippines
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AN ACT

PROVIDING FOR MODERNIZATION FUNDINGFOR THE **NATIONAL DEVELOPMENT COMPANY (NDC)**, INCREASING AND REORGANIZING ITS ADMINISTRATION, ENABLING INDUSTRY DEVELOPMENT, SPURRING LOCAL ECONOMIES AND FOR OTHER PURPOSES

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

SECTION 1. DECLARATION OF POLICY – it shall hereby be a declared policy of the state to serve as a reliable partner of both public and private sectors in sustaining the country’s socio-economic development efforts.

To uphold this commitment, the state shall:

- a. Continuously invest in strategic priority areas that will sustain our fund generation activities;
- b. Practice prudence in handling corporate resources to warrant maximum public impact;
- c. Establish mechanisms and procedures that reinforces learning, continual improvement and risk-based thinking;

- d.** Ensure business plan continuity, responsiveness and transparency in accordance with NDC's code of corporate governance;
- e.** Advocate excellence, accountability, and teamwork to advance the interest of our stakeholders; and;
- f.** Invest in our human capital as it is our most valuable resource.

The state shall continually improve the effectiveness of our Quality Management System towards equitable development for improved quality of life for all.

The state shall formulate policies for the efficient and effective administration and management of all manpower, skills and competencies to ensure compliance.

SECTION 2. MODERNIZATION FUNDING. – The amount of Five Hundred Million Pesos (**Php 500,000,000.00**) for the operation and administration of the **National Development Company (NDC)** shall be chargeable against funds for the purpose and other sources recommended by the **Department of Budget and Management (DBM)**. Thereafter, appropriations for the shall be included in the budget proposals under the Department of trade and Industry (**DTI**).

The Department of Budget and Management (**DBM**) shall rationalize the existing organizational structure and staffing pattern of the in accordance with the provisions of this Act and relevant compensation and position classification laws, rules and regulations.

Thereafter, the amount needed for the continued implementation of the modernization program, shall be included in the annual General Appropriations Act (**GAA**).

SECTION 3. National Development Company (NDC) MODERNIZATION FUND – There is hereby created the **(NDC) Modernization Fund** to be used exclusively for the **(NDC) Modernization Program**.

The **(PPPI) Modernization Fund** shall be administered by the Secretary of the **DTI** in accordance with existing government budgeting, accounting and auditing rules and regulations.

SECTION 4. PROGRESS REPORT –The Secretary of **DTI** shall prepare an annual report on the status of the implementation of the **(NDC) Modernization Programs** which shall be submitted, to the Office of the President and to the Chairpersons of the Committee of Trade and Industry of the Senate and the House of Representatives.

SECTION 5. PERIOD OF IMPLEMENTATION – The modernization program under this Act shall be implemented for an initial period of two **(2)** years:

Provided, that payments for multi-year contract obligations incurred under this Act may extend beyond this period:

Provided, further, That the **National Development Company (NDC)** shall continue to develop, modernize and constantly update its operational capabilities to keep pace with best global practices.

SECTION 6. POWERS AND FUNCTIONS. – The **National Development Company (NDC)** shall continue to exercise and uphold the following powers and functions; but not limited to:

NDC is mandated to pursue commercial, industrial, agricultural or mining ventures in order to give the necessary impetus to national economic development. **NDC**, may on its own, or in joint venture with the private sector, undertake vital projects when necessary or when the private sector is not willing

or able to undertake such projects due to high risks or to lack of funds/resources.

Executive Order No. 83

(Strengthening the Enforcement of the Agri-Agra Law and Launching of the NDC “AA” Bonds for Rural Development) – Authorized NDC to undertake the issuance of NDC Agri-Agra Bonds in the total amount of P50B for the development of the agriculture and agrarian sectors.

Executive Order No. 530

(Authorizing the NDC to Issue Bonds under Executive Order 83, Series of 1998 for the pump-priming activities and other projects of the government) – The EO strengthens NDC’s authority to issue bonds under EO 83 Series of 1998, and expanded the utilization of the bond proceeds to include the economic pump-priming activities/projects of the government-owned and controlled corporations (GOCCs) and any other projects designed for economic growth and poverty alleviation.

Executive Order No. 824

Authorizing the National Development Company (NDC) to issue Bonds for Infrastructure Projects

Executive Order No. 824-A

Amending Executive Order No. 824 authorizing the National Development Company to Issue Bonds for Infrastructure Projects to include projects for Rehabilitation and Reconstruction of Government Infrastructure Facilities damaged or destroyed by Typhoons “Ondoy” and “Pepeng”.

SECTION 7. INCREASE OF PERSONNEL. – The **National Development Company (NDC)** shall maintain the sufficient staffing pattern.

Hence, it is authorized to increase its manpower to meet such required and may continue to increase personnel per percentage rate increase of committed mandates annually or as the need arises.

SECTION 8. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 9. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty **(60)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 10. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 12. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,