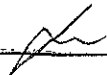


9 MAY 19 P2:14

SENATE
S. No. 3260

RECEIVED BY: 

Introduced by **Senator Richard J. Gordon**

EXPLANATORY NOTE

Art. XII, Section 1 of the Constitution provides that the State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. In the pursuit of these goals, all sectors of the economy and all regions of the country shall be given optimum opportunity to develop. Private enterprises, including corporations, cooperatives, and similar collective organizations, shall be encouraged to broaden the base of their ownership.

In 1992, Executive Order No. 512 created the Mindanao Economic Development Council (MEDCo) to serve the functions of promoting the socio-economic development of Mindanao through a wholistic and integrative coordination of all active sectors in the island's economy.

With a land area of 102,043 square kilometers and occupying one-third of the Philippines' total land area, Mindanao is strategically located within the East Association of Southeast Asian Nations (ASEAN) region. It is almost equidistant to the eastern sections of Indonesia, Malaysia and Brunei Darussalam. This key geographic location underscores its potential to be a major transshipment point and center of trade in the region.

Mindanao's rich soil accounts for bountiful harvests of a variety of farm products. It grows most of the Philippines' major crops such as rubber (100% of national production), pineapple (91%), cacao (90%) as well as banana, coffee, corn and coconut (over 50%). The island also produces exotic fruits like pomelo, mangosteen and durian. Mindanao accounts for over 40% of the Philippines' food requirements and contributes more than 30% to the national food trade. The island's evenly distributed tropical climate makes it ideal for year-round crop production.

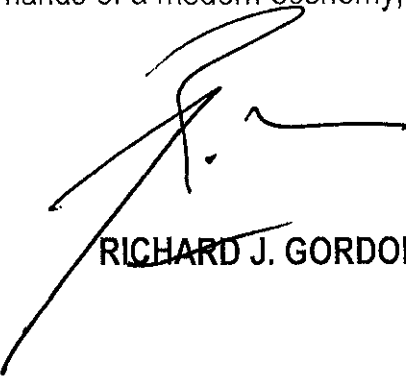
Mindanao is likewise endowed with rich mineral resources. Its metallic deposits include lead, zinc, ore, iron, copper, chromite, magnetite and gold. Gold mined in Mindanao accounts for nearly half of the national gold reserves. Its non-metallic mineral resources include marble, salt, sand, gravel, silica, clay, and limestone.

Cultural diversity and the island's natural beauty make Mindanao one of Asia's favored tourist destinations. White sand beaches, scenic volcanoes, vast orchid gardens, and various ethnic festivals are only some of its unique tourist attractions.

Mindanao's economy grew at an average of 3% in 1995-1997. This dipped to 0.5 % in 1998 due to the Asian financial crisis but improved to nearly 2% in 1999. Its Gross Regional Domestic Product (GRDP) in 2000 grew a noteworthy 4.95%, higher than the national growth rate of 4.01%. This was due to the bullish performance of its agriculture sector (5.84%) and industry sector (5.09%).

However, decades of armed conflict have taken its toll on Mindanao. Overall, the overlay of conflict areas with poverty incidence in the country shows that 45% of consistently poor provinces are in Mindanao.

In order to effect a serious and comprehensive long-term program for socio-economic development, commensurate to the demands of a modern economy, the passage of this measure is earnestly sought.



RICHARD J. GORDON

9 MAY 19 P2:14

SENATE
S. No. 3260

RECEIVED BY: 

Introduced by **Senator Richard J. Gordon**

AN ACT
CREATING THE MINDANAO ECONOMIC DEVELOPMENT AUTHORITY (MEDA),
DEFINING ITS POWERS AND FUNCTIONS, AND PROVIDING FUNDS THEREFOR, AND
FOR OTHER PURPOSES

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

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

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

13 **SEC. 3. Creation of the Mindanao Economic Development Authority.** -The
14 Mindanao Economic Development Authority, hereinafter referred to as the Authority, is
15 hereby created, which shall promote, coordinate, and facilitate the active and extensive
16 participation of all sectors to effect the socio-economic development of Mindanao. It shall
17 also act as an implementing agency for Mindanao-specific interregional and Mindanao-wide
18 programs and projects, whenever necessary.

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

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

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

8 (a) Formulate an integrated development framework for Mindanao that is consistent with
9 the peace initiatives of the National Government;

10 (b) Integrate, prioritize, and program Mindanao-wide, interregional and region- specific
11 programs, activities and projects with Mindanao-wide impact;

12 (c) Advocate to the constituents of Mindanao, their elected representatives in Congress,
13 and the National Government, national policies that will foster the integrated and
14 balanced development of Mindanao;

15 (d) Promote and facilitate investments in any field which would enhance the socio-
16 economic development of Mindanao and uplift the living standards of the people and
17 their socio-political activities in close coordination with agencies primarily mandated
18 to undertake such function;

19 (e) Explore sources for financing priority Mindanao-wide and/or Mindanao-specific
20 interregional programs, projects and activities;

21 (f) Coordinate and facilitate the extension of necessary planning, management, and
22 technical assistance to prospective and existing investors, complementary and in
23 support of agencies primarily mandated to execute such functions;

24 (g) Establish a comprehensive and integrated databases on Mindanao and BIMP-EAGA
25 necessary for planning and decision-making;

26 (h) Monitor, evaluate and formulate recommendations on the implementation of
27 Mindanao-wide and/or Mindanao-specific inter-regional development programs,
28 activities and projects;

29 (i) Act as the implementing agency, whenever necessary, for the accomplishment of
30 Mindanao-specific interregional or Mindanao-wide programs and projects, including
31 Official Development Assistance (ODA) projects, subject to such limitations
32 prescribed by existing laws, rules, and regulations;

33 (j) Provide strategic direction for Mindanao;

- 1 (k) Oversee mega infrastructure programs and projects with Mindanao-wide impact
2 such as the Mindanao Super Region Program;
- 3 (l) Establish appropriate mechanisms to ensure the timely implementation of
4 Mindanao-wide and Mindanao-specific interregional projects, whenever necessary,
5 including, but not limited to public-private partnership;
- 6 (m) Review and recommend for approval by the National Economic Development
7 Authority (NEDA) Board such Mindanao-wide and Mindanao-specific inter-regional
8 programs, projects, and plans by the national government and donor agencies
9 subject to existing laws, rules and regulations;
- 10 (n) Act as the official and permanent Philippine Coordinating Office for BIMP-EAGA
11 (PCOBE) and as lead agency of the government in coordinating the formulation and
12 implementation of policies and programs and monitoring of all activities related
13 thereto;
- 14 (o) Represent and strengthen the participation of the Philippine focus areas for BIMP-
15 EAGA which are Mindanao and Palawan;
- 16 (p) Closely coordinate with the private sector in all policy deliberations concerning BIMP-
17 EAGA;
- 18 (q) Act as a data bank for BIMP-EAGA and other related data by collecting,
19 consolidating and processing data and analyzing the resulting information and
20 thereafter disseminating the information gathered to various groups;
- 21 (r) Initiate and coordinate the establishment of BIMP-EAGA desks in concerned national
22 agencies, local government units and private enterprises;
- 23 (s) Undertake advocacy for the adoption/approval of new policies or policy changes and
24 the promotion of initiatives for the growth of the BIMP-EAGA;
- 25 (t) Formulate and develop new plans and/or programs for the Philippine participation in
26 the BIMP-EAGA based on the consensus of the BIMP-EAGA Clusters and Working
27 Groups, and/or Heads of State, Signing Ministers and Senior Officials;
- 28 (u) Initiate and facilitate sourcing of technical and other forms of assistance to BIMP-
29 EAGA projects initiatives;
- 30 (v) Monitor developments in the BIMP-EAGA and follow through agreements entered
31 into by the Philippine parties;

- 1 (w) Ensure efficient and effective technical and administrative support services for the
2 Philippines' BIMP-EAGA operations and coordinate budgetary requirements for this
3 purpose;
- 4 (x) Engage or invest on or enter into joint venture with Filipino and foreign investors in
5 such Mindanao-wide and/or interregional projects as it may deem proper and
6 necessary or contributory to the economic development of Mindanao;
- 7 (y) Receive and administer donations, contributions, grants, bequest or gifts in cash or
8 in kind from foreign governments, international agencies, private entities, and other
9 sources, including ODA agencies, for purposes that would contribute to the
10 development of Mindanao, subject to existing laws, rules and regulations;
- 11 (z) To sue and be sued, enter into contracts, acquire, purchase, hold, lease, transfer,
12 dispose of property of any kind or nature necessary to carry out the purposes of this
13 Act;
- 14 (aa) Discharge other functions which may be deemed necessary or as may be
15 provided by law. The Authority, through the MEDA Chairperson, shall submit to the
16 President and both Houses of Congress annual reports on its accomplishments and
17 activities.

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

23 The Chairperson shall have the following duties and functions:

- 24 (a) Call and preside at the meetings of the MEDA Advisory Board and see to it that the
25 policies, programs, and rules and regulations developed and promulgated by it are
26 implemented properly;
- 27 (b) Call on development players in the formulation and implementation of a
28 comprehensive and integrated development plan for Mindanao, investment
29 programs including the preparation of a system of investment programming
30 priorities, annual reports and other pertinent documents approved by the MEDA;
- 31 (c) Identify solutions to key issues and concerns taking into account-related risks,
32 affected parties and impact, in coordination with the Board and key stakeholders,
33 whenever necessary;

- 1 (d) Advocate the Authority's work for Mindanao among the various concerned sectors
2 and stakeholders;
- 3 (e) Call on any agency, group, individual member of the Board, local government unit,
4 and host community to address issues and concerns relating to the implementation
5 of major programs, projects and activities;
- 6 (f) Supervise the monitoring and timely implementation of Mindanao-wide and/or
7 Mindanao-specific inter-regional programs, projects and activities;
- 8 (g) Endorse to the MEDA Advisory Board all policy recommendations, plans, programs,
9 and projects for approval;
- 10 (h) Represent the MEDA Advisory Board in regular and Special Cabinet Meetings;
- 11 (i) Convene the BIMP-EAGA Advisory Board to discuss issues and concerns, and
12 recommend policies and programs to ensure the widest participation of Mindanao
13 and Palawan in BIMP-EAGA;
- 14 (j) Accept, in behalf of the MEDA, donations, contributions, grants and bequests or
15 gifts, in cash or in kind, from members, foreign governments, international offices,
16 private entities or any individual for purposes that will realize the functions of the
17 Authority;
- 18 (k) Supervise administrative operations including disbursement of any fund of the
19 MEDA subject to usual accounting and auditing procedures, and submit reports
20 thereon;
- 21 (l) Execute and administer the policies and measures approved by the MEDA Advisory
22 Board;
- 23 (m) Appoint all employees of the Authority, and remove, dismiss or otherwise discipline
24 for cause, such employees in accordance with the standard guidelines for
25 recruitment, employment, and discipline under the rules and regulations of the Civil
26 Service Commission;
- 27 (n) Represent the Authority in all dealings with other offices, agencies, and
28 instrumentalities of the Government and with all persons and entities, public or
29 private;
- 30 (o) Sign agreements and/or contracts in behalf of the Authority, including those of
31 accountabilities for expert and consultant services and other reports emanating
32 from the Authority;

1 (p) Perform such other functions that the MEDA Advisory Board may direct to carry out
2 the provisions of this Act.

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

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

- 11 a) The MEDA Chairperson;
- 12 b) The Chairpersons of the Regional Development Councils (RDCs) of Regions IX, X,
13 XI, XI1 and XIII, and the Regional Economic Development and Planning Board
14 (REDPB) of ARMM;
- 15 c) The Chairperson of the House Committee on Mindanao Affairs;
- 16 d) The Chairperson of the House Committee on BIMP-EAGA Affairs;
- 17 e) The Vice President for Mindanao of the Union of Local Authorities of the Philippines
18 (ULAP);
- 19 f) The President of the Mindanao Confederation of Governors', City Mayors' and
20 Municipal Mayors' League Presidents;
- 21 g) The Administrator of the Southern Philippines Development Authority (SPDA); and,
- 22 h) The three (3) representatives from the Private Sector to be appointed by the
23 President, upon the recommendation of the Chairperson and Board members,
24 comprising of one representative each from the:
 - 25 i. Mindanao Business Sector
 - 26 ii. Mindanao Academe Sector
 - 27 iii. Mindanao Non-Government Organization (NGO) Sector

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

1 The Board shall have the following functions:

- 2 a) Provide direction and guidance for the Authority's work and thrusts for Mindanao;
- 3 b) Ensure that the goals and policies of the Authority are consistent with the overall
4 national development goals and objectives;
- 5 c) Ensure that the programs of the Authority are consistent with regional and local
6 development plans, program and projects, and vice versa for purposes of
7 harmonization;
- 8 d) Explore sources for financing of priority Mindanao-wide and/or Mindanao-
9 specific inter-regional plans, programs, projects and activities;
- 10 e) Create committees/task forces as may be deemed necessary in the
11 accomplishments of its duties and functions;
- 12 f) Determine schedules, establish voting procedures, criteria for the constitution of
13 a quorum, and other rules and regulations in the conduct of Board meetings: and
- 14 g) Perform such other functions as may be necessary to carry out the purposes of
15 this Act.

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

- 21 (a) The MEDA Chairperson
- 22 (b) The Chairpersons of the RDCs and REDPB
- 23 (c) The Representative from the Mindanao Business Sector
- 24 (d) The Representative from the Mindanao Non-Government Organization (NGO)
25 Sector The Executive Director, as the Board Secretary, shall provide technical
26 assistance to the Execom.

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

- 29 (a) The MEDA Chairperson as Head;
- 30 (b) Chairpersons of the RDCs of Regions IX, X, XI, XI1 and XIII, and REDPB of
31 ARMM;
- 32 (c) The City Mayor of Puerto Princesa;
- 33 (d) The Provincial Governor of Palawan; and,

1 (e) Two Philippine Country Representatives to the BIMP-EAGA Business Council
2 (BEBC).

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

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

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

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

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

25 **SEC. 14. Appropriations.** - The amount necessary to finance the initial
26 implementation of this Act shall be charged against the current year's appropriations of
27 MEDCo. Thereafter, the current budget shall be increased by 100%, which amount shall be
28 included in the Annual General Appropriations Act (GAA) for its continued implementation.
29 The current appropriations of MEDCo shall be transferred to the MEDA to commence its
30 activities.

31 **SEC. 15. Repealing Clause.** - All laws, decrees, executive orders, rules and
32 regulations, or parts thereof inconsistent with or contrary to the provisions of this Act are
33 hereby repealed or modified accordingly.

1 **SEC. 16. Separability Clause.** - If any part or provision of this Act is held
2 unconstitutional or invalid, other parts or provisions thereof, which are not affected, shall
3 continue to remain in full force and effect.

4 **SEC. 17. Effectivity.** - This Act shall take effect fifteen (15) days following
5 completion of its publication in at least two (2) newspapers of general circulation.

6 Approved,