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OF THE PHILIPPINES)
Second Regular Session)

OFFICE OF THE SECRETARY

8 DEC -9 P2:45

SENATE
S. No. **2960**

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Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

Mindanao is an island in Southern Philippines with vast natural resources and skilled labor force. 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.

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.

To address these ubiquitous and compelling problems in Mindanao, there is a need for an agency that looks beyond regional concerns and ensures unity among diverse cultures, religious denominations and the programs and projects aimed at alleviating poverty do not result in conflict.

Rather than create a new office which would be expensive for the government, this bill aims to strengthen the Mindanao Economic Development Council (MEDCo), an existing office that has been in the forefront in strengthening and protecting the gains of the collective developmental efforts of the Mindanaoans for the past 16 years. Under the government's guidelines on peace and development the MEDCo has been able to institutionalize programs such as the Mindanao Natin. The following are the 10 components of Mindanao Natin:

a. Implementation of the RA 9054 in pursuit of the GRP-MNLF Final Peace Agreement

b. Rehabilitation of Conflict-Affected Areas in Mindanao

c. Health Development

d. Education Development

e. Livelihood Support and SME Development

f. Land Tenure Improvement

g. Agri-Aqua Development

h. Implementation of the Regional Economic Zone Authority

i. Infrastructure Development for Inter-connectivity

j. Culture-based Healing, Reconciliation, and Integration Programs

Being the mechanism for Mindanao Super Region, MEDCo spearheaded the critical infrastructure requirements of the island to support sustained growth and globalization. These include construction on Farm to Market Roads (FMR) and small irrigation projects; housing units; implementation of Rugnan River Irrigation System Rehabilitation Project; and the upgrading of the Cotabato Airport and Butuan Airport.

This bill aims to create the Mindanao Economic Development Authority, which is envisioned to be a permanent mechanism. This will ensure coherence, consistency, and continuity of development efforts in Mindanao.


MIRIAM DEFENSOR SANTIAGO

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1 AN ACT
2 CREATING THE MINDANAO ECONOMIC DEVELOPMENT AUTHORITY
3 (MEDA), DEFINING ITS POWERS AND FUNCTIONS,
4 AND PROVIDING FUNDS THEREFORE
5

6 *Be it enacted by the Senate and the House of Representatives of the Philippines in*
7 *Congress assembled:*
8

9 SECTION 1. *Short Title.* – This Act shall be known as the “Mindanao Economic
10 Development Authority (MEDA) Act of 2008.”

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

21 SECTION 3. *Creation of the Mindanao Economic Development Authority.* – The
22 Mindanao Economic Development Authority, hereinafter referred to as the Authority, is
23 hereby created which shall promote, coordinate, and facilitate the active and extensive
24 participation of all sectors to effect the socio-economic development of Mindanao. It

1 shall also act as an implementing agency for Mindanao-specific interregional and
2 Mindanao-wide programs and projects, whenever necessary.

3
4 SECTION 4. *Coverage.* – The Authority shall cover all the provinces and cities
5 of Regions IX, X, XI, XII, Caraga and Autonomous Region in Muslim Mindanao
6 (ARMM).

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

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

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

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

1 (ODA) agencies, for purposes that would contribute to the development of
2 Mindanao, subject to existing laws, rules and regulations;

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

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

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

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

16 The Chairperson shall have the following duties and functions:

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

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

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

27 (d) Advocate the Authority's work for Mindanao among the various concerned
28 sectors and stakeholders;

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

- 1 (o) Sign agreements and/or contracts in behalf of the Authority, including those
2 for expert and consultant services and other reports of accountabilities
3 emanating from the Authority;
- 4 (p) Perform such other functions that the MEDA Advisory Board may direct to
5 carry out the provisions of this Act.

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

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

- 15 (a) The MEDA Chairperson;
- 16 (b) The Chairpersons of the Regional Development Councils (RDCs) of Regions
17 IX, X, XI, XII and XIII, and the Regional Economic Development and
18 Planning Board (REDPB) of ARMM;
- 19 (c) The Chairperson of the House Committee on Mindanao Affairs;
- 20 (d) The Chairperson of the House Committee on BIMP-EAGA Affairs;
- 21 (e) The Vice President for Mindanao of the Union of Local Authorities of the
22 Philippines (ULAP);
- 23 (f) The President of the Mindanao Confederation of Governors', City Mayors'
24 and Municipal Mayors' League Presidents;
- 25 (g) The Administrator of the Southern Philippines Development Authority
26 (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 members,
3 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 Members of the Board shall receive a per diem of not more than Five Thousand
8 Pesos (P5,000) for every board meeting: Provided, however, that the per diem collected
9 per month does not exceed the equivalent of four (4) meetings. Provided, further, that the
10 amount of per diem for every board meeting may be increased by the President but such
11 amount shall not be increased within two (2) years after its last increase.

12 The Board shall have the following functions:

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

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

17 (c) Ensure that the programs of the Authority are consistent with regional and
18 local development plans, program and projects, and vice versa for purposes
19 of harmonization;

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

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

24 (f) Determine schedules, establish voting procedures, criteria for the
25 constitution of a quorum, and other rules and regulations in the conduct of
26 Board meetings; and

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

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

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

11 The Executive Director, as the Board Secretary, shall provide technical assistance
12 to the ExeCom.

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

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

22
23 The BIMP-EAGA Board shall convene, from time to time, to discuss issues and
24 recommend policies and programs to ensure the widest participation of Mindanao and
25 Palawan in the activities of BIMP-EAGA. It shall make recommendations to the
26 Chairperson, being the Head of the PCOBE. The PCOBE, in consultation with the BIMP-
27 EAGA Board, will draw up its own procedures for making recommendations, finalizing

1 decisions and overseeing implementation of BIMP-EAGA activities in Mindanao and
2 Palawan.

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

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

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

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

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

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

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

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

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

7
8 Approved,

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10 /acs

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