

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

**NINETEENTH CONGRESS**  
Second Regular Session

House Bill No. 8613



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**Introduced by Representative Gabriel H. Bordado, Jr.**

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### **EXPLANATORY NOTE**

Naga City in Camarines Sur saw a rapid rise in economic development and growth in the 1990s. Soon, it transformed itself into a thriving hub of commerce and industry, drawing investors, laborers, businessmen, professionals, and people in search of success into the city. And while the influx brought about a lively increase in economic activity, it also widened the gap between Naga City and its neighboring municipalities in terms of income, quality of service, and distribution of resources. This obvious disparity not only adversely impacted the nearby municipalities but also strained Naga City's limited resources and space.

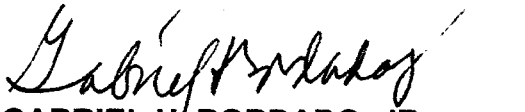
The growing inequality between the city of Naga and the surrounding municipalities, among other pressing concerns, spurred the then-Naga City mayor, Jesse M. Robredo, and the other mayors of the adjacent municipalities to convene and discuss a systematic, effective, and equitable solution. Towards this end, the Metro Naga Development Council was created and mandated by Executive Order no. 102 on June 18, 1993.

The Metropolitan Naga Development Council is a partnership of local government units, working together with the national government, created to formulate and enact projects primarily aimed towards the long-term development of the municipalities of Bombon, Bula, Calabanga, Canaman, Camaligan, Gainza, Magarao, Milaor, Minalabac, Pamplona, Pasacao, Pili, Ocampo, San Fernando and the City of Naga in the province of Camarines Sur. Since its establishment, the vision of a prosperous Metropolitan Naga grounded on the complementation of functions, resources, and development began to emerge and concretize. The Metropolitan Naga Development Council has been an effective conduit in the delivery of certain basic services among its component LGUs. However, the uniqueness of these different LGUs and the numerous challenges endemic to each of them have made the realization of this vision a huge and difficult undertaking.

Taking these challenges into consideration, this bill seeks to institutionalize and strengthen the functions and objectives of the Metropolitan Naga Development Council through the creation of the Metro Naga Development Authority (MNDA). Without undermining local autonomy, the MNDA will accelerate the crafting of

solutions to the longstanding problems plaguing the area in order to work towards a more effective and equitable economic development within Metropolitan Naga.

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

  
**GABRIEL H. BORDADO, JR.**  
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**AN ACT CREATING THE METROPOLITAN NAGA DEVELOPMENT  
AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, AND PROVIDING  
FUNDS THEREFOR**

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

**SECTION 1. *Title.*** - This Act shall be known as the "Metropolitan Naga Development Authority Act."

**SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State that all local government units shall enjoy genuine and meaningful local autonomy to enable them to attain their fullest development as self-reliant communities and make them more effective partners in the attainment of national goals.

The Naga City in Camarines Sur saw a rapid increase in economic development and growth. And while this had an unprecedented positive impact on Naga City's economy, it also widened the gap between Naga City and its neighboring municipalities in terms of income, quality of service, and the distribution of resources.

Pursuant to the State's policy, the Metro Naga Development Authority, which covers the city of Naga and the municipalities of Bombon, Bula, Calabanga, Camaligan, Canaman, Gainza, Libmanan, Magarao, Milaor, Minalabac, Ocampo, Pamplona, San Fernando, and Siruma in the province of Camarines Sur, and San Pascual in the province of Masbate, is hereby created and constituted into a special development and administrative area subject to the direct supervision of the Board of Directors.

**SEC. 3. *Creation of the Metropolitan Naga Development Authority.*** - The Metropolitan Naga Development Authority, hereinafter referred to as the MNDA, shall administer the affairs of Metropolitan Naga and member LGUs. The MNDA shall perform planning, monitoring and coordinative functions, and, in the process, exercise regulatory and supervisory authority over the delivery of metro-wide services within Metro Naga, without diminution of the autonomy of the local government units concerning purely local matters.

**SEC. 4. Jurisdiction of the Metropolitan Naga Development Authority.** – The jurisdiction of the MNDA covers the city of Naga and the municipalities of Bombon, Bula, Calabanga, Camaligan, Canaman, Gainza, Libmanan, Magarao, Milaor, Minalabac, Ocampo, Pamplona, Pasacao, Pili, San Fernando, and Siruma in the province of Camarines Sur, and San Pascual in the province of Masbate.

**SEC. 5. Scope of Metropolitan Naga Development Authority Services.** – Metro-wide services under the jurisdiction of the MNDA are those services which have metro-wide impact and transcend local political boundaries or entail huge expenditures such that it would not be viable for said services to be provided by the individual local government units (LGUs) comprising the Metropolitan Naga. These services shall include:

(a) Development planning, which includes preparing medium and long-term development plans; the development, evaluation and packaging of projects; investments promotion and programming; and coordination and monitoring of plans, program and project implementation;

(b) Transport and traffic management, which includes the formulation, coordination, and monitoring of policies, standards, programs, and projects to rationalize the existing transport operations, infrastructure requirements, and promotion of safe and convenient movement of persons and goods;

(c) Solid waste disposal and management, which include formulation and implementation of policies, standards, programs and projects for proper and sanitary waste disposal. It shall likewise include the establishment and operation of sanitary landfill and related facilities and the implementation of other alternative programs intended to reduce, reuse, and recycle solid waste;

(d) Flood control and sewerage management, which include the formulation and implementation of policies, standards, programs and projects for an integrated flood control, drainage and sewerage system;

(e) Urban renewal, zoning, land use planning and shelter services, which include the formulation, adoption and implementation of policies, standards, rules and regulations, programs and projects to rationalize and optimize urban and rural land use and provide direction to urban growth and expansion, the rehabilitation and development of slum and blighted areas, the development of shelter and housing facilities, and the provision of necessary social services thereof;

(f) Agricultural development which includes the formulation, adoption and implementation of policies, standards, rules and regulations, programs and projects to ensure food security and promote the well-being of agricultural producers, farmers and workers;

(g) Health and sanitation, urban/rural protection and pollution control which include the formulation and implementation of policies, rules and regulations, standards, programs and projects for the promotion and safeguarding of the health and sanitation of the area and for the enhancement of ecological balance and the prevention, control and abatement of environmental pollution;

(h) Public safety, which includes the formulation and implementation of policies, programs and procedures operations, in coordination with national agencies concerned, to achieve said end, especially consumer protection and preparedness for preventive or rescue operations during times of calamities and disasters such as conflagrations, earthquakes, flood and tidal waves, and mobilization of resources and the implementation of contingency plans for the rehabilitation and relief activities; and

(i) Such other services which the MNDA, in consultation with the Metro Naga constituents, may deem necessary and proper in promoting their welfare.

**SEC. 6. The Board of Directors.** - The governing board and policy-making body of the MNDA shall be the MNDA Board of Directors. The affairs and business of the MNDA shall be directed and its properties managed and preserved by the Board of Directors, hereinafter referred to as "Board".

i. **Composition:**

- a. The mayors of the member-LGUs, as *ex-officio* members;
- b. The Executive Director;
- c. Five (5) duly accredited non-government organization representatives, with existing social development programs being implemented in Metropolitan Naga, whose manner of selection shall be in conformity with NEDA Board Resolution No. 6, s. 1990, as *officio* members.
- d. Ten (10) representatives from duly organized sectoral associations, such as, but not limited to, farmers, fishermen, businessmen, youth, women, and others, as members, whose manner of selection shall be subsequently provided in an implementing guideline for the selection of said private sector representatives that will be drafted and promulgated by an *ad hoc* committee constituting the Metropolitan Naga Development Council; provided that said *ad hoc* committee shall be composed, at the least, of the member mayors.

The Chairperson and members of the Board, except *ex officio* members, are entitled to allowance and *per diems* in accordance with existing policies, rules and regulations on the matter.

ii. **Quorum and Voting**

The Chairperson of the Board who shall have a term of three (3) years shall be elected by the Board from among themselves. The members of the Board shall have one (1) vote each. A majority of the members shall constitute a quorum. A decision shall, as far as practicable, be reached by consensus. If no consensus is reached, a decision shall be arrived at upon a vote of the majority of all members of the Board constituting the quorum.

iii. **Functions of the Metropolitan Naga Development Board.** The Board, as the policy-making body of the MNDA, shall exercise the following functions:

- a. Formulate policies, develop programs, and promulgate rules and regulations to carry out the powers and functions of the MNDA;
- b. Approve each year a budget to cover the operations of MNDA based upon the;
  - i. Income from the MNDA's investments and assets in member-LGUs;
  - ii. Programs, projects, and activities to be implemented; and
  - iii. Paid-up capital and additional paid-up subscriptions.
- c. Fix compensations, emoluments, and allowances of the Executive Director and other officers and personnel of the MNDA;
- d. Approve appointment of all officers and employees of the MNDA in accordance with the civil service law, rules and regulations; and
- e. Perform such other functions as may be necessary to carry out the purposes of this Act or as may be provided in other sections of this Act.

**SEC. 7. Duties and Functions of the Chairperson.** – The Chairperson, shall exercise the following functions:

- a. Call and preside at the meetings of the Board and shall see to it that policies, programs, and rules and regulations developed and promulgated by it are properly implemented;
- b. Present for approval by the Board;
  - i. The annual budget of the MNDA;

- ii. The rules and regulations needed to carry out the provisions of this Act and the amendment thereto;
  - iii. Other matters which he deems necessary or proper in the effective implementation of this Act;
  - iv. The annual report on the activities and finances of the MNDA; and
- c. Appoint, subject to civil service laws, rules and regulations, all employees of the MNDA, who shall enjoy the security of tenure and may be removed only for valid cause in accordance with law. The chairperson shall have the power to discipline subordinate officials and employees of the MNDA subject to the existing provisions of law. He is hereby authorized to engage the services of experts/consultants either on full-time or part-time basis, as may be required in the performance of his functions and duties as may be determined by him;
  - d. Represent the MNDA, upon approval by the Board, in all contractual obligations entered into by it; and
  - e. Perform such other functions which the Board may deem necessary effectively carry out the provisions of this Act.

**SEC. 8. Organizational Structure.** – The Board shall determine the organizational structure, staffing pattern, and salary scale of the officers and employees of the MNDA. The Board may reorganize the same and create or abolish divisions, offices, units, branches or agencies therein, as it may deem necessary.

The city/municipal planning and development coordinators/officers of each member-LGU shall be incorporated in MNDA's planning board or office that shall be thereafter created. They shall provide technical support, perform ancillary functions, and assist in the conceptualization, generation, implementation, monitoring, and evaluation of programs, projects and activities consistent with and pursuant to MNDA's scope of services. These personnel shall be entitled to allowances, *per diems* and other compensation in accordance with existing laws, policies, rules and regulations regarding the matter.

**SEC. 9. The Executive Director.** – The MNDA shall have an Executive Director who shall be recommended by the members of the Board. He shall have the following powers, duties, and responsibilities:

- (a) To execute and administer policies and measures approved by the Board;
- (b) To draft the programs, projects and activities of the MNDA in consultation with its member-LGUs;

- (c) To coordinate the projects and activities of the MNDA with its member-LGUs and government agencies;
- (d) To submit to the Board, through the Chairperson, policies and measures which in his judgement, are necessary to carry out the purposes of this Act;
- (e) To prepare the budget of the MNDA for approval by the Board;
- (f) To coordinate joint undertakings with non-government organizations, people's organizations, and other private sector groups;
- (g) To represent the MNDA in all its dealings with other offices, agencies, and instrumentalities of the government and with other persons and entities, public or private;
- (h) Subject to the approval of the Board, to determine the rates of compensation, allowances, honoraria, and such other additional compensation which the MNDA is hereby authorized to grant its officers, technical staff, and consultants including the necessary detailed personnel;
- (i) To direct and supervise the operations and internal administration of the MNDA. He may delegate certain administrative responsibilities to other officers of the MNDA subject to the rules and regulations of the Board;
- (j) To prepare an annual report on the accomplishments of the MNDA at the close of each calendar year for submission to and evaluation by the Board; and
- (k) To perform such other duties and functions as may be directed by the Chairperson of the Board.

**SEC. 10. Powers, Duties and Functions of the Metro Naga Development Authority.** - The MNDA shall exercise the following functions:

- (a) Approve metro-wide plans, programs and projects and issue rules and regulations and resolutions deemed necessary by the Board to carry out the purposes of this Act.
- (b) Promulgate rules and regulations and set policies and standard to metro-wide application governing the delivery of basic services, prescribe and

- collect service and regulatory fees, and impose and collect fines and penalties.
- (c) Formulate, coordinate and regulate the implementation of medium and long-term plans and programs for the delivery of metro-wide services, land use and physical development within Metropolitan Naga, consistent with national development objectives and priorities;
  - (d) Prepare, coordinate and regulate the implementation of medium-term programs for metro-wide services which shall indicate sources and uses of funds for priority programs and projects, and which shall include the packaging of projects and presentation to funding institutions;
  - (e) Undertake and manage on its own metro-wide programs and projects for the delivery of specific services under its jurisdiction, subject to the approval of the Board. For this purpose, MNDA can create appropriate project management offices;
  - (f) Coordinate and monitor the implementation of such plans, programs and projects in Metropolitan Naga; identify bottlenecks and adopt solutions to problems of implementation;
  - (g) Encourage investments in the area by extending the necessary planning, management, and technical assistance to prospective and existing investors;
  - (h) Recommend to the proper agencies the nature and kind of assistance and level of priority to be accorded to agricultural, industrial, commercial and infrastructure projects, soliciting or requiring direct or indirect support from or through the government or any of its instrumentalities;
  - (i) Establish, operate and/or contract to operate such agencies, offices, functional units and instrumentalities which may be necessary for the furtherance of this Act;
  - (j) To sue and be sued; and
  - (k) Perform other related functions required to achieve the objectives of the MNDA, including the undertaking of delivery of basic services to the local government units, when deemed necessary subject to prior coordination with and consent of the local government unit concerned.

**SEC. 11. *Institutional Linkages of the MNDA.*** The MNDA shall, in carrying out its functions, consult, coordinate and work closely with the LGUs, National Economic and Development Authority (NEDA) and other government agencies such as, but not limited to, the following: Department of Finance (DOF), Department of the Interior and

Local Government (DILG), Department of Social Welfare and Development (DSWD), Department of Education (DePED), Department of Science and Technology (DOST), Department of Energy (DOE), Department of Foreign Affairs (DFA), Technical Education and Skills Development Authority (TESDA), Bureau of Fisheries and Aquatic Resources (BFAR), Commission on Higher Education (CHED), National Anti-Poverty Commission (NAPC), Department of Transportation (DOTR), Department of Information and Communications Technology (DICT), Department of Public Works and Highways (DPWH), Department of Tourism (DOT), Department of Budget and Management (DBM), Department of Health (DOH), Department of Agriculture (DA), Department of Agrarian Reform (DAR), Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), Department of Environment and Natural Resources (DENR), Cooperative Development Authority (CDA), the Philippine National Police (PNP), which shall provide the necessary assistance asked for; and accredited people's organizations (POs), nongovernmental organizations (NGOs), and the private sector operating in Metropolitan Naga. The MNDA, at its sound discretion, may call upon the attendance of the government agencies concerned in its Board meetings.

The MNDA shall have a master plan that will serve as the framework for the local development plans of the component LGUs.

The MNDA shall submit its development plans and investment programs to the NEDA for integration into its development and public investment program.

The implementation of the MNDA's plans, programs, and projects shall be undertaken by the member-LGUs, the concerned national government agencies, the Pos, NGOs, the private sector and/or the MNDA itself where appropriate. For this purpose, the MNDA may enter into contracts, memoranda of agreement and other cooperative arrangements with these bodies for the delivery of the required services within Metropolitan Naga.

The MNDA shall, in coordination with the NEDA and the Department of Finance (DOF), interface with foreign assistance agencies for the purpose of obtaining financing support, grants and donations in support of its programs and projects.

## **SEC. 12. Sources of Funds and Operating Budget of the MNDA. –**

1. To carry out the purposes of this Act, the amount of FIFTY MILLION PESOS (P50,000,000.00) is hereby authorized to be appropriated for the initial operation of the MNDA. Thereafter, the annual expenditures including capital outlays of the MNDA shall be provided in the General Appropriations Act.
2. The MNDA is likewise empowered to levy fines, and impose fees and charges for various services rendered.
3. The MNDA member-LGUs shall continue to remit annually two percent (2%) of their Economic Development Fund to the Metropolitan Naga Common Fund which forms part of the sources of funds of MNDA. In case of failure to remit

the said fixed contribution, the DBM shall cause the automatic disbursement of the same to the MNDA chargeable against the Internal Revenue Allotment (IRA) of the city or municipality concerned, the provisions of Section 286 of RA 7160 to the contrary notwithstanding.

**SEC. 13. *Foreign Loans.*** – The MNDA is hereby authorized to contract from time to time loans, credits, and indebtedness repayable in foreign currencies from foreign governments or any international financial institution, or fund sources for use in the development of Metropolitan Naga.

The President of the Philippines, by himself, or through the Secretary of Finance, is hereby further authorized to guarantee, on behalf of the Republic of the Philippines, the payment of any loan herein authorized, as well as the performance of any other obligations undertaken by the MNDA, pursuant to loan agreements with foreign governments or international financial institutions.

In negotiation and contracting of any loan, credit, or indebtedness under the section, the provisions of Section 4 of RA 4860 and Section 5 of RA 6142, as amended, shall apply.

The loans, credits, and indebtedness contracted under this subsection and payment of principal, interest, and other charges thereon, as well as the importation of machinery, equipment, materials and supplies by the MNDA, paid from the proceeds of any foreign loan, credit or indebtedness incurred under this Act, shall be **exempt** from all taxes, fees, imposts, other charges, and restrictions imposed by the Republic of the Philippines, or any of its agencies and political subdivisions.

**SEC. 14. *Transitory Provisions.*** – To prevent disruption in the delivery of the basic services pending the full implementation of the MNDA's organizational structure and staffing pattern, all officials and employees of the interim Metro Naga Development Council (MNDC) shall continue to exercise their duties and functions and receive their salaries and allowances until they have been given notice of change of duties and functions, and of being transferred to another office or position. They shall enjoy special preference in case MNDA adds personnel.

Upon the effectivity of this Act, MNDC's existing Executive Committee, consisting of the Metro Naga mayors and MNDC's Executive Officer, shall convene and shall serve as *ad hoc committee* that will promulgate, in consultation with the NEDA, an implementing rules and guidelines in the selection of private sector representatives in the MNDA. When the necessary non-government and private sector representatives, who shall form part of the board of directors, had been identified and finally adjudged as qualified by the *ad hoc committee*, in consultation with and approved by the NEDA, provided that failure on the part of the NEDA to act within 60 days after such recommendation by the *ad hoc committee* shall be deemed approval thereof, an election for the chairperson of the board, with a term of three (3) years,

shall be called for and whoever is elected as such shall immediately carry out his/her functions as mandated by this Act.

All assets and properties presently in use or under the accountability of the interim MNDC and all its obligations, indebtedness, or liabilities shall be transferred to and assumed by the MNDA created under this Act, subject to the conditions that may be established by the Department of Budget and Management and Commission on Audit.

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

**SEC. 16. *Repealing Clause.*** All laws, decrees, executive orders, proclamations, and administrative regulations or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

**SEC. 17. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*