

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



Senate
Office of the Secretary

23 JUN -8 P6:31

SENATE
S. B. No. 2275

RECEIVED BY:

Introduced by Senator Robinhood Padilla

AN ACT
ESTABLISHING THE CORDILLERA AUTONOMOUS REGION

EXPLANATORY NOTE

The ratification of the Constitution in 1987 gave rise to the creation of autonomous regions in Mindanao and in the Cordilleras:

Section 15, Article X, of the 1987 Constitution provides that,
"There shall be created autonomous regions in Muslim Mindanao and in the cordilleras consisting of provinces, cities, municipalities, and geographical areas sharing common and distinctive historical cultural heritage, economic and social structures, and other relevant characteristics within the framework of this Constitution and the national sovereignty as well as the Republic of the Philippines."

In 1989, the Autonomous Region in Muslim Mindanao (ARMM) was finally realized through the enactment of Republic Act No. 6374. The Congress has since ensued with landmark legislation to guarantee the mandate of the Constitution, including the passage of Republic Act No. 9054 to expand the territory and powers of the ARMM in 2001 and, more recently, the Republic Act No. 11054, also known as the "Bangsamoro Organic Law" (BOL) to establish the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and to abolish the ARMM.

While the long and arduous journey of BARMM has come to fruition, the autonomous region in the Cordilleras has unfortunately yet to be realized.

For the purposes of administrative decentralization, the Cordillera Administrative Region was created on July 15, 1987, through Executive Order No. 220. CAR is the only landlocked region in our country priding itself on mountainous topography, bountiful natural resources, and rich cultural heritage. This region is carved out of provinces previously belonging to Region 1, such as Abra, Baguio City, Benguet, and Mountain Province; and Ifugao and Kalinga-Apayao from Region 2.

While CAR is envisioned to accelerate the economic and social growth in the region and, in the long term, transform a group of adjacent territorial and political subdivisions into an autonomous region vested with political autonomy, it is mandated to serve merely as a transitory coordinating agency in preparation for political autonomy. Unfortunately, three decades since it was created, CAR still continues to perform this transitory role within the Cordilleras.

The aspiration of the Cordillerans for genuine autonomy and self-determination has long sustained the hopeless air of neglect. The two Organic Acts for an autonomous region enacted in 1990 and 1998 failed to win the votes of the Cordillerans. However, in pursuit of this collective goal, extensive information campaigns and public consultations were conducted to craft a legislative measure that truly reflects the needs and aspirations of the Cordillerans. This legislative measure has hence evolved over time through the collaborative participation of all key stakeholders.

The Cordillerans, a people with a long history of struggle for the protection of their culture and heritage toward the recognition of their rights as a people, truly deserve genuine autonomy and meaningful pursuit of economic, social, and cultural development.

Towards this end, the immediate passage of this bill is earnestly sought.



ROBINHOOD PADILLA
Senator

23 JUN -8 P6:31

SENATE
S. B. No. 2275

RECEIVED BY: 

Introduced by Senator Robinhood Padilla

AN ACT
ESTABLISHING THE CORDILLERA AUTONOMOUS REGION

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

1 **PREAMBLE**

2 We, the people of the Cordillera region, imploring the will of Divine Providence,
3 exercising our fundamental and Constitutional right to self-determination, faithful to
4 the pursuit of our forebears for the protection, conservation, and development of our
5 patrimony and cultural heritage, in order to secure for ourselves and our posterity a
6 region of peace and prosperity founded on truth, fairness, freedom, justice, love, and
7 solidarity through an autonomous region that shall ensure our human development
8 and our active participation as citizens in the affairs of a united Philippines, do proclaim
9 this Organic Act of the Cordillera Autonomous Region.

10 **ARTICLE I**

11 **NAME AND PURPOSE**

12 Section 1. *Name.* — There is hereby established an autonomous region in the
13 Cordillera to be known as the "*Cordillera Autonomous Region (CAR)*".

14 Sec. 2. *Purpose.* — The purpose of this law is to establish an effective political
15 entity, provide for its basic structure of government in recognition of the justness and
16 cause of the people of the Cordilleran region, their fundamental and Constitutional
17 right to self-determination and the faithful pursuit of the duty to protect, conserve and

1 develop their patrimony and cultural heritage, in order to secure for themselves and
2 their posterity a region of peace and prosperity founded on truth, fairness, freedom,
3 justice, love and solidarity, the preservation of their identity and posterity, and the
4 attainment of meaningful and effective governance.

5 **ARTICLE II**

6 **AREA AND IDENTITY**

7 *Sec. 3. Creation Cordillera Autonomous Region.* — There shall be created a
8 political entity which shall be known as Cordillera Autonomous Region (CAR), which
9 shall consist of the city and provinces that shall vote favorably in the plebiscite called
10 for the ratification of this Organic Act pursuant to Section 18, Article X of the
11 Constitution in the provinces of Abra, Apayao, Benguet, Ifugao, Kalinga, Mountain
12 Province, and the chartered City of Baguio.

13 *Sec. 4. Cordilleran People.* — The term "*Cordilleran*" shall apply to the following
14 citizens of the Philippines:

- 15 (1) Those whose mothers or fathers are indigenous people of the Cordillera
16 Region;
- 17 (2) Those who are born in the Cordillera Autonomous Region; and
- 18 (3) Those who are residing in the Cordillera Autonomous Region for at least
19 one (1) year.

20 **ARTICLE III**

21 **DECLARATION OF POLICIES AND PRINCIPLES**

22 *Sec. 5. Integral Part of the Republic.* — The CAR shall remain an integral and
23 inseparable part of the national territory of the Philippines as defined by the
24 Constitution and existing laws. The autonomous region shall be governed and
25 administered in accordance with this Constitution, Organic Act, statutes passed by the
26 Congress, and laws enacted by the Regional Assembly.

27 *Sec. 6. Equitable Share in the National Budget and Development Assistance.* —
28 The national government shall provide the autonomous region with a proportionate
29 and equitable share in the annual national budget and foreign-assisted projects based
30 on the defined programs, functions, and performance goals of CAR in addition to other
31 financial assistance, support, and subsidies to accelerate its development.

1 Sec. 7. *Self-governance.* — In the exercise of their right to genuine autonomy
2 and meaningful self-governance, inhabitants of the CAR are free to pursue their
3 political, economic, social, and cultural development within the framework of national
4 sovereignty and in accordance with the Constitution.

5 Sec. 8. *Democratic Political System.* — The Regional Government is a
6 democratic political system that allows the people to participate in political processes.

7 Sec. 9. *Prior and Preferential Rights.* — The inhabitants of the CAR shall have
8 prior and preferential right to the natural, material, fiscal resources, and other
9 ancestral domain of the CAR in accordance with the Constitution and other pertinent
10 laws.

11 Sec. 10. *Fundamental Rights and Duties of People.* — The fundamental rights
12 and duties of the people in the CAR are those defined in the Constitution, this Organic
13 Act, and other pertinent laws.

14 Sec. 11. *Rights to Initiatives, Consultations, Referenda, and Plebiscites.* — The
15 rights of the people of the CAR to initiate measures for the passage, amendment, or
16 repeal of regional or local legislation, to be consulted on matters that affect their
17 welfare, to call for a referendum on important issues affecting their lives, and, to recall
18 regional or local officials as provided by Republic Act No. 7160, as amended, otherwise
19 known as the Local Government Code of 1991, are hereby recognized without
20 prejudice to the other rights guaranteed by the Constitution.

21 Sec. 12. *Accountability of Public Officers.* — Public office is a public trust. Public
22 officers and employees shall at all times be accountable to the people, serve them
23 with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and
24 justice, and lead modest lives.

25 Sec. 13. *Upholding Human Rights.* — The Regional Government shall take
26 measures to prevent torture, cruel, inhumane and degrading punishment, illegal
27 detention, and extra-judicial killings.

28 Sec. 14. *Establishment of Peace Zones.* — The Regional Government adheres
29 to the policy of peace and shall establish peace zones within the region when
30 applicable.

31 Sec. 15. *Devolution of Powers.* — The Regional Government shall adopt a policy
32 on local autonomy whereby regional powers shall be devolved to local government

1 units (LGUs), particularly in areas of education, health, human resources, science and
2 technology, and people empowerment. Until a law implementing this provision is
3 enacted by the Regional Assembly, the provisions of the Local Government Code of
4 1991, as amended shall continue to apply to all provinces, cities, municipalities, and
5 barangays within CAR.

6 The regional assembly shall not pass any law to diminish, lessen or reduce the
7 powers, functions, and shares in the National Tax Allotment of the said LGUs as
8 provided for by the Local Government Code of 1991, as amended.

9 *Sec. 16. Sustainable Use and Management of Resources.* — The Regional
10 Government shall share with the national government in the exploration,
11 development, and utilization of its natural resources, conservation, and protection of
12 natural resources by promoting the sustainable use and management thereof and shall
13 adopt environmentally sound and appropriate technology in the management of
14 natural resources. The use of renewable energy for the power needs of the inhabitants
15 of the CAR and the conduct of business and commerce thereat shall be promoted.

16 *Sec. 17. Community Responsive Education.* — The Regional Government shall
17 integrate into the educational system a subject that responds to the needs of the
18 Cordillera communities, respects and promotes Cordilleran knowledge, core values,
19 systems, institutions, culture, history, and practice, encourage the use of languages
20 and methods of education, and promote science and appropriate technology and
21 methodologies that encourage creative and critical thinking of the Cordilleran.

22 *Sec. 18. Protection and Empowerment.* — The Regional Government shall
23 formulate plans and programs for the empowerment of the youth and guarantee their
24 effective participation and representation in all aspects of public affairs. Laws shall be
25 enacted, and measures adopted to protect women and children against all forms of
26 neglect, cruelty, and exploitation which are harmful to their moral, physical, or mental
27 health, in accordance with the provision of the Constitution and other pertinent laws.

28 *Sec. 19. Regional Arrangements.* — The Regional Government shall pursue a
29 policy of interregional development planning, coordination, and mutual cooperation in
30 order to promote sustainable development as well as protect and conserve resources.

31 *Sec. 20. Equal Access and Non-discrimination.* — The Regional Government
32 shall ensure equal access by inhabitants of the CAR to resources, employment

1 (b) Creation of sources of revenues:

- 2 (1) Authority to regulate power generation, transmission, and
3 distribution operating exclusively in the autonomous region, in
4 coordination with appropriate national government agencies; and
5 (2) Imposition of appropriate and reasonable taxes except those
6 which are already taxed by the national government, and LGUs.

7 (c) Ancestral domain and natural resources:

8 (1) Protection of the ancestral domain and ancestral lands of
9 indigenous cultural communities (ICCs) consistent with Republic
10 Act No. 8371, otherwise known as the "Indigenous Peoples Rights
11 Act (IPRA) of 1997".

12 (2) Declaration of nature reserves and aquatic parks, forests,
13 watershed reservations, and other protected areas in the
14 autonomous region.

15 (3) Authority, power, and right to the control and supervision over
16 the exploration, utilization, development, and protection of the
17 lands, forests, water, minerals, and other natural resources,
18 within the autonomous region in accordance with the provisions
19 of the Constitution, pertinent provisions of this Organic Act, and
20 other pertinent laws.

21 (4) Regulation of small-scale mining.

22 (d) Urban and rural planning development:

23 (1) Adoption and implementation of a comprehensive land use
24 program;

25 (2) Land management, land distribution, and agricultural land use
26 reclassification; and

27 (3) Authority to conduct cadastral survey in coordination with the
28 Department of Environment and Natural Resources (DENR):
29 *Provided*, that sub-sections 4a, 4b and 4c shall be exercised in
30 coordination with LGUs within the CAR, DENR, and other
31 appropriate national government agencies.

32 (e) Economic, social, and tourism development:

- 1 (1) Establishment of transportation and communication facilities;
- 2 (2) Promotion of tourism within the autonomous region; and
- 3 (3) Regulation of games and amusement operations within CAR.
- 4 (f) Educational policies in skills training, research, and scholarships;
- 5 (g) Preservation and development of the cultural heritage, the
- 6 establishment of its own libraries and museums, and declaration of
- 7 historical and cultural sites, in coordination with the National Commission
- 8 for Culture and the Arts (NCAA);
- 9 (h) Agriculture, livestock, and food security;
- 10 (i) Creation, division, merger, abolition or alteration of boundaries of
- 11 municipalities and barangays;
- 12 (j) Creation of government-owned or controlled corporations and pioneer
- 13 firms;
- 14 (k) Cultural exchange, and economic and technical cooperation;
- 15 (l) Culture and language;
- 16 (m) Customary laws;
- 17 (n) Development programs and laws for women, labor, the youth, the
- 18 elderly, the differently-abled, and indigenous peoples;
- 19 (o) Disaster risk reduction and management;
- 20 (p) Ecological solid waste management and pollution control;
- 21 (q) Economic zones, industrial centers, and free ports;
- 22 (r) Eminent domain;
- 23 (s) Environment, parks, forest management, wildlife, and nature reserves
- 24 conservation;
- 25 (t) Fishery, marine, and aquatic resources;
- 26 (u) Grants and donations;
- 27 (v) Health;
- 28 (w) Housing and human settlements;
- 29 (x) Humanitarian service and institutions;
- 30 (y) Inland waterways for navigation;
- 31 (z) Labor, employment, and occupation;
- 32 (aa) Libraries and museums, and historical, cultural and archaeological sites;

- 1 (bb) Loans, credits and other forms of indebtedness;
- 2 (cc) Mechanisms for consultations for women and marginalized sectors;
- 3 (dd) Power sector investments;
- 4 (ee) Public works and infrastructure;
- 5 (ff) Science and technology, research councils and scholarship programs;
- 6 (gg) Social services, social welfare, and charities;
- 7 (hh) Sports and recreation;
- 8 (ii) Technical cooperation for human resources development;
- 9 (jj) Tourism development;
- 10 (kk) Trade and Industry;
- 11 (ll) Urban and rural planning development;
- 12 (mm) Urban land reform and land use;
- 13 (nn) Water supply and services, flood control, and irrigation systems; and
- 14 (oo) Such other matters for the promotion of the general welfare of its
- 15 inhabitants. The Regional Government, in the exercise of its devolved
- 16 powers as herein defined, shall coordinate with the appropriate national
- 17 government agencies.

18 **B. Intergovernmental Relations**

19 *Sec. 26. General Supervision.* — Consistent with the principle of local autonomy,
20 the President shall exercise general supervision over the Regional Government to
21 ensure that laws are faithfully executed.

22 *Sec. 27. Regional Line Agencies.* — Regional line agencies shall continue to exist
23 without diminution of their mandated authority. Regional line agency officials and
24 employees shall continue to be paid by the national government. There shall be no
25 diminution of compensation and other benefits due to the officials and employees of
26 line agencies. Existing assets and properties of the regional line agencies and offices
27 shall remain under their custody and accountability.

28 *Sec. 28. Tenure of Civil Service Employees.* — Except for just cause and after
29 due process, officials and employees of the regional line agencies and offices in the
30 region shall not be laid off, dismissed, or removed as a result of any reorganization
31 attendant to the establishment of the CAR.

1 Sec. 29. *Priority in Recruitment, Selection, and Placement.* — Officials and
2 employees of the Regional Government and the regional line agencies in the
3 autonomous region shall be hired in accordance with appropriate civil service rules
4 and regulations, but priority shall be accorded to qualified inhabitants of the CAR.

5 Sec. 30. *Appointment of CAR employees.* — The regional governor shall fill up
6 second-level positions in the Regional Government from among at least three (3)
7 recommendees of the Regional Human Resource Merit Promotion and Selection board
8 that shall be duly constituted.

9 Sec. 31. *Management of ODA Funds.* — The autonomous region may avail of
10 Official Development Assistance (ODA) and other foreign financial grants or donations
11 and shall undertake these projects through the regional line agencies, government-
12 owned and controlled corporations (GOCCs), state colleges and universities, LGUS or
13 whichever is deemed appropriate, subject to review and approval of the national
14 government in accordance with Republic Act No. 8182, otherwise known as the Official
15 Development Assistance Act of 1996 and the prior clearance and approval by the
16 President of the Republic of the Philippines.

17 Sec. 32. *Government-Owned and Controlled Corporations.* — Government-
18 owned and Controlled Corporations (GOCCs) such as the Government Service
19 Insurance System (GSIS), the Social Security System (SSS), the *Pagtutulungan-Ikaw,*
20 *Bangko Industriya't Gobyerno* (PAG-IBIG), PhilHealth and other GOCCs shall continue
21 to be governed by their respective charters and other pertinent laws.

22 Sec. 33. *Autonomy of Local Government Units.* — All LGUs within the CAR shall
23 continue to be independent of each other, shall have the same set of local officials
24 and employees, shall enjoy autonomy and continue to exercise the powers granted
25 them under the Local Government Code of 1991, as amended, and other existing laws.
26 The Local Government Code of 1991 shall apply to all provinces, cities, municipalities,
27 and barangays in the CAR until the Regional Assembly shall enact a regional Local
28 Government Code. Nothing herein provided shall be construed in any manner as to
29 diminish the powers and functions as well as benefits and privileges already being
30 enjoyed by the LGUs.

31 Sec. 34. *Supervision of Local Government Units through the Regional Governor.*
32 — Consistent with the basic policy on local autonomy, the President, through the

1 Regional Governor, shall exercise supervision over LGUs in the CAR to ensure that
2 their acts are within the scope of their prescribed powers and functions.

3 *Sec. 35. Revenues and Taxes Accruing to Local Government Units.* — Revenues,
4 taxes, fees, and charges generated by the LGUs and the Regional Government from
5 their respective local tax ordinances shall exclusively accrue to them.

6 *Sec. 36. Just Share in National Taxes.* — The LGUs in the CAR including the
7 Regional Government, shall have a just share in the national taxes and applicable
8 revenues which shall be automatically released to them.

9 *Sec. 37. Equitable Share in the Utilization of Resources.* — The LGUs in the
10 CAR, including the Regional Government, shall be entitled to an equitable share in the
11 proceeds of the utilization and development of the national wealth within their
12 respective areas, in the manner provided for by law and this Organic Act.

13 *Sec. 38. City Charters.* — All cities within the CAR shall be governed primarily
14 by their charters.

15 *Sec. 39. Creation of Special Political Subdivisions.* — Special metropolitan
16 political subdivisions may, by law, be created by the Regional Assembly, subject to a
17 plebiscite. The component cities and municipalities shall retain their basic autonomy
18 and shall be entitled to their own local chief executive and legislative bodies consistent
19 with the Local Government Code of 1991, as amended, and the Constitution. The
20 jurisdiction of the metropolitan authority that will thereby be created shall be limited
21 to basic services requiring coordination.

22 *Sec. 40. Right of Local Government Units to Cooperate and Consolidate*
23 *Resources for Common Goals and Programs.* — LGUs in the autonomous region may
24 group themselves, consolidate or coordinate their efforts, services, and resources for
25 purposes commonly beneficial to them in accordance with law.

26 **ARTICLE V**

27 **ELECTIVE OFFICIALS OF THE AUTONOMOUS REGIONAL GOVERNMENT;** 28 **QUALIFICATIONS, TERMS OF OFFICE, VACANCIES AND SUCCESSION, AND** 29 **ACCOUNTABILITY**

30 *Sec. 41. Elective Officials.* — The elective officials of the CAR are the (a)
31 Regional Governor, (b) Regional Vice-Governor, and (c) Members of the Regional
32 Assembly.

1 Sec. 42. *Qualifications.* — (a) Candidates for Regional Governor and Vice-
2 Governor positions must be citizens of the Philippines and inhabitants of the CAR, who
3 are at least twenty-five (25) years of age on election day, are registered voters in the
4 CAR and are residents thereof for a period of at least one (1) year immediately
5 preceding the day of the election, and are able to read and write Filipino or English;

6 (b) Candidates for the position of Member of the Regional Assembly must
7 be citizens of the Philippines and inhabitants of the CAR who are at
8 least twenty-five (25) years of age on election day, are registered
9 voters in the provincial district or city, are resident thereof for a period
10 of at least one (1) year immediately preceding the day of the election,
11 and are able to read and write Filipino or English or any other local
12 language in the region.

13 Sec. 43. *Disqualifications.* — In addition to the disqualifications provided for
14 under Section 40 of the Local Government Code of 1991, as amended, candidates for
15 Regional Governor, Vice-Governor and members of the Regional Assembly must not
16 be related to incumbent elected regional officials within the fourth degree of
17 consanguinity or affinity.

18 Sec. 44. *Manner of Election.* — The Regional Governor and Vice-Governor, who
19 shall belong to the same political party, shall be elected at large by direct vote of the
20 registered voters of the CAR. A vote for the Regional Governor shall be counted as a
21 vote for the Regional Vice-Governor.

22 (a) Each province and city shall elect their own representatives to the
23 Regional Assembly according to the following seats allocated to them:

24 (1) Highly urbanized city - four (4) seats;

25 (2) Province - four (4) seats to be allocated two (2) per provincial
26 district;

27 (3) Component city - One (1) seat, *Provided,* That any component
28 city created after the effectivity of this Organic Act shall be entitled
29 to representation to the Regional Assembly as may be provided
30 for by law.

31 (b) Unless otherwise provided for by law, the regular elections of the
32 Regional Governor, Vice Governor, and members of the Regional

1 Assembly shall be held simultaneously with the national and local
2 elections on the second Monday of May, and every three (3) years
3 thereafter.

4 Sec. 45. *Term of Office.* — (a) The term of office of all elective regional officials
5 elected after the effectivity of this Organic Act shall be three (3) years which shall
6 begin at noon on the thirtieth day of June following the day of election and shall end
7 at noon of the same date three (3) years thereafter. No Regional Governor, Vice-
8 Governor, or Member of the Regional Assembly shall serve for more than three (3)
9 consecutive terms.

10 (b) Voluntary renunciation of, or removal from office for any length of time
11 shall not be considered as an interruption in the continuity of the service
12 for the full term for which officials were elected.

13 Sec. 46. *Oath of Office.* — The Regional Governor, Vice-Governor and Members
14 of the Regional Assembly on assuming office shall take the following oath or
15 affirmation:

16 *“I do solemnly swear (or affirm) that I will faithfully and*
17 *conscientiously fulfill my duties as Governor/ Vice-Governor/*
18 *Member of the Regional Assembly of the Cordillera autonomous*
19 *region, preserve and defend the Constitution of the Republic of*
20 *the Philippines and the organic act of the autonomous region of*
21 *the cordillera, execute these laws, do justice to all and consecrate*
22 *myself to the service of the nation and the cordillera autonomous*
23 *region. So help me God.”*

24 Sec. 47. *Prohibitions.* — (a) The Regional Governor and Vice-Governor shall not,
25 during their tenure, engage in the practice of any profession or hold any other office
26 or employment, except as otherwise provided for in this Act.

27 (b) The spouse and other relatives by consanguinity or affinity within the
28 fourth civil degree of the Regional Governor and the Regional Vice-
29 Governor shall not, during their tenure, be appointed officers or
30 employees of the Regional Government, except as members of their
31 confidential staff.

- 1 (c) No member of the Regional Assembly may hold any other office or
2 employment in the government or any subdivision, agency, or
3 instrumentality thereof, including GOCCS or their subsidiaries, during
4 their term without forfeiting their seat. Neither shall any member of the
5 regional assembly be appointed to any office which has been created
6 or the emoluments whereof increased by the Regional Assembly during
7 the term for which such member was elected.
- 8 (d) The Regional Governor, Regional Vice-Governor, and Members of the
9 Regional Assembly shall not personally appear as counsel before any
10 court of justice or before the Electoral Commission or quasi-judicial and
11 other administrative bodies.
- 12 (e) The Regional Governor, Regional Vice-Governor, and Members of the
13 Regional Assembly shall not participate directly or indirectly in any
14 contract with or in any franchise or special privilege granted by the
15 Regional Government or any subdivision, agency or instrumentality
16 thereof, including GOCCS or in any of their subsidiaries. They shall not
17 intervene in any matter before any office of the CAR for their pecuniary
18 benefit or where they may be called upon to act on account of their
19 office.

20 Sec. 48. *Vacancies and Succession.* — (a) In the event that the position of the
21 Regional Governor becomes permanently vacant, the Regional Vice-Governor shall
22 automatically succeed the Regional Governor.

- 23 (b) If the position of the Regional Vice-Governor becomes permanently
24 vacant, the member of the assembly belonging to the same political
25 party, garnering the highest percentage of votes in the district
26 represented shall become the vice-governor or in case of permanent
27 disability, the second highest shall assume said position.
- 28 (c) In case of a permanent vacancy in the assembly where automatic
29 succession does not apply, the Regional Governor shall appoint to the
30 position so vacated the nominee of the political party to which the
31 member who caused the vacancy belonged at the time of such
32 members' election. If the one causing the vacancy does not belong to

1 any political party, the Regional Governor shall appoint the nominee of
2 the majority of the members of the assembly. *Provided:* That the
3 appointee has all the qualifications and none of the disqualifications as
4 provided by this Organic Act: *Provided further,* That in both cases the
5 appointee comes from the same district.

- 6 (d) For purposes of this Article, a permanent vacancy arises when the
7 incumbent elective official concerned dies, voluntarily resigns, is
8 removed from office, fills up a higher vacant office, refuses to assume
9 office, fails to qualify, or is otherwise permanently incapacitated to
10 exercise the powers and discharge the functions of the office.

11 *Sec. 49. Temporary Vacancies.* — (a) When the Regional Governor is
12 temporarily incapacitated to perform the official duties for physical or legal reasons
13 such as leave of absence, travel abroad, and suspension from office, the regional Vice
14 Governor shall automatically exercise the powers and perform the duties and functions
15 of the former except the power to appoint, suspend or dismiss employees which can
16 only be exercised if the period of temporary incapacity exceeds thirty (30) working
17 days.

- 18 (b) The vacancy due to temporary incapacity shall be terminated upon the
19 submission to the Regional Assembly of a written declaration of the
20 Regional Governor's return to carry out the duties of the office. In cases
21 where the temporary incapacity is due to legal causes, the regional
22 official concerned shall also submit necessary documents showing that
23 said legal causes no longer exist.

- 24 (c) When the incumbent Regional Governor is traveling within the country
25 but outside the territorial jurisdiction of the CAR for a period not
26 exceeding three (3) consecutive days, the Regional Governor may
27 designate in writing, the officer-in-charge of the said office. Such
28 authorization shall specify the powers and functions that the regional
29 official concerned shall exercise except the power to appoint, suspend
30 or dismiss employees.

- 31 (d) In the event, however, that the Regional Governor concerned fails or
32 refuses to issue such authorization, the Regional Vice-Governor shall

1 have the right to assume the powers, duties, and functions of the said
2 office on the fourth day of the absence of the Regional Governor,
3 subject to the limitations provided for in subsection c, hereof.

- 4 (e) Except as provided above, the Regional Governor shall in no case
5 authorize any regional official to assume the powers, duties, and
6 functions of the office, other than the Regional Vice-Governor or the
7 highest-ranking Member of the Regional Assembly, as the case may be.

8 *Sec. 50. Approval of Leaves of Absence.* — Leave of absence of elective officials
9 of the CAR shall be approved as follows:

- 10 (a) Applications for leave of absence of regional officials, provincial
11 governor, or mayor of a highly urbanized city or an independent
12 component city shall be approved by the Regional Governor or a duly
13 authorized representative;

- 14 (b) Applications for leave of absence of other officials and employees other
15 than those enumerated above shall be approved by the authority
16 designated under the Local Government Code of 1991, as amended;
17 and

- 18 (c) Applications for leave of the Regional Governor shall be approved by
19 the President.

20 *Sec. 51. Compensation.* — (a) Unless otherwise provided for by law, the
21 Regional Governor and Regional Vice-Governor shall receive an annual salary
22 equivalent to that of a Department Undersecretary and Assistant Secretary,
23 respectively, of the national government, which shall not be decreased during their
24 tenure. No increase in the salary of the Regional Governor and Regional Vice-Governor
25 shall take effect until after the expiration of the term of the Regional Governor and
26 Regional Vice-Governor approving the same.

- 27 (b) Unless otherwise provided for by law, the Regional Speaker shall
28 receive an annual salary equivalent to that of the Regional Governor
29 and Members of the Regional Assembly shall receive an annual salary
30 equivalent to the salary of the Regional Vice-Governor. No increase in
31 salary provided for by law shall take effect until after the expiration of

1 the term of office of all members of the Regional Assembly approving
2 the same.

3 (c) All regional elective officials shall not receive, during their tenure, any
4 other emoluments from the government.

5 Sec. 52. *Accountability.* — (a) *Disclosure.* All regional officials shall, upon their
6 assumption of office, make full disclosure of their financial and business interests,
7 including those of their spouses and unmarried children under eighteen (18) years of
8 age who are living in their households. Any member who has a potential conflict of
9 interest that may arise from the measures filed shall notify the Regional Assembly.
10 This section shall be governed by Republic Act No. 6713, otherwise known as the Code
11 of Conduct and Ethical Standards for Public Officials and Employees.

12 (b) *Governing law.* Discipline of Regional Elective Officials shall be
13 governed by Chapter 4, Title Two of Book I of the Local Government
14 Code of 1991, as amended, and other applicable laws. Discipline of
15 Members of the Regional Assembly shall be governed by their internal
16 rules.

17 (c) *Recall.* Regional elective officials may be subject to recall proceedings
18 as provided for under Chapter 5, Title Two of Book I of the Local
19 Government Code of 1991, as amended, and other applicable laws.

20 **ARTICLE VI**

21 **THE REGIONAL EXECUTIVE DEPARTMENT**

22 Sec. 53. *Executive Authority.* — The executive power in the region shall be
23 vested in the Regional Governor who shall exercise such powers and perform such
24 duties and functions as provided for by this Organic Act and other laws.

25 Sec. 54. *Scope of Executive Authority.* — As chief executive of the Regional
26 Government, the Regional Governor shall exercise control and supervision over all
27 programs, projects, services, and activities of the Regional Government and
28 supervision over regional line agencies and LGUs within the CAR, subject to existing
29 laws.

30 Sec. 55. *State of the Region Address.* — The Regional Governor shall deliver
31 the State of the Region Address to the Regional Assembly at the opening of its regular
32 sessions.

1 *Sec. 56. Submission of Regional Budget.* — The Regional Governor shall submit
2 the proposed budget to the Regional Assembly within thirty (30) days from the
3 opening of every regular session, as the basis of the regional appropriations bill,
4 budget of expenditures and sources of financing, including receipts from existing and
5 proposed revenue measures.

6 *Sec. 57. Administrative Support.* — The Regional Governor and the different
7 regional departments shall have sufficient administrative and support staff to
8 efficiently and effectively carry out their mandates and the purposes of the Regional
9 Government.

10 *Sec. 58. Mandatory Staff.* — The Regional Government shall have the following
11 mandatory staff: (1) Regional Executive Secretary, (2) Regional Accountant, (3)
12 Regional Budget Officer, (4) Regional Administrator, (5) Regional Legal Officer, (6)
13 Regional Treasurer, and (7) Regional General Services Officer. In addition thereto, the
14 Regional Governor may, subject to the approval of the Regional Assembly and
15 availability of funds, create other offices deemed necessary.

16 The Regional Executive Secretary and the heads of the various regional offices
17 and employees under the executive department shall be appointed by the Regional
18 Governor. The appointment of the heads of regional offices requires the concurrence
19 of the majority of the members of the Regional Assembly and compliance with civil
20 service law, rules, and regulations, and this Organic Act. The Regional Assembly shall
21 act on the said appointment within fifteen (15) days from the date of submission
22 otherwise the same shall be deemed confirmed.

23 The rank and salary grade level of the heads of the different regional
24 departments shall be equivalent to the regional directors of line agencies. They shall
25 receive compensation, allowances, and other emoluments and benefits allowed by law
26 or ordinance. With the exception of the Regional Executive Secretary, the positions of
27 the different department heads of the Regional Government shall be mandatory.

28 The qualifications of regional appointive officials, their duties, and functions, are
29 as follows:

30 (a) Regional Executive Secretary

- 31 (1) The Regional Executive Secretary of the CAR must be a citizen of
32 the Philippines and a resident of the CAR, of good moral character,

1 a holder of a college degree preferably in law, administration or
2 any other related course from a recognized college or university,
3 and must have acquired supervisory or managerial experience for
4 at least five (5) years.

5 (2) The term of office of the Regional Executive Secretary shall be co-
6 terminus with that of the appointing authority.

7 (3) The Regional Executive Secretary, subject to the control and
8 supervision of the Regional Governor, shall have the following
9 functions:

10 (i) Directly assist the Regional Governor in the management of
11 the affairs pertaining to the CAR;

12 (ii) Implement directives, orders and decisions of the Regional
13 Governor;

14 (iii) Exercise supervision and control over the various units in the
15 Office of the Regional Governor including their internal
16 administrative requirements;

17 (iv) Exercise supervision, in behalf of the Regional Governor,
18 over the various agencies under the Office of the Regional
19 Governor;

20 (v) Provide overall coordination in the operation of the Regional
21 Executive Office;

22 (vi) Determine and assign matters to the appropriate units in the
23 Office of the Regional Governor;

24 (vii) Act on matters referred to the Office of the Regional
25 Governor by the various regional offices and agencies of the
26 government;

27 (viii) Provide consultative, research, fact-finding and advisory
28 services to the Regional Governor;

29 (ix) Assist the Regional Governor in the performance of functions
30 pertaining to legislation;

31 (x) Assist the Regional Governor in the administration of special
32 projects;

- (xi) Take charge of matters pertaining to protocol and ceremonial functions in the Regional Government;
- (xii) Provide secretarial and clerical services for the Regional Governor and other bodies;
- (xiii) Promulgate such rules and regulations necessary to carry out the objectives, policies and functions of the Office of the Regional Governor; and
- (xiv) Perform such other functions as the Regional Governor may direct.

(b) Regional Accountant

- (1) The Regional Accountant must be a citizen of the Philippines and a resident of the CAR, of good moral character, a certified public accountant, and must have acquired experience in treasury or accounting service for at least five (5) years.
- (2) The Regional Accountant shall take charge of both the accounting and internal audit services of the CAR and shall:
 - (i) Install and maintain an internal audit system in the CAR
 - (ii) Prepare and submit financial statements to the Regional Governor and to the Regional Assembly;
 - (iii) Apprise the Regional Assembly and other government officials on the financial condition and operations of the CAR;
 - (iv) Certify to the availability of budgetary allotment to which expenditures and obligations may be properly charged;
 - (v) Review supporting documents before preparation of vouchers to determine completeness of requirements;
 - (vi) Prepare statements of cash advances, liquidation, salaries, allowances, reimbursements and remittances pertaining to the CAR;
 - (vii) Prepare statements of journal vouchers and liquidation of the same and other adjustments related thereto;
 - (viii) Post individual disbursements to the subsidiary ledger and index cards;

- (ix) Maintain individual ledgers for officials and employees of the Regional Government pertaining to payrolls and deductions;
- (x) Record and keep subsidiary ledgers containing the details of purchased furniture, fixtures, and equipment, and records of the disposal of the same;
- (xi) Account for all issued requests for obligations and maintain and keep all records and reports related thereto;
- (xii) Prepare journals and the analysis of obligations and maintain and keep all records and reports related thereto; and
- (xiii) Exercise such other powers and perform such other duties and functions as may be provided by law or ordinance.

(c) Regional Budget Officer

- (1) The Regional Budget Officer must be a citizen of the Philippines and a resident of the CAR, of good moral character, and a holder of a college degree preferably in accounting, economics, public administration, or any related course from a recognized college or university, a Career Service Professional or a second level eligible, and must have acquired at least five years experience in government budgeting.
- (2) The Regional Budget Officer shall take charge of the budget office and shall:
 - (i) Prepare forms, orders, and circulars embodying instructions on budgetary and appropriation matters for the signature of the Regional Governor;
 - (ii) Review and consolidate the budget proposals of different departments and offices of the Regional Government;
 - (iii) Assist the Regional Governor in the preparation of the budget and during budget hearings;
 - (iv) Study and evaluate budgetary implications of proposed legislation and submit comments and recommendations thereon;

- (v) Submit periodic budgetary reports to the Department of Budget and Management (DBM);
- (vi) Coordinate with the treasurer, accountant, and the planning officer for the purpose of budgeting;
- (vii) Assist the Regional Assembly in reviewing the approved budgets of the provincial and highly urbanized cities;
- (viii) Assist the Regional Development Planning Officer in Formulating the Regional Development Plan; and
- (ix) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(d) Regional Administrator

- (1) The Regional Administrator must be a citizen of the Philippines and an inhabitant of the CAR, of good moral character, holder of a college degree preferably in law, public administration, or any other related course from a recognized college or university and must have acquired at least five (5) years experience in management and administration work.
- (2) The term of office of the Regional Administrator shall be co-terminus with that of the appointing authority.
- (3) Subject to the control and supervision of the Regional Governor, the Regional Administrator shall:
 - (i) Develop plans and strategies and, upon approval thereof by the Regional Governor, implement the same particularly those which have to do with the management and administration-related programs and projects;
 - (ii) Assist in the coordination of the work of all the officials of the autonomous region, under the supervision, direction, and control of the Regional Governor, and for this purpose, may convene the chiefs of offices and other officials of the Regional Government;
 - (iii) Establish and maintain a sound personnel program for the Regional Government designed to promote career

1 development and uphold the merit principle in the local
2 government service;

3 (iv) Conduct a continuing organizational development of the CAR
4 to institute effective administrative reforms;

5 (v) Be in the frontline of the delivery of administrative support
6 services related to the situations during and in the aftermath
7 of man-made and natural disasters and calamities;

8 (vi) Recommend to the Regional Assembly and advise the
9 Regional Governor, as the case may be, other matters
10 relative to the management and administration of the
11 Regional Government; and

12 (vii) Exercise such other powers and perform such other duties
13 and functions as may be prescribed by law or by ordinance.

14 (e) Regional Legal Officer

15 (1) The Regional Legal Officer must be a citizen of the Philippines and
16 a resident of the CAR, of good moral character, a member of the
17 Philippine Bar, and must have practiced the law profession for at
18 least five (5) years.

19 (2) The term of office of the Regional Legal Officer shall be co-
20 terminus with that of the appointing authority.

21 (3) The Regional Legal Officer shall be the chief legal counsel of the
22 Regional Government and shall take charge of the office of legal
23 services. In addition the Regional Legal Officer shall:

24 (i) Formulate measures for the consideration of the Regional
25 Assembly and provide legal assistance and support to the
26 Regional Governor;

27 (ii) Develop plans and strategies and upon approval by the
28 Regional Governor, implement the same, particularly those
29 which have to do with programs and projects related to legal
30 services which the Regional Governor is empowered to
31 implement and which the Regional Assembly is empowered
32 to provide under this Organic Act;

- 1 (iii) Recommend measures and advise the Regional Governor on
2 all other matters related to upholding the rule of law;
- 3 (iv) Be in the frontline of protecting human rights and cause the
4 prosecution of any violations thereof;
- 5 (v) Exercise such other powers and perform such other duties
6 and functions as may be prescribed by law or ordinance;
- 7 (vi) In addition to the foregoing duties and functions, the
8 Regional Legal Officer shall:
- 9 a) Represent the Regional Government in all
10 administrative case, civil actions, and special
11 proceedings wherein the autonomous region or any
12 official thereof in an official capacity, is a party;
- 13 b) When required by the Regional Governor, draft and
14 review ordinances, contracts, bonds, leases and other
15 instruments, involving any interest of the CAR and
16 provide comments and recommendations on any
17 instrument already drawn;
- 18 c) Render a written opinion on any question of law when
19 directed by the Regional Governor;
- 20 d) Investigate or cause to be investigated any official or
21 employee of the Regional Government for disciplinary
22 action and recommend the appropriate action to the
23 Regional Governor;
- 24 e) Investigate or cause to be investigated any person,
25 firm or corporation holding any franchise or exercising
26 any public privilege for failure to comply with any term
27 or condition in the grant of such franchise or privilege
28 by the Regional Government, and recommend the
29 appropriate action to the Regional Governor;
- 30 f) When directed by the Regional Governor, initiate and
31 prosecute in the interest of the Regional Government

1 any civil action on any bond, lease or other contract
2 upon any breach or violation thereof; and

3 g) Review and submit recommendations on ordinances
4 approved and executive orders issued.

5 (f) Regional Treasurer

6 (1) The Regional Treasurer must be a citizen of the Philippines and a
7 resident of the CAR, of good moral character, holder of a college
8 degree preferably in commerce, public administration or law from
9 a recognized college or university, a Career Service Professional
10 or a second level eligible and must have acquired at least five (5)
11 years experience in treasury or accounting service.

12 (2) The Regional Treasurer shall take charge of the Treasury Office,
13 perform the duties provided for under Book II of the Local
14 Government Code, as amended, and shall:

15 (i) Advise the Regional Governor and other Regional
16 Government officials concerned regarding the disposition of
17 government funds, and on such other matters relative to
18 public finance;

19 (ii) Take custody of and exercise proper management of the
20 funds of the CAR;

21 (iii) Take charge of the disbursement of all Regional Government
22 funds and such other funds the custody of which may be
23 entrusted by law or other competent authority;

24 (iv) Maintain and update the tax information system of the CAR;
25 and

26 (v) Exercise such other powers and perform such other duties
27 and functions as may be prescribed by law or ordinance.

28 (g) Regional General Services Officer

29 (1) The Regional General Services Officer must be a citizen of the
30 Philippines and an inhabitant of the CAR, of good moral character,
31 holder of a college degree preferably on public administration,
32 business administration and management or any other related

1 course from a recognized college or university, a Career Service
2 Professional or a second level eligible, and must have acquired at
3 least five (5) years experience in general services, including
4 management of supply, property, solid waste disposal, and
5 general sanitation;

6 (2) The Regional General Services Officer shall take charge of the
7 Office on General Services and shall:

8 (i) Formulate measures for the consideration of the Regional
9 Governor and provide technical assistance and support in
10 carrying out measures to ensure the delivery of basic
11 services and provision of adequate facilities pursuant to the
12 Local Government Code, as amended, and this Organic Act
13 which require general services expertise and technical
14 support service;

15 (ii) Develop plans and strategies, and upon approval thereof by
16 the Regional Governor implement the same, particularly
17 those which have to do with the several services that are
18 supportive of the welfare of the inhabitants which the
19 Regional Governor is empowered to implement;

20 (iii) Be in the frontline of general services related activities, such
21 as the possible or imminent destruction or damage to
22 records, supplies, properties, and structures and the orderly
23 and sanitary clearing up of waste materials or debris,
24 particularly during and in the aftermath of man-made and
25 natural calamities and disaster;

26 (iv) Recommend and advise the Regional Governor on all
27 matters relative to general service;

28 (v) In addition to the foregoing duties and functions, the
29 General Services Officer shall:

30 a) Take custody of and be accountable for all properties,
31 real or personal, owned by the Regional Government
32 and those granted to it in the form of donation,

1 reparation, assistance, and counterpart of joint
2 projects;

3 b) With the approval of the Regional Governor, assign
4 building or land space to regional officials, who by law,
5 are entitled to such space. Recommend to the Regional
6 Governor reasonable rental rates for Regional
7 Government properties, whether real or personal,
8 which will be leased to public or private entities;

9 c) Recommend to the Regional Governor reasonable
10 rental rates of private properties which may be leased
11 for the official use of the Regional Government;

12 d) Maintain and supervise janitorial and security services,
13 and government public buildings and other real
14 property, whether owned or leased by the Regional
15 Government;

16 e) Collate and disseminate information regarding prices,
17 shipping and other costs of supplies, and other items
18 commonly used by the Regional Government;

19 f) Perform archival and record management services with
20 respect to records of offices and departments of the
21 Regional Government;

22 g) Perform all other functions pertaining to supply and
23 property management heretofore performed by the
24 Regional Government Treasurer and enforce policies
25 on records creation, maintenance, and disposal; and

26 h) Exercise such other powers and perform such other
27 duties and functions as may be prescribed by law or
28 ordinance.

29 *Sec. 59. Cordillera Development Council.* — There shall be created a Cordillera
30 Development Council (CDC) which shall function as the main planning and advisory
31 body of the Regional Government and set the direction of economic and social

1 development of the CAR and through which regional development efforts shall be
2 coordinated.

3 *Sec. 60. Composition of the CDC.* — The CDC shall be composed of the Regional
4 Governor as chairperson, a Private Sector Representative as co-chairperson, the
5 Regional Director of the National Economic and Development Authority (NEDA) as
6 vice-chairperson, and the following as members:

- 7 (a) All the provincial governors, the city and capital town mayors in the
8 CAR;
- 9 (b) Two (2) members of the Regional Assembly to be appointed by its
10 Speaker;
- 11 (c) Private sector representatives of duly accredited private sector and
12 non-government or people's organizations, provided that their
13 composition shall not be more than one fourth of the total membership;
- 14 (d) Regional heads of line agencies who are members of the NEDA Board;
15 and
- 16 (e) The CDC may designate not more than ten (10) special non-voting
17 members from both the public and private sectors, upon concurrence
18 of the majority of its regular members.

19 *Sec. 61. Functions.* — The functions of the CDC are as follows:

- 20 (a) Coordinate the preparation, implementation, monitoring and evaluation
21 of short- and long-term Regional Development Plans and investment
22 programs, regional physical framework plans, and special development
23 plans, including the formulation of policy recommendations;
- 24 (b) Integrate into the Regional Development Plan the approved
25 development plans of provinces and cities, regional line agencies, state
26 universities and colleges, GOCCs within the region, and special
27 development authorities in the autonomous region;
- 28 (c) Review, prioritize, and endorse to the Regional Government the annual
29 and multi-year sectoral investment programs of the CAR for funding
30 and implementation;
- 31 (d) Review and endorse to the national government the annual budgets of
32 agency regional offices and special development authorities;

- 1 (e) Promote and direct the inflow and allocation of private investments in
2 the CAR to support regional development objectives, policies, and
3 strategies;
- 4 (f) Review and endorse national plans, programs and projects proposed
5 for implementation in the autonomous region;
- 6 (g) As required by the Investment Coordinating Conunittee (ICC), review
7 and endorse projects of national government agencies that have impact
8 on the region and projects of LGUs in the CAR requiring national
9 government exposure which may come in the form of guarantees,
10 national government budget appropriations or subsidies, among
11 others;
- 12 (h) Initiate and coordinate the development, funding and implementation
13 of regional and special development projects such as those involving
14 several agencies or LGUs;
- 15 (i) Coordinate the monitoring and evaluation of development projects
16 undertaken by government agencies, LGUs, state colleges and
17 universities, GOCCs, and special development authorities in the CAR;
18 and
- 19 (j) Perform other related functions and activities as may be necessary to
20 promote and sustain the socio-economic development of the CAR.

21 *Sec. 62. Technical Support to the CDC.* — The regional office of the NEDA shall
22 serve as the secretariat and technical operations arm of the CDC.

23 *Sec. 63. Creation of Committees.* — The CDC may create appropriate technical and
24 sectoral committees to assist its work.

25 *Sec. 64. Existing Committees.* — Existing regional coordinating committees that
26 are created by various laws and currently attached to specific agencies, and *ad-hoc*
27 program or project-based steering committees, such as the Development
28 Administration Committee, Economic Development Committee, Social Development
29 Committee, Infrastructure Development Committee, Watershed and Environmental
30 Management Committee, Committee on Indigenous Peoples' Concerns, Regional Land
31 Use Conunittee, Regional Gender and Development Committee, Regional Project
32 Monitoring Committee, Regional Competitiveness Committee, Regional Development

1 Budget Coordinating Committee, Regional Statistical Coordination Conunittee, and the
2 Cordillera Geographic Information System Network, shall be placed under the umbrella
3 of the CDC. Secretariat work of these inter-agency committees shall continue to be
4 provided by their mother agency.

5 **ARTICLE VII**

6 **THE REGIONAL VICE-GOVERNOR**

7 *Sec. 65. Functions.* — The Regional Vice-Governor shall assist the Regional
8 Governor in the day-to-day operations of the Regional Government, and shall:

- 9 (a) Assume the office of the Regional Governor for the unexpired term of
10 the latter in the event of a permanent vacancy as provided for in this
11 Organic Act;
- 12 (b) Exercise the powers and perform the duties and functions of the
13 Regional Governor in cases of temporary vacancy as provided for in this
14 Organic Act; and
- 15 (c) Exercise the powers and perform the duties and fonctions as may be
16 prescribed by law.

17 The Regional Vice-Governor may be appointed to the position of head of
18 regional office as may be created by the Regional Assembly, without the need of
19 confirmation of the Regional Assembly and the Civil Service Commission.

20 **ARTICLE VIII**

21 **THE REGIONAL ASSEMBLY**

22 *Sec. 66. Legislative Authority.* — The legislative power of the Regional
23 Government in the CAR shall be vested in the Regional Assembly, except to the extent
24 reserved by the Constitution and this Organic Act on initiative and referendum. Within
25 its territorial jurisdiction and subject to the provisions of the Constitution and national
26 laws, the Regional Assembly shall have legislative powers over those functions
27 enumerated under Section 25 hereof. It. shall have the power of subpoena and
28 contempt in the exercise of its legislative functions.

29 *Sec. 67. Speaker of the Regional Assembly.* — There shall be a Speaker of the
30 Regional Assembly, who shall be elected, from among the members of the Regional
31 Assembly, on its first regular session. The Regional Assembly shall promulgate its rules
32 and regulations for the conduct of its proceedings.

1 The Regional Speaker, as the political and administrative head of the Regional
2 Assembly, is responsible for the overall management of the proceedings, activities,
3 resources, facilities, and employees of the Assembly. The Speaker shall:

4 (a) Prepare the legislative agenda for every regular session, establish
5 systems and procedures to ensure full deliberation and swift approval
6 of measures included therein, and may, for the purpose, avail of the
7 assistance of the Deputy Speakers, the Majority Leader, the
8 chairpersons of the standing committees and other Members of the
9 Regional Assembly;

10 (b) Conduct regular monthly caucus of all Members of the Regional
11 Assembly or groups thereof or as often as may be necessary to discuss
12 priority measures and to facilitate dialogue, consensus, and action on
13 issues and concerns affecting the Regional Government and the
14 performance of its functions;

15 (c) Exercise general supervision over all committees and, in furtherance
16 thereof, conduct regular monthly meetings with the chairpersons and
17 vice-chairpersons of all standing and special committees to set
18 legislative targets, review performance in the attainment of targets,
19 ensure that the priority legislative measures of committees are attuned
20 to the legislative agenda of the Regional Assembly, and resolve such
21 other issues and concerns that affect the operations and performance
22 of the committees;

23 (d) Establish, as far as practicable, an efficient information management
24 system of the secretariat utilizing among others, modern digital
25 technology, that can:

26 (1) Facilitate access to and dissemination of data and information
27 needed in legislation inclusive of facilitating real-time translation
28 of plenary proceedings in the major Philippine dialects and
29 languages;

30 (2) Provide a simplified and comprehensive process of gathering,
31 recording, storage, and retrieval of data and information relating
32 to activities and proceedings of the Regional Assembly;

- 1 (3) Sustain a public information program that will provide accessible,
2 timely, and accurate information relating to the Regional
3 Assembly, its Members and officers, its committees and its
4 legislative concerns inclusive of facilitating, as far as practicable,
5 broadcast coverage of plenary and committee proceedings;
- 6 (e) Establish an efficient and effective system to monitor and evaluate the
7 performance of legislative tasks and duties of the Regional Assembly,
8 its Members, and its committees;
- 9 (f) Designate a Member as a temporary presiding officer after informing
10 the Deputy Speakers: *Provided*, That any such designation shall be
11 effective for one session day only;
- 12 (g) Take appropriate measures as may be deemed advisable or as the
13 Regional Assembly may direct, to preserve order and decorum in the
14 session hall, the galleries, lobbies, chambers, offices, corridors, and
15 premises of the Regional Assembly;
- 16 (h) Sign all acts, resolutions, memorials, writs, warrants and *subpoenae*
17 that may be issued by or upon order of the Regional Assembly;
- 18 (i) Perform administrative functions such as the following:
- 19 (1) Appoint the personnel of the Regional Assembly with authority to
20 delegate this power;
- 21 (2) Suspend, dismiss or impose disciplinary measures on the
22 personnel of the Regional Assembly in accordance with Civil
23 Service rules: *Provided*, That the suspension or dismissal of the
24 Regional Secretary General and the Regional Sergeant-at-Arms
25 shall take effect only upon the concurrence of the majority of all
26 the Members of the Regional Assembly;
- 27 (3) Consolidate vacant positions the salaries and wages for which may
28 be increased or reduced in the process, or creation of new
29 positions in accordance with the Regional Appropriations Act:
30 *Provided*, That the total amount involved shall not exceed the total
31 amount appropriated for the salaries and wages of the personnel
32 of the Regional Assembly;

1 (4) Implement merit-based policies and programs on human resource
2 recruitment, selection and placement, learning and development,
3 performance management and rewards and recognition to ensure
4 that the Regional Assembly has a corps of competent
5 professionals able to provide needed legislative support services;
6 and

7 (5) Review, approve, and sign contracts entered into by the Regional
8 Assembly, and to delegate this power when necessary.

9 (j) Prepare the annual budget of the Regional Assembly;

10 (k) Prepare, in consultation with the appropriate committee of the Regional
11 Assembly, the rules and regulations governing public access to personal
12 data and related information, including statements of assets and
13 liabilities, of Members of the Regional Assembly;

14 (l) Develop through an appropriate entity of the Regional Assembly a
15 system for drug testing of any Member, officer, or employee of the
16 Regional Assembly, that shall be comparable in scope to the system for
17 drug testing in the executive branch of the Regional Government:
18 *Provided*, That the expenses incurred from the implementation of the
19 system may be paid from applicable accounts of the Regional Assembly
20 for official expenses; and

21 (m) Require the submission of performance reports at the end of every
22 regular session and fiscal year from the committee chairpersons, the
23 Regional Secretary General and the Regional Sergeant-at-Arms, and
24 such other reports as may be required from all concerned officers and
25 offices of the Regional Assembly.

26 The Regional Speaker shall be the permanent head of delegation and
27 representative of the Regional Assembly in all local or international parliamentary
28 gatherings and organizations: *Provided*, That Regional Speaker may designate any
29 Member of the Regional Assembly to be the representative of the Regional Speaker
30 and may also determine, upon the recommendation of the Majority Leader, in
31 consultation with the Minority Leader, who shall constitute the Regional Assembly's

1 delegation to any local or international conference or forum of parliamentarians and
2 legislators, and the secretariat support staff to be authorized to assist the delegation.

3 *Sec. 68. Enactment of Laws and Resolutions.* — The Regional Assembly shall
4 enact ordinances, approve resolutions, and appropriate funds for the general welfare
5 of the CAR and its inhabitants as well as for the efficient and effective operation of
6 the Regional Government.

7 *Sec. 69. Creation, Division, Merger, and Abolition of Local Government Units.*
8 —The Regional Assembly may, by law, create, divide, merge, or abolish municipalities
9 or barangays subject to the approval by a majority of the votes cast in a plebiscite in
10 the political units directly affected. The municipalities or barangays created, divided,
11 or merged shall be entitled to their appropriate share in the national taxes.

12 *Sec. 70. Administrative Support.* — The Regional Assembly shall enact its
13 administrative support.

14 *Sec. 71. Regular and Special Sessions.* — The Regional Assembly shall start its
15 regular session on the first Monday of July, and by resolution fix the day, time, and
16 place of its regular sessions, which shall be held at least once a week. However, the
17 Regional Assembly may be called to a special session by the Regional Speaker or the
18 Regional Governor whenever necessary and a notice of meeting shall be sent at least
19 twenty-four (24) hours before the schedule of the special session. Unless otherwise
20 concurred in by two-thirds (2/3) votes of the members, there being a quorum, no
21 other matters may be considered at a special session except those stated in the notice.
22 The Regional Assembly may invite the Regional Governor and other government
23 officials.

24 *Sec. 72. Sessions and Quorum.* — A majority of all the members of the Regional
25 Assembly shall constitute a quorum to do business, but a smaller number may adjourn
26 from day to day and may compel the attendance of absent members in such manner,
27 and under such penalties as the Assembly may provide in its rules.

28 On the first regular session following the election of its members, and within
29 ninety (90) days thereafter, the Regional Assembly shall adopt or update its rules of
30 proceedings which shall include, the organization of the Regional Assembly and the
31 election of its officers, creation of standing committees, the time, place and manner
32 of convening its regular and special sessions, the conduct and discipline of its

1 members, the conduct and discipline of every person present during its session, the
2 preparation and publication of its journal, the determination of quorum, and the
3 necessary votes to pass any measure, and such other legislative and administrative
4 matters for the effective performance of its mandate.

5 Sec. 73. *Law.* — (a) Every bill shall embrace only one (1) subject which shall be
6 expressed in the title thereof.

7 (b) No bill shall become a law unless it has passed three (3) readings on
8 separate days, and printed copies thereof in its final form have been
9 distributed to the members three (3) days before its passage, except
10 when the Regional Governor certifies to the necessity of its immediate
11 enactment to meet a public calamity or emergency affecting the region,
12 or the component provinces, cities, municipalities, or barangays.

13 (c) On the third reading of a bill, no amendment thereto shall be allowed,
14 and the vote thereon shall be taken immediately thereafter, and the
15 “yeas” and “nays” entered in the Journal.

16 (d) Every bill passed by the Regional Assembly shall, before it becomes a
17 law, be presented to the Regional Governor. If the Regional Governor
18 approves the same, the Regional Governor shall sign it, otherwise, the
19 Regional Governor shall veto it and return the same to the Regional
20 Assembly expressing in a written message the objections thereto. The
21 Regional Governor shall communicate the veto on any bill to the
22 Regional Assembly within ten (10) days from receipt thereof, otherwise,
23 it shall become a law as if it was duly approved.

24 (e) Upon receipt of the veto, the Regional Assembly shall enter the
25 objections in its journal and proceed to reconsider it. If, after such
26 reconsideration, two-thirds (2/3) of all the members of the Regional
27 Assembly shall vote to pass the bill, it shall be deemed approved.

28 (f) The Regional Governor shall have the power to veto any particular item
29 or items in an appropriation or revenue, but the veto shall not affect
30 the item or items to which the Regional Governor does not object.

31

1 Sec. 74. *People's Question Hour.* — There shall be a People's Question Hour at
2 least once a month or as often as the rules of the Regional Assembly may provide,
3 which shall be included in the Order of Business, requiring of the Regional Governor
4 or any member of the Regional Cabinet to appear and answer questions and
5 interpellations by Members of the Assembly on any matter pertaining to their
6 respective functions.

7 The Regional Assembly or any of its committees may conduct inquiries in aid
8 of legislation in accordance with its duly published rules of procedure. The rights and
9 dignity of persons appearing in or affected by such inquiries shall be respected.

10 Sec. 75. *Immunity from Suit.* — No Member shall be questioned or be held liable
11 in any other place for any speech or debate in the Regional Assembly or in any
12 committee thereof.

13 Sec. 76. *Appropriations Bill.* — The Regional Assembly shall pass an appropriations
14 bill for the ensuing year before the end of each year, based on the budget of
15 expenditures and sources of funds submitted to it by the Regional Governor.

16 (a) No provision or enactment shall be embraced in the regional
17 appropriations bill, unless it relates specifically to some particular
18 appropriations therein. Any such provision or enactment shall be limited
19 in its operation to the appropriation to which it relates.

20 (b) The procedure in approving appropriations for the Regional Assembly
21 shall strictly follow the same procedure for approving appropriations for
22 the regional executive department.

23 (c) A special appropriations bill shall specify the purpose for which it is
24 intended, and shall be supported by funds actually available as certified
25 by the Regional Treasurer or to be raised by a corresponding revenue
26 proposal therein.

27 (d) No law shall be passed authorizing any transfer of appropriations.

28 (e) The Regional Assembly may not increase the appropriations
29 recommended by the Regional Governor for the operation of the
30 Regional Government as specified in the budget. The form, content and
31 manner of preparation of the budget shall be prescribed by regional
32 law; ***Provided, however,*** That pending the enactment of such a

1 regional law, the budgeting process of the Regional Government shall
2 be governed by existing national laws and rules and regulations
3 prescribed by the DBM.

4 *Sec. 77. Expenditure of Public Funds.* — No money shall be paid out of the regional
5 treasury except in pursuance of an appropriation made by regional law.

6 (a) No money or property shall be appropriated, applied, paid or used,
7 directly or indirectly, for the use, benefit or support, of any sect, church,
8 denomination, sectarian institution, or system of religion or for the use,
9 benefit or support of any priest, preacher, minister or other religious
10 teacher or dignitary as such, except when such priest, preacher,
11 minister or dignitary is assigned to the regional police or government
12 orphanage and rehabilitation centers or similar institutions.

13 (b) All money collected on any regional tax levied for a special purpose
14 shall be treated as a special fund and paid out for such purpose only.
15 If the purpose for which a special fund was created has been fulfilled
16 or abandoned, the balance, if any, shall be transferred to the general
17 fund of the Regional Government.

18 *Sec. 78. Certified True Copies of Law.* — The Regional Assembly shall, within ten
19 (10) working days from approval thereof, submit to the President and to both Houses
20 of Congress a certified true copy of all laws and resolutions it passed.

21 *Sec. 79. Creation of Offices.* — The Regional Assembly may create such other
22 offices and positions as may be necessary to carry out the public purpose of the
23 Regional Government subject to availability of funds.

24 *Sec. 80. Program for Development.* — Subject to national laws and sound public
25 administration principles, and exercising the corporate powers of the Regional
26 Government under the Constitution and the Local Government Code, the Regional
27 Assembly shall establish a program for generating development funds to accelerate
28 social and economic development in the region. The Regional Government shall
29 implement the same, after conducting public consultation.

30 *Sec. 81. Approval of Plans.* — The Regional Assembly shall approve by ordinance
31 the recommended regional physical framework plan, the regional development plan,
32 the regional development investment program, the regional annual investment plan,

1 and regional annual budget within the prescribed timetable in consonance with the
2 timeline of the national government.

3 *Sec. 82. Enactment of Necessary Legislation.* — When the need arises, the Regional
4 Assembly shall enact laws and necessary legislative measures that shall strengthen
5 and supplement the implementation of national laws, devolved functions, and address
6 conflicting laws.

7 **ARTICLE IX**

8 **PATRIMONY, ECONOMY AND DEVELOPMENT**

9 *Sec. 83. Coordination and Cooperation.* — The Regional Government, with the
10 support of the national government, shall, pursuant to regional autonomy and poverty
11 alleviation, initiate, stimulate, facilitate, support, and coordinate development in the
12 region towards attaining equitable distribution of opportunities, income, and wealth;
13 a sustained increase in the amount of goods and services available to inhabitants of
14 the CAR and an expanding productivity and income as the key to raising the quality
15 of life for all:

16 (a) The national government shall provide financial support and assistance
17 to the CAR on top of the National Tax Allotment (NTA) provided for it
18 and its component LGUs as well as the allocations provided to the
19 Regional Line Agencies by appropriating such sums as may be
20 necessary to accelerate the development of the autonomous region.

21 (b) The national government shall consult and coordinate with the
22 autonomous Regional Government before programs and projects are
23 undertaken in the CAR.

24 *Sec. 84. Cordillera Development Plan.* — The Regional Government, through the
25 CDC, shall formulate its development plans taking into consideration the unique needs
26 and aspirations of the CAR, consistent with the national development goals. The
27 Development Plan shall include the promotion of growth and full employment, human
28 development, and address social and economic inequities that have resulted from
29 decades of neglect, historical injustice, poverty, and inequality.

30 *Sec. 85. Control and Supervision over Natural Resources.* — The Regional
31 Government shall have control and supervision over natural resources in accordance
32 with the Constitution, this Organic Act, and other pertinent laws.

1 *Sec. 86. Preferential Rights of the Inhabitants of the CAR Over the Utilization and*
2 *Development of Its Natural Resources.* — The exploration, development, utilization,
3 and enjoyment of natural resources shall be allowed to citizens of the Philippines and
4 to private enterprises, including corporations, cooperatives, and similar collective
5 organizations with at least sixty percent (60%) of their capital investment or capital
6 stocks directly controlled or owned by Filipinos: *Provided,* That priority shall be given
7 to inhabitants of the CAR in the implementation of programs, projects, and activities
8 related to these natural resources in the region and shall comply with the provisions
9 of the Constitution, this Organic Act, and other pertinent laws.

10 *Sec. 87. Comprehensive Framework for Sustainable Development.* — The Regional
11 Government shall develop a comprehensive framework for sustainable development
12 through the proper conservation, utilization, and development of natural resources.
13 Such framework shall guide the Regional Government in adopting programs, policies,
14 and mechanisms that focus on the protection of the environment, and reduction of
15 vulnerability from climate change.

16 *Sec. 88. Development of Lands with a Slope of 18% and Above.* — The Regional
17 Government in partnership with the communities, especially the indigenous peoples
18 (IPs) or indigenous cultural communities (ICCs), and their government units, and
19 support of the national government shall adopt measures for the development of
20 communities occupying lands with a slope of eighteen percent (18%) or over, by
21 providing the necessary infrastructure, financial, and technical support.

22 *Sec. 89. Transportation and Communications System.* — The Regional Government
23 shall, in coordination with the national government, establish a transportation and
24 communications system interconnecting the various areas of the CAR with each other
25 and to other regions adjacent to the CAR. Likewise, the Regional Government in close
26 coordination with LGUs shall plan, construct, modernize and maintain rural and urban
27 infrastructure facilities and utilities, including alternative transport systems within
28 critical environments.

29 *Sec. 90. Agrarian Reform.* — Subject to ecological considerations, the Regional
30 Government shall adopt and implement a comprehensive rural agrarian reform
31 program, as well as an urban development program consistent with the provision of

1 the Constitution and national laws and policies to ensure the just and sustainable
2 utilization of land within its jurisdiction.

3 Sec. 91. *Environmental Protection.* — The Regional Government shall develop
4 standards pertaining to the protection, conservation, and enhancement of the
5 environment and natural resources, appropriate to the social and cultural
6 environmental uniqueness of the CAR.

7 Sec. 92. *Transfer of Existing Nature Reserves and Protected Areas.* — The
8 management and protection of nature reserves and aquatic parks, forests, watershed
9 reservations, and other protected areas in the Autonomous Region that have already
10 been defined by and under the authority of the national government shall be
11 transferred to the Regional Government.

12 The Regional Transition Committee composed of the Regional Governor,
13 Department of Environment and Natural Resources, National Commission on
14 Indigenous Peoples, representatives of IPs and ICCs affected, as well as other relevant
15 government agencies shall cause the process of transferring these areas including the
16 conduct of surveys of all affected areas and the planning and transition for each and
17 every protected area. Such process shall be completed within a period not exceeding
18 two (2) years.

19 Sec. 93. *Renewable and other Energy Resources and Extractive Industries.* —
20 Policies on renewable and other energy resources and extractive industries shall be
21 drawn up by the Regional Assembly in accordance with its Comprehensive Sustainable
22 Development Plan including medium-term and long-term Regional Development Plan.

23 Sec. 94. *Financial and Technical Assistance Agreements.* — The Regional Governor
24 shall initiate and recommend to the President the applications for financial and
25 technical assistance agreements covering mineral resources within the region

26 Sec. 95. *Participation in National Development Planning.* — To ensure that the
27 Regional Development Plans are reflected in the national development plans, the
28 Regional Government shall participate in national development planning. The Regional
29 Governor shall be a member of the NEDA Board.

1 **ARTICLE X**

2 **SOURCES OF REVENUES AND OTHER FISCAL MATTERS**

3 *Sec. 96. Share from the National Revenues.* — To conserve, protect, and develop
4 the national patrimony and heritage located in the CAR, and devolved to the region
5 by this Organic Act, and to fund its operations, the Regional Government shall have a
6 share of the national revenues, in addition to existing shares already being received
7 by the LGUs and regional line agencies, which include the following:

8 (a) *Two and one half percent (2.5%).* The Regional Government shall have
9 a share in the national taxes equivalent to two and one half percent
10 (2.5%) based on the collection of the third fiscal year preceding the
11 current fiscal year. Eighty percent (80%) of such share shall be
12 appropriated in the annual regional budget for development projects.

13 (b) *Forty percent Share of the National Wealth Tax.* The Regional
14 Government shall have a separate forty percent (40%) share of the
15 gross collections in the preceding fiscal year from mining taxes,
16 royalties, environmental services, forestry and fishery charges, energy
17 production charges, and such other taxes, fees and charges, including
18 related surcharges, interests and fines derived from the utilization and
19 development of the national wealth within its territorial jurisdiction:
20 ***Provided,*** That the share in national wealth shall be used for the
21 preservation and further development of the environment.

22 The Regional Government shall have a share of one and one-half percent (1.5%)
23 of the gross sales or receipts derived from the utilization and development of the
24 national wealth within their territorial jurisdiction. This provision shall be applicable to
25 all corporations, partnership, individuals and other entities including government
26 agencies and GOCCs engaged in the utilization and development of the national wealth
27 within the CAR irrespective of existing contrary laws, rules and regulations of national
28 application.

29 The share in the preceding paragraph shall be distributed in the following manner:

- 30 (a) Province / Highly Urbanized City - Twenty percent (20%)
31 (b) Component City/ Municipality - Forty percent (40%)
32 (c) Barangay - Thirty percent (30%)

1 (d) Region - Ten percent (10%)

2 (c) *Two percent share out of the Economic Zones Tax.* - The Regional
3 Government shall have a separate two percent (2%) share out of the
4 five percent (5%) final tax on gross income earned or equivalent to
5 forty percent (40%) of total tax paid by businesses within the economic
6 zones in the CAR, in addition to the existing shares of the local
7 government units of two percent (2%).

8 (d) *Twenty percent Share of Excess in Value Added Tax.* - The CAR shall
9 have a separate twenty percent (20%) share of the excess of value
10 added tax (VAT) collections from the immediately preceding year within
11 the territorial jurisdiction of the autonomous region. The fund shall be
12 used to support cottage industry programs.

13 The LGUs shall have a separate twenty percent (20%) share of excess VAT
14 collections from the immediately preceding year.

15 (e) *Fifteen percent Share of Total Excise Tax.* - In addition to the existing
16 shares of the LGUs, the CAR shall have a separate fifteen percent
17 (15%) share of the total excise taxes collected within the territorial
18 jurisdiction of the CAR on all products subject to excise tax for the
19 second calendar year preceding the year of distribution.

20 The LGUs shall have a separate fifteen percent (15%) share from the total excise
21 tax collection on locally manufactured virginia-type cigarettes for the second year
22 preceding the year of distribution.

23 (f) *Fifteen percent Share of Incremental Excise Tax in Burley and Native*
24 *Tobacco Products.* The Regional Government shall have a separate
25 fifteen percent (15%) share of the excise tax on hurley and native
26 tobacco products collected within the CAR.

27 The LGUs shall have a separate fifteen percent (15%) share of the excise tax
28 collected on hurley and native tobacco products.

29 (g) *Forty percent Share of Renewable and Other Energy Tax.* The Regional
30 Government shall have a separate forty percent (40%) share of the
31 special privilege tax on renewable and other energy resources

1 developed for the maintenance of watersheds and social and economic
2 development of the upstream host communities.

3 The LGU's share from the renewable and other energy resources tax
4 shall be based on the computation provided under the Local
5 Government Code, as amended.

6 (h) Shares in future tax impositions by the national government.

7 *Sec. 97. Downstream Benefits.* — The CAR shall be entitled to one and one-half
8 percent (1.5%) of the gross receipts from the utilization of national wealth sourced or
9 extracted from the CAR by persons, individual or juridical entities operating outside
10 the territorial jurisdiction of the CAR.

11 *Sec. 98. Sources of Regional Government Revenues.* — The CAR shall be entitled
12 to the following sources of revenues:

- 13 (a) Fees and charges imposed by the Regional Government;
14 (b) Taxes, fees, or charges for the registration of motor vehicles and for
15 the issuances of all kinds of licenses or permit for the driving thereof,
16 except tricycles which shall be registered with the city or municipality
17 within whose territorial boundaries they are operating;
18 (c) Shares and revenue generated from the operations of public utilities
19 within the CAR;
20 (d) Appropriations, shares in the internal revenue taxes, block grants, and
21 other budgetary allocations coming from the national government; and
22 (e) Block grants derived from economic agreements or conventions
23 entered into or authorized by the Regional Assembly, donations,
24 endowments, foreign assistance, and other forms of aid, subject to the
25 pertinent provisions of the Constitution:

26 ***Provided,*** That the taxing power of the Regional Government shall not extend to
27 the following:

- 28 (a) Income tax, except when levied on banks and other financial
29 institutions;
30 (b) Customs duties, tonnage dues, and all other kinds of customs fees,
31 charges, and dues;

- 1 (c) Taxes, fees, or charges and other impositions upon goods carried into or
2 out of, or passing through the territorial jurisdiction of the provinces,
3 cities, municipalities, or barangays in the CAR in the guise of tolls for
4 bridges or otherwise, or other taxes, fees, or charges in any form
5 whatsoever upon such goods or merchandise, except tolls on bridges
6 or roads constructed and maintained by the Regional Government or
7 its constituent provinces, cities, municipalities, or barangays
8 concerned;
- 9 (d) Taxes, fees, or charges on agricultural and aquatic products when sold
10 by marginal farmers or fisherfolk;
- 11 (e) Taxes on business enterprises certified by the Board of Investments or
12 by the Regional Assembly as registered business enterprises;
- 13 (f) Excise taxes on articles enumerated under the national internal revenue
14 code of 1997, as amended, and taxes, fees, or charges on petroleum
15 products;
- 16 (g) Percentage or value-added tax on sales, barter, or exchanges or
17 similar transactions on goods or services except as otherwise provided
18 by national law;
- 19 (h) Taxes on the gross receipts of transportation contractors and persons
20 engaged in the transportation of passengers or freight by hire and
21 common carriers;
- 22 (i) Taxes on premiums paid by way of reinsurance or retrocession;
- 23 (j) Taxes, fees, or other charges on Philippine products actually exported,
24 except as otherwise provided by law enacted by the Congress of the
25 Philippines;
- 26 (k) Taxes, fees, or charges on countryside and barangay business
27 enterprises and cooperatives duly registered under Republic Act No.
28 6810, otherwise known as the "Magna Carta for Countryside and
29 Barangay Business Enterprises," and Republic Act No. 6938, otherwise
30 known as the "Cooperative Code of the Philippines," as amended; and

1 (I) Taxes, fees, or charges of any kind on the national government, its
2 agencies and instrumentalities, and LGUs except on GOCCs or entities
3 that are primarily organized to do business.

4 Sec. 99. *Power of Taxation.* — The CAR shall have the power to create its own
5 sources of revenues and to levy fees, charges, and taxes subject to the concurrence
6 of the Regional Assembly, and such guidelines and limitations mandated under the
7 Constitution and this Act, consistent with the basic policy of local autonomy. It shall
8 likewise have the power to grant incentives or exemption on fees and charges which
9 it is empowered to impose under this Act. The LGUs within the territorial jurisdiction
10 of CAR shall continue to levy, impose, and collect taxes and fees as provided under
11 the Local Government Code of 1991, as amended.

12 Sec. 100. *Payment of Taxes by Corporations, Partnerships or Firms.* —
13 Corporations, partnerships, or firms directly engaged in business in the CAR shall pay
14 their corresponding taxes, fees, and charges in the province or city where the
15 corporation, partnership, or firm is doing business. Corporations, partnerships, or
16 firms whose central, main or head offices are located outside the CAR but are doing
17 business within its territorial jurisdiction, shall pay the income taxes for income
18 derived from their business operations in the CAR to the city or municipality where
19 their branch office is located or where their business operations or activities are
20 conducted.

21 Sec. 101. *Appropriations from the National Government.* — The national
22 government shall continue to provide the necessary funds for the regular operations
23 and programs of devolved line agencies in the region to be prepared by the CAR and
24 incorporated under the General Appropriations Act including the mandatory
25 organizational structure and positions of the CAR charged against the 2.5% share of
26 the CAR as provided for under Section 96 (A).

27 Sec. 102. *Donations to the Regional Government.* — All grants, bequests,
28 endowments, donations, and contributions made to and used actually, directly and
29 exclusively by the CAR, shall be exempt from donor's tax and the same shall be
30 considered as allowable deduction from gross income for purposes of computing the
31 taxable income of the donor in accordance with the provisions of the National Internal
32 Revenue Code of 1997, as amended.

- 1 (c) The Regional Government shall work on the improvement of the quality
2 and value of raw and processed agri-based products as a means to
3 enhance competitiveness of the agriculture and fisheries sectors in the
4 domestic and global markets.
- 5 (d) The Regional Government shall formulate and implement measures to
6 promote indigenous concepts of farming and protect the farmers from
7 unfair trade practices and unfair competition.
- 8 (e) The Regional Government shall ensure the equitable and rational
9 distribution of public resources and investments in order to obtain the
10 optimum returns on investments and to benefit a greater number of
11 constituents.
- 12 (f) The Regional Government shall always consider the limited carrying
13 capacity of the CAR's natural and agricultural resources in the
14 development of agricultural and fisheries programs and interventions.

15 *Sec. 107. Development of Water Resources.* — The Regional Government shall
16 prioritize the conservation, protection, testing, utilization and development of water
17 resources for agriculture, fisheries development, domestic water supply, and power
18 development. It shall enact appropriate legislation which shall enhance, develop,
19 conserve, and protect natural fishery resources especially on species endemic to the
20 CAR.

21 *Sec. 108. Promoting the Rights of Fisher Folks.* — The Regional Government
22 shall recognize, promote, and protect the rights and welfare of fisher folks, their
23 associations and cooperatives. The provinces and cities concerned shall provide
24 support to subsistence fisher folk through adequate funds, appropriate technology and
25 research, marketing assistance, and other support services like fishery processing
26 facilities and access to credit.

27 *Sec. 109. Agriculture Production.* — The Regional Government shall pursue the
28 following strategies to develop and increase agricultural productivity.

- 29 (a) Pursue multidisciplinary research, development and extension activities
30 to produce and promote technologies and invent machinery and
31 facilities that will be used to improve productivity and product quality,
32 reduce cost of production, enhance value addition and improve

1 processing, and enhance abilities to protect the environment and
2 agricultural resources;

3 (b) Initiate, encourage and give the highest priority support to small and
4 medium agribusiness enterprises and industries with linkages to
5 agriculture. It shall ensure the allocation of adequate public
6 investments to establish adequate support-agricultural infrastructure
7 and facilities to sustain such ventures;

8 (c) Formulate and implement product standards and regulatory rules that
9 will ensure the production, processing, distribution and marketing of
10 safe and globally-competitive products, and simultaneously promote
11 environmental conservation; and

12 (d) Ensure that all sectors involved in the production, processing, and
13 marketing of food and non-food products shall strictly adhere to
14 appropriate existing laws and regulations on the proper utilization and
15 disposal of synthetic and chemical inputs and materials, and industrial
16 and toxic wastes. Relative to this, the Regional Government shall
17 pursue and encourage organic methods of agriculture.

18 Sec. 110. *Prevention of the Flight of Labor and Capital.* — To promote
19 investments and employment and to prevent flight of capital and labor from the CAR,
20 the Regional Government shall, in coordination and cooperation with the Philippine
21 Competition Commission (PCC), adopt measures to:

22 (a) Inhibit monopolies, cartels and unfair competition in public utilities,
23 development, trading and similar concerns. It may, in the interest of
24 regional welfare and security, establish and operate pioneering public
25 utilities. Upon payment of just compensation, it may transfer the
26 ownership of such utilities to cooperatives or other collective
27 organizations; and

28 (b) Initiate, encourage and support industrialization in the region, taking
29 into account the culture and capabilities of the people of the area to
30 control or manage their resources, the ecological needs of the area,
31 and the protection, conservation, and development of resources.

1 Sec. 111. *Eco-cultural Tourism*. — Consistent with the preservation of cultural
2 heritage and the protection of ecology, the Regional Government shall promote eco-
3 cultural tourism. Sites with historical, scientific, cultural significance including natural
4 and man-made landmarks and scenic vistas shall likewise be preserved, maintained,
5 and protected.

6 All other kinds of tourism-oriented activities that are consistent with the
7 principles of sustainable and responsible tourism shall be promoted and developed in
8 the CAR.

9 Sec. 112. *Promote Economic Zones*. — The Regional Government shall, in
10 coordination with the Philippine Economic Zone Authority (PEZA), encourage, promote
11 and support the establishment and development of economic zones, industrial and
12 trade centers, and airports, in strategic areas and growth centers in the CAR, including
13 the necessary support infrastructure in accordance with land use and other
14 environmental considerations, and tax incentives to needed investments in the Special
15 Economic Zones. Registered enterprises under established economic zones may be
16 entitled to pertinent fiscal incentives granted under Title XIII (Tax Incentives) of the
17 National Internal Revenue Code, as amended.

18 Sec. 113. *Marketing and Exportation of Indigenous Products*. — The Regional
19 Government shall, in coordination with LGUs, encourage investments in the
20 development, marketing, exportation, and protection of community intellectual rights,
21 indigenous and other local products in accordance with its development goals and
22 priorities.

23 Sec. 114. *Cooperatives*. — The Regional Government shall promote cooperatives
24 registered with the Cooperative Development Authority as tools for economic
25 development, social justice, and people empowerment, to initiate policies and develop
26 mechanisms to enjoin the participation of the banking sector and financial institutions
27 in the delivery of credit assistance for the establishment and building of rural
28 enterprises and small-medium enterprises (SMEs).

1 **ARTICLE XII**

2 **EDUCATION, SCIENCE AND TECHNOLOGY,**
3 **LANGUAGE, ARTS AND CULTURE AND SPORT**

4 Sec. 115. *Regional Educational Policies.* — The Regional Government shall
5 formulate educational policies to preserve, safeguard, and develop cultural heritage
6 guided by the following plans and programs:

7 (a) The development of curricular programs relevant to the preservation
8 and development of cultural heritage and responsive to the social,
9 economic, political, and moral needs of the inhabitants of the CAR;

10 (b) The adoption and enactment of educational policies that shall
11 recognize, support, develop, and promote existing indigenous system
12 of learning; and

13 (c) The creation of a Regional Educational Board that will supervise the
14 establishment, adoption, and implementation of both formal and
15 informal education policies and programs for schools, colleges, and
16 universities in the region.

17 Sec. 116. *Education with Highest Budget Allocation.* — The Regional Government
18 shall assign the highest budgetary priority to education.

19 Sec. 117. *Tax Treatment of Educational Institutions.* — Private educational
20 institutions, colleges and universities shall enjoy the protection and support of the
21 Regional Government and shall pay taxes in accordance with Section 27 (b) of the
22 National Internal Revenue Code, as amended. Importations of private educational
23 institutions, colleges and universities of economic, technical and cultural books or
24 publications, which are for economic, technical, vocational, scientific, philosophical,
25 historical or cultural purposes, shall be exempt from customs duties in accordance
26 with the provisions of Republic Act No. 10863, otherwise known as the "Customs
27 Modernization and Tariff Act (CMTA).

28 Sec. 118. *Creation of Regional Scholarship Committee for Education.* — The
29 Regional Government shall assist the national government in providing free basic
30 education and shall likewise endeavor to provide free tertiary education through
31 scholarship programs, subsidies, research grants, and other incentives for poor, gifted,

1 and deserving individuals. Towards this end, there shall be created a Regional
2 Scholarship Committee for Education.

3 Sec. 119. *Rights of Teachers and Parents to Organize.* — The right of teachers,
4 employees, students, and parents to organize themselves and to participate in school
5 policy and decision-making shall be guaranteed.

6 Sec. 120. *Culture Sensitive Education.* — The educational system in the CAR shall
7 develop a research, instruction, and extension program that will promote
8 consciousness and appreciation of the ethnic identity of the people in the region in all
9 levels of education, and shall provide a better understanding of their cultural heritage
10 for the attainment of national unity and harmony. It shall provide, promote, enhance
11 or adopt a curriculum in all levels that includes Cordillera languages, customs and
12 traditions and other indigenous knowledge systems and practices, as may be
13 applicable.

14 Sec. 121. *State Colleges and Universities.* — State colleges and universities in the
15 CAR shall form part of the regional educational sub-system and shall continue to enjoy
16 fiscal and institutional autonomy, continue to be governed by their respective charters,
17 and enjoy support of the Regional Government.

18 (a) The Regional Government shall be represented in the board of regents
19 or trustees in state universities and colleges in the region;

20 (b) The state colleges and universities in the CAR shall continue to receive
21 funding from the national government while the Regional Government
22 shall provide additional funding; and

23 (c) The Regional Government shall capacitate state colleges and
24 universities in order to provide assistance to regional development.

25 Sec. 122. *School Charters.* — Subject to the general supervision of the Regional
26 Government, all schools with charters shall continue to be governed by their respective
27 charters.

28 Sec. 123. *Priority on Indigenous and Appropriate Technology.* — The management
29 of scientific and indigenous research and appropriate technology on all levels of
30 education including research institutions shall be given priority by the Regional
31 Government.

- 1 (e) Enact measures and develop programs that will protect the people from
2 any threat of violence and exploitation, eliminate trafficking in persons,
3 and mitigate pressures for involuntary migration and servitude of
4 persons, not only to support trafficked persons but more importantly,
5 to ensure their recovery, rehabilitation, and reintegration into the
6 mainstream of society.

7 *Sec. 129. Equality of Employment Opportunities.* — The Regional Government shall
8 undertake steps to protect the labor sector and promote equality of employment
9 opportunities for all. Towards this end, it shall provide for:

- 10 (a) Participation of the Regional Government in the regional wage board in
11 working out periodic adjustments and rational standardization of
12 compensation rates to ensure a sustainable and decent wage for all
13 workers;
- 14 (b) Profit sharing schemes that recognize the right of workers to a just
15 share in the profits of businesses, provide incentives thereof, and the
16 right of the enterprise to reasonable returns on investments;
- 17 (c) Protection of workers against unhealthy and unsafe working conditions;
18 and
- 19 (d) Mandatory corporate social responsibility towards employees and host
20 communities.

21 *Sec. 130. Hiring of Qualified Cordillerans.* — The Regional Government shall
22 promote the hiring of qualified inhabitants of the CAR in government service,
23 government projects, and private businesses located in the autonomous region.

24 *Sec. 131. Health as a Basic Human Right.* — The Regional Government recognizes
25 health as a basic human right, thus the attainment, maintenance and protection
26 thereof shall be its responsibility. It affirms health as an instrument for and a product
27 of socio-economic development. For this purpose, it shall:

- 28 (a) Establish, maintain, and support an effective health care delivery
29 system utilizing primary health care as a comprehensive and integrated
30 approach;
- 31 (b) Ensure that the health care system is governed by the principles of
32 service, social justice and equity;

- 1 (c) Promote health knowledge and skills that will enable its people to take
2 responsibility for their health;
- 3 (d) Provide relevant training programs and appropriate standards for
4 health workers and professionals;
- 5 (e) Establish and maintain an effective food and drug regulatory system
6 which shall provide for the adoption of an essential drug list, encourage
7 the use of generic medicines or drugs, and promote the use of herbal
8 medicines and indigenous health resources;
- 9 (f) Conduct research on traditional healing methods and promote
10 indigenous health care practices;
- 11 (g) Evolve financing schemes to effectively lessen the costs of health care
12 without sacrificing the quality of health care services; and
- 13 (h) Prioritize health by allocating at least five percent (5%) of the Regional
14 Annual Budget to form the base of the health budget.

15 Sec. 132. *Rights of Workers.* — The Regional Government shall, in consonance
16 with the Constitution, guarantee the rights of all workers to self-organization,
17 collective bargaining and negotiations, and peaceful concerted activities, including
18 those provided by law.

19 Sec. 133. *Rights of Vulnerable Sectors.* — The Regional Government shall:

- 20 (a) Promote the well-being of differently-abled persons, the mentally
21 handicapped, the elderly, the homeless, widowed and orphans,
22 retirees, and veterans, and children in conflict with the law; and
- 23 (b) Assist victims of calamities, abused and depressed children and women
24 in crisis situations, including victims of adult offenders and children in
25 conflict with the law.

26 Sec. 134. *Program for Rebel Returnees.* — The Regional Government shall adopt
27 a social integration program that is responsive to the needs of rebel returnees,
28 including children in conflict with the law show shall be provided the appropriate
29 rehabilitative psycho-social services.

30 Sec. 135. *Social and Insurance Measures.* — The Regional Government shall adopt
31 insurance and social security measures that are responsive to the needs of its people
32 to supplement existing privileges.

1 **ARTICLE XV**

2 **GENERAL PROVISIONS**

3 Sec. 143. *Text of the Organic Act.* — This Organic Act shall be officially
4 promulgated in Filipino and English and translated into the languages widely spoken
5 in the CAR. In case of conflict, the English text shall prevail.

6 Sec. 144. *Change of Name.* — The Regional Assembly may adopt a new name for
7 the CAR after public consultation.

8 Sec. 145. *Regional Symbol.* — The Regional Government shall have a regional flag,
9 emblem, and hymn.

10 **ARTICLE XVI**

11 **PERSONAL, FAMILY, INDIGENOUS AND PROPERTY RELATIONS**

12 Sec. 146. *Customary Laws.* — Customary laws affecting personal, family, tribal and
13 property relations in the CAR shall be recognized.

14 Sec. 147. *Protection of the Family.* — The family as the basic unit of society shall
15 be protected.

16 Sec. 148. *Indigenous Marriages.* — Marriages solemnized in accordance with the
17 indigenous customary laws of the place shall be valid, and the dissolution of such
18 marriages in accordance with these laws shall be recognized.

19 Sec. 149. *Laws on Marriages.* — The Regional Assembly shall pass a law governing
20 family relations and marriages under indigenous customs and tradition belonging to
21 indigenous people CAR.

22 Sec. 150. *Indigenous Settlement of Disputes.* — Settlement of tribal, personal, and
23 family disputes shall be recognized.

24 Sec. 151. *Applicable Law on Settlement of Disputes.* — Acquisition and
25 encumbrance of property done in accordance with customary practices, and
26 settlement of disputes involving property rights and ownership shall be governed by
27 the customary laws of the place where the property is located. The Regional Assembly
28 shall enact a law in settlement of disputes matter of customs and traditions of
29 indigenous people.

1 **ARTICLE XVII**

2 **AMENDMENTS OR REVISIONS**

3 Sec. 152. *Amendment or Revision.* — Any amendment to, or revision of this Act
4 may be made by Congress upon recommendation of the majority of all Members of
5 the Regional Assembly.

6 Sec. 153. *Effectivity of Amendment or Revision.* — Any amendment to or revision
7 of this Organic Act shall become effective when ratified by a majority of the votes cast
8 in a plebiscite called for the purpose which shall be held not earlier than sixty (60)
9 days nor later than ninety (90) days after the approval of such amendment or
10 revisions.

11 **ARTICLE XVIII**

12 **TRANSITORY PROVISIONS**

13 Sec. 154. *Coverage of the Plebiscite.* — The areas covered by the plebiscite shall
14 be the provinces of Abra, Apayao, Benguet, Ifugao, Kalinga, Mountain Province, and
15 the chartered City of Baguio. Any two or more provinces or cities voting favorably for
16 this Organic Act in the plebiscite shall comprise the CAR while those voting unfavorably
17 for this Organic Act in the plebiscite shall remain within their current region.

18 The creation of CAR shall take effect when approved by a majority of the votes
19 cast by the constituent units provided in Section 3, Article 11 of this Act, in a plebiscite
20 which shall be held not earlier than three (3) months but not later than six (6) months
21 after the effectivity of this Act: *Provided,* That only the provinces and cities voting
22 favorably in such plebiscite shall be included in the CAR.

23 Sec. 155. *Date of Election.* — Unless otherwise provided for by law, the election
24 of the first set of officials of the Regional Government shall be held during the next
25 local election following the ratification of this Organic Act in the plebiscite. Subsequent
26 elections shall coincide with the nationwide local elections.

27 Sec. 156. *Residency Requirement for the First Election.* — For purposes of the
28 first regional election, candidates must have actually resided and must be registered
29 voters in the region for at least one (1) year immediately preceding the election:
30 *Provided,* That they meet all other qualifications and none of the disqualifications
31 under Article V of this Organic Act.

1 Sec. 157. *Cessation of Administrative Offices.* — Except for the regional line
2 agencies, the Cordillera Executive Board, the Cordillera Regional Assembly, and the
3 Cordillera Bodong Administration as a commission, created under Executive Order No.
4 220, and the Cordillera Regional Development Council created by Executive Order No.
5 30 after the deactivation of the above-mentioned Cordillera bodies, shall cease to exist
6 immediately upon the assumption of office of the Regional Governor.

7 Sec. 158. *Seat of the Regional Government.* — The seat of the Regional
8 Government shall be determined by the majority of all members of the Regional
9 Assembly: *Provided, however,* That the interim seat of the Regional Government shall
10 be in the City of Baguio.

11 Sec. 159. *Oversight Committee.* — Within one (1) month from the organization
12 of the Regional Government, an Oversight Committee composed of the executive
13 secretary as Chairperson, the Secretary of the DBM, the Cordillera Regional Governor,
14 the Regional Speaker of the Assembly, the Secretary of the Department of the Interior
15 and Local Government, the Chairperson of NCIP as members, shall be organized for
16 the purpose of supervising the transfer to the CAR of such powers and functions vested
17 in it by this Organic Act and the appropriations of the offices or agencies including the
18 transfer of properties, assets and liabilities, and all personnel of the line agencies and
19 GOCCs that may be absorbed by the Regional Government and, with respect to the
20 latter, also the terms and conditions of their turnover: *Provided,* That such transfer of
21 powers and functions shall not result in any diminution of their compensation and
22 other benefits: *Provided Further,* That the salaries of absorbed personnel shall
23 continue to be funded by the national government.

24 Within six (6) months after its organization, the oversight committee shall
25 submit its report and recommendation to the President of the Philippines who shall
26 act on the report and recommendations within ninety (90) days after receipt thereof:
27 *Provided, however,* That if the President fails to act within said period, the
28 recommendations of the Oversight Committee shall be deemed approved.

29 Sec. 160. *Government Allocations.* — Over and above the regularly given to
30 Local Government Units and regional line agencies, the national government shall
31 continue its annual allotment to the Regional Government. In addition, the national
32 government shall provide the Cordillera Autonomous Region an annual assistance of

1 Ten billion pesos (P10,000,000,000.00) for the first five (5) years and Five billion pesos
2 (P5,000,000,000.00) for the next five (5) years to be allocated in the following
3 manner:

- 4 (a) Ninety percent (90%) of the annual subsidy for the Regional
5 Government shall be invested exclusively for revenue generating
6 projects; and
- 7 (b) Ten percent (10%) of the annual subsidy shall remain with the Regional
8 Government as Trust Fund.

9 Sec. 161. *Revenue Allocation.* — Fifty percent (50%) of the revenues generated
10 mentioned in Sec. 160 (a) shall be re-invested for income generating projects. The
11 remaining revenues generated shall be distributed as follows:

- 12 (a) Fifteen percent (15%) to the Regional Government; and
- 13 (b) Thirty five percent (35%) to the Province/highly urbanized city.

14 Sec. 162. *Disclosure and Transparency.* — Funds shall be available exclusively
15 for the specific purpose for which they have been appropriated. Any officer of the CAR
16 whose duty permits or requires the possession, custody and disbursement of the funds
17 shall be accountable and responsible thereof. Financial records shall be kept, audited
18 and made public annually or as often as may be necessary.

19 Sec. 163. *Direct Release of Local Government Units' Share.* — The share of each
20 LGU shall be released without need of any further action, directly to the provincial,
21 city, municipal or barangay treasurer, as the case may be on a quarterly basis within
22 five (5) days after the end of each quarter, and which shall not be subject to any lien
23 or hold back that may be imposed by the Regional Government for whatever purpose.

24 Sec. 164. *Appropriations.* — The sum of Two billion six hundred ninety-five
25 million (P2,695,000,000) is hereby appropriated for the following purposes:

- 26 (a) Twenty million pesos (PhP20,000,000.00) to be allotted to the Regional
27 Development Council for the conduct of a well-coordinated inter-
28 sectoral and inter-agency regional, provincial, municipal and barangay
29 information campaign on this Act;
- 30 (b) Seventy million pesos (PhP70,000,000.00) shall be equitably divided
31 among the provinces and the City of Baguio for the conduct of
32 Information, Education, and Communication purposes;

- 1 (c) Twenty-Five million pesos (PhP25,000,000.00) to be allotted to the
2 Commission on Elections;
- 3 (d) Eighty million pesos (PhP80,000,000.00) to be allotted to the Regional
4 Government for its initial organizational requirements; and
- 5 (e) Two billion five hundred million (P2,500,000,000) for the construction
6 of the Regional Government Center.

7 The amount herein allotted to the Regional Development Council, and provinces and
8 the City of Baguio under paragraphs (a) and (b) respectively shall be released upon
9 the effectivity of this Organic Act.

10 The Cordillera Development Council shall, with the assistance of the Philippine
11 Information Agency, and in consultation with the provincial/city governments, the
12 Cordillera Association of Regional Executives, and other key stakeholders, determine
13 the manner of campaigning and the deputation of government agencies, non-
14 government organizations and other stakeholders for purposes of conducting a well-
15 coordinated information campaign within the first three (3) months after the passage
16 of this Act.

17 The amount of Two billion six hundred ninety-five million (P2,695,000,000) as
18 herein appropriated shall be charged against the Contingent Fund. Any deficiency
19 thereof shall be taken from any available fund of the national government.

20 *Sec. 165. Separability Clause.* — If any provision or part of this Organic Act is
21 declared as invalid or unconstitutional, the remaining part or parts thereof not affected
22 thereby shall remain valid and effective.

23 *Sec. 166. Repealing Clause.* — All laws, decrees, orders, rules and regulations
24 which are inconsistent with this Organic Act are hereby repealed, amended or modified
25 accordingly.

26 *Sec. 167. Effectivity.* — This Act shall take effect after fifteen (15) days after its
27 publication in the *Official Gazette* and in a newspaper of general circulation. Thirty
28 (30) days after the effectivity of this Act, it shall be published in the same
29 aforementioned publication.

Approved,