

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

20TH CONGRESS

FIRST REGULAR SESSION

House Bill No. 1098

Introduced by Representative **CAROLINE B. AGYAO**



EXPLANATORY NOTE

The Chico River is one of the major river systems in the Cordillera Administrative Region. Its length is more or less 200 kilometers originating from its headwaters located in the tri-boundary of Ifugao, Benguet and Mountain Province. It traverses four municipalities in Mountain Province namely, Bauko, Sabangan, Bontoc and Sadanga, going down to the municipalities of Tinglayan, Lubuagan, Tabuk City and Pinukpuk in the Province of Kalinga, and to the Municipalities of Tuao, Piat, Rizal and Santo Nino in Cagayan Province with its tail end joining the Cagayan River. The Chico River System has an estimated watershed area of 404,685 hectares.

At present, said river is irrigating around Eleven Thousand hectares in the Tabuk City Valley, more than Ten Thousand Hectares of irrigated lands in Quezon, Isabela, Kalinga and Cagayan and the various rice terraces in Mountain Province and in Upper Kalinga Municipalities. It is also noteworthy that the Construction of Chico River Pump Irrigation Project was completed, hence, more agricultural lands were opened and will be opened in Cagayan and Kalinga, and thus improving the economic lives of our farmers and the amount of money that goes into the Government. Corollary to its contribution to the agricultural sector, the Chico River line, is also a very potent source of electricity, aquatic products, and domestic water for economic purposes. Moreover, the Chico River White Water Rafting is boosting significantly the tourism in the Province of Kalinga. With a more focused and sustainable development intervention, the Chico River can become the White-Water Rafting capital of the Philippines.

Looking at the bright future and economic advantage that the Chico River can give to the country, the same river unfortunately is currently beset by the following problems: massive depletion, denudation and remarkable erosion of its upstream watersheds and along river lines, thereby decreasing water discharges; river pollution brought about by human and capital wastes from the upstream populace including traces of toxic materials like mercury, thereby increasingly affecting the potability of the river; massive siltation currently expanding every year along the Tabuk Valley farmlands thus about 500 hectares of rice lands along the said downstream area were already silted and rendered unproductive; and the perennial flooding and inundation of the river during rainy season, causing massive destruction to homes, infrastructures and hectares of agricultural lands in Kalinga and Cagayan.

While it may be true that the local government units and line agencies of the national government are implementing developmental projects and programs to ensure the safety of the people, protect the environment and enhance agricultural productivity, such actions can be temporary and in fact not coordinated. Establishing therefore the Chico River Development Authority is an augur-fitting move to provide a much needed and focused management and intervention in the development, preservation and sustainability of the Chico River Line. This one central agency can coordinate and implement properly the laws, programs and projects that will ensure the participation of all stake holders, government and non-government groups and individuals.

The non-passage of this important legislation would certainly result into more and more erosions and watershed depletion upstream of the Chico River, and worst, Tabuk City Valley will irreversibly be put into a wasteland with silts, gravel and boulders all around, all with negative irreversible economic impact.

All premises considered and in the light of the significance of this legislation, passage of this bill is earnestly sought.


CAROLINE B. AGYAO

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HOUSE BILL NO. 1098

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**AN ACT CREATING THE CHICO RIVER BASIN DEVELOPMENT AUTHORITY,
DEFINING ITS POWERS, FUNCTIONS AND RESPONSIBILITIES, APPROPRIATING
FUNDS THEREFOR AND FOR OTHER PURPOSES**

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 “Chico River Basin Development Authority.”

SECTION 2. *Declaration of Policy.* - It is the declared policy of the State to promote the integrated management and development of resources in the country's River Basins, within the context of a river basin approach to optimize economic and social welfare without compromising the sustainability of environmental system and to ensure a fair sharing of the national patrimony between highland and lowland people.

SECTION 3. *Purposes and Objectives.* - It is the purpose, intent and objective of this Act to:

- a. Establish the legal framework and mechanisms for the creation of the Chico River Basin Development Authority;
- b. Consolidate and harmonize all development initiatives within the river basin under the overall framework of a unified river-basin management and development approach;
- c. Maximize the participation of all stakeholders in the area, establishing the most effective approach to effect an active and sustainable collaborations among stakeholders from government agencies, non-government agencies/people’s organization and the private sector;
- d. Promote equitable sharing of costs and benefits from the basin's natural resources across sectors, group of communities, across space and time; and
- e. Negotiate local and external investment in the area, thereby increasing livelihood opportunities for the people within the Basin.

SECTION 4. *Creation of the Chico River Basin Development Authority.* - For the purpose of carrying out and effecting the above declared policy, there is hereby created under the Office of the

President, the Chico River Basin Development Authority, hereinafter referred to as the Authority, to carry out integrated and coordinated approach to planning and management of resources utilization and development within the Basin. The Authority which shall be organized within one hundred twenty (120) days after the approval of this Act, shall execute the powers and functions herein vested and conferred upon it in such a manner as will, in its judgment, aid to the fullest possible extent in carrying out the aims and purposes set forth.

SECTION 5. *Mandate.* - The Authority shall be the primary government agency mandated to coordinate all development activities in coordination with the appropriate government agencies/people's organization within the Chico River Basin. It shall ensure an integrated approach to planning and management of resources utilization and development on a basin-wide scale, utilizing indigenous systems of environmental management with due regards to the rights of indigenous peoples/indigenous cultural communities over their ancestral lands and ancestral domains under the Indigenous Peoples Right Act of 1997 and its attendant Rules and Regulations as maybe appropriate.

SECTION 6. *Territorial Jurisdiction.* - The Authority shall have jurisdiction over all the areas within the watershed of the Chico River, originating from its headwaters at Mount Data, flowing through the Municipalities of Bauko, Sabangan, Bontoc and Sadanga in Mountain Province, going down to the Municipalities of Tinglayan, Lubuagan, Tabuk City, Pinukpuk in the Province of Kalinga, and to the Municipalities of Tuao, Piat, Rizal and Santo Niño in the Province of Cagayan, with its tail end joining the Cagayan River; and shall include its tributaries in the Province of Kalinga namely, the Bunog River to the South, Tanudan and Biga Rivers to the East, the Mabaca and Saltan Rivers to the North and the Pasil River further downstream.

SECTION 7. *Location of Principal Office.* - The Authority shall maintain its principal office in the City of Tabuk, Province of Kalinga. It may however establish such branch offices in other places necessary for the proper conduct of its business.

SECTION 8. *Powers and Functions.* - In addition to the usual corporate powers and in order to effectively realize its objectives, the Authority shall be charged and vested with the following powers and functions:

- a. To formulate and keep up to date a Comprehensive Chico River Basin Master Plan aligned with broader development goals, sectoral plans and relevant indigenous knowledge systems and practices through a basin-wide, multi-disciplinary and stewardship approach to river basis management;
- b. To coordinate the planning, implementation and monitoring of development programs,

- projects and activities in the river basin as well as the monitoring of water quality standards and other regulatory mechanisms to ensure sustainable water resources development;
- c. To provide machinery for extending technical assistance to all stakeholders in project development, micro-hydro systems maintenance, resolution of problems on siltation and flooding and other water-related conflicts;
 - d. To establish a river basin information management and decision support systems to include information networking and conduct of integrated policy researchers;
 - e. To initiate, receive and recommend project proposals for the development, conservation and management of the basin's water resources;
 - f. To receive grants, donations and other forms of development assistance in the discharge of its duties. As such, the Authority may engage or invest on, or enter into joint venture with Filipino or foreign investors in such projects within its jurisdiction as it may deem proper and necessary or contributory to the achievement and/or implementation of any or all of the purposes and objectives of this Act;
 - g. To plan, program and/or undertake infrastructure projects such as river, flood and tidal control works, waste water and sewerage works, water supply, roads, irrigation, housing and related works when so required within the context of its development plans and programs including readjustment, relocations or settlement by population within the Basin as maybe deemed necessary and beneficial by the Authority;
 - h. To call upon any government agency, office or bureau for assistance in the discharge of its functions, and form committees to facilitate the performance of its functions and responsibilities. Likewise, the Authority is hereby empowered to impose sanctions on member agencies and local government units as well as individuals and/or entities within its territorial jurisdiction who implement projects that are not culturally appropriate and not environmentally friendly; and
 - i. To do any and all acts and things and to exercise all powers which maybe necessary, proper or incidental to the accomplishment of the mandate, purposes and objectives of this Act.

SECTION 9. The Corporate Powers of the Authority. - The Authority shall have the following corporate powers:

- a. To succeed on its corporate name;
- b. To sue and be sued in such corporate name;
- c. To adopt, alter and use a corporate seal;

- d. To adopt, amend and repeal its by-laws;
- e. To undertake activities that will explore, exploit, extract and develop the economic potentials of the Chico River Basin in ways that are environmentally friendly and non-competitive with the private sector;
- f. To enter into contracts of any kind and description, to enable it to carry out its purpose and functions under this Act;
- g. To acquire, buy, purchase, hold or lease, such personal and real property as it deems it necessary or convenient in the transaction of its business and/or relation in carrying out its purposes under this Act; and to lease, mortgage, sell, alienate or otherwise encumber, utilize, exploit or dispose such personal and real property held by it, subject to prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof;
- h. To exercise the right of eminent domain whenever the Authority deems it necessary for the attainment of the objectives of the Authority under this Act;
- i. To borrow fund from any local or foreign financial institutions to carry out the purposes of the Authority under this Act;
- j. To raise revenues from, but not limited to the following:
 - j.1. Fees, charges, rentals for the use of its facilities and the like for beneficial purposes pursuant to rules and regulations to be promulgated by the Board; and
 - j.2. Proceeds from administrative fines and penalties which may be imposed pursuant to rules and regulations to be promulgated by the Board.
- k. To accept donations, grants, assistance and contributions of all kinds from local or foreign governments and privately-owned entities and utilize the same.
- l. To issue such rules and regulations as maybe necessary to effectively carry out the powers and purposes herein provided including plans, programs and projects of the Authority; and,
- m. For carrying on its business, or for the purpose of attaining or furthering any of its objectives, to perform any and all acts which a corporation, co-partnership, or natural person is authorized to perform under the laws now existing or which may be enacted hereafter;

SECTION 10. *Composition of the Board of Directors.* – The corporate powers of the Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

- a. General Manager of the Authority;
- b. Regional Directors of the National Economic and Development Authority (NEDA) of

Cordillera Administrative Region (CAR) and Region II;

c. Regional Directors of the Department of Environment and Natural Resources (DENR) of Cordillera Administrative Region (CAR) and Region II;

d. Regional Directors of the Department of Interior and Local Government (DILG) of CAR and Region II;

e. Regional Directors of Public Works and Highways (DPWH) of CAR and Region II;

f. Regional Directors of the National Commission on Indigenous Peoples (NCIP) of CAR and Region II;

g. Regional Directors of the Department of Tourism (DOT) of CAR and Region II;

h. Two (2) representatives from the private sector who are stakeholders in the Chico River Basin;

SECTION 11. Board Meetings. – The Board shall meet regularly once a month and may hold special meetings to consider urgent matters upon the call of the chairperson or upon the initiative of the majority of the members. The rules and procedures in the conduct of Board meetings shall be prescribed by the Board.

SECTION 12. *Per Diem.* - The members of the Board shall receive a per diem for each meeting actually attended. The per diems of the members of the Board shall be determined by the Board in accordance with existing rules and regulations. Members of the Board shall be reimbursed by the Authority for actual expenses, including traveling and representation expenses, incurred in the performance of their duties for the Authority as authorized by the Board;

SECTION 13. *Powers and Functions of the Board.* - The Board of Directors of the Authority shall have the following powers, functions and duties:

- a. To review and approve master and operational plans and expedite the execution of these plans when necessary;
- b. To design, approve and execute specific policies and programs for the collection of permit fees and other fees and to treat these funds as trust funds which would be plowed back to the infrastructure and development needs of the Chico River Basin;
- c. To prepare, approve and promulgate guidelines, standards, rules and regulations in order to encourage, and stimulate the growth and development of commerce, trade, tourism and infrastructure development within the area of operation of the Authority;
- d. To approve contracts such as lease, memoranda of agreements as long as it will promote tourism and the growth of business and industry in the municipalities and cities covered by the territorial jurisdiction of the Authority;

- e. To approve the annual and/or supplemental budgets of the Authority;
- f. To receive local or foreign aid and donations, as well as to engage in any form of fund raising for the purpose of gathering development funds for the projects along Chico River Basin;
- g. To elect from among the members of the Board of Directors the following Executive Officers: 1) Chairman of the Board, 2) Vice-Chairman of the Board, 3) Secretary: Provided, that, the Board shall likewise have the corresponding power to replace any of these officials after incurring three (3) consecutive absences in the meetings of the board or for acts prejudicial to the objectives of the Authority;
- h. To approve an efficient organizational and administrative structures and the corresponding staffing pattern of the Authority; fix their reasonable compensation allowances and other benefits in accordance with the Salary Standardization Law; prescribe their duties and establish such methods and procedures as may be necessary to ensure the efficient, honest and economical administration of the provisions and purposes of this Act;
- i. To appoint all officials from department heads and above, and others of comparable rank upon the recommendation of the General Manager;
- j. To discipline any employee after according him due process in accordance with existing laws, together with rules and regulations of the Civil Service Commission (CSC);
- k. To request periodic or special audit of all its funds and properties from the Commission on Audit when the need arises;
- l. To adopt a seal and flag, determine the exact location of its office preferably near its area of operation, and adopt its own rules and proceedings in meetings and general assemblies in accordance with the standards of transparency and democratic parliamentary procedures; and,
- m. To exercise such powers and perform such functions which are proper and necessary to implement the objectives of the Authority and to carry out the provisions of this Act.

SECTION 14. *General Manager.* - The Authority shall be headed by a General Manager who shall be appointed by the President of the Philippines, and shall only be removed for caused in accordance with the rules and regulations prescribed by the Civil Service Commission. The General Manager shall be vested with the rights, privileges, disqualifications and prohibitions of a general manager as prescribed by existing Position Classification and Compensation Scheme, laws, issuances and pertinent civil service rules and regulations.

SECTION 15. *Powers and Functions of the General Manager.* - The General Manager as the

chief executive officer of the Authority shall exercise the following powers and functions;

- a. Submit for consideration of the Board, the policies and measures necessary to carry out the purposes and provisions of this Act;
- b. Execute and administer the policies, plans, programs and projects approved by the Board;
- c. Direct and supervise the operation and internal administration of the Authority. The General Manager may delegate some of his administrative responsibilities to other officers of the Authority subject to the rules and regulations of the Board;
- d. Appoint all officials and employees of the Authority below the rank of department heads;
- e. Prepare the annual budget of the Authority for consideration of the Board;
- f. Submit quarterly reports to the Board on personnel selection, placement and training; and
- g. Exercise such other powers and functions as maybe vested in him by the board;

SECTION 16. *Management Structures.* - In carrying out the activities of the Authority, the General Manager shall be assisted by an Assistant General Manager who shall have such powers, duties and functions that maybe delegated to him by the General Manager, and shall act as General Manager in the absence of or during the temporary incapacity and/or until such time a General Manager is duly appointed.

The Authority shall have the following departments under the direct supervision and control of the General Manager:

- a. The Administrative Department which shall be responsible for providing services relating to personnel, training, information, records, supplies, general services, equipment, and security;
- b. Planning and Management Development Department which shall be responsible for providing services relating to planning, programming, statistics and project development;
- c. Budget and Finance Department which shall be responsible for providing advice and assistance on budgetary and financial matters, revenue planning and safekeeping of corporate assets;
- d. Legal Services Department which shall provide legal advice and support to all the corporate units on legal implications of the various undertakings of the Authority;
- e. Project Management Department which shall be responsible for the operation of approved projects, including livelihood projects, project evaluation and management improvement matters;
- f. Engineering and Construction Department which shall be responsible for providing services relating to detailed engineering plans and construction, and maintenance of project facilities;

- g. Community Relations and Advocacy Department which shall be responsible for carrying out community relations activities including local communities' notification and liaison, issues management, information dissemination and educational campaign. It shall also take charge for the resettlement and relocation of the settlers and communities living along the river basin including their social preparation.

SECTION 17. Capitalization and Financing- The Authority shall have a capital of Five Hundred Million Pesos (P500, 000,000.00) which shall be entirely funded by the National Government.

SECTION 18. Operating Expenses - For the operating expenses of the Chico River Development Authority, the sum of One Hundred Million Pesos (100,000,000.00) is hereby appropriated annually from the general fund of the National Government not otherwise appropriated from the date of approval of this Decree. The Board of Directors may appropriate out of the funds of the Authority such as maybe needed or necessary for its expense.

SECTION 19. Exemption from Tax. - The Chico River Development Authority shall be exempt from all taxes, licenses, fees and duties, incidental to its operations. All notes, bonds, debentures and other obligations issued by the Authority shall be exempt from all taxes both as to principal and interest.

SECTION 20. Prohibited Acts. - It is hereby declared unlawful:

- a. To dump solid and hazardous waste and untreated sewage into the Chico River basin;
- b. To dump or throw garbage into the Chico River Basin or on its banks;
- c. To squat on or appropriate portions of the banks of the aforesaid river basin for private use or gain, except for such reasonable augment of public use in the interest of recreation, navigation, floatage and fishing; and
- d. To fence off and/or encroach upon the said Chico River Basin or any portion thereof by any means whatsoever, and converting the same into fish pens for their private and material gain; and/or have the same titled in his name.

SECTION 21. Penal Clause. - Any person who violates any of the acts herein prohibited shall be punished by imprisonment of not less than six (6) years and one day nor more than eight (8) years, and a fine of not less than Ten Thousand Pesos (P10,000.00) nor more than One Hundred Thousand Pesos (P100,000.00): Provided, however, that in case of violation of this Act by an association, club, partnership, corporations, or any entity, the incumbent officers thereof who have knowingly participated in the violation shall be held liable: Provided, further that if the offender is an alien, he shall be immediately deported without further proceedings in the Bureau of Immigration and barred

forever from entering the country after serving his sentence and paying his fine.

SECTION 22. *Transitory Provisions.* - All concerned offices, bureaus, agencies having existing programs and projects in the Chico River Basin that directly correspond with the powers and functions described in Section 8 of this Act shall immediately transfer such including corresponding appropriations, funds, records, equipments, facilities, rights, other assets and personnel to the Authority within One Hundred Twenty Days (120) days after the effectivity of this Act.

SECTION 23. *Repealing Clause.* - All laws, decrees, executive issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby deemed repealed, amended or modified accordingly.

SECTION 24 *Separability Clause.* - If for any cause, any part of this Act is declared unconstitutional, the rest of the provisions not affected thereby shall remain in force and effect.

SECTION 25. *Effectivity.* - This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation.

Approved,