EIGHTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

Third Regular Session



SENATE

COMMITTEE REPORT No. 442	
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Submitted jointly by the Committees on Economic Affairs and Finance on Jan 24 2022

Re: Senate Bill No. 1037

Recommending its approval without amendments

Sponsor: Senator Imee Marcos

MR. PRESIDENT:

The Committees on Economic Affairs and Finance, to which were referred **Senate Bill No. 1037**, introduced by Senator Imee Marcos, entitled:

"AN ACT

CREATING THE MEGA CEBU DEVELOPMENT AUTHORITY, PRESCRIBING ITS FUNCTIONS AND DUTIES, AND PROVIDING FUNDS THEREFOR"

have considered the same and have the honor to report it back to the Senate with the recommendation that it be approved without amendment.

Respectfully submitted:

Chairpersons

SENATOR TMEE MARCOS

Committee on Economic Affairs Vice-Chairperson, Committee on Finance

SENATOR SONNY ANGARA

Committee on Finance Vice-Chairperson, Committee on Economic Affairs

Vice-Chairpersons

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Committee on Economic Affairs Committee on Finance

Committee on Finance Member, Committee on Economic **Affairs**

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agatheres saragee SENATOR RISA HONTIVEROS

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Majority Leader

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Minority Leader

SENATOR VICENTE SOTTO III

Senate President

EIGHTEENTH CONGRESS OF THE)
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SENATE
S. B. No. <u>1037</u>

RECEIVED BY:	-
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Introduced by SENATOR IMEE R. MARCOS

AN ACT CREATING THE MEGA CEBU DEVELOPMENT AUTHORITY, PRESCRIBING ITS FUCTIONS AND DUTIES, AND PROVIDING FUNDS THEREFOR

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

Section 1. Short Title. This Act shall be known as the "Mega Cebu
Development Authority Act."

SEC. 2. **Declaration of Policy.** - It is hereby the declared policy of the State to promote and accelerate the sustainable development and balanced growth of the Province of Cebu and the highly urbanized cities of Cebu, Mandaue, and Lapu-lapu, within the context of national policies for economic, social, and environmental well-being.

It is likewise hereby declared to be the policy of the State to treat Metropolitan Cebu and the Province of Cebu as a special development and administrative area where certain policies, programs, and services affecting or involving the Metropolitan Cebu area and the Province of Cebu, on a metro-wide or multi-local government unit (LGU) level, are more efficiently and effectively planned, supervised, implemented, and coordinated by a development authority as created herein, without prejudice to the autonomy of the affected LGUs.

1	Pursuant to these national policies, the following aspirations and principles are
2	hereby declared:
3	(a) to recognize a more institutionalized approach to metropolitan or multi-
4	LGU integrated development planning that is expertise-supported and
5	evidence-based, participatory, responsible, accountable, and necessary for al
6	or part of its community.
7	(b) to foster cooperative relations between and among the metropolitan area
8	and surrounding cities and towns in order to efficiently and effectively sustain
9	efforts to meet the needs, promote and develop shared assets and resources
10	and provide services that transcend geopolitical municipal and city boundaries
11	without prejudice to the autonomy of the affected LGUs;
12	(c) to ensure active participation by the private, business, and civil society
13	sectors in the governance, planning, implementation, monitoring and
14	evaluation of plans, policies, standards, programs, projects, and services; and
15	(d) to implement a national government-approved Metropolitan Cebe
16	Roadmap and other subsequent and related metro-wide or multi-LGU
17	roadmaps and plans that ensure long-term, sustainable, and continuing
18	directions, priorities, and programs for and by the constituent local and
19	national government agencies and units, and private, business, and civi
20	society sectors.
21	SEC. 3. <i>Definition of Terms.</i> – As used in this Act:
22	(a) Business Sector — refers to for-profit and commercial enterprises o
23	businesses and business associations and coalitions; cross-industry, multi-
24	issue groups; cross-industry, issue-specific initiatives; industry-focused
25	initiative; including corporate philanthropic foundations.
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(b) Private Sector – refers to entities of the economy that are owned by private citizens and not by the State, including those enterprises created either for profit or for non-profit and households.

(c) Metropolitan Cebu Area or Metro Cebu – refers to the highly urbanized cities of Cebu, Mandaue, and Lapu-Lapu, the cities of Danao, Talisay, Naga, and Carcar, and the municipalities of Consolacion, Liloan, Compostela, Cordova, Mingalanilla, and San Fernando, all in the Province of Cebu.

- (d) Mega Cebu refers to the platform for inter-local cooperation, public-private sector partnership, and local-regional-national-integration promoting the "big picture perspective", i.e. long-term, multi-LGU, metro-wide, and advancing collaborative planning ad action on shared assets and common trans-boundary concerns towards a sustainable, smart, and inclusive Cebu. It is anchored on and considers the island-wide or larger provincial area or whole of Cebu, and regional area or Visayas context, while starting out its on-ground engagement and intervention at the Metropolitan Cebu level. Conceptually, thus, Mega Cebu is larger than Metro Cebu and considers the population of the entire 'province' or 'islands' of Cebu in the year 2050, which is projected to reach more than Ten (10) Million, the technical definition of a mega population being Ten million or more.
- (e) Metropolitan Cebu Roadmap refers to the "Roadmap Study for Sustainable Urban Development in Metro Cebu" that was commissioned and subsequently adopted by the Metro Cebu Development and Coordinating Board (MCDCB), was funded by the Government of Japan, and completed by a team from the Japan International Cooperation Agency (JICA).
- SEC. 4. *Creation of the Mega Cebu Development Authority*. There is hereby created a special body to be known as the Mega Cebu Development Authority, hereinafter referred to as "MCDA" or "Authority", which shall be organized within thirty (30) days after the approval of this Act, to coordinate and promote socio-economic growth and sustainable development within Metro Cebu and the Province of Cebu.

The MCDA shall execute the powers and functions herein vested which shall, however, in no way diminish the autonomy of the LGUs in the Metropolitan Cebu

area and the Province of Cebu concerning purely local matters within the framework and subject to the mandate and limitations of the Philippine Constitution, pertinent provisions of the Local Government Code, and Section 5 hereof.

SEC. 5. Constitution and Jurisdiction of the Mega Cebu Development Authority. - For the purposes of this Act, the MCDA shall comprise the core metropolitan area embracing the highly urbanized cities of Cebu, Mandaue, and conferred by this Act, determined in accordance with the procedures and requirements to be outlined in its implementing rules and regulations.

- SEC. 6. *Functions of the Mega Cebu Development Authority.* Subject to the approval of the LGUs concerned, the Authority shall primarily exercise the following functions and services:
 - (a) Formulate, coordinate, regulate and monitor the short, medium, and long-term plans, policies, and programs for the sustainable development and integration of the Metropolitan Cebu area and the Province of Cebu, including investment programs for the delivery of multi-LGU or Metropolitan Cebu and the Province of Cebu services, land use, spatial, and physical development using strong, coherent governing values and shared vision, with focus on integrated systems for urban development;
 - (b) Render services that have multi-LGU or metropolitan wide coverage and impact, transcending local geopolitical boundaries or entailing substantial expenditures including, but not limited to: integrated and infrastructure development and planning; transport and traffic management; solid waste disposal and management; water, septage, sewerage and storm water management; and disaster risk reduction and management;
 - (c) Ensure that plans, policies, programs and services are pursued for the purpose of realizing the Mega Cebu 2050 Vision of a Wholesome, Advanced, Vibrant, Equitable, and Sustainable (W.A.V.E.S.) Cebu, executing the Mega Cebu development strategy of competitiveness, livability, mobility, and metropolitan management and implementing the Metropolitan Cebu

Roadmap, which are hereby adopted, and other subsequent and related roadmaps for Metro Cebu and the Province of Cebu;

- (d) Ensure continuing research, evaluation, and monitoring to enhance plans, policies, programs, services, and efforts to anticipate or respond to the dynamic and changing realities and needs of metropolitan development; and
- (e) Perform other related functions required to achieve the Mega Cebu 2050 Vision and the objectives of the MCDA, including the undertaking of delivery of services to the LGUs, when deemed necessary and subject to prior coordination and consent of the LGU concerned.
- SEC. 7. **Scope of Services of the Mega Cebu Development Authority.** In coordination with appropriate government units and agencies and relevant private sector organizations, the scope of the services of the MCDA shall include:
 - (a) Spatial and integrated planning and infrastructure planning and development, which includes the formulation, adoption, and implementation of plans, policies, programs, projects, standards, rules, and regulations to rationalize and optimize land use; conserve and protect natural resources, provide direction to urban growth and expansion within the context of smart, connected, compact and sustainable growth; and the provision of necessary services;
 - (b) Transport and traffic management, which includes the formulation, coordination, and monitoring of policies, standards, plans, programs and projects, including its implementation and its integration with land use, rationalization of the existing transport operations, infrastructure requirements, and use of thoroughfares; promotion of safe and convenient movement of persons and goods; provision for and maintenance of mass transport system, road infrastructure, and institution of a people-centered network of mobility, including pedestrianization and non-motorized forms of transport, as well as a system to regulate road users; and the administration and implementation of traffic enforcement operations, traffic engineering

services, and traffic education programs, including the institution of a single ticketing system;

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- (c) Solid waste management, which includes the formulation and implementation of policies, standards, plans, programs, and projects for proper and sanitary waste disposal; the establishment and operation of sanitary landfill and related facilities; the establishment and operation of alternative waste management facilities; and the implementation of appropriate programs, projects, and services intended to manage, dispose, reduce, reuse, and recycle solid waste;
- (d) Water, septage and sewerage, and storm water management, which includes the formulation and implementation of policies, standards, plans, programs, and projects for water supply and water resources management; integrated storm water management, drainage and flood control; and septage and sewerage management system; and
- (e) Disaster risk reduction and management, which includes the formulation and implementation of plans, programs, projects, policies, standards, and procedures to achieve public safety, especially preparedness for preventive or rescue operations during times of calamities and disasters; management of information; coordination and mobilization of resources; and recovery, rehabilitation, and relief operations.

SEC. 8. Composition of the Mega Cebu Development Board (MCDB). The governing and policy setting powers of the MCDA shall be vested in and exercised by the Mega Cebu Development Board, hereinafter referred to as MCDB or Board, which shall be composed of fifteen (15) ex-officio members and six (6) regular members, as follows:

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- (a) Governor of the Province of Cebu, ex-officio;
- (b) Mayors of the seven (7) cities of Metro Cebu, ex-officio;
- (c) Mayors of the six (6) municipalities of Metro Cebu, ex-officio;
- (d) President of the League of Municipalities of Cebu, ex-officio;

(e) Five (5) regular members from the private sector: three (3) from the business sector and two (2) from the general public; and

(f) The General Manager of the Authority, to be appointed by majority vote of the ex-officio members and regular members of the Board, who shall be the sixth private sector representative in the Board, and shall serve as the Chief Operating Officer of the MCDA.

The officers of the MCDB shall consist of one (1) Chairperson; one (1) co-Chairperson representing the public sector and one (1) Co-Chairperson representing the private sector. The Chairperson and the Co-Chairperson representing the public sector shall be elected by majority vote of the Governor of the Province of Cebu and the seven (7) mayors of the cities of Metro Cebu from among themselves. The cochairperson representing the private sector shall be elected by the five (5) regular members representing the private sector.

All regular members of the MCDB including the General Manager must have been residents of the cities of Cebu or Province of Cebu for at least three (3) years preceding their appointment. They shall serve for a term of one (1) year until their re-election or successors shall have been elected, unless sooner removed for cause. In case of removal of a member for cause, the replacement shall only serve the unexpired portion of the term.

Each member, ex officio or regular, shall have equal voting rights and shall participate during the deliberations of the regular and special meetings of the MCDB: Provided, That eleven (11) members of the MCDB shall constitute a quorum for the conduct of regular and special meetings: Provided, further, That the implementation of plans, projects, and activities affecting a particular LGU must have the affirmative vote of the Mayor of the concerned LGU.

- SEC. 9. Functions of the Mega Cebu Development Board. Subject to the approval of the LGUs concerned, the MCDB shall perform the following functions and powers:
 - (a) Adopt and approve rules and regulations to govern the conduct of business of the Board;

(b) Approve the multi-LGU or metropolitan-wide short, medium, and long term development plans, policies, and programs, and such projects developed and packaged by its Research, Program, and Organizational Development-Technical, Operations, and Planning Office (RPOD-TOPO), the various committees, and respective project management offices;

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- (c) Promulgate policies and standards for metropolitan-wide application governing the delivery of services, prescription and collection of service and regulatory fees, and the imposition and collection of fines and penalties, including the assessment and collection of contributions, fees, and charges for the operation of the MCDA or use of its facilities or services, as may be deemed necessary and proper;
- (d) Approve the organizational structure of the Authority and, as endorsed by the General Manager, confirm or define the duties and responsibilities of all officers and employees, including the appointment of key officials of the Authority, and fix the compensation and benefits of officers and personnel, including the granting of incentives;
- (e) Create a Conflict Management Committee (CMC) to address any controversy primarily between and among members from the LGUs, national government agencies, private and business sectors, and civil society. The CMC shall enjoin parties to settle the dispute through dialogue. If a settlement is not reached, any unresolved controversy shall be settled thru mediation and arbitration by the CMC. Any of the parties may appeal the CMC resolution to the Board, whose decision shall be final and executory.
- (f) Appoint or remove the General Manager, Assistant General Managers, or the heads of the different offices, in accordance with law;
- (g) Incorporate and endorse the plans, policies, programs, and projects formulated by LGUs and other public sector agencies, including those areas and services which were not included in the Metropolitan Cebu Roadmap, after proper consultation and coordination;

1	(h)	Submit to the National Economic Development Authority (NEDA) Board
2		its plans, programs, projects, and activities to enable adoption,
3		endorsement, approval, integration, or progressive roll out of integrated
4		and system-wide plans, programs, projects, and spatial urban and rural
5		design decisions;
6	(i)	Form, establish, organize, and maintain offices or service units to provide
7	(-)	multi-LGU or metropolitan wide services, in accordance with relevant
8		Philippine laws;
9	(j)	Enter into contract and own properties; receive funding, payments,
10		grants, contributions, and donations; sue and be sued in order to carry
11		out its duties and functions as provided for in this Act;
12	(k)	Establish a conflict management committee to address conflicts to which
13		all entities or individuals will resort to, at the first instance;
14	(I)	Perform any and all related acts to carry out its mandate and perform
15		its objectives, including the undertaking of delivery of services to the
16		LGU concerned;
17	(m)	Adopt, alter, and use a corporate seal; and,
18	(n)	Carry out the purposes and provisions of this Charter.
19	SEC	. 10. Creation of the Office of the MCDA General Manager There
20	is hereby o	created the Office of the MCDA General Manager, to be headed by the
21	General M	anager and vested with executive powers to manage the affairs and
22	further the	purposes of the MCDA.
23	SEC	. 11. Functions of the General Manager The General Manager of
24	the MCDA	shall have the following functions:
25	(a)) Formulate, prescribe, amend, and endorse rules and regulations to
26		govern the conduct of the Office of the General Manager;
27	(b)	Endorse to the MCDB for approval, the creation and organization of the
28		Institutional Development Office (IDO), Public Service Offices (PSOs),

and other offices as may be necessary to fulfil the mandate of the Authority;

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- (c) Identify, select, appoint, suspend, remove, or discipline the officers and personnel below the positions of Assistant General Managers and the managers or heads of offices or services, subject to approval by the MCDB;
- (d) Indorse for approval of the Board, the compensation, benefits, and incentives of key officials and other staff of the MCDA who will perform the following: finance and administration, to include human resources management, audit, legal, reputation and risk management, and information technology (IT); research and knowledge management, to include monitoring and evaluation, education, communications, and stakeholder relations; planning, development, and technical support, to include project development; and operations and services, to include project management and service delivery;
- (e) Endorse to the MCDB the multi-LGU or metropolitan-wide short, medium, and long-term development plans and programs which includes the formulation and coordination of related activities in Metropolitan Cebu;
- (f) Endorse the annual and supplemental budgets of the Authority to the Board; and
- (g) Perform such other acts and assume such other functions as may be necessary to carry out the provisions of this Charter.
- SEC. 12. *Creation of Institutional Development Office.* There shall be created an Institutional Development Office (IDO) in the Office of the General Manager to provide support in the operations and implementation of the internal programs and requirements of the MCDA. The IDO shall oversee the various components, operations, and processes of MCDA such as: finance and administration, to include human resources management, audit, legal, reputation

and risk management, and information technology (IT); research and knowledge management, to include monitoring and evaluation, education, communications, and stakeholder relations; planning, development, and technical support, to include project development; and operations and services, to include project management and service delivery.

The head of the IDO, as Assistant General Manager, shall report directly to the General Manager.

SEC. 13. *Creation of Public Service Offices.* - There shall be created a Public Service Office (PSO) for each of the five (5) initial focal areas of MCDA, as follows: Integrated Development and Spatial Planning (IDSP); Transport and Traffic Management (TTM), Solid Waste Management (SVM); Water Supply Management, including septage and sewerage, and storm water management, (WSM); and Disaster Risk Reduction and Management (DRRM).

Each PSO shall be headed by an Assistant General Manager, who shall report directly to the General Manager. National government agencies (NGAs), GOCCs, LGUs and other organizations mandated to provide services in these focal areas shall be invited to coordinate their programs and projects with the appropriate PSO.

Development. - Technical, Operations, and Planning Office. - There shall be created a Research, Program and Organizational Development — Technical, Operations, and Planning Office (RPOD-TOPO) which is necessary to deliver the MCDA's mandate, provide support and management of its operations. The RPOD-TOPO shall serve as the coordinating and operations office and process facilitator for the Authority, providing finance and administration, research, knowledge management and planning expertise and services; technical support, operations, service delivery and project management as well as guidance to the Board, the General Manager, and other offices or services; facilitate the organization, integration, and complementation of the Authority's various functions, structures, plans, programs, projects and services; and provide secretariat support to the MCDB, other offices and services, and to keep a record and have custody of the proceedings of all sessions of the MCDB or meetings of the PSOs.

- The RPOD-TOPO shall be headed by an Assistant General Manager, supported by appropriate supervisory and other officers of the MCDA. The Assistant General Manager (AGM) for the RPOD-TOPO, appointed on the basis of defined competence and qualities, shall:
- (a) Assist in the administration of the MCDA and supervision of subordinate
 personnel:
 - (b) Assist in the supervision of the operation of the various committees and offices of the MCDA;

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- 9 (c) Assist in the preparation and review of plans and programs of the MCDA 10 for submission to and endorsement of the Executive Committee, and 11 approval by the Board; and
- 12 (d) Perform such other duties and functions as may be lawfully delegated or 13 assigned from time to time.
 - There shall be appointed managers for finance and administration; research and knowledge management; planning, development, and technical support; and operations and service delivery who shall be chosen based on academic qualifications, competence, and experience.
- These departments shall be staffed by appropriately qualified personnel with relevant academic backgrounds and work experiences consistent with the purpose, functions, requirements, and scope of the Authority.
 - All employees of the MCDA shall be subject to periodic monitoring and evaluation.
 - SEC. 15. **Institutional Linkages.** The MCDA shall establish institutional linkages and relations with appropriate government agencies and units and the private sector at the local, regional, national, and international levels concerning matters of import and relevance to Mega Cebu or the Metropolitan Cebu area.
 - For this purpose and guided by rules and regulations, the MCDA shall carry out its functions in consultation and close coordination with the LGUs, government agencies, the private sector, and civil society organizations. To facilitate

coordination and alignment, LGUs, NGAs, GOCCs and other relevant organizations shall submit their policies, plans and programs, and projects, particularly relating to the initial five (5) focal areas outlined in Section 7 hereof, that may affect or have an impact on the Mega Cebu or the Metropolitan Cebu area.

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The MCDA shall submit its development plans and investment programs to the National Economic and Development Authority (NEDA) for integration into the Medium-Term Philippine Development Plan (MTPDP) and public investment program.

In the implementation of MCDA's plans and programs utilizing local, national, and other funds, which shall be undertaken either by the local government unit, national government agency, or other public and private sector organizations responsible for the delivery of such services, the MCDA may enter into contracts, memoranda of agreement and other cooperative arrangements with these entities for the delivery of the required services.

The MCDA shall also coordinate and interface with foreign assistance and other agencies for the purpose of obtaining financing and technical support, and securing contributions, grants and donations from various sources to support its operations or undertake its programs and projects.

SEC. 16. **Appropriations and Financing.** - For the organizational and operating expenses of the Authority, an initial fund of One Billion Pesos (PhP 1,000,000,000.00) shall be appropriated by the National Government. Thereafter, the National Government shall allocate in the annual General Appropriations Act the funds needed by the MCDA for personnel, capital expenditures, maintenance and other operating expenses and for the continued implementation of this Act.

The operations of the MCDA shall likewise be supported through financial contributions and technical assistance from member LGUs, NGAs, and GOCCs and the private sector, and other local and international organizations in the form of grants, donations, contributions, payments, penalties, fees and charges.

The MCDA is likewise empowered to levy fines, and impose fees and charges for various services rendered.

The MCDB shall undertake continuing negotiations among the member LGUs and GOCCs to commit annual financial contributions for the operations of the MCDA.

SEC. 17. *Use of Income*. - To carry out the purposes of this Act, the MCDA is hereby authorized, in addition to its allocation from the annual General Appropriations Act, revenues generated from various services rendered, and annual contributions from LGUs, to retain and utilize its income: Provided, That nothing herein shall be deemed to exempt the MCDA to the auditing requirements, standards, and procedures of existing laws.

SEC. 18. **Good Governance Clause.** - The MCDA adheres to the principles of good governance that ensures commitment to values and ethical conduct of its business; transparency in transactions; an effective audit system; statutory and legal compliance; adequate disclosures; and effective decision-making to achieve its objectives.

SEC. 19. **Implementing Rules and Regulations.** - Within six (6) months from the approval of this Act, the rules and regulations to carry out the provisions of this Act shall be formulated and approved by the MCDA.

SEC. 20. **Separability Clause.** - Any provision or part hereof is held invalid or unconstitutional, the other provisions not otherwise affected shall remain in full force and effect.

SEC. 21. *Effectivity Clause*. - This Act shall take effect fifteen (15) days following completion of its publication in at least one (1) newspaper of general circulation.

Approved,