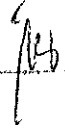


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SENATE

Senate Bill No. **3073**

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Introduced by Senator Manny Villar

EXPLANATORY NOTE

Article XII, Section 1 of the Philippine Constitution states, "The goals of the national economy are a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged."

Moreover, Article XIII, Section 1 submits that "The Congress shall give highest priority to the enactment of measures that protect and enhance the right of all the people to human dignity, reduce social, economic, and political inequalities, and remove cultural inequities by equitably diffusing wealth and political power of the common good."

The island of Mindanao is home to more than 19 million people. It is composed of 6 regions, 27 provinces, and 33 cities. It is rather ironic that while it is considered to be the richest in terms of natural resources, it is also the poorest.

Global recession is making life difficult for all the peoples of the world. If we in the more urban cities like Metro Manila are finding it difficult to cope with the hard times, imagine how much harder it is for our brothers and sisters in Mindanao who are steeped in poverty and burdened by the armed conflict.

In 2006, six of the 10 provinces with highest poverty incidence were from Mindanao: Tawi-Tawi, Zamboanga del Norte, Maguindanao, Surigao del Norte, Lanao del Sur, and Misamis Occidental. Tawi-Tawi, the poorest province, recorded poverty incidence at 78.9 percent, which means almost 8 in every 10 families were considered as poor.

Official government statistics in 2006 also showed that the two poorest regions were from Mindanao, namely ARMM and Caraga. Poverty incidence in ARMM and Caraga were at 55.3 percent and 45.5 percent, respectively. The figure in ARMM means that more than half of its families are classified as poor. The armed conflict in ARMM has resulted to a lot of displaced families, which makes poverty alleviation efforts difficult to implement, and Caraga, despite being an agricultural region, remains poor because it lacks good road network.

Poverty has driven many to commit crimes, and drug smuggling and kidnap-for-ransom have become lucrative businesses for renegades and terrorists.

Mindanao provinces also dominated the 2003 list of 10 provinces with the lowest human development index (HDI). In the 2003 HDI Report of the United Nations Development Programme, seven Mindanao provinces got the lowest HDI. These were Sulu (1st), Maguindanao (2nd), Tawi-tawi (3rd), Basilan (4th), Zamboanga del Norte (6th), Sarangani (7th) and Lanao del Sur (10th).

The many problems in Mindanao call for the creation of an agency that looks beyond regional concerns and integrates peace and development efforts at a Mindanao-wide perspective. The Mindanao Economic Development Council (MEDCo), which has been in existence for the past 16 years, spearheads socio-economic development efforts in Mindanao in particular and the Mindanaoans in general. While the National Economic Development Authority (NEDA) is tasked to formulate plans on a national level, it is the MEDCo that devise economic programs that are more suited to the needs of Mindanao and its people.

In fact, it is instrumental in the construction of critical infrastructure requirements such as farm-to-market roads, housing units, various irrigation projects and improvement of existing airports.

This bill aims to strengthen the mandate of the MEDCo, in order that genuine peace and development shall be achieved in the Mindanao region. A pro-Mindanao mindset is imperative to promote our nation's growth.

In view of the foregoing, the approval of this bill is earnestly sought.


MANNY VILLAR
Senator

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

9 FEB 17 P4:05

SENATE

Senate Bill No. **3073**

RECEIVED BY



Introduced by Senator Manny Villar

AN ACT
CREATING THE MINDANAO ECONOMIC DEVELOPMENT AUTHORITY
(MEDA), DEFINING ITS POWERS AND FUNCTIONS, AND PROVIDING
FUNDS THEREFORE

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

SECTION 1. Short Title. - This Act shall be known as the "Mindanao Economic Development Authority (MEDA) Act of 2009."

SECTION 2. Declaration of Policy. - It is hereby declared a policy of the State to accelerate the socio-economic growth and development of Mindanao, by encouraging and increasing trade, tourism and investments, encouraging private enterprise, and advancing efforts towards peace and development. Towards this end, an effective institutional mechanism shall be established to address the need for a coordinative and integrative approach for the formulation and implementation of various Mindanao-wide, Mindanao-specific interregional development plans, programs and projects. The government shall furthermore undertake efforts to promote the active participation of Mindanao and Palawan in the Brunei Darussalam-Indonesia-Malaysia-the Philippines - East ASEAN Growth Area (BIMP-EAGA).

SECTION 3. Creation of the Mindanao Economic Development Authority. - The Mindanao Economic Development Authority, hereinafter referred to as the Authority, is hereby created which shall promote, coordinate, and facilitate the active and

extensive participation of all sectors to effect the socio-economic development of Mindanao. It shall also act as an implementing agency for Mindanao-specific interregional and Mindanao-wide programs and projects, whenever necessary.

SECTION 4. Coverage. - The Authority shall cover all the provinces and cities of Regions IX, X, XI, XII, Caraga and Autonomous Region in Muslim Mindanao (ARMM).

SECTION 5. Principal Office and Term. - The Authority shall have its main office at Davao City. It may establish area management offices (AMOS) as it may deem necessary to achieve the objectives of this Act. The Authority shall have a term of fifty (50) years from the effectivity of this Act and renewable for the same period unless otherwise provided by law.

SECTION 6. Powers and Functions of MEDA. - In the exercise of those activities which are Mindanao-wide and/or Mindanao-specific in character, the Authority shall have the following powers and functions:

- (a) Formulate an integrated development framework for Mindanao that is consistent with the peace initiatives of the national government;
- (b) Integrate, prioritize and program Mindanao-wide, interregional and region specific programs, activities and projects with Mindanao-wide impact;
- (c) Advocate to the constituents of Mindanao, their elected representatives in Congress, and the National Government, national policies that will foster the integrated and balanced development of Mindanao;
- (d) Promote and facilitate investments in any field which would enhance the socio-economic development of Mindanao and uplift the living standards of the people and their socio-political activities in close coordination with agencies primarily mandated to undertake such function;

- (e) Explore sources for financing priority Mindanao-wide and/or Mindanao-specific interregional programs, projects and activities;
- (f) Coordinate and facilitate the extension of necessary planning, management, and technical assistance to prospective and existing investors, complementary and in support of agencies primarily mandated to execute such functions;
- (g) Establish a comprehensive and integrated databases on Mindanao and BIMP-EAGA necessary for planning and decision-making;
- (h) Monitor, evaluate and formulate recommendations on the implementation of Mindanao-wide and/or Mindanao-specific inter-regional development programs, activities and projects;
- (i) Act as the implementing agency, whenever necessary, for the accomplishment of Mindanao-specific interregional or Mindanao-wide programs and projects, including Official Development Assistance (ODA) projects, subject to such limitations prescribed by existing laws, rules, and regulations;
- (j) Provide strategic direction for Mindanao;
- (k) Oversee mega infrastructure programs and projects with Mindanao-wide impact such as the Mindanao Super Region Program;
- (l) Establish appropriate mechanisms to ensure the timely implementation of Mindanao-wide and Mindanao-specific interregional projects, whenever necessary, including, but not limited to public-private partnership;
- (m) Review and recommend for approval by the NEDA Board such Mindanao-wide and Mindanao-specific inter-regional programs, projects, and plans by the national government and donor agencies subject to existing laws, rules and regulations;
- (n) Act as the official and permanent Philippine Coordinating Office for BIMP-EAGA (PCOBE) and as lead agency of the government in

- coordinating the formulation and implementation of policies and programs and monitoring of all activities related thereto;
- (o) Represent and strengthen the participation of the Philippine focus areas for BIMP-EAGA which are Mindanao and Palawan;
 - (p) Closely coordinate with the private sector in all policy deliberations concerning BIMP-EAGA,
 - (q) Act as a data bank for BIMP-EAGA and other related data by collecting, consolidating and processing data and analyzing the resulting information and thereafter disseminating the information gathered to various groups;
 - (r) Initiate and coordinate the establishment of BIMP-EAGA desks in concerned national agencies, local government units and private enterprises;
 - (s) Undertake advocacy for the adoption/approval of new policies or policy changes and the promotion of initiatives for the growth of the BIMP-EAGA;
 - (t) Formulate and develop new plans and/or programs for the Philippine participation in the BIMP-EAGA based on the consensus of the BIMPEAGA Clusters and Working Groups, and/or Heads of State, Signing Ministers and Senior Officials;
 - (u) Initiate and facilitate sourcing of technical and other forms of assistance to BIMP-EAGA projects/initiatives;
 - (v) Monitor developments in the BIMP-EAGA and follow-through agreements entered into by the Philippine parties;
 - (w) Ensure efficient and effective technical and administrative support services for the Philippines' BIMP-EAGA operations and coordinate budgetary requirements for this purpose;
 - (x) Engage or invest on or enter into joint venture with Filipino and foreign investors in such Mindanao-wide and/or interregional projects as it may

deem proper and necessary or contributory to the economic development of Mindanao;

- (y) Receive and administer donations, contributions, grants, bequest or gifts in cash or in kind from foreign governments, international agencies, private entities, and other sources, including Official Development Assistance (ODA) agencies, for purposes that would contribute to the development of Mindanao, subject to existing laws, rules and regulations;
- (z) To sue and be sued, enter into contracts, acquire, purchase, hold, lease, transfer, dispose of property of any kind or nature necessary to carry out the purposes of this Act;
- (aa) Discharge other functions which may be deemed necessary or as may be provided by law.

The Authority, through the MEDA Chairperson, shall submit to the President and both Houses of Congress annual reports on its accomplishments and activities.

SECTION 7. *Chairperson.* - The MEDA Chairperson, hereinafter referred to as the Chairperson, shall be appointed by the President of the Philippines with a cabinet rank and shall act as the Head of office. He/she shall serve a term of six (6) years from the date of his appointment unless removed for cause. He/she shall also be the Philippine Senior Official for BIMP-EAGA. He/she shall likewise be a member of the National Economic Development Authority (NEDA) Board.

The Chairperson shall have the following duties and functions:

- (a) Call and preside at the meetings of the MEDA Advisory Board and see to it that the policies, programs, and rules and regulations developed and promulgated by it are implemented properly;
- (b) Call on development players in the formulation and implementation of a comprehensive and integrated development plan for Mindanao, investment programs including the preparation of a system of investment programming priorities, annual reports and other pertinent documents

- approved by MEDA, (c) Identify solutions to key issues and concerns taking into account related risks, affected parties and impact, in coordination with the Board and key stakeholders, whenever necessary;
- (d) Advocate the Authority's work for Mindanao among the various concerned sectors and stakeholders;
 - (e) Call on any agency, group, individual member of the Board, local government unit, and host community to address issues and concerns relating to implementation of major programs, projects and activities;
 - (f) Supervise the monitoring and timely implementation of Mindanao-wide and/or Mindanao-specific inter-regional programs, projects and activities;
 - (g) Endorse to the MEDA Advisory Board all policy recommendations, plans, programs, and projects for approval;
 - (h) Represent the MEDA Advisory Board in regular and Special Cabinet Meetings;
 - (i) Convene the BIMP-EAGA Advisory Board to discuss issues and concerns, and recommend policies and programs to ensure the widest participation of Mindanao and Palawan in BIMP-EAGA;
 - (j) Accept, in behalf of MEDA, donations, contributions, grants and bequests or gifts, in cash or in kind, from members, foreign governments, international offices, private entities or any individual for purposes that will realize the functions of the Authority;
 - (k) Supervise administrative operations including disbursement of any fund of the MEDA subject to usual accounting and auditing procedures, and submit reports thereon;
 - (l) Execute and administer the policies and measures approved by the MEDA Advisory Board;
 - (m) Appoint all employees of the Authority, and remove, dismiss or otherwise discipline for cause, such employees in accordance with the standard

guidelines for recruitment, employment, and discipline in the Civil Service Code;

- (n) Represent the Authority in all dealings with other offices, agencies, and instrumentalities of the Government and with all persons and entities, public or private;
- (o) Sign agreements and/or contracts in behalf of the Authority, including those for expert and consultant services and other reports of accountabilities emanating from the Authority;
- (p) Perform such other functions that the MEDA Advisory Board may direct to carry out the provisions of this Act.

SECTION 8. *Executive Director.* - An Executive Director shall be appointed by the President of the Philippines upon recommendation by the Chairperson. He/she shall possess the requisite eligibilities for third (3rd) level career service position. He/she shall assist the Chairperson in carrying out the functions of Authority and shall likewise serve as the Secretary of the MEDA Advisory Board.

SECTION 9. *MEDA Advisory Board.* - The Authority's overall directions and thrusts shall be provided and approved, unless provided otherwise in this Act, by the MEDA Advisory Board, hereinafter referred to as the Board. It shall be composed of the following members:

- (a) The MEDA Chairperson;
- (b) The Chairpersons of the Regional Development Councils (RDCs) of Regions IX, X, XI, XII and XIII, and the Regional Economic Development and Planning Board (REDPB) of ARMM;
- (c) The Chairperson of the House Committee on Mindanao Affairs;
- (d) The Chairperson of the House Committee on BIMP-EAGA Affairs;
- (e) The Vice President for Mindanao of the Union of Local Authorities of the Philippines (ULAP);

- (f) The President of the Mindanao Confederation of Governors', City Mayors' and Municipal Mayors' League Presidents;
- (g) The Administrator of the Southern Philippines Development Authority (SPDA); and,
- (h) The three (3) representatives from the Private Sector to be appointed by the President, upon the recommendation of the Chairperson and Board members, comprising of one representative each from the:
 - i. Mindanao Business Sector
 - ii. Mindanao Academe Sector
 - iii. Mindanao Non-Government Organization (NGO) Sector

Members of the Board shall receive a per diem of not more than Five Thousand Pesos (P5,000) for every board meeting: Provided, however, that the per diem collected per month does not exceed the equivalent of four (4) meetings. Provided, further, that the amount of per diem for every board meeting may be increased by the President but such amount shall not be increased within two (2) years after its last increase.

The Board shall have the following functions:

- (a) Provide direction and guidance for the Authority's work and thrusts for Mindanao;
- (b) Ensure that the goals and policies of the Authority are consistent with the overall national development goals and objectives;
- (c) Ensure that the programs of the Authority are consistent with regional and local development plans, program and projects, and vice versa for purposes of harmonization;
- (d) Explore sources for financing of priority Mindanao-wide and/or Mindanao specific inter-regional plans, programs, projects and activities;
- (e) Create committees/task forces as may be deemed necessary in the accomplishments of its duties and functions;

- (f) Determine schedules, establish voting procedures, criteria for the constitution of a quorum, and other rules and regulations in the conduct of Board meetings; and
- (g) Perform such other functions as may be necessary to carry out the purposes of this Act.

SECTION 10. *Executive Committee.* - The Board shall constitute an Executive Committee, hereinafter referred to as the ExeCom, from among its membership to act, for and on its behalf when the Board is not in session, on urgent matters as may be deemed necessary by the Chairperson. To ensure inter-regional representation and participation, the following shall comprise the Execom:

- (a) The MEDA Chairperson
- (b) The Chairpersons of the RDCs and REDPB
- (c) The Representative from the Mindanao Business Sector
- (d) The Representative from the Mindanao Non-Government Organization (NGO) Sector

The Executive Director, as the Board Secretary, shall provide technical assistance to the Execom.

SECTION 11. *BIMP-EAGA Advisory Board.* - There is hereby constituted a BIMP-EAGA Advisory Board to be composed of the following:

- (a) MEDA Chairperson as Head;
- (b) Chairpersons of the RDCs of Regions IX, X, XI, XII and XIII, and REDPB of ARMM;
- (c) City Mayor of Puerto Princesa;
- (d) Provincial Governor of Palawan; and,
- (e) Two Philippine Country Representatives to the BIMP-EAGA Business Council (BEBC).

The BIMP-EAGA Board shall convene, from time to time, to discuss issues and recommend policies and programs to ensure the widest participation of Mindanao and Palawan in the activities of BIMP-EAGA. It shall make recommendations to the Chairperson, being the Head of the PCOBE. The PCOBE, in consultation with the BIMP-EAGA Board, will draw up its own procedures for making recommendations, finalizing decisions and overseeing implementation of BIMP-EAGA activities in Mindanao and Palawan.

SECTION 12. *Organizational Structure.* - The Chairperson shall determine the organizational structure, staffing pattern, and pay scales of the Authority subject to existing civil service and compensation laws. The Chairperson may reorganize the Authority and may create or abolish divisions, units, or branches therein as the exigencies of the affairs of the Authority may require.

SECTION 13. *Transitory Provisions.* - The Mindanao Economic Development Council (MEDCo), created under Executive Order 512, and Executive Order 244, as amended, is hereby abolished.

The unexpended appropriations of the abovementioned agency are hereby transferred to MEDA including its existing records, properties, equipment, facilities and other assets.

The MEDA shall absorb the existing plantilla positions and incumbent staff of MEDCo who shall continue to perform their respective duties and responsibilities and receive the corresponding salaries and benefits, in the fulfillment of the powers and functions of MEDA.

SECTION 14. *Appropriations.* - The amount necessary to finance the initial implementation of this Act shall be charged against the current year's appropriations of the Mindanao Economic Development Council (MEDCo). Thereafter, the current budget

shall be increased by 100%, which amount shall be included in the Annual General Appropriations Act (GAA) for its continued implementation.

The current appropriations of MEDCo shall be transferred to the Mindanao Economic Development Authority to commence its activities.

SECTION 15. *Separability Clause.* - If any provision or part hereof, is held invalid or unconstitutional, the remainder of the Act or the provision not otherwise affected shall remain valid and subsisting.

SECTION 16. *Repealing Clause.* - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with the provisions of this Act is hereby repealed, modified or amended accordingly.

SECTION 17. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,