

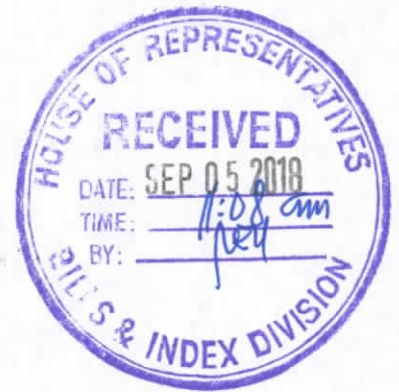
Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City

17th CONGRESS

Third Regular Session

House Bill No. 8189



Introduced by ***Representative Wes Gatchalian***

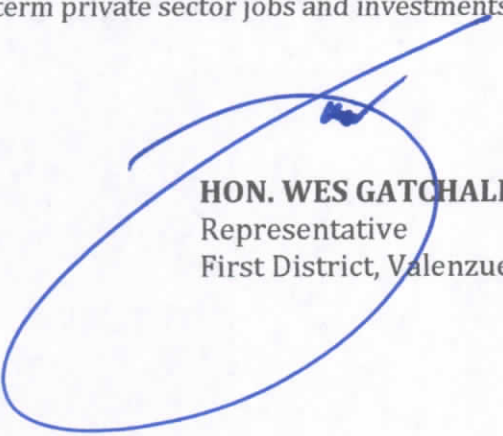
EXPLANATORY NOTE

This bill seeks to institutionalize a new and truly independent department that will implement long-term, continuing, integrated, and coordinated programs and policies for national development.

The Act institutionalizes the National Economic and Development Authority (NEDA) as a lead integrator of economic development programs and policies to achieve the following objectives: (1) facilitate the planning, collaboration, and coordination among the relevant government agencies; (2) improve access to national program information, data, and funding opportunities, support research of leading edge, world class economic development practices and information dissemination efforts; (3) ensure that economic resources are aligned and invested in support of identified and well-defined timely strategies and projects in non-duplicative activities; (4) encourage strategic investments that strengthen competitiveness and foster job creation; (5) promote energy independence, help fight poverty and build prosperity for the greatest number of Filipinos; and, (6) produce transformational economic diversification and workforce development outcomes for our country's long-term sustainable economic future.

In addition to all that has been stated, this act also enhance decentralization and strengthen the autonomy of units within the various regions of the country to accelerate their economic and social growth and development. Distressed communities will thus be empowered to revitalize, expand, and upgrade their physical infrastructures to attract new industries, encourage business expansion in the countryside, diversify local economics, and generate or retain long-term private sector jobs and investments.

HON. WES GATCHALIAN
Representative
First District, Valenzuela City



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HOUSE OF REPRESENTATIVES

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House Bill No. **8189**

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AN ACT
INSTITUTIONALIZING THE NATIONAL ECONOMIC AND DEVELOPMENT
AUTHORITY AS THE INDEPENDENT ECONOMIC AND PLANNING AGENCY OF
THE PHILIPPINE GOVERNMENT, DEFINING ITS FUNCTIONS AND AMENDING
EXECUTIVE ORDER NO. 230 SERIES OF 1987, AS AMENDED,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

CHAPTER I
INSTITUTIONALIZATION AND ORGANIZATION OF THE NATIONAL
ECONOMIC AND DEVELOPMENT AUTHORITY

ARTICLE I. POWERS AND FUNCTIONS OF THE NATIONAL ECONOMIC AND
DEVELOPMENT AUTHORITY

SECTION 1. Short Title. - This Act shall be known as "The National Economic and Development Act of 2018."

SEC. 2. Declaration of Policy. - The State shall adopt and implement continuing integrated and coordinated long, medium, and short term development plans and policies to achieve full employment towards sustainable and inclusive economic growth, equitable distribution of opportunities, income, and wealth; and increase productivity, as a key to raising the quality of life for all. To this end, it is recognized that the formulation of socioeconomic policies and plans is a vital process that calls for the participation of the public and private sectors at the national and sub-national levels. The formulation and adoption of these policies and plans need to be coordinated and implemented by an independent economic and planning agency, to be headed by the President, to ensure the consistency of policies, plans and programs for national development and the sustainable use of the nation's resources.

SEC. 3. *The National Economic and Development Authority.* - There is hereby established an independent economic and planning agency, which shall be known as the National Economic and Development Authority, hereafter referred to as NEDA.

The NEDA shall consist of two (2) distinct but functionally related entities, namely, National Economic and Development Board and the NEDA, hereafter referred to as the NEDB and the NEDA, respectively. The NEDB and the NEDA shall be structured organizationally and functionally, in accordance with the provisions of this Act, and shall be drawn from the existing NEDA Board and NEDA Secretariat, which was reorganized pursuant to Executive Order No. 230, s. 1987.

SEC. 4. *Powers and Functions.* - The NEDA shall have the following powers and functions:

- (1) Formulate, in consultation with appropriate public agencies, civil society organizations, non-government organizations, people's organizations, the academe, the private sector, and local government units, continuing integrated and coordinated policies, plans and programs for national development, such as, but not limited to:
 - (a) Long-term national development plans;
 - (b) Medium-term and short-term national and regional development plans;
 - (c) Medium-term national and regional public investment programs; and
 - (d) Sectoral and spatial plans and programs.
- (2) Oversee the implementation and ensure the harmonization of national and regional plans and programs by prescribing standards, guidelines, and compliance and accountability mechanisms to ensure continuing integrated and coordinated programs and policies for national development;
- (3) Ensure and coordinate the integration of national, sub-national and spatial plans and programs for consistency and alignment with the overall development objectives of the country;
- (4) Prioritize policies and strategies, with corresponding programs, activities and projects, and funding from the national government, official development assistance (ODA), public-private partnerships, and other viable sources of funding, as basis for budget expenditure policies and budget formulation, in coordination with implementing agencies, and for reporting to the NEDB and its committees;
- (5) Monitor and evaluate national and regional programs and projects of government, funded by the national government, official development assistance (ODA), public-private partnerships, and other viable sources of funding;
- (6) Review, monitor and assess the impact of policies, regulations, and programs of the government, and recommend to concerned government agencies and instrumentalities strategies and measures, including proposed legislation, to achieve sectoral development goals;
- (7) Recommend policies that would encourage investments to ensure that the economic and business environments and regulatory frameworks are consistent with the development agenda and plans of the country;

- (8) Report to Congress on the economic performance of the country, including the status and directions of the fiscal and monetary policies of the government – in coordination with the Bangko Sentral ng Pilipinas and the Department of Finance – and prospects in the macroeconomy and labor market, and other relevant information that may be requested, for purposes of transparency and accountability; and
- (9) Provide technical, advisory and secretariat support services to the NEDB and its committees, the Regional Development Councils, and other stakeholders.

ARTICLE II. THE NATIONAL ECONOMIC AND DEVELOPMENT BOARD

SEC. 5. *Composition of the National Economic and Development Board (NEDB).* - The powers and functions of the NEDA shall reside in the NEDB, composed of six (6) members.

The members are as follows:

- (1) The President of the Philippines, who shall be the Chairperson of the NEDB. Whenever the President is unable to attend a meeting of the Board, the Vice-Chairperson shall act as Chairperson;
- (2) The Secretary of NEDA, who shall be the Vice-Chairperson;
- (3) The Secretary of Finance;
- (4) The Secretary of Budget and Management;
- (5) The Secretary of Interior and Local Government;
- (6) The Secretary of Trade and Industry;
- (7) The Secretary of Public Works and Highways; and
- (8) The Governor of the Bangko Sentral ng Pilipinas (BSP), as a resource institution.

All members of the NEDB, except the Governor of the BSP, are voting members.

The presence of at least four voting members shall constitute a quorum.

SEC. 6. *Meetings.* - The NEDB shall meet at least once every quarter. The presence of three (3) voting members shall constitute a quorum, provided that in all cases the Secretary of NEDA shall be present.

A special meeting of the NEDB may be convened by the President to address urgent concerns, or emergencies, such as natural disasters, calamities, or other extraordinary circumstances which would affect the economy and national development.

All decisions of the NEDB shall require the concurrence of at least a majority of the voting members present at a meeting at which there is a quorum.

The NEDA shall maintain and preserve a complete record of the proceedings and deliberations of the NEDB, including the recordings and transcripts, either in their original form, or in any secured digital format.

SEC. 7. *Withdrawal of Persons Having a Personal Interest.* - In addition to the requirements of Republic Act No. 6713, any member of the NEDB with personal or pecuniary interest in any matter in the agenda of the NEDB shall disclose his interest to the Board and shall withdraw from the meeting when the matter is taken up. The decision taken on the matter shall be made public. The minutes

shall reflect the disclosure made and the recusal of the member concerned from the meeting.

SEC. 8. Exercise of Authority. - In the exercise of authority, the NEDB shall:

- (1) Direct the formulation and implementation of policies and strategies that would promote economic development and address development concerns of national importance;
- (2) Issue rules and regulations necessary for the effective discharge of the powers and functions vested upon the NEDA;
- (3) Ensure, together with the Department of Budget and Management and other relevant government oversight agencies, that the annual and multi-year appropriations for programs and projects are aligned with the development strategies in the MTPDP and MTRDPs;
- (4) Approve and endorse to Congress the integrated development plans and programs which will serve as bases for the annual budget review and deliberation;
- (5) Determine the level of annual government expenditures, as well as projections, forecast, resource requirement, and the ceiling of government spending for social and economic development, national defense, government debt service, and the proper allocation of expenditures for each development activity between current operating expenditures and capital outlay;
- (6) Approve or confirm projects, programs, and plans as required under existing laws, orders, rules and regulations, and other issuances; and
- (7) Direct the reorganization, or establishment of inter-agency committees under the NEDB, including the modification of its membership, structures, powers and functions.

SEC. 9. Inter-Agency Committees. - Inter-agency committees shall be created to be the primary advisory bodies to the NEDB. It shall submit recommendations on matters involving their concerns to the NEDB for approval.

The NEDB shall designate the Chairperson of these Committees, including the Secretariat, unless otherwise specifically provided herein.

The NEDB may create other inter-agency committees, or modify existing ones in respect to their structures, compositions, powers, and functions.

The inter-agency committees may create sub-committees, whenever appropriate, for the purpose of dispensing with any of its respective functions.

The following shall be the NEDB Inter-Agency Committees:

(1) Development Budget Coordination Committee (DBCC) - The DBCC, to be composed of the Secretaries of Budget and Management, National Economic and Development Authority, Finance, and Trade and Industry, the Executive Secretary, and the Governor of the Bangko Sentral ng Pilipinas, shall have the following functions:

- (a) Recommend for Presidential approval the level of annual government expenditures and the ceiling of government spending for economic and social development, national defense, and government debt service;
- (b) Recommend to the NEDB the budget to be allocated for current operating expenditures and capital outlays of government programs and projects;

(c) Assess the overall economic situation of the country, which includes economic growth, monetary, fiscal, and possible economic risks which may require policy reforms;

(d) Conduct periodic review of macroeconomic targets, and the revenue and expenditure projections of the government; and

(e) Prepare a strategic multi-year fiscal program which supports the long-term and medium-term development objectives of the country.

(2) Investment Coordination Committee (ICC) - The ICC, to be composed of the Secretaries of Finance, National Economic and Development Authority, Budget and Management, Interior and Local Government, and Trade and Industry, the Executive Secretary, and the Governor of the Bangko Sentral ng Pilipinas as members, shall have the following functions:

(a) Review and submit to the President a status of the fiscal, monetary and balance of payment (BOP) implications of major capital programs and projects;

(b) Recommend to the NEDB the timetable of the implementation of major capital programs and projects on a regular basis;

(c) Review and evaluate specific major capital programs and projects with respect to technical, financial, economic, social, environmental, legal, institutional, feasibility, viability as well as from the context of sectoral plans and geographical strategies, as may be required by law, orders, and other legal issuances;

(d) Review and approve, for final approval of the NEDB, major capital projects based on a cost threshold as may be set by the NEDB; and

(e) Recommend to the NEDB a domestic and foreign borrowing program.

(3) Infrastructure Committee (INFRACOM) - The INFRACOM, to be composed of the Secretaries of National Economic and Development Authority, Public Works and Highways, Budget and Management, Finance, Information and Communications Technology, Transportation, Trade and Industry, Energy, Agriculture, and Tourism, and the Executive Secretary, shall have the following functions:

(a) Formulate a national infrastructure development strategy that will coordinate, integrate and accelerate the development initiatives across all infrastructure subsectors in the country;

(b) Advise the President and the NEDB, on all matters concerning infrastructure development, including highways, airports, seaports, offshore infrastructure and shore protection; railways and subways; power generation, transmission and distribution; telecommunications; irrigation, flood control and drainage; water supply and sanitation; national buildings for government offices; hospitals and related buildings; state colleges and universities, elementary and secondary school buildings; reclamation; and other public works, whether procured or financed through traditional means, public-private partnership (PPP), or any other method; and

(c) Coordinate the activities of agencies, including government-owned and/ or controlled corporations involved in infrastructure development.

(4) Social Development Committee (SDC) - The SDC, to be composed of the Secretaries of Social Welfare and Development, National Economic and Development Authority, Budget and Management, Education, Agrarian Reform,

Agriculture, Education, Health, Interior and Local Government, and Labor and Employment, and the Executive Secretary shall have the following functions:

- (a) Formulate and recommend government policies, programs and projects on social development that are appropriate and consistent with national development and priorities;
- (b) Advise the NEDB on matters concerning social development, including education, manpower, health and nutrition, population and family planning, housing, human settlements, and the delivery of other social services; and
- (c) Coordinate the activities of government agencies concerned with social development.

(5) Tariff and Related Matters Committee (TRMC) - The TRMC, to be composed of the Secretaries of Trade and Industry, National Economic and Development Authority, Agriculture, Budget and Management, Environment and Natural Resources, Finance, Foreign Affairs, Information and Communications Technology, Transportation, the Executive Secretary, the Governor of the Bangko Sentral ng Pilipinas, the Commissioner of Internal Revenue, and the Chairman of the Tariff Commission, shall have the following functions:

- (a) Recommend to the NEDB a continuous rationalization policy and program for the country's tariff structure;
- (b) Advise the NEDB on tariff and related matters, as well as the effects of various international developments on the country; and
- (c) Coordinate government agency positions and recommend national positions for international economic negotiations.

(6) Regional Development Committee (RDCOM) - The RDCOM, to be composed of the Secretaries of National Economic and Development Authority, Interior and Local Government, Budget and Management, and Trade and Industry, three (3) Regional Development Council Chairpersons representing Luzon, Visayas and Mindanao, and one (1) representative from the Union of Local Authorities of the Philippines, shall have the following functions:

- (a) Formulate and monitor the implementation of policies that reduce regional growth disparities, and promote equitable allocation of resources among regions;
- (b) Serve as a clearinghouse for key regional development policy proposals that have impacts on at least two (2) regions;
- (c) Formulate and monitor the implementation of the framework for regional development of the Medium-Term Development Plan;
- (d) Direct the formulation of and review the guidelines for the regional allocation of agency budgetary resources; and
- (e) Periodically review the viability of the regional configuration of the country, and recommend to the NEDB the re-delineation of regions, as may be necessary.

The composition of the Committee shall be without prejudice to the participation of representatives of other government agencies or bodies, or of authorized representatives of major organizations of local government officials, civil society organizations, non-government organizations, people's organizations, the academe, or other private organizations as may be considered desirable by the Committee in its deliberations.

(7) National Land Use Committee (NLUC) - The NLUC, to be composed of the Secretaries of National Economic and Development Authority, Agrarian Reform, Agriculture, Energy, Environment and Natural Resources, Information and Communications Technology, Interior and Local Government, Justice, Public Works and Highways, Science and Technology, Trade and Industry, Transportation, and Tourism, the Chairperson of the Housing and Urban Development Coordinating Council or the Housing and Land Use Regulatory Board, the Chairperson of the National Commission on Indigenous Peoples, and the presidents of Leagues of provinces, municipalities and cities:

- (a) Advise the NEDB on matters concerning land use and physical planning;
- (b) Formulate a national physical framework plan and other inter-sectoral policies and programs that guide the rational utilization and management of the country's land and other physical resources, and the preparation of sub-national physical framework plans;
- (c) Ensure the integration of land use and physical planning policies, plans, and programs, including disaster risk management, into national socioeconomic plans and programs;
- (d) Recommend resolutions concerning land use policy conflicts among agencies of the national government;
- (e) Oversee the establishment and maintenance, in conjunction with appropriate government agencies, a database system that will identify and classify the present and possible uses of specific land areas, public and private, comprising the total land resource of the country; and
- (f) Provide policy directions to the Regional Land Use Committees in the performance of their respective physical planning functions.

The NLUC may call on any Department, Bureau, Office, or Agency for support or assistance in the performance of its function.

The composition of the Committee shall be without prejudice to the participation of representatives of other government agencies or bodies, or of authorized representatives of major organizations of local government officials, civil society organizations, non-government organizations, people's organizations, the academe, or other private organizations as may be considered desirable by the Committee in its deliberations.

(8) Economic Development Committee (EDC) - The EDC shall be composed of the Secretaries of Finance, National Economic and Development Authority, Trade and Industry, Budget and Management, Public Works and Highways, Transportation, Information and Communications Technology, Energy, Science and Technology, Tourism, Agriculture, and Interior and Local Government, the Governor of the Bangko Sentral, and the Executive Secretary. It shall be the main coordinating mechanism that ensures that the policy environment is conducive to the promotion of rapid, inclusive, and sustained economic growth. In particular, the EDC shall:

- (a) Formulate policies that promote sustainable economic development and inclusive growth;

- (b) Promote an environment conducive to growth and competitiveness of private enterprises and human capital resources, and the creation of jobs that will empower people and provide them with opportunities to rise above poverty;
- (c) Recommend to the President and NEDB policies that would ensure equitable distribution of economic opportunities and benefits to Filipinos;
- (d) Recommend policy directions towards the development of farms and rural enterprises which are vital to achieving food security and more equitable growth; and
- (e) Monitor and evaluate continuous improvements in national productivity and competitiveness of domestic products and services.

(9) Science, Technology and Innovation Committee (STIC) - The STIC, to be composed of the Secretaries of Science and Technology, National Economic and Development Authority, Information and Communications Technology, Trade and Industry, Finance, Budget and Management, Interior and Local Government, and Education, the Chairperson of the Commission on Higher Education, and the Executive Secretary, shall have the following functions:

- (a) Recommend to the President and NEDB policies and programs that will promote a culture of research, planning and innovation, and encourage knowledge creation, dissemination and utilization to support the country's sustainable economic development and competitiveness; and
- (b) Oversee and coordinate the preparation of a national agenda that would provide the framework and strategies for research and development, and innovation in the country.

(10) Environment and Sustainable Development Committee (ESDC) - The ESDC, to be composed of the Secretaries of Environment and Natural Resources, National Economic and Development Authority, Agrarian Reform, Agriculture, Energy, Interior and Local Government, and Science and Technology, and the Chairperson of the Climate Change Commission, shall have the following functions:

- (a) Recommend to the President and NEDB policies that will promote the conservation of the environment and the sustainable utilization of the country's natural resources;
- (b) Oversee the preparation of policies, strategies and other measures to adapt to and mitigate the effects of climate change;
- (c) Monitor and evaluate the impact of environmental programs and projects to the Philippine economy in general, and the utilization of the nation's resources; and
- (d) Recommend measures to resolve conflicting policies and programs concerning the environment and natural resources sector.

(11) Governance Committee (GC) - The GC, to be composed of the Secretaries of Interior and Local Government, National Economic and Development Authority, Budget and Management, Finance, Trade and Industry, and Justice, the Chairperson of the Commission on Audit, and the Chairman of the Governance Commission for Government Owned or Controlled Corporations, shall:

- (a) Formulate and recommend policies that promote transparency, accountability, and participatory governance, and strengthen public institutions to effectively and efficiently implement their respective mandates;
- (b) Recommend policies that would capacitate national government agencies in linking its respective budget with performance outcomes;
- (c) Recommend policies, plans and programs that would ensure an improved policy and regulatory environment to reduce cost of doing business in the country and improve market competition; and
- (d) Facilitate the resolution of governance issue in development planning, the participation of various sectors in the governance processes, and the development of capacities in the identification, development, implementation and evaluation of critical governance reforms.

SEC. 10. *Meetings and Reports of the Inter-Agency Committees.* - The inter-agency committees shall meet regularly, but may be convened to such special meetings as may be necessary. The members of the inter-agency committees shall be duly notified of any meeting in advance.

The inter-agency committees shall furnish the NEDB their respective reports and outputs during such meetings.

ARTICLE III. THE SECRETARY AND OFFICES OF THE NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY

SEC. 11. *Organization, Composition, Staffing, and Compensation.* - The NEDA shall determine its organizational structure, composition and staffing, as well as the responsibilities and functions of each office therein as provided for in SEC. 11, SEC. 12, SEC. 13, SEC. 14, SEC. 15, and SEC. 16, according to applicable laws. It shall establish a human resource management system, in accordance with Civil Service rules, which shall govern the selection, hiring, appointment, transfer, promotion, or dismissal of all personnel with the aim of establishing integrity, professionalism and excellence at all levels. It shall adopt a position classification and compensation structure based on job evaluation studies, talent retention strategies, and wage surveys, that shall thereafter be subjected to the approval of the NEDB. The salaries and other remuneration of officials and permanent employees of NEDA shall at least be one salary grade higher than the standard provided under Republic Act No. 6758.

SEC. 12. *Organization of NEDA.* - The NEDA shall consist of the Office of the Secretary, the Offices of the Undersecretaries and Assistant Secretaries, technical and sectoral staffs, operations support staffs, and regional offices.

SEC. 13. *Office of the Secretary of NEDA.* - The Office of the Secretary of NEDA shall consist of the Secretary, four (4) Undersecretaries, eight (8) Assistant Secretaries, the Internal Audit Service, and the Legislative Liaison Office.

SEC. 14. *Functions of the Secretary of NEDA.* - The Secretary of the National Economic and Development Authority shall have the following functions:

- (1) Provide executive direction and supervision over the entire operations of the NEDA and its attached agencies;
- (2) Establish policies and standards for the effective, efficient, and economical operations of the NEDA, in accordance with the programs of the government;
- (3) Promulgate rules, regulations, and other issuances as necessary in carrying out the NEDA's mandate, objectives, policies, plans, programs and projects;
- (4) Establish effective linkages with regional and provincial planning and development offices;
- (5) Advise the President on the promulgation of executive or administrative orders, and the formulation of regulatory and legislative proposals, pertaining to matters of national economic development;
- (6) Promulgate such rules and regulations, and exercise such other powers as may be required to implement the objectives of this Act; and
- (7) Perform such other tasks as may be provided by law or assigned by the President.

SEC. 15. *Term of Office of the Secretary.* - The Secretary of National Economic and Development Authority shall be appointed by the President who shall serve until the expiration of the President's term unless sooner terminated.

The Secretary may be re-appointed or extended beyond his or her term, upon the discretion of the newly elected President.

SEC. 16. *Undersecretaries and Assistant Secretaries.* - The Secretary shall be assisted by four (4) Undersecretaries and eight (8) Assistant Secretaries, who are appointed by the President, upon recommendation by the Secretary.

The Secretary shall have the flexibility to determine the respective assignments of the Undersecretaries and Assistant Secretaries, depending on the Secretary's strategic directions and/or on emerging development trends affecting the country's economy.

SEC. 17. *Staffs and Offices.* - The NEDA shall be composed of the following technical and sectoral staffs, administrative and support staffs, and regional offices:

- (1) National Policy and Planning Staff;
- (2) Public Investment Staff;
- (3) Monitoring and Evaluation Staff;
- (4) Regional Development Staff;
- (5) Agriculture, Natural Resources, and Environment Staff;
- (6) Governance Staff;
- (7) Social Infrastructure Staff;
- (8) Connectivity Infrastructure Staff;
- (9) Social Development Staff;
- (10) Trade, Services, and Industry Staff;
- (11) Administrative Staff;
- (12) Development Information Staff;
- (13) Financial Planning and Management Staff;
- (14) Information and Communications Technology Staff;
- (15) Legal Staff;
- (16) Internal Audit Service;

(17) Legislative and Liaison Office; and

(18) Regional Offices in all the administrative regions of the country, except those with planning offices created by law.

The Secretary may recommend for NEDB approval, the creation of additional staffs or modification of existing staffs relative to their structures, compositions, powers, and functions.

SEC. 18. NEDA Regional Offices (NROs). - The NROs shall have the following functions:

(1) Oversee the integration of plans and programs of regional agencies, state universities and colleges (SUCs), government owned and controlled corporations (GOCCs), and local government units (LGUs) into the regional and national plans. The NROs shall provide assistance to regional line agencies, LGUs, SUCs and GOCCs in identifying and developing programs and projects;

(2) Evaluate and review proposed policies, land use plans, programs and projects in the region;

(3) Monitor and evaluate the implementation of plans, policies, programs and projects;

(4) Provide technical and secretariat services to their respective Regional Development Councils;

(5) Undertake research and ensure knowledge utilization for regional development and productivity; and

(6) Provide technical assistance to development partners in the region in accordance with NEDA's functions.

SEC. 19. Attached Agencies. - The agencies attached to the NEDA as of the effectiveness of this Act shall continue to be attached in the performance of their respective functions, pursuant to the pertinent provisions of their respective charters or enabling laws, unless otherwise provided.

The following agencies are attached to the NEDA for purposes of policy and program coordination:

(1) Philippine Institute for Development Studies (PIDS);

(2) Philippine National Volunteer Service Coordinating Agency (PNVSCA);

(3) Philippine Statistics Authority (PSA);

(4) Philippine Statistical Research and Training Institute (PSRTI); and

(5) Commission on Population and Development (POPDEVCOM).

Other agencies, which are attached to the NEDA for budgetary purposes and administrative supervision, include:

(1) Public-Private Partnership Center (PPPC); and

(2) Tariff Commission (TC).

SEC. 20. Functions of the Attached Agencies. - The agencies attached to the NEDA shall continue to operate and function in accordance with the respective charters, laws, or order creating them, except as otherwise provided in this Act, the Administrative Code of 1987, and subsequent laws. The NEDA shall review the mandate, objectives and functions of the attached agencies in order to recommend dispositions or revisions in its respective charters, whenever appropriate and deemed advisable.

SEC. 21. *Legislative-Executive Development Advisory Council (LEDAC).* - The NEDA shall continue to serve as the principal secretariat of the LEDAC, consistent with Republic Act No. 7640. It shall perform the following functions under Sec. 3 thereof, including the preparation of the budget and administration of the funds of the Council:

- (1) Determine and recommend socioeconomic development goals in pursuance of established policies which shall guide the formulation and implementation of the national development plan;
- (2) Provide policy advice to the President on vital issues affecting the socioeconomic development of the country;
- (3) Direct the study of measures to ensure that regional development plans and programs are integrated into the national development plan;
- (4) Receive, and in appropriate cases, require reports on, and study measures to improve, the implementation of official development assistance from multilateral and bilateral entities;
- (5) Assess effectiveness of implementation of the national development plan;
- (6) Integrate environmental concepts, principles and practices into the national development plan for a balanced and cohesive approach to national development;
- (7) Review the relationship of the legislative agenda to the national development plan to ensure the integration of both; and
- (8) Study and recommend to the President and to Congress sources of revenue as well as measures to reduce unnecessary expenditures to the end that the resources of the Government will be used to the optimum.

ARTICLE IV. DEVELOPMENT PLANS AND PROGRAMS, REPORTS AND PUBLICATIONS

SEC. 22. *Long-Term Development Plan.* - The NEDA shall formulate a twenty-five-year development plan which will provide the overall direction to the medium-term and short-term development plans of the country, to ensure consistency of government strategies, policies, programs, and projects across political administrations. The long-term development plan shall contain the development goals and milestones each administration should attain to realize the long-term vision of the Filipino people.

SEC. 23. *Medium-Term Philippine Development Plan (MTPDP) and Medium-Term Regional Development Plans (MTRDPs).* - The NEDA, in consultation with appropriate public agencies, various private sector and local government units, shall prepare an economic development blueprint for the next six years, which shall be known as the Medium-Term Development Plan. The MTPDP shall embody the government's socio-economic policies, strategies and programs in support to and consistent with the development agenda of the President, and geared towards the attainment of the development goals and objectives in the long-term development plan.

At the regional level, the NEDA Regional Offices shall coordinate the preparation of their respective regional development plans, consistent with the MTPDP. The MTRDPs shall define the region's development direction and identify policies, strategies and programs.

SEC. 24. *Medium-Term Public Investment Program (MTPIP) and Regional Medium-Term Development Investment Programs (RMTDIPs).* - The preparation of the MTPIP and RMTDIPs shall coincide with the formulation and preparation of the MTPDP and MTRDPs, respectively. The NEDA shall prepare a list of priority programs and projects to be implemented by the national government, government-owned and/or controlled corporations (GOCCs), government financial institutions (GFIs), and other national government offices and instrumentalities that will contribute to the attainment of the sectoral goals and outcomes in the MTPDP and MTRDPs.

The MTPIP and RMTDIPs shall be regularly updated. The NEDA, in consultation with appropriate government agencies and stakeholders, shall prioritize sectoral and geographic programs, projects and activities to be funded from government appropriations, ODA, PPP, revenue sources generated by GOCCs, GFIs, and other government bodies and instrumentalities, and other viable sources of funding.

SEC. 25. *National Physical Framework Plan (NPFP).* - The NEDA shall prepare a framework which provides analytical parameters for the planned allocation, use and management of the country's land and other physical resources. The NPFP shall help plan and manage these resources at the national and subnational levels.

The NEDA Regional Offices shall coordinate the preparation of the sub-national physical framework or physical development plans for the approval of their respective RDCs.

The NPFP and sub-national physical framework or physical development plans shall serve as the main reference documents in the preparation of the physical plans and land use plans of provinces, cities, and municipalities in the country.

SEC. 26. *Socioeconomic Report (SER) and Regional Development Reports (RDRs).* - To monitor the implementation of the MTPDP and MTRDPs, the NEDA shall prepare periodic socioeconomic reports. The SER and RDRs shall serve as inputs to policy and decision makers in the formulation of policies, budgeting and implementation of programs and projects, based on the development plans of the country.

SEC. 27. *ODA Portfolio Review.* - Consistent with RA No. 8182 or the ODA Act of 1996, as amended by RA No. 8555, the NEDA shall conduct an annual review of the status of all projects financed by ODA and identify causes of implementation and completion delays or reasons for bottlenecks, cost overruns (actual and prospective), and continued program or project viability. The NEDA is required to submit to the President and Congress a report on the outcome of the review not later than June 30 of each year.

SEC. 28. *Knowledge Management.* - The NEDA shall establish a repository of data and information, publications, research and analyses, and other information concerning the Philippine economy and development, in general. It shall manage, maintain, and make available such information and documents to the public for the purpose of knowledge sharing.

CHAPTER II

HARMONIZATION AND SYNCHRONIZATION OF DEVELOPMENT PLANNING, INVESTMENT PROGRAMMING, BUDGETING, AND MONITORING PROCESSES OF GOVERNMENT

ARTICLE I. LINKAGE AND ALIGNMENT OF PLANS AND PROGRAMS

SEC. 29. *Planning and Program Formulation.* - The NEDB shall issue the Planning Call not later than two months after the newly elected President has assumed office. The NEDA shall prescribe the standards and guidelines in the preparation of the MTPDP, MTRDPs, MTPIP and RMTDIPs, including a planning and investment programming timetable aligned with the budget calendar.

The NEDA, in coordination with concerned government agencies and other government instrumentalities, shall determine a timetable for the preparation and formulation of sectoral plans and programs, to ensure that the policies and strategies contained in the respective sectoral plans are considered and incorporated in the MTPDP. The timetable for the formulation of the MTPDP and MTPIP shall coincide with the budgeting timetable to ensure that the strategic programs and projects identified are provided with the required funding allocation.

SEC. 30. *Planning, Programming and Budgeting Linkage.* - The NEDA shall ensure that the linkage between development planning, programming and budgeting shall be the highest priority in the planning and budgeting activities of the government, consistent with provisions of the Administrative Code of the Philippines.

The NEDA, together with the Department of Budget and Management and other relevant government oversight agencies, shall ensure that the annual and multi-year appropriations for programs and projects are aligned with the development strategies in the MTPDP and MTRDPs.

SEC. 31. *Adoption and Implementation of Plans and Investment Programs.* - The RDCs shall approve their respective MTRDPs and RMTDIPs for consideration in the MTPDP and MTPIP. The NEDB shall approve the MTPDP and MTPIP for adoption and implementation of government agencies.

SEC. 32. *Integration of National, Regional and Local Plans and Programs.* - The NEDA shall ensure the integration of major regional and local development priorities into the MTPDP and MTRDPs, respectively. Furthermore, the NEDA, through the NEDA Regional Offices, shall provide oversight in the formulation of provincial development plans so that local development thrusts are aligned and contribute to the national and regional level plans and programs.

The NEDA shall likewise institute processes to enable the inclusion of regional priorities in the programs and projects of the national government agencies, and subsequently, in the respective budgets of national agencies.

The NEDB, through the DBCC, shall identify and determine the level of expenditure program of national government agencies by region, in accordance

with the approved regional medium-term development plans and regional medium-term development investment programs.

SEC. 33. *Consultations and Technical Assistance.* - There shall be maximum participation by and consultation with concerned local government units, community organizations and beneficiaries, civil society organizations, non-government organizations, people's organizations, the academe, or other private organizations in order to ensure that the priority needs are incorporated into the formulation of policies, plans, programs and projects.

The NEDA shall provide technical assistance to the local government units on how to localize national development strategies, particularly in planning and investment programming to ensure alignment of local development plans and strategies with the MTPDP and MTRDPs. It shall also assist local government units in identifying and developing programs and projects, and redirecting resources into more productive activities to achieve the intended development outcomes in their respective areas.

SEC. 34. *Coordination with Autonomous and Administrative Regions.* - The NEDA shall ensure effective coordination with autonomous and administrative regions with separate planning offices in the formulation of the MTPDP and in other relevant planning activities affecting said regions.

ARTICLE II. MONITORING AND EVALUATION OF PLANS AND PROGRAMS

SEC. 35. *Monitoring and Reporting on the Implementation of Plans and Programs.* - The relevant NEDB Committees shall monitor the implementation of the MTPDP, MTRDPs, MTPIP and RMTDIPs, including sectoral plans and programs on an annual basis, to determine if the targets identified in the plans and programs were achieved. The monitoring results shall be reported to the NEDB, Congress and other concerned agencies for purposes of adjustments in policies, programs and projects.

CHAPTER III

TRANSITORY AND OTHER MISCELLANEOUS PROVISIONS

SEC. 36. *Transitory Provision.* - The powers and functions, applicable funds and appropriations, records, files, equipment, facilities, supplies, property, and personnel of the current NEDA Secretariat are hereby transferred to the new NEDA.

The present career officials and employees of the current NEDA Secretariat shall enjoy security of tenure and be absorbed by the new NEDA, in accordance with its staffing pattern and selection process as prescribed under Republic Act No. 6656 and by the NEDB, unless they are separated from service by virtue of the reorganization resulting from this Act, or opt and are qualified to retire from service. The affected officials and employees shall be entitled to a separation package to be determined by the NEDB.

Unless absolutely required, no officer or employee shall be separated from service as a result of any reorganization or consolidation under the provisions of

this Act. In addition, those who desire and are qualified to retire shall be entitled to all the benefits provided under existing laws.

Current officials and employees of the NEDA Secretariat shall continue to draw their salaries, benefits, and other emoluments until such time, but not later than one (1) year from the effectiveness of this Act, that the corresponding funds from the National Government shall have been appropriated and released to the NEDA.

SEC. 37. *Transfer of Rights and Obligations.* - The NEDA shall, by virtue of this Act, be subrogated to all the rights and assume all the obligations of the current NEDA Secretariat, and all its liabilities that pertain to its pertinent funds and appropriations, records, files, equipment, facilities, supplies, property, and personnel, including unexpended portions of its members' respective salaries.

SEC. 38. *Funding.* - The amount needed to carry out the initial implementation of this Act shall be charged against the current operative budget sourced from the funds currently available for the NEDA Secretariat. Thereafter, the necessary budget for the continued operation and maintenance of the NEDA shall be included in the annual GAA.

SEC. 39. *Implementing Rules and Regulations.* - Within ninety (90) days from the effectiveness of this Act, the NEDB shall promulgate the rules and regulations, as well as the issuances, necessary to ensure the proper implementation of the provisions of this Act. These implementing rules and regulations shall take effect fifteen (15) days after the completion of their publication in two (2) newspapers of general circulation.

SEC. 40. *Separability Clause.* - If any provision or portion of this Act is declared unconstitutional, the remainder of this Act or any provision not thereby affected shall remain in full force and effect.

SEC. 41. *Repealing Clause.* - All laws, decrees, executive orders, ordinances, rules, regulations, and other issuances, or parts thereof, which are inconsistent with any provision of this Act, are hereby repealed, amended, and/ or modified accordingly.

SEC. 42. *Effectivity.* - This Act shall take effect fifteen (15) days after completion of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,