



MEMORANDUM

FOR : **The Directors**
Legal Affairs Service
Policy and Planning Service
Climate Change Service

The Bureau Directors
Land Management Bureau
Forest Management Bureau
Biodiversity and Management Bureau
Environmental Management Bureau

The General Manager
Laguna Lake Development Authority

The Executive Directors
River Basin Control Office
Manila Bay Coordinating Office
National Water Resources Board

All Regional Executive Directors

FROM : **The Director**
Legislative Liaison Office

SUBJECT : **REQUEST FOR COMMENTS ON HOUSE BILL 819 “PHILIPPINE FRUIT AUTHORITY OF 2022”; HOUSE BILL 1174 OR “SANGLEY POINT CONVERSION ACT OF 2016; HOUSE BILL 1889 “TAAL LAKE DEVELOPMENT AUTHORITY ACT (TLDA) OF 2019; HOUSE BILL 3569 “NORTHERN QUEZON DEVELOPMENT AUTHORITY (NQDA) OF 2022; HOUSE BILL 5386 “AN ACT MANDATING EACH CITY OR MUNICIPALITY TO CREATE A RIVER DEVELOPMENT AUTHORITY”; HOUSE BILL 7672 “AN ACT ESTABLISHING A LAND DEVELOPMENT AUTHORITY”; AND HOUSE BILL 8299 “PHILIPPINE AGRICULTURAL GROWTH ZONE ACT OF 2022” FROM THE COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION OF THE HOUSE OF REPRESENTATIVES**

DATE : 03 August 2023

In reference to the electronic letter dated 02 August 2023, the Committee on Government Enterprises and Privatization of the House of Representatives will be having a deliberation on the following legislative measures:

- **House Bill No. 819** - “An Act Creating The Philippine Fruit Authority, And For Other Purposes”, by Rep. Michael L. Romero, Ph. D.;

- **House Bill No. 1174** - “An Act Directing The Conversion Of Sangley Point In Cavite City Into An International Logistics Hub”, by Rep. Bryan B. Revilla;
- **House Bill No. 1889** – “An Act Creating The Taal Lake Development Authority, Prescribing Its Powers, Functions And Duties, Providing Funds Therefor, And For Other Purposes” by Rep. Maria Theresa V. Collantes;
- **House Bill No. 3569** – “An Act Creating Northern Quezon Development Authority In The Province of Quezon And Appropriating Funds Therefor” by Rep. Wilfrido M. Enverga;
- **House Bill No. 5386** – “ An Act Mandating Each City or Municipality To Create A River Development Authority For The Preservation, Protection And Development Of All Rivers, Riversystems And Natural Waterways Within Its Jurisdiction, Defining Its Powers And Functions And Appropriating Funds Therefor”, by Rep. Rufus B. Rodriguez;
- **House Bill 7672** – “An Act Establishing A Land Development Authority, Appropriating Funds Therefor And For Other Purposes”, by Rep. Rufus B. Rodriguez; and
- **House Bill 8299** – “An Act Providing For The Legal Framework And Mechanisms For The Creation, Operation, Administration, and Coordination Of Special Agricultural Growth Zones In The Philippines, Creating For This Purpose, The Philippine Agricultural Growth Zone Authority, And For Other Purposes”, by Rep. Eduardo R. Rama.

In this regard, may we respectfully request **for comments and recommendations on the abovementioned bills, in anticipation of the Committee meetings**, as requested by the Committee. Kindly send them on or before **Monday, 14 August 2023, at 5 PM** via email at denrilo@denr.gov.ph.

Attached herewith are the Letter Invitation, and the House bills for your reference.


ROMIROSE B. PADIN

Cc: Undersecretary for Special Concerns and Legislative Affairs
Undersecretary for Integrated Environmental Science



COMMITTEE ON GOVERNMENT ENTERPRISES AND PRIVATIZATION

CTSS-I, Committee Affairs Department, 3rd Fl., RVM Building, House of Representatives, Constitution Hills, Quezon City
8931-5001 loc. 7727 • Direct: 8951-3028 • committee.governmententerprises@house.gov.ph • cgephrep@gmail.com

02 August 2023

SECRETARY MARIA ANTONIA YULO LOYZAGA

Department of Environment & Natural Resources
DENR Bldg. Visayas Avenue, Diliman, Quezon City

Dear Secretary Loyzaga:

The **Committee on Government Enterprises and Privatization** requests for your written comments on the following measures, which are for deliberation under the Committee:

- a. **House Bill No. 819**, entitled: "AN ACT CREATING THE PHILIPPINE FRUIT AUTHORITY, AND FOR OTHER PURPOSES" by **Rep. Michael L. Romero, Ph.D.**;
- b. **HBN 1174**, entitled: "AN ACT DIRECTING THE CONVERSION OF SANGLEY POINT IN CAVITE CITY INTO AN INTERNATIONAL LOGISTICS HUB" by **Rep. Bryan B. Revilla**;
- c. **HBN 1889**, entitled: "AN ACT CREATING THE TAAL LAKE DEVELOPMENT AUTHORITY, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES" by **Rep. Maria Theresa V. Collantes**;
- d. **HBN 3569**, entitled: "AN ACT CREATING NORTHERN QUEZON DEVELOPMENT AUTHORITY IN THE PROVINCE OF QUEZON AND APPROPRIATING FUNDS THEREFOR" by **Rep. Wilfredo Mark M. Enverga**;
- e. **HBN 5386**, entitled: "AN ACT MANDATING EACH CITY OR MUNICIPALITY TO CREATE A RIVER DEVELOPMENT AUTHORITY FOR THE PRESERVATION, PROTECTION AND DEVELOPMENT OF ALL RIVERS, RIVERSYSTEMS AND NATURAL WATERWAYS WITHIN ITS JURISDICTION, DEFINING ITS POWERS AND FUNCTIONS AND APPROPRIATING FUNDS THEREFOR." by **Rep. Rufus B. Rodriguez**;
- f. **HBN 7672**, entitled: "AN ACT ESTABLISHING A LAND DEVELOPMENT AUTHORITY, APPROPRIATING FUNDS THEREFORE AND FOR OTHER PURPOSES" by **Rep. Rufus B. Rodriguez**; and
- g. **HBN 8299**, entitled: "AN ACT PROVIDING FOR THE LEGAL FRAMEWORK AND MECHANISMS FOR THE CREATION, OPERATION, ADMINISTRATION, AND COORDINATION OF SPECIAL AGRICULTURAL GROWTH ZONES IN THE PHILIPPINES, CREATING FOR THIS PURPOSE, THE PHILIPPINE AGRICULTURAL GROWTH ZONE AUTHORITY, AND FOR OTHER PURPOSES" by **Rep. Eduardo R. Rama**.

Attached are copies of the abovementioned measures for your reference.

Please submit your comments through the committee email address: committee.governmententerprises@house.gov.ph on or before 31 August 2023.

Thank you and more power!

Very truly yours,

EDWIN L. OLIVAREZ

Chairperson

For the Chair:

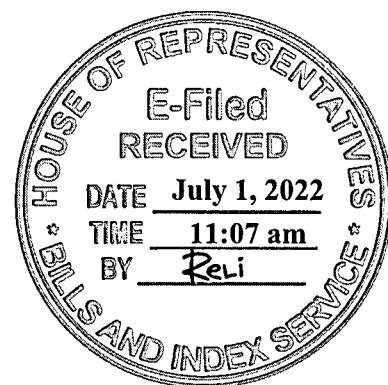
MARLON T. VALENCIA

Committee Secretary

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
First Regular Session

HOUSE BILL NO. 819



Introduced by Honorable Michael L. Romero

EXPLANATORY NOTE

The Philippines is an archipelago with a very rich diversity of tropical fruits wherein more than 20 different species are cultivated in the entire archipelago.

Production system ranges from backyard to highly integrated operation with the latter catering to the export market. The farms are generally small in size (1-5 ha) with minimal care resulting to low yield.

The major fruit species grown in the country are: a) banana (*Musa sp.*); b) pineapple (*Ananas comosus*); c) mango (*Mangifera indica*); d) papaya (*Carica papaya*); e) calamondin (*Microfortunella microcarpa*); f) durian (*Durio zibethinus*); g) jackfruit (*Artocarpus heterophyllus*); and h) lanzones (*Lansium domestic um*).

Banana, pineapple and mango are the major fruit export commodities of the country both in fresh and processed forms.

This information was obtained from the Philippines' Bureau of Agricultural Statistics (BAS), Department of Agriculture- Bureau of Agricultural Research (DA-BAR) and Department of Science and Techn010U-Philippine Council for Agriculture, Aquatic and Resources Research and Development (DOSTPCARRD). The data covered the period from 2008-2013.

Total production, hectarage, yield, export and import

Production and hectarage. The total production and area planted to various fruit species in the country. In 2013, the total production reached 12,750,850 MT with a total area of 856,553 hectares. An increasing trend in total production and area had been experienced from 2008-2012.

However, by 2013 both had dramatically been reduced due to destruction brought about by the strong typhoon that hit the country particularly the major producing areas in Mindanao. Overall, the average annual growth rate was 0.26% and 16%, respectively for production and area for the six-year time period.

Yield. The average yield per hectare ranged from 14.8MT to 15.21 MT from 2008-2013 with an average annual growth rate of 0.57%. A similar trend was observed with that of production and area wherein slight increases in the average yield were experienced from 2008-2012 (14.83 to 15.10 MT/ ha) and decreased to 14.89 MT/ha by 2013.

Export. Fruit are one of the major exports of the country. In 2013, the volume of exported fresh fruit reached IOMT from 2,510,864MT in 2008 with an average annual growth rate of 7.98%. From 2008 to 2010, volume of export had declined by 29%. After which, this had been increasing through 2011 till 2013 by 85.7%. This was brought about by the improvement of the economic status of the importing countries.

The major export commodities are banana, pineapple, mango and papaya. This shows the volume of the export in each commodity wherein banana accounted for 86.9% of the total volume and pineapple, 12.5%, mango, 0.15%, papaya, 0.15% and others, 0.30%.

Import. The total import of fruit by the Philippines from 2008 till 2013. The highest volume of imports occurred in 2012 reaching 240,477MT while the lowest was in 2008 to 187,265MT. The average annual growth rate was 3.68% during this time period. This was lower by 46.1% than the annual growth rate of fruit export in the same time period. Hence, there is a positive balance of trade for this commodity in the country.

The total import volume in 2013 was 214,800MT. Apples (27%), mandarins (18%), oranges. (8%) and grapes (6%) were the major commodities.

This shows all numerical data for the total production, area, average yield/ ha, volume export and volume of import of fruit in the Philippines.

Thus, the early passage of this bill is earnestly requested.



MICHAEL L. ROMERO Ph.D.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
First Regular Session

HOUSE BILL NO. 819

Introduced by Honorable Michael L. Romero

AN ACT
CREATING THE **PHILIPPINE FRUIT AUTHORITY**, AND FOR
OTHER PURPOSES

*Be It enacted by the Senate and House of Representative of the Philippines
in congress assembled:*

SECTION 1. SHORT TITLE - This Act shall be known as the " **Philippine
Fruit Authority Act of 2022** "

SECTION 2. DECLARATION OF POLICY - It is hereby declared that the
state shall safeguard the interest of small farmers/ growers of Philippine fruits. It
shall be the policy of the state to develop the industry and trade of Philippine
fruits.

The state shall provide the appropriate support thru services in production,
financial assistance, technical training and research.

The state shall enforce guidelines and quality control measures to promote the interest of the small farmers/ growers of fruits.

The state shall exploit the fruit industry-s potential to increase and promote market export and generate foreign exchange revenues.

SECTION 3. RULES AND REGULATIONS. — The Department Agriculture **(DA)** in collaboration with the Department of Trade and Industry **(DTI)** shall issue the necessary rules and regulations to implement this Act.

SECTION 4. CREATION OF THE PHILIPPINE FRUIT AUTHORITY — There is hereby created a corporate government institution that shall be known as the Philippine Fruit Authority.

SECTION 5. GOALS AND OBJECTIVES:

1. To promote the industry of Philippine fruits in the country and in the export market;
2. To increase the income of the Philippine fruit farmers thru a the use of new methods and technology , and
3. To improve the quality of life of our fruit farmers thru increasing production and fruit processing in more suitable areas.

SECTION 6. POWERS AND FUNCTIONS OF THE AUTHORITY:

1. To create measures to establish that small farmers receive a fair price for their products;
2. To properly accredit and register all farmers, growers, traders and all associations involved with the Philippine Fruit Authority functions;
3. To create and maintain testing and experimental stations;
4. To identify, conserve and preserve endangered species;
5. To impose administrative sanctions and penalties for all violators of its rules and regulations; .

6. To accept all financial assistance, all other support from private sectors and all other sources to promote the fruit industry;
7. To regulate the Philippine Fruit Authority in the country, administer all its functions; and
8. To incur any obligation, enter into contract with any person essential to the proper supervision of its affairs to carry-out its objectives and purposes.

SECTION 7. GOVERNANCE OF THE PHILIPPINE AUTHORITY - the Philippine Fruit Authority shall be governed by the following:

1. Secretary of Agriculture (Chairman);
2. Director of the Philippine Fruit Authority (Vice Chairman);
3. Secretary of Trade and Industry;
4. Secretary of Environment and Natural Resources;
5. A representative from the Government Finance Institutions (GFI);
6. A representative from the rural cooperatives/ institutions;
7. A representative from the Philippine fruit Industry; and
8. A representative from the Philippine fruit farmers/ growers.

The Governing board shall act as the policy making body of the Philippine Fruit Authority to create its policies, implement its rules and regulations, and carry-out its goals and objectives.

The Governing board shall create the organizational structure of the Philippine Fruit Authority and shall appoint all its other purposes.

SECTION 8. APPROPRIATION

There is hereby authorized to appropriate the necessary funds to carry-out into effect the provisions of this act. Provided thereafter that the budget for the Philippine Fruit Authority shall be included in the General Appropriations Act.

SECTION 9. REPEALING CLAUSE. All laws, executive orders, issuances, rules and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

SECTION 10. SEPARABILITY CLAUSE. If, for any reason or reasons, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SECTION 11. EFFECTIVITY CLAUSE. This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

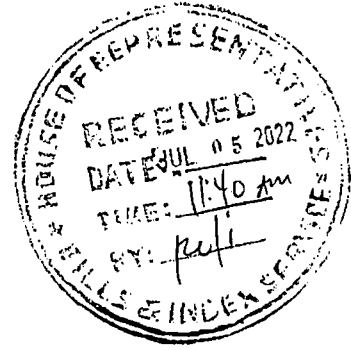
Approved,



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 1174



Introduced by Honorable Bryan B. Revilla

AN ACT
DIRECTING THE CONVERSION OF SANGLEY POINT IN CAVITE CITY
INTO AN INTERNATIONAL LOGISTICS HUB

EXPLANATORY NOTE

In line with the government's concerted effort to promote economic reforms, it has become an undeclared policy of the government to exhaust all possible means to support the country's continued search for genuine sustainability. To achieve this end, there is a need among others, to provide infrastructure for more efficient and cheaper transportation of inputs and outputs of industrial goods.

One of the major projects that is necessary is the provision of an international container port complex which will include an airport and seaport. This facility can best be achieved through converting the US Naval Sangley Point located in Cavite City into such complex.

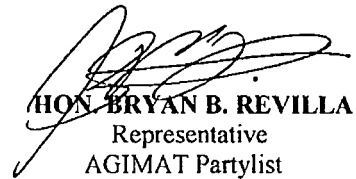
US Naval Station Sangley Point was a major ship-repair and supply facility of the United States Navy, which occupied the northern portion of the Cavite City peninsula and is surrounded by the Manila Bay, approximately eight miles southwest of Manila. Up until World War II, the station was headquarters of the US Asiatic Fleet. The naval station was turned over to the Philippine government in 1971. At present, the Sangley Point is being used by the Philippine Navy for ship repair and dry docking purposes.

Sangley Point has the following comparative advantage and potentials for growth: a bay location that provides potential sea transport, existing air and port facilities which could be upgraded and improved, it has a military airport which has a concrete runway of 229 x 22 meters, and road links, which provide access to Manila and CALABARZON growth corridors.

It now becomes imperative that such notable advantages of Sangley Point be not taken for granted. The economic opportunity that Sangley Point offers to the country must not be put to waster, especially not that the country is in continuous search of possible springboards for economic take-off.

This bill seeks to convert the almost idle but very promising facility of Sangley Point into an international logistics hub to facilitate general economic growth and social development of the Province of Cavite and the Philippines, in general.

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



HON. BRYAN B. REVILLA
Representative
AGIMAT Partylist



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 1174

Introduced by Honorable Bryan B. Revilla

AN ACT
DIRECTING THE CONVERSION OF SANGLEY POINT IN CAVITE CITY INTO
AN INTERNATIONAL LOGISTICS HUB

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

SECTION 1. Short Title. – This Act shall be known as the "Sangley Point Conversion Act of 2016".

SEC. 2. Declaration of Policy. – It is hereby declared the policy of the Government to accelerate the sound and balanced conversion into alternative productive uses of the Sangley Point in Cavite City.

It is likewise the declared policy of the Government to enhance the benefits to be derived from said conversion in order to promote economic and social development of Cavite City in particular and the country in general.

SEC. 3. The Sangley Point International Logistics Hub. – In accordance with the foregoing declared policy, there is hereby established an international logistics hub, comprising a Container Port and Airport Complex and an Economic Processing Zone with Cyber or Technoparks, to be known as the Sangley Point International Logistics Hub, hereinafter known as the Hub, located in the northern portion of the Cavite peninsula and is surrounded by Manila Bay, approximately eight miles from Manila.

SEC. 4. Governing Principles. – The Sangley Point International Logistics Hub shall be managed and operated under the following principles:

- (a) Under the framework and limitation of the Constitution and the applicable provision of the financial, investment, and tourism/recreational center and free port with Local Government Code, the Hub shall be developed into and operated as a self-sustaining, commercial, industrial and logistic hub and suitable for retirement/residential purposes, in order to create employment opportunities in and around the Hub, and to effectively encourage and attract legitimate and productive foreign and local investments therein;

- (b) The Hub shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital within, into and exported out of the Hub, as well as provide incentives such as tax and duty-free importation or removal of goods from the territory of the Hub to the other parts of the Philippine territory shall be subject to customs duties and taxes under the tariff and Customs Code of the Philippines, as amended, and other relevant tax laws of the Philippines;
- (c) The provision of existing laws, rules and regulation to the contrary notwithstanding, no national and local taxes shall be imposed within the Hub. In lieu of said taxes, a five percent (5%) tax on gross income earned shall be paid by all business enterprises with the Hub and shall be paid by all business enterprises within the Hub and shall be remitted as follows: two percent (2%) to the National Government and two percent (2%) to the Sangley Point Authority referred in Section 5 of this Act, and one percent (1%) to the Cavite City government;
- (d) Existing banking laws and Bangko Sentral ng Pilipinas rules and regulations shall apply on foreign exchange and other current account transaction (trade and non-trade), local and foreign borrowings, foreign investments, establishment and operation of local and foreign banks, foreign currency deposit units, offshore banking units and other financial institution under the supervision of the BSP.
- (e) Any foreign investor who establishes a business enterprise within the Hub and who maintains capital investment of not less than one hundred fifty thousand United States dollars (US\$150,000.00) shall be granted, along with his or her spouse, dependents, and unmarried children below twenty-one (21) years of age a permanent resident status within the Hub. The responsibility and authority grant such as permanent resident status is hereby delegated to the Sangley Point Authority

Such foreign investor and his or her spouse, dependents, and unmarried children below the age of twenty-one (21) years, shall have the freedom of ingress and egress to and from the Hub without need of any special authorization of the Bureau of Immigration.

Likewise, the Sangley Point Authority, referred herein Section 5, shall issue working visas renewable every two (2) years to foreign executives and foreign technicians with highly specialized skills which no Filipino possesses, as certified by the Department of Labor and Employment.

The names of foreigners granted permanent resident status and working visas by the Sangley Point Authority shall be reported to the Bureau of Immigration within thirty (30) days from such grant.

The foregoing is without prejudice to a foreigner acquiring permanent resident status in the Philippines in accordance with applicable immigration, retirement, and other related laws; and

- (f) Except otherwise provided herein, the local government units totally or partially embraced within the Hub shall retain and maintain their basic autonomy and identity. Cavite City shall operate and function in accordance with Republic Act No. 7160, otherwise known as the Local Government Act of 1991, insofar as the areas within its jurisdiction covered in this Act are concerned.

SEC. 5. Creation of the Sangley Point Authority. – A body corporate to be known as the Sangley Point authority, hereinafter referred to as the SPA, is hereby created to manage and operate, in accordance with the provision of this Act, the Sangley Point International Logistics Hub. This corporate franchise shall expire in fifty (50) years counted from the first day of the fifth (5th) calendar year after the effectivity of this Act, unless otherwise extended by Congress.

SEC. 6. Powers and Functions of the Sangley Point Authority. – The Sangley Point Authority shall have the following powers and functions:

- (a) To adopt, change, use a corporate seal; to contract, lease, buy, sell, acquire, own and dispose, movable and immovable as well as personal and real property of whatever nature (including but not limited to shares of stock or participation in private corporations or in limited partnerships, or in joint ventures with limited liability), bonds, precious metals in bullions, ingots, and easily convertible foreign exchange; to sue and be sued in order to carry out its duties, responsibilities, privileges, powers and functions as granted and provided for in this Act; and to exercise the power of eminent domain for public use and public purpose;
- (b) Within the limitation provided by law, to raise and borrow adequate and necessary funds from local or foreign sources to finance its projects and programs under this Act, and for that purpose to issue bonds, promissory notes, and other form of securities, and to secure the same by a guarantee, pledge, mortgage, deed of trust, or an assignment of all or part of its property or assets;
- (c) To approve, accept, accredit and allow any local or foreign business, enterprise or investment in the Hub subject only to such rules and regulations as SPA may promulgate from time to time in conformity with the provisions of this Act and the limitations provided in the Constitution;
- (d) To authorize or undertake, on its own or through others, and regulate the establishment, operation and maintenance of public utilities, services, and infrastructure in the Hub such as shipping, barging, stevedoring, cargo handling, hauling, warehousing, storage, of cargo, port services, or concessions, piers, wharves, bulkheads, bulk terminals, mooring areas, storage areas, roads, bridges, terminals conveyors, water supply and storage, sewerage, drainage, airport and ports operation in coordination with the Civil Aeronautics Board and Philippine Ports Authority, and such other services or concessions or infrastructure necessary or incidental to the accomplishment of the objectives of this Act: *Provided, however,* That the private investors in the Hub shall be given priority in the awarding of contracts, franchises, licenses, or permit for the establishment, operation and maintenance of utilities, services and infrastructure in the Hub;
- (e) To construct, acquire, own, lease, operate and maintain on its own or through others by virtue of contracts, franchises, licenses, or permits under the build-operate-transfer scheme or under a joint
-

venture with the private sector any or all of the public utilities and infrastructure required or needed in the Hub, in coordination with appropriate national and local government authorities and in conformity with applicable laws thereon;

- (f) To operate on its own, either directly or through a subsidiary entity, or license to others, tourism-related activities, including games, amusements, recreational and sports facilities such as horse racing, dog racing, gambling casinos, golf courses, and others, under priorities and standards set by the SPA;
- (g) To form, establish, organize and maintain subsidiary corporations as its business and operations may require, whether under the laws of the Philippines or not;
- (h) To adopt implement and enforce reasonable measures and standards to control pollution within with Hub;
- (i) To provide security for the Hub in coordination with the national and local governments. For this purpose, SOA may establish and maintain its own security force or hire others to provide the same;
- (j) To plan, program and undertake the adjustment, relocation, or resettlement of population within the Sangley Point military reservations and their extensions as may be deemed necessary and beneficial by the SPA, in coordination with the appropriate agencies and local government units.
- (k) To issue rules and regulations consistent with the provision of this Act as may be necessary to implement and accomplish the purposes, objectives and policies herein provided; and
- (l) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder as well as those that shall enable it to carry out, implement, and accomplish the purposes, objectives and policies of this Act.

SEC. 7. Board of Directors of SPA. – The powers of the Sangley Point Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of nine (9) members, to wit:

Chairman:	Chairman of the Philippine Reclamation Authority
Co-Chairman:	Mayor of Cavite City or his authorized representative
Members:	Secretary: Department of Transportation and Communication or his authorized representative
	Director General: National Economic and Development Authority or his authorized representative
	Secretary: Department of Trade and Industry or his authorized representative

Secretary: Department of Environment and Natural Resources or his authorized representative

Secretary: Department of Public Works and Highways or his authorized representative

Director General: Philippine Economic Zone Authority or his authorized representative

Members of the Board shall receive a reasonable per diem which shall not be less than the amount equivalent to the representation and transportation allowances of the members of the Board and/or as may be determined by the Department of Budget and Management: *Provided, however,* That the total per diem collected each month shall not exceed the equivalent per diem for four (4) meetings. Unless and until the President of the Philippines has fixed a higher per diem for the members of the Board, such as per diem shall not be more than ten thousand pesos (P10,000.00) for every Board Meeting

SEC. 8. Administrative and Chief Executive Officer. – the President of the Philippines shall appoint a full-time professional and competent administrator and chief executive officer for the SPA whose compensation shall be determined by its Board and shall be in accordance with the revised compensation and position classification system. The administrator as chief executive officer of SPA shall be responsible to the Board and the President of the Philippines for the efficient management and operation of the Hub.

SEC. 9. Capitalization. – The SPA shall have an authorized capital stock of two billion pesos (P2,000,000,000.00) divided into 200,000,000 with a minimum issue value of ten pesos (P10.00) per share. The national government shall initially subscribe and pay for the shares of stocks shall be included in the General Appropriation Act of the year following its enactment into law and thereafter. The Board of Directors of SPA may, from time to time and with the written concurrence of the Secretary of finance, increase the issue value of the shares representing the capital stock of the SPA. The Board of Directors of SPA, with the written concurrence of the Secretary of Finance, may sell shares representing not more than forty per centum (40%) of the capital stock of the SPA to the general public with such annual dividend policy as the Board and the Secretary of Finance may determine. The national government shall in no case own less than sixty per centum (60%) of the total issued and outstanding capital stock of the SPA.

SEC. 10. Supervision. – The Hub shall be under the direct control and supervision of the Office of the President of the Philippines for purposes of policy direction and coordination.

SEC. 11. Relationship with Local Government Units. – In case of any conflict between the Hub and the local government unit totally or partially embraced within the Hub, on matters affecting the Hub, the other than in defense and security matters, the decision of SPA shall prevail.

SEC. 12. **Legal Counsel.** – The SPA and the corporation in which the SPA owns a majority of the issued capital stock shall have its own internal legal counsel under the supervision of the government counsel. When the exigencies of its businesses and operations demand it, the SPA may engage the services of an outside counsel either on a case to case basis or on a fixed retainer.

SEC. 13. **Auditor.** – The Commission on Audit shall appoint a representative who shall be a full-time editor of the SPA and the subsidiaries, and assign such number of personnel as may be necessary to assist said representative in the performance of his or her duties. The salaries and emoluments of the assigned auditor and personnel of the Commission on Audit shall be in accordance with the revised compensation and position classification system. The Commission on Audit shall render an annual report to the President of the Philippines and to Congress on the business activities, transactions and operation of the SPA.

SEC. 14. **Mechanism for those affected by the Conversion.** – There shall be designated a relocation for affected military camps and other facilities, either within the Sangley Point Area or outside, consistent to existing laws, and regulations. Provided further that an appropriation to support the relocation cost of the combined facilities of the Philippine Navy and the Philippine Ari Force which shall come from the proceeds of the lease, joint venture and transactions entered into by the Authority.

SEC. 14. **Separability Clause.** – If any provision of this Act is declared unconstitutional or invalid, the provisions hereof which are not affected shall continue to be in force and effect.

SEC. 15. **Repealing Clause.** – All laws, decrees, proclamations, issuances, or ordinances that are contrary to or inconsistent with the provisions of this Act are hereby amended, repealed, or modified accordingly.

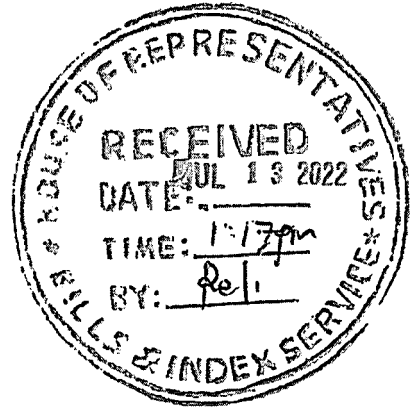
SEC. 16. **Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19th Congress
First Regular Session

House Bill No. 1889



Introduced by Hon. Ma. Theresa V. Collantes

EXPLANATORY NOTE

This bill seeks for the sustainable and viable development of the Taal Lake Area, more specifically the Taal Volcano Island, Taal Lake and its tributaries, through the creation of the Taal Lake Development Authority (TLDA).


The perennial onslaught on the ecological balance of the Taal Lake needs immediate response. There is a real need to protect and conserve the ecological, biological, scientific, educational and recreational features of the area. There is indeed a need to prevent the undue ecological disturbances, deterioration and pollution of the area.

Most importantly, there is now a need to establish a national entity that shall oversee, address, protect and develop the Taal Lake Area particularly on matters of environmental protection, poverty alleviation, local autonomy, eco-tourism and sustainable growth.

The Taal Lake Development Authority shall likewise undertake measures to conserve the natural resources and promote the accelerated socio-economic development of the area, as well as to formulate plans, programs and projects and ensure their implementation. The Authority shall effect the preservation of the natural beauty of the environment, the development of the area as an eco-tourism zone and the implementation of programs and projects that would generate local economies and livelihood development for its stakeholders.

The Taal Lake has a distinct and unique environment and ecosystem. It is now imperative to truly and urgently protect, conserve, promote and oversee it, so that it can remain one of the country's "crown jewels" for the enduring benefits and pleasure of the Filipino people and tourist alike.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


HON. MA. THERESA V. COLLANTES

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19th Congress
First Regular Session
House Bill No. 1889

Introduced by Hon. Ma. Theresa V. Collantes

**AN ACT
CREATING THE TAAL LAKE DEVELOPMENT AUTHORITY, PRESCRIBING ITS
POWERS, FUNCTIONS AND DUTIES, PROVIDING FUNDS THEREFOR, AND FOR
OTHER PURPOSES**

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

CHAPTER I

TITLE

SECTION 1. *Title* - This Act shall be officially known as TAAL LAKE DEVELOPMENT AUTHORITY (TLDA) ACT of 2019.

CHAPTER II

DECLARATION OF POLICY

SECTION 2. *Declaration of Policy* - It is hereby declared to be the national policy to promote and accelerate the development and balanced growth of the Taal Lake area within the context of the national and regional plans and policies for social and economic development and to carry out the development of the Taal Lake area with due regard for environmental management and control, preservation of the quality of human life and ecological systems, formulation of programs that will ensure food security, promotion of eco-tourism and the prevention of undue ecological disturbances, deterioration and pollution.

CHAPTER III

DEFINITION OF TERMS

SECTION 3. *Definition of Terms* -

- 1) Act - Whenever used in this Act shall refer to the enabling Act creating the Taal Lake Development Authority (TLDA);

- 2) Authority – Whenever cited in this Act shall mean the Taal Lake Development Authority;
- 3) Council – shall always refer to the Taal Lake Development Council, the governing board of the Taal Lake Development Authority;
- 4) Area – means the Taal Lake Area that is defined by Section 7 of this Act.

CHAPTER IV

CREATION OF AUTHORITY

SECTION 4. – *Taal Lake Development Authority created* – To carry out the provisions of this Act, there is hereby created the Taal Lake Development Authority, which shall be organized within one hundred twenty (120) days after the approval of this Act. The Authority shall execute the powers and functions herein vested and conferred upon it in such a manner as will, in its judgment, aid to the fullest possible extent in carrying out the aims and purposes set forth below, without diminution of the autonomy of the government units concerning purely local matters.

The Taal Lake Development Authority shall be placed under the Office of the President.

SECTION 5. – *Location of the Principal Office* – The Authority shall maintain its principal office at a convenient place within or near the area, but it may have branch offices in such other places as are necessary for the conduct of its operation.

CHAPTER V

WATER RIGHTS

SECTION 6. - *Water rights over Taal Lake and its tributaries.* - To effectively regulate and monitor activities in the Taal Lake area and to carry out the Authority's plans, programs and projects, the Authority shall have exclusive jurisdiction and water rights over Taal Lake and its tributaries.

CHAPTER VI

SCOPE

SECTION 7. – *Taal Lake Area: scope* – The Taal Lake Area settlement are the cities of Tanauan and Lipa and the municipalities of Agoncillo, Alitagtag, Balete, Cuenca, Laurel, Malvar, Mataas na Kahoy, San Nicolas, Sta. Teresita, Sto. Tomas, Talisay and Taal, all in the Province of Batangas. This also specifically includes the Taal Volcano Island, Taal Lake and its tributaries.

CHAPTER VII

ECO-TOURISM AND AQUACULTURE ZONE

SECTION 8. – *Taal Lake Area: an eco-tourism and aquaculture zone* – The Taal Lake Area shall be declared an eco-tourism and aquaculture zone and as such shall be accorded priority development by government agencies and instrumentalities and the local government units comprising therewith.

CHAPTER VIII

POWERS AND FUNCTIONS OF THE AUTHORITY

SECTION 9. – *Powers and functions of the Authority* – The Authority shall have the following powers and functions:

- a) To make a comprehensive survey of the physical and natural resources and potentialities of the Taal Lake Area particularly its social and economic conditions, hydrological characteristics, power potentials, development of scenic and tourists spots, conservation of water resources and such other matters, and on the basis thereof, to draft a comprehensive and detailed plan designed to conserve and utilize optimally the resources within the area, to promote its rapid social and economic development and upon approval by the National Economic Development Authority (NEDA) Board of such plan, to implement the same including projects in line with the said plan: *Provided*, That implementation of all fisheries plans and programs of the Authority shall require prior consensus of the Bureau of Fisheries and Aquatic Resources (BFAR) to ensure that such plans and programs are consistent with the national fisheries plans and programs. For the purpose of the said survey, public agencies shall submit and private entities shall provide necessary data.

The guidelines for the comprehensive and detailed plans are based on the following:

- 1) Preservation of the area's natural beauty, protection of its ecological balance and enhancement of its environment;
 - 2) Maximum enjoyment and easy access by ordinary people to public areas;
 - 3) Rational land-use and zoning plan considering that Taal Volcano Island in particular is a national asset, being a tourist destination of Filipinos from all parts of the country as well as foreign visitors;
 - 4) Prohibition/control of unusually tall, unstable and obstructive structures obscuring public view of the natural beauty of the surroundings in accordance with the zoning ordinances of the local government units concerned and subject to pertinent laws, rules and regulations on the matter;
- b) To provide the machinery for extending the necessary planning, management and technical assistance to prospective and existing investors in the area;

- c) To make recommendations to the proper agencies on the technical support, physical assistance and, generally, the level of priority to be accorded agricultural, industrial and commercial projects, soliciting or requiring direct help from or through the government or any its instrumentalities;
- d) To pass upon and approve or disapprove all plans, programs, and projects proposed by the local government offices/agencies within the area, public corporations, and private persons or enterprises where such plans, programs, and/or projects are related to those of the Authority for the development and protection of the area as envisioned in this Act. The Authority shall issue the necessary clearances for approved proposed plans, programs and projects within thirty (30) days from submission thereof unless the proposals are not in consonance with those of the Authority or that will contribute to the unmanageable pollution of the Taal Lake waters or will bring about the ecological imbalance of the area: *Provided, further,* That the Authority is hereby empowered to institute necessary legal proceedings against any person who shall commence to implement or continue the implementation of any project, plan or program within the Taal Lake area without previous clearance from the Authority: *Provided, furthermore,* That any local government office, agency, public corporation, private person, or enterprise whose plans, programs and/or projects have been disapproved by the Authority may appeal the decision of the Authority to the Office of the President within fifteen (15) days from receipt of such disapproval whose decision on the matter shall be final. Reasonable processing fees as may be fixed by the Authority's Council shall be collected by the Authority for the processing of such plans, programs, and/or projects: *Provided, finally,* That expansion plans shall be considered as new plans subject to review of the Authority and to the payment of the processing fees.

The Authority and national and local government offices, agencies and public corporation shall coordinate their plans, programs, projects and licensing procedures with respect to Taal Lake Area for the purpose of drawing up a Taal Lake Development Plan which shall be binding upon all parties concerned upon approval of the NEDA Board;

- e) To plan program, finance and/or undertake infrastructure projects such as river, flood and tidal control works, waste water and sewerage works, water supply, roads, port works, irrigation, communications, housing and related works, when so required within the context of its development plans, and programs including the readjustment, relocation or resettlement of the population within the area as may deemed necessary and beneficial by the Authority; *Provided,* That should any project be financed wholly or in part by the Authority, it is hereby authorized to collect reasonable fees and tolls as may be fixed by its Council subject to the approval of the Office of the President from users and/or beneficiaries thereof to recover cost of construction, operation and maintenance of the projects: *Provided, further,* That if the Authority should find it necessary to undertake such infrastructure projects which are classified, as social overhead capital projects as determined by the NEDA, the Authority shall be authorized to receive financial assistance from the government in such amounts as may be necessary to carry out the said project subject to such terms and conditions that may be imposed by the government, upon the recommendation of the NEDA Board: *Provided, finally,* That such amount as may be necessary for the purpose is hereby authorized to be appropriated out of the funds of the National Treasury not otherwise appropriated;

- f) To conduct studies and make experiments on fish production and aquaculture, whenever necessary, with the collaboration and assistance of the Bureau of Fisheries and Aquatic Resources, with the end-view of improving present techniques and practices;
- g) For the purpose of effectively regulating and monitoring activities in Taal Lake and its tributaries, the Authority shall have exclusive jurisdiction to issue new permit for the use of the lake waters and its tributaries for any project or activities in or affecting the said lake including navigation, construction, and operation of fish cages, fish enclosures, fish corrals and the like, and to impose necessary fees for said activities and projects: *Provided*, That the fees collected for fisheries may be shared between the Authority and other government agencies and political subdivisions in such proportion as may be determined by the President of the Philippines upon recommendation of the Authority's Council: *Provided, further*, That the Authority's Council may determine new areas of fishery development or activities which it may place under the supervision of the Bureau of Fisheries and Aquatic Resources taking into account the overall development plans and programs of the Taal Lake Area: *Provided, finally*, That the Authority shall subject to the approval of the President of the Philippines, promulgate such rules and regulations which shall govern fisheries development activities in the Taal Lake and its tributaries which shall take into consideration among others the following: socio-economic amelioration of bonafide resident fishermen whether individually or collectively in the form of cooperatives, lakeshore town development, a master plan for fish cage construction and operation, communal fishing ground for lakeshore town residents in hiring labourers for fishery projects;
- h) To propose to cities and municipalities embraced within the area to pass appropriate zoning ordinances and other regulatory measures necessary to carry out the objectives of the Authority and enforce the same with the assistance of the Authority;
- i) To act in coordination with existing governmental agencies in establishing water quality standards for industrial, agricultural and municipal waste discharges into the lake and its tributaries and to cooperate with said existing agencies of government in enforcing such standards, or to separately pursue enforcement and penalty actions as provided for in Section 9(d) and Section 23 of this Act: *Provided*, That in case of conflict on the appropriate water quality standard to be enforced such conflict shall be resolved through the Office of the President;
- j) To establish an emergency plan, policies, strategies and disaster preparedness activities, in cooperation with the Philippine Institute of Volcanology and Seismology and the National Disaster Coordinating Council;
- k) To undertake studies on the improvement and maintenance of the desirable water quality of Taal Lake and its tributaries, and in pursuance thereof, to prepare a water quality management program on a continuing basis, which the Authority shall carry out with the assistance and support of all national and local government units involved in water quality management;

- l) To issue standards, rules and regulations to govern the approval of plans and specifications for sewerage and industrial waste disposal systems and the issuance of permits; and inspect the construction and maintenance of sewage works and industrial waste disposal systems for compliance to plans;
- m) To adopt, prescribe and promulgate the rules and regulations governing the procedures of the Authority with respect to hearings, plans, specifications, designs and other data for sewerage system and industrial waste disposal system, the filing of reports and the issuance of permits;
- n) To issue, renew or deny permits, under such conditions as it may determine to be reasonable, for the prevention and abatement of pollution, for the discharge of sewage system, industrial waste, and for the installation or operation of sewerage and industrial disposal system or parts thereof; *Provided*, That the Authority, by rules and regulations, may require subdivisions, condominiums, hospitals, public buildings and other similar human settlement to put up appropriate central sewerage system and sewage treatment works, except that no permits shall be required of any new sewerage system or changes to or extensions of existing sewerage system that discharge only domestic or sanitary wastes from a single residential building provided with septic tanks or their equivalent. The Authority may impose reasonable fees and charges for the issuance or renewal of all permits herein required;
- o) After due notice and hearing, the Authority may also revoke, suspend or modify any permit issued under this Act whenever the same is necessary to prevent or abate pollution;
- p) To deputize in writing or request assistance of appropriate government agencies or instrumentalities for the purpose of enforcing this Act and its implementing rules and regulations and the order and decisions of the Authority;
- q) To authorize its representatives to enter at all reasonable times any property of the public dominion and private property devoted to industrial, manufacturing, processing or commercial use without doing damage, for the purpose of inspecting and investigating conditions relating to pollution or possible imminent pollution;
- r) To enter into contracts, memoranda, agreements and other cooperative arrangements with public and private entities, whether here or abroad for purposes of carrying out the provisions of this Act;
- s) To accept donations, contributions, grants, bequests or gifts in cash or in kind from various sources, domestic or foreign in consonance with existing laws and regulations. The cash donations shall not be used to fund the personal services requirement of the Authority;
- t) To perform other related functions as deemed necessary to achieve the objectives of the authority.

SECTION 10. – *Damages to the water and aquatic resources.* – Compensation for damages to the water and aquatic resources of Taal Lake and its tributaries resulting from

failure to meet established water and effluent quality standards or from such other wrongful act or omission of a person, private or public, juridical or otherwise, punishable under the law shall be awarded to the Authority to be earmarked for water quality control and management.

SECTION 11. – *Collection of fees.* – The Authority is hereby empowered to collect fees for the use of the lake waters and its tributaries for all beneficial purposes including but not limited to recreation, municipal, industrial, agricultural, fisheries, navigation, irrigation and waste disposal purposes: *Provided,* That the rates of the fees to be collected, and the sharing with other government agencies and political subdivisions, if necessary, shall be subject to the approval of the President of the Philippines upon the recommendation of the Taal Lake Development Council, except fish cage fees, which will be shared in the following manner, 50 percent of the fish cage fees go to the lakeshore local governments and the remaining 50 percent shall be retained to the Authority; *Provided, however,* that the share of the Authority shall form part of its Special Fund and shall not be remitted to the National Treasury.

CHAPTER IX

SOURCES OF FUNDS

SECTION 12. – *Sources of Funds and the Operating Budget of the Authority.*

- a) To carry out the purposes of this Act, the amount of One Hundred Million Pesos (Php100,000,000.00) is hereby authorized to be appropriated for the initial operation of the Authority. Thereafter, the annual expenditures including capital outlay of the Authority shall be provided in the General Appropriations Act.
- b) The Authority is likewise empowered to levy fines and impose fees and charges for various services rendered.

SECTION 13. – *Special Fund.* – Notwithstanding any provisions of law, rules and regulations, executive and administrative order to the contrary, there is hereby established a Special Fund, sourced from various fees and charges levied by the Authority. The Special Fund shall be administered by the Taal Lake Development Council and shall be at the immediate disposal of the Council to be used exclusively to augment deficiencies in the annual appropriations of the Authority, for operational and administrative expenses, and for repair and acquisition of necessary facilities and equipments.

CHAPTER X

MANAGEMENT AND PERSONNEL

SECTION 14. – *Taal Lake Development Council.* – The governing board and policymaking body of the Authority shall be the Taal Lake Development Council, which shall be composed of the following, to wit;

1. Chairman, Taal Lake Development Authority
2. Secretary, National Economic Development Authority
3. Secretary, Department of Environment and Natural Resources
4. Secretary, Department of Tourism
5. Secretary, Department of Agriculture

6. Secretary, Department of Trade and Industry
7. Secretary, Department of Public Works and Highways
8. Secretary, Department of Transportation and Communication
9. Secretary, Department of National Defense and Chairman, National Disaster and Coordinating Council
10. Head, Presidential Management Staff
11. Executive Director, PHILVOCS
12. General Manager, Philippine Tourism Authority
13. President of the Mayors League
14. Representative, Aquaculture Investors
15. Representative, Tourism and Land Developers Sector
16. Representative, Agricultural Sector
17. Representative, Small Fisher Folks

The representatives from the sectors of aquaculture investors, tourism and land developers and agriculture as well as the representative from the small fisher folk shall be appointed by the President of the Philippines upon the recommendation of their respective sectors/associations.

The officials designated by the above-mentioned officials shall attend meetings of the Council in the absence of their principal and receive the corresponding per diems.

A Chairman, who shall be appointed by the President of the Philippines and shall have a term of office of three (3) years.

SECTION 15. – *Chairman.* - The Chairman shall be the Chief Executive Officer of the Authority and shall exercise overall administrative supervision to ensure the effective and efficient implementation of the policies laid down by the Authority. The Chairman shall have the rank and salary of an Undersecretary of a Department as provided for in the Salary Standardization Law.

SECTION 16. – *Powers and functions of the Chairman.* – The Chairman shall have the following powers and duties:

- a. Submit for consideration of the Council the policies and measures which he/she believes to be necessary to carry out the purposes and provisions of this Act;
- b. Execute and administer the policies, plans, programs and projects approved by the Council;
- c. Direct and supervise the operation and internal administration of the Authority. He/she may delegate some of his/her administrative responsibilities to other officers of the Authority subject to the rules and regulations of the Council;
- d. Appoint all subordinate officers and employees who shall enjoy security of tenure and may be removed for cause in accordance with law. He/she may engage the services of experts/consultants either on full time or part-time basis, as may be required in the performance of his/her functions and duties;

- e. Submit quarterly reports to the Council on personnel selection, placement and training and exercise the power of to discipline subordinate officials and employees under the provisions of law;
- f. Submit to the Office of the President an annual report and such other reports as may required, including the details of the annual and supplemental budgets of the Authority; and
- g. Perform such other functions as may provided by law.

SECTION 17. – *Quorum.* - A majority of the members of the Council shall constitute a quorum for the conduct of business.

SECTION 18. – *Council Meetings.* – The Council shall meet at least once a month. The Council shall be convened by the Chairman or upon written request signed by the majority of the members.

SECTION 19. – *Per diems and allowances.* – The members of the Council shall receive for every meeting attended a per diem to be determined by the Council: *Provided,* That in no case will the total amount received by each exceed the sum of Two Thousand Pesos (Php 2,000.00) for any one month. Members of the Council shall be entitled to commutable transportation and representation allowance in the performance of official functions for the Authority as authorized by the Council the aggregate amount of which shall not exceed Two Thousand Pesos (Php 2,000.00) for any one-month.

SECTION 20. – *Powers and functions of the Council.* –

- a. It shall formulate, prescribe, amend and repeal rules and regulations that govern the conduct of business of the Authority;
- b. It shall approve plans, programs and projects deemed necessary to carry out the provisions of this Act.
- c. It shall appoint and approve all officials from the rank of General Manager down to division heads, and others of comparable rank;
- d. It may increase the rate of allowances and per diems of the members of the Council during the term of the succeeding Council. It shall fix the compensation of the officers and members of the Authority;
- e. It shall approve the annual and/or supplemental budget of the Authority, and
- f. It shall perform such other acts and perform such other functions as may be necessary to carry out the provisions of this Act.

SECTION 21. – *Plans to be formulated within one year.* – Upon its organization, the Council shall formulate and report to the Office of the President with the most utmost expeditious manner, but in no case longer than one year, its plans and recommendations for the

accelerated, balanced and sustainable development of the Area in accordance with the aims and purposes of this Act.

SECTION 22. – *Activities of the Authority: Key Officials.* – In carrying out the activities of the Authority, the Chairman shall be assisted by a General Manager who shall have following powers, duties and functions:

- a. Assist the Chairman in the administration of the Authority and supervision of subordinate personnel;
- b. Assist the Chairman in the suspension of the operation of the various operating centers and units of the Authority;
- c. Assist the Chairman in the review of plans and programs of the Authority; and
- d. Perform such other duties and functions as may be lawfully delegated or assigned by the Chairman from time to time.

The Council upon the recommendation of the Chairman shall appoint the General Manager.

The Authority shall have the following departments under the direct supervision and control of the Chairman;

- a. Administrative Department which shall be responsible for providing services related to personnel, training, information technology, records, supplies, general services, equipment and security;
- b. A Legal Department, to be headed by a Legal Counsel, a member of the Philippine Bar, shall represent the Authority in legal actions and proceedings. This department shall be responsible for providing staff advice and assistance on legal matters;
- c. A Finance Department which shall be responsible for providing staff advice and assistance on budgetary and financial matters, and safekeeping of corporate assets;
- d. A Project Management Department which shall be responsible for the operation, for providing services relating to planning, programming, statistics and project development;
- e. A Planning and Project Development Department which shall be responsible for providing services relating to planning, programming, statistics and project development; and
- f. An Engineering and Construction Department that shall be responsible for providing services relating to detailed engineering plans and the construction and maintenance of project facilities.

The Council may create such other department and positions as it may deem necessary for the efficient, effective and economical conduct of the activities of the Authority. Each department may be divided into divisions, which to be headed by a division head.

CHAPTER XII

PENAL AND CIVIL LIABILITY

SECTION 23. – *Penalty and civil liability clause.* – Any person, natural or juridical, who shall violate any of the provisions of this Act or may rule or regulations promulgated by the Authority pursuant thereto shall be liable for imprisonment of not more than three years or to a fine not exceeding Ten Million Pesos (Php 10,000,000.00) or both at the discretion of the court.

If the violator is a corporation, partnership or association, the officer or officers of the organization concerned shall be liable therefore.

The Authority is hereby authorized to pursue separate civil actions for damages resulting from infractions of the provisions of this Act, rules and regulations issued pursuant thereto and/or conditions embodied in the clearances or permits issued by the Authority.

CHAPTER XIII

MISCELLANEOUS PROVISIONS

SECTION 24. – *Implementing Rules and Regulations.* – The Council, within 120 days after the approval of his Act, issues the necessary rules and regulations to implement the provisions of this Act.

SECTION 25. – *Separability clause.* – The provisions of this Act are hereby declared to be separable, and in the event any one or more of such provisions are held unconstitutional or illegal, they shall not affect the validity of other provisions.

SECTION 26. – *Repealing clause.* – All laws, orders, rules and regulations and other issuances or parts thereof which are contrary or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 27. – *Effectivity clause.* – This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

APPROVED.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3569



Introduced by Rep. Wilfrido Mark M. Enverga

EXPLANATORY NOTE

Our 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.

This bill provides for the creation of Northern Quezon Development Authority (NQDA) which will pave the way for the gradual development of the long neglected eastern coastal towns of the first congressional district of Quezon. The bill likewise intends to create an institutional machinery to ensure an effective ecologic and economic management of the northern part of the Province of Quezon specifically the municipalities surrounding the upper portion (northern) of Lamon Bay areas.

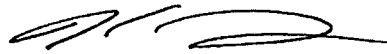
Northern Lamon Bay is a vast body of water consisting Lamon Bay and part of the Pacific Ocean encompassing the five (5) island-municipalities in the first district of Quezon (northern Quezon), it is a rich fishing ground that supply substantially marine and fish requirements of Southern Tagalog Region and Metro Manila. Apart from having a rich marine life and other aquatic resources, four coastal towns of General Nakar, Infanta, Real and Mauban, Quezon, cover large area of forest lands rich in wild flora and fauna, animals, forest and fruit trees and a watershed area supply supporting existing and proposed hydroelectric power plants, domestic water supply and irrigation works.

The Northern Quezon is also in a strategic location ideal for harbor and port development in the pacific side of the country. This key geographic location underscores its potential to be a major transshipment point and center of trade in the northern Pacific Rim. Furthermore, thru Infanta-Marikina Road, imported and local products can easily reach Metro Manila hence it will play a significant role in trade and economic activities of the country.

Yet despite its strategic location to facilitate economic development, its potential is however, not actualized. There is a lack of industrial progress in the aforementioned coastal towns and island-municipalities. There is no known development plan for the whole of the northern part of Quezon. Development Plans are still in the municipal level. Integrated and sustainable plan needs to be drawn and implemented in the area if real development is to be achieved.

The Northern Quezon Development Authority (NQDA) will promote the socio-economic development of Quezon first district through a holistic and integrative coordination of all active sectors in the area. This agency will oversee the general development of the area and will create a framework that will facilitate economic progress and ecological preservation.

To bring forth serious and comprehensive long-term program for socio-economic development, commensurate to the demands of time, the passage of this measure is earnestly sought.



WILFRIDO MARK M. ENVERGA

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**NINETEENTH CONGRESS
First Regular Session**

HOUSE BILL NO. 3569

Introduced by Rep. Wilfrido Mark M. Enverga

**AN ACT CREATING NORTHERN QUEZON DEVELOPMENT
AUTHORITY IN THE PROVINCE OF QUEZON AND APPROPRIATING
FUNDS THEREFOR**

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

SECTION 1. - Title - This Act shall be known as the “Northern Quezon Development Authority Act of 2022”.

SEC. 2 . - Creation of Northern Quezon Development Authority. -
The Northern Quezon Development Authority (NQDA), hereinafter referred to as the Authority, is hereby created which shall promote, coordinate, and facilitate the active and extensive participation of all sectors to effect the socio-economic development of the northern area in the first congressional district of Quezon province.

SEC.3. - Coverage. -The Authority shall cover all the municipalities of Mauban, Infanta, Real, General Nakar, Polillo, Burdeos, Panukulan, Patnanungan and Jomalig, Quezon,

SEC. 4. - Principal Office and Term. -The Authority shall have its main office at Real, Quezon. It may establish Area Management Offices (AMOS) as it may deem necessary to achieve the objectives of this Act. The Authority shall have a term of fifty (50) years from the effectivity of this Act and renewable for the same period unless otherwise provided by law.

SEC. 5. Powers and Functions of Authority. The Authority shall have the following powers and functions:

- (a) Formulate an integrated development framework for the area;
- (b) Integrate, prioritize and program area-wide specific programs, activities and projects with province-wide impact;
- (c) Promote and facilitate investments in any field which would enhance the socio-economic development of the area and uplift the living standards of the people and their socio-political activities in close coordination with agencies primarily mandated to undertake such function;
- (d) Explore sources for financing priority programs, projects and activities;
- (e) Coordinate and facilitate the extension of necessary planning management and technical assistance to prospective and existing investors, complementary and in support of agencies primarily mandated to execute such functions;
- (f) Establish comprehensive and integrated databases on necessary for planning and decision-making;
- (g) Monitor, evaluate and formulate recommendations on the implementation of area wide and/or specific inter-agency development programs, activities and projects;
- (h) Act as the implementing agency, whenever necessary, for the accomplishment of province and region-wide programs and projects, including Official Development Assistance (ODA) projects, subject to such limitations prescribed by existing laws, rules, and regulations;
- (i) Receive and administer donations, contributions, grants, bequest or gifts in cash or in kind from foreign governments, international agencies, private entities, and other sources, including Official Development Assistance

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

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

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

(l) Submit to the President and both Houses of Congress annual reports on its accomplishments and activities.

(m) Receive and administer donations, contributions, grants, bequest or gifts in cash or in kind from foreign governments, international agencies, private entities, and other sources, including Official Development Assistance (ODA) agencies, for purposes that would contribute to the development of the area, subject to existing laws, rules and regulations;

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

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

SEC. 6 . Board of Directors – The affairs and business of the Authority shall be directed and its properties managed and preserved by a Board of Directors to be composed of the Regional Director of the National Economic Development Authority (NEDA) as the *ex-officio* Chairman, and the following as Members,

- 1) The Administrator of the Authority;
- 2) Regional Director of the Department of Trade and Industry (DTI)
– *ex-officio* Member;
- 3) Regional Director of the Department of the Public Works and Highways (DPWH) – *ex-officio* Member;
- 4) Regional Director of the Department of Tourism (DOT) – *ex-officio* Member;

- 5) Regional Director of Department of Agriculture (DA) – *ex-officio* Member;
- 6) Regional Director of Department of Environment and Natural Resources (DENR) – *ex-officio* Member;
- 7) Administrator of National Electrification Administration (NEA) – *ex-officio* Member;
- 8) General Manager of Philippine Port Authority- *ex-officio* Member;
- 9) Representative, First District of Quezon – *ex-officio* Member;
- 10) Provincial Governor, Quezon Province – *ex-officio* Member;
- 11) Municipal Mayors of Municipalities of Mauban, Infanta, Real, General Nakar, Polillo, Burdeos, Panukulan, Patnanungan, and Jomalig, Quezon; – *ex-officio* Members;
- 12) Three (3) other members representing the private sector to be appointed by the President, who shall serve for a term of five (5) years unless sooner removed for cause: Provided, That the person appointed shall be of good moral character, of unquestionable integrity, of known probity and patriotism, and with experience and expertise in management, business, finance and the professions, and preferably coming from the First District of Quezon.
- 13) Three (3) Representatives from Non Government Organizations (NGOs) in the area with proven track record in advocacy and program management in agriculture, fisheries, environmental protection, marine resources, rural development and trade and industries.

The *ex-officio* members of the Board may designate their representatives to the Authority. The decisions of the Board shall be made by a vote of the majority of all its members. The Chairman of the Board shall preside over meetings of the Board of Directors.

SEC. 7. Board Meetings. – The Board of Directors shall meet preferably at its principal office, at least once a month, and as frequently as necessary to discharge its duties and responsibilities. The Board shall be convened by the Chairman or upon written request signed by majority of the members.

SEC. 8 Powers and Functions of the Board. – The Board of Directors of the Authority shall have the following powers and functions and duties.

- (1) Provide direction and guidance for the Authority's work and thrusts;
- (2) Ensure that the goals and policies of the Authority are consistent with the overall national development goals and objectives;
- (3) Ensure that the programs of the Authority are consistent with regional and local development plans, program and projects, and vice versa for purposes of harmonization;
- (4) Explore sources for financing of priority plans, programs, projects and activities;
- (5) Create committees/task forces as may be deemed necessary in the accomplishments of its duties and functions;
- (6) Determine schedules; establish voting procedures, criteria for the constitution of a quorum, and other rules and regulations in the conduct of Board meetings;
- (7) To prepare and approve a ten (10) year and a five (5) year Development plan, and review and expedite the execution of these plans when necessary;

- (8) To appoint and discipline any employee, after according them due process in accordance with existing laws, together with the rules and regulations of the Civil Service Commission;
- (9) To elect from among the members of the Board of Directors the following Executive officers:
- 1) President/Chairman of the Board,
 - 2) Vice- Pres/Vice- Chairman of the Board ,
 - 3) Secretary.
- Provided* That, the Board shall likewise have the corresponding power to replace any the board or for acts prejudicial to the objectives of the Authority;
- (10) To screen and approve the appointment of the following: General Manager, Assistant General Manager, and other key officials of the Authority;
- (11) To request a periodic or special audit of all its funds and properties from the Commission on Audits when the need arises;
- (12) To adopt a seal and flag which is judicial noticed, determine the exact location of its office preferably near its area of operation and adopt its own rules and procedure in meetings and general assemblies in accordance with the standards of transparency and democratic parliamentary procedures;
- (13) To recommend to Congress, the NEDA and other government agencies the passage of laws and other rules and regulation in order to carry out the objectives of the Authority;
- (14) To exercise such powers and perform such functions which are proper and necessary to implement the objectives of the Authority and to carry out provisions of this act.

SEC. 9. Terms of Office of the General Manager. – The General Manager of the Authority shall serve for a fixed term of four (4) years, unless removed from office by a vote of two-thirds of the Board of Directors.

SEC. 10. Residence and Prohibition. – The General Manager shall, if practicable, establish his residence within the first congressional district of Quezon. He/She shall not, during his/her tenure of office, engage in any business, profession, or calling other than those connected with the performance of his/her official duties as the General Manager of the Authority.

SEC.11. Power and Duties of the General Manager. – The General Manager shall have the following powers and functions:

- a. Submit, for the consideration of the Board, the policies and measures which he believes to be necessary to carry out the purposes and provisions of this Act,
- b. Execute and administer the policies, plans, programs and projects approved by the Board,
- c. Direct and supervise the operations and internal administration of the Authority. The General Manager may delegate some of his administration responsibilities to other officers of the Authority subject to the rules and regulations of the Board,
- d. Prepare the annual budget of the Authority for consideration of the Board,
- e. Submit, within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required, and
- f. Exercise such other powers as may be vested in him by the Board.

SEC. 12. Appropriations - The amount necessary to carry out the provisions of this Act shall be included in the General Appropriation Act of the year following its enactment into law and thereafter.

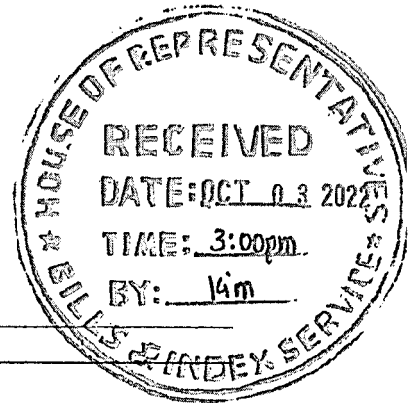
SEC. 13. Repealing Clause. -All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. Separability Clause. -If any part or provision of this Act is held unconstitutional or invalid, other parts or provisions thereof, which are not affected, shall continue to remain in full force and effect.

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

APPROVED.

NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 5386

EXPLANATORY NOTE

This bill seeks to mandate each city or municipality to create, within its jurisdiction, a River Development Authority to preserve, protect and develop the rivers, river systems and natural waterways.

The Philippines has numerous principal rivers and river systems from Batanes to Tawi-Tawi. Many are vanishing or dying, however, due to deadly chemicals or non-biodegradable waste being dumped on these rivers or waterways. Thus, the threat of extinction and degradation.

While a number of laws for the preservation and rehabilitation of rivers have been enacted, enforcement by local government units is weak. The government must concentrate its resources and capabilities on creating a central agency in each local government unit to implement the laws and promote the development of rivers, river systems and natural waterways.

In view of the foregoing, approval of this bill is earnestly sought.


RUFUS B. RODRIGUEZ

NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 5386

AN ACT

MANDATING EACH CITY OR MUNICIPALITY TO CREATE A RIVER DEVELOPMENT AUTHORITY FOR THE PRESERVATION, PROTECTION AND DEVELOPMENT OF ALL RIVERS, RIVERSYSTEMS AND NATURAL WATERWAYS WITHIN ITS JURISDICTION, DEFINING ITS POWERS AND FUNCTIONS AND APPROPRIATING FUNDS THEREFOR.

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

SECTION 1. Each city or municipality is hereby mandated to create a River Development Authority, hereinafter referred to as the Authority, for the preservation, protection and development of all rivers, river systems and natural waterways within its jurisdiction.

SEC. 2. The Authority shall execute the powers and functions herein vested and conferred upon it in such manner as will, in its judgment, aid to the fullest possible extent in carrying out the purposes set forth in this Act. The Authority shall have the following functions:

a) Prepare a master plan to preserve, protect, develop and exploit all rivers, river systems and natural waterways;

b) Conduct engineering surveys of rivers, river systems and natural waterways, assessing and monitoring water quality, pinpointing pollution sources and identifying the rivers that need to be developed for exploitation and rehabilitation;

c) Initiate and facilitate planning, implementation, monitoring and evaluation of pertinent projects with positive impact on environment and development, including dredging, widening and deepening of river channels and improvement of river alignments;

d) Prioritize rivers positively identified for development and rehabilitation, and on the basis thereof, prepare a river-specific plan of operation for the improvement, development and rehabilitation of environmentally degraded rivers;

e) Initiate funding arrangements with local and foreign donors, to finance priority development projects and provide direct funding of minor initiatives expected to create a positive impact on the environment in the projected area;

f) Develop information materials to ensure a high degree of environmental awareness in government agencies, organizations and the general public;

g) Make recommendations to the proper agencies offering financial support, technical and physical assistance about the level of priority to be accorded river systems development and rehabilitation projects;

h) Coordinate and integrate such projects or operations of local government, agencies, public corporations and, where clearly necessary and feasible, those of private entities, as will bear directly upon the plans and activities of the Authority so as to make

possible an intensive development and rehabilitation of the rivers, river systems and natural waterways in the country within the context of the master plan;

i) Set up a compact and well-trained staff for effective liaison and consultation or joint planning and implementation with government and private entities;

j) Make an annual report to the Secretary of the Interior and Local Government of its activities, including those done in collaboration with the various government and private entities engaged in the implementation of the projects and programs, which shall include, among others, a comparison of the development and rehabilitation targets as set for the year ending and the extent to which actual accomplishments measure up to such targets, and the appropriate administrative and legislative recommendations.

SEC. 3. The Authority shall have a Board Directors composed of eleven (11) members as follows:

- a. City or municipal council majority floor leader, as Chairman;
- b. City or municipal council minority floor leader;
- c. Chairman of the city or municipal council Committee on Public Works;
- d. Chairman of the city or municipal council Committee on Appropriations;
- e. City or municipal engineer;
- f. City or municipal and development officer;
- g. City or municipal administrator;
- h. DENR representatives; and
- i. Three (3) members representing the private sector to be appointed by the city or municipal mayor.

No member of the Board shall, during his term, be financially interested, directly or indirectly, in any contract entered into by the Authority or in any special privileges granted by the Authority. All contracts entered into in violation of this provision shall be null and void.

SEC. 4. The Board shall exercise the following powers and functions:

a) Formulate, prescribe, amend and repeal rules and regulations to govern the conduct of operation of the Authority;

b) Appoint the necessary staff of the Authority and to fix their compensation in accordance with the existing laws;

c) Suspend, remove or otherwise discipline for just cause any staff member appointed by the Board;

d) Recommend the annual and supplemental budgets of the Authority;

e) Render annual reports to the Secretary of the Interior and Local Government and to the city or municipal mayor and such special reports as may be requested; and

f) Do such other acts and perform and such other functions as may be necessary to carry out the provisions of this Act.

SEC. 5. The Secretary of the Interior and Local Government shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 6. The amount necessary for the implementation of this Act shall be charged to the appropriations of the Department of Interior and Local Government. Thereafter, such sum as

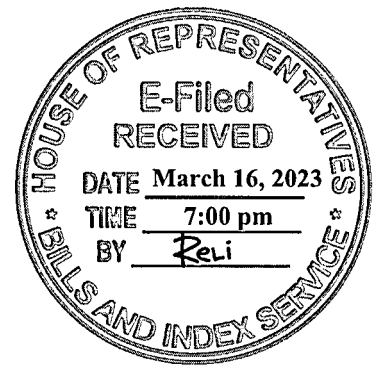
may be necessary for its continued operation shall be included in the annual General Appropriations Act.

SEC. 7. All laws, decrees, orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 8. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,

NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 7672

EXPLANATORY NOTE

In 1988, the Philippine government launched an agrarian reform program under Republic Act No. 6657 or the Comprehensive Agrarian Reform Law of 1988. 27 years after, it seems that the goals set out by RA 6657 have yet to be fully met and a significant majority of Filipino farmers have yet to own the land that they have been tilling. Philippine Center for Investigative Journalism (PCIJ) reports that one in every three farmers is very deep in poverty.

Similar to the Federal Land Development Authority (FELDA) of Malaysia, the Philippines can establish our own Land Development Authority (LDA) aimed at the development of land and relocation with the objective of poverty eradication through the cultivation of various cash crops. The LDA can carry out projects of land development and agricultural activities, industrial and commercial social economy. It will handle the resettlement of rural poor into newly developed areas and to organize smallholder farms growing cash crops.

In the case of Malaysia, settlers were drawn from rural Malay poor aged between 21 and 50 years, married, and physically fit. Priority was given to those who did not own any land to farm. New settlers were assigned to a particular settlement, and were given 10 acres - 14 acres of land to cultivate and all settlers were required to reside at the settlement itself, and were allotted .25 acres in a planned village, where their home — already built— was located. The Malaysian government set up a 3-phase plan, where in the first phase, the co-operative remained as a mechanism for the settlers to learn how to farm. In the second phase, each settler was given a specific plot of land to work, and in the third phase, he was given the land title to that plot. However, the settler was forbidden from selling the land without permission from the federal government.

Over a period of time, the standard of living and economic status of the settlers have been raised above poverty levels and now reaches an average of RM3,000/year per household. With this elevated socio-economic status, settlers are now trained to run their schemes to ensure economic sustainability and continued success.

The Philippines can enact a similar measure or program which will help alleviate poverty and increase the standard of living and economic status of our rural poor.

In view of the foregoing, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ

NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 7672

AN ACT
ESTABLISHING A LAND DEVELOPMENT AUTHORITY, APPROPRIATING FUNDS
THEREFORE AND FOR OTHER PURPOSES

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

SECTION 1. There is hereby created a Land Development Authority (LDA) tasked to develop land with the objective of poverty eradication through the cultivation of various cash crops.

SEC 2. Duties of the Land Development Authority – The LDA shall have the following duties:

- (a) to undertake and carry out land development projects;
- (b) to promote and assist in the investigation, formulation and implementation of projects for development, settlement and management of land;
- (c) to promote, stimulate, facilitate and undertake economic, social, residential, agricultural, industrial and commercial development and management and other ancillary activities and services in any area for which the LDA has been vested with the power to carry out land development projects or any other area which has been acquired, purchased, leased by or alienated to or is otherwise held or enjoyed by the LDA;
- (d) to undertake and carry out such activities as may assist in the modernization of the agricultural sector in the area mentioned under paragraph (c) and in particular activities relating to the production, utilization, processing and marketing of crops, livestock and fresh water fisheries; and
- (e) to assist, guide, advise, manage, administer and coordinate economic, social, residential, agricultural, industrial and commercial activities whether within or outside the area mentioned under paragraph (c).

SEC 3. Powers of the LDA – The LDA shall have the power to carry out activities which are not contrary to law and the Constitution, necessary for the discharge of its duties under subsection SEC 2, including but not limited to:

- (a) to carry on all activities which are required, advantageous or convenient for or in connection with the discharge of its said duties including the provision of infrastructure and social amenities and other ancillary services;
- (b) with the approval of the President, to enter into a partnership, joint venture, undertaking, co-operation in any manner, an arrangement for the sharing of profits or to carry on such activities in association or otherwise, with any person, public authority, corporation, company or other body carrying on or engaging in any such activities and to take or otherwise acquire shares and securities of any such public authority, corporation, company or other body, and to sell, hold on, reissue with or without guarantee, such shares and securities or otherwise dispose of or deal with them;
- (c) to make loans, subject to such conditions as the LDA may think fit, in accordance with this Act;
- (d) to do anything and to enter into any transaction which in its opinion is calculated to facilitate the proper discharge of its functions or is incidental or conducive thereto.

SEC 4. The Land Development Fund – There is hereby established a Land Development Fund where all advances, whether by way of grant, loan or otherwise, made under this Act, shall be made out and shall be administered and controlled by the LDA. Authority into which shall be paid—

SEC 5. The Land Development Fund shall be used to pay out:

- (a) such capital sums as may be provided from time to time for the purposes of the LDA;
- (b) such capital sums as may be allocated from time to time to the LDA;
- (c) sums borrowed by the LDA for the purpose of meeting any of its obligations or discharging any of its duties;
- (d) any property, investments, mortgages, charges or debentures acquired by or vested in the LDA; and
- (e) all other capital assets which may in any manner become payable to or vested in the LDA in respect of any matter incidental to its powers and duties;

SEC 6. Duty to Conserve Fund - It shall be the duty of the LDA to conserve the Fund by so exercising and performing its functions and duties under this Act as to secure that the total revenues of the LDA are sufficient to meet all sums properly chargeable thereto.

SEC 7. Investment of Funds — The funds of the LDA which are not needed to meet the current obligations may be invested under such terms and conditions and rules and regulations as may be prescribed by the LDA: Provided, That investments shall satisfy the requirements of liquidity, safety/security and yield in order to ensure the actuarial solvency of the funds of the LDA: Provided, further, That the LDA shall submit an annual report on all investments made to both Houses of Congress of the Philippines, to wit:

- a) in interest-bearing bonds or securities or other evidence of indebtedness of the Government of the Philippines;
- b) In interest-bearing deposits or securities in any domestic bank doing business in the Philippines: Provided, That in the case of such deposits, these shall not exceed at any time the unimpaired capital and surplus or total private deposits of the depository bank, whichever is smaller: Provided, further, That said bank has prior designation as a depository for the purpose by the Monetary Board of the Central Monetary Authority;
- c) in direct housing loans to members and group housing projects secured by first mortgage, giving priority to the low income groups and in short-and-medium-term loans to members such as salary, policy, educational, emergency, stock purchase plan and other similar loans: Provided, That no less than forty percent (40%) of the investable fund of the LDA shall be invested for these purposes;
- d) in bonds, securities, promissory notes or other evidence of indebtedness of educational or medical institutions to finance the construction, improvement and maintenance of schools and hospitals;
- e) in real estate property including shares of stocks involving real estate property and investments secured by first mortgages on real estate or other collaterals acceptable to the LDA: Provided, That such investments shall, in the determination of the LDA, redound to the benefit of the LDA;
- f) In debt instruments and other securities traded in the secondary markets;
- g) In loans to, or in bonds, debentures, promissory notes or other evidence of indebtedness of any solvent corporation created or existing under the laws of the Philippines;
- h) In common and preferred stocks of any solvent corporation or financial institution created or existing under the laws of the Philippines listed in the stock exchange with proven track record or profitability over the last three (3) years and payment of dividends at least once over the same period;
- i) In domestic mutual funds including investments related to the operations of mutual funds; and

- j) In foreign mutual funds and in foreign currency deposits or foreign currency-denominated debts, non-speculative equities and other financial instruments or other assets issued in accordance with existing laws of the countries where such financial instruments are issued: Provided, That these instruments or assets are listed in bourses of the respective countries where these instruments or assets are issued: Provided, further, That the issuing company has proven track record of profitability over the last three (3) years and payment of dividends at least once over the same period.

SEC 8. The LDA may from the fund and its other resources:

- (a) pay any expenses lawfully incurred by the LDA, including survey, legal and other fees and costs, and the remuneration of agents, technical advisers, officers or servants appointed or employed by the Authority, including travelling expenses, subsistence allowances and contributions to any provident fund established by the LDA under this Act;
- (b) pay any other expenses, costs or expenditure properly incurred or accepted by the LDA in the execution of its duty or in the discharge of its functions under this Act;
- (c) purchase or hire plant, equipment, machinery, stores and any other materials and pay the cost of the acquisition of any land and the erection of any buildings and the carrying out of any works and undertakings in the execution of its duty or in the discharge of its functions under this Act;
- (d) repay any moneys borrowed under this Act and the interest due thereon or set apart any sum required to be transferred to a sinking fund for the purpose of making provision for the repayment of such moneys and the interest thereon.

SEC 9. The LDA shall keep or shall cause to be kept proper accounts and other records in respect of its operations and shall cause to be prepared statements of account in respect of each financial year.

The accounts of the LDA shall be audited annually by the Commission on Audit.

After the end of each financial year, as soon as the accounts of the LDA shall have been audited, the LDA shall cause copies of the statements of account to be transmitted to the President of the Republic of the Philippines and both Houses of Congress.

SEC 10. The LDA shall be composed of a Chairman and 4 members who shall be appointed by the President and who shall continue to hold office at the discretion of the appointing authority. The Chairman shall be vested with rank, rights, privileges, disqualifications, and prohibitions of a cabinet member while the members shall have be vested with rank, rights, privileges, disqualifications, and prohibitions of an Undersecretary.

SEC 11. The Chairman and the members shall be assisted by a general manager, an assistant general manager for finance and administration, an assistant general manager for planning and assistant general manager for operations, all of whom shall be appointed by the President with the consent and concurrence of the majority of the LDA, subject to civil service laws, rules and regulations. They will enjoy security of tenure and may be removed for cause in accordance with law.

SEC 12. Powers and Functions of the Chairman – The Chairman shall:

- (a) Appoint, subject to civil service laws, rules and regulations, all subordinate officers and employees, who shall enjoy security of tenure and may be removed only for cause in accordance with law. The chairman is hereby authorized to engage the services of experts/consultants either on full time or part-time basis, as may be required in the performance of his functions and duties as may be determined by him;
- (b) Execute the policies and measures approved by the LDA and be responsible for the efficient and effective day-to-day management of the operations of the LDA;
- (c) Prepare the annual budget for the operations of the LDA;
- (d) Submit for consideration of the President of the Philippines such other duties and measures as he may deemed necessary to carry out the purposes and provisions of this Act;

(e) Subject to the guidelines and policies set by the Civil Service Commission and the Department of Budget and Management, fix the staffing pattern and the number of subordinate officials and employees of the LDA and exercise the power to discipline subordinate officials and employees under the provisions of law;

(f) Prepare an annual report on the accomplishments of the LDA at the close of each calendar year for submission to the President of the Philippines and both Houses of Congress; and

(g) Perform such other duties as may be assigned to him by the President.

SEC 13. Implementing Rules and Regulations (IRR). – The Office of the President, in coordination with other concerned government agencies, shall promulgate rules and regulations to implement the intent and provisions of this Act within one hundred twenty (120) days from the effectivity of this Act. Such rules and regulations shall take effect fifteen (15) days following its publication in a newspaper of general circulation in the Philippines.

SEC 14. Separability Clause. – The provisions of this Act are hereby declared to be separable and, in the event any of such provisions is declared unconstitutional, the other provisions which are not affected thereby, shall remain in force and effect.

SEC 15. Repealing Clause. – All laws, executive orders, presidential decrees, proclamations, rules, regulations, issuances and enactments of parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC 16. Effectivity. – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in a newspaper of general circulation, whichever is earlier.

Approved,

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
NINETEENTH CONGRESS
First Regular Session

House Bill No. 8299



Introduced by **Representative Eduardo Roa Rama, Jr.**

EXPLANATORY NOTE

In a 2021 statistical report, around 52.32% of Filipinos live in rural areas; most of them poor and accounts for the 13.2% of the latest poverty rate of the Philippines as of March 2023. The incidence of poverty is much higher among rural inhabitant compared to urban residents. Agriculture is the primary, if not the only, source of income for poor Filipinos living in rural areas. These people mainly rely on sustenance farming and fishing for their livelihood. Those who earn from farming or fishing earn very little in the process, as most famers do not own the land they till and fisherfolk do not have the proper facilities for sustainable fishing. It is a fact that the agriculture sector is one of the most fragile of systems, as it is affected by natural calamities all year round. Farmers and fisherfolk remain vulnerable during these catastrophes as they may not have sufficient knowledge or infrastructure to cope with the ever-increasing severity of the calamities that has happened in the country.

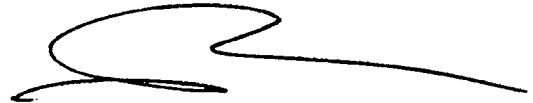
Based on the Philippine Statistics Authority report in 2021, the agriculture industry contributes to a 10.2% share in the Philippines' Gross Domestic Product, yet this industry is behind on development and modernization programs offered by the government.

Thus, this bill seeks to establish a legal framework and mechanisms for the administration and management of the Special Agricultural Growth Zones (SAGZ) and assist in the preservation of natural resources and biodiversity. It also seeks to guarantee the security of ownership, tenure and income of all farmer-landowners, especially agrarian reform beneficiaries and ensure that all agricultural, commercial, and industrial arrangements between farmer-landowners, farm workers and private investors are mutually beneficial.

Ultimately, this bill will modernize the agriculture sector by transforming the special agricultural growth zones into highly developed agro-industrial, commercial,

investment, and financial center, where highly trained workers and efficient services will be available to agribusiness and agriculture-related enterprises. In effect, it will promote the flow of investors, both foreign and local, into special agricultural growth zones which would generate employment opportunities and establish backward and forward linkage among industries in and around the agricultural growth zones.

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

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EDUARDO ROA RAMA, JR.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila
NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 8299

Introduced by **Representative Eduardo Roa Rama, Jr.**

AN ACT
PROVIDING FOR THE LEGAL FRAMEWORK AND MECHANISMS
FOR THE CREATION, OPERATION, ADMINISTRATION, AND
COORDINATION OF SPECIAL AGRICULTURAL GROWTH ZONES
IN THE PHILIPPINES, CREATING FOR THIS PURPOSE, THE
PHILIPPINE AGRICULTURAL GROWTH ZONE AUTHORITY, AND
FOR OTHER PURPOSES

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

1 **Section 1. Short Title.** – This Act shall be known as the “Philippine
2 Agricultural Growth Zone Act of 2022.”

3 **Section 2. Declaration of Policy.** – It is the policy of the State to ensure
4 that all sectors of the economy and all regions of the country shall be given optimum
5 opportunity to maximize agricultural productivity, promote efficiency and equity and
6 accelerate the modernization of the agriculture and fisheries sector of the country,
7 by establishing, among other, special agricultural growth zone in selected areas in
8 the countryside, with the active participation of the private sector as mandated by
9 the 1987 Constitution, namely:

10 “The State recognizes the indispensable role of the private sector, encourages
11 private enterprise, and provides incentives to needed investments.” (Section
12 20, Article II)

13 “The State shall provide incentives to landowners to invest the proceeds of
14 the agrarian reform program to promote industrialization, employment,
15 creation, and privatization of public sector enterprises. Financial instruments
16 used as payment for their lands shall be honored as equity in enterprises of
17 their choice.” (Section 8, Article XIII)

1 Toward this end, the private sector shall play a major role in the establishment
2 of special agricultural growth zones by establishing and developing such areas to
3 spur agricultural development and enhance the productivity of agricultural lands
4 awarded under the agrarian reform program.

5 The State shall promote industrialization and full employment based on
6 sound agricultural development and agrarian reform, through industries that make
7 full and efficient use of human and natural resources, and which are competitive in
8 both domestic and foreign markets.

9 **Section 3. Purposes, Intents and Objectives.** – it shall be the purpose,
10 intent, and objective of this Act:

- 11 (a) To establish the legal framework and mechanisms for the integration,
12 coordination, planning, monitoring, and managing of special agricultural
13 growth zones, and the preservation of natural resources and biodiversity;
- 14 (b) To guarantee the security of ownership, tenure and income of all farmer-
15 landowners, especially agrarian reform beneficiaries and ensure that all
16 agricultural, commercial, and industrial arrangements between farmer-
17 landowners, farm workers and private investors are mutually beneficial;
- 18 (c) To modernize the agriculture sector by transforming the special agricultural
19 growth zones into highly developed agro-industrial, commercial, investment,
20 and financial center, where highly trained workers and efficient services will
21 be available to agribusiness and agriculture-related enterprises;
- 22 (d) To promote the flow of investors, both foreign and local, into special
23 agricultural growth zones which would generate employment opportunities
24 and establish backward and forward linkage among industries in and around
25 the agricultural growth zones;
- 26 (e) To promote financial and industrial cooperation between the Philippines and
27 industrialized countries through technology-intensive industries that will
28 modernize the country's agricultural sector and improve productivity levels
29 by utilizing new technological and managerial know-how;
- 30 (f) To promote people empowerment by strengthening people's organizations,
31 cooperatives, and NGOs and by establishing and improving mechanisms and
32 processes for their participation in government decision-making and
33 implementation;

- 1 (g) To open opportunities for people working in the agricultural sector helping
2 gain access to modern and developing technologies needed for sustainable
3 agriculture and enable them to have a competitive advantage in the market.

4 **Section 4. Definition of Terms.** – For purposes of this Act, the following
5 terms are hereunder defined:

- 6 (a) **Agrarian Reforms Lands** refer to lands awarded under Presidential Decree
7 No. 27 and Republic Act No. 6657, and subsequent laws on the matter;

- 8 (b) **Agribusiness Enterprises Arrangement (AEA)** refers to the
9 entrepreneurial collaboration between farmer-landowners and private
10 investors in the implementation of an agriculturally-related business venture
11 involving agricultural lands including agrarian reform lands distributed under
12 the Comprehensive Agrarian Reform Program (CARP) and other agrarian
13 reform laws;

- 14 (c) **Agricultural Lands** refers to lands devoted to or suitable for the cultivation
15 of the soil, planting of crops, growing of trees, raising of livestock, poultry,
16 fish, or aquacultural production, including the harvesting of such farm
17 products, and other farm activities and practices performed in conjunction
18 with such farming operations by persons whether natural or juridical and not
19 classified by law as mineral land, forest land, residential land, commercial land,
20 or industrial land;

- 21 (d) **Build-Operate-Transfer Scheme** refers to an agribusiness enterprise
22 arrangement where the investor builds, rehabilitates or upgrades, at his own
23 cost, capital assets, infrastructure and facilities applied to the production,
24 processing and marketing of agricultural products and operates the same for
25 a fixed period after which ownership thereof is conveyed to the farmer-
26 landowners;

- 27 (e) **Competitive Advantage** refers to competitive edge in terms of product
28 quality and/or price. It likewise refers to the ability to produce a product with
29 the greatest relative efficiency in the use of resources;

- 30 (f) **Contract Growing Scheme** refers to agribusiness enterprise arrangement
31 where the investor provides farm inputs and technology at reasonable cost in
32 exchange for the farmer-landowner's commitment to produce certain crops
33 at pre-arranged agreement involving volume, quality standards, selling price,
34 delivery and other terms and conditions;

- 35 (g) **Equity** refers to the value of the shares subscribed to and paid for by each
36 party in relation to the authorized capital stock of a joint venture corporation;

- 1 (h) **Growership Scheme** refers to an agribusiness enterprise arrangement where
2 the investor supplies all the inputs and required technology for the production
3 of certain crops, with no cost to the farmer-landowner, in exchange for the
4 latter's commitment to produce particular crops at pre-arranged agreement
5 involving volume, quality standards, growership fee, delivery and other terms
6 and conditions;
- 7 (i) **Investors** refer to the private individuals, corporations, non-government
8 organization, farmer cooperatives/associations, government owned and/or
9 controlled corporations or any entity duly authorized by law, that are willing
10 and able to contribute their capital, equipment and facilities, technology,
11 and/or management services in an agricultural enterprise scheme;
- 12 (j) **Joint Venture Agreement Scheme** refers to an agribusiness enterprise
13 arrangement where the farmer-landowners and investors form a joint venture
14 corporation (JVC) for the purpose of managing farm operations;
- 15 (k) **Lease Agreement Scheme** refers to an agribusiness enterprise arrangement
16 where the farmer-landowners bind themselves to give the investor general
17 control over the use and management of the land for a certain amount and
18 for a definite period;
- 19 (l) **Management Contract Scheme** refers to an agribusiness enterprise
20 arrangement where the farmer-landowner contract the services of an
21 individual, partnership or corporation in order to assist in the management
22 and operation of the farm in exchange for a fixed wage or commission;
- 23 (m) **Marketing Agreement Scheme** refers to an agribusiness enterprise
24 agreement where farmer-landowners engage the investor to promote their
25 produce in exchange for commission on actual sales;
- 26 (n) **Service Contract Scheme** refers to an agribusiness enterprise arrangement
27 where the farmer-owners engage the services of a contractor for mechanized
28 land preparation, cultivation, harvesting, processing, post-harvest operations
29 and/or other farm activities for a fee;
- 30 (o) **Special Agricultural Growth Zones (SAGZ)** refers to adjoining or adjacent
31 parcels of agricultural land with a minimum total areas of fifty (50) hectares
32 for the synchronized production of a particular crop, such as but not limited
33 to rice, corn, sugarcane, coconut, and high value commercial crops, utilizing
34 agricultural mechanization technology. Physical infrastructure includes the
35 overall design layout of the area (e.g., post-harvest facilities, etc.) while
36 institutional infrastructure consist of the commercial, financial, and social

1 support services necessary for the operationalization of contiguous farming
2 and other agribusiness and agro-industrial schemes;

3 (p) **Takeover** refers to an act of the investor in controlling the operation of the
4 farm and/or assuming any of the responsibilities of the farmer-landowners in
5 an agribusiness enterprise scheme; and

6 (q) **Transfer** refers to the conveyance of the use and possession of agricultural
7 lands from one person or entity to another.

8 **Section 5. Establishment of Special Agricultural Growth Zones. –**

9 Special agricultural growth zones shall be established in a proclamation to be issued
10 by the President of the Philippines subject to the evaluation and recommendation
11 of the Secretary of Agriculture and in consultation with the local government units,
12 appropriate government agencies, concerned non-government organizations
13 (NGOs) and organized farmer groups.

14 Special agricultural growth zones shall be identified on the basis of the
15 following criteria:

16 (a) Agro-climatic and environmental conditions giving the area a competitive
17 advantage in the cultivation, culture, production and processing of particular
18 crops, animals, and aquatic products;

19 (b) Strategic location of the area for the establishment of agriculture and/or
20 fisheries infrastructure, industrial complexes, production, and processing
21 zones;

22 (c) Strategic location of the area for market development and market networking
23 both at the local and international levels; and

24 (d) Dominant presence of agrarian reform communities (ARCs) and/or small
25 owner-cultivators and amortizing owners/agrarian reform beneficiaries and
26 other small farmers and fisherfolk in the area.

27 The metes and bounds of each special agricultural growth zone are to be
28 delineated and more particularly described in a proclamation to be issued by the
29 President of the Philippines, upon the recommendation of the Philippine
30 Agricultural Zone Authority (PAZA), which shall be established under this Act, in
31 coordination with the municipal and/or city council, National Land Use
32 Coordinating Committee and/or the Regional Land Use Committee.

1 **Section 6. Criteria for the Establishment of Special Agricultural Growth**
2 **Zones.** – The establishment of special agricultural growth zones shall be subject to
3 the evaluation and recommendation of the PAZA, based on a detailed feasibility and
4 engineering study which must confirm to the following criteria:

5 (a) The proposed area must be identified as an agricultural growth center with
6 existing or having the potential for growing high-value agro-industrial crops
7 in the Medium-Term Philippine Development Plan or by the Regional
8 Development Council;

9 (b) The accessibility in the proposed special agricultural growth zones, such as
10 roads, railways, telephones, ports, airports and other required transportation
11 infrastructure, and the suitability and capacity of the proposed site to absorb
12 such improvements;

13 (c) The availability of water source and electric power supply for use of the
14 special agricultural growth zones;

15 (d) The extend of vacant lands available for industrial and commercial
16 development and future expansion of the special agricultural growth zones as
17 well as of adjacent lands available for development of residential areas for the
18 workers;

19 (e) The availability of skilled, semi-skilled and non-skilled trainable labor force in
20 and around the special agricultural growth zones;

21 (f) The area must have a significant competitive advantage over the existing
22 agricultural lands and its potential profitability can be established;

23 (g) The area must be strategically located; and

24 (h) The area must be situated where control can easily be established to curtail
25 smuggling activities.

26 Other areas which do not meet the foregoing criteria may be established as
27 special agricultural growth zones, *Provided*, that the said area shall be developed only
28 through local government and/or private sector initiative under any of the schemes
29 allowed in this Act, and without any financial exposure on the part of the national
30 government: *Provided, further*, that the area can be easily secured to curtail smuggling
31 activities: *Provided, finally*, that are five (5) years the area must have attained a
32 substantial degree of development, the indicators of which shall be formulated by
33 the PAZA.

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Chapter II
GOVERNING STRUCTURE

3 **Section 7. Creation of the Philippine Agricultural Zone Authority.** –
4 There is hereby created a body corporate to be known as the Philippine Agricultural
5 Zone Authority (PAZA) attached to the Department of Agriculture.

6 **Section 8. General Powers and Functions of the Authority.** – The
7 Philippine Agricultural Zone Authority shall have the following powers and
8 functions:

9 (a) To operate, administer, manage, and develop special agricultural growth
10 zones according to the principles and provisions set forth in this Act;

11 (b) To register, regulate and supervise the enterprises located in special
12 agricultural growth zones in an efficient and decentralized manner;

13 (c) To coordinate with local government units and exercise general supervision
14 over the development, plans, activities, and operations of special agricultural
15 growth zones;

16 (d) In coordination with local government units concerned and appropriate
17 agencies, to construct, acquire, own, lease, operate and maintain on its own
18 or through contract, franchise, license, bulk purchase from the private sector
19 and build-operate-transfer scheme or joint venture, adequate facilities and
20 infrastructure, such as light and power systems, water supply and distribution
21 systems, telecommunication and transportation, buildings, structures,
22 warehouse, roads, bridges, port and other facilities for the operation and
23 development of special agricultural growth zones;

24 (e) To create, operate and/or contract to operate such agencies and functional
25 units or offices of the authority as it may deem necessary;

26 (f) To adopt, alter and use a corporate seal; make contracts, lease, own or
27 otherwise dispose of personal or real property; sue and be sued; and otherwise
28 carry out its duties and functions as provided for in this Act;

29 (g) To coordinate the formulation and preparation of the development plans of
30 the different entities mentioned above;

31 (h) To coordinate with the Department of Agriculture (DA), Department of
32 Agrarian Reform (DAR), Department of Environment and Natural
33 Resources (DENR), National Economic Development Authority (NEDA),
34 the Department of Trade and Industry (DTI), the Department of Science and

1 Technology (DOST), and the local government units and appropriate
2 government agencies for policy and program formulation and
3 implementation; and

- 4 (i) To monitor and evaluate the development and requirements of special
5 agricultural growth zones and recommend to the local government units or
6 other appropriate authorities the location, incentives, basic services, utilities,
7 and infrastructure required or to be made available for said entities.

8 **Section 9. Board of Directors.** – The overall directions and thrusts of PAZA
9 shall be provided and approved, unless provided otherwise in this Act, by its Board
10 of Directors, hereinafter referred to as the Board.

11 The Board shall be composed of fifteen (15) members as follows:

- 12 (a) Secretary of the Department of Agriculture as Chairman;
13 (b) Director-general of the Philippine Agricultural Zone Authority as Vice-
14 Chairman;
15 (c) Undersecretary of the Department of Agrarian Reform;
16 (d) Undersecretary of the Department of Finance;
17 (e) Undersecretary of the Department of Labor and Employment;
18 (f) Undersecretary of the Department of Interior and Local Government;
19 (g) Undersecretary of Department of Environment and Natural Resources;
20 (h) Undersecretary of Department of Public Works and Highways;
21 (i) Undersecretary of Department of Science and Technology;
22 (j) Undersecretary of Department of Energy;
23 (k) Three (3) Deputy Directors-General of the Philippine Agricultural Zone
24 Authority;
25 (l) Two (2) Private Sector Representatives to be appointed by the President,
26 upon the recommendation of the Board comprising of one (1) representative
27 each from the:
28 1. Farmer and farm worker sector
29 2. Investors and business sector

30 The term of the two (2) representative from the private sector shall be six (6)
31 years: Provided, however, that they shall continue to hold office until their
32 successors shall have been appointed. All vacancies, prior to the expiration of the
33 term, shall be filed for the unexpired term only.

34 In case of the unavailability of the Secretary of the Department of Agriculture
35 to attend a particular board meeting, the Director General of PAZA shall act as
36 Chairman.

1 Members of the Board shall receive a per diem of not less than the amount
2 equivalent to the representation and transportation allowances of the members of
3 the Board and/or as may be determined by the Department of Budget and
4 Management: Provided, however, that per diems collected per month does not
5 exceed the equivalent of four (4) meetings.

6 **Section 10. Function and Power of the PAZA Board.** – The PAZA Board
7 of Directors shall have the following functions and powers:

8 (a) Set the general policies on the establishment and operations of special
9 agricultural growth zones, agro-industrial estates, export processing zones,
10 free trade zones, and the like;

11 (b) Review proposals for the establishment of special agricultural growth
12 zones based on the set criteria provided for in this Act and endorse to the
13 President the establishment of special agricultural growth zone.
14 Thereafter, it shall facilitate and assist in the organization of said entities;

15 (c) Regulate and undertake the establishment, operation and maintenance of
16 utilities, other services and infrastructure in the special agricultural growth
17 zones, such as heat, light and power, water supply, telecommunication,
18 transport, toll roads and bridges, port services, and the like and to fix just,
19 reasonable and competitive rates, charges and fees therefore;

20 (d) Approve the annual budget of the Philippine Agricultural Zone Authority
21 and the development plans for special agricultural growth zones;

22 (e) Issue rules and regulations to implement the provisions of this Act in so
23 far as its power and functions are concerned;

24 (f) Exercise its powers and functions as provided for in this Act; and

25 (g) Render annual reports to the President and the Congress.

26 **Section 11. Director-General.** – The Philippine Agricultural Zone Authority
27 shall be headed by Director-General with the rank of Undersecretary to be
28 appointed by the President of the Philippines. He or she shall serve a term of six (6)
29 years from the date of his or her appointment unless removed for cause. Provided,
30 That no person shall be appointed as Chairperson unless he or she is a Filipino
31 citizen, of good moral character, of proven probity and integrity and a holder of a
32 degree in any of the following fields: agriculture, economics, business, public
33 administration, law management or their equivalent and have at least five (5) years
34 relevant experience preferably in the field of agriculture, economics, business, public
35 administration, law, management or their equivalent, and with at least ten (10) years

1 relevant working experience preferably in the field of agriculture, management or
2 public administration.

3 The Director-General shall be assisted by three Deputy Directors-General,
4 each for policy and planning, administration, and operation, who shall be appointed
5 by the PAZA Board upon the recommendation of the Director-General. The
6 Deputy-General and shall have the same qualifications as the Director-General and
7 shall perform such duties and function as may be assigned by the Director-general
8 or as provided for by law.

9 **Section 12. Powers and Functions of the Director-General.** – the
10 Director-General shall act as chief executive officer and the overall coordinator of
11 the policies, plans and programs of special agricultural growth zones. As such, he or
12 she shall provide overall supervision over and general direction to the development
13 and operations of these special agricultural growth zones. He or she shall determine
14 the structure and the staffing pattern and personnel complement of the PAZA and
15 establish regional offices, when necessary, subject to the approval of the PAZA
16 Board.

17 In addition, he or she shall have the following specific powers and
18 responsibilities:

- 19 (a) To safeguard all the agricultural lands, buildings, records, monies, credits
20 and other properties and rights of special agricultural growth zones;
- 21 (b) To ensure that all revenues of special agricultural growth zones are
22 collected and applied in accordance with its budget;
- 23 (c) To ensure that the investors/firms and employees of special agricultural
24 growth zones are properly discharging their respective duties;
- 25 (d) To give such information and recommend such measures to the Board, as
26 he shall deem advantageous to special agricultural growth zones;
- 27 (e) To submit to the Board, the ongoing and proposed projects, work and
28 financial program, annual budget of receipts, and expenditures of special
29 agricultural growth zones;
- 30 (f) To represent special agricultural growth zones in all its business matters
31 and sign on its behalf after approval of the Board, all its bonds,
32 borrowings, contracts, agreements, and obligations made in accordance
33 with this Act;

- 1 (g) To acquire jurisdiction, as he may deem proper, over the protests,
2 complaints, and claims of the residents and enterprises in special
3 agricultural growth zones concerning administrative matters;
- 4 (h) To recommend to the Board the grant, approval, refusal, amendment or
5 termination of special agricultural growth zone franchises, licensers,
6 permits, contracts, and agreement in accordance with the policies set by
7 the Board;
- 8 (i) To require owners of houses, buildings or other structures constructed
9 without the necessary permit whether constructed on public or private
10 lands, to remove or demolish such houses, buildings, structures with sixty
11 (60) days after notice and upon failure of such owner to remove or
12 demolish such house, building our structure with said period, the Director-
13 General or his authorized representative may summarily cause its removal
14 or demolition at the expense of the owner, any existing law, decree,
15 executive order and other issuances or part thereof to the contrary
16 notwithstanding;
- 17 (j) To take such emergency measures as may be necessary to avoid fires,
18 floods and mitigate the effects of storms and other natural or public
19 calamities;
- 20 (k) To prepare and make out plans for the physical and economic
21 development of special agricultural growth zones, including zoning and
22 land subdivision, and issue such rules and regulations which shall be
23 submitted to the Board for its approval; and
- 24 (l) To perform such other duties and exercise such powers as may be
25 prescribed by the Board, and to implement the policies, rules and
26 regulations set by the PAZA.

27 **Section 13. Administration of Each Special Agricultural Growth Zone.**
28 – Except for privately-owned, managed or operated special agricultural growth
29 zones, each special agricultural growth zone shall be organized, administered,
30 managed, and operated by an Administrator with the assistance of one (1) Deputy
31 Administrator, both to be appoint by the Board upon recommendation of the
32 Director-General.

33 There shall be, for each special agricultural growth zone, an advisory
34 committee to be composed of:

- 35 (a) Local chief executive of the city or municipalities where the special
36 agricultural growth zone is located;

- 1 (b) Member representing the investors located in the special agricultural
2 growth zone;
- 3 (c) Member representing the farmer-landowners in the special agricultural
4 growth zones;
- 5 (d) Member representing the business sector in the periphery of the special
6 agricultural growth zone; and
- 7 (e) The PAZA-designated representative.

8 The advisory committee shall advise the special agricultural growth zone
9 management on matters pertaining to policy initiatives; and assist in settling
10 problems arising between labor and any enterprise in the special agricultural growth
11 zones.

12 Privately-owned special agricultural growth zones shall retain autonomy and
13 independence but shall be monitored by the PAZA for the implementation of
14 incentives and operations for adherence to the law.

15 **Section 14. Personnel.** – The PAZA Board of Directors shall provide for an
16 organization and staff of officers and employees of the PAZA, and upon
17 recommendation of the Director-General, appoint and fix the remunerations and
18 other emoluments: Provided, that the Board shall have exclusive and final authority
19 to promote, transfer, assign and reassign officers of the PAZA, any provision of
20 existing law to the contrary notwithstanding: Provided, further, that the Director-
21 General may carry out removal of such offices and employees.

22 All positions in the PAZA shall be governed by a compensation, position
23 classification system and qualification standards approved by the Director-General
24 with the concurrence of the Board of Director based on a comprehensive job
25 analysis and audit of actual duties and responsibilities. The compensation plan shall
26 be comparable with the prevailing compensation plans in the private sector and
27 shall be subject to the periodic review by the Board no more than once every two
28 (2) years without prejudice to yearly merit reviews or increases based on
29 productivity and profitability. The PAZA shall therefore be exempt from existing
30 laws, rules and regulations on compensation, position classification, and
31 qualification standards.

32 All officials and employees of the PAZA shall be selected and appointed on
33 the basis of merit and fitness in accordance with civil service law, rules, and
34 regulations. The recruitment, transfer, promotion, and dismissal of all its personnel
35 including temporary workers shall be governed by a merit system that will be
36 established by the PAZA in compliance with existing laws, rules, and regulations.

1 The PAZA officers and employees including all members of the Board shall
2 not engage directly or indirectly in partisan activities or take part in any election,
3 except to vote.

4 **Section 15. Investigation and Inquiries.** – upon a written formal complaint
5 made under oath, which on its face provides reasonable basis to believe that some
6 anomaly or irregularity might have been committed, the PAZA or the administrator
7 of the special agricultural growth zone concerned, shall have the power to inquire
8 into the conduct of it firms or employees and to conduct investigations, and for
9 that purpose may subpoena witnesses, administer oaths, and compel the
10 production of books, papers, and other pieces of evidences: Provided, that, the
11 investigator(s) may grant immunity from prosecution to any person whose
12 testimony or whose possessions of documents or other evidence is necessary or
13 convenient to determine the truth in any investigation conducted by him or under
14 the authority of the PAZA or the administrator of the special agricultural growth
15 zone concerned.

16 **Section 16. Prohibition Against Holding Any Other Office.** – The
17 Director-General, Deputy Director-General, administrators, officials and staff or
18 assistants of the PAZA shall not hold any other office or employment within or
19 outside the PAZA during their tenure. They shall not, during their tenure, directly
20 or indirectly, practice any profession, participate in any business, or be financially
21 interested in any contract with, or in any franchise, or special privilege granted by
22 the PAZA or the national government, or any subdivision, agency, or
23 instrumentality thereof, including any government-owned-controlled corporation,
24 or its subsidiary.

25 **Section 17. Disbursement of Funds.** – No money shall be paid out of the
26 funds of any special agricultural growth zone except in pursuance of the budget as
27 formulated and approved by the PAZA.

28 **Section 18. Full Disclosure of Financial and Business Interests.** –
29 Each member of the PAZA Board, the Director-General, Deputy Director-
30 General, administrators, and their staff shall, upon assumption of office, make
31 full disclosure of their financial and business interests.

32 **Chapter III**
33 **OPERATIONS WITHIN THE SPECIAL AGRICULTURAL ZONES**

34 **Section 19. Agricultural Development Strategy of Each Special**
35 **Agricultural Growth Zone.** – The development priorities and strategy of each
36 special agricultural growth zone established pursuant to this Act shall be formulated
37 by the PAZA, in coordination with the Department of Agriculture, the Department

1 of Agrarian Reform, the Department of Trade and Industry, the National
2 Economic Development Authority, and the local government units; Provided, that
3 such development strategy is consistent with the priorities of the national
4 government as outlined in the Medium-Term Philippine Development Plan.

5 The development priorities and strategy for each special agricultural growth
6 zone shall take into consideration five (5) major factors:

7 (a) Increased farm productivity and profitability through land clustering with a
8 minimum of fifty (50) hectares cluster for synchronized farming operations;

9 (b) Provision of required physical and institutional infrastructure and other
10 support services;

11 (c) Enhances farming techniques, farm development and business
12 competitiveness through the integration of contiguous farming and other
13 agribusiness enterprise arrangements;

14 (d) Availability of accessible agricultural credit and financing programs and
15 modern farming information, inputs, technology, and machinery; and

16 (e) Improved quality of life for farmers and farm worker by ensuring food
17 security, poverty alleviation, non-farm employment and social equity.

18 It shall be the policy of the government and the PAZA to encourage and
19 provide incentives and facilitate private sector participation in the construction and
20 operation of public utilities and infrastructure in the special agricultural growth
21 zones, using any of the schemes allowed in Republic Act No. 6957.

22 **Section 20. Market Competitiveness and Sustainability.** – The PAZA, in
23 coordination with the Department of Agriculture, the Department of Agrarian
24 Reform, the Department of Trade and Industry, the National Economic and
25 Development Authority, and the local government units shall formulate medium
26 and long-term plans aimed at enhancing the competitiveness and sustainability of
27 each special agricultural growth zone based on, but not limited to, the following
28 goals and indicators of development:

29 (a) Increase in the volume, quality, and value of agriculture production for
30 domestic consumption and for exports;

31 (b) Reduction in post-harvest losses;

32 (c) Increase in the number, types, and quality of processed agricultural products;

- 1 (d) Increase in the number of international trading partners in agriculture and
2 fishery products;
- 3 (e) Increase in the number of sustainable agriculture enterprises engaged in
4 domestic production, processing, marketing, and export activities;
- 5 (f) Increase in and wider level of entrepreneurship among farmers and
6 farmworkers in the area;
- 7 (g) Increase in the number of farms engaged in diversified farming; and
- 8 (h) Reduced use of agro-chemical that are harmful to health and the
9 environment.

10 **Section 21. Survey of Resources.** – Prior to the creation of each special
11 agricultural growth zone, the PAZA, in consultation with the Department of
12 Agrarian Reform, the Department of Trade and Industry, the Department of
13 Environment and Natural Resources, Department of Science and Technology, the
14 concerned local government unit and the organized farmers and farm worker
15 groups, the private sector and communities shall conduct a survey of the physical,
16 natural assets and potentialities of the area covered by the proposed special
17 agricultural growth zone.

18 **Section 22. Agribusiness Enterprise Arrangements.** – The PAZA shall
19 provide farmer-landowners within designated special agricultural growth zones, if
20 they deem it the most economically and socially beneficial option available to them,
21 the option to enter into any of the following agribusiness enterprise arrangements
22 with private investors and locators with proven competence in farm operations and
23 management, high-end quality production and productivity through the use of up-
24 to-date technology and collateral resources such as skilled manpower, adequate
25 capital and credit, and access to markets, consistent with the existing laws:

- 26 (a) Build-Operate-Transfer Scheme;
- 27 (b) Contract Growing Scheme;
- 28 (c) Growership Scheme;
- 29 (d) Joint Venture Agreement Scheme;
- 30 (e) Lease Agreement Scheme, provided that control over the agricultural and
31 shall always remain with the farmer-landowner;
- 32 (f) Marketing Scheme;
- 33 (g) Service Contract Scheme; and
- 34 (h) Any combination of the foregoing agribusiness enterprise arrangements
35 consistent with the provisions of this Act.

1 **Section 23. Contracting Parties and Their Qualifications.** – The parties
2 to an agribusiness enterprise arrangement shall possess the following qualifications:

3 (a) Individual farmer-landowners who are in possession of their land, including
4 agrarian reform beneficiaries who hold an Emancipation Patent (EP), or a
5 Certificate of Land Ownership Award (CLOA) or other tenurial instruments.
6 However, in no case shall potential ARBs be allowed to enter into an
7 agribusiness enterprise arrangement or any interim agreement prior to the
8 award of the tenurial instrument and the actual possession of the land;

9 (b) Organized farmer groups, including ARB cooperatives or associations, who
10 are the actual tillers shall have the legal personality to transact or enter into
11 any contract even if such entities or actual tillers are not registered with the
12 Cooperatives Development Authority (CDA) or the Securities and Exchange
13 Commission (SEC) as the case may be.

14 For ARB cooperatives or associations with CLOAs in the name of the
15 organization, the Board of Directors/Trustees of such cooperative or
16 association shall secure the vote of approval by the general membership in
17 accordance with their Articles of Cooperation/Association and By Laws. In
18 the absence thereof, a vote of approval of at least two-thirds (2/3) of the
19 general membership shall be secured.

20 (c) Prospective investor-locators must have valid registration with the
21 appropriate regulatory agencies, such as the SEC, CDA, and the Department
22 of Trade and Industry (DTI), good financial, technical, and organizational
23 standing for the past three (3) years; good track record of competence for the
24 past three (3) years in the industry wherein the agribusiness enterprise
25 arrangement shall conduct its main activity; stable business relations;
26 capability to manage and operate the agribusiness enterprise arrangement
27 undertaking; consistent compliance with and no violation of any law, rule, and
28 regulation, and contract as the case may be.

29 If previously a contracting party to an agribusiness enterprise arrangement, a
30 prospective investor-locator must have proven harmonious relationship with
31 the other contracting party which resulted to productive and mutually
32 beneficial gains.

33 Any prospective investor-locator should neither have violated any law
34 pertaining to agrarian reform, nor impeded in any part of the agrarian reform
35 program implementation. In addition, the prospective investor should not
36 have prevented any ARB, actual tiller, or farmer from exercising the rights
37 under the agrarian reform program.

1 The necessary proof to establish the possession of the foregoing qualifications
2 shall be submitted to the PAZA which shall make the necessary determination
3 of eligibility. For this purpose, the PAZA may call up on other agencies and
4 regulatory bodies such as the DA, DAR, SEC, CDA, and DTI, among others,
5 for technical assistance. In this evaluation. Such findings shall then be
6 forwarded to the PAZA Board which shall make the final recommendation
7 on the investors' application.

8 **Section 24. Mandatory Provisions of Agribusiness Enterprise**
9 **Arrangements.** – Agribusiness enterprise arrangements within special agricultural
10 growth zones entered into under this Act, being imbued with public interest, shall
11 have the following mandatory provisions:

12 (a) The landholding subject of the agribusiness enterprise arrangement shall be
13 used exclusively for agricultural purposes and other related activities
14 comprising the subject matter of the arrangement; only two thirds of the
15 entire area shall be subjected to the arrangement, the remaining one third
16 portion shall be exclusively controlled and used by the farmer-landowner or
17 actual tillers with full support from the government.

18 (b) The parties to the agribusiness enterprise arrangement shall recognize the
19 prerogative of a participating farmer or farmworker to exercise the rights
20 granted to them under agrarian reform laws in the event of certain disputes
21 over any of the terms set under the arrangement;

22 (c) The agribusiness enterprise arrangement shall require and ensure the direct
23 participation of the farmer-landowner and farm workers in the farm
24 management and farm operations and shall include, among others, capacity
25 building programs aimed to facilitate the transfer of technology and
26 management techniques to the farmer-landowners;

27 (d) The agribusiness enterprise arrangement shall include provisions for workers'
28 productivity and quality incentives for the employed farmer- landowner and
29 farm workers over and above the compensation from the arrangement. The
30 Inclusion of provisions for additional sources of income for the farmer-
31 landowner and farm workers in the arrangement aside from the main or basic
32 income-generating activity therein are encouraged;

33 (e) For the duration of the contract, the investor shall provide funds necessary to
34 ensure ecological protection of the farm and safety of its workers, particularly
35 for the conservation and maintenance of land quality, proper handling,
36 storage and disposal of hazardous residues and waste products, and proper
37 protective and acceptable safe methods of application of fertilizers and other
38 chemicals: Provided, That decisions as to the ecological protection of the farm

1 and safety of workers and the methods employed in the application of
2 fertilizers, pesticides and other chemicals, shall be mutually agreed upon by
3 the investor and farmer-landowner and farm workers.

4 (f) Further, participating farmers or farmworkers shall be provided with crop
5 insurance coverage and other forms of insurance and healthcare, housing,
6 education, and other benefits. In determining the amount of the benefits
7 stated above, the following factors should be considered: the market value of
8 similarly situated lands, real property taxes, annual land amortizations, poverty
9 threshold, and nature of the activity or the business under the agribusiness
10 enterprise arrangement. In any and all instances, the amount of the lease of
11 the land in the arrangement must be regularly and periodically increasing
12 based on a schedule subject to the approval of the PAZA;

13 (g) There shall be a review during the first quarter of the year and/or
14 renegotiation of the critical terms of the agribusiness enterprise arrangement
15 by the contracting parties to allow for some changes in the economic
16 assumptions and in consideration of prevailing economic conditions at the
17 time of application and processing of the agribusiness enterprise arrangement,
18 as well as changes to the physical attributes of the land;

19 (h) The agribusiness enterprise arrangement shall be subjected to regular semi-
20 annual monitoring by the PAZA and the DAR in order to establish the
21 continuing viability of the arrangement, compliance with its terms and
22 conditions and the promotion of rights and welfare of the farmer-
23 landowners and farm workers;

24 (i) The review and/or renegotiation of the agribusiness enterprise arrangement
25 shall be undertaken upon request or petition of any of the parties due to
26 changes in the economic, political, and social circumstances existing in the
27 affected land area. Such changes could result in such a material and
28 fundamental alteration of the conditions, assumptions, and bases relied upon
29 by the parties during the signing of the original contract or agreement;

30 Specific grounds for a request for contract review may include:

- 31 1. Drastic change in price fluctuations as indicated by at least 20 percent
32 inflation;
- 33 2. Declaration by the National Government or the Local Government Unit
34 of the area where the land is located as a "calamity disaster area"; and
- 35 3. Other meritorious grounds as determined by the PAZA Board.

36 (j) Agribusiness enterprise arrangements within special agricultural growth zones
37 shall be subject to the approval of the PAZA Board. Otherwise, it shall

1 become void. No agribusiness enterprise arrangement shall be implemented
2 without the approval of the PAZA Board. No arrangement shall be renewed
3 or extended without the approval of the PAZA Board which shall have the
4 power to approve and disprove all applications for the approval of an
5 agribusiness enterprise arrangement. The PAZA Board shall also have the
6 power to revoke or rescind the existing grant of approval for an agribusiness
7 enterprise arrangement;

8 (k) All renegotiated/renewed/extended contracts and their effectivity shall be
9 subject to the same process of review and approval by the PAZA Board in
10 accordance with the rules and regulations issued therefor:

11 (l) The term of an agribusiness enterprise arrangement shall be for a maximum
12 period of twenty (20) years or may be mutually agreed upon by all parties, but
13 not exceeding the duration of the agricultural activity to be undertaken on the
14 land: Provided, That the arrangement shall not contain any clause providing
15 for its automatic renewal, otherwise, the automatic renewal clause is void.
16 Renewal of the arrangement shall likewise not be implied, and shall always be
17 subject to the written agreement of the parties;

18 All agribusiness enterprise arrangement contracts must contain a provision
19 allowing the farmer to rescind the arrangement upon violation of any of its
20 terms and conditions by either of the contracting parties, as well as for
21 violation of agrarian reform and other laws. Such rescission shall be initiated
22 through a petition filed with the PAZA;

23 (m) In addressing the food security concerns of the country, the parties
24 should agree that, in case of food shortage in the country, at least fifty percent
25 (50%) of the produce involving staple crops will automatically be set aside for
26 the domestic market. For purposes of enforcement, the PAZA Board may
27 invoke said provision, if and when necessary.

28 (n) The roles and responsibilities of the PAZA, the farmer-landowner and the
29 investor shall be clearly identified in the contract as well as the expected
30 output from each party. It must be clear that successors-in-interest of both
31 the investors and the farmer-landowner are bound by the terms of the
32 contract.

33 (o) Consent of the other party in cases of transfer of rights and responsibilities to
34 a new party who shall likewise possess the qualifications provided for in this
35 Act, shall be secured.

36 (p) The PAZA shall have primary and exclusive jurisdiction in the resolution of
37 any and all disputes relating to the agribusiness enterprise arrangements within

1 special agricultural growth zones. There shall be no provision in the
2 arrangement where the PAZA shall be directly or indirectly deprived of its
3 jurisdiction on any and all matters pertaining to the arrangement.

4 (q) Terms and conditions of the contract governing agribusiness enterprise
5 arrangement shall be made known to all parties. The contract shall be
6 translated to the language known to the farmer- landowners. Terms and
7 conditions for pre-termination of contracts shall be clearly stipulated in the
8 contract.

9 (r) In case of lease agreements, the rental shall be at least 25% of the average
10 normal harvest pursuant to Sec. 34 of RA 3844, otherwise known as "The
11 Agricultural Land Reform Code".

12 (s) Where the agribusiness enterprise arrangement requires the employment of
13 workers, the parties shall comply with labor laws, rules and regulations
14 particularly the prohibition on employment of children fifteen years and
15 below.

16 (t) Any and all permanent improvements as well as facilities and equipment
17 purchased under the agribusiness enterprise arrangement involving lease of
18 the lands shall be owned by participating farmer-owner at the end of the
19 agribusiness enterprise arrangement.

20 (u) There shall be no provision in the agribusiness enterprise arrangement
21 involving the lease of lands where the investor shall be excused from paying
22 the lease and the guaranteed share of the farmer-landowner or farmworker in
23 the arrangement due to any events which could not be foreseen or which
24 though foreseen, were inevitable.

25 (v) In agribusiness enterprise arrangements involving contract growing, there
26 shall be a minimum buying price and there shall be no maximum buying price.
27 In relation to this, the parties and the PAZA shall consider the selling prices
28 of commodities as well as the prices of inputs. Also, there shall be no
29 provision which prevents the farmer- landowners or farm workers to manage
30 the farms. There shall also be no provision where the production inputs are
31 charged to the farmer-landowner.

32 (w) In no instance shall the farmer-landowner be made liable to pay any loan
33 obligation incurred by the investor for the arrangement. In no instance shall
34 any property of the farmer-landowner be used as a security for any loan
35 incurred for the business enterprise. The EP, CLOA, or any title to the land
36 of the farmer-landowner shall never be used as a form of security to any such
37 loan.

1 (x) In the case of agricultural lands awarded to ARBs, the proposed agribusiness
2 enterprise arrangement shall be subject to technical review by the DAR as to
3 compliance with legal requirements and as to the feasibility of the venture.
4 For this purpose, the DAR may call upon other agencies and regulatory bodies
5 such as the DA, SEC, CDA, and DTI, among others, for technical assistance
6 in this evaluation.

7 (y) The provisions of the agribusiness enterprise arrangement, the nature and the
8 scope of the activities, the duties and the responsibilities of the parties shall
9 be clearly explained by the PAZA to the farmer-landowner and farmworkers
10 participating in the arrangement in order to ensure that said they shall be
11 entering the arrangement voluntarily, intelligently, and knowingly. In no way
12 shall any party to the arrangement require the acquiescence by the other to
13 duly enter into a particular arrangement as a prior requirement for availing the
14 benefits contained in the arrangement.

15 (z) All agribusiness enterprise arrangements shall be strictly enforced and
16 monitored by the PAZA in coordination with the DAR.

17 **Section 25. Control Over Agrarian Reform Lands.** – In any agribusiness
18 enterprise venture, control over the agrarian reform land located within a special
19 agricultural growth zone shall always remain with the agrarian reform beneficiaries.
20 For this purpose, joint venture agreements between agrarian reform beneficiaries
21 and investors which result to a minority equity of the agrarian reform beneficiaries
22 shall not be allowed or approved by PAZA Board without the recommendation of
23 the DAE. Also, any provision of permanent take-over in the arrangement that takes
24 away the management of the agricultural production in growership contract or
25 contract growing agreement shall be void.

26 Temporary takeover shall be limited to farm operations only and may be
27 allowed provided that all of the following conditions are present:

- 28 (a) Upon mutual agreement of the parties;
29 (b) The takeover shall only be for not more than three (3) cropping cycles;
30 (c) When both parties mutually determine that the agreed quantity and/or quality
31 of production cannot be delivered by the farmer- landowners.

32 Temporary takeover shall not take place during the transition to a new
33 production technology.

34 **Section 26. Approval and Revocation of Agribusiness Enterprise**
35 **Arrangements.** -- All agribusiness enterprise arrangements within a special
36 agricultural growth zone, entered into between farmer-landowners and any other
37 person under this Act shall be approved by the PAZA Board.

1 Agribusiness enterprise arrangements within contracts may be revoked by the
2 PAZA Board based on the following grounds:

3 (a) Gross violation or non-compliance of the terms and conditions of the
4 contract such as:

- 5 1. Non-implementation of the human resources development plan
- 6 provisions;
- 7 2. Non-employment of the farmer-landowner;
- 8 3. Concealment of the true financial status of the enterprise;
- 9 4. Commission of fraud in the application or implementation of the
- 10 arrangement; and
- 11 5. Other analogous cases.

12 (b) When, without justifiable reasons, the investor fails to provide benefits and
13 incentives stipulated in the approved contract, such as, but not limited to,
14 dividends accruing to farmer-landowner's equity shares, production, and
15 quality incentives. For this purpose, situations beyond the control of the
16 investor, such as force majeure, are considered as justifiable reasons;

17 (c) When the agribusiness enterprise arrangements are no longer financially and
18 economically viable;

19 (d) When a portion of the commercial farm subject of the agribusiness enterprise
20 arrangement is converted into or fragmented by non- agricultural use without
21 prior written consent of the farmer-landowner and the PAZA;

22 (e) Any action resulting to the transfer of ownership of the landholding subject
23 of agribusiness enterprise arrangements to the investors;

24
25 (f) Acquisition or approval of agribusiness enterprise arrangements through
26 fraud, intimidation, coercion, and deceit;

27 (g) Other analogous or meritorious grounds.

28 **Section 27. Support Services for Farmer-Landowners Entering**
29 **Agribusiness Enterprise Arrangements.** – The PAZA shall establish a Capacity
30 Building Program for farmer-landowners entering into agribusiness enterprise
31 arrangements within special agricultural growth zones, with sufficient funding from
32 the General Appropriations Act. The purpose of the capacity building program is to
33 strengthen the farmer's ability to negotiate fairer terms for agribusiness contracts,
34 deal with markets, harness local and international opportunities, and identify and act
35 on onerous agreements to protect their rights.

1 The program shall be formulated jointly by the PAZA DAR, DA, DTL,
2 Landbank of the Philippines, and CDA within sixty (60) days from the enactment
3 of this law. It shall include the following components: acquisition and design of
4 technology for production and packaging, access and management of production
5 credit, organization of business units, registration of juridical entity (cooperative,
6 corporation or association), business ideation, organizational development and
7 strengthening, market linkages, product development and value addition,
8 certification of agricultural and food products and processes, enterprise lawyering,
9 and the review and renegotiation of onerous agreements. The implementation of the
10 capacity building program may be outsourced from the private sector.

11 **Section 28. Contiguous Farming Arrangements.** – To boost the
12 production of high value agricultural crops to an industrial scale and increase the
13 productivity of farming within special agricultural growth zone, the PAZA shall
14 institutionalize the implementation of the contiguous farming arrangement. The
15 scheme shall include the consolidation of small farms including farms of agrarian
16 reform beneficiaries, as one larger farm, with a minimum area of thirty (30) hectares
17 within a two-kilometer radius, to take advantage of the economies of scale in the
18 production of industrial crops, such that the activities in the small farms are aligned
19 and implemented to ensure the efficient use of farm machineries and equipment,
20 deployment of workers, volume purchase of inputs, financing, and other operational
21 advantages, as well as recognition by agricultural processors, government financial
22 institutions, private investors, but the ownership of each small farm remains with
23 the landowners.

24 The PAZA in collaboration with concerned government agencies shall
25 provide common service facilities, such as farm machineries and implements, grants
26 or start-up funding for the needed production inputs, technology adoption,
27 livelihood and skills training and other development activities for the block farm and
28 its members, and other support activities that may be identified.

29 To ensure the success of, and compliance to the objectives of the contiguous
30 farming scheme, the PAZA shall:

- 31 (a) Develop guidelines for farms to qualify for and continue to participate in the
32 contiguous farming arrangement,
- 33 (b) Provide farm management, technical assistance, and professional services
34 support to consolidated farms, in coordination with the DA, the DAR and
35 other concerned government agencies;
- 36 (c) Monitor the development and productivity of consolidated farms; and
- 37 (d) Implement a certification system as a mechanism to access grants, low interest
38 financing, and other incentives and support from Official Development
39 Assistance (ODA); and market access of high value priority crops.

1 **Section 29. Agricultural Support Services.** – The PAZA shall make
2 available other agricultural support services, program which shall include, the
3 following:

4 (a) **Socialized Credit and Financing Services** – Socialized credit and financing
5 shall be made available, through the Land Bank of the Philippines (LBP), for
6 the acquisition of production inputs, farm machineries, and implements
7 necessary for the continuous agricultural production: Provided, That the
8 loans shall be available to farmer- landowners and enterprises duly registered
9 with the PAZA and located within a special agricultural growth zone:
10 Provided, further, That farmer- landowners and enterprises cannot be granted
11 another loan until the loan is fully paid;

12 (b) **Farm Management, Technical Assistance and Professional Services** –
13 The PAZA, the DA, the DAR, the Department of Labor and Employment
14 (DOLE), the Technical Education and Skills Development Authority
15 (TESDA), state universities and colleges (SUCs), and other concerned private
16 and nongovernment organizations (NGOs) shall formulate and implement a
17 deployment program of agricultural engineers, agriculturists and farm
18 technicians for the provision of farm management, technical assistance and
19 professional services to special agricultural growth zones;

20 (c) **Farm Mechanization Program** – The PAZA shall give priority to the
21 development and promotion of appropriate agricultural machinery and other
22 agricultural mechanization technologies to enhance agricultural
23 mechanization within special agricultural growth zones. Farmer-landowners
24 and agribusiness enterprises within special agricultural growth centers shall be
25 encouraged and trained to utilize appropriate agricultural machineries and
26 equipment necessary for the efficient planting, cultivation, care, and
27 maintenance, harvesting and processing of high value agricultural crops.

28 **Section 30. Research and Development.** – The PAZA shall pursue and
29 prioritize research and the development of effective, appropriate, and efficient
30 agricultural technologies. In coordination with the DA, DOST, DAR, DTI state
31 colleges and universities other government agencies, the PAZA shall give priority
32 and facilitate the funding of infrastructure necessary for research facilities within
33 special agricultural growth zones such as farm laboratories and demonstration farms.

34 It shall consolidate and continuously update all relevant information and data
35 on a periodic basis and make such data available on the internet for easy access to
36 data on agriculture research and technology.

37 **Section 31. Infrastructure Support.** – The Department of Public Works and
38 Highways, the Department of Transportation, the Department of Trade and

1 Industry and LGUs shall coordinate with the PAZA to address the infrastructure
2 requirements within special agricultural growth zones, in accordance with this Act:
3 Provided, That, the PAZA and the LGUs shall also strengthen its agricultural
4 engineering groups to provide the necessary technical and engineering support in
5 carrying out the smooth and expeditious implementation of agricultural
6 infrastructure projects.

7 Public infrastructure investments shall give preference to the kind, type and
8 model of infrastructure facilities that are cost-effective and will be useful for the
9 production, conservation, and distribution of most commodities and should benefit
10 the most number of agriculture producers and processors.

11 For infrastructure facilities primarily benefiting private investors, the State
12 shall facilitate the purchase and use of such utilities and shall keep to the minimum
13 the bureaucratic requirements for these types of investments. Private investors
14 include cooperatives or corporations of agriculture producers and processors.

15 The PAZA shall coordinate with the DA, DPWH, LGUs and the farmer-
16 landowners in order to identify priority locations of farm-to-market roads and other
17 farm infrastructure required within the special agricultural growth zones It shall
18 identify appropriate post-harvest facilities and technology needed including, shared
19 service facilities for food processing and storage, standardized sanitary markets and
20 abattoirs.

21 The National Irrigation Administration (NIA), the Bureau of Soils and Water
22 Management, and concerned LGUs, in coordination with the PAZA, shall construct
23 appropriate, efficient, and cost-effective irrigation facilities, pump and other
24 pressurized irrigation systems, rain capture and water impounding facilities within
25 special agricultural growth zones.

26 The Department of Transportation and the Philippine Ports shall coordinate
27 with the PAZA for the purpose of determining priority seaports and airports and
28 facilitating the installation of bulk-handling and storage facilities, and other post-
29 harvest facilities needed to enhance the marketing of agriculture and fisheries
30 products. Provided, that seaports and airports are also equipped with quarantine,
31 sanitary and phytosanitary centers.

32 **Section 32. Rural Energy, Communications and Water Utilities.** – The
33 PAZA coordinate with the Department of Energy (DOE), the Department of Public
34 Works and Highways (DPWH), the National Electrification Administration (NEA)
35 and the National Power Corporation (NPC) for the identification and installation of
36 appropriate types of energy sources particularly in the use of non-conventional
37 energy sources for the special agricultural growth zone in order to enhance
38 agriculture development in the area.

1 The PAZA shall coordinate with the DOTC to facilitate the installation of
2 telecommunication facilities in special agricultural growth zone. It shall likewise
3 coordinate with the DPWH, MWSS, NIA and the LGUs for the identification and
4 installation of water supply system with the special agricultural growth zone for agro-
5 industrial uses to enhance agriculture development in the locality.

6 **Section 33. Disaster and Calamity Relief and Rehabilitation Assistance.**

7 – In the event of a disaster or calamity affecting production, or where a state of
8 calamity has been declared in the province, the contract may be temporarily
9 suspended upon the request or petition of any of the parties and the investor shall
10 assist the farmer-landowners in disaster relief and rehabilitation efforts. The
11 existence of a valid agribusiness enterprise arrangement shall not be used as a
12 precondition for the granting or denial of calamity loans or disaster relief funds by
13 government agencies.

14 **Section 34. Eminent Domain.** – The areas comprising a special agricultural
15 growth zone may be expanded or reduced when necessary. For this purpose, the
16 government shall have the power to acquire, either by purchase, negotiation or
17 condemnation proceedings, any private lands within or adjacent to the special
18 agricultural growth zone for:

- 19 (a) Consolidation of lands for zone development purposes;
20 (b) Acquisition of right of way to the special agricultural growth zone; and
21 (c) The protection of watershed areas and natural assets valuable to the
22 prosperity of the special agricultural growth zone.

23 **Section 35. Protection of the Environment and Watershed Areas.** – The
24 PAZA, in coordination with the appropriate agencies, shall take concrete and
25 appropriate steps and enact the proper measure for the protection of the local
26 environment.

27 All watersheds that are sources of water for existing and potential irrigable
28 areas and recharge areas of major aquifers identified by the DA and DENR shall be
29 preserved as such at all times.

30 **Section 36. Registration of Business Enterprises.** – Business enterprises
31 within a designated special agricultural growth zone shall register with the PAZA
32 to avail of all incentives and benefits provided for in this Act.

33 The PAZA shall establish a one stop shop center for the purpose of
34 facilitating the registration of new enterprises in the special agricultural growth
35 zones. Thus, all appropriate government agencies that are involved in registering,
36 licensing, or issuing permits to investors shall assign their representatives to the
37 special agricultural growth zones to attend to the investor's requirements.

1 **Chapter IV**
2 **INCENTIVES TO INVESTORS AND ENTERPRISES**

3 **Section 37. Investors Visa.** – Any foreign national who invests an amount
4 of two hundred thousand US dollars (US\$ 200,000.00), either in cash and/or
5 equipment, in a registered agribusiness enterprise located within a special
6 agricultural growth zone shall be entitled to an investor's visa: Provided, That the
7 foreign national has the following qualifications:

- 8 (a) Must be at least eighteen (18) years of age;
9 (b) Must not have been convicted by final judgment of a crime involving moral
10 turpitude;
11 (c) Must not be afflicted with any loathsome, dangerous or contagious disease;
12 (d) Must not have been institutionalized for any mental disorder or disability; and
13 (e) Must establish by verifiable and credible evidence his financial capability and
14 capacity.

15 As a holder of investor's visa, an alien shall be entitled to reside in the
16 Philippines while his investment subsists. For this purpose, the alien should submit
17 an annual report, in the form duly prescribed for the purpose, to prove that he has
18 maintained his investment in the country. Should said alien withdraw his investments
19 from the Philippines, then the investor's visa issued to said alien shall automatically
20 expire and/or be withdrawn.

21 The authority to issue visas and work permits shall remain with the Bureau of
22 Immigration (BI) and the Department of Labor and Employment (DOLE),
23 respectively; Provided, That the BI and the DOLE shall implement measures to
24 expedite the processing of such visas and permits for workers in the PAZA and
25 coordinate with the PAZA for the purpose of improving ease of doing business.

26 **Section 38. Exemption from National and Local Taxes.** – Except for real
27 property taxes, no taxes, local and national, shall be imposed on registered
28 enterprises operating within the special agricultural growth zone. In lieu thereof, five
29 percent (5%) of the gross income earned by all registered enterprises within the
30 special agricultural growth zone shall be paid and remitted as follows:

- 31 (a) Three percent (3%) to the National Government;
32 (b) Two percent (2%) which shall be directly remitted by the business
33 establishments to the treasurer's office of the municipality or city where the
34 enterprise is located.

35 **Section 39. Fiscal Incentives.** – Business establishments operating within
36 special agricultural growth zones may avail of the existing pertinent fiscal incentives
37 as provided for under Republic Act No. 7916, as amended by Republic Act No.

1 8748, also known as the Special Economic Zone Act of 1995, or those provided
2 under Executive Order No. 226, as amended, otherwise known as the Omnibus
3 Investment Code of 1987: Provided, that it shall not be inconsistent with any of the
4 incentives granted under this Act; Provided, further, That in the administration,
5 implementation and monitoring of incentives, the PAZA may impose its own
6 conditions not otherwise prohibited by this Act and other relevant laws.

7 **Section 40. Applicable National and Local Taxes.** - All persons and
8 services establishments in the special agricultural growth zone shall be subject to
9 national and local taxes under the National Internal Revenue Code and the Local
10 Government Code.

11 **Section 41. Administration, Implementation and Monitoring of**
12 **Incentives.** – For the proper administration, implementation and monitoring of tax
13 incentives provided under this law, the following are herein mandated:

14 (a) The PAZA shall be responsible for the administration, management,
15 enforcement, and implementation of the incentives granted to registered
16 agribusiness enterprises located in a special agricultural growth zone; and

17 (b) In the interest of enhancing transparency in the management and accounting
18 of tax incentives, the PAZA shall comply with the provisions of Republic Act
19 No. 10708, otherwise known as "The Tax Incentives Management and
20 Transparency Act (TIMTA)" and its implementing rules and regulations.

21 **Section 42. Duration of Incentives.** – Fiscal incentives under this Act shall
22 be terminated after a cumulative period of twenty (20) years from date of registration
23 or start of commercial operation, whichever is applicable, except that it could be
24 extended with regard to industries deemed indispensable to national development
25 and interest. The industries exempted from this provision shall be determined by the
26 PAZA, in consultation with other government agencies.

27 **Section 43. Sequential Availment of Incentives.** – The income tax holiday
28 (ITH) incentive granted under Republic Act No. 11534, otherwise known as the
29 "Corporate Recovery and Tax Incentives for Enterprises" (CREATE) Act, may be
30 enjoyed by the registered enterprises under this Act: Provided, That the ITH shall
31 be availed prior to the availment of the five percent (5%) final tax on gross income
32 earned incentive under Section 39 of this Act. Provided, further, That in the event a
33 registered enterprise elects to avail the final tax incentive contained in this Act, such
34 registered enterprise shall be barred from availing the ITH incentive under Republic
35 Act No. 11534.

36 Registered enterprises, if eligible, may register for incentives with other
37 investment promotion agencies: Provided, That registered enterprises electing to

1 avail of the incentives of other promotion agencies shall not be able to avail of the
2 incentives of the PAZA until the expiration of the incentives with such other
3 investment promotions agencies.

4 **Section 44. Extension of Period of Availment.** – In the event that a
5 registered enterprise has suffered cessation or suspension of operations due to force
6 majeure, which has impaired its viability or profitability, the PAZA may extend the
7 period of validity of the incentives extended to such registered enterprise.

8 **Section 45. Banking Rules and Regulations.** – Banks and financial
9 institutions to be established in the PAZA shall be under the supervision of the
10 Bangko Sentral ng Pilipinas (BSP) and subject to existing banking laws, rules and
11 regulations.

12 **Section 46. Remittances.** – In the case of foreign investments, a duly
13 registered entity or enterprise within the PAZA shall have the right to remit earnings
14 from the investment in the currency in which the investment was originally made
15 and at the exchange rate prevailing at the time of remittance, subject to the
16 provisions of Republic Act No. 7653, otherwise known as "The New Central Bank
17 Act".

18 **Chapter V**
19 **ROLE OF OTHER GOVERNMENT AGENCIES**

20 **Section 47. Relations with the Regional Development Council.** – The
21 PAZA shall determine the development goals for special agricultural growth zones
22 within the framework of national development plans, policies and goals, and the
23 Administrator of each special agricultural growth zones shall, upon approval by the
24 PAZA Board, submit the special agricultural growth zone plans, programs, and
25 projects to the Regional Development Council for inclusion in and as inputs to the
26 overall Regional Development Plan.

27 **Section 48. Relations with Local Government Units.** – Except as herein
28 provided, the local government units comprising each special agricultural growth
29 zone shall retain their basic autonomy and identity. The cities shall be governed by
30 their respective charters and the municipalities shall operate and function in
31 accordance with Republic Act No. 7160, otherwise known as the Local Government
32 Code of 1991.

33 **Section 49. Public-Private Partnerships in Special Agricultural Zones.** –
34 Privately-owned agro-industrial estates shall retain their autonomy and
35 independence and shall be monitored by the PAZA for the implementation of
36 incentives.

1 implementing rules and regulations of this Act within ninety (90) days after its
2 approval. Such rules and regulations shall take effect fifteen (15) days after their
3 publication in a newspaper of general circulation in the Philippines.

4 **Section 55. Separability Clause.** – The provisions of this Act are hereby
5 declared separable, and in the event one or more of such provisions or part thereof
6 are declared unconstitutional, such declaration of unconstitutionality shall not affect
7 the validity of the other provisions thereof.

8 **Section 56. Interpretation.** – The powers, authorities and functions that are
9 vested In the Philippine Agricultural Zone Authority (PAZA) and the special
10 agricultural growth zones concerned are intended to establish decentralization of
11 governmental functions and authority as well as an efficient and effective working
12 relationship between the special agricultural growth zones, the National
13 Government, and the local government units.

14 **Section 57. Repealing Clause.** - All laws, acts, presidential decrees, executive
15 orders, proclamations and/or administrative regulations which are inconsistent with
16 the provisions of this Act, are hereby amended, modified, superseded, or repealed
17 accordingly.

18 **Section 58. Effectivity.** – This Act shall take effect upon its approval.

Approved.