

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

24 FEB 27 P 4 :03

**SENATE**  
S. No. 2574

RECEIVED

Introduced by **Senators Francis "Tol" N. Tolentino, Ronald "Bato" Dela Rosa, and Joseph Victor "JV" Ejercito**

**AN ACT**  
**CONVERTING THE METRO NAGA DEVELOPMENT COUNCIL INTO THE METRO NAGA DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

Section 11, Article X of the 1897 Constitution provides that the Congress may, by law, create special metropolitan political subdivisions whose component cities and municipalities shall retain their basic autonomy and shall be entitled to their own local executives and legislative assemblies.

Naga City in Camarines Sur saw a rapid rise in economic development and growth in the 1990s. Soon, it transformed itself into a thriving hub of commerce and industry, drawing investors, laborers, businessmen, professionals, and people in search of success into the city. And while the influx brought about a lively increase in economic activity, it also widened the gap between Naga City and its neighboring municipalities in terms of income, quality of service, and distribution of resources. This obvious disparity not only adversely impacted the nearby municipalities but also strained Naga City's limited resources and space.

The growing inequality in the level of development between the city of Naga and its neighboring municipalities led the local officials therein, in response to the clamor of their constituents, to forge the creation of the Metro Naga Development Council (MNDC) to attain a balanced and equitable growth within the area.

Toward this end, the MNDC was created and mandated by Executive Order 102 issued on June 18, 1993 to formulate and coordinate projects and activities in order to accelerate the development of the city of Naga and the municipalities of Bombon, Calabanga, Camaligan, Canaman, Gainza, Magarao, Milaor, Minabalac, Pamplona, Pasacao, Pili and San Fernando, all in the province of Camarines Sur, as well as Bula, Libmanan, Ocampo and Siruma in Camarines Sur and San Pascual in the province of Masbate which later joined through separate Memorandum of Agreement.

Despite its establishment in 1993, the MNDC has encountered numerous challenges in effectively fulfilling its aforementioned mandate, primarily due to its limited powers and functions, confined to serving as a forum and coordinating body whose decisions and policies lack binding authority among the member-LGUs. Consequently, major decisions concerning addressing metro-wide issues such as unemployment, flooding, improper waste disposal systems, and the lack of investors and infrastructure projects could not be effectively implemented, as the MNDC could not extend beyond its role as a mere planning body.

In light of these challenges, this bill endeavors to institutionalize and fortify the functions and objectives of the Metropolitan Naga Development Council through the establishment of the Metro Naga Development Authority (MNDA). The MNDA will expedite the formulation of long-term solutions, while respecting local autonomy, to tackle the persistent metro-wide issues afflicting the area, thereby advancing towards a more efficient and equitable economic development within Metropolitan Naga.

In view of the foregoing, the passage of this measure is earnestly sought.

Adopted,



**FRANCIS "TOL" N. TOLENTINO,**  
Senator



**RONALD "BATO" DELA ROSA**  
Senator

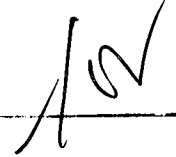


**JOSEPH VICTOR "JV" EJERCITO**  
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**AN ACT**

**CONVERTING THE METRO NAGA DEVELOPMENT COUNCIL INTO THE METRO  
NAGA DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS,  
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

1 **Section 1. Title.** - This Act shall be known as the "Metropolitan Naga Development  
2 Authority Act"

3

4 **Sec. 2. Declaration of Policy.**- It is hereby declared to be the policy of the State to  
5 promote and encourage national dispersion through a regional agglomeration strategy  
6 built around emerging metropolitan conurbations by creating special development and  
7 administrative regions that will plan, manage and coordinate certain metro-wide services  
8 more efficiently and effectively, without prejudice to the autonomy of the affected local  
9 government units.

10 Pursuant to this policy, the Metro Naga Development Council, as a local special

1 body created under Executive Order 102 issued on June 18, 1993, embracing the city of  
2 Naga and the municipalities of Bombon, Bula, Calabanga, Camaligan, Canaman, Gainza,  
3 Libmanan, Magarao, Milaor, Minalabac, Ocampo, Pamplona, Pasacao, Pili, San Fernando,  
4 and Siruma in the province of Camarines Sur, and San Pascual in the province of Masbate,  
5 is hereby converted into the Metro Naga Development Authority and constituted into a  
6 special development and administrative area subject to the direct supervision of its Board  
7 of Directors.

8  
9 **Sec. 3. Creation of the Metropolitan Naga Development Authority.** - The  
10 Metropolitan Naga Development Authority, hereinafter referred to as the MNDA, shall  
11 administer the affairs of Metropolitan Naga. The MNDA shall perform planning, monitoring,  
12 and coordinative functions, and, in the process, exercise regulatory and supervisory  
13 authority over the delivery of metro-wide services within Metro Naga without diminution  
14 of the autonomy of the local government units concerning purely local matters.

15  
16 **Sec. 4. Jurisdiction of the Metropolitan Naga Development Authority.** - The  
17 jurisdiction of the MNDA covers the city of Naga and the municipalities of Bombon, Bula,  
18 Calabanga, Camaligan, Canaman, Gainza, Libmanan, Magarao, Milaor, Minalabac,  
19 Ocampo, Pamplona, Pasacao, Pili, San Fernando, and Siruma in the province of Camarines  
20 Sur, and San Pascual in the province of Masbate, and such other cities and municipalities  
21 as shall be created in the future within these LGUs as provided by law or admitted by the  
22 MNDA.

23  
24 **Sec. 5. Scope of Metropolitan Naga Development Authority Services.** - Metrowide  
25 services under the jurisdiction of the MNDA are those services which have metrowide  
26 impact and transcend local political boundaries or entail huge expenditures such that it  
27 would not be viable for said services to be provided by the individual local government  
28 units (LGUs) comprising the Metropolitan Naga. These services shall include:

- 29 (1) Development planning, which includes preparing medium and long- term  
30 development plans; the development, evaluation and packaging of projects;  
31 investments promotion and programming; and coordination and monitoring of  
32 plans, program and project implementation;

- 1 (2) Transport and traffic management, which includes the formulation, coordination,  
2 and monitoring of policies, standards, programs, and projects to rationalize the  
3 existing transport operations, infrastructure requirements, and promotion of safe  
4 and convenient movement of persons and goods;
- 5 (3) Solid waste disposal and management, which include formulation and  
6 implementation of policies, standards, programs and projects for proper and  
7 sanitary waste disposal. It shall likewise include the establishment and operation  
8 of sanitary landfill and related facilities and the implementation of other alternative  
9 programs intended to reduce, reuse, and recycle solid waste;
- 10 (4) Flood control and sewerage management, which include the formulation and  
11 implementation of policies, standards, programs and projects for an integrated  
12 flood control drainage and sewerage system;
- 13 (5) Urban renewal, zoning, land use planning and shelter services, which include the  
14 formulation, adoption and implementation of policies, standards, rules and  
15 regulations, programs and projects to rationalize and optimize urban and rural land  
16 use and provide direction to urban growth and expansion, the rehabilitation and  
17 development of slum and blighted areas, the development of shelter and housing  
18 facilities, and the provision of necessary social services thereof;
- 19 (6) Agricultural development which includes the formulation, adoption and  
20 implementation of policies, standards, rules and regulations, programs and  
21 projects to ensure food security and promote the well-being of agricultural  
22 producers, farmers and workers;
- 23 (7) Health and sanitation, urban/rural protection and pollution control which include  
24 the formulation and implementation of policies, rules and regulations, standards,  
25 programs and projects for the promotion and safeguarding of the health and  
26 sanitation of the area and for the enhancement of ecological balance and the  
27 prevention, control and abatement of environmental pollution.
- 28 (8) Public safety which includes the formulation and implementation of policies,  
29 programs and procedures operations, in coordination with national agencies  
30 concerned, to achieve said end, especially consumer protection and preparedness  
31 for preventive or rescue operations during times of calamities and disasters such  
32 as conflagrations, earthquakes, flood and tidal waves, and mobilization of

1 resources and the implementation of contingency plans for the rehabilitation and  
2 relief activities.

3 (9) Such other services which the MNDA, in consultation with the Metro Naga  
4 constituents, may deem necessary and proper in promoting their welfare.

5 **Sec. 5. The Board of Directors.** – The affairs and business of the MNDA shall be  
6 directed and its properties managed and preserved, unless otherwise provided by this Act,  
7 by a Board of Directors hereinafter referred to as the "Board."

8 (a) Composition of the Board - The Board shall have thirty-four (34) members, with  
9 a term of three (3) years:

- 10 i. The eighteen (18) mayors of the member-LGUs, as *officio* members;
- 11 ii. The Executive Director of the MNDA, as *ex-officio* member; and
- 12 iii. Five (5) duly accredited non-government organization representatives,  
13 with existing social development programs being implemented in Metro  
14 Naga, whose manner of selection shall be in conformity with NEDA Board  
15 Resolution No. 6, s. 1990, as *officio* members.
- 16 iv. Ten (10) representatives from duly organized sectoral associations, such  
17 as, but not limited to, farmers, fishermen, businessmen, youth, women, and  
18 others, as *officio* members, whose manner of selection shall be  
19 subsequently provided in an implementing guideline for the selection of said  
20 private sector representatives that will be drafted and promulgated by an  
21 *ad hoc* committee constituting the MNDA Board of Directors; Provided that  
22 said *ad hoc* committee shall be composed, at the least, of the 18 Metro  
23 Naga mayors.

24 The chairman and members of the Board shall be entitled to allowance and per  
25 diems in accordance with existing laws, policies, rules and regulations on the  
26 matter.

27 (b) Quorum and Voting - The Chairman of the Board who shall have a term of three  
28 (3) years shall be elected by the Board from among themselves. The members of  
29 the Board shall have one (1) vote each. A majority of the members shall constitute

1 a quorum. A decision shall, as far as practicable, be reached by consensus. If no  
2 consensus is reached, a decision shall be arrived at upon a vote of the majority of  
3 all members of the Board constituting the quorum.  
4

5 (c) Powers and Functions of the Board

6 The Board shall:

- 7 (1) Formulate policies, develop programs, and promulgate rules and  
8 regulations to carry out the powers and functions of the MNDA;  
9 (2) Approve each year a budget to cover the operations of the MNDA based  
10 upon the:  
11 (i) Income from the MNDA's investments and assets in member-  
12 LGUs;  
13 (ii) Programs, projects, and activities to be implemented; and  
14 (iii) Paid-up capital and additional paid-up subscriptions.  
15 (3) Fix compensations, emoluments, and allowances of the Executive  
16 Director and other officers and personnel of the MNDA;  
17 (4) Approve appointment of all officers and employees of the MNDA in  
18 accordance with the civil service law, rules and regulations; and  
19 (5) Perform such other functions as may be necessary to carry out the  
20 purposes of this Act or as may be provided in other sections of this Act.  
21

22 **See. 6. Duties and Functions of the Chairman of the Board**

23 The Chairman shall:

- 24 (a) Call and preside at the meetings of the Board and shall see to it that policies,  
25 programs, and rules and regulations developed and promulgated by it are  
26 properly implemented;  
27 (b) Present for approval by the Board:  
28 i. The annual budget of the MNDA;  
29 ii. The rules and regulations needed to carry out the provisions of this  
30 Act and the amendment thereto;  
31 iii. Other matters which he deems necessary or proper in the effective  
32 implementation of this Act;

- 1                   iv. The annual report on the activities and finances of the MNDA; and
- 2           (c) Appoint, subject to civil service laws, rules and regulations, all employees of
- 3           the MNDA, who shall enjoy security of tenure and may be removed only for
- 4           valid cause in accordance with law. The chairman shall have the power to
- 5           discipline subordinate officials and employees of the MNDA subject to the
- 6           existing provisions of law. He is hereby authorized to engage the services of
- 7           experts/consultants either on full-time or part-time basis, as may be required
- 8           in the performance of his functions and duties as may be determined by hm;
- 9           (d) Represent the MNDA, upon approval by the Board, in all contractual
- 10           obligations entered into by it; and
- 11           (e) Perform such other functions which the Board may deem necessary to
- 12           effectively carry out the provisions of this Act.

13

14 **Sec. 7. Organizational Structure** – The Board shall determine the organizational

15 structure, staffing pattern, and salary scale of the officers and employees of the MNDA.

16 The Board may reorganize the same and create or abolish divisions, offices, units,

17 branches or agencies therein, as it may deem necessary.

18 The city/municipal planning and development coordinators/officers of each member-LGU

19 shall be incorporated in MNDA's planning board or office that shall be thereafter created.

20 They shall provide technical support, perform ancillary functions, and assist in the

21 conceptualization, generation, implementation, monitoring, and evaluation of programs,

22 projects and activities consistent with and pursuant to MNDA's scope of services. These

23 personnel shall be entitled to allowances, *per diems* and other compensation in

24 accordance with existing laws, policies, rules and regulations regarding the matter.

25

26 **Sec. 8. The Executive Director** – The MNDA shall have an Executive Director who shall

27 be recommended by the members of the Board. He shall have the following powers, duties

28 and responsibilities:

- 29           1. To execute and administer policies and measures approved by the Board;
- 30           2. To draft the programs, projects and activities of the MNDA in consultation with
- 31           its member-LGUs;



- 1 3. To coordinate the projects and activities of the MNDA with its member-LGUs and  
2 government agencies;
- 3 4. To submit to the Board, through the chairman, policies and measures which, in  
4 his judgment, are necessary to carry out the purposes of this Act;
- 5 5. To prepare the budget of the MNDA for approval by the Board;
- 6 6. To coordinate joint undertakings with non-government organizations, people's  
7 organizations, and other private sector groups;
- 8 7. To represent the MNDA in all its dealings with other offices, agencies, and  
9 instrumentalities of the government and with other persons and entities, public or  
10 private;
- 11 8. Subject to the approval of the Board, to determine the rates of compensation,  
12 allowances, honoraria, and such other additional compensation which the MNDA is  
13 hereby authorized to grant its officers, technical staff, and consultants including  
14 the necessary detailed personnel;
- 15 9. To direct and supervise the operations and internal administration of the MNDA.  
16 He may delegate certain administrative responsibilities to other officers of the  
17 MNDA subject to the rules and regulations of the Board;
- 18 10. To prepare an annual report on the accomplishments of the MNDA at the close of  
19 each calendar year for submission to and evaluation by the Board; and
- 20 11. To perform such other duties as may be directed by the Chairman of the Board.

21

## 22 **Sec. 9. Powers, Duties and Functions of the MNDA**

- 23 1. Approve metro-wide plans, programs and projects and issue rules and regulations  
24 and resolutions deemed necessary by the Board to carry out the purposes of this  
25 Act.
- 26 2. Promulgate rules and regulations and set policies and standards for metro-wide  
27 application governing the delivery of basic services, prescribe and collect service  
28 and regulatory fees, and impose and collect fines and penalties.
- 29 3. Formulate, coordinate and regulate the implementation of medium and long-term  
30 plans and programs for the delivery of metro-wide services, land use and physical  
31 development within Metropolitan Naga, consistent with national development

1 objectives and priorities;

- 2 4. Prepare, coordinate and regulate the implementation of medium-term programs  
3 for metro-wide services which shall indicate sources and uses of funds for priority  
4 programs and projects, and which shall include the packaging of projects and  
5 presentation to funding institutions;
- 6 5. Undertake and manage on its own metro-wide programs and projects for the  
7 delivery of specific services under its jurisdiction, subject to the approval of the  
8 Board. For this purpose, MNDA can create appropriate project management  
9 offices;
- 10 6. Coordinate and monitor the implementation of such plans, programs and projects  
11 in Metro Naga; identify bottlenecks and adopt solutions to problems of  
12 implementation;
- 13 7. Encourage investments in the area by extending the necessary planning,  
14 management, and technical assistance to prospective and existing investors;
- 15 8. Recommend to the proper agencies the nature and kind of assistance and level of  
16 priority to be accorded to agricultural, industrial, commercial and infrastructure  
17 projects, soliciting or requiring direct or indirect support from or through the  
18 government or any of its instrumentalities;
- 19 9. Establish, operate and/or contract to operate such agencies, offices, functional  
20 units and instrumentalities which may be necessary for the furtherance of this Act;
- 21 10. To sue and be sued; and
- 22 11. Perform other related functions required to achieve the objectives of the MNDA,  
23 including the undertaking of delivery of basic services to the local government  
24 units, when deemed necessary subject to prior coordination with and consent of  
25 the local government unit concerned.

26 **Sec.10. Institutional Linkages of the MNDA** – The MNDA shall, in carrying out its  
27 functions, consult, coordinate, work closely with and may ask the assistance of the  
28 member-LGUs, the National Economic and Development Authority (NEDA) and other  
29 government agencies such as, but not limited to, the following: Department of  
30 Transportation (DOTr), Department of Information and Communications Technology  
31 (DICT), Department of Public Works and Highways (DPWH), Department of Tourism

1 (DOT), Department of Budget and Management (DBM), Department of Health (DOH),  
2 Department of Agriculture (DA), Department of Agrarian Reform (DAR), Department of  
3 Education (DepEd), Department of Trade and Industry (DTI), Department of Labor and  
4 Employment (DOLE), Department of Environment and Natural Resources (DENR),  
5 Department of Human Settlements and Urban Development (DHSUD), Cooperative  
6 Development Authority (CDA), the Philippine National Police (PNP), which shall provide  
7 the necessary assistance asked for, and accredited people's organizations (POs), non-  
8 governmental organizations (NGOs), and the private sector operating in Metro Naga. The  
9 MNDA, at its sound discretion, may call upon the attendance of the government agencies  
10 concerned in its Board meetings.

11 The MNDA shall have a master plan that will serve as the framework for the local  
12 development plans of the component LGUs.

13 The MNDA shall submit its development plans and investment programs to the NEDA for  
14 integration into its development and public investment program.

15 The implementation of the MNDA's plans, programs, and projects shall be undertaken by  
16 the member-LGUs, the concerned national government agencies, the POs, NGOs, the  
17 private sector and/or the MNDA itself where appropriate. For this purpose, the MNDA may  
18 enter into contracts, memoranda of agreement and other cooperative arrangements with  
19 these bodies for the delivery of the required services within Metro Naga.

20 The MNDA shall, in coordination with the NEDA and the Department of Finance, interface  
21 with the foreign assistance agencies for purposes of obtaining financing support, grants  
22 and donations in support of Its programs and projects.

23

24 **Section 11. Sources of Funds and the Operating Budget of the MNDA:**

25 1. To carry out the purposes of this Act, the amount of TEN MILLION PESOS  
26 (P10,000,000.00) is hereby authorized to be appropriated for the initial operation  
27 of the MNDA. Thereafter, the annual expenditures including capital outlays of the  
28 MNDA shall be provided in the General Appropriations Act.

29 2. The MNDA is likewise empowered to levy fines, and impose fees and charges for

1 various services rendered.

- 2 3. Until such time that funding support from the General Appropriations Act is  
3 secured, the MNDA member-LGUs shall continue to remit annually one-half of one  
4 percent (0.5%) of their Local Development Fund to the Metro Naga Common Fund  
5 which forms part of the sources of funds of MNDA. In case of failure to remit the  
6 said fixed contribution, the DBM shall cause the automatic disbursement of the  
7 same to the MNDA chargeable against the National Tax Allocation (NTA) of the city  
8 or municipality concerned, the provisions of Section 286 of RA 7160 to the contrary  
9 notwithstanding.

10 **Sec. 12. Foreign Loans.** – The MNDA is hereby authorized to contract from time to time  
11 loans, credits, and indebtedness repayable in foreign currencies from foreign governments  
12 or any international financial institution, or fund sources for use in the development of  
13 Metro Naga.

14 In the negotiation and contracting of any loan, credit, or indebtedness under this section,  
15 the provisions of Section 4 of RA 4860 and Section 5 of RA 6142, as amended, shall apply.

16 **Sec.13. Transitory Provisions.** – To prevent disruption in the delivery of the basic  
17 services pending the full implementation of the MNDA's organizational structure and  
18 staffing pattern, all officials and employees of the interim Metro Naga Development  
19 Council (MNDC) shall continue to exercise their duties and functions and receive their  
20 salaries and allowances until they shall have been given notice of change of duties and  
21 functions, and of being transferred to another office or position. They shall enjoy special  
22 preference in case MNDA adds personnel.

23 Upon the effectivity of this Act, MNDC's existing Executive Committee, consisting of the  
24 Metro Naga mayors and MNDC's Executive Officer, shall convene and shall serve as *ad*  
25 *hoc committee* that will promulgate, in consultation with the NEDA, an implementing rules  
26 and guidelines in the selection of private sector representatives in the MNDA. When the  
27 necessary non-government and private sector representatives, who shall form part of. the  
28 board of directors, had been identified and finally adjudged as qualified by the *ad hoc*  
29 *committee*, in consultation with and approved by the NEDA, provided that failure on the

1 part of the NEDA to act within 60 days after such recommendation by the ad hoc  
2 committee shall be deemed approval thereof, an election for the chairman of the board,  
3 with a term of three (3) years, shall be called for and whoever is elected as such shall  
4 immediately carry out his/her functions as mandated by this Act.

5 All assets and properties presently in use or under the accountability of the interim MNDC  
6 and all its obligations, indebtedness, or liabilities shall be transferred to and assumed by  
7 the MMNDA created under this Act, subject to the conditions that may be established by  
8 the Department of Budget and Management and Commission on Audit.

9 **Sec. 14. Implementing Rules and Regulations.** – Within an unextendible period of  
10 120 days from approval of this Act, the Board shall promulgate the necessary rules and  
11 regulations for its implementation.

12 **Sec. 15. Repealing Clause.** – Executive Order No.102 dated June 18, 1993 is hereby  
13 repealed. All other laws, decrees, executive orders, rules and regulations, or parts thereof  
14 inconsistent with or contrary to the provisions of this Act are hereby repealed or modified  
15 accordingly.

16 **Sec. 16. Separability Clause.** – If any part or provision of this Act is held  
17 unconstitutional or invalid, other parts or provisions thereof which are not affected shall  
18 continue to remain in full force and effect.

19 **Sec.17. Effectivity.** – This Act shall take effect fifteen (15) days following completion of  
20 its publication in a newspaper of general circulation.

21 **Approved,**