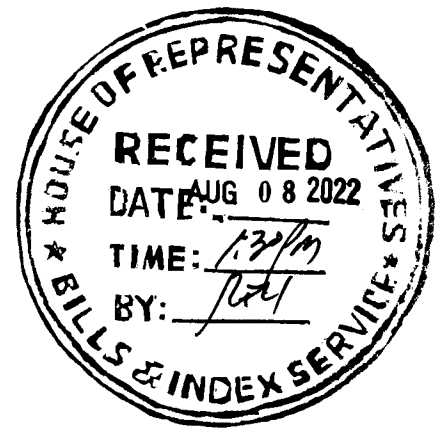


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3267



INTRODUCED BY REPRESENTATIVES MENCHIE B. BERNOS, ELEANOR C. BULUT-BEGTANG, SOLOMON R. CHUNGALAO, MAXIMO Y. DALOG, JR., MARK O. GO, ALLAN JESSE C. MANGAOANG AND 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 in 1989 through Republic Act No. 6374. In 2001, Congress passed Republic Act No. 9054 to expand the territory and powers of the ARMM. During the 17th Congress, Republic Act No. 11054, also known as the “*Bangsamoro Organic Law*” (BOL) was enacted to establish the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) and abolish the ARMM. In early 2019, the BOL was ratified through a plebiscite, marking the transition from ARMM to BARMM. On the other hand, an autonomous region in the Cordilleras has yet to be realized.

On July 15, 1987, President Corazon C. Aquino issued Executive Order No. 220 creating the Cordillera Administrative Region (CAR). The CAR was created for the purposes of administrative decentralization in order to accelerate the economic and social growth and development of the units in the region and to fill the resulting gap in the process of transforming a group of adjacent territorial and political subdivisions already enjoying local or administrative autonomy into an autonomous region vested with political autonomy. CAR is mandated to serve merely as a transitory coordinating agency in preparation for political autonomy, however, more than three decades since its creation, CAR continues to discharge administrative functions and coordinate the implementation of government programs within the Cordilleras.

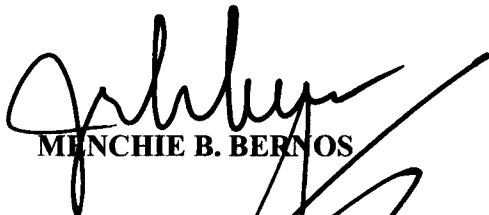
Two Organic Acts for an autonomous region were enacted in 1990 and in 1998. However, both measures were rejected by the Cordillerans. Following these two failed attempts, extensive information dissemination campaigns and public consultations were conducted to craft a legislative measure that truly reflects the need and aspiration of the people of the Cordilleras for regional autonomy. In recent years the movement for autonomy

finds fortitude in the commitment of the Duterte Administration to support this Constitutional mandate.

The quest for autonomy continues, as many areas in the Cordilleras remain underdeveloped. Autonomy shall serve as the foundation upon which the people of Cordillera shall be empowered to pursue sustainable and inclusive growth, through the management, protection and development of their natural and human resources, and the promotion of the rights and culture of the Cordilleran people. It is through its progress and growth as an autonomous political entity that the Cordillerans can tap its potentials and contribute to national success.

The collective aspiration of the Cordillerans for genuine autonomy is rooted on the right to self-determination of the people fueled by a long history of struggle for the recognition of their rights. It is high time that we make good on this Constitutional mandate, and allow the Cordillerans to determine their political status and to freely pursue their economic, social, and cultural development. By adopting necessary amendments and proposals, we have consistently endeavored to evolve this legislative measure as a product of the collaborative participation of all stakeholders. With clearer understanding of autonomy, its implications and effects on the lives of our people and on the future of Cordillera, the time is ripe for us to once again present to the Cordillerans the opportunity to realize this deeply ingrained desire.

Towards this end, the immediate consideration and approval of this proposed measure is earnestly sought.



MENCHIE B. BERNOS



SOLOMON B. CHUNGALAO



MARK C. GO



ERIC GO YAP



ELEANOR C. BULUT-BESTANG



MAXIMO Y. DALOG, JR.



ALLEN JESSE C. MANGAOANG

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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, imploring the will of Divine Providence, exercising our fundamental and Constitutional right to self-determination, faithful to the pursuit of our forebears for the protection, conservation and development of our patrimony and cultural heritage, in order to secure for ourselves and our posterity a region of peace and prosperity founded on truth, fairness, freedom, justice, love and solidarity through an autonomous region that shall ensure our human development and our active participation as citizens in the affairs of a united Philippines, do proclaim this Organic Act of the Cordillera Autonomous Region

ARTICLE I
NAME AND PURPOSE

SECTION 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 law is to establish an effective political entity, provide for its basic structure of government in recognition of the justness and cause of the people of the Cordilleran region, their fundamental and Constitutional right to self-determination and the faithful pursuit of the duty to protect, conserve and develop their patrimony and cultural heritage, in order to secure for themselves and their posterity a region of peace and prosperity founded on truth, fairness, freedom, justice, love and solidarity, the preservation of their identity and posterity, and the attainment of meaningful and effective governance.

**ARTICLE II
AREA AND IDENTITY**

SEC. 3. ***Area of the Cordillera Autonomous Region.*** - The area of the Cordillera Autonomous Region (CAR) shall consist of the city and provinces that shall vote favorably in the plebiscite called for the ratification of this Organic Act pursuant to Section 18, Article X of the Constitution. The area of the plebiscite shall be the provinces of Abra, Apayao, Benguet, Ifugao, Kalinga, Mountain Province, and the chartered City of Baguio.

SEC. 4. ***Cordilleran Identity.*** - The term "*Cordilleran*" shall apply to the following citizens of the Philippines:

- 1.) Those whose mothers or fathers are indigenous people of the Cordillera Region;
- 2.) Those who are born in the Cordillera Autonomous Region; and
- 3.) Those who are residing in the Cordillera Autonomous Region for at least one (1) year.

**ARTICLE III
DECLARATION OF POLICIES AND PRINCIPLES**

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

SEC. 6. ***Equitable Share in the National Budget and Development Assistance.*** - The national government shall provide the autonomous region with a proportionate and equitable share in the annual national budget and foreign assisted projects based on the defined programs, functions and performance goals of CAR in addition to other financial assistance, support and subsidies to accelerate its development. The Commission on Audit (COA) may require a pre-audit whenever it finds that the internal controls set up in the Region are inadequate. It shall likewise conduct seminars in the communities concerned explaining the benefits and proper use of the National Tax Allotments.

SEC. 7. ***Self-governance.*** - In the exercise of their right to genuine autonomy and meaningful self-governance, inhabitants of the CAR are free to pursue their political, economic, social and cultural development within the framework of national sovereignty and in accordance with the Constitution.

SEC. 8. ***Democratic Political System.*** - The Regional Government is a democratic political system that allows the people to participate in political processes.

SEC. 9. ***Prior and Preferential Right.*** - The inhabitants of the CAR shall have prior and preferential right to the natural, material, and fiscal resources of the CAR in accordance with the Constitution and other pertinent laws.

SEC. 10. ***Fundamental Rights and Duties of People.*** - The fundamental rights and duties of the people in the CAR are those defined in the Constitution, this Organic Act, and other pertinent laws.

SEC. 11. ***Rights to Initiatives, Consultations, Referenda and Plebiscites.*** – The rights of the people of the CAR to initiate measures for the passage, amendment or repeal of regional or local legislation, to be consulted on matters that affect their welfare; to call for a referendum on important issues affecting their lives; and, to recall regional or local officials as provided by Republic Act No. 7160, as amended, otherwise known as the Local Government Code of 1991, are hereby recognized without prejudice to the other rights guaranteed by the Constitution.

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, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives.

SEC. 13. ***Upholding Human Rights.*** – The Regional Government shall take measures to prevent torture, cruel, inhumane and degrading punishment, illegal detention, and extra-judicial killings.

SEC. 14. ***Establishment of Peace Zones.*** - The Regional Government adheres to the policy of peace and shall establish peace zones within the region when applicable.

SEC. 15. ***Devolution of Powers.*** - The Regional Government shall adopt a policy on local autonomy whereby regional powers shall be devolved to local government units (LGUs) particularly in 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 CAR.

The regional assembly shall not pass any law to diminish, lessen or reduce the powers, functions, and shares in the National Tax Allotment of the said LGUS as provided for by the Local Government Code of 1991, as amended.

SEC. 16. ***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, conservation, and protection of natural resources by promoting the sustainable use and management thereof and shall adopt environmentally sound and appropriate technology in the management of natural resources. The use of renewable energy for the power needs of the inhabitants of the CAR and the conduct of business and commerce thereat shall be promoted.

SEC. 17. ***Community Responsive Education.*** - The Regional Government shall integrate in the educational system a subject that responds to the needs of the Cordillera communities, respects and promotes Cordilleran knowledge, core values, systems, institutions, culture, history and practice, encourage the use of languages and methods of education, and promote science and appropriate technology and methodologies that encourage creative and critical thinking of the Cordilleran.

SEC. 18. ***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. Laws shall be enacted, and measures adopted to protect women and children against all forms of neglect, cruelty, and

exploitation which are harmful to their moral, physical, or mental health, in accordance with the provision of the Constitution and other pertinent laws.

SEC. 19. *Regional Arrangements.* – The Regional Government shall pursue a policy of interregional development planning, coordination, and mutual cooperation in order to promote sustainable development as well as protect and conserve resources.

SEC. 20. *Equal Access and Non-discrimination.* – The Regional Government shall ensure equal access by inhabitants of the CAR to resources, employment opportunities and services regardless of ethnic origin, gender, language, political conviction, economic, and social status or religious belief.

SEC. 21. *Social Justice.* - The Regional Government shall endeavour to minimize social, economic and political inequalities within the region by providing, maintaining and ensuring the equitable delivery of basic services, and creating economic opportunities based on freedom of initiative and self-reliance.

SEC. 22. *Foreign Investments.* – The Regional Government shall provide incentives to investors, corporations, and other businesses, in accordance with the Constitution, this Act, Republic Act No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, and other pertinent laws.

SEC. 23. *Customary Laws.* - Existing customary laws on personal, family and property relations, when applicable, shall be respected.

ARTICLE IV THE CORDILLERA AUTONOMOUS REGION

A. Powers and Functions

SEC. 24. *Powers and Functions.* – The Regional Government shall exercise powers and functions necessary for the proper governance and development of all provinces, cities, municipalities, and barangays within the autonomous region consistent with the declared constitutional policy on local autonomy and decentralization: *Provided:* That nothing in this Act shall be construed as to authorize the diminution of the powers and functions already enjoyed by LGUs.

SEC. 25. *Devolved Powers.* - The Cordillera Autonomous Region is a corporate entity with jurisdiction in all matters devolved to it by this Organic Act as herein enumerated in accordance with the provisions of the Constitution and other pertinent laws:

- (a) Administrative organization:
 - (1) Declaration of holidays;
 - (2) Public administration and bureaucracy for the region; and
 - (3) Identification, generation, and mobilization of international human resources for capacity-building and other activities involving the same within the region.
- (b) Creation of sources of revenues:
 - (1) Authority to regulate power generation, transmission and distribution operating

- exclusively in the autonomous region, in coordination with appropriate national government agencies; and
- (2) Imposition of appropriate and reasonable taxes except those which are already taxed by the national government, and LGUs;
- (c) Ancestral domain and natural resources:
- (1) Protection of the ancestral domain and ancestral lands of indigenous cultural communities (ICCs) consistent with Republic Act No. 8371, otherwise known as the "Indigenous Peoples Rights Act (IPRA) of 1997".
 - (2) Declaration of nature reserves and aquatic parks, forests, watershed reservations, and other protected areas in the autonomous region.
 - (3) Authority, power, and right to the control and supervision over the exploration, utilization, development, and protection of the lands, forests, water, minerals and other natural resources, within the autonomous region in accordance with the provisions of the Constitution, pertinent provisions of this Organic Act, and other pertinent laws.
 - (4). Regulation of small-scale mining.
- (d) Urban and rural planning development:
- (1) Adoption and implementation of a comprehensive land use program;
 - (2) Land management, land distribution, and agricultural land use reclassification; and
 - (3) Authority to conduct cadastral survey in coordination with the Department of Environment and Natural Resources (DENR): *Provided*, that sub-sections 4a, 4b and 4c shall be exercised in coordination with LGUs within the CAR, DENR and other appropriate national government agencies.
- (e) Economic, social and tourism development:
- (1) Establishment of transportation and communication facilities;
 - (2) Promotion of tourism within the autonomous region; and
 - (3) Regulation of games and amusement operations within CAR.
- (f) Educational policies in skills training, research and scholarships
- (g) Preservation and development of the cultural heritage, establishment of its own libraries and museums, and declaration of historical and cultural sites, in coordination with the National Commission for Culture and the Arts (NCAA); and
- (h) Such other matters for the promotion of the general welfare of its inhabitants. The Regional Government, in the exercise of its devolved powers as herein defined, shall coordinate with the appropriate national government agencies.

B. Intergovernmental Relations

SEC. 26. *General Supervision.* – Consistent with the principle of local autonomy, the President shall exercise general supervision over the Regional Government to ensure that laws are faithfully executed.

SEC. 27. *Regional Line Agencies.* – Regional line agencies shall continue to exist without diminution of their mandated authority. Regional line agency officials and employees shall continue to be paid by the national government. There shall be no diminution of ~~their~~ compensation and other benefits due the officials and employees of line agencies. Existing

assets and properties of the regional line agencies and offices shall remain under their custody and accountability.

SEC. 28. ***Tenure of Civil Service Employees.*** – Except for just cause and after due process, officials and employees of the 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.

SEC. 29. ***Priority in Recruitment, Selection and Placement.*** – Officials and employees of the Regional Government and the regional line agencies in the autonomous region shall be hired in accordance with appropriate civil service rules and regulations, but priority shall be accorded to qualified inhabitants of the CAR.

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

SEC. 31. ***Management of ODA Funds.*** – The autonomous region may avail of Official Development Assistance (ODA) and other foreign financial grants or donations and shall undertake these projects through the regional line agencies, government-owned and controlled corporations (GOCCs), state colleges and universities, LGUS or whichever is deemed appropriate, subject to review and approval of the national government in accordance with Republic Act No. 8182, otherwise known as the Official Development Assistance Act of 1996 and the prior clearance and approval by the President of the Republic of the Philippines.

SEC. 32. ***Government Owned and Controlled Corporations.*** – Government owned and Controlled Corporations (GOCCs) such as the Government Service Insurance System (GSIS), the Social Security System (SSS), the *Pagtutulungan-Ikaw, Bangko Industriya't Gobyerno* (PAG-IBIG), PhilHealth and other GOCCs shall continue to be governed by their respective charters and other pertinent laws.

SEC. 33. ***Autonomy of Local Government Units.*** – All LGUs within the CAR shall continue to be independent from each other, shall have the same set of local officials and employees, shall 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. 34. ***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 LGUs in the CAR to ensure that their acts are within the scope of their prescribed powers and functions.

SEC. 35. ***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. 36. *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. 37. *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. 38. *City Charters.* – All cities within the CAR shall be governed primarily by their charters.

SEC. 39. *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 executive 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 basic services requiring coordination.

SEC. 40. *Right of Local Government Units to Cooperate and Consolidate Resources for Common Goals and Programs.* - LGUs in the autonomous region 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. 41. *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. 42. *Qualifications.* – (a) Candidates for Regional Governor and Vice-Governor positions must be citizens of the Philippines 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 are able to read and write Filipino or English;

(b) Candidates for the position of Member of the Regional Assembly must be citizens of the Philippines 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 resident thereof for a period of at least one (1) year immediately preceding the day of election, and are able to read and write Filipino or English or any other local language in the region.

SEC. 43. *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. 44. *Manner of Election.* – The Regional Governor and Vice-Governor, who shall belong to the same political party, shall be elected at large by direct vote of the

registered voters of the CAR. A vote for the Regional Governor shall be counted as a vote for the Regional Vice-Governor.

(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 – four (4) seats;
- (2) Province – four (4) seats to be allocated two (2) per provincial district;
- (3) Component city – One (1) seat

Provided, That any component city created after the effectivity of this Organic Act shall be entitled to representation to the Regional Assembly as may be provided for by law.

(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. 45. *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. 46. *Oath of Office.* – The Regional Governor, Vice-Governor and Members of the Regional Assembly on assuming office shall take the following oath or affirmation:

“I do solemnly swear (or affirm) that I will faithfully and conscientiously fulfill my duties as Governor/Vice-Governor/Member of the Regional Assembly of the Cordillera autonomous region, preserve and defend the constitution of the Republic of the Philippines and the organic act of the autonomous region of the cordillera, execute these laws, do justice to all and consecrate myself to the service of the nation and the cordillera autonomous region. So help me God.”

SEC. 47. *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 spouse 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 the emoluments whereof increased by the Regional Assembly during the term for which such member was elected.

(d) The Regional Governor, and 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. 48. *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 assembly belonging to the same political party, garnering the highest percentage of votes in the district represented shall become the vice-governor or 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 members' 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 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. 49. *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, the officer-in-charge of the said office. Such authorization shall specify the powers and functions that the regional official 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 or the highest-ranking Member of the Regional Assembly, as the case may be.

SEC. 50. *Approval of Leaves of Absence.* – Leave of absence of elective officials of the CAR shall be approved as follows:

(a) Applications for leave 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 the Regional Governor shall be approved by the President.

SEC. 51. *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 Undersecretary and Assistant secretary, respectively, of the national government, 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 Regional Speaker shall receive an annual salary equivalent to that of the Regional Governor and Members of the Regional Assembly shall receive an annual salary equivalent to the salary of the Regional Vice-Governor. 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. 52. *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) *Governing law.* 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. Discipline of 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. 53. *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. 54. *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. 55. *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. 56. *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. 57. *Administrative Support.* – 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.

SEC. 58. *Mandatory Staff.* – The Regional Government shall have the following mandatory staff: (1) Regional Executive Secretary, (2) Regional Accountant, (3) Regional Budget Officer, (4) Regional Administrator, (5) Regional Legal Officer, (6) Regional Treasurer, and (7) Regional General Services Officer. In addition thereto, the Regional Governor may, subject to the approval of the Regional Assembly and availability of funds, create other offices deemed necessary.

The Regional Executive Secretary 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.

The rank and salary grade level of the heads of the different regional departments shall be equivalent to the regional directors of line agencies. They shall receive compensation, allowances and other emoluments and benefits allowed by law or ordinance. With the exception of the Regional Executive Secretary, the positions of the different department heads of the Regional Government shall be mandatory.

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

(a) Regional Executive Secretary

- (1) The Regional Executive Secretary of the CAR 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 Regional Executive Secretary shall be co-terminus with that of the appointing authority.
- (3) The Regional 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 autonomous region, 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 office of legal services. 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 experience in treasury or accounting service.
- (2) The Regional Treasurer shall take charge of the Treasury Office, 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. 59. *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, setting the direction of economic and social development of the CAR and through which regional development efforts shall be coordinated.

SEC. 60. *Composition of the CDC.* – The CDC shall be composed of the Regional Governor as chairperson, a Private Sector Representative as co-chairperson, the Regional Director of the National Economic and Development Authority (NEDA) 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 of the Regional Speaker;
- (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 NEDA Board.

- (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. 61. *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) As required by the Investment Coordinating Committee (ICC), 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.
- (j) Perform other related functions and activities as may be necessary to promote and sustain the socio-economic development of the CAR.

SEC. 62. *Technical Support to the CDC.* – The regional office of the NEDA shall serve as the secretariat and technical operations arm of the CDC.

SEC. 63. *Creation of Committees.* – The CDC may create appropriate technical and sectoral committees to assist in its work.

SEC. 64. *Existing Committees.* – Existing 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, shall be placed under the umbrella of the CDC. Secretariat work of these inter-agency committees shall continue to be provided by their mother agency.

**ARTICLE VII
THE REGIONAL VICE-GOVERNOR**

SEC. 65. *Functions.* – The Regional Vice-Governor shall assist the Regional Governor in the day to day operations of the Regional Government, and shall:

- (a) 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;
- (b) 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;
- (c) 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 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. 66. *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.

SEC. 67. *Speaker of the Regional Assembly* – There shall be a Speaker of the Regional Assembly, who shall be elected, from among the members of the Regional Assembly, on its first regular session. The Regional Assembly shall promulgate its rules and regulations for the conduct of its proceedings.

The Regional Speaker, as the political and administrative head of the Regional Assembly, is responsible for the overall management of the proceedings, activities, resources, facilities and employees of the Assembly. The Speaker 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 Deputy Speakers, 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 after informing the Deputy Speakers: *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 *subpoenae* 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 with authority to delegate this power;
 - (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 Regional Speaker shall be the permanent head of delegation and representative of the Regional Assembly in all local or international parliamentary gatherings and organizations: *Provided*, That Regional Speaker may designate any Member of the Regional Assembly to be the representative of the Regional Speaker and may also determine, upon the recommendation of the Majority Leader, in consultation with the Minority Leader, who shall constitute the Regional Assembly's delegation to any local or international conference or forum of parliamentarians and legislators, and the secretariat support staff to be authorized to assist the delegation.

SEC. 68. *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. 69. *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. 70. *Administrative Support.* – The Regional Assembly shall have an administrative and support staff. Each member shall have at least three (3) 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. 71. *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 Speaker 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. 72. *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. 73. **Law.** – (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. 74. **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. 75. **Immunity from Suit.** – 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. 76. **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 for the Regional Assembly shall strictly follow the same procedure for approving appropriations for the regional executive department.

- (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. 77. *Expenditure of Public Funds.* – No money shall be paid out of the regional treasury 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. 78. *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. 79. *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. 80. *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. 81. *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 in consonance with the timeline of the national government.

SEC. 82. *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, devolved functions and address conflicting laws.

ARTICLE IX

PATRIMONY, ECONOMY AND DEVELOPMENT

SEC. 83. *Coordination and Cooperation.* – The Regional Government, with the support of the national government, shall, pursuant to regional autonomy and poverty alleviation, 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 an expanding productivity and income as the key to raising the quality of life for all:

- (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 autonomous region.
- (b) The national government shall consult and coordinate with the autonomous Regional Government before programs and projects are undertaken in the CAR.

SEC. 84. *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 that have resulted from decades of neglect, historical injustice, poverty and inequality.

SEC. 85. *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. 86. *Preferential Rights of the Inhabitants of the CAR 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 priority shall be given to inhabitants of the CAR 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. 87. *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. 88. *Development of Lands with a Slope of 18% and Above.* – The Regional Government in partnership with the communities, especially the indigenous peoples (IPs) or indigenous cultural communities (ICCs), and their government units, and support of the national government shall adopt measures for the development of communities occupying lands with a slope of eighteen percent (18%) or over, by providing the necessary infrastructure, financial and technical support.

SEC. 89. ***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.

SEC. 90. ***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. 91. ***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. 92. ***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 Autonomous Region that have already been defined by and under the authority of the national government shall be transferred to the Regional Government.

The Regional Transition Committee composed of the Regional Governor, Department of Environment and Natural Resources, National Commission on Indigenous Peoples, representatives of IPs and ICCs affected, as well as other relevant government agencies shall cause 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. 93. ***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. 94. ***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. 95. ***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 NEDA Board.

ARTICLE X

SOURCES OF REVENUES AND OTHER FISCAL MATTERS

SEC. 96. *Share from the National Revenues.* – To conserve, protect and develop the national patrimony and heritage located in the CAR, and devolved to the region by this Organic Act, and to fund its operations, the Regional Government shall have a share of the national revenues, in addition to existing shares already being received by the LGUs and regional line agencies, which include the following:

- (a) *Two and one half percent (2.5%).* The Regional Government shall have a share in the national taxes equivalent to two and one half percent (2.5%) based on the collection of the third fiscal year preceding the current fiscal year. Eighty percent (80%) of such share shall be appropriated in the annual regional budget for development projects.
- (b) *Forty percent Share of the National Wealth Tax.* The Regional Government shall have 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 the share in national wealth shall be used 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 utilization and development of the national wealth within their territorial jurisdiction. 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.

The share in the preceding paragraph shall be distributed in the following manner:

- (a) Province / Highly Urbanized City – Twenty percent (20%)
 - (b) Component City/ Municipality – Forty percent (40%)
 - (c) Barangay – Thirty percent (30%)
 - (d) Region – Ten percent (10%)
- (c) *Two percent share out of the Economic Zones Tax.* The Regional Government shall have 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) *Twenty percent Share of Excess in Value Added Tax.* - The CAR shall have a separate twenty percent (20%) share of the excess of value added tax (VAT) collections from the immediately preceding year within the territorial jurisdiction of the autonomous region. The fund shall be used to support cottage industry programs.

The LGUs shall have a separate twenty percent (20%) share of excess VAT collections from the immediately preceding year.

- (e) *Fifteen percent Share of Total Excise Tax.* – in addition to the existing shares of the LGUs, the CAR shall have a separate fifteen percent (15%) share of the total excise

taxes collected within the territorial jurisdiction of the CAR on all products subject to excise tax for the second calendar year preceding the year of distribution.

The LGUs shall have a separate fifteen percent (15%) share from the total excise tax collection on locally manufactured virginia-type cigarettes for the second year preceding the year of distribution.

(f) *Fifteen percent Share of Incremental Excise Tax in Burley and Native Tobacco Products.* The Regional Government shall have a separate fifteen percent (15%) share of the excise tax on burley and native tobacco products collected within the CAR.

The LGUs shall have a separate fifteen percent (15%) share of the excise tax collected on burley and native tobacco products.

(g) *Forty percent Share of Renewable and Other Energy Tax.* The Regional Government shall have 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.

(h) Shares in future tax impositions by the national government.

SEC. 97. *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. 98. *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

(l) 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. 99. *Power of Taxation.* – The CAR shall have the power to create its own sources of revenues 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. 100. *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 ~~income~~ 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. 101. *Appropriations from the National Government.* – The national government shall continue to provide the necessary funds for the regular operations and programs of devolved line agencies in the region to be prepared by the Cordillera Autonomous Region and

incorporated under the General Appropriations Act including the mandatory organizational structure and positions of the Cordillera Autonomous Region charged against the 2.5% share of the CAR as provided for under Section 96 (A).

SEC. 102. *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. 103. *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. 104. *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. 105. *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 COOPERATIVE

SEC. 106. *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, 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 as a means 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 CAR's natural and agricultural resources in the development of agricultural and fisheries programs and interventions.

SEC. 107. ***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. 108. ***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 concerned shall provide support to subsistence fisher folk through adequate funds, appropriate technology and research, marketing assistance, and other support services like fishery processing facilities and access to credit.

SEC. 109. ***Agriculture Production.*** – The Regional Government shall pursue 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 support-agricultural infrastructure and facilities 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 ~~in a day~~.

SEC. 110. ***Prevention of the Flight of Labor and Capital.*** – To promote investments and employment and to prevent 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. 111. *Eco-cultural Tourism*. – Consistent with the preservation of cultural heritage and the protection of ecology, the Regional Government shall promote eco-cultural tourism. Sites with historical, scientific, cultural significance including natural and man-made landmarks and scenic vistas shall likewise 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. 112. *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, including the necessary support infrastructure in accordance with land use and other environmental considerations, and tax incentives to needed 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. 113. *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, indigenous and other local products in accordance with its development goals and priorities.

SEC. 114. *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 SPORT

SEC. 115. *Regional Educational Policies*. – The Regional Government shall formulate educational policies to preserve, safeguard and develop cultural heritage guided by the following plans and programs:

- (a) The establishment of 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) The development of 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) The adoption and enactment of educational policies that shall recognize, support, develop and promote existing indigenous system of learning; and

- (d) The creation of a Regional Educational Board that will supervise, govern and intervene in the establishment, adoption, and implementation of both formal and informal education policies and programs for schools, colleges, and universities in the region.

SEC. 116. ***Education with Highest Budget Allocation.*** – The Regional Government shall assign the highest budgetary priority to education.

SEC. 117. ***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. 118. ***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. 119. ***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. 120. ***Culture Sensitive Education.*** – The educational system in the CAR shall develop a research, instruction, and extension program that will 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. 121. ***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 board of regents or trustees in state universities and colleges in the region.
- (b) The budget of state colleges and universities in the region, while prepared separately, shall form part 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 while the Regional Government shall provide additional funding.
- (c) The Regional Government shall capacitate state colleges and universities in order to provide assistance to regional development.

SEC. 122. *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. 123. *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. 124. *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. 125. *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. 126. *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. 127. *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 WELFARE

SEC. 128. *Measures on Social Protection.* – The Regional Government commits itself to social protection and 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 promoting the 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. 129. *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. 130. ***Hiring of Qualified Cordillerans.*** – The Regional Government shall promote the hiring of qualified inhabitants of the CAR in government service, government projects, and private businesses located in the autonomous region.

SEC. 131. ***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. 132. ***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. 133. ***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. 134. ***Program for Rebel Returnees.*** – The Regional Government shall adopt 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. 135. ***Social and Insurance Measures.*** – The Regional Government shall adopt insurance and social security measures that are responsive to the needs of its people to supplement existing privileges.

SEC. 136. ***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 indigenous materials, architecture and technology. Participation of housing cooperatives to administer the projects shall be encouraged.

SEC. 137. ***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 RA 9710, otherwise known as the” Magna Carta of Women” and all other existing laws that promote the welfare and protection of women.

SEC. 138. ***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.

SEC. 139. ***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. 140. ***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. 141. ***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. 142. ***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. 143. ***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 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. 144. *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. 145. *Text of the Organic Act.* – This Organic Act shall be officially promulgated in Filipino and English and translated into the languages widely spoken in the CAR. In case of conflict, the English text shall prevail.

SEC. 146. *Change of Name.* – The Regional Assembly may adopt a new name for the CAR after public consultation.

SEC. 147. *Regional Symbol.* – The Regional Government shall have a regional flag, emblem and hymn.

ARTICLE XVI PERSONAL, FAMILY, INDIGENOUS AND PROPERTY RELATIONS

SEC. 148. *Customary Laws.* – Customary laws affecting personal, family, tribal and property relations in the CAR shall be recognized.

SEC. 149. *Protection of the Family.* – The family as the basic unit of society shall be protected.

SEC. 150. *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. 151. *Indigenous Settlement of Disputes.* – Settlement of tribal, personal, and family disputes shall be recognized. 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. 152. *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. 153. *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. 154. *Coverage of the Plebiscite.* – The areas covered by the plebiscite shall be the provinces of Abra, Apayao, Benguet, Ifugao, Kalinga, Mountain Province, and the chartered City of Baguio. Any two or more provinces or cities voting favorably for this Organic Act in the plebiscite shall comprise the Cordillera Autonomous Region while those voting unfavorably for this Organic Act in the plebiscite shall remain within their current 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. 155. *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. 156. *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. 157. *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. 158. *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. 159. *Oversight Committee.* – Within one (1) month from the organization of the Regional Government, an Oversight Committee composed of the executive secretary as Chairperson, the secretary of the DBM, the Cordillera Regional Governor, the Regional Speaker of the Assembly, the Secretary of the Department of the Interior and Local Government, the 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: *Provided further*, That the salaries of absorbed personnel shall continue to be funded by the national government.

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. 160. **Government Allocations.** – Over and above the regularly given to Local Government Units and regional line agencies, the national government shall continue its annual allotment to the Regional Government. In addition, the national government shall provide the Autonomous Region of the Cordillera an annual assistance 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 in the following manner:

- (a) Ninety percent (90%) of the annual subsidy for the Regional Government shall be invested exclusively for revenue generating projects.
- (b) Ten percent (10%) of the annual subsidy shall remain with the Regional Government as Trust Fund.

SEC. 161. **Revenue Allocation.** Fifty percent (50%) of the revenues generated mentioned in Sec. 160 (a) shall be re-invested for income generating projects. The remaining revenues generated shall be distributed as follows:

- (a) Fifteen percent (15%) to the Regional Government;
- (b) Thirty five percent (35%) to the Province/highly urbanized city;

SEC. 162. **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 thereof. Financial records shall be kept, audited and made public annually or as often as may be necessary.

SEC. 163. **Direct Release of Local Government Units' Share.** – The share of each LGU shall be released without need of any further action, directly to the provincial, city, municipal or barangay treasurer, as the case may be on a quarterly basis within five (5) days after the end of each quarter, and which shall not be subject to any lien or hold back that may be imposed by the Regional Government for whatever purpose.

SEC. 164. **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 purposes.
- (c) Twenty-Five million pesos (PhP25,000,000.00) to be allotted to the Commission on Elections.
- (d) Eighty million pesos (PhP80,000,000.00) to be allotted to the Regional Government for its initial organizational requirements.
- (e) Two billion five hundred million (P2,500,000,000) 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/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. 165. **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. 166. **Repealing Clause.** – All laws, decrees, orders, rules and regulations which are inconsistent with this Organic Act are hereby repealed, amended or modified accordingly.

SEC. 167. **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,