

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

17th CONGRESS

FIRST REGULAR SESSION

HOUSE BILL NO. **381**



Introduced by Representative **ALLEN JESSE C. MANGAOANG**

EXPLANATORY NOTE

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

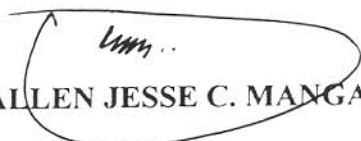
At present, said river is irrigating some Eleven Thousand hectares in the Tabuk City Valley, Province of Kalinga, another Ten Thousand Hectares of irrigated lands at Quezon, Province of Isabela and the various rice terraces found in Mountain Province and in Upper Kalinga Municipalities. Future expansion of said irrigable area as included in the stage 2 of the erstwhile Chico River Irrigation Project during the 80s is an additional irrigable area of some Fifty Thousand hectares located in the Municipality of Rizal, Province of Kalinga and in the Municipality of Enrile in the Province of Cagayan. Translated into economic benefits, the 21,000 plus hectares of rice lands irrigated by the Chico River is currently producing an average of 250,000 tons of palay per year. With the current price of P16.00 per kilo of palay, the total value of production per year is more or less 4.5 billion pesos. With this, the government is a primary beneficiary of said produce generated by the Chico River considering that 12% or 0.540 billion pesos of said production goes directly to the coffers of the government by means of Value Added Tax from goods and supplies bought and sold by farmers from the proceeds of their farms. It is also noteworthy that another big irrigation system, the Lower Chico River Irrigation System, is currently being constructed. If completed, more and more agricultural lands will be benefited thus improving the economic lives of our farmers and also the amount of money that goes into the Government. Corollary to its contribution to the agricultural sector, the Chico River line, having a rich ecosystem, is also a very potent source of electricity to boost energy, aquatic products, domestic water for economic purposes and for tourism as well. The Chico River White Water Rafting is now well known internationally. With a more focused and sustainable development intervention, it can become the White Water Rafting capital of Luzon.

Looking at the bright future and economic advantage that the Chico River can give to the country, the same river unfortunately is currently beset by the following problems: massive depletion, denudation and remarkable erosion of its upstream watersheds and along river lines, thereby decreasing water discharges; river pollution brought about by human and capital wastes from the upstream populace including traces of toxic materials like mercury, thereby increasingly affecting the potability of the river; massive siltation currently expanding every year along the Tabuk Valley farmlands thus about 500 hectares of rice lands along the said downstream area were already silted and rendered unproductive; and the worst probably being encountered since time immemorial during the rainy season is the often flooding of the City of Tabuk and the Municipality of Pinukpuk in Kalinga and the nearby Municipalities of Tuao, Piat and Sto. Nino, all in the Province of Cagayan. Every time the river swells, said areas will be flooded and more often the flow changes its course thus destroying many homes and many hectares of agricultural lands.

While it may be true that the local government units along these rivers and some government agencies have programs to solve these problems, such actions can be temporary and in fact not coordinated. There must be a one central agency to implement the laws, protect and promote the development of the Chico River Basin. Establishing therefore a Chico River Development Authority is an augur-fitting move to provide a much needed and focused management and intervention in the development, preservation and sustainability of the Chico River Line. This Chico River Development Authority can coordinate and implement properly the programs and projects that will ensure the participation of all stake holders, government and non-government groups and individuals.

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

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


ALLEN JESSE C. MANGAOANG

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

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

SECTION 1. *Title.* - This Act shall be known as the "Chico River Basin Development Authority."

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

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

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

SECTION 4. *Creation of the Chico River Basin Development Authority.* - For the purpose of carrying out and effecting the above declared policy, there is hereby created under the Office of the President, the Chico River Basin Development Authority, hereinafter referred to as the Authority, to carry out integrated and coordinated approach to planning and management of resources utilization and development within the Basin. The Authority which shall be organized within one hundred twenty (120) days after the approval of this Act, shall execute the powers and functions herein vested and conferred upon it in such a manner as will, in its judgment, aid to the fullest possible extent in carrying out the aims and purposes set forth.

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

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

SECTION 7. *Location of Principal Office.* - The Authority shall maintain its principal office at the most strategically located place. It may however establish such branch offices in other places necessary for the proper conduct of its business.

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

a. To prepare, review, evaluate and update the Chico River Basin Comprehensive Master Plan (CRBCMP) in the interest of the Regional Development Plans of CAR and other areas and sectoral plans as basis for proposing improvements in existing policies governing the protection, preservation, management and development of resources within the basin through legislation or other appropriate executive measures. In addition, Chico River Basin Development Authority shall recommend to the President and Congress of the Philippines matters that may require executive directives and congressional legislation in support of the objectives of the CRBCMP;

b. To spearhead the coordination of inter-agency activities within its jurisdiction in the implementation of the CRBCMP;

c. To provide the machinery for extending the necessary technical assistance to local government units, line agencies, public corporations, the private sector and affected indigenous cultural communities/indigenous peoples in planning for the development projects that have an over-all impact upon the utilization and management of resources within the Chico River Basin;

d. To provide the machinery for extending the necessary technical assistance for the maintenance, repair and rehabilitation, as maybe necessary of Micro-Hydro Systems located within the area including the resolution of problems on siltation and flooding;

e. To establish a functional basin information and database system, including computer-generated planning tools such as GIS for use by planners, managers, technical personnel and the general public in collaboration with other GIS/MIS systems in order to encourage the mutually beneficial sharing of data;

f. To commission or undertake integrated studies, researches and other such undertakings to determine such appropriate measures to carry out the development of the River Basin and to generate inputs in support to policy decisions.

g. To coordinate the integration of all proposed plans, programs and projects of the local government units, line agencies, public corporations and the private sector where such plans, programs and/or projects that are related to those of the Authority for the sustainable development of the Basin;

h. To coordinate and monitor all planning, studies, design and implementation of various programs and projects for the development of the CRBCMP to ensure that water resources are not depleted and are developed and utilized in sustainable, equitable and economical manner;

i. To initiate, receive and recommend project proposals for the developments, conservation and management of the basin's water resources;

j. To receive grants, donations and other forms of development assistance in the discharge of its duties. As such, the Authority may engage or invest on, or enter into joint venture with Filipino or foreign investors in such projects within its jurisdiction as it may deem proper and necessary or contributory to the achievement and/or implementation of any or all of the purposes and objectives of this Act;

k. To coordinate with existing government agencies and establishing water quality standards for industrial, agricultural and municipal waste discharges into the river and to cooperate with said existing agencies in enforcing such standards;

l. To undertake studies on improvement and maintenance of the desirable water quality and in pursuance thereof, prepare a water quality management program on a continuing basis in coordination with relevant agencies, which the Authority shall carry out with the assistance and support of all national and local government units involved in water quality management;

m. To provide assistance in arbitrating the resolution of inter-regional disputes/conflicts on water;

n. To plan program and/or undertake infrastructure projects such as river, flood, water and sewerage works, water supply, roads, irrigation, housing and related works when so required within the context of its development plans and programs including readjustment, relocations or settlement by population within the Basin as maybe deemed necessary and beneficial by the Authority;

o. To call upon any government agency, office or bureau for assistance in the discharge of, and form committees to facilitate the performance of its functions and responsibilities. Likewise, the Authority is hereby empowered to impose sanctions on member agencies and local government units as well as individuals and/or entities within its territorial jurisdiction who implement projects that are not culturally appropriate and not environmentally friendly; and

p. To do any and all acts and things and to exercise all powers which maybe necessary, proper or incidental to the accomplishment of the mandate, purposes and objectives of this Act.

CHAPTER II

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

- a. To succeed on its corporate name;
- b. To sue and be sued in such corporate name;
- c. To adopt, alter and use a corporate seal;
- d. To adopt, amend and repeal its by-laws;
- e. To undertake activities that will explore, exploit, extract and develop the economic potentials of the Chico River Basin in ways that are environmentally friendly and non-competitive with the private sector;
- f. To enter into contracts of any kind and description, to enable it to carry out its purpose and functions under this Act;
- g. To acquire, buy, purchase, hold or lease, such personal and real property as it deems its necessary or convenient in the transaction of its business and/or relation with carrying out its purposes under this Act; and to lease, mortgage, sell, alienate or otherwise encumber, utilize, exploit or dispose such personal and real property held by it, subject to prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof;
- h. To exercise the right of eminent domain whenever the Authority deems it necessary for the attainment of the objectives of the Authority under this Act;
- i. To borrow fund from any local or foreign financial institutions to carry out the purposes of this Authority under this Act;
- j. To issue such rules and regulations as maybe necessary to effectively carry out the powers and purposes herein provided including plans, programs and projects of the Authority, subject to the approval of the Office of the President/or agencies supervising government corporations; and
- k. For carrying on its business, or for the purpose of attaining or furthering any of its objectives, to perform any and all acts which a corporation, co-partnership, or natural person is authorized to perform under the laws now existing or which may be enacted hereafter.

CHAPTER III

SECTION 10. *Organizational Structure.* - The Authority shall have a Board of Directors who shall elect among themselves a chairperson to serve for a period of three (3) years. The Board of Directors shall be supported by a fully-staffed Management Office.

SECTION 11. *Board of Directors.* - The affairs and business of the Authority shall be directed and its properties managed and preserved by a Board of Directors to be composed of the following:

- a. One (1) Representative from the Office of the President;
- b. Regional Directors of the National Economic and Development Authority (NEDA) of Cordillera Administrative Region (CAR) and Region II;

- c. Regional Directors of the Philippine National Police (PNP) of CAR and Region II;
 - d. Regional Directors of the Department of Public Works and Highways (DPWH) of CAR and Region II;
 - e. The Executive Director of the National Water Resources Board;
 - f. The Governors of the provinces of Kalinga, Mountain Province and Cagayan;
 - g. Three (3) representatives from the Non-Government Organizations from CAR and Region II;
- and
- h. Head of Management Office of the Authority.

SECTION 12. *Per Diem.* - The members of the Board shall receive, for every meeting actually attended a per diem of Five Hundred Pesos (P500.00); Provided, That in no case shall the amount received by each member exceed the sum of Two Thousand Pesos (P2,000.00) per month. Members of the Board shall be reimbursed by the Authority for actual expenses, including traveling and representation expenses, incurred in the performance of their duties for the Authority as authorized by the Board:

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

- a. To prepare and approve a ten (10) year and five (5) year development plan, review and expedite the execution of these plans when necessary;
- b. To design, approve and execute specific policies and programs for the collection of permit fees and other fees for the establishment of tourism infrastructures and to treat these funds as trust funds which would be plowed back to the infrastructure and development needs of the Chico River Basin;
- c. To prepare, approve and promulgate guidelines, standards, rules and regulations in order to encourage, and stimulate the growth and development of commerce, trade, tourism and infrastructure development within the area of operation of the Authority;
- d. To approve contracts such as lease, memoranda of agreements as long as it will promote tourism and the growth of business and industry in CAR;
- e. To receive local or foreign aid and donations as well as to engage in any form of fund raising for the purpose of gathering development funds for the projects along Chico River Basin;
- f. To approve a lean and efficient organizational structure, and budget for the Authority after consultation with the concerned sectors;
- g. To appoint and discipline any employee, after according him due process in accordance with existing laws, together with rules and regulations of the Civil Service Commission (CSC);
- h. To elect from among the members of the Board of Directors the following Executive Officers: 1) President/Chairman of the Board, 2) Vice-President/Vice-Chairman of the Board, 3) Secretary: Provided, That, the Board shall likewise have the corresponding power to replace any of these officials after incurring three (3) consecutive absences in the meetings of the board of or for acts prejudicial to the objectives of the Authority;

i. To screen and approve the appointment of the following: General Manager, Assistant General Manager, Treasurer, Administrative Officer, Planning and Management Officer, Budget and Finance Officer, Legal Officer, Project Management Officer, Engineering and Construction Officer; and Education Officer;

j. To request periodic or special audit of all its funds and properties from the Commission on Audit when the need arises;

k. To adopt a seal and flag, determine the exact location of its office preferably near its area of operation, and adopt its own rules and proceedings in meetings and general assemblies in accordance with the standards of transparency and democratic parliamentary procedures; and

l. To exercise such powers and perform such functions which are proper and necessary to implement the objectives of the Authority and to carry out the provisions of this Act.

SECTION 14. *Terms of Office of the General Manager.* - The general manager of the Authority shall serve for a fixed term of four (4) years, unless removed from office by a vote of two-thirds of the Board of Directors.

SECTION 15. *Residence and Prohibition.* - The General Manager shall, if practicable, establish his residence within the nearest where the Chico River Basin Authority's Principal Office is established. He shall not, during his tenure of office, engage in any business, profession, or calling other than those connected with the performance of his official duties as the General Manager of the Authority.

SECTION 16. *Powers and Duties of the General Manager.* - The General Manager have the following powers and functions:

a. Submit for consideration of the Board, the policies and measures necessary to carry out the purposes and provisions of this Act;

b. Execute and administer the policies, plans, programs and projects approved by the Board;

c. Direct and supervise the operation and internal administration of the Authority. The General Manager may delegate some of his administrative responsibilities to other officers of the Authority subject to the rules and regulations of the Board;

d. Prepare the annual budget of the Authority for consideration of the Board;

e. Submit within thirty (30) days after the close of each fiscal year, an annual report to the board and such other reports as maybe required;

f. Exercise such other powers as maybe vested in him by the board;

g. Effect the arrest of any person who violates the provisions of this Act, subject to Article 125 and 126 of the Revised Penal Code and the requirements of the due process.

SECTION 17. *Key Officials.* - In carrying out the activities of the Authority, the General Manager shall be assisted by the Assistant General Manager who shall have such powers, duties and functions that maybe delegated to him by the General Manager, and shall act as General Manager in the absence of or during the temporary incapacity and/or until such time as a General Manager is duly appointed.

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

- a. An Administrative Officer who shall be responsible for providing services relating to personnel, training, information, records, supplies, general services, equipment, and security;
- b. A Planning and Management Development Officer who shall be responsible for providing services relating to planning, programming, statistics and project development.
- c. A Budget and Finance Officer who shall be responsible for providing staff advice and assistance on budgetary matters and safekeeping of corporate assets:
- d. A Legal Officer who shall represent the Authority in legal actions and proceedings. The Legal Officer shall be responsible for staff advice and assistance on legal matters;
- e. A Project Management Officer who shall be responsible for the operation of approved projects, including livelihood projects, project evaluation and management improvement matters;
- f. An Engineering and Construction Officer who shall be responsible for providing services relating to detailed engineering plans and construction and maintenance of project facilities.
- g. An Education Officer who shall take charge of the re-orientation and education of personnel and the communities living along the river basin.

SECTION 18. - The Authority shall have an authorized capital of Twenty Million Pesos (P20,000,000.00) divided into one million (1,000,000) shares at Ten Peso (P10.00) per value which shall be fully subscribed by the Republic of the Philippines and shall be paid out as follows:

- a. The sum of Two Million Pesos (P2,000,000.00) which is hereby appropriated out of any fund in the National Treasury not otherwise appropriated and from other sources of funds of the National Government which shall be released immediately upon the approval of this Act; and
- b. The sum of Two Million Pesos (P2,000,000.00) for each fiscal year thereafter for a period of eight (8) years, from the same sources mentioned in paragraph (a) hereof, which is hereby appropriated for such subsequent years beginning with the third fiscal year following the approval of this Act.

SECTION 19. Authority Directly Under the Department of Environmental and Natural Resources (DENR). - Any provision of law to the contrary notwithstanding, the Authority shall operate as an independent corporation subject only to the supervision of the Department of Environmental and Natural Resources.

SECTION 20. *Audit by the Commission on Audit (COA).* - All accounts and expenses of the Authority shall be audited by the Commission on Audit or its duly authorized representative,

SECTION 21. *Prohibited Acts.* - It is hereby declared unlawful:

1. To dump solid and hazardous waste and untreated sewage into the Chico River basin;
2. To dump or throw garbage into the Chico River Basin or on its banks;
3. To squat on or appropriate portions of the banks of the aforesaid river basin for private use or gain, except for such reasonable augment of public use in the interest of recreation, navigation, floatage fishing and salonge; and

4. To fence off and/or encroach upon the said Chico River Basin or any portion thereof by any means whatsoever, and converting the same into fish pens for their private and material gain; and/or have the same titled in his name.

SECTION 22. *Penal Clause.* - Any person who violates any of the acts herein prohibited shall be punished by imprisonment of not less than six (6) years and one day nor more than eight (8) years, and a fine of not less than Ten Thousand Pesos (P10,000.00) nor more than One Hundred Thousand Pesos (P100,000.00); Provided, however, that in case of violation of this Act by an association, club, partnership, corporations, or any entity, the incumbent officers thereof who have knowingly participated in the violation shall be held liable; Provided, further that if the offender is an alien, he shall be immediately deported without further proceedings in the Bureau of Immigration and barred forever from entering the country after serving his sentence and paying his fine.

SECTION 23. *Bar of Suit.* - During the pendency of any legal action before the Authority, no court other than the Supreme Court shall take cognizance of any cause touching the same subject without leave of Authority.

SECTION 24. *Finality of Orders and Appeals.* - The orders of the Authority shall become final and executory after the lapse of fifteen (15) days from the date of receipt thereof. An appeal therefrom can be taken within fifteen (15) days period only to the Supreme Court.

SECTION 25. *Transitory Provisions.* - All concerned offices, bureaus, agencies having existing programs and projects in the Chico River Basin that directly correspond with the powers and functions described in Section 8 of this Act shall immediately transfer such including corresponding appropriations, funds, records, equipments, facilities, rights, other assets and personnel to the Authority within sixty (60) days after the effectivity of this Act.

SECTION 26. *Repealing Clause.* - All laws, decrees, executive issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby deemed repealed, amended or modified accordingly.

SECTION 27. *Separability Clause.* - If for any cause, any part of this Act is declared unconstitutional, the rest of the provisions not affected thereby shall remain in force and effect.

SECTION 28. *Effectivity.* - This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or in a newspaper of general circulation whichever comes earlier.

Approved,