



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



EIGHTEENTH CONGRESS  
*First Regular Session*  
2966  
HOUSE BILL NO. \_\_\_\_\_

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Introduced by:  
**Representative FRANCISCO JOSE F. MATUGAS II**

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**EXPLANATORY NOTE**

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

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

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

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



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

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

**Chapter I**  
**Declaration of Policy and Creation of Authority**

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

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

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

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

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

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

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

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

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

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

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

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

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

1           b) To adopt, amend, and repeal its by-laws;

2           c) To contract loans, indebtedness, credit, and issue commercial  
3         papers and bonds, in any local or convertible foreign currency from any  
4         international financial institutions, foreign government entities, and local or  
5         foreign private commercial banks or similar institutions under terms and  
6         conditions prescribed by law, rules and regulations;

7           d) To construct, own, lease, operate and maintain public utilities as  
8         well as infrastructure facilities;

9           e) To acquire, hold, administer, and lease real and personal  
10         properties, including agricultural lands, property rights and interests and  
11         encumber, lease, mortgage, sell, alienate, or otherwise dispose of the same at  
12         fair market value it may deem appropriate;

13          f) To receive donations, grants, bequeaths, and assistance of all  
14         kinds from local and foreign government and private sector and utilize the  
15         same;

16          g) To exercise the right of eminent domain;

17          h) To exercise oversight functions of the Siargao Islands declared  
18         under this Act and by subsequent presidential proclamations within the  
19         framework of this Act;

20          i) To identify, collect, and manage the fees to be collected, in  
21         relation to its functions;

22          j) To adopt and implement measures and standards for the  
23         protection of the environment and natural resources within the territorial  
24         jurisdiction of the Authority and to enforce the same. For this purpose, the  
25         Authority shall create an Ecology Center.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1           c) Submit an annual report of the operation and accomplishments  
2 to the President of the Philippines, Senate of the Philippines, and House of  
3 Representatives.

4           SEC. 12. *Meetings and Quorums.* – The Board shall meet regularly  
5 once every month at its principal office. There must be notice to all members  
6 of the Board, sent through electronic or traditional means, at least three (3)  
7 days before said meeting, The Board may also conduct special meetings  
8 whenever necessary.

9           A majority of the members shall constitute a quorum for the  
10 transaction of corporate business, and every decision of at least a majority of  
11 the members present, at which there is a quorum, shall be valid as a  
12 corporate act, except for the election of officers which shall require the vote  
13 of a majority of all the members of the board.

14           **Chapter II**  
15           **Development of Siargao Islands**  
16

17           SEC. 13. *Conversion and Reclassification of Lands.* – The following  
18 easements shall be established:

- 19           a) Forty (40) meters parallel to the established mean highest high-  
20 water mark along the coasts of the islands and islets;  
21           b) Twenty-five (25) meters along developed coastal areas;  
22           c) Twenty (20) meters from the edge of a riverbank; and  
23           d) Three (3) meters from the edge of any existing creek.

24           The conversion and reclassification of land beginning at the end of the  
25 easements specified in the immediately preceding paragraph, shall conform to  
26 the classification mentioned under the *Comprehensive Tourism Master Plan*  
27 adopted by the Tourism Infrastructure and Enterprise Zone Authority.

28           SEC. 14. *Siargao Islands Special Economic Freeport Zone.* - There is  
29 hereby created the Siargao Islands Special Economic and Freeport Zone,  
30 hereinafter referred to as the Freeport Zone, within Siargao Islands. The  
31 President of the Philippines shall issue a proclamation defining the metes

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

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

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

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

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

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

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

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

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

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

15           (1) Consolidation of lands for development by the Authority;  
16           (2) Acquisition of right-of-way by the Authority; and  
17           (3) Protection of watershed areas and the maintenance and  
18 improvement of its yield and natural assets valuable to the prosperity  
19 of the Freeport Zone, the management of solid and water waste and its  
20 impact to adjacent areas within the LGU concerned;

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

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

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

6 **Chapter III**  
7 **Siargao Island Protected Landscape and Seascapes**  
8

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

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

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

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

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

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

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

7           *Approved,*

8           siargaodevelopmentauthority\bill.siargaodevelopmentauthority28june2019.docx