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STATEMENT OF SUPPORT ON THE CREATION OF THE MAHARLIKA INVESTMENT FUND

The Union of Local Authorities of the Philippines (ULAP), the umbrella organization of all leagues of local government units (LGUs) and locally elected government officials, supports the creation of the Philippine sovereign wealth fund that adheres strictly to the principles of good governance, transparency and accountability and will genuinely achieve inclusive and sustainable development in the country, especially at the local level.

As we recover from the pandemic, the government must be steadfast in seeking resources and undertaking long-term sustainable efforts towards national recovery and the creation of wealth at all levels. Anchored on these premises, the Maharlika Investment Fund is a key strategy for economic progress - unlocking the untapped capital from the Philippine economy and serving as a key accelerator for growth and development of our provinces, cities, municipalities and barangays across the nation. It is a strategy that could unleash needed investments in sectors that support local economies and finance long-overdue infrastructure projects, such as modern agriculture technologies, renewable energy facilities, low-cost housing, reliable and efficient transportation systems, and stable high-speed internet connectivity, among others.

Nations such as Singapore, Norway, Abu Dhabi and China have set the example on how to leverage on their respective state sovereign wealth funds in order to drive capital into much needed investments thus unlocking their nation's economic acceleration. The proposed Maharlika Investment Fund promises "to reap optimal returns on investments (ROIs), while contributing to the overall goal of reinvigorating job creation and poverty reduction by steering the economy back to its high-growth path." All of its transactions "shall abide by the arm's length principle and the prudent person rule." Moreover, the Fund "shall adhere to internationally-accepted standards of transparency and accountability."

With the transparency and accountability provisions inscribed in House Bill No. 6608 and the assurance that all necessary safeguards are put in place to protect the interests of the Filipino people, the UNION OF LOCAL AUTHORITIES OF THE PHILIPPINES supports the passage of the bill establishing the Maharlika Investment Fund.

END OF STATEMENT