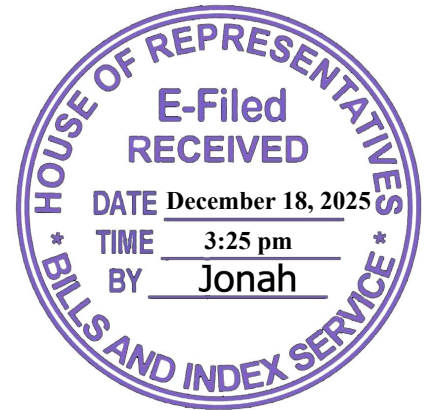


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Twentieth Congress
First Regular Session

HOUSE BILL NO. 6981



INTRODUCED BY REPRESENTATIVES MAURICIO B. DOMOGAN, CAROLINE B. AGYAO, CHING B. BERNOS, JB BERNOS, ELEANOR C. BULUT-BEGTANG, SOLOMON R. CHUNGALAO, MAXIMO Y. DALOG JR., KENNETH PAOLO C. TERENG, ERIC GO. YAP

EXPLANATORY NOTE

Section 15, Article X, of the 1987 Constitution provides that “*There shall be created autonomous regions in Muslim Mindanao and in the Cordilleras consisting of provinces, cities, municipalities, and geographical areas sharing common and distinctive historical and cultural heritage, economic and social structures, and other relevant characteristics within the framework of this Constitution and the national sovereignty as well as territorial integrity of the Republic of the Philippines.*”

Pursuant to this mandate, the Autonomous Region in Muslim Mindanao (ARMM) was created under RA No. 6734, strengthened and expanded under RA No. 9054 and further broadened and improved under RA 11504, establishing the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM). For the Cordillera, however, the Autonomous Region of the Cordillera is yet to be realized.

More than thirty-eight (38) years passed since then President Corazon C. Aquino issued Executive Order 220 “Creating a Cordillera Administrative Region, Appropriating Funds Therefor and for Other Purposes” primarily with the goal of preparing the Cordilleras for regional autonomy. Two Organic Acts were enacted but both failed not because of a lack of interest on Autonomy, but more so because of lack of public consultation.

Since the passage of EO 220, our aspirations for genuine autonomy continue to be renewed and have become stronger especially so because our struggle for the recognition of our rights also continues. In addition, Cordillera remains underdeveloped, having received the least budget from the National Government.

With our burning desire to have the opportunity to chart our own destiny, we have refined the House Bill filed since the 15th Congress into the current House Bill which would be more acceptable to the people through intensive public consultation with various political and community leaders, government agencies, civil society organizations and the private sector. It is thus imperative and timely that the lifelong dream of Cordillerans be realized through the passage of an Organic Act establishing the Cordillera Autonomous Region.

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



MAURICIO G. DOMOGAN



CAROLINE B. AGYAO



CHING B. BERNOS



JB BERNOS



ELEANOR C. BULUT-BEGTANG



SOLOMON R. CHUNGALAO



MAXIMO Y. DALOG JR.



KENNETH PAOLO C. TERENG



ERIC GO. YAP

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**AN ACT
ESTABLISHING THE CORDILLERA AUTONOMOUS REGION**

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

PREAMBLE

We, the people of the Cordillera region, invoking Divine Providence and exercising our Constitutional right to self-determination, committed to the aspirations of our forebears and to the principles of equity, sustainability, and cultural integrity, in order to secure for ourselves and future generations a region of peace, prosperity, and resilience founded on truth, fairness, freedom, justice, and solidarity, do hereby proclaim this Organic Act establishing the Cordillera Autonomous Region to advance human development, protect our environment, and ensure meaningful participation in the affairs of a united and inclusive Philippines.

**ARTICLE I
NAME AND PURPOSE**

SEC. 1. ***Name.*** – There is hereby established an autonomous region in the Cordillera to be known as the "Cordillera Autonomous Region (CAR)."

SEC. 2. ***Purpose-*** The purpose of this Act is to establish the Cordillera Autonomous Region, provide for its basic structure of government, and ensure the recognition of the right to self-determination of its people in accordance with the Constitution."

**ARTICLE II
AREA AND IDENTITY**

SEC. 3- ***Area of the Cordillera Autonomous Region.*** — The Cordillera Autonomous Region (CAR) shall consist of the provinces and the city that vote favorably in the plebiscite

called for the ratification of this Organic Act pursuant to Section 18, Article X of the Constitution. The plebiscite shall be held in the provinces of Abra, Apayao, Benguet, Ifugao, Kalinga, Mountain Province, and the City of Baguio

SEC. 4. ***Cordilleran Identity*** - The term 'Cordilleran' shall refer to any Filipino citizen who is domiciled in the Cordillera Autonomous Region, as well as those of Cordilleran origin residing in other parts of the Philippines or abroad.

ARTICLE III DECLARATION OF POLICIES AND PRINCIPLES

SEC. 5- ***Integral Part of the Republic.*** — The Cordillera Autonomous Region (CAR) shall remain an integral and inseparable part of the national territory of the Philippines as defined by the Constitution and existing laws. It shall be governed and administered in accordance with this Organic Act, the laws enacted by the Regional Assembly, and national laws enacted by Congress.

SEC. 6. ***Democratic Political System*** - The Regional Government shall operate under a democratic political system that ensures the people's active participation in governance, while upholding and respecting the diverse cultures, traditions, and values that bind and define the Cordillera Autonomous Region.

SEC. 7. ***Self-governance*** - In the exercise of their right to genuine autonomy and meaningful self-governance, the inhabitants of the Cordillera Autonomous Region shall be free to pursue their political, economic, social, and cultural development in accordance with the Constitution and national laws, and consistent with the principles of national sovereignty and territorial integrity

SEC. 8. ***Prior and Preferential Right*** - The fundamental rights and duties of the people of the Cordillera Autonomous Region shall be those guaranteed by the Constitution, and shall be recognized, implemented, and supplemented by this Organic Act and other pertinent laws.

SEC. 9. ***Rights to Initiatives, Consultations, Referenda and Plebiscites*** - The rights of the people of the Cordillera Autonomous Region to initiate measures for the passage, amendment, or repeal of regional or local legislation; to be consulted on matters affecting their welfare; to call for a referendum on important issues; and to recall regional or local officials as provided under Republic Act No. 7160, otherwise known as the Local Government Code of 1991, as amended, are hereby recognized, without prejudice to other rights guaranteed by the Constitution

SEC. 10. ***Upholding Human Rights.*** - The Regional Government shall uphold and protect human rights at all times, times and adopt measures to prevent any form of violation, including but not limited to torture, cruel, inhuman or degrading treatment or punishment, illegal detention, and extrajudicial killings. It shall likewise respect, preserve, and promote the cultural heritage, indigenous traditions, and customary laws of the Cordillera peoples, consistent with the Constitution and international human rights standards.

SEC. 11. ***Establishment of Peace Zones***- The Regional Government shall adhere to the policy of peace and shall establish peace zones within the region when applicable

SEC. 12. ***Accountability of Public Officers***- Public office is a public trust. Public officers and employees shall at all times be accountable to the people, uphold public interest over personal interests, and serve with utmost responsibility, integrity, loyalty, competence, and efficiency. They shall act with patriotism and justice and lead modest lives.

SEC. 13. ***Equal Access and Non-discrimination*** -The Regional Government shall ensure equal access for all people of the Cordillera Autonomous Region to resources, employment opportunities, and services, regardless of ethnic origin, gender, language, political conviction, economic or social status, or religious belief.

SEC. 14. ***Social Justice***- The Regional Government shall endeavor to reduce social, economic, and political inequalities within the region by ensuring the equitable delivery of basic services and by creating economic opportunities founded on freedom of initiative and self-reliance.

SEC. 15. ***Customary Laws***- Customary laws pertaining to personal, family, and property relations shall be observed and given due respect whenever applicable.

SEC. 16. ***Community Responsive Education*** - The Regional Government shall integrate into the educational system a subject that addresses the needs of Cordillera communities, promotes and respects Cordilleran knowledge, core values, systems, institutions, culture, history, and practices. It shall encourage the use of local languages and culturally relevant methods of instruction, while fostering science, appropriate technology, and innovative methodologies that develop creative and critical thinking among Cordillerans.

SEC. 17. ***Prior and Preferential Right***. - Cordillerans shall have prior and preferential rights to the natural, material, and fiscal resources of the Cordillera Autonomous Region, in accordance with the Constitution and other pertinent laws.

SEC. 18. ***Sustainable Use and Management of Resources***. - The Regional Government shall share with the national government in the exploration, development, and utilization of its natural resources, and shall promote the conservation and protection of these resources through sustainable use and management. It shall adopt environmentally sound and appropriate technologies for resource management and encourage the use of renewable energy to meet the power needs of the Cordillera Autonomous Region and support business and commerce within its jurisdiction

SEC. 19. ***Regional Arrangements***- The Regional Government shall pursue a policy of interregional development planning, coordination, and mutual cooperation to promote sustainable development and ensure the protection and conservation of natural resources.

SEC. 20. ***Equitable Share in the National Budget and Development Assistance***- The national government shall allocate to the Cordillera Autonomous Region (CAR) a proportionate and equitable share in the annual national budget and in foreign-assisted projects, based on its defined programs, functions, and performance goals. This allocation shall be in addition to other forms of financial assistance, support, and subsidies intended to accelerate regional development. The Commission on Audit (COA) shall ensure that a mandatory pre-audit is conducted prior to the payment of projects and procurement of supplies. It shall likewise conduct community seminars to explain the benefits and proper utilization of the National Tax Allotments.

SEC. 21. ***Devolution of Powers***- The Regional Government shall adopt a policy of local autonomy by devolving regional powers to local government units (LGUs), particularly in the areas of education, health, human resources, science and technology, and people empowerment. Until a law implementing this provision is enacted by the Regional Assembly, the provisions of the Local Government Code of 1991, as amended, shall continue to apply to all provinces, cities, municipalities, and barangays within the Cordillera Autonomous Region. The Regional Assembly shall not enact any law that diminishes, lessens, or reduces the powers, functions, or shares in the National Tax Allotment of its component LGUs as provided under the Local Government Code of 1991, as amended.

SEC. 22. ***Protection and Empowerment*** - The Regional Government shall formulate plans and programs for the empowerment of the youth and guarantee their effective participation and representation in all aspects of public affairs. It shall enact laws and adopt measures to protect women, children, senior citizens, persons with disabilities, indigenous peoples, and other marginalized sectors against all forms of neglect, cruelty, exploitation, and discrimination that are harmful to their moral, physical, or mental well-being, in accordance with the Constitution and other pertinent laws.

SEC. 23. ***Investment Promotion***- The Regional Government shall provide incentives to investors, corporations, and other business enterprises in accordance with the Constitution, this Organic Act, Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, and other pertinent laws.

ARTICLE IV THE CORDILLERA AUTONOMOUS REGION

SEC. 24. ***Powers and Functions***. - The Regional Government shall possess and exercise such powers and functions as are necessary and proper to ensure the effective governance, administration, and development of all provinces, cities, municipalities, and barangays within the Cordillera Administrative Region (CAR), consistent with the constitutional policy of local autonomy and decentralization. Provided, however, that nothing in this Act shall be construed to diminish, restrict, or impair the powers, functions, and prerogatives already vested in Local Government Units (LGUs) under existing laws.

SEC. 25. ***Devolved Powers***. - The Cordillera Autonomous Region shall constitute a corporate entity vested with jurisdiction over all matters expressly devolved to it under this Organic Act, as herein enumerated, in accordance with the provisions of the Constitution and other applicable laws.

- (a) Administrative organization;
- (b) Agriculture, livestock, and food security
- (c) Ancestral domain and natural resources;
- (d) Business name registration;
- (e) Cadastral land survey;
- (f) Classification of public lands;
- (g) Cooperatives and social entrepreneurship;
- (h) Creation, division, merger, abolition or alteration of boundaries of municipalities and barangays;
- (i) Creation of government- owned or controlled corporations and pioneer firms;

- (j) Creation of sources of revenues;
- (k) Cultural Exchange, and economic and technical cooperation;
- (l) Culture and Language;
- (m) Customary Laws;
- (n) Development Programs and laws for women, labor, the youth, the elderly, the differently-abled, and indigenous peoples;
- (o) Disaster risk reduction and management;
- (p) Ecological solid waste management and pollution control;
- (q) Economic zones and industrial centers;
- (r) Education and skills training;
- (s) Eminent domain;
- (t) Energy;
- (u) Environment, parks, forest management, wildlife, and nature reserves conservation;
- (v) Fishery and aquatic resources;
- (w) Grants and donations;
- (x) Health;
- (y) Housing and human settlements;
- (z) Humanitarian services and institutions;
- (aa) Human rights;
- (bb) Indigenous peoples' rights
- (cc) Labor , employment, and occupation;
- (dd) Libraries and museums, and historical, cultural, and archaeological sites;
- (ee) Loans, credits, and other forms of indebtedness;
- (ff) People's organizations;
- (gg) Power sector investments;
- (hh) Public-utilities operations;
- (ii) Public works and infrastructure;
- (jj) Quarantine regulations;
- (kk) Regulation of games and amusements operations within CAR;
- (ll) Regulation of the manufacture and distribution of food, drinks, drugs, and tobacco;
- (mm) Science and technology, research councils and scholarship programs;
- (nn) Social services, social welfare, and charities;
- (oo) Sports and recreation;
- (pp) Technical cooperation for human resource development;
- (qq) Technical education and skills development;
- (rr)) Tourism development;
- (ss) Trade and industry;
- (tt) Transportation;
- (uu) Urban and rural planning development;
- (vv) Urban land reform and use;
- (ww) Water supply and services, flood control, and irrigation systems; and
- (xx) Other powers necessary, appropriate, or incidental for the efficient and effective governance of the Regional Government and which are essential to the promotion of general welfare of CAR. The Regional Government, in the exercise of its devolved powers as herein defined, shall coordinate with the appropriate national government agencies.

SEC. 26. **General Supervision-** In accordance with the principle of local autonomy, the President of the Republic of the Philippines shall exercise general supervision over the Regional Government to ensure the faithful execution of laws.

SEC. 27. *Devolution of Regional Line Agencies* -All powers, functions, duties, and responsibilities of regional line agencies operating within the Cordillera Administrative Region that are not inherently national in character shall be devolved to the Cordillera Autonomous Regional Government. The Regional Government shall thereafter exercise full control over such functions, consistent with the principles of autonomy and self-governance. The following regional line agencies shall be transferred and devolved to the Regional Government, together with their powers, functions, programs, projects, property, equipment, and personnel:

1. Environment and Natural Resources:
 - a. Department of Environment and Natural Resources (DENR)
 - b. Environmental Management Bureau (EMB)
 - c. Mines and Geosciences Bureau (MGB)
 - d. National Commission on Indigenous Peoples (NCIP)
 - e. Watershed and Water Resources Research, Development and Extension Center (WWRDEC)
2. Agriculture, Fisheries and Agrarian Reform
 - a. Department of Agriculture (DA)
 - b. Bureau of Fisheries and Aquatic Resources (BFAR)
 - c. Department of Agrarian Reform (DAR)
3. Industry, Trade and Tourism
 - a. Department of Trade and Industry (DTI)
 - b. Department of Labor and Employment (DOLE)
 - c. Department of Science and Technology (DOST)
 - d. Cooperative Development Authority (CDA)
 - e. Department of Tourism (DOT)
4. Education
 - a. Department of Education (DepEd)
 - b. Commission on Higher Education (CHED)
 - c. Technical Education and Skills Development Authority (TESDA)
5. Health, Social Welfare and Housing
 - a. Department of Health (DOH)
 - b. Department of Social Welfare and Development (DSWD)
 - c. Department of Human Settlements and Urban Development (DHSUD)
6. Infrastructure and Development Planning Agencies
 - a. Department of Public Works and Highways (DPWH)
 - b. Department of Transportation (DOTr)
 - c. Department of Economy, Planning and Development (DEPDev)
 - d. DEPDev Commission on Population and Development (CPD)

The following agencies shall remain with the National Government and shall not be devolved;

1. Constitutional and Independent Commissions
 - a. Civil Service Commission (CSC)
 - b. Commission on Audit (COA)
 - c. Commission on Election (COMELEC)

2. Oversight Agencies Over Local Governments
 - a. Department of Budget and Management (DBM)
 - b. Department of Interior and Local Government (DILG)
 - c. Bureau of Local Government Finance (BLGF)
3. Judicial and Quasi- Judicial Bodies
 - a. Department of Agrarian Reform Adjudication Board (DARAB)
 - b. National Labor Relations Commission (NLRC)
 - c. DOLE Arbitration Units, and
 - d. National Commission on Indigenous Peoples (NCIP) Adjudication Offices
4. Agencies Exercising Exclusive or Highly Centralized National Powers
 - a. Bureau of Internal Revenue (BIR)
 - b. Armed Forces of the Philippines (AFP)
 - c. National Police Commission (NAPOLCOM)
 - d. Philippine National Police (PNP)
 - e. Bureau of Fire Protection (BFP)
5. Specialized National Systems Requiring Uniform Standards
 - a. Professional Regulatory Commission (PRC)
 - b. Department of Information and Communication Technology (DICT)
 - c. Philippine Statistics Authority (PSA)
6. Agencies whose functions impact and cover service areas beyond the Region
 - a. DOH retained hospitals and specialized medical centers providing tertiary care and referral services to multiple regions
 - b. Nationally-operated agricultural research units and facilities in the Region
7. Institutions with Corporate or Charter-Based Autonomy
 - a. National Irrigation Administration (NIA)
 - b. National Electrification Administration (NEA)
 - c. State Universities and Colleges (SUCs)
 - d. Philippine Science High School
8. Sectoral and Special Purpose Offices
 - a. DILG- Office of Muslim Affairs and Special Concerns
9. Foreign Affairs and International Relations
 - a. Department of Foreign Affairs (DFA)
 - b. Overseas Workers Welfare Administration (OWWA)
10. Other functions that are national in scope or essential to national sovereignty and territorial integrity.

SEC. 28. ***Tenure of Civil Service Employees.*** – Except for just cause and after due process, officials and employees of the devolved regional line agencies and offices in the region shall not be laid off, dismissed or removed as a result of any reorganization attendant to the establishment of the CAR.

The transfer of personnel from devolved regional line agencies to the Regional Government shall be considered lateral in nature, without loss of seniority, rank, or continuity of service, subject to existing civil service laws.

SEC. 29. ***Priority in Recruitment, Selection and Placement-*** Officials and employees of the Regional Government in the CAR shall be hired in accordance with the appropriate civil service rules and regulations, but priority shall be accorded to qualified Cordillerans.

SEC. 30. ***Appointment of CAR employees.*** – The regional governor shall fill up first and second level positions in the Regional Government from among at least three (3) recommendees of the Regional Human Resource Management Department that shall be duly constituted

SEC. 31. ***Government Owned and Controlled Corporations.*** – Government owned and Controlled Corporations such as the Government Service Insurance System (GSIS), the Social Security System (SSS), the Home Development Mutual Fund, Philippine Health Insurance Corporation and other GOCCs shall continue to be governed by their respective charters and other pertinent laws.

SEC. 32. ***Autonomy of Local Government Units.*** – All LGUs within the CAR shall continue to be independent from each other, have the same set of local officials and employees, enjoy autonomy and continue to exercise the powers granted them under the Local Government Code of 1991, as amended, and other existing laws. The Local Government Code of 1991 shall apply to all provinces, cities, municipalities and barangays in the CAR until the Regional Assembly shall enact a regional Local Government Code. Nothing herein provided shall be construed in any manner as to diminish the powers and functions as well as benefits and privileges already being enjoyed by the LGUs.

SEC. 33. ***Supervision of Local Government Units through the Regional Governor.*** – Consistent with the basic policy on local autonomy, the President, through the Regional Governor shall exercise supervision over devolved line agencies and LGUs in the CAR to ensure that their acts are within the scope of their prescribed powers and functions.

SEC. 34. ***Revenues and Taxes Accruing to Local Government Units.*** – Revenues, taxes, fees and charges generated by the LGUs and the Regional Government from their respective local tax ordinances shall exclusively accrue to them.

SEC. 35. ***Just Share in National Taxes.*** – The LGUs in the CAR including the Regional Government, shall have a just share in the national taxes and applicable revenues which shall be automatically released to them.

SEC. 36. ***Equitable Share in the Utilization of Resources.*** – The LGUs in the CAR, including the Regional Government shall be entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided for by law and this Organic Act.

SEC. 37. ***City Charters.*** – All cities within the CAR shall be governed primarily by their charters.

SEC. 38. ***Creation of Special Political Subdivisions.*** – Special metropolitan political subdivisions may, by law, be created by the Regional Assembly, subject to a plebiscite. The component cities and municipalities shall retain their basic autonomy and shall be entitled to their own local chief executives and legislative bodies consistent with the Local Government Code of 1991, as amended, and the Constitution. The jurisdiction of the metropolitan authority that will thereby be created shall be limited to the provision of basic services requiring coordination.

SEC. 39. ***Right of Local Government Units to Cooperate and Consolidate Resources for Common Goals and Programs.*** – The LGUs of the CAR may group themselves, consolidate or coordinate their efforts, services, and resources for purposes commonly beneficial to them in accordance with law.

ARTICLE V
**ELECTIVE OFFICIALS OF THE AUTONOMOUS REGIONAL GOVERNMENT:
QUALIFICATIONS, TERMS OF OFFICE, VACANCIES AND SUCCESSION, AND
ACCOUNTABILITY**

SEC. 40. ***Elective Officials.*** – The elective officials of the CAR are the (a) Regional Governor, (b) Regional Vice-Governor, and (c) Members of the Regional Assembly.

SEC. 41. ***Qualifications.*** – (a) Candidates for Regional Governor and Vice-Governor positions must be citizens of the Philippines, Cordillerans and inhabitants of the CAR, who are at least twenty-five (25) years of age on election day, are registered voters in the CAR and are residents thereof for a period of at least one (1) year immediately preceding the day of election, and able to read and write in Filipino or English;

(b) Candidates for the position of Member of the Regional Assembly must be citizens of the Philippines, Cordillerans and inhabitants of the CAR who are at least twenty five (25) years of age on election day, are registered voters in the provincial district or city, are residents thereof for a period of at least one (1) year immediately preceding the day of election, and are able to read and write in Filipino or English or any other local language in the region.

SEC. 42. ***Disqualifications.*** – In addition to the disqualifications provided for under Section 40 of the Local Government Code of 1991, as amended, candidates for Regional Governor, Vice-Governor and members of the Regional Assembly must not be related to incumbent elected regional officials within the fourth degree of consanguinity or affinity.

SEC. 43. ***Manner of Election.*** – The Regional Governor and Vice-Governor shall be elected at large by direct vote of the registered voters of the CAR.

(a) Each province and city shall elect their own representatives to the Regional Assembly according to the following seats allocated to them:

- (1) Highly urbanized city – two (2) seats;
- (2) Province – two (2) seats to be allocated, one (1) per provincial district;
- (3) Component city – One (1) seat

Provided, That any local government unit created after the effectivity of this Organic Act shall be entitled to representation to the Regional Assembly.

(b) Unless otherwise provided for by law, the regular elections of the Regional Governor, Vice Governor, and members of the Regional Assembly shall be held simultaneously with the national and local elections on the second Monday of May, and every three (3) years thereafter.

SEC. 44. ***Term of Office.*** – (a) The term of office of all elective regional officials elected after the effectivity of this Organic Act shall be three (3) years which shall begin at noon on the thirtieth day of June next following the day of election and shall end at noon of the same date

three (3) years thereafter. No Regional Governor, Vice-Governor, or Member of the Regional Assembly shall serve for more than three (3) consecutive terms.

(b) Voluntary renunciation of, or removal from office for any length of time shall not be considered as an interruption in the continuity of the service for the full term for which officials were elected.

SEC. 45. ***Oath of Office.*** – Before assuming their Office, the Regional Governor, Vice-Governor and Members of the Regional Assembly shall take their Oath of Office before a duly authorized officer

SEC. 46. ***Prohibitions.*** – (a) The Regional Governor and Vice-Governor shall not, during their tenure, engage in the practice of any profession or hold any other office or employment, except as otherwise provided for in this Act.

(b) The spouses and other relatives by consanguinity or affinity within the fourth civil degree of the Regional Governor and the Regional Vice-Governor shall not, during their tenure, be appointed officers or employees of the Regional Government, except as members of their confidential staff.

(c) No member of the Regional Assembly may hold any other office or employment in the government or any subdivision, agency or instrumentality thereof, including GOCCS or their subsidiaries, during their term without forfeiting their seat. Neither shall any member of the regional assembly be appointed to any office which has been created or emoluments whereof increased by the Regional Assembly during the term for which such member was elected.

(d) The Regional Governor, Regional Vice-Governor, and Members of the Regional Assembly shall not personally appear as counsel before any court of justice or before the Electoral Commission or quasi-judicial and other administrative bodies.

(e) The Regional Governor, Regional Vice-Governor, and Members of the Regional Assembly shall not participate directly or indirectly in any contract with or in any franchise or special privilege granted by the Regional Government or any subdivision, agency or instrumentality thereof, including GOCCS or in any of their subsidiaries. They shall not intervene in any matter before any office of the CAR for their pecuniary benefit or where they may be called upon to act on account of their office.

SEC. 47. ***Vacancies and Succession.*** – (a) In the event that the position of the Regional Governor becomes permanently vacant, the Regional Vice-Governor shall automatically become the Regional Governor.

(b) If the position of the Regional Vice-Governor becomes permanently vacant, the member of the Regional Assembly belonging to the same political party, garnering the highest percentage of votes in the district represented shall become the Regional Vice- Governor in case of permanent disability, the second highest shall assume said position.

(c) In case of a permanent vacancy in the assembly where automatic succession does not apply, the Regional Governor shall appoint to the position so vacated, the nominee of the political party to which the member who caused the vacancy belonged at the time of such member's election. If the one causing the vacancy does not belong to any political party, the Regional Governor shall appoint the nominee of the majority of the members of the assembly. *Provided:* That the appointee has all the qualifications and none of the disqualifications as provided for by this Organic Act: *Provided further,* That in both cases the appointee comes from the same district.

(d) For purposes of this Article, a permanent vacancy arises when the incumbent elective official concerned dies, voluntarily resigns, is removed from office, fills up a higher vacant

office, refuses to assume office, fails to qualify, or is otherwise permanently incapacitated to exercise the powers and discharge the functions of the office.

SEC. 48. ***Temporary Vacancies.*** – (a) When the Regional Governor is temporarily incapacitated to perform the official duties for physical or legal reasons such as leave of absence, travel abroad, and suspension from office, the regional Vice Governor shall automatically exercise the powers and perform the duties and functions of the former except the power to appoint, suspend or dismiss employees which can only be exercised if the period of temporary incapacity exceeds thirty (30) working days.

(b) The vacancy due to temporary incapacity shall be terminated upon the submission to the Regional Assembly of a written declaration of the Regional Governor's return to carry out the duties of the office. In cases where the temporary incapacity is due to legal causes, the regional official concerned shall also submit necessary documents showing that said legal causes no longer exist.

(c) When the incumbent Regional Governor is traveling within the country but outside the territorial jurisdiction of the CAR for a period not exceeding three (3) consecutive days, the Regional Governor may designate in writing an officer-in-charge of the said office. Such authorization shall specify the powers and functions that the Officer-in-Charge concerned shall exercise except the power to appoint, suspend or dismiss employees.

(d) In the event, however, that the Regional Governor concerned fails or refuses to issue such authorization, the Regional Vice-Governor shall have the right to assume the powers, duties and functions of the said office on the fourth day of absence of the Regional Governor, subject to the limitations provided for in subsection c, hereof.

(e) Except as provided for above, the Regional Governor shall in no case authorize any regional official to assume the powers, duties and functions of the office, other than the Regional Vice-Governor and in case of the latter's incapacity then the highest-ranking Member of the Regional Assembly, as the case may be.

SEC. 49. ***Approval of Leaves of Absence.*** – Leaves of absence of elective officials of the CAR shall be approved as follows:

(a) Applications for leaves of absence of regional officials, provincial governor, mayor of a highly urbanized city or an independent component city shall be approved by the Regional Governor or a duly authorized representative;

(b) Applications for leave of absence of other officials and employees other than those enumerated above shall be approved by the authority designated under the Local Government Code of 1991, as amended; and

(c) Applications for leave of absence of the Regional Governor shall be approved by the President.

SEC. 50. ***Compensation.*** – (a) Unless otherwise provided for by law, the Regional Governor and Regional Vice-Governor shall receive an annual salary equivalent to that of a department Secretary and Undersecretary of the national government, respectively, which shall not be decreased during their tenure. No increase in the salary of the Regional Governor and Regional Vice-Governor shall take effect until after the expiration of the term of the Regional Governor and Regional Vice-Governor approving the same.

(b) Unless otherwise provided for by law, the members of the Regional Assembly shall receive an annual salary equivalent to that of the Assistant Secretary of the National Government. No increase in salary provided for by law shall take effect until after the expiration of the term of office of all members of the Regional Assembly approving the same.

(c) All regional elective officials shall not receive, during their tenure, any other emoluments from the government.

SEC. 51. **Accountability.** – (a) *Disclosure.* All regional officials shall, upon their assumption of office, make a full disclosure of their financial and business interests, including those of their spouses and unmarried children under eighteen (18) years of age who are living in their households. Any member who has a potential conflict of interest that may arise from the measures filed shall notify the Regional Assembly. This section shall be governed by Republic Act No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees.

(b) *Law Governing the Discipline of Regional Elective Officials and Members of the Regional Assembly.* The conduct and Discipline of Regional Elective Officials shall be governed by Chapter 4, Title Two of Book I of the Local Government Code of 1991, as amended, and other applicable laws while members of the Regional Assembly shall be governed by their internal rules.

(c) *Recall.* Regional elective officials may be subject to recall proceedings as provided for under Chapter 5, Title Two of Book I of the Local Government Code of 1991, as amended, and other applicable laws.

ARTICLE VI THE REGIONAL EXECUTIVE DEPARTMENT

SEC. 52. **Executive Authority.** – The executive power in the region shall be vested in the Regional Governor who shall exercise such powers and perform such duties and functions as provided for by this Organic Act and other laws.

SEC. 53. **Scope of Executive Authority.** – As chief executive of the Regional Government, the Regional Governor shall exercise control and supervision over all programs, projects, services and activities of the Regional Government and supervision over regional line agencies and LGUs within the CAR, subject to existing laws.

SEC. 54. **State of the Region Address.** – The Regional Governor shall deliver the State of the Region Address to the Regional Assembly at the opening of its regular sessions.

SEC. 55. **Submission of Regional Budget.** – The Regional Governor shall submit the proposed budget to the Regional Assembly within thirty (30) days from the opening of every regular session, as the basis of the regional appropriations bill, budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures.

SEC. 56. **Mandatory Departments and Offices.** - In addition to the regional line agencies devolved ,the Regional Government shall have the following mandatory Offices;

- (1) Regional Administrative and General Services Department- Shall be the primary administrative support and services unit of the Regional Government. It shall have the following powers and functions:
 - a. Provide general administrative services to all departments, bureaus, offices, and instrumentalities of the Regional Government;
 - b. Formulate and implement policies, standards, and systems for office administration, records management, documentation, and archiving;

- c. Oversee procurement, supply, and property management, including the acquisition, utilization, maintenance, and disposal of government property; equipment and supplies, in accordance with applicable laws and regulations;
- d. Manage records, correspondence, and official documentation, including the custody and preservation of public records of the Regional Government;
- e. Provide logistical, facilities, and transport services necessary for the effective operation of regional offices and programs;
- f. Administer building, facilities, and office space management, including maintenance, security, and utilities for Regional Government offices;
- g. Support meetings, official functions, and activities of the Regional Governor, and other Regional Government officials, as may be required;
- h. Develop and maintain administrative systems and procedures to promote efficiency, transparency, and cost-effectiveness in Regional Government operations;
- i. Coordinate with the Regional Human Resource Management Department on personnel records, administrative requirements, and staff support services;
- j. Ensure compliance with administrative rules, regulations and issuances of the Regional Government and applicable national laws;
- k. Provide technical and administrative assistance to provincial, city, municipal, and barangay governments within the Region, when necessary; and
- l. Perform such other functions as may be provided by this Organic Act or by the Regional Assembly.

(2) Regional Assessor Department- Shall be responsible for the formulation, coordination, and supervision of property assessment and valuation policies within the Region. It shall have the following functions:

- a. Formulate and prescribe uniform standards, policies, and guidelines on real property assessment and valuation within the Region, consistent with applicable laws;
- b. Coordinate with provincial, city, and municipal assessors to ensure uniformity, equity, and accuracy in property assessment and valuation;
- c. Maintain and update regional assessment records and valuation data, including maps, tax declarations, and appraisal schedules;
- d. Provide technical assistance and capacity-building to local assessors offices to improve assessment practices and valuation systems;
- e. Review and evaluate assessment levels, schedules of market values, and appraisal methodologies submitted by local government units within the Region;
- f. Establish and manage a regional real property information system to support planning, revenue generation, and land management;
- g. Conduct studies and recommend reforms on property valuation, assessment policies, and related fiscal measures;
- h. Coordinate with relevant regional and national agencies on land use, cadastral surveys, and valuation- related concerns; and
- i. Perform such other functions related to property assessment and valuation as may be provided by this Organic Act or by the Regional Assembly.

(3) Regional Human Resource and Management Department- Shall be responsible for the development, implementation, and administration of the human resource systems of the Regional Government. It shall have the following powers and functions:

- a. Formulate and implement human resource policies, systems, and standards covering recruitment, selection, appointment, promotion, compensation, performance management, and employee welfare;
- b. Ensure merit-based and competency-based personnel administration consistent with civil service laws, rules, and regulations;
- c. Develop organizational structures, staffing patterns, and position classification systems for regional departments, bureaus, and offices;
- d. Administer training, learning, and career development programs to enhance the competence and professionalism of regional government personnel;
- e. Maintain and manage personnel records, human resource information systems, and workforce data of the Regional Government;
- f. Promote employee welfare, discipline, and grievance mechanisms, ensuring due process in administrative proceedings;
- g. Coordinate with the Civil Service Commission and other oversight agencies on personnel actions, standards, and compliance requirements;
- h. Provide technical assistance and guidance to provincial, city, and municipal governments within the Region on human resource management concerns; and
- i. Perform such other human resource- related functions as may be provided by this Organic Act or by the Regional Assembly.

(4) Regional Legal Department- Shall serve as the principal legal office of the Regional Government. It shall have the following powers and functions:

- a. Provide legal advice and opinions to the Regional Governor, the Regional Assembly, and all regional departments, bureaus, and offices;
- b. Represent the Regional Government in all civil, administrative, and quasi-judicial proceedings, and coordinate with the Office of the Solicitor-General or other appropriate national government offices when required by law;
- c. Draft, review, and clear contracts, agreements, memoranda, ordinances, rules, and other legal instruments involving the Regional Government;
- d. Review the legality and constitutionality of proposed regional laws, resolutions, and administrative issuances prior to their adoption or issuance;
- e. Assist in the enforcement of regional laws, rules, and regulations, and recommend legal measures to ensure compliance;
- f. Maintain a system of legal documentation and jurisprudence relevant to the powers and functions of the Regional Government;
- g. Conduct legal research and policy studies to support legislative and administrative initiatives of the Regional Government;
- h. Provide legal assistance and capacity-building to provincial, city, and municipal governments within the Region, as may be authorized by law; and
- i. Perform such other legal functions as may be provided by this Organic Act or by the Regional Assembly

(5) Regional Treasury Department- Shall be responsible for the management, safekeeping, and administration of the financial resources of the Regional Government. It shall have the following powers and functions:

- a. Receive, collect, and safeguard all revenues, fees, charges, grants, subsidies, loans, and other funds accruing to the Regional Government;
- b. Manage and maintain all cash accounts, trust funds, deposits, and treasury operation of the Regional Government;
- c. Authorize and implement disbursements, subject to existing laws, auditing rules, and regulations issued by the Regional Government and the National Government
- d. Supervise cash flow, cash availability, and fund utilization to ensure financial stability and liquidity of the Regional Government;
- e. Issue official receipts and maintain systems for recording and reporting all collections and disbursements;
- f. Oversee the safekeeping and disposition of regional government property, financial documentation, budget execution, and compliance with accounting and auditing standards;
- g. Coordinate with the Regional Accounting Department and other regional departments to ensure proper financial documentation, budget execution, and compliance with accounting and auditing standards;
- h. Prepare and submit periodic treasury and cash statements to the Regional Governor, the Regional Assembly, and the Commission on Audit;
- i. Assist provincial, city, municipal, and barangay treasurers in harmonizing treasury practices, systems, and controls within the Region; and
- j. Perform such other treasury-related functions as may be provided by this Organic or by the Regional Assembly.

(6) Regional Accounting Department- Shall be responsible for the accounting, financial reporting, and internal control systems of the Regional Government. It shall have the following powers;

- a. Maintain and supervise the accounting records of all financial transactions of the Regional Government, including receipts, disbursements, and obligations;
- b. Prepare financial statements, reports, and certifications required by law, the Regional Government and the Commission on Audit;
- c. Certify to the availability of funds and proper appropriation before the release of any obligation or disbursements;
- d. Ensure compliance with government accounting standards, auditing regulations, and financial management policies issued by the Regional Government and the National Government;
- e. Develop, implement, and enforce internal control systems to promote accuracy, reliability, transparency, and accountability in financial operations;
- f. Coordinate with the Regional Treasury Department on reconciliation of accounts, verification of cash balances, and submission of financial documents;

- g. Monitor and evaluate the financial performance of regional departments, bureaus, and offices, and recommend measures to improve fiscal discipline and efficiency;
- h. Provide technical assistance to local government accounting offices within the Region to ensure harmonized accounting and reporting systems;
- i. Prepare annual, quarterly, and special financial reports for submission to the Regional Governor, the Regional Assembly and oversight bodies; and
- j. Perform such other accounting and financial management functions as may be provided in this Organic Act or enacted by the Regional Assembly.

In addition, the Regional Governor may, subject to the approval of the Regional Assembly and availability of funds, create other offices deemed necessary.

SEC. 57. *Mandatory Staff.* – The Regional Governor and the different regional departments shall have sufficient administrative and support staff to efficiently and effectively carry out their mandates and the purposes of the Regional Government.

In addition to the devolved staff of the regional line agencies, the Regional Government shall have the following mandatory staff: (1) Executive Secretary to the Regional Governor, (2) Regional Accountant, (3) Regional Budget Officer, (4) Regional Administrator, (5) Regional Legal Officer, (6) Regional Treasurer, and (7) Regional General Services Officer. Additionally, the Regional Governor may, subject to the approval of the Regional Assembly and availability of funds, create other positions deemed necessary.

The Executive Secretary to the Regional Governor and the heads of the various regional offices and employees under the executive department shall be appointed by the Regional Governor. The appointment of the heads of regional offices requires the concurrence of the majority of the members of the Regional Assembly and compliance with civil service law, rules and regulations and this Organic Act. The Regional Assembly shall act on said appointment within fifteen (15) days from the date of submission otherwise the same shall be deemed confirmed.

To ensure parity and consistency with the organizational structure of the Regional Government:

1. The rank and salary grade level of Regional Director of the devolved regional line agencies and heads of the other regional departments shall be equivalent to that of the Assistant Secretary.
2. The rank and salary grade level of the devolved Assistant Regional Director shall be equivalent to that of the Regional Director.

The qualifications of regional appointive officials, their duties and functions, are as follows:

(a) Executive Secretary to the Regional Governor

- (1) The Executive Secretary to the Regional Governor must be a citizen of the Philippines and a resident of the CAR, of good moral character, a holder of a college degree preferably in law, administration or any other related course from a recognized college or university and must have acquired supervisory or managerial experience for at least five (5) years.

- (2) The term of office of the Executive Secretary shall be co-terminus with that of the appointing authority.
- (3) The Executive Secretary shall, subject to the control and supervision of the Regional Governor, carry out the following functions:
 - (i) Directly assist the Regional Governor in the management of the affairs pertaining to the CAR;
 - (ii) Implement directives, orders and decisions of the Regional Governor;
 - (iii) Exercise supervision and control over the various units in the Office of the Regional Governor including their internal administrative requirements;
 - (iv) Exercise supervision, in behalf of the Regional Governor, over the various agencies under the Office of the Regional Governor;
 - (v) Provide overall coordination in the operation of the Regional Executive Office;
 - (vi) Determine and assign matters to the appropriate units in the Office of the Regional Governor;
 - (vii) Act on matters referred to the Office of the Regional Governor by the various regional offices and agencies of the government;
 - (viii) Provide consultative, research, fact-finding and advisory services to the Regional Governor;
 - (ix) Assist the Regional Governor in the performance of functions pertaining to legislation;
 - (x) Assist the Regional Governor in the administration of special projects;
 - (xi) Take charge of matters pertaining to protocol and ceremonial functions in the Regional Government;
 - (xii) Provide secretarial and clerical services for the Regional Governor and other bodies;
 - (xiii) Promulgate such rules and regulations necessary to carry out the objectives, policies and functions of the Office of the Regional Governor; and
 - (xiv) Perform such other functions as the Regional Governor may direct.

(b) Regional Accountant

- (1) The Regional Accountant must be a citizen of the Philippines and a resident of the CAR, of good moral character, a certified public accountant, and must have acquired experience in treasury or accounting service for at least five (5) years.
- (2) The Regional Accountant shall take charge of both the accounting and internal audit services of the CAR and shall:
 - (i) Install and maintain an internal audit system in the CAR
 - (ii) Prepare and submit financial statements to the Regional Governor and to the Regional Assembly;
 - (iii) Apprise the Regional Assembly and other government officials on the financial condition and operations of the CAR;
 - (iv) Certify to the availability of budgetary allotment to which expenditures and obligations may be properly charged;
 - (v) Review supporting documents before preparation of vouchers to determine completeness of requirements;
 - (vi) Prepare statements of cash advances, liquidation, salaries, allowances, reimbursements and remittances pertaining to the CAR;
 - (vii) Prepare statements of journal vouchers and liquidation of the same and other adjustments related thereto;
 - (viii) Post individual disbursements to the subsidiary ledger and index cards;

- (ix) Maintain individual ledgers for officials and employees of the Regional Government pertaining to payrolls and deductions;
- (x) Record and keep subsidiary ledgers containing the details of purchased furniture, fixtures, and equipment, and records of the disposal of the same;
- (xi.) Account for all issued requests for obligations and maintain and keep all records and reports related thereto;
- (xii.) Prepare journals and the analysis of obligations and maintain and keep all records and reports related thereto; and
- (xiii.) Exercise such other powers and perform such other duties and functions as may be provided by law or ordinance.

(c) Regional Budget Officer

- (1) The Regional Budget Officer must be a citizen of the Philippines and a resident of the CAR, of good moral character, a holder of a college degree preferably in accounting, economics, public administration or any related course from a recognized college or university, a Career Service Professional or a second level eligible, and must have acquired at least five years experience in government budgeting.
- (2) The Regional Budget Officer shall take charge of the budget office and shall:
 - (i) Prepare forms, orders, and circulars embodying instructions on budgetary and appropriation matters for the signature of the Regional Governor;
 - (ii) Review and consolidate the budget proposals of different departments and offices of the Regional Government;
 - (iii) Assist the Regional Governor in the preparation of the budget and during budget hearings;
 - (iv) Study and evaluate budgetary implications of proposed legislation and submit comments and recommendations thereon;
 - (v) Submit periodic budgetary reports to the Department of Budget and Management (DBM);
 - (vi) Coordinate with the treasurer, accountant, and the planning officer for the purpose of budgeting;
 - (vii) Assist the Regional Assembly in reviewing the approved budgets of the provincial and highly urbanized cities;
 - (viii) Assist the Regional Development Planning Officer in Formulating the Regional Development Plan;
 - (ix) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(d) Regional Administrator

- (1) The Regional Administrator must be a citizen of the Philippines and an inhabitant of the CAR, of good moral character, holder of a college degree preferably in law, public administration or any other related course from a recognized college or university and must have acquired at least five (5) years experience in management and administration work.
- (2) The term of office of the Regional Administrator shall be co-terminus with that of the appointing authority.
- (3) Subject to the control and supervision of the Regional Governor, the Regional Administrator shall:

- (i) Develop plans and strategies and upon approval thereof by the Regional Governor, implement the same particularly those which have to do with the management and administration-related programs and projects which the Regional Governor is empowered to implement and which the Regional Assembly is empowered to provide under this Organic Act;
- (ii) Assist in the coordination of the work of all the officials of the CAR , under the supervision, direction, and control of the Regional Governor, and for this purpose, may convene the chiefs of offices and other officials of the Regional Government ;
- (iii) Establish and maintain a sound personnel program for the Regional Government designed to promote career development and uphold the merit principle in the local government service;
- (iv) Conduct a continuing organizational development of the CAR with the end in view of instituting effective administrative reforms;
- (v) Be in the frontline of the delivery of administrative support services, particularly those related to the situations during and in the aftermath of man-made and natural disasters and calamities;
- (vi) Recommend to the Regional Assembly and advise the Regional Governor, as the case may be, on all other matters relative to the management and administration of the Regional Government; and
- (vii) Exercise such other powers and perform such other duties and functions as may be prescribed by law or by ordinance.

(e) Regional Legal Officer

- (1) The Regional Legal Officer must be a citizen of the Philippines and a resident of the CAR, of good moral character, a member of the Philippine Bar, and must have practiced the law profession for at least five (5) years.
- (2) The term of office of the Regional Legal Officer shall be co-terminus with that of the appointing authority.
- (3) The Regional Legal Officer shall be the chief legal counsel of the Regional Government and shall take charge of the Regional legal Department. In addition the Regional Legal Officer shall:
 - (i) Formulate measures for the consideration of the Regional Assembly and provide legal assistance and support to the Regional Governor;
 - (ii) Develop plans and strategies and upon approval thereof by the Regional Governor, implement the same, particularly those which have to do with programs and projects related to legal services which the Regional Governor is empowered to implement and which the Regional Assembly is empowered to provide under this Organic Act;
 - (iii) Recommend measures and advise the Regional Governor on all other matters related to upholding the rule of law;
 - (iv) Be in the frontline of protecting human rights and prosecuting any violations thereof, particularly those which occur during and in the aftermath of man-made or natural disasters or calamities;
 - (v) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance;
 - (vi) In addition to the foregoing duties and functions, the Regional Legal Officer shall:
 - a) Represent the Regional Government in all civil actions and special proceedings wherein the autonomous region or any official thereof in an official capacity, is a party;

- b) When required by the Regional Governor, draft ordinances, contracts, bonds, leases and other instruments, involving any interest of the CAR and provide comments and recommendations on any instrument already drawn;
- c) Render a written opinion on any question of law when directed by the Regional Governor;
- d) Investigate or cause to be investigated any official or employee of the Regional Government for administrative neglect or misconduct in office and recommend the appropriate action to the Regional Governor;
- e) Investigate or cause to be investigated any person, firm or corporation holding any franchise or exercising any public privilege for failure to comply with any term or condition in the grant of such franchise or privilege by the Regional Government, and recommend the appropriate action to the Regional Governor;
- f) When directed by the regional Governor, initiate and prosecute in the interest of the Regional Government any civil action on any bond, lease or other contract upon any breach or violation thereof; and
- g) Review and submit recommendations on ordinances approved and executive orders issued.

(f) Regional Treasurer

- (1) The Regional Treasurer must be a citizen of the Philippines and a resident of the CAR, of good moral character, holder of a college degree preferably in commerce, public administration or law from a recognized college or university, a Career Service Professional or a second level eligible and must have acquired at least five (5) years of experience in treasury or accounting service.
- (2) The Regional Treasurer shall take charge of the of the Regional Treasury, perform the duties provided for under Book II of the Local Government Code, as amended, and shall:
 - (i) Advise the Regional Governor and other Regional Government officials concerned regarding the disposition of government funds, and on such other matters relative to public finance;
 - (ii) Take custody of and exercise proper management of the funds of the CAR;
 - (iii) Take charge of the disbursement of all Regional Government funds and such other funds the custody of which may be entrusted by law or other competent authority;
 - (iv) Maintain and update the tax information system of the CAR; and
 - (v) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

(g) Regional General Services Officer

- (1) The Regional General Services Officer must be a citizen of the Philippines and an inhabitant of the CAR, of good moral character, holder of a college degree preferably on public administration, business administration and management or any other related course from a recognized college or university, a Career Service Professional or a second level eligible, and must have acquired at least five (5) years experience in general services, including management of supply, property, solid waste disposal, and general sanitation-
- (2) The Regional General Services Officer shall take charge of the Office on General Services and shall:

- (i) Formulate measures for the consideration of the Regional Governor and provide technical assistance and support in carrying out measures to ensure the delivery of basic services and provision of adequate facilities pursuant to the Local Government Code, as amended, and this Organic Act which require general services expertise and technical support services;
- (ii) Develop plans and strategies, and upon approval thereof by the Regional Governor implement the same, particularly those which have to do with the general services that are supportive of the welfare of the inhabitants which the Regional Governor is empowered to implement;
- (iii) Be in the frontline of general services related activities, such as the possible or imminent destruction or damage to records, supplies, properties, and structures and the orderly and sanitary clearing up of waste materials or debris, particularly during and in the aftermath of man-made and natural calamities and disasters;
- (iv) Recommend and advise the Regional Governor on all matters relative to general services;
- (v) In addition to the foregoing duties and functions, the General Services Officer shall:
 - a) Take custody of and be accountable for all properties, real or personal, owned by the Regional Government and those granted to it in the form of donation, reparation, assistance, and counterpart of joint projects;
 - b) With the approval of the Regional Governor, assign building or land space to regional officials, who by law, are entitled to such space. Recommend to the Regional Governor reasonable rental rates for Regional Government properties, whether real or personal, which will be leased to public or private entities;
 - c) Recommend to the Regional Governor reasonable rental rates of private properties which may be leased for the official use of the Regional Government;
 - d) Maintain and supervise janitorial and security services, and government public buildings and other real property, whether owned or leased by the Regional Government;
 - e) Collate and disseminate information regarding prices, shipping and other costs of supplies, and other items commonly used by the Regional Government ;
 - f) Perform archival and record management services with respect to records of offices and departments of the Regional Government ;
 - g) Perform all other functions pertaining to supply and property management heretofore performed by the Regional Government Treasurer and enforce policies on records creation, maintenance, and disposal; and
 - h) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.

SEC. 58. ***Cordillera Development Council.*** – There shall be a Cordillera Development Council (CDC) which shall function as the main planning and advisory body of the Regional Government that shall set the direction of economic and social development of the CAR and through which regional development efforts shall be coordinated.

SEC. 59. ***Composition of the CDC.*** – The CDC shall be composed of the Regional Governor as chairperson, a Private Sector Representative as co-chairperson, the Regional head of the Department of Economy, Planning, and Development (DEPDev) as vice-chairperson, and the following as members:

- (a) All the provincial governors, the city and capital town mayors in the CAR;
- (b) Two (2) members of the Regional Assembly to be designated by the presiding officer;
- (c) Private sector representatives of duly accredited private sector and non-government or people's organizations, provided that their composition shall not be more than one-fourth of the total membership;
- (d) Regional heads of line agencies who are members of the Economy and Development Council of DEPDev;
- (e) The CDC may designate special non-voting members from both the public and private sectors, upon concurrence of the majority of its regular members.

SEC. 60. **Functions.** – The CDC shall:

- (a) Coordinate the preparation, implementation, monitoring and evaluation of short- and long-term Regional Development Plans and investment programs, regional physical framework plans and special development plans, including the formulation of policy recommendations;
- (b) Integrate into the Regional Development Plan the approved development plans of provinces and cities, line agencies, state universities and colleges, GOCCs and special development authorities in the autonomous region;
- (c) Review, prioritize, and endorse to the Regional Government the annual and multi-year sectoral investment programs of the CAR for funding and implementation;
- (d) Review and endorse to the national government the annual budgets of agency regional offices, state colleges and universities and special development authorities;
- (e) Promote and direct the inflow and allocation of private investments in the CAR to support regional development objectives, policies, and strategies;
- (f) Review and endorse national plans, programs and projects proposed for implementation in the autonomous region;
- (g) Review and endorse projects of national government agencies that have impact on the region and projects of LGUs in the CAR requiring national government exposure which may come in the form of guarantees, national government budget appropriations or subsidies, among others;
- (h) Initiate and coordinate the development, funding and implementation of regional and special development projects such as those involving several agencies or LGUs;
- (i) Coordinate the monitoring and evaluation of development projects undertaken by government agencies, LGUs, state colleges and universities, GOCCs and special development authorities in the CAR; and
- (j) Perform other related functions and activities as may be necessary to promote and sustain the socio-economic development of the CAR.

SEC. 61. **Technical Support to the CDC.** – The regional office of the DEPDev shall serve as the secretariat and technical operations arm of the CDC.

SEC. 62. **Creation of Committees.** – The CDC may create appropriate technical and sectoral committees to assist in its work.

SEC. 63. **Existing Committees.** – The CDC shall coordinate the implementation of plans and programs by regional coordinating committees that are created by various laws and currently attached to specific agencies, and ad-hoc program or project-based steering committees, such as the Development Administration Committee, Economic Development Committee, Social Development Committee, Infrastructure Development Committee, Watershed and Environmental Management Committee, Committee on Indigenous Peoples'

Concerns, Regional Land Use Committee, Regional Gender and Development Committee, Regional Project Monitoring Committee, Regional Competitiveness Committee, Regional Development Budget Coordinating Committee, Regional Statistical Coordination Committee, and the Cordillera Geographic Information System Network. The respective mother agencies of these committees shall continue to provide secretariat support to them.

ARTICLE VII THE REGIONAL VICE-GOVERNOR

SEC. 64. ***Functions.*** – The Regional Vice-Governor shall be the presiding officer of the Regional Assembly, and shall:

- a. Preside the meetings of the Regional Assembly;
- b. Assume the office of the Regional Governor for the unexpired term of the latter in the event of a permanent vacancy as provided for in this Organic Act;
- c. Exercise the powers and perform the duties and functions of the Regional Governor in cases of temporary vacancy as provided for in this Organic Act; and
- d. Exercise the powers and perform the duties and functions as may be prescribed by law.

The Regional Vice-Governor may be appointed to the position of head of a regional office as may be created by the Regional Assembly, without the need of confirmation of the Regional Assembly and the Civil Service Commission.

ARTICLE VIII THE REGIONAL ASSEMBLY

SEC. 65. ***Legislative Authority.*** – The legislative power of the Regional Government in the CAR shall be vested in the Regional Assembly, except to the extent reserved by the Constitution and this Organic Act on initiative and referendum. Within its territorial jurisdiction and subject to the provisions of the Constitution and national laws, the Regional Assembly shall have legislative powers over those functions enumerated under Section 25 hereof. The Regional Assembly shall promulgate its rules and regulations for the conduct of its proceedings.

SEC. 66. ***Vice- Governor as Head of the Regional Assembly*** –The Vice-Governor shall be the political and administrative head of the Regional Assembly, preside all meetings and is responsible for the overall management of the proceedings, activities, resources, facilities and employees of the Assembly. The Vice-Governor shall:

(a) Prepare the legislative agenda for every regular session, establish systems and procedures to ensure full deliberation and swift approval of measures included therein, and may, for the purpose, avail of the assistance of the Majority Leader, the chairpersons of the standing committees and other Members of the Regional Assembly;

(b) Conduct regular monthly caucus of all Members of the Regional Assembly or groups thereof or as often as may be necessary to discuss priority measures and to facilitate dialogue, consensus and action on issues and concerns affecting the Regional Government and the performance of its functions;

(c) Exercise general supervision over all committees and, in furtherance thereof, conduct regular monthly meetings with the chairpersons and vice-chairpersons of all standing and special committees to set legislative targets, review performance in the attainment of targets, ensure that the priority legislative measures of committees are attuned to the legislative agenda of the Regional Assembly, and resolve such other issues and concerns that affect the operations and performance of the committees;

(d) Establish, as far as practicable, an efficient information management system of the secretariat utilizing among others, modern digital technology, that can:

(1) Facilitate access to and dissemination of data and information needed in legislation inclusive of facilitating real time translation of plenary proceedings in the major Philippine dialects and languages;

(2) Provide a simplified and comprehensive process of gathering, recording, storage and retrieval of data and information relating to activities and proceedings of the Regional Assembly;

(3) Sustain a public information program that will provide accessible, timely and accurate information relating to the Regional Assembly, its Members and officers, its committees and its legislative concerns inclusive of facilitating, as far as practicable, broadcast coverage of plenary and committee proceedings;

(e) Establish an efficient and effective system to monitor and evaluate the performance of legislative tasks and duties of the Regional Assembly, its Members, and its committees;

(f) Designate a Member as temporary presiding officer: *Provided*, That any such designation shall be effective for one session day only;

(g) Take appropriate measures as may be deemed advisable or as the Regional Assembly may direct, to preserve order and decorum in the session hall, the galleries, lobbies, chambers, offices, corridors, and premises of the Regional Assembly;

(h) Sign all acts, resolutions, memorials, writs, warrants and subpoena that may be issued by or upon order of the Regional Assembly;

(i) Perform administrative functions such as the following:

(1) Appoint the personnel of the Regional Assembly;

(2) Suspend, dismiss or impose disciplinary measures on the personnel of the Regional Assembly in accordance with Civil Service rules: *Provided*, That the suspension or dismissal of the Regional Secretary General and the Regional Sergeant-at-Arms shall take effect only upon the concurrence of the majority of all the Members of the Regional Assembly;

(3) Consolidate vacant positions, the salaries and wages for which may be increased or reduced in the process, or creation of new positions in accordance with the Regional Appropriations Act: *Provided*, That the total amount involved shall not exceed the total amount appropriated for the salaries and wages of the personnel of the Regional Assembly;

(4) Implement merit-based policies and programs on human resource recruitment, selection and placement, learning and development, performance management and rewards and recognition to ensure that the Regional Assembly has a corps of competent professionals able to provide needed legislative support services; and

(5) Review, approve, and sign contracts entered into by the Regional Assembly, and to delegate this power when necessary.

(j) Prepare the annual budget of the Regional Assembly;

(k) Prepare, in consultation with the appropriate committee of the Regional Assembly, the rules and regulations governing public access to personal data and related information, including statements of assets and liabilities, of Members of the Regional Assembly;

(l) Develop through an appropriate entity of the Regional Assembly a system for drug testing of any Member, officer, or employee of the Regional Assembly, that shall be comparable in scope to the system for drug testing in the executive branch of the Regional Government: *Provided*, That the expenses incurred from the implementation of the system may be paid from applicable accounts of the Regional Assembly for official expenses; and

(m) Require the submission of performance reports at the end of every regular session and fiscal year from the committee chairpersons, the Regional Secretary General and the Regional Sergeant-at-Arms, and such other reports as may be required from all concerned officers and offices of the Regional Assembly.

The Vice- Governor shall be the permanent head of delegation and representative of the Regional Assembly in all local or international parliamentary gatherings and organizations: *Provided*, That the Regional Vice- Governor may designate any Member of the Regional Assembly to be his representative, in consultation with the Regional Assembly, to any local or international conference or forum of parliamentarians and legislators, and the secretariat to be authorized to assist the delegation.

SEC. 67. *Enactment of Laws and Resolutions.* – The Regional Assembly shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the CAR and its inhabitants as well as for the efficient and effective operation of the Regional Government.

SEC. 68. *Creation, Division, Merger and Abolition of Local Government Units.* – The Regional Assembly may, by law, create, divide, merge or abolish municipalities or barangays subject to the approval by a majority of the votes cast in a plebiscite in the political units directly affected. The municipalities or barangays created, divided, or merged shall be entitled to their appropriate share in the national taxes.

SEC. 69. *Administrative Support.* – The Regional Assembly shall have an administrative and support staff. Each member shall have at least seven (7) confidential Legislative Assistants whose qualifications, rank and salary grade level shall be equivalent to regional executive assistants. Their term of service shall be co-terminus with the appointing officer.

SEC. 70. *Regular and Special Sessions.* – The Regional Assembly shall start its regular session on the first Monday of July, and by resolution fix the day, time, and place of its regular sessions, which shall be held at least once a week. However, the Regional Assembly may be called to a special session by the Regional Vice-Governor or the Regional Governor whenever necessary and a notice of meeting shall be sent to the member's place of residence at least twenty-four (24) hours before the special session is held. Unless otherwise concurred in by two-thirds (2/3) votes of the members, there being a quorum, no other matters may be considered at a special session except those stated in the notice. The Regional Assembly may invite the President and other government officials to address it.

SEC. 71. *Sessions and Quorum.* – A majority of all the members of the Regional Assembly shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may compel the attendance of absent members in such manner, and under such penalties as the Assembly may provide in its rules.

On the first regular session following the election of its members, and within ninety (90) days thereafter, the Regional Assembly shall adopt or update its rules of proceedings which shall include, the organization of the Regional Assembly and the election of its officers, creation of standing committees, the time, place and manner of convening its regular and special sessions, the conduct and discipline of its members, the conduct and discipline of every person present during its session, the preparation and publication of its journal, the determination of quorum, and the necessary votes to pass any measure, and recall proceedings in accordance with the Local Government Code, as amended.

SEC. 72. **Laws.** – (a) Every bill shall embrace only one (1) subject which shall be expressed in the title thereof.

(b) No bill shall become a law unless it has passed three (3) readings on separate days, and printed copies thereof in its final form have been distributed to the members three (3) days before its passage, except when the Regional Governor certifies to the necessity of its immediate enactment to meet a public calamity or emergency affecting the region, or the component provinces, cities, municipalities or barangays.

(c) On the third reading of a bill, no amendment thereto shall be allowed, and the vote thereon shall be taken immediately thereafter, and the yeas and nays entered in the Journal.

(d) Every bill passed by the Regional Assembly shall, before it becomes a law, be presented to the Regional Governor. If the Regional Governor approves the same, the Regional Governor shall sign it, otherwise, the Regional Governor shall veto it and return the same to the Regional Assembly expressing in a written message the objections thereto. The Regional Governor shall communicate the veto on any bill to the Regional Assembly within ten (10) days from receipt thereof, otherwise, it shall become a law as if it was duly approved.

(e) Upon receipt of the veto, the Regional Assembly shall enter the objections in its journal and proceed to reconsider it. If, after such reconsideration, two-thirds (2/3) of all the members of the Regional Assembly shall agree to pass the bill, it shall become a law.

(f) The Regional Governor shall have the power to veto any particular item or items in an appropriation or revenue, but the veto shall not affect the item or items to which the Regional Governor does not object.

SEC. 73. **People's Question Hour.** – There shall be a People's Question Hour at least once a month or as often as the rules of the Regional Assembly may provide, which shall be included in the Order of Business, and during which any member of the cabinet may, with the consent of the Regional Governor, or upon the request of the Regional Assembly, appear and answer questions and interpellations by Members of the Assembly on any matter pertaining to the cabinet member's department.

The Regional Assembly or any of its committees may conduct inquiries in aid of legislation in accordance with its duly published rules of procedure. The rights and dignity of persons appearing in or affected by such inquiries shall be respected.

SEC. 74. **Parliamentary Immunity.** – No Member shall be questioned or be held liable in any other place for any speech or debate in the Regional Assembly or in any committee thereof.

SEC. 75. **Appropriations Bill.** – The Regional Assembly shall pass an appropriations bill for the ensuing year before the end of each year, based on the budget of expenditures and sources of funds submitted to it by the Regional Governor.

- (a) No provision or enactment shall be embraced in the regional appropriations bill, unless it relates specifically to some particular appropriations therein. Any such provision or enactment shall be limited in its operation to the appropriation to which it relates.
- (b) The procedure in approving appropriations bill by the Regional Assembly shall strictly follow the same procedure in approving regional laws or ordinances which shall be subject to the approval of the Regional Governor.
- (c) A special appropriations bill shall specify the purpose for which it is intended and shall be supported by funds actually available as certified by the Regional Treasurer or to be raised by a corresponding revenue proposal therein.
- (d) No law shall be passed authorizing any transfer of appropriations.
- (e) The Regional Assembly may not increase the appropriations recommended by the Regional Governor for the operation of the Regional Government as specified in the budget. The form, content and manner of preparation of the budget shall be prescribed by regional law: *Provided, however*, That pending the enactment of such a regional law, the budgeting process of the Regional Government shall be governed by existing national laws and rules and regulations prescribed by the DBM.

SEC. 76. *Expenditure of Public Funds.* – No money shall be paid out of the Treasury Department except in pursuance of an appropriation made by regional law.

- (a) No money or property shall be appropriated, applied, paid or used, directly or indirectly, for the use, benefit or support, of any sect, church, denomination, sectarian institution, or system of religion or for the use, benefit or support of any priest, preacher, minister or other religious teacher or dignitary as such, except when such priest, preacher, minister or dignitary is assigned to the regional police or government orphanage and rehabilitation centers or similar institutions.
- (b) All money collected on any regional tax levied for a special purpose shall be treated as a special fund and paid out for such purpose only. If the purpose for which a special fund was created has been fulfilled or abandoned, the balance, if any, shall be transferred to the general fund of the Regional Government.

SEC. 77. *Certified True Copies of Law.* – The Regional Assembly shall, within ten (10) working days from approval thereof, submit to the President and to both Houses of Congress a certified true copy of all laws and resolutions it passed.

SEC. 78. *Creation of Offices.* – The Regional Assembly may create such other offices and positions as may be necessary to carry out the purpose of the Regional Government subject to availability of funds.

SEC. 79. *Program for Development.* – Subject to national laws and sound public administration principles and exercising the corporate powers of the Regional Government under the Constitution and the Local Government Code, the Regional Assembly shall establish a program for generating development funds to accelerate social and economic development in the region. The Regional Government shall implement the same, after conducting public consultation.

SEC. 80. *Approval of Plans.* – The Regional Assembly shall approve by ordinance the recommended regional physical framework plan, the regional development plan, the regional development investment program, the regional annual investment plan and regional annual budget within the prescribed timetable and in consonance with the timeline of the national government.

SEC. 81. ***Enactment of Necessary Legislation.*** – When the need arises, the Regional Assembly shall enact laws and necessary legislative measures that shall strengthen and supplement the implementation of national laws and devolved functions and address conflicting laws.

ARTICLE IX

PATRIMONY, ECONOMY AND DEVELOPMENT

SEC. 82. ***Coordination and Cooperation.*** – The Regional Government, with the support of the national government shall endeavor to raise the quality of life of the inhabitants of the CAR through programs aimed at alleviating poverty and harnessing the growth-inducing elements of regional autonomy. It shall initiate, stimulate, facilitate, support and coordinate development in the region towards attaining equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services available to inhabitants of the CAR and the expansion of productivity and income in support thereof:

- (a) The national government shall provide financial support and assistance to the CAR on top of the National Tax Allotment (NTA) provided for it and its component LGUs as well as the allocations provided to the Regional Line Agencies by appropriating such sums as may be necessary to accelerate the development of the CAR.
- (b) The national government shall consult and coordinate with the Regional Government before national programs and projects are undertaken in the CAR.

SEC. 83. ***Cordillera Development Plan.*** – The Regional Government through the CDC shall formulate its development plans taking into consideration the unique needs and aspirations of the CAR, consistent with national development goals. The Development Plan shall include the promotion of growth and full employment, human development, and address social and economic inequities.

SEC. 84. ***Control and Supervision over Natural Resources.*** – The Regional Government shall have control and supervision over natural resources in accordance with the Constitution, this Organic Act, and other pertinent laws.

SEC. 85. ***Preferential Rights of the Cordillerans Over the Utilization and Development of Its Natural Resources.*** – The exploration, development, utilization, and enjoyment of natural resources shall be allowed to citizens of the Philippines and to private enterprises, including corporations, cooperatives, and similar collective organizations with at least sixty percent (60%) of their capital investment or capital stocks directly controlled or owned by Filipinos: *Provided*, That Cordillerans shall be given priority in the implementation of programs, projects, and activities related to these natural resources in the region and shall comply with the provisions of the Constitution , this Organic Act, and other pertinent laws.

SEC. 86. ***Comprehensive Framework for Sustainable Development.*** – The Regional Government shall develop a comprehensive framework for sustainable development through the proper conservation, utilization, and development of natural resources. Such framework shall guide the Regional Government in adopting programs, policies, and mechanisms that focus on the protection of the environment, and reduction of vulnerability from climate change.

SEC. 87. ***Development of Lands with a Slope of Eighteen (18%?) and Above.*** – The Regional Government shall in partnership with the communities, especially the indigenous peoples (IPs) or indigenous cultural communities (ICCs), and their government units, and with the support of the national government adopt measures for the development of communities occupying lands situated on a slope of eighteen percent (18%) or over, by providing the necessary infrastructure, and financial and technical support.

SEC. 88. ***Transportation and Communications System.*** – The Regional Government shall, in coordination with the national government, establish a transportation and communications system interconnecting the various areas of the CAR with each other and to other regions adjacent to the CAR. Likewise, the Regional Government in close coordination with component LGUs shall plan, construct, modernize and maintain rural and urban infrastructure facilities and utilities, including alternative transport systems within critical environments. The Regional Government shall likewise establish a reliable and sustainable communications system interconnecting the Cordillera Region and shall introduce reforms on digital government for a more efficient and enhanced public service.

SEC. 89. ***Agrarian Reform.*** – Subject to ecological considerations, the Regional Government shall adopt and implement a comprehensive rural agrarian reform program, as well as an urban development program consistent with the provision of the Constitution and national laws and policies to ensure the just and sustainable utilization of land within its jurisdiction.

SEC. 90. ***Environmental Protection.*** – The Regional Government shall develop standards pertaining to the protection, conservation, and enhancement, of the environment and natural resources, appropriate to the socio- cultural and environmental uniqueness of the Cordillera.

SEC. 91. ***Transfer of Existing Nature Reserves and Protected Areas.*** – The management and protection of nature reserves and aquatic parks, forests, watershed reservations, and other protected areas in the CAR that have already been defined by and are under the authority of the national Government shall be transferred to the Regional Government.

A Regional Transition Committee to be composed of the Regional Governor, Department of Environment and Natural Resources, National Commission on Indigenous Peoples, representatives of affected IPs and ICCs , as well as other relevant government agencies shall be created to oversee the process of transferring these areas including the conduct of surveys of all affected areas and the planning and transition for each and every protected area. Such process shall be completed within a period not exceeding two (2) years.

SEC. 92. ***Renewable and other Energy Resources and Extractive Industries.*** – Policies on renewable and other energy resources and extractive industries shall be drawn up by the Regional Assembly in accordance with its Comprehensive Sustainable Development Plan, as well as its over-all medium-term and long- term Regional Development Plan.

SEC. 93. ***Financial and Technical Assistance Agreements.*** – The Regional Governor shall initiate and recommend to the President the applications for financial and technical assistance agreements covering mineral resources within the region

SEC. 94. ***Participation in National Development Planning.*** – To ensure that the Regional Development Plans are reflected in the national development plans, the Regional Government

shall participate in national development planning. The Regional Governor shall be a member of the Economy and Development (ED) Council.

ARTICLE X

SOURCES OF REVENUES AND OTHER FISCAL MATTERS

SEC. 95. *Share from the National Revenues.* – To ensure the effective operation of the Regional Government and to enable it to protect, conserve and develop the national patrimony and cultural heritage within the CAR, entrusted to its care under this Organic Act, the Regional Government shall be entitled to a just and equitable share in national revenues as provided herein;

a. The Regional Government shall receive a continuing share of three percent (3%) of national taxes based on the collection of the third fiscal year preceding the current fiscal year. At least twenty percent (20%) of this share shall be appropriated in the annual regional budget for developmental projects, while the remaining amount shall be allocated to ensure the effective exercise of the powers and functions of the Regional Government.

b. The Regional Government shall receive a separate forty percent (40%) share of the gross collections in the preceding fiscal year from mining taxes, royalties, environmental services, forestry and fishery charges, energy production charges, and such other taxes, fees and charges, including related surcharges, interests and fines derived from the utilization and development of the national wealth within its territorial jurisdiction: *Provided*, That such share in national wealth shall be utilized for the preservation and further development of the environment.

The Regional Government shall have a share of one and one-half percent (1.5%) of the gross sales or receipts derived from the exploitation and development of the national wealth within their territorial jurisdiction to be further distributed as follows:

- (i) Province / highly urbanized city – Twenty Percent (20%)
- (ii) Component City/ Municipality – Forty Percent (40%)
- (iii) Barangay – Thirty Percent (30%)
- (iv) Region – Ten Percent (10%)

This provision shall be applicable to all corporations, partnership, individuals and other entities including government agencies and GOCCs engaged in the utilization and development of the national wealth within the CAR irrespective of existing contrary laws, rules and regulations of national application.

c. The Regional Government shall be entitled to a separate two percent (2%) share out of the five percent (5%) final tax on gross income earned or equivalent to forty percent (40%) of total tax paid by businesses within the economic zones in the CAR, in addition to the existing shares of the local government units of two percent (2%).

d. The Regional Government shall be entitled to a separate forty percent (40%) share of the special privilege tax on renewable and other energy resources developed for the maintenance of watersheds and social and economic development of the upstream host communities.

The LGU's share from the renewable and other energy resources tax shall be based on the computation provided under the Local Government Code, as amended.

e. The Regional Government shall be entitled to shares in future tax impositions by the national government.

SEC. 96 *Downstream Benefits.* – The CAR shall be entitled to one and one-half percent (1.5%) of the gross receipts from the utilization of national wealth sourced or extracted from the CAR by persons, individual or juridical entities operating outside the territorial jurisdiction of the CAR.

SEC. 97. *Sources of Regional Government Revenues.* – The CAR shall be entitled to the following sources of revenues:

- (a) Fees and charges imposed by the Regional Government;
- (b) Taxes, fees, or charges for the registration of motor vehicles and for the issuances of all kinds of licenses or permit for the driving thereof, except tricycles which shall be registered with the city or municipality within whose territorial boundaries they are operating;
- (c) Shares and revenue generated from the operations of public utilities within the CAR;
- (d) Appropriations, shares in the internal revenue taxes, block grants, and other budgetary allocations coming from the National Government, and
- (e) Block grants derived from economic agreements or conventions entered into or authorized by the Regional Assembly, donations, endowments, foreign assistance, and other forms of aid, subject to the pertinent provisions of the Constitution: *Provided*, That the taxing power of the Regional Government shall not extend to the following:
 - (a) Income tax, except when levied on banks and other financial institutions;
 - (b) Customs duties, tonnage dues, and all other kinds of customs fees, charges, and dues;
 - (c) Taxes, fees, or charges and other impositions upon goods carried into or out of, or passing through the territorial jurisdiction of the provinces, cities, municipalities, or barangays in the CAR in the guise of tolls for bridges or otherwise, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise, except tolls on bridges or roads constructed and maintained by the Regional Government or its constituent provinces, cities, municipalities, or barangays concerned;
 - (d) Taxes, fees, or charges on agricultural and aquatic products when sold by marginal farmers or fisherfolk;
 - (e) Taxes on business enterprises certified by the Board of Investments or by the Regional Assembly as registered business enterprises;
 - (f) Excise taxes on articles enumerated under the national internal revenue code of 1997, as amended, and taxes, fees, or charges on petroleum products;
 - (g) Percentage or value-added tax on sales, barter, or exchanges or similar transactions on goods or services except as otherwise provided by national law;
 - (h) Taxes on the gross receipts of transportation contractors and persons engaged in the transportation of passengers or freight by hire and common carriers;
 - (i) Taxes on premiums paid by way of reinsurance or retrocession;
 - (j) Taxes, fees, or other charges on Philippine products actually exported, except as otherwise provided by law enacted by the Congress of the Philippines;
 - (k) Taxes, fees, or charges on countryside and barangay business enterprises and cooperatives duly registered under Republic Act No. 6810, otherwise known as the "Magna Carta for Countryside and Barangay Business Enterprises," and Republic Act No. 6938, otherwise

- known as the "Cooperative Code of the Philippines," as amended; and
- (I) Taxes, fees, or charges of any kind on the national government, its agencies and instrumentalities, and LGUs except on GOCCs or entities that are primarily organized to do business.

SEC. 98. ***Power of Taxation.*** – The CAR shall have the power to create its own sources of revenues by passing a tax ordinance and to levy fees, charges and taxes subject to the concurrence of the Regional Assembly, and such guidelines and limitations mandated under the Constitution and this Act, consistent with the basic policy of local autonomy. It shall likewise have the power to grant incentives or exemption on fees and charges which it is empowered to impose under this Act. The LGUs within the territorial jurisdiction of CAR shall continue to levy, impose, and collect taxes and fees as provided under the Local Government Code of 1991, as amended.

Sec. 99. ***Payment of Taxes by Corporations, Partnerships or Firms.*** - Corporations, partnerships, or firms directly engaged in business in the CAR shall pay their corresponding taxes, fees, and charges in the province or city where the corporation, partnership, or firm is doing business. Corporations, partnerships, or firms whose central, main or head offices are located outside the CAR but are doing business within its territorial jurisdiction, shall pay the taxes for income derived from their business operations in the CAR to the city or municipality where their branch office is located or where their business operations or activities are conducted.

SEC. 100. ***Donations to the Regional Government.*** – All grants, bequests, endowments, donations and contributions made to and used actually, directly and exclusively by the CAR, shall be exempt from donor's tax and the same shall be considered as allowable deduction from gross income for purposes of computing the taxable income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

SEC. 101. ***Trade Agreements.*** – The Regional Governor may, in accordance with the provisions of the Constitution and national laws, and upon the recommendation of the CDC enter into agreements or trade compacts and contract loans subject to the ratification of the Regional Assembly to generate grants and foreign loans for development of the region.

The Regional Government shall respect and adhere to all international treaties and agreements entered into and are binding upon the national government.

SEC. 102. ***Limitations on Contracting of Loans.*** – The Regional Governor may contract loans only in accordance with the provisions of the Constitution and national laws and subject to the approval of the Regional Assembly.

SEC. 103. ***Banks and other Financial Institutions.*** – The CAR shall encourage the establishment of banks and other financial institutions and their branches to facilitate the accumulation of capital and investment and the delivery of credit assistance to business in the region.

ARTICLE XI
AGRICULTURE, AGRARIAN REFORM,
TRADE AND INDUSTRY, TOURISM AND COOPERATIVES DEVELOPMENT

SEC. 104. *Agrarian Reform and Sustainable Agricultural and Fisheries Development.* – Consistent with applicable laws, the Regional Government shall, as a basic policy, promote agrarian reform and sustainable agricultural development within the principles of social equity and poverty alleviation, food security and food sufficiency, global competitiveness, fair trade, and the rational use of resources.

- (a) The Regional Government shall ensure that basic agricultural support services and infrastructure are accessible to small and marginalized farmers and fisher folks. It shall likewise promote agribusiness and full employment based on a sound agricultural development and agrarian reform.
- (b) The Regional Government shall put special emphasis on production towards self-sufficiency of staple food commodities and shall at all times guarantee the availability, accessibility, and affordability of safe food commodities.
- (c) The Regional Government shall work on the improvement of the quality and value of raw and processed agri-based products to enhance competitiveness of the agriculture and fisheries sectors in the domestic and global markets.
- (d) The Regional Government shall formulate and implement measures to promote indigenous concepts of farming and protect the farmers from unfair trade practices and unfair competition.
- (e) The Regional Government shall ensure the equitable and rational distribution of public resources and investments in order to obtain the optimum returns on investments and to benefit a greater number of constituents.
- (f) The Regional Government shall always consider the limited carrying capacity of the natural and agricultural resources of the CAR in the development of agricultural and fisheries programs and interventions.

SEC. 105. *Development of Water Resources.* – The Regional Government shall prioritize the conservation, protection, testing, utilization and development of water resources for agriculture, fisheries development, domestic water supply and power development. It shall enact appropriate legislation which shall enhance, develop, conserve, and protect natural fishery resources especially on species endemic to the CAR.

SEC. 106. *Promoting the Rights of Fisher Folks.* – The Regional Government shall recognize, promote, and protect the rights and welfare of fisher folks, their associations and cooperatives. The provinces and cities within the CAR shall provide support to subsistence fisher folk through adequate funds, appropriate technology and research assistance, marketing assistance, and other support services like fishery processing facilities and access to credit.

SEC. 107. *Agriculture Production.* – The Regional Government shall adopt the following strategies to develop and increase agricultural productivity:

- (a) Pursue multidisciplinary research, development and extension activities to produce and promote technologies and invent machinery and facilities that will be used to improve productivity and product quality, reduce cost of production, enhance value-addition and improve processing, and enhance abilities to protect the environment and agricultural resources;
- (b) Initiate, encourage and give the highest priority support to small and medium agribusiness enterprises and industries with linkages to agriculture. It shall ensure the allocation of adequate public investments to establish adequate agricultural infrastructure and facilities support to sustain such ventures;

- (c) Formulate and implement product standards and regulatory rules that will ensure the production, processing, distribution and marketing of safe and globally competitive products, and simultaneously promote environmental conservation; and
- (d) Ensure that all sectors involved in the production, processing, and marketing of food and non- food products shall strictly adhere to appropriate existing laws and regulations on the proper utilization and disposal of synthetic and chemical inputs and materials, and industrial and toxic wastes. Relative to this, the Regional Government shall pursue and encourage organic methods of agriculture.

SEC. 108. ***Prevention of the Flight of Labor and Capital.*** – To promote investments and employment and to prevent the flight of capital and labor from the CAR, the Regional Government shall, in coordination and cooperation with the Philippine Competition Commission (PCC) adopt measures to:

- (a) Inhibit monopolies, cartels and unfair competition in public utilities, development, trading and similar concerns. It may, in the interest of regional welfare and security, establish and operate pioneering public utilities. Upon payment of just compensation, it may transfer the ownership of such utilities to cooperatives or other collective organizations; and
- (b) Initiate, encourage and support industrialization in the region, taking into account the culture and capabilities of the people of the area to control or manage their resources, the ecological needs of the area, and the protection, conservation and development of resources.

SEC. 109. ***Eco-cultural Tourism.*** – Consistent with the preservation of cultural heritage and the protection of ecology, the Regional Government shall promote and develop cultural and eco-tourism. Sites with historical, scientific, cultural significance as well as natural and man-made landmarks and scenic vistas shall be preserved, maintained, and protected.

All other kinds of tourism-oriented activities that are consistent with the principles of sustainable and responsible tourism shall be promoted and developed in the CAR.

SEC. 110. ***Promote Economic Zones.*** – The Regional Government shall, in coordination with the Philippine Economic Zone Authority (PEZA), encourage, promote and support the establishment and development of economic zones, industrial and trade centers, and airports, in strategic areas and growth centers in the CAR, by establishing the necessary support infrastructure in accordance with land use and other environmental considerations, and extending tax incentives to investments in the Special Economic Zones. Registered enterprises under established economic zones may be entitled to pertinent fiscal incentives granted under Title XIII (Tax Incentives) of the National Internal Revenue Code, as amended.

SEC. 111. ***Marketing and Exportation of Indigenous Products.*** – The Regional Government shall, in coordination with LGUs, encourage investments in the development, marketing, exportation, and protection of community intellectual rights, and indigenous and local products in accordance with its development goals and priorities, without prejudice to emerging technologies and the national thrust.

SEC. 112. ***Cooperatives.*** – The Regional Government shall promote cooperatives registered with the Cooperative Development Authority as tools for economic development, social justice, and people empowerment, to initiate policies and develop mechanisms to enjoin the

participation of the banking sector and financial institutions in the delivery of credit assistance for the establishment and building of rural enterprises and small-medium enterprises (SMEs).

ARTICLE XII EDUCATION, SCIENCE AND TECHNOLOGY, LANGUAGE, ARTS AND CULTURE AND SPORTS DEVELOPMENT

SEC. 113. ***Regional Educational Policies.*** – The Regional Government assign the highest budgetary priority to education. It shall formulate educational policies that shall support the development and economic needs of the Region, and preserve, safeguard and develop national and regional cultural heritage guided by the following plans and programs:

- (a) It shall establish educational institutions, colleges, and universities which shall enjoy fiscal and administrative autonomy. Existing educational institutions, colleges and universities shall continue to be governed by their respective charters;
- (b) It shall develop curricular programs relevant to the preservation and development of cultural heritage and responsive to the social, economic, political and moral needs of the inhabitants of the CAR;
- (c) It shall adopt and enact educational policies that shall recognize, support, develop and promote existing indigenous system of learning; and
- (d) A Regional Educational Board shall be created to supervise the establishment, adoption, and implementation of both formal and informal education policies and programs for schools, colleges, and universities in the region.

SEC. 114. ***Tax Treatment of Educational Institutions.*** – Private educational institutions, colleges and universities shall enjoy the protection and support of the Regional Government and shall pay taxes in accordance with Section 27 (b) of the National Internal Revenue Code, as amended. Importations of private educational institutions, colleges and universities of economic, technical and cultural books or publications, which are for economic, technical, vocational, scientific, philosophical, historical or cultural purposes, shall be exempt from customs duties in accordance with the provisions of Republic Act No. 10863, otherwise known as the “Customs Modernization and Tariff Act (CMTA)”.

SEC. 115. ***Creation of Regional Scholarship Committee for Education.*** – The Regional Government shall assist the national government in providing free basic education and shall likewise endeavor to provide free tertiary education through scholarship programs, subsidies, research grants and other incentives for poor, gifted, and deserving individuals. Towards this end, there shall be created a Regional Scholarship Committee for Education.

SEC. 116. ***Rights of Teachers and Parents to Organize.*** – The right of teachers, employees, students and parents to organize themselves and to participate in school policy and decision-making shall be guaranteed.

SEC. 117. ***Culture Sensitive Education.*** – The educational system in the CAR shall develop a research, instruction, and extension program that shall promote consciousness and appreciation of the ethnic identity of the people in the region in all levels of education and shall provide a better understanding of their cultural heritage for the attainment of national unity and harmony. It shall provide, promote, enhance or adopt a curriculum in all levels that includes Cordillera languages, customs and traditions and other indigenous knowledge systems and practices, as may be applicable.

SEC. 118. ***State Colleges and Universities.*** – State colleges and universities in the CAR shall form part of the regional educational sub-system and shall continue to enjoy fiscal and institutional autonomy, continue to be governed by their respective charters, and enjoy support of the Regional Government.

- (a) The Regional Government shall be represented in the respective board of regents or trustees of state universities and colleges in the region.
- (b) The budget of state colleges and universities in the CAR, while prepared separately, shall form part of the budget of the Regional Government when presented to Congress for approval. The state colleges and universities in the CAR shall continue to receive funding from the national government which shall be augmented by the Regional Government.
- (c) The Regional Government shall capacitate state colleges and universities to provide assistance to regional development.

SEC. 119. ***School Charters.*** – Subject to the general supervision of the Regional Government, all schools with charters shall continue to be governed by their respective charters.

SEC. 120. ***Priority on Indigenous and Appropriate Technology.*** – The management of scientific and indigenous research and appropriate technology on all levels of education including research institutions shall be given priority by the Regional Government.

SEC. 121. ***Intellectual Property Rights.*** – The incentives for the creation and commercialization of intellectual properties, and assistance in the registration, protection, and enforcement of intellectual property rights shall be accorded to Cordilleran artists, writers, creators, innovators, scientists, researchers, and inventors from the CAR.

SEC. 122. ***Medium of Instruction.*** – The Regional Government shall retain English and Filipino as medium of instruction in all levels of education. Consistent with its regional and cultural identity, and whenever possible, it shall adopt a system of multi-lingual or mother tongue-based approach in basic education to preserve the various languages and dialects in the region, as well as the national language as maybe appropriate.

SEC. 123. ***Sports Development.*** – The Regional Government shall design and implement sports development programs and indigenous games and sports which shall be a cooperative responsibility of the school, the community, and the government.

SEC. 124. ***Cultural Heritage Center.*** – The Regional Government shall establish a Cordillera Commission for the Preservation and Promotion of Cultural Heritage to promote, research, document, coordinate with other groups and institutions and establish and maintain a data bank on all indigenous matters.

ARTICLE XIII SOCIAL JUSTICE, HEALTH AND SOCIAL WELFARE

SEC. 124. ***Measures on Social Protection.*** – The Regional Government shall adopt measures to:

- (a) Empower and improve the quality of life of the poor, disadvantaged, marginalized, and vulnerable individuals, families, sectors and communities of the CAR;

- (b) Reduce or eradicate poverty to ensure that all inhabitants of the CAR are free from all forms of deprivation, vulnerability, and abuse;
- (c) Create equal opportunities for the inhabitants of the CAR;
- (d) Promote gender sensitivity by eliminating gender and development bias in the formulation and implementation of sustainable programs and policies; and
- (e) Enact measures and develop programs that will protect the people from any threat of violence and exploitation, eliminate trafficking in persons, and mitigate pressures for involuntary migration and servitude of persons, not only to support trafficked persons but more importantly, to ensure their recovery, rehabilitation, and reintegration into the mainstream of society.

SEC. 126. ***Equality of Employment Opportunities.*** – The Regional Government shall undertake steps to protect the labor sector and promote equality of employment opportunities for all. Towards this end, it shall provide for:

- (a) Participation of the Regional Government in the regional wage board in working out periodic adjustments and rational standardization of compensation rates to ensure a sustainable and decent wage for all workers;
- (b) Profit sharing schemes that recognize the right of workers to a just share in the profits of businesses, provide incentives thereof, and the right of the enterprise to reasonable returns on investments;
- (c) Protection of workers against unhealthy and unsafe working conditions; and
- (d) Mandatory corporate social responsibility towards employees and host communities.

SEC. 127. ***Hiring of Qualified Cordillerans.*** – The Regional Government shall promote the hiring of qualified Cordillerans of the CAR in government service, government projects, and private businesses located in the autonomous region.

SEC. 128. ***Health as a Basic Human Right.*** – The Regional Government recognizes health as a basic human right, thus the attainment, maintenance and protection thereof shall be its responsibility. It affirms health as an instrument for and a product of socio-economic development. For this purpose, it shall:

- (a) Establish, maintain, and support an effective health care delivery system utilizing primary health care as a comprehensive and integrated approach;
- (b) Ensure that the health care system is governed by the principles of service, social justice and equity;
- (c) Promote health knowledge and skills that will enable its people to take responsibility for their health;
- (d) Provide relevant training programs and appropriate standards for health workers and professionals;
- (e) Establish and maintain an effective food and drug regulatory system which shall provide for the adoption of an essential drug list, encourage the use of generic medicines or drugs, and promote the use of herbal medicines and indigenous health resources;
- (f) Conduct research on traditional healing methods and promote indigenous health care practices;
- (g) Evolve financing schemes to effectively lessen the costs of health care without sacrificing the quality of health care services; and
- (h) Prioritize health by allocating at least five percent (5%) of the Regional Annual Budget to form the base of health budget.

SEC. 129. ***Rights of Workers.*** – The Regional Government shall, in consonance with the Constitution, guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including those provided by law.

SEC. 130. ***Rights of Vulnerable Sectors.*** – The Regional Government shall:

- (a) Promote the well-being of differently abled persons, the mentally handicapped, the elderly, the homeless, widowed and orphans, retirees, and veterans, and children in conflict with the law; and
- (b) Assist victims of calamities, abused and depressed children and women in crisis situations, including victims of adult offenders and children in conflict with the law.

SEC. 131. ***Program for Rebel Returnees.*** – The Regional Government shall implement a social integration program that is responsive to the needs of rebel returnees, including children in conflict with the law who shall be provided the appropriate rehabilitative psycho-social services.

SEC. 132. ***Social and Insurance Measures.*** – The Regional Government shall adopt insurance and social security measures that are responsive to the needs of its people and which shall supplement existing social welfare benefits and privileges.

SEC. 133. ***Housing Programs.*** – The Regional Government shall, in cooperation with the private sector, promote housing programs where needed. The housing programs shall be financed under liberal credit terms and shall utilize, to the extent viable in terms of safety and durability, indigenous materials, architecture and technology. Participation of housing cooperatives to administer the projects shall be encouraged.

SEC. 134. ***Role of Cordilleran Women.*** – The Regional Government shall recognize and strengthen the role of women in nation-building. It shall ensure the full implementation of Republic Act No. 9710, otherwise known as the "Magna Carta of Women" and all other existing laws that promote the welfare and protection of women. The Regional Government shall create a Cordillera Women's Commission which shall serve as the primary policy making, coordinating and monitoring body in matters affecting women and gender development in CAR.

SEC. 135. ***Comprehensive Program on Children and Youth.*** – The Regional Government shall establish a comprehensive program on children and youth development, create the structures to implement the same, and appropriate adequate funds to support for the program, including but not limited to the creation of a Cordillera Youth Commission.

SEC. 136. ***Support to Peoples' Organization.*** – The Regional Government shall promote and support duly established peoples' organizations and encourage the formation of organizations, especially those of the underprivileged.

ARTICLE XIV PEACE AND ORDER

SEC. 137. ***Prohibition on Private Armies.*** – The Regional Government shall promote and maintain peace and order and public safety in the region. It shall not allow the establishment and maintenance of private armies.

SEC. 138. ***Defense of the Region.*** – The defense and security of the CAR shall be the responsibility of the national government with due recognition to recommendations from the Regional Government.

SEC. 139. ***Peace Keeping Programs.*** – The Regional Government shall co-manage peace-keeping programs and initiatives and undertake close coordination with the Philippine National Police as well as the Armed Forces of the Philippines and other national law enforcement Agencies.

SEC. 140. ***Regional Emergency.*** – The provisions of the preceding sections notwithstanding, the Regional Governor may request the President of the Philippines to call upon the Armed Forces of the Philippines to:

- (a) Prevent or suppress lawlessness, violence, invasion or rebellion, when the public safety so requires, in accordance with the provisions of the Constitution;
- (b) Suppress a breach of the peace or any threat against it in the CAR, when its police forces are not able to do so; and
- (c) To avert any imminent danger to public order and security in the CAR.

SEC. 141. ***Traditional Conflict Resolution.*** – The Regional Government shall strengthen and enhance indigenous institutions or systems, as may be applicable, that are found to be acceptable and effective in the promotion of social, political, economic and peace and order in the region. It shall provide for a system of incorporating indigenous practices in conflict resolution wherever and whenever applicable.

ARTICLE XV GENERAL PROVISIONS

SEC. 142. ***Text of the Organic Act.*** – This Organic Act shall be officially promulgated in Filipino and English and shall be translated into the languages widely spoken in the CAR. In case of conflict, the English text shall prevail.

SEC. 143. ***Change of Name.*** – The Regional Assembly may adopt a new name for the CAR after public consultation.

SEC. 144. ***Regional Symbol.*** – The Regional Government shall have a regional flag, emblem and hymn.

ARTICLE XVI PERSONAL, FAMILY, AND PROPERTY RELATIONS

SEC. 145. ***Customary Laws.*** – Customary laws affecting personal, family, tribal and property relations in the CAR shall be recognized.

SEC. 146. ***Protection of the Family.*** – The family as the basic unit of society shall be protected.

SEC. 147. ***Indigenous Marriages.*** – Marriages solemnized in accordance with the indigenous customary laws of the place shall be valid, and the dissolution of such marriages in accordance with these laws shall be recognized.

SEC. 148. ***Indigenous Settlement of Disputes.*** – Settlement of tribal, personal, and family disputes shall be recognized by the parties and the courts. Acquisition and encumbrance of property done in accordance with customary practices, and settlement of disputes involving property rights and ownership shall be governed by the customary laws of the place where the property is located.

ARTICLE XVII AMENDMENTS OR REVISIONS

SEC. 149. ***Amendment or Revision.*** – Any amendment to, or revision of this Act may be made by Congress upon recommendation of the majority of all Members of the Regional Assembly.

SEC. 150. ***Effectivity of Amendment or Revision.*** – Any amendment to or revision of this Organic Act shall become effective when ratified by a majority of the votes cast in a plebiscite called for the purpose which shall be held not earlier than sixty (60) days nor later than ninety (90) days after the approval of such amendment or revisions.

ARTICLE XVIII TRANSITORY PROVISIONS

SEC. 151. ***Coverage of the Plebiscite to ratify this Act.*** – The plebiscite to be called for the ratification of this Act shall include the provinces of Abra, Apayao, Benguet, Ifugao, Kalinga, Mountain Province, and the chartered City of Baguio. Any two (2) or more provinces or cities voting favorably for this Organic Act shall comprise the Cordillera Autonomous Region while those voting unfavorably for this Organic Act in the plebiscite shall be reclassified into adjacent regions through an Executive Order issued by the President of the Philippines for that purpose and to repeal Executive Order No. 220 creating the Cordillera Administrative Region.

The creation of the Cordillera Autonomous Region shall take effect when approved by a majority of the votes cast by the constituent units provided in Section 3, Article II of this Act, in a plebiscite which shall be held not earlier than three (3) months but not later than six (6) months after the effectivity of this Act: *Provided*, that only the provinces and cities voting favorably in such plebiscite shall be included in the CAR.

SEC. 152. ***Date of Election.*** – Unless otherwise provided for by law, the election of the first set of officials of the Regional Government shall be held during the next local election following the ratification of this Organic Act in the plebiscite. Subsequent elections shall coincide with the nationwide local elections.

SEC. 153. ***Residency Requirement for the First Election.*** – For purposes of the first regional election, candidates must have actually resided and must be registered voters in the

region for at least one (1) year immediately preceding the election: *Provided*, That they meet all other qualifications and none of the disqualifications under Article V of this Organic Act.

SEC. 154. ***Cessation of Administrative Offices.*** – Except for the regional line agencies, the Cordillera Executive Board, the Cordillera Regional Assembly, and the Cordillera Bodong Administration as a commission, created under Executive Order No. 220, and the Cordillera Regional Development Council created by Executive Order No. 30 after the de-activation of the above-mentioned Cordillera bodies, shall cease to exist immediately upon the assumption of office of the Regional Governor.

SEC. 155. ***Seat of the Regional Government.*** – The seat of the Regional Government shall be determined by the majority of all members of the Regional Assembly: *Provided however*, That the interim seat of the Regional Government shall be in the City of Baguio.

SEC. 156. ***Oversight Committee.*** – Within one (1) month from the organization of the Regional Government, an Oversight Committee composed of the Executive Secretary as Chairperson, and the secretary of the DBM, Cordillera Regional Governor, Regional Vice-Governor, the Secretary of the Department of the Interior and Local Government, Chairperson of NCIP as members, shall be organized for the purpose of supervising the transfer to the CAR of such powers and functions vested in it by this Organic Act and the appropriations of the offices or agencies including the transfer of properties, assets and liabilities, and all personnel of the line agencies and GOCCs that may be absorbed by the Regional Government and, with respect to the latter, also the terms and conditions of their turnover: *Provided*, That such transfer of powers and functions shall not result in any diminution of their compensation and other benefits

Within six (6) months after its organization, the oversight committee shall submit its report and recommendation to the President of the Philippines who shall act on the report and recommendations within ninety (90) days after receipt thereof: *Provided, however*, That if the President fails to act within said period, the recommendations of the Oversight Committee shall be deemed approved.

SEC. 157. ***Government Subsidy.*** – Over and above the allotments regularly given to LGUs, the national government shall provide a subsidy of Ten billion pesos (P10,000,000,000.00) for the first five (5) years and Five billion pesos (P5,000,000,000.00) for the next five (5) years to be allocated for priority income generating and infrastructure projects in the following manner:

- (a) Twenty (20%) to the Regional Government;
- (b) Six (6%) shall be allocated as a reserve fund of the Region; and
- (c) Seventy-Four (74%) shall be distributed and allocated as follows:
 - c.1. Twenty Three Percent (23%) to be divided equally by the highly urbanized cities and the six (6) Provinces
 - c.2 . Two Percent (2%) goes to the component city
 - c.3. Thirty Five Percent (35%) to be divided equally by all the municipalities in the Region, and
 - c.4. Forty Percent (40%) shall be divided equally by all the barangays.

SEC. 158. ***Disclosure and Transparency.*** – Funds shall be available exclusively for the specific purpose for which they have been appropriated. Any officer of the CAR whose duty permits or requires the possession, custody and disbursement of the funds shall be accountable and responsible therefor. Financial records shall be kept, audited and made public annually or as often as may be necessary.

SEC. 159. **Fiscal Transfers and Allotments to Local Government Units.** The Provinces, cities, municipalities, and barangays within the CAR shall continue to have a just share in national taxes, grants, and other forms of assistance from the National Government, consistent with the provisions of the Constitution, the Local Government Code of 1991, and other applicable national laws.

The National Tax Allotment (NTA) and other national transfers shall be released directly to the concerned local government units without need of any further action and shall not be subject to any lien or hold back by the Regional Government.

The local government units within the CAR shall likewise be entitled to grants, donations, and other forms of financial assistance from the National Government, the Regional Government, or other sources, in accordance with existing laws and regulations

SEC. 160. ***Appropriations.*** The sum of Two billion six hundred ninety-five million (P2,695,000,000) is hereby appropriated for the following purposes:

- (a) Twenty million pesos (PhP20,000,000.00) to be allotted to the Regional Development Council for the conduct of a well-coordinated inter-sectoral and inter-agency regional, provincial, municipal and barangay information campaign on this Act.
- (b) Seventy million pesos (PhP70,000,000.00) shall be equitably divided among the provinces and the City of Baguio for the conduct of Information, Education, and Communication (IEC) purposes.
- (c) Twenty-Five million pesos (PhP25,000,000.00) shall be allotted to the Commission on Elections.
- (d) Eighty million pesos (PhP80,000,000.00) shall be allotted to the Regional Government for its initial organizational requirements.
- (e) Two billion five hundred million Pesos (P2,500,000,000) shall be allotted for the construction of the Regional Government center.

The amount herein allotted to the Regional Development Council, and provinces and the City of Baguio under paragraphs (a) and (b) respectively shall be released upon the effectivity of this Organic Act.

The Cordillera Development Council shall, with the assistance of the Philippine Information Agency, and in consultation with the provincial and city governments, the Cordillera Association of Regional Executives, and other key stakeholders, determine the manner of campaigning and the deputation of government agencies, non-government organizations and other stakeholders for purposes of conducting a well-coordinated information campaign within the first three (3) months after the passage of this Act.

The amount of Two billion six hundred ninety-five million (P2,695,000,000) as herein appropriated shall be charged against the contingent fund. Any deficiency thereof shall be taken from any available fund of the national government.

SEC. 161. ***Separability Clause.*** – If any provision or part of this Organic Act is declared as invalid or unconstitutional, the remaining part or parts thereof not affected thereby shall remain valid and effective.

SEC. 162. ***Repealing Clause.*** – All laws, decrees, orders, rules and regulations which are inconsistent with this Organic Act are hereby repealed or amended accordingly.

SEC. 163. ***Effectivity.*** – This Act shall take effect after fifteen (15) days after its publication in the Official Gazette and in a newspaper of general circulation.

Approved,