

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2378

Introduced by **HON. GLORIA MACAPAGAL-ARROYO**

EXPLANATORY NOTE

Republic Act No. 9054 which strengthened and expanded the Organic Act for the Autonomous Region in Muslim Mindanao (ARMM) was passed in 2001 to address substantial gaps of Republic Act No. 6734 otherwise known as the "Organic Act for the Autonomous Region in Muslim Mindanao." RA 9054 was yet another step to strengthen the ARMM as a means to bring about sustainable social and economic development in the area within the overall context of attaining long-term peace in the southern part of the country.

The armed conflict in the area between government troops and the Muslim rebels adversely affected the area and its population. Economic growth has been stunted in the otherwise mineral-rich and agriculture-fertile region. In fact, according to the United Nations Development Programme, seven (7) out of ten (10) provinces of ARMM ranked worst on the country's human development ratings.

The government has always regarded the resolution of the armed conflict in Mindanao as a major priority. Over the decades, there had been a growing appreciation of the complex issues and concerns in the area. Every administration has endeavored to resolve the Mindanao conflict by engaging Muslim rebels to a peace negotiation with varying levels of success.

Admittedly, much is left to be done to bring about sustainable development in Mindanao. While the executive branch continue to look for political solutions, it is imperative for the legislative branch to pass responsive laws to improve the administration and governance in the region.

This is the compelling interest that calls for the review of Republic Act 9054. There is a need to amend its provisions to make them more responsive and relevant to prevailing needs and conditions in the area. The passage of this legislative measure is a critical component to usher in a new era of change and development in Muslim Mindanao.


GLORIA MACAPAGAL-ARROYO
2nd District, Pampanga

Sec. 5. *Representatives In Executive Departments and Constitutional Bodies.* — At least, one (1) qualified inhabitant of the autonomous region recommended by the Regional Governor **[in consultation with the Regional Assembly and concerned sectors of the autonomous region]** shall be appointed, **[as far as practicable,]** in each of the departments, offices or bureaus and constitutional bodies of the central government or national government **[that deal with the autonomous region,]** in primarily confidential, highly technical, or policy-determining positions.

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SEC.2. Section 2, Article VII of the same Act is hereby amended to read as follows:

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Sec. 2. *Regional Governor and Cabinet Members.* — The Regional Governor shall be the chief executive of the Regional Government. He shall be assisted by a cabinet **[not exceeding ten (10) members, at least six (6) of whom shall come from indigenous cultural communities] WHOSE NUMBER SHALL BE DETERMINED IN THE REGIONAL ADMINISTRATIVE CODE.** The representatives of the indigenous cultural communities in the cabinet shall come from various provinces and cities within the autonomous region.

The members of the cabinet must be registered voters and residents of the region for at least five (5) years immediately preceding their appointments.

The Regional Governor shall appoint the members of the cabinet subject to confirmation by the Regional Assembly.

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SEC.3. Sections 2, 3, 4 and 23, Article VII of the same Act are hereby amended to read as follows:

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Sec. 2. *Justices from Autonomous Region.* It shall be the policy of the central government or national government that **[, whenever feasible,]** at least one (1) **[justice] MEMBER** in the Supreme Court and two (2) **[justices] MEMBERS** in the Court of Appeals shall come from **[qualified jurists]** of the autonomous region.

For this purpose, the Regional Governor **[may, after consultations with the Regional Assembly and concerned sectors in the autonomous region,]** **SHALL** submit the names of qualified persons to the Judicial and Bar Council for its consideration. The appointments of those recommended by the Regional Governor to the judicial positions mentioned above are without prejudice to appointments that may be extended to **[other qualified]** inhabitants of the autonomous region to other **[positions] COURTS** in the Judiciary.

Sec. 3. *Consultant to the Judicial and Bar Council.* — The President shall appoint a qualified person as a consultant to the Judicial and Bar Council recommended by the Regional Governor **OF THE AUTONOMOUS REGION [in consultation with the concerned sectors of the autonomous region. The**

person recommended by the Regional Governor] shall first be confirmed by the Regional Assembly. Once appointed by the President, the consultant] who shall [sit with the Judicial and Bar Council only to] advise and be consulted by the council on [matters of] appointments to judicial positions in the autonomous region.

Sec. 4. *Deputy Court Administrator* **FOR THE SHARI'AH COURTS.** — The Office of the Deputy Court Administrator for the autonomous region is hereby created. The Deputy Court Administrator for the autonomous region shall be appointed by the Chief Justice of the Supreme Court from among three recommendees submitted by the Regional Governor [upon previous confirmation by the Regional Assembly and after consultation with the concerned sectors of the autonomous region.] **HE SHALL BE A MUSLIM AND AT LEAST A GRADUATE OF A TWO (2) YEAR COURSE ON ISLAMIC LAW AND JURISPRUDENCE. HE SHALL HAVE THE RANK OF ASSOCIATE JUSTICE OF THE COURT OF APPEALS.**

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"Sec. 23. Bases for Interpretation of Islamic Law. — Subject to the provisions of the Constitution, the Shari'ah courts shall interpret Islamic law based on sources such as:

- (a) Al-Qur'an (The Koran);
- (b) Al-Sunnah (Prophetic traditions);
- (c) [Al-Qiyas (Analogy)] **AL-IJIMA (CONSENSUS);** and,
- (d) {Al-Ijima (Consensus)} **AL-QIYAS (ANALOGY).**

SEC.4. Sections 2, 6 and 8, Article IX of the same Act are hereby amended to read as follows:

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Sec. 2. *Fiscal Autonomy.* — The Regional Government shall enjoy fiscal autonomy in generating and budgeting its own sources of revenue, its share of the internal revenue taxes and block grants and subsidies remitted to it by the central government or national government or any donor.

The utilization of its share of the internal revenue taxes and block grants or subsidies from the central government or national government shall be subject to [a] semi-annual and annual audits by the Commission on Audit and to the rules and regulations of the Department of Budget and Management. All accountable officials of the Regional Government shall, upon demand, furnish the Commission on Audit all documents, papers, and effects necessary for the completion of the audit. Failure to do so shall empower the President or the Secretary of Finance to reduce, suspend, or cancel the release of funds intended for the autonomous region to the extent of the amounts that cannot be audited for reasons attributable to the officials of the autonomous region or are unaccounted for after audit.

If more than half of the funds released to the autonomous region by the central government or national government remain unaccounted for six (6) months after the audit mentioned above, the Secretary of Finance may also suspend or cancel the release of any or all funds allocated by the central government or national government for the autonomous region. Officials of the Regional Government who fail to submit the documents, papers and effects demanded by the Commission on Audit within the period specified herein may be

suspended or removed from office by the President upon recommendation of the Secretary of Finance.

The utilization of the revenue generated by the Regional Government and block grants or subsidies remitted to it by foreign or domestic donors shall be subject to the rules and regulations of the Regional Government Department of the Budget and Management if any, and to audit by regional government auditors. In the absence of such rules and regulations, the audit of the said funds, block grants or subsidies shall be done by the Commission on Audit and the use thereof shall be in accordance with the rules and regulations of the Department of the Budget and Management of the central government or national government.

[The results of the audit mentioned in this Sec. shall be published in national newspapers of general circulation and in newspapers of regional circulation. The results shall also be announced over government-owned radio and television stations.]

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“Sec. 6. *Payment of Taxes.* — Corporations, partnerships, or firms directly engaged in business in the autonomous region shall pay their corresponding taxes, fees, and charges in the province or city, where the corporation, partnership, or firm is doing business.

Corporations, partnerships, or firms whose central, main, or head offices are located outside the autonomous region but which are doing business within its territorial jurisdiction, [by] **SUCH AS, BUT NOT LIMITED TO** farming, developing, or utilizing the land, aquatic, or natural resources therein, shall pay the income taxes corresponding to the income realized from their business operations in the autonomous region to the city, or municipality where their branch offices or business operations or activities are located.

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“Sec. 8. *Sources Of Regional Government Revenue.* — The sources of revenues of the Regional Government shall include, but are not limited to, the following:

(a) xxx

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(f) Block grants derived from economic agreements or conventions entered into or authorized by the Regional Assembly donations, endowments, foreign assistance, and other forms of aid [**subject to the pertinent provisions of the Constitution**].

SEC.5. Section 7, Article XII of the same Act is hereby amended to read as follows:

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Sec. 7. *Preferential Rights of Citizen-Inhabitants of Autonomous Region.* — [Subject to the exceptions provided in this Organic Act,] [c]Citizens who are inhabitants of the autonomous region shall have preferential rights over the exploration, utilization, and development of natural resources of the autonomous region. Existing rights over the exploration, utilization, and development of natural resources shall be respected subject to the exceptions specified in this Organic Act.”

SEC. 6. Section 10-A Creating the Regional Economic Development Authority (REDA).

"Sec. 10. Regional Economic and Development Planning Board; Composition and Functions.

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Sec. 10-A. CREATING THE REGIONAL ECONOMIC DEVELOPMENT AUTHORITY. — A REGIONAL ECONOMIC DEVELOPMENT AUTHORITY (REDA) IS HEREBY CREATED TO, AMONG OTHERS, ASSIST THE REDPB AND PERFORM SUCH FUNCTIONS SIMILAR TO THE NATIONAL ECONOMIC DEVELOPMENT AUTHORITY (NEDA). PROVIDED HOWEVER, THAT THE PERSONNEL OF THE EXISTING REGIONAL PLANNING AND ECONOMIC DEVELOPMENT OFFICE (RPDO) AS PROVIDED IN REGIONAL ACT NO. 4 WILL BE ABSORBED BY THE REDA WITHOUT DIMINUTION OF THEIR RANKS, SALARIES, AND BENEFITS.

SEC.7. Sections 29 and 30, Article XII of the same Act are hereby amended to read as follows:

"Sec. 29. *Islamic Banks.* — [The Bangko Sentral ng Pilipinas shall establish an Islamic Bank and authorize the establishment of its branches in the autonomous region.

The members of the board of directors or trustees of the Islamic Bank shall be appointed by the President upon recommendation of the Regional Governor. The persons recommended by the Regional Governor shall possess educational qualifications and sufficient experience in the management and operation of Islamic banking and shall be subject to confirmation by the Regional Assembly before they are recommended to the President. The board of directors or trustees of the bank shall elect from among their members the chair, the vice chair and the president of the bank. Other bank officials and employees shall be appointed by the president of the bank.] THE ESTABLISHMENT OF ISLAMIC BANKS AND THEIR BRANCHES WITHIN AND OUTSIDE THE AUTONOMOUS REGION SHALL BE SUBJECT TO THE PRIOR APPROVAL OF THE MONETARY BOARD.

AN ISLAMIC BANKING UNIT SHALL BE ESTABLISHED IN THE BANGKO SENTRAL FOR THE PURPOSE OF SUPERVISING ISLAMIC BANKS, WHICH SHALL INCLUDE QUALIFIED ISLAMIC BANKING EXPERTS TO BE NOMINATED BY THE GOVERNOR OF THE REGIONAL AUTONOMOUS GOVERNMENT AND WHOSE APPOINTMENTS SHALL BE SUBJECT TO THE APPLICABLE QUALIFICATION STANDARD OF THE BANGKO SENTRAL. THE HEAD OF THE UNIT SHALL BE APPOINTED FROM AT LEAST THREE (3) QUALIFIED PERSONS NOMINATED BY THE GOVERNOR OF THE REGIONAL AUTONOMOUS GOVERNMENT, SUBJECT TO THE APPLICABLE QUALIFICATION STANDARDS OF THE BANGKO SENTRAL.

Sec. 30. *Bangko Sentral Regional [Bank] OFFICE.* — The Bangko Sentral ng Pilipinas shall establish a Bangko Sentral Regional [Bank] OFFICE

with full banking services in the capital city or any suitable municipality in the autonomous region within one (1) year from the approval of this Organic Act. The Regional Governor shall submit a list of qualified persons to the appropriate Bangko Sentral authority from which the staff of the regional office may be chosen. The rights of the Bangko Sentral personnel who are occupying positions in the Bangko Sentral Regional Office as of the date of the approval of this Organic Act to continue as such shall be respected."

SEC.8. Sections 3, 5(b) and (h) and 9, Article XIII of the same Act are hereby amended to read as follows:

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Sec. 3. *Law Governing Regional Police Force.* — The Regional Assembly shall enact laws to govern the Regional Police Force consistent with the pertinent provisions of the Constitution and this Organic Act, **TAKING INTO CONSIDERATION OTHER APPLICABLE LAWS.**

[The members of the Moro National Liberation Front who are integrated into the Regional Police Force may be deployed in the autonomous region or elsewhere in the Republic as may be determined by the proper police authorities.]

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Sec. 5. *Powers and Functions of Regional Police Force.* — The Regional Police Force shall exercise within the autonomous region the following powers and functions:

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(b) Maintain **[law] PEACE** and order and ensure public safety;

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(h) Perform such other duties and exercise all other functions as may be provided by law **[enacted by Congress or by the Regional Assembly].**

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"Sec. 7. *Regional Police Framework and Organization.* — The philosophical framework and structural organization of the Regional Police Force shall be as follows:

(a) It shall be civilian in nature and character;

(b) The scope of its operations shall be regional. **[The Regional Police Force, its units or personnel may be deployed elsewhere in the Republic as directed by the National Police Commission or when needed to suppress lawless violence, pursue, and arrest criminal offenders or maintain law and order. In such circumstances, the order to deploy must be signed by the chairman of the National Police Commission and approved by the President. The President may also order the said deployment on his own authority;]**

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[Sec. 9. Regional Police Directors. — The selection assignment, and appointment of the Provincial and City Directors of the Regional Police Force and the assignment of Moro National Liberation Front integreees shall

be done pursuant to Republic Act No. 6975, the Philippine National Police Law and Republic Act No. 8551 the Philippine National Police Reform and Reorganization Act of 1998.]

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SEC.9. Sections 2, 3, 4, 5, 6, 7, 10, 18 and 20, Article XIV of the same Act are hereby amended to read as follows:

“ARTICLE XIV

Education, Science and Technology, Arts, and Sports

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Sec. 2. *Policies and Principles.* — Consistent with the basic state policy on education, the Regional Government shall adopt the following educational policies and principles:

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- (i) *Development of regional language.* A regional language **WHICH CAN BE UNIVERSALLY ACCEPTED AND UNDERSTOOD** may be evolved and developed from the different dialects in the region;

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- (k) *Teaching of Arabic LANGUAGE as subject.* Arabic **LANGUAGE** shall be taught as a subject in all grade levels as required for Muslims under existing laws and optional, for non-Muslims;

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- (o) (1) *Basic education structure.*

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- (6) *Primary responsibility for learning aids and instructional materials.* The Regional Government shall have the primary responsibility to provide learning aids and instructional materials to the schools in the autonomous region in addition to those already prescribed **AND SUPPLIED** by the central government or national government.

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- (7) *Responsibility for selection, recruitment, appointment, promotion, and civil service protection of teachers and non-teaching personnel.*

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- (b) The Regional Government may impose its regionally-defined standards for the employment of teaching and non-teaching personnel in its school system which, however, shall not be lower than the **NATIONAL** standards of the Department of Education [, **Culture and Sports**].

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Sec. 3. *Regional Educational Curricula.* — The COMMISSION ON HIGHER EDUCATION (CHED), THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) AND THE Regional Department of Education, Culture and Sports shall develop curricula that are relevant to the economic, social, political, cultural, moral, and spiritual needs of the people in the autonomous region.

THE REGIONAL GOVERNMENT SHALL HAVE ITS REGIONAL EDUCATION ACT FOR IT TO FOLLOW IN FRAMING A CURRICULUM WHICH WILL BE APPROPRIATE, APPLICABLE AND ACCEPTABLE TO THE WAY OF LIFE AND TO THE PEOPLE OF THE REGION, PROVIDED THAT SUCH CURRICULUM, INCLUDING ITS CONTENT AND LEVEL OF COMPETENCIES ARE CONSISTENT WITH AND ARE EQUAL TO THE NATIONAL STANDARDS OF DEPED, CHED AND TESDA.

THE REGIONAL AUTONOMOUS GOVERNMENT EDUCATION SYSTEM WILL ADOPT THE BASIC EDUCATION CORE COURSES IN ENGLISH, MATHEMATICS, SCIENCE, FILIPINO AND MAKABAYAN FOR ALL FILIPINO CHILDREN AS WELL AS THE MINIMUM REQUIRED LEARNING, COMPETENCIES AND ORIENTATIONS PROVIDED BY THE NATIONAL GOVERNMENT, INCLUDING THE SUBJECT AREAS AND THEIR DAILY TIME ALLOTMENT. TEACHING MATERIALS AND CURRICULUM CONTENTS SHALL PROMOTE SOLIDARITY, UNITY IN DIVERSITY, FILIPINO AND ISLAMIC VALUES.

Sec. 4. *Education, Management, and Control of Education.* — The management, control, and supervision of the regional educational subsystem shall be the primary concern of the Regional Government.

The Department of Education [, **Culture and Sports**], the Commission on Higher Education, and the Technical Education and Skills Development Authority, and other appropriate educational bodies of the central government or national government shall [**monitor compliance by the**] **COORDINATE WITH** regional educational subsystem [**with national educational policies, standards, and regulations**]. The Department of Education, Culture and Sports, the Commission on Higher Education, and the Technical Education and Skills Development Authority of the Regional Government shall participate in policy and decision-making activities of their counterparts of the central government or national government in matters that affect the regional educational subsystem.

Educational Structure

Sec. 5. The Regional Assembly may, by law, create, support and maintain a regional Department of Education, Culture and Sports, **COMMISSION ON HIGHER EDUCATION, TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY, EDUCATIONAL INSTITUTIONS AND OTHER HIGHER EDUCATIONAL INSTITUTIONS OF LEARNING** and shall define [**its**] **THEIR** powers, functions and composition.

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Sec. 6. *Private Schools Supervision.*

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(b) Private schools, including sectarian and non-sectarian institutions of learning of whatever level, may organize themselves and shall have the right to participate and be represented by three (3) representatives in the deliberations of the Regional Department of Education[, **Culture and Sports**], **CHED, TESDA AND OTHER EDUCATIONAL INSTITUTIONS** on matters dealing with private schools.

(c) The representatives of the private schools to the Regional Department of Education, Culture and Sports, **CHED, TESDA AND OTHER EDUCATIONAL INSTITUTIONS** shall act for the sectarian Christian schools, non-sectarian schools, and the schools of the lumads, if any.

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Sec. 7. *Educational Subsystem Structure.* — The organizational structure of the regional educational subsystem shall follow the basic structure of the educational system of the central government or national government. The Regional Assembly may, however, create its own structures. It shall prescribe the same curricular years as those prescribed nationally. **THE EDUCATIONAL SUBSYSTEM STRUCTURE SHALL BE SPELLED OUT IN A REGIONAL EDUCATION ACT THAT WILL BE FRAMED BY THE REGIONAL ASSEMBLY.**

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Sec. 10. *[Tribal] INDIGENOUS BANGSAMORO University System.* — The Regional Assembly [may] **SHALL** create **AN INDIGENOUS BANGSAMORO [a tribal]** university system within the autonomous region to address the higher educational needs of the indigenous cultural communities in the region.

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Sec. 18. *Non-Formal Education.* — The Regional Department of Education, Culture And Sports shall institutionalize non-formal education in scope and methodology, to include literacy, numeracy, and intensive skills training of the youth and adults.

THE REGIONAL AUTONOMOUS GOVERNMENT EDUCATIONAL SYSTEM SHALL DEVELOP THE FULL POTENTIAL OF ITS HUMAN RESOURCES, RESPOND POSITIVELY TO THE CHANGING NEEDS AND CONDITIONS OF THE ENVIRONMENT, AND INSTITUTIONALIZE NON-FORMAL EDUCATION TO INCLUDE LIETERACY, NUMERACY AND INTENSIVE SKILLS TRAINING OF THE YOUTH AND ADULT, TO ALLOW THEM TO PARTICIPATE ACTIVELY AND PRODUCTIVELY IN THE MAINSTREAM OF REGIONAL AND NATIONAL LIFE.

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Sec. 20. *Scholarship Programs.* — The Regional Government shall provide scholarships to qualified poor but deserving students in all levels of education. To this end, the Regional Government shall devote, **[at least, fifteen percent (15%)] A SUBSTANTIAL PORTION** of its regular budget for education to support scholarships **FOR THE POOR BUT DESERVING CHILDREN OF SHUHADA (ACCREDITED MNLF MEMBERS) AND**

OTHER DEPRIVED MEMBERS OF SOCIETY INCLUDING NEEDY ORPHANS and shall endeavor to augment the funds for scholarships from other sources of revenue, public or private.

The Regional Government shall administer the scholarship programs of the Commission on Higher Education and the Technical Education and Skills Development Authority scholarship programs, both local and foreign within the region. The administrative and other details of this transfer of authority to administer the scholarship programs shall be done within six (6) months from the approval of this Organic Act.

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SEC. 10. *Applicability and Repealing Clause.* - All laws, presidential decrees, executive orders, issuances, rules and regulations, and part thereof which are contrary to or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 11. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.