



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



EIGHTEENTH CONGRESS
First Regular Session
HOUSE BILL NO. 2966

Introduced by:
Representative FRANCISCO JOSE F. MATUGAS II

EXPLANATORY NOTE

Siargao, consisting of Siargao Island and Bucas Grande Island, used to be one of the best kept secrets in the country. Now, it has been named the Best Island, not only in Asia, but in the World. What once was a haven for surfers only, is now one of the prime tourist destinations in the country.

While the residents of the island welcome development, it is government's duty to ensure that such development is sustainable, with special emphasis on protecting the environment. As a protected landscape and seascape, it is imperative that a development plan be adopted to ensure that the islands' development meets the needs of its current residents without compromising the future generations' right to enjoy the island's natural resources. The rapid development and influx of tourists in Siargao requires advance planning in areas like health services, food security, waste management, transportation, peace and security, among others, before they become a problem. It is important that all municipalities in the islands adhere to a single development plan and one entity be tasked to implement the same. This bill seeks to create such an entity, the Siargao Islands Development Authority. Said Authority will be tasked to adopt and implement a master plan for Siargao.

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


FRANCISCO JOSE F. MATUGAS II
Surigao del Norte, First District
(Siargao Island)



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AN ACT
CREATING THE SIARGAO ISLANDS DEVELOPMENT AUTHORITY,
PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES AND
PROVIDING FUNDS THEREFORE, AND FOR OTHER PURPOSES

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

Chapter I
Declaration of Policy and Creation of Authority

1 SECTION 1. *Short Title.* – This Act shall be known as the “Siargao
2 Islands Development Authority Act”.

3 SEC. 2. *Declaration of Policy.* – It is the policy of the State to undertake
4 measures to adopt sustainable and progressive development strategies of
5 forestlands, national parks, marine areas and sanctuaries, and resources
6 therein, to promote the economic and social development of Siargao.

7 SEC. 3. *Creation of the Siargao Islands Development Authority.* – For
8 purposes of carrying out the policy of this Act, a body corporate, granted the
9 powers of a corporation, is herein created to be known as the Siargao Islands
10 Development Authority (“SIDA”), hereinafter referred to as the “Authority”.

11 The Authority shall be organized within thirty (30) days after approval
12 of this Act. It shall have a term of fifty (50) years from its organization:
13 *Provided, That Congress, by a joint resolution, may dissolve the Authority*

1 whenever in its judgment the primary purpose for its creation has been
2 accomplished. It shall establish its principal office in Siargao Islands unless
3 otherwise provided by the Authority and may put up such branches as may be
4 necessary.

5 SEC. 4. *Purposes of the Siargao Islands Development Authority.* – The
6 Authority shall have the following purposes:

7 a) To adopt, prepare and implement a comprehensive and detailed
8 development plan embodying a list of projects to promote the economic,
9 cultural, and social development of the Siargao Islands, sustainable tourism,
10 protection and preservation of its protected areas and agricultural
11 development;

12 b) To encourage the active participation of the private sector in
13 developing the Siargao Islands into other productive and sustainable uses;

14 c) To establish a mechanism of consultation and coordination with
15 the local government units, and other stakeholders, regarding the plans,
16 programs and projects of the Authority for the islands of Siargao and
17 surrounding areas therein; and

18 d) To plan, program and undertake the adjustment, relocation, or
19 resettlement of the people living in the area as may be deemed necessary and
20 beneficial to the development of Siargao Islands, in coordination with the
21 appropriate government agencies and local government units.

22 SEC. 5. *Powers of Siargao Islands Development Authority.* – To carry
23 out its objectives under this Act, the Authority is hereby vested with the
24 following:

25 a) To succeed in its corporate name, to sue and be sued in such
26 corporate name and to adopt, alter and use a corporate seal which shall be
27 judicially noticed;

28 a) To enter into, make, perform, and carry out contracts of every
29 class, kind, and description which are necessary or incidental to the
30 realization of its purpose with any person, firm or corporation, private and
31 public, and with foreign government entities;

- 1 b) To adopt, amend, and repeal its by-laws;
- 2 c) To contract loans, indebtedness, credit, and issue commercial
3 papers and bonds, in any local or convertible foreign currency from any
4 international financial institutions, foreign government entities, and local or
5 foreign private commercial banks or similar institutions under terms and
6 conditions prescribed by law, rules and regulations;
- 7 d) To construct, own, lease, operate and maintain public utilities as
8 well as infrastructure facilities;
- 9 e) To acquire, hold, administer, and lease real and personal
10 properties, including agricultural lands, property rights and interests and
11 encumber, lease, mortgage, sell, alienate, or otherwise dispose of the same at
12 fair market value it may deem appropriate;
- 13 f) To receive donations, grants, bequeaths, and assistance of all
14 kinds from local and foreign government and private sector and utilize the
15 same;
- 16 g) To exercise the right of eminent domain;
- 17 h) To exercise oversight functions of the Siargao Islands declared
18 under this Act and by subsequent presidential proclamations within the
19 framework of this Act;
- 20 i) To identify, collect, and manage the fees to be collected, in
21 relation to its functions;
- 22 j) To adopt and implement measures and standards for the
23 protection of the environment and natural resources within the territorial
24 jurisdiction of the Authority and to enforce the same. For this purpose, the
25 Authority shall create an Ecology Center.

26 The Ecology Center shall be responsible for the implementation of all
27 environmental and natural resources conservation and protection programs
28 adopted or assumed by the Authority as a natural corporation and as a
29 governmental entity.

30 The Ecology Center shall undertake the normal functions associated
31 with environmental management, including but not limited to, enforcement,

1 monitoring, permitting, training and education and contingency and
2 emergency planning;

3 k) To issue all permits and clearances related to environmental
4 protection and conservation within its territorial jurisdiction, including but
5 not limited to, authorities to construct, permits to operate, and water use
6 permits. The Authority may, at its discretion, amend the requirements
7 associated with such permits or clearances that it deems necessary to protect
8 and conserve the environment;

9 l) To adopt and implement rules and regulations to govern building
10 and/or construction of all structures and infrastructures within its territorial
11 jurisdiction. Pending the issuance of such rules and regulations, Presidential
12 Decree No, 1096, otherwise known as the "National Building Code of the
13 Philippines" ("NBC"), and the Implementing Rules and Regulations ("IRR")
14 issued pursuant thereto, other laws on building and construction and the
15 rules and regulations issued by the Department of Public Works and
16 Highways and other government agencies concerning building and
17 construction will be adopted;

18 In this regard, and in accordance with the rules that the Authority will
19 issue pursuant thereto, the Authority shall have the right to require the
20 building owner to vacate, repair, renovate, demolish or remove any building
21 or structure which violates its rules and regulations on building and
22 construction;

23 m) To charge reasonable fees, including but not limited to license
24 fees, application fees, filing and registration fees and administrative and
25 regulatory fees; and to impose administrative fines;

26 n) To promulgate all necessary rules and regulations; and

27 o) To perform such other powers as may be necessary and proper to
28 carry out the purposes of this Act.

29 SEC. 6. *Capitalization.* – The Authority shall have an authorized
30 capital of Two Hundred Million Pesos (Php200,000,000.00) which may be
31 fully subscribed and paid up by the Republic of the Philippines.

1 SEC. 7. *Composition of the Board.* – The powers and functions of the
2 Siargao Islands Development Authority shall be exercised through its Board
3 which shall be composed of sixteen (16) members, as follows:

4 a) The Authority shall be composed of one (1) representative from
5 the respective Planning and Development Office (“PDO”) of the following:

- 6 1. Provincial Government of Surigao del Norte;
- 7 2. Municipality of Burgos;
- 8 3. Municipality of Dapa;
- 9 4. Municipality of Del Carmen;
- 10 5. Municipality of General Luna;
- 11 6. Municipality of San Benito;
- 12 7. Municipality of Pilar;
- 13 8. Municipality of San Isidro;
- 14 9. Municipality of Santa Monica; and
- 15 10. Municipality of Socorro;

16 b) A representative from the Department of Tourism, the Protected
17 Area Superintendent of the Siargao Island Protected Landscape and
18 Seascape, and the Department of Agriculture – Bureau of Fisheries and
19 Aquatic Resources;

20 c) Three (3) representatives from the private sector who are
21 stakeholders in the development of Siargao Islands.

22 The Chairman and the members of the Board shall be appointed by the
23 President to serve for a term of six (6) years, unless sooner removed for cause
24 except for the representatives of the local government units who shall serve
25 for a term of three (3) years. In case of removal for cause, the replacement
26 shall serve only the unexpired portion of the term.

27 SEC. 8. *Qualifications.* – No person shall be appointed as a member of
28 the Board unless such a person is a Filipino citizen, at least twenty-five (25)
29 years old, of good moral character, of unquestionable integrity, and of
30 recognized competence in relevant fields including, but not limited to,
31 economics, management, development, law or engineering.

1 SEC. 9. *Chairman/ Administrator.*—The President shall appoint a
2 professional manager as Chairman of the Board of the Authority from the
3 representatives of the private sector, who shall be the *ex officio* Administrator
4 and who shall serve as the chief executive officer of the Authority. The
5 Chairman/Administrator of the Authority must have demonstrated executive
6 competence and experience in the field of public administration, economic
7 planning, environmental and natural resources management, or in the
8 establishment and management of large agricultural, commercial or
9 industrial enterprises. No person shall be nominated as Chairman unless
10 said person is of unquestioned integrity and competence. Finally, the
11 Chairman/Administrator shall be responsible to the Board and the President
12 of the Philippines for the efficient management and operation of the
13 Authority.

14 SEC. 10. *Duties and Responsibilities of the Chairman/Administrator of*
15 *the Authority.*The Chairman/Administrator shall have the following duties
16 and functions:

17 (a) Call and preside over the meetings of the Board and see to it that
18 the policies, programs and rules and regulations are implemented efficiently
19 and effectively;

20 (b) Call on stakeholders in the formulation and implementation of a
21 comprehensive and integrated plan for the development of the Siargao
22 Islands;

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

26 (d) Accept, on behalf of the Authority, donations, contributions,
27 grants and bequests or gifts, in cash or in kind, from members, foreign
28 governments, international agencies, private entities or any individual for
29 purposes that will realize the functions of the Authority;

1 (e) Call on any agency, group, individual member of the Board, local
2 government unit, and host community to address issues and concerns relating
3 to implementation of major programs, projects and activities;

4 (f) Supervise administrative operations including disbursements of
5 any fund of the Authority, subject to the usual accounting and auditing
6 procedures, and submit reports thereon;

7 (g) Supervise the monitoring and timely implementation of
8 Mindanao-wide and/or Mindanao-specific inter-regional programs, projects
9 and activities;

10 (h) Execute and administer the policies and measures approved by
11 the Board;

12 (i) Appoint all employees of the Authority and, with approval of the
13 Board to remove, dismiss or otherwise discipline for cause, such employees in
14 accordance with the standard guidelines for recruitment, employment, and
15 discipline in the Civil Service Code;

16 (j) Represent the Authority in all dealings with other offices,
17 agencies, and instrumentalities of the government and with all persons and
18 entities, public or private;

19 (k) Sign agreements and/or contracts on behalf of the Authority,
20 including those for expert and consultant services and other reports of
21 accountabilities emanating from the Authority; and

22 (l) Perform such other functions that the Board may direct to carry
23 out the provisions of this Act.

24 SEC. 11. *Functions of the Board.* – The Board shall be the policy-
25 making and implementing body of the Authority and shall perform the
26 following functions:

27 a) Determine the organizational structure of the Authority, define
28 the duties and responsibilities of all officials and employees and adopt a
29 compensation and benefit scheme;

30 b) Prepare the annual and supplemental budgets of the Authority;
31 and

1 and bounds of the Freeport Zone based on the recommendation of the
2 Authority.

3 SEC. 15. *Governing Principles of the Siargao Islands Special Economic*
4 *Zone.* – The Freeport Zone shall be managed and operated within the
5 framework and subject to the mandate and limitations of the 1987
6 Constitution and the pertinent provisions of Republic Act No. 7160, also
7 known as the “Local Government Code of 1991.” The Freeport Zone shall be
8 developed into a self-sustaining, industrial, commercial, financial, agro-
9 industrial, banking and investment center to generate employment
10 opportunities in and around the Freeport Zone and to attract and promote
11 productive local and foreign investments.

12 The Authority, in the management of the Freeport Zone shall be guided
13 by the following policies:

14 a) The Freeport Zone shall continue to be provided with
15 transportation, telecommunications and other facilities needed to attract
16 legitimate and productive investments, generate linkage industries and
17 employment opportunities for the people residing in areas comprising the
18 Freeport Zone and its neighboring towns and cities;

19 b) The Freeport Zone may establish mutually beneficial economic
20 relations with other entities or enterprises within the country or with foreign
21 entities or enterprises;

22 c) The Freeport Zone shall be managed and operated as a separate
23 customs territory ensuring free flow or movement of goods and capital within,
24 into and out of its territory;

25 d) The Freeport Zone shall provide incentives such as tax and duty-
26 free importations of raw materials, capital and equipment to registered
27 enterprises located therein. However, exportation or removal of goods from
28 the territory of the Freeport Zone to the other parts of the Philippines shall be
29 subject to customs duties and taxes under the Tariff and Customs Code of the
30 Philippines, as amended, and the National Internal Revenue Code (NIRC) of
31 1997, as amended;

1 e) The Bangko Sentral ng Pilipinas, through the Monetary Board,
2 shall supervise and regulate the operations of banks and other financial
3 institutions within the Freeport Zone;

4 f) Banking and finance shall be liberalized with the establishment
5 of foreign currency depositary units of local commercial banks and offshore
6 banking units of foreign banks, subject to regulations by the Bangko Sentral
7 ng Pilipinas;

8 g) The areas comprising the Freeport Zone may be expanded or
9 reduced when necessary. For this purpose, the Authority, with the
10 concurrence of the LGUs comprising the Freeport Zone and in accordance
11 with existing laws and local ordinances, shall have the power to acquire
12 either by purchase, negotiation or condemnation proceedings, any private
13 lands within or adjacent to the area comprising the Freeport Zone for the
14 following purposes:

15 (1) Consolidation of lands for development by the Authority;

16 (2) Acquisition of right-of-way by the Authority; and

17 (3) Protection of watershed areas and the maintenance and
18 improvement of its yield and natural assets valuable to the prosperity
19 of the Freeport Zone, the management of solid and water waste and its
20 impact to adjacent areas within the LGU concerned;

21 h) Goods manufactured by enterprises within the Freeport Zone
22 shall be made available for immediate retail sale in the domestic market,
23 subject to the payment of corresponding taxes on raw materials and other
24 regulations that may be formulated by the Authority, together with the
25 Philippine Economic Zone Authority (PEZA), the Bangko Sentral ng
26 Pilipinas, the Department of Finance, the Bureau of Customs ("BOC"), and
27 the Department of Trade and Industry, in accordance with the NIRC of 1997,
28 as amended, and the Tariff and Customs Code of the Philippines, as
29 amended. However, in order to protect the domestic industries, a negative list
30 of industries shall be drawn up and regularly updated by the PEZA.

Enterprises engaged in industries included in such negative list shall not be allowed to sell their products locally; and

i) The defense of the Freeport Zone and the security of its premises shall be the responsibility of the National Government in coordination with the Authority and the LGUs comprising the Freeport Zone.

Chapter III

Siargao Island Protected Landscape and Seascape

SEC. 16. *Siargao Master Plan*- The Authority shall adopt, within six (6) months from the effectivity of this Act, a Siargao Master Plan based on the *Comprehensive Tourism Master Plan* adopted by the Tourism Infrastructure and Enterprise Zone Authority and the Management Plan formulated for the Siargao Island Protected Landscape and Seascape (“SIPLAS”) under Republic Act No. 11038, if one has already been formulated. The Siargao Master Plan shall serve as the basic long-term framework plan for the management of the Siargao Islands and guide in the preparation of its annual operations plan and budget.

SEC. 17. *Management of SIPLAS*. – Notwithstanding any provision of law to the contrary, the Siargao Island Protected Landscape and Seascape established under Republic Act 11038 shall be managed by and be under the jurisdiction of the Authority.

SEC. 18. *Funding for the Management of SIPLAS*. – The budget for the SIPLAS shall be included in the annual General Appropriations Act.

SEC. 19. *Defense and Security*. – The Authority shall be assigned a special patrol unit from the Philippine National Police and Philippine Coast Guard.

SEC. 20. *Separability Clause*. – If any provision of this Act is declared unconstitutional or invalid other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

1 SEC. 21. *Repealing Clause.* – All laws, decrees, executive orders, rules
2 and regulations or parts thereof which are contrary to or inconsistent with
3 this Act are hereby repealed, amended or modified accordingly.

4 SEC. 22. *Effcetivity.* – This Act shall take effect fifteen (15) days after
5 its complete publication in the *Official Gazette* or in two (2) newspapers of
6 general circulation.

7 *Approved,*

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