

SENATE

S. No. 2941

Introduced by Senator JUAN MIGUEL F. ZUBIRI

EXPLANATORY NOTE

Mindanao is an island in Southern Philippines with vast natural resources and skilled labor force. It is richest in terms of biodiversity and is now emerging as a destination for tourists and investors due largely to its strategic geographic location and to the growing competitiveness of its important sectors such as agriculture and services. Mindanao has become the vanguard of trade and commerce because it is situated between the East and the West, and it is strategically proximate to key markets such as Brunei-Indonesia-Malaysia-the Philippines - East ASEAN Growth Area (BIMP-EAGA), Singapore, India and China.

Mindanao is the only island region in the Philippines which has the most diverse cultural mix of people. It is distinct from its Luzon and Visayas counterpart because of its inherent role as the potential conduit and bridge between Lumads, Muslims and Christians for the attainment of an ideal peace and development in the region.

Meanwhile, in terms of resources, Mindanao contributes 34% of the national agricultural output and 44% of the domestic food trade. The island is the country's leading producer of major agri-industrial crops like rubber, cacao, pineapple, banana, coffee, cassava, corn and coconut. Its agricultural sector has been among its main engines of growth despite inadequate infrastructure. However, 6 out of 10 poorest provinces are in Mindanao. Also, it lags behind relative to other island groups in terms of human development. The 5 regions that belong to the bottom 5 in terms of human development are in Mindanao.

The high incidence of poverty and low degree of human development mainly explain the vulnerability of Mindanao to armed conflict. The island is the home of long-running separatist insurgencies – that of the Moro National Liberation Front (MNLF) and of its breakaway faction, the Moro Islamic Liberation Front (MILF). The armed conflict that erupted between the forces of these two Moro fronts and the government has further retarded the economic and social conditions of communities and caused the displacement and marginalization of its residents. Most importantly, it disrupted the fragile peace that the communities benefited through cooperation and dialogue.

To address these ubiquitous and compelling problems in Mindanao, a mechanism that will ensure the participation of all sectors in the island cannot be overemphasized. There is a need for an agency that looks beyond regional concerns and integrates and harmonizes peace and development efforts at a Mindanao-wide perspective. There must be an agency that ensures unity among diverse cultures, religious denominations and the programs and projects aimed at alleviating poverty do not result in conflict. There must be an agency that monitors the implementation of infrastructure projects in order to attract investments, generate employment, and uplift the quality of lives of Mindanaoans.

This bill seeks to create the Mindanao Economic Development Authority which will spearhead an integrated and consolidated approach in solving the multi-faceted problems in Mindanao. It shall be the lead agency which will ensure coherence, consistency, and continuity of development efforts in Mindanao. With the institutionalization of MEDA, the progress and gains that have been made so far in the peace and development efforts in Mindanao will be enhanced and strengthened.


Hence, the expeditious passage of the bill is earnestly sought.



JUAN MIGUEL F. ZUBIRI

SENATE

S. No. 2941

301-VEN-111 

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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 **SEC. 1. Title.** - This Act shall be known as the “Mindanao Economic
2 **Development Authority (MEDA) Act of 2008.”**

3

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

14

15 **SEC. 3. Creation of the Mindanao Economic Development Authority.** - The
16 Mindanao Economic Development Authority, hereinafter referred to as the Authority, is
17 hereby created, which shall promote, coordinate, and facilitate the active and extensive

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

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

7
8 **SEC. 5. Principal Office and Term.** The Authority shall have its main office at
9 Davao City. It may establish area management offices (AMOs) as it may deem
10 necessary to achieve the objectives of this Act. The Authority shall have a term of fifty
11 (50) years from the effectivity of this Act and renewable for the same period unless
12 otherwise provided by law.

13
14 **SEC. 6. Powers and Functions of MEDA.** - In the exercise of those activities
15 which are Mindanao-wide and/or Mindanao-specific in character, the Authority shall
16 have the following powers and functions:

- 17 (a) Formulate an integrated development framework for Mindanao that is
18 consistent with the peace initiatives of the national government;
- 19 (b) Integrate, prioritize and program Mindanao-wide, interregional and region-
20 specific programs, activities and projects with Mindanao-wide impact;
- 21 (c) Advocate to the constituents of Mindanao, their elected representatives in
22 Congress, and the National Government, national policies that will foster the
23 integrated and balanced development of Mindanao;
- 24 (d) Promote and facilitate investments in any field which would enhance the
25 socio-economic development of Mindanao and uplift the living standards of
26 the people and their socio-political activities in close coordination with
27 agencies primarily mandated to undertake such function;
- 28 (e) Explore sources for financing priority Mindanao-wide and/or Mindanao-
29 specific interregional programs, projects and activities;

- 1 (f) Coordinate and facilitate the extension of necessary planning, management,
2 and technical assistance to prospective and existing investors,
3 complementary and in support of agencies primarily mandated to execute
4 such functions;
- 5 (g) Establish a comprehensive and integrated databases on Mindanao and
6 BIMP-EAGA necessary for planning and decision-making;
- 7 (h) Monitor, evaluate and formulate recommendations on the implementation of
8 Mindanao-wide and/or Mindanao-specific inter-regional development
9 programs, activities and projects;
- 10 (i) Act as the implementing agency, whenever necessary, for the
11 accomplishment of Mindanao-specific interregional or Mindanao-wide
12 programs and projects, including Official Development Assistance (ODA)
13 projects, subject to such limitations prescribed by existing laws, rules, and
14 regulations;
- 15 (j) Provide strategic direction for Mindanao;
- 16 (k) Oversee mega infrastructure programs and projects with Mindanao-wide
17 impact such as the Mindanao Super Region Program;
- 18 (l) Establish appropriate mechanisms to ensure the timely implementation of
19 Mindanao-wide and Mindanao-specific interregional projects, whenever
20 necessary, including, but not limited to public-private partnership;
- 21 (m) Review and recommend for approval by the NEDA Board such Mindanao-
22 wide and Mindanao-specific inter-regional programs, projects, and plans by
23 the national government and donor agencies subject to existing laws, rules
24 and regulations;
- 25 (n) Act as the official and permanent Philippine Coordinating Office for BIMP-
26 EAGA (PCOBE) and as lead agency of the government in coordinating the
27 formulation and implementation of policies and programs and monitoring of all
28 activities related thereto;
- 29 (o) Represent and strengthen the participation of the Philippine focus areas for

- 1 BIMP-EAGA which are Mindanao and Palawan;
- 2 (p) Closely coordinate with the private sector in all policy deliberations
3 concerning *BIMP-EAGA*;
- 4 (q) Act as a data bank for BIMP-EAGA and other related data by collecting,
5 consolidating and processing data and analyzing the resulting information and
6 thereafter disseminating the information gathered to various groups;
- 7 (r) Initiate and coordinate the establishment of BIMP-EAGA desks in concerned
8 national agencies, local government units and private enterprises;
- 9 (s) Undertake advocacy for the adoption/approval of new policies or policy
10 changes and the promotion of initiatives for the growth of the BIMP-EAGA;
- 11 (t) Formulate and develop new plans and/or programs for the Philippine
12 participation in the BIMP-EAGA based on the consensus of the BIMP-EAGA
13 Clusters and Working Groups, and/or Heads of State, Signing Ministers and
14 Senior Officials;
- 15 (u) Initiate and facilitate sourcing of technical and other forms of assistance to
16 BIMP-EAGA projects/initiatives;
- 17 (v) Monitor developments in the BIMP-EAGA and follow-through agreements
18 entered into by the Philippine parties;
- 19 (w) Ensure efficient and effective technical and administrative support services for
20 the Philippines' BIMP-EAGA operations and coordinate budgetary
21 requirements for this purpose;
- 22 (x) Engage or invest on or enter into joint venture with Filipino and foreign
23 investors in such Mindanao-wide and/or interregional projects as it may deem
24 proper and necessary or contributory to the economic development of
25 Mindanao;
- 26 (y) Receive and administer donations, contributions, grants, bequest or gifts in
27 cash or in kind from foreign governments, international agencies, private
28 entities, and other sources, including Official Development Assistance (ODA)
29 agencies, for purposes that would contribute to the development of Mindanao,

1 subject to existing laws, rules and regulations;

2 (z) To sue and be sued, enter into contracts, acquire, purchase, hold, lease,
3 transfer, dispose of property of any kind or nature necessary to carry out the
4 purposes of this Act;

5 (aa) Discharge other functions which may be deemed necessary or as may be
6 provided by law.

7
8 The Authority, through the MEDA Chairperson, shall submit to the President and
9 both Houses of Congress annual reports on its accomplishments and activities.

10
11 **SEC. 7. Chairperson.** - The MEDA Chairperson, hereinafter referred to as the
12 Chairperson, shall be appointed by the President of the Philippines with a cabinet rank
13 and shall act as the Head of office. He/she shall serve a term of six (6) years from the
14 date of his appointment unless removed for cause. He/she shall also be the *Philippine*
15 *Senior Official for BIMP-EAGA*. He/she shall likewise be a member of the National
16 Economic Development Authority (NEDA) Board.

17
18 The Chairperson shall have the following duties and functions:

19 (a) Call and preside at the meetings of the MEDA Advisory Board and see to it
20 that the policies, programs, and rules and regulations developed and
21 promulgated by it are implemented properly;

22 (b) Call on development players in the formulation and implementation of a
23 comprehensive and integrated development plan for Mindanao, investment
24 programs including the preparation of a system of investment programming
25 priorities, annual reports and other pertinent documents approved by MEDA;

26 (c) Identify solutions to key issues and concerns taking into account related
27 risks, affected parties and impact, in coordination with the Board and key
28 stakeholders, whenever necessary;

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

1 or private;

2 (o) Sign agreements and/or contracts in behalf of the Authority, including those
3 for expert and consultant services and other reports of accountabilities
4 emanating from the Authority;

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

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

13
14 **SEC. 9. MEDA Advisory Board.** – The Authority's overall directions and thrusts
15 shall be provided and approved, unless provided otherwise in this Act, by the MEDA
16 Advisory Board, hereinafter referred to as the Board. It shall be composed of the
17 following members:

18 (a) The MEDA Chairperson;

19 (b) The Chairpersons of the Regional Development Councils (RDCs) of Regions
20 IX, X, XI, XII and XIII, and the Regional Economic Development and Planning
21 Board (REDPB) of ARMM;

22 (c) The Chairperson of the House Committee on Mindanao Affairs;

23 (d) The Chairperson of the House Committee on BIMP-EAGA Affairs;

24 (e) The Vice President for Mindanao of the Union of Local Authorities of the
25 Philippines (ULAP);

26 (f) The President of the Mindanao Confederation of Governors', City Mayors'
27 and Municipal Mayors' League Presidents;

28 (g) The Administrator of the Southern Philippines Development Authority
29 (SPDA); and,

1 (h) The three (3) representatives from the Private Sector to be appointed by the
2 President, upon the recommendation of the *Chairperson and Board*
3 *members, comprising of one representative each from the:*

4 i. Mindanao Business Sector

5 ii. Mindanao Academe Sector

6 iii. Mindanao Non-Government Organization (NGO) Sector

7
8 Members of the Board shall receive a per diem of not more than Five Thousand
9 Pesos (P5,000) for every board meeting: Provided, however, that the per diem
10 collected per month does not exceed the equivalent of four (4) meetings.
11 Provided, further, that the amount of per diem for every board meeting may be
12 *increased by the President* but such amount shall not be increased within two (2)
13 years after its last increase.

14
15 The Board shall have the following functions:

16 (a) Provide direction and guidance for the Authority's work and thrusts for
17 Mindanao;

18 (b) Ensure that the goals and policies of the Authority are consistent with the
19 overall national development goals and objectives;

20 (c) Ensure that the programs of the Authority are consistent with *regional and*
21 *local development plans, program and projects, and vice versa* for purposes
22 *of harmonization;*

23 (d) Explore sources for financing of priority Mindanao-wide and/or Mindanao-
24 specific inter-regional plans, programs, projects and activities;

25 (e) Create committees/task forces as may be deemed necessary in the
26 accomplishments of its duties and functions;

27 (f) Determine schedules, establish voting procedures, criteria for the constitution
28 of a quorum, and other rules and regulations in the conduct of Board
29 *meetings; and*

1 (g) Perform such other functions as may be necessary to carry out the purposes
2 of this Act.

3
4 **SEC. 10. *Executive Committee.*** - The Board shall constitute an Executive
5 Committee, hereinafter referred to as the ExeCom, from among its membership to
6 act, for and on its behalf when the Board is not in session, on urgent matters as
7 may be deemed necessary by the Chairperson. To ensure inter-regional
8 representation and participation, the following shall comprise the Execom:

9 (a) The MEDA Chairperson

10 (b) The Chairpersons of the RDCs and REDPB

11 (c) The Representative from the Mindanao Business Sector

12 (d) The Representative from the Mindanao Non-Government Organization
13 (NGO) Sector

14
15 The Executive Director, as the Board Secretary, shall provide technical
16 assistance to the ExeCom.

17
18 **SEC. 11. *BIMP-EAGA Advisory Board.*** There is hereby constituted a BIMP-
19 EAGA Advisory Board to be composed of the following:

20 (a) MEDA Chairperson as Head;

21 (b) Chairpersons of the RDCs of Regions IX, X, XI, XII and XIII, and REDPB of
22 ARMM;

23 (c) City Mayor of Puerto Princesa;

24 (d) Provincial Governor of Palawan; and,

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

27
28 The BIMP-EAGA Board shall convene, from time to time, to discuss issues and
29 recommend policies and programs to ensure the widest participation of Mindanao and

1 Palawan in the activities of BIMP-EAGA. It shall make recommendations to the
2 Chairperson, being the Head of the PCOBE. The PCOBE, in consultation with the
3 BIMP-EAGA Board, will draw up its own procedures for making recommendations,
4 finalizing decisions and overseeing implementation of BIMP-EAGA activities in
5 Mindanao and Palawan.

6

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

12

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

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

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

23

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

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

3

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

7

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

11

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

14

15 Approved,