

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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 9



INTRODUCED BY REPRESENTATIVE ALAN PETER "COMPAÑERO" S. CAYETANO

AN ACT
DECENTRALIZING ECONOMIC DEVELOPMENT TO FACILITATE FURTHER GROWTH IN OTHER
AREAS OF THE PHILIPPINES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippines is among the fastest growing economies in Asia. The Philippines is also one of the world's fastest growing nations with an estimated population of 106.5 million for 2018 and is projected to reach 108.9 million by the end of 2019. The government must institutionalize proper measures to ensure that economic growth and development is inclusive and enjoyed by every Filipino.

Through the years, Metro Manila or the National Capital Region (NCR) has been the center of development and national progress. In 2016, 40% of business establishments with a total employment of 20 and over in the formal sector of the economy are in NCR.¹ Majority of Micro, Small, and Medium Enterprises (MSMEs) in 2017 are also in NCR with 192,316 establishments which again is followed by Region IV-A and Region III with 137,808 and 103,329 establishments respectively.²

As such, it has become the most congested region in the Philippines with a population of 20,785 Filipinos per square kilometer. In contrast, Regions IV-A and III, which ranks as the 2nd and 3rd most populated regions in the Philippines, only have a population of 870 and 512 Filipinos per square kilometer, respectively.³

This NCR-centrism has brought with it overcrowding, horrendous traffic jams costing PHP 3.5 billion in lost opportunities per day⁴, uncontrolled flooding, and alarming social costs. Moreover, NCR-centrism has produced hurdles to development in other regions as businesses, world class health facilities and the Philippines' best educational institutions, are located in Metro Manila. The problems brought about by this level of concentration cannot be solved by continually

¹ 2016 Annual Survey of Philippine Business and Industry, available at <https://psa.gov.ph/content/2016-annual-survey-philippine-business-and-industry-asphi-accommodation-and-food-service>, last accessed 15 July 2019

² 2017 MSME Statistics, available at <https://www.dti.gov.ph/dti/index.php/2014-04-02-03-40-26/news-room/179-workshop-on-market-access-for-MSMe-set>, last accessed 15 July 2019

³ Philippine Statistics Authority 2015, Population Density per Region.

⁴ JICA: Traffic congestion now costs P3.5 billion a day, available at: <https://newsinfo.inquirer.net/970553/jica-traffic-congestion-now-costs-p3-5-billion-a-day-metro-manila-traffic-jica-cost-of-traffic>, last accessed 15 July 2019

building new infrastructure and devoting more resources to the perceived “imperial Manila”. It is high time that every part of the Philippines becomes as much a priority as Metro Manila.

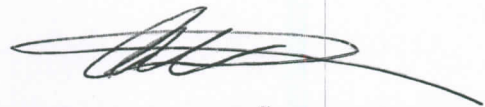
Article XII, Section 1 of the 1987 Philippine Constitution provides that “...*all sectors of the economy and all regions of the country shall be given optimum opportunity to develop. Private enterprises, including corporations, cooperatives, and similar collective organizations, shall be encouraged to broaden the base of their ownership...*”. In this regard, there is a need for the State to encourage, promote, and maximize use of existing infrastructure so as to accelerate economic and social development to all parts of the Philippines.

No less than President Rodrigo Roa Duterte himself also espouses this view and included Federalism as one of his priorities. This vision of decentralization is perfectly encapsulated in the President’s statement, “...for what good will progress be if its benefits do not trickle down to the poorest of the poor. Let us bear in mind, that the test of good government is not whether we can add more to the abundance of those who have much, but whether we can provide for those who have so little.”

This bill’s objective is to create a more progressive Philippines for every Filipino through:

1. Conducting periodic comprehensive studies on focusing on challenges and opportunities for regional economic development;
2. Ensure quality health and education facilities in all regions;
3. Establishment of Regional Centers of Excellence;
4. Determine the appropriate region and specific location to transfer selected National Government Agencies (NGA) including the transfer of the various NGAs; and
5. Establish mechanisms of decentralization including procurement procedures implemented at a regional level, among others.

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



ALAN PETER “COMPAÑERO” S. CAYETANO
Representative
1st District of Taguig-Pateros

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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 9

INTRODUCED BY REPRESENTATIVE ALAN PETER “COMPAÑERO” S. CAYETANO

AN ACT
ESTABLISHING A NATIONAL ECONOMIC DECENTRALIZATION PLAN TO FACILITATE FURTHER
GROWTH IN ALL REGIONS OF THE PHILIPPINES, AND FOR OTHER PURPOSES

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

Section 1. Short Title. - This Act shall be known as the *“The Progresibong Pilipinas Para sa Lahat ng Pilipino Act of 2019”*.

Section 2. Declaration of Policy. - It is the policy of the State to ensure the equitable distribution of wealth and opportunity to each Filipino through good governance in conjunction with consistent national policies, coordinated regional strategies, and a clear blueprint towards a progressive Philippines for every Filipino.

Section 3. Philippine Decentralization Committee. - There is hereby created a Philippine Decentralization Committee (PDC) to be chaired by the Executive Secretary with the following members:

- a. Secretary of the Department of Public Works and Highways (DPWH);
- b. Secretary of the Department of Finance (DOF);
- c. Secretary of the Department of Budget and Management (DBM);
- d. Secretary of the Department of Transportation (DOTr);
- e. Director-General of the National Economic and Development Authority (NEDA);
- f. Representative from the League of Governors;
- g. Representative from the League of Cities; and
- h. Experts from the private sector and the academe in the following, but not limited to, fields of expertise: urban planning and management, supply chain management, and agro-business, and industrial growth.

Section 4. Philippine Decentralization Plan. - The PDC shall formulate a 5 year midterm, and a 10 year long-term plan within One Hundred Eighty (180) days from the effectivity of this Act, containing the following:

- a. Comprehensive studies focusing on the challenges and opportunities for regional economic development; and
- b. Assessment of possible relocation sites for government offices and employees and provision of incentives and benefits therefor.

Section 5. Relocation of National Government Agencies (NGA). - The PDC shall conduct a comprehensive feasibility study on the possibility of transferring or relocating NGAs, which will include the necessary infrastructure, technology, equipment, and other facilities to ensure effective and efficient communication and coordination between and among the various NGAs with the end view of enhancing the delivery of public goods and services in the regions/countryside. As far as practicable, each region must have at least one major NGA.

Section 6. Philippine Healthcare Development Program. - There is hereby established a Philippine Healthcare Development Program, which provides for an integrated and comprehensive approach to health development by ensuring adequate health facilities to support the improvement and sustainability of the healthcare system with the goal of providing effective and affordable services for the entire Philippine population and improving health outcomes. The program shall also provide for the establishment of specialty hospitals within Northern and Southern Luzon, Visayas and Mindanao similar to those currently existing in Metro Manila such as the Philippine Heart Center, Lung Center of the Philippines, National Kidney and Transplant Institute, and Philippine Orthopedic Center.

Section 7. Regional Centers for Excellence Development Program. - There is hereby established Regional Centers for Excellence Development Program, which provides assured funding in the amount of *100 Billion Philippine Pesos* (Php 100 Billion) for the establishment and development of Regional Centers for Excellence outside of Metro Manila focusing on education and skills development to be determined by the Secretary of the Department of Education (DepEd), the Chairperson of the Commission on Higher Education (CHED) and the Director General Technical Skills and Development Authority (TESDA).

Section 8. Decentralization of Procurement Procedures for Major NGA Projects. For major NGA projects located in areas outside Metro Manila, bidding and procurement mechanisms must be established to allow the aforementioned procedures to take place in the region/s involved.

Section 9. Provision of Tax Incentives for Industries Locating Outside NCR. - With purposes of attracting investments and dispersing industries to all regions outside NCR, the DOF shall be responsible for providing appropriate incentives to locators and investors who situate or relocate their businesses or enterprises outside Metro Manila.

Section 10. Appropriations and Period of Implementation. - The PDP under this Act shall be implemented over a period of ten (10) years. Within ninety (90) days from the effectivity of this Act, and every year thereafter, the President, upon the recommendation of the PDC, shall prepare the list of specific priority programs, projects and activities that need to be funded for the year, and submit the same to Congress for its consideration and approval in a joint resolution of the House of Representatives and the Senate.

The annual appropriations for the PDP shall be included in the National Expenditure Program which reflects the amounts necessary to support the funding requirements for all programs, activities and projects approved by Congress under the preceding paragraph. The funds to be appropriated by Congress under this Act shall be treated as a distinct and separate budget item from the regular appropriation of the implementing agencies and shall be administered by the heads thereof. For the next five (5) years, there shall be a periodic review of funding requirements to determine the need for adjustments as necessary.

The PDC shall have an initial funding of *100 Million Philippine Pesos* (Php 100 Million) to conduct a comprehensive study referred to in Section 4 of this Act.

Section 11. Annual Reports. - The PDC shall coordinate with the relevant national government agencies and local government units and prepare a consolidated progress report of the implementation of all priority programs, projects and activities funded under this Act.

Within the first quarter of the succeeding year, the PDC shall submit an annual report to the Office of the President, the Senate, and the House of Representatives. Such report shall be made available to the public for scrutiny, copying, and reproduction, and shall also be uploaded in the PDC's website.

Section 12. Congressional Oversight Committee. - There is hereby created a Congressional Oversight Committee to monitor and oversee the implementation of the provisions of this Act. The Committee shall be composed of six (6) members from the Senate and six (6) members from the House of Representatives with the Chairpersons of the Committee on Civil Service, Government Reorganization and Professional Regulation of the Senate and the Committee on Government Reorganization of the House of Representatives as joint Chairpersons of this Committee. The five (5) other members from each Chamber are to be designated by the Senate President and the Speaker of the House of Representatives, respectively. The minority shall be entitled to *pro rata* representation but shall have at least two (2) representatives from each Chamber.

Section 13. Separability Clause. - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

Section 14. Repealing Clause.- All laws, decrees, orders, issuances or portion thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 15. Effectivity - This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,