



SENATE

S. No. 1015

'19 SEP -9 A8 :40

Introduced by SENATOR RONALD "BATO" DELA ROSA

RECEIVED

**AN ACT
CREATING THE LAKE LANA O DEVELOPMENT AUTHORITY DEFINING ITS
POWERS, FUNCTIONS, AND DUTIES, APPROPRIATING FUNDS THEREFOR
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Lake Lanao, with an inland water area of 336 hectares and surface area at 36,000 hectares, is the oldest lake and second largest freshwater in the Philippines. It is considered the ancestral domicile of the Meranaw or more commonly called as Maranao. It was proclaimed a watershed reserve on February 26, 1992 by virtue of Proclamation No. 871. Despite the presidential proclamation and the evident importance of the lake, it continues to deteriorate and face serious environmental problems due to unsustainable and human practices and activities

On August 1, 2015, the National Research Council of the Philippines (NCRP) under the Department of Science and Technology started the first comprehensive research program for Lake Lanao. According to NCRP which published its studies in 2018, the weak lake governance can further deteriorate the condition of the lake which may become detrimental to people's health and wellness. Further, the research concluded that water quality of the lake is worsening causing the lake to suffer from loss of endemic fish. Around eighteen native fish species in the lake have gone extinct.

We need to guarantee the sustainability of the biodiversity of Lake Lanao which has been considered as the heart of the Maranao people's spiritual, cultural, social,

political and economic life. It serves as a fisheries resource, transport route, recreational area, and water supply for domestic and agricultural uses of the local populace. Since 1990, the lake has served as a reservoir with the construction of the Agus River Dam and operation of the National Power Corporation's hydroelectric plants (Agus I-VI), which supply up to 70% of Mindanao's energy with 727 megawatts.¹

Without proper governance and conservation efforts, Lake Lanao will no longer be sustainable not only for marine life but for humans as well. The proposed bill seeks to establish the Lake Lanao Development Authority with the objective of promoting bio-diversity; accelerating a balanced growth; and ecological preservation of Lake Lanao and its surrounding cities and municipalities. All of these within the context of sustainable growth, with due regard and adequate provisions for environmental management and control, preservation of the quality of human life and ecological systems, and the prevention of undue environmental disturbances, deterioration and pollution.

In view of the foregoing, I urge the earnestly passage of this bill.


RONALD "BATO" DELA ROSA

¹ <https://www.agriculture.com.ph/2018/06/13/saving-lake-lanao/>



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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 "Lake Lanao
2 *Development Authority Act*".

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 promote and accelerate a balanced growth and progress of Lake Lanao and its
5 surrounding cities and municipalities, within the context of sustainable growth, for the
6 development of Mindanao with due regard and adequate provisions for environmental
7 management and control, preservation of the quality of human life and ecological
8 systems, and the prevention of undue ecological disturbances, deterioration and
9 pollution.

10 Sec. 3. *Lake Lanao Development Authority.* – There is hereby created and
11 established Lake Lanao Development Authority, hereafter referred to as the
12 "Authority" and organized within one hundred twenty (120) days after the effectivity
13 of this Act. The authority shall be under the Office of the President and shall exercise
14 the power and functions provided in this Act.

15 Sec. 4. *Composition.* – The Authority shall consist of a Board of Directors,
16 hereinafter referred to as the "Board" which shall be composed of a Chairman and six

1 (6) Members, to be appointed by the President: *Provided*, That at least two (2) of the
2 Members of the Board must be residents of Lanao del Sur and Lanao del Norte.

3 No person shall be appointed as Chairman of Member of the Board unless he
4 or she is a citizen and resident of the Philippines, at least thirty-five (35) years of age,
5 and of good moral character, recognized integrity and competency in the field of public
6 administration, economic planning, resource management or in the establishment and
7 management of large agricultural, industrial or commercial enterprises.

8 The term of office for the Board shall be for a period of six (6) years, unless
9 sooner removed or incapacitated: *Provided*, That in case of any vacancy in the Board,
10 the same shall be filled by the President for the unexpired term.

11 For purposes of this Act, the Authority created under this Section shall identify
12 the surrounding cities and municipalities within its jurisdiction which shall be known
13 as the "Area"

14 *Sec. 5. Powers and Functions of the Board.* – The Authority through the Board
15 shall have the following powers and functions:

- 16 a) To periodically conduct, monitor, and update a comprehensive survey of Lake
17 Lanao and its surrounding area including its socio-economic conditions, water
18 quantity and quality in the lake proper and all its major tributary rivers,
19 hydrologic characteristics, power potentials, scenic and tourist spots,
20 conservation of water resources and such other areas of concerns, and
21 thereafter craft a comprehensive and detailed Master Plan: *Provided*, That the
22 implementation of all fisheries plans, projects, and programs of the Authority
23 shall require prior consultation with the Bureau of Aquatic Resources to ensure
24 that such plans, programs and projects are consistent with the national fisheries
25 plans and programs;
- 26 b) To promote or engage in agricultural, industrial, tourism, commercial or other
27 activities necessary or directly contributory to the socioeconomic development
28 of the Area, and, for this purpose, whether by itself or by cooperation with
29 private entities, may organize, finance, invest in, and operate subsidiary
30 corporations;
- 31 c) To study and approve all plans, programs and projects proposed by the local
32 government units, public corporations, and private entities which is related to

1 the utilization of the resources and the development of Lake Lanao and the
2 surrounding area, and monitor the proper implementation of said plans,
3 programs and projects consistent with the objectives and purposes of this Act:
4 *Provided*, That the Authority cannot approve any such plans, programs and
5 projects without prior consultation with the Department of Environment and
6 Natural Resources (DENR);

7 d) To undertake reclamation projects which may be necessary to accomplish the
8 approved plans and projects of the Authority: *Provided*, That the land so
9 reclaimed shall be the property of the Authority and title thereto shall be vested
10 in the Authority;

11 e) To plan, program, finance and/or undertake infrastructure projects such as
12 flood control, sewage, water supply, roads, pot works, irrigation, housing and
13 other related works, as may be deemed necessary, when so required within
14 the context of its plans, programs;

15 f) To implement projects and undertake studies on the improvement and
16 maintenance of the desirable water quality of Lake Lanao, and in pursuance
17 thereof, prepare a water quality management program on a continuing basis,
18 which the Authority shall carry out with the assistance and support of the
19 national and local government units involved in water quality management;

20 g) To exercise the right of eminent domain or acquire by purchase, private-owned
21 lands within the area for purposes of implementing plans and projects of the
22 Authority;

23 h) To formulate and implement public safety measures to ensure preservation of
24 peace and order within the Area;

25 i) To accept grants, donations, gifts, bequests, funds, and properties in
26 coordination with the appropriate agency and administer the same in
27 accordance with the terms thereof and consistent with the policy and powers
28 of the Authority provided for in this Act;

29 j) To collect reasonable fees for the use of the lake waters, its tributaries and
30 shore land areas for all beneficial purposes including but not limited to fisheries,
31 aquaculture, municipal, agricultural, irrigation, commercial, industrial,
32 hydroelectric generation and other power potential, transport and navigation,

1 waste disposal purposes, recreation and reclamation from all private and public
2 entities whether government or non-government agencies, among others the
3 water utilities sector. All the fees so collected shall be accordingly appropriated
4 for the sustainable development of the lake and its watershed areas;

5 k) To enter into contracts to carry out its purposes and objectives;

6 l) To sue and be sued;

7 m) To issue rules and regulations as may be necessary to effectively carry out the
8 powers herein provided with prior consultation with the affected and concerned
9 stakeholders. Such rules and regulations shall take effect fifteen (15) days after
10 publication in a newspaper of general circulation;

11 n) To perform any other act as may be deemed necessary by the Board, upon
12 majority vote, to undertake the plans, programs and projects of the Authority.

13 *Sec. 6. Executive Director.* – In addition to the Board, an Executive Director
14 shall be appointed by the President who shall have demonstrated executive
15 competence and experience for at least ten (10) years in the management of
16 agricultural, industrial, tourism or commercial enterprises and knowledgeable of the
17 socio-economic conditions of Lake Lanao and its surrounding cities and municipalities.
18 Further, no person may be appointed as an Executive Director unless he or she is a
19 natural-born citizen, at least forty (40) years of age, and of proven competence,
20 probity and integrity.

21 The Executive Director shall be responsible for the effective implementation of
22 the policies, rules and regulations promulgated by the Authority and perform such
23 functions as may be assigned by the Board.

24 *Sec. 7. Prohibition against Conflict of Interest.* – The Board and the Executive
25 Director shall not be allowed to have any financial interest, directly or indirectly, in
26 any contract entered into by the Authority or in any special privilege granted by the
27 Authority during his or her term of office. All contracts entered into by any member of
28 the Board, the Chairman, or the Executive Director, in violation of this section shall be
29 immediately voted upon by the Board within five (5) days after its discovery: *Provided,*
30 That a vote of two-thirds (2/3) may invalidate the said contract.

1 The member of the Board, the Chairman, or the Executive Director who violated
2 this section shall be disqualified from serving his or her unexpired term and shall be
3 perpetually disqualified in any position in the Authority.

4 *Sec. 8. Establishment of Tourism Enterprise Zone.* – The Authority may allow
5 the establishment of Tourism Enterprise Zones (TEZ) in complete coordination and
6 assistance with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), as
7 authorized by the Department of Tourism (DOT), and under the supervision of the
8 President.

9 *Sec. 9. Capitalization.* – The Authority shall have an authorized capital of Two
10 Billion Pesos (Php2,000,000,000.00) no par value shares, of which the amount of One
11 Billion Pesos (Php1,000,000,000.00) may be subscribed by the provinces, cities and
12 municipalities in the Area and at least twenty-five percent (25%) thereof shall be
13 subscribed by the National Government.

14 *Sec. 10. Management Structure.* – In carrying out the activities of the Authority,
15 it shall have the following departments under the direct control and supervision of the
16 Executive Director:

- 17 a) *Corporate Legal Affairs Department* which shall provide legal advice and
18 support to all the corporate units on the legal implications of the various
19 undertakings of the Authority and divided into Litigation Division, and Research
20 and Documentation Division;
- 21 b) *Administrative Department* which shall be responsible for providing services
22 relating to human resource management, records management, and general
23 services;
- 24 c) *Finance Department* that shall be responsible on revenue planning, generation
25 and enhancement, assistance on budgetary and financial matters, and
26 safekeeping of corporate assets.
- 27 d) *Policy Planning and Management Services Department* which will undertake
28 policy research and development, and advise the General Manager on policy
29 positions and public advocacy measures for approval of the Board; and
- 30 e) *Integrated Water Resources Management Services Department* that will serve
31 as the main technical arm of the Authority and shall integrate the functions of

1 lake basin management and development. It shall oversee the management of
2 the Laguna Lake and its river systems including the shore lands.

3 The Board shall periodically review the appropriateness of the existing
4 organizational structure and amend the same whenever it may deem necessary and
5 beneficial to achieve the purposes of this Act and to be able to respond efficiently to
6 the mandate of the Authority as herein provided. Any proposed change in the
7 organizational structure of the Authority shall be subject to prior consultation with the
8 Department of Budget and Management and the approval of the President of the
9 Philippines.

10 Sec. 11. *Appropriation.* – The amounts needed for the initial implementation of
11 this Act shall be sourced from the current year's appropriations of the Department of
12 Interior and Local Government. Thereafter, such sums as may be necessary for its
13 continued implementation shall be included in the annual General Appropriations Act.

14 Sec. 12. *Separability Clause.* – If any portion or provision of this Act is declared
15 unconstitutional, the remainder of this Act or any provisions not affected thereby shall
16 remain in force and effect.

17 Sec. 13. *Repealing Clause.* – Any law, presidential decree or issuance, executive
18 order, letter of instruction, rule or regulation inconsistent with the provisions of this
19 Act is hereby repealed or modified accordingly.

20 Sec. 14. *Effectivity.* – This Act shall take effect fifteen (15) days following its
21 complete publication in a newspaper of general circulation.

Approved,