


S. B. No. 300

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INTRODUCED BY SENATOR ALAN PETER "COMPAÑERO" S. CAYETANO

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

EXPLANATORY NOTE

The Philippines is among the fastest growing economies in Asia. The Philippines is also one of the world's fastest growing nations with an estimated population of 110.8 million for 2021<sup>1</sup> and is projected to reach almost 111.5 million by mid-year 2022 and 115.3 million by mid-year 2025.<sup>2</sup> The government must institutionalize proper measures to ensure that economic growth is inclusive and enjoyed by every Filipino.

We all saw the success story of Clark in Pampanga. The former air base was transformed into a developed urban area comprising the Clark Freeport Zone, Clark International Airport, Clark Global City, and New Clark City.<sup>3</sup> The Clark Development Corp. (CDC) reported that it has attracted Php 3.68 billion of foreign investments in 2021, 43% higher than the Php 2.6 billion approved foreign investments in 2020. In addition, the number of Filipino investments in CDC increased by 16% in the same period.<sup>4</sup> Clark is an embodiment of how development can go beyond Metro Manila. The Government should take on the job of facilitating the development of "Metros" outside of Manila.

Through the years, Metro Manila or the National Capital Region (NCR) has been the center of development and national progress. In 2021, 18.6% or 201,080 business establishments were in NCR and more than one-third (33.6%) of the total employment was generated by these establishments. Majority of Micro, Small, and Medium Enterprises (MSMEs) in 2021 are also in NCR with 199,170 establishments, which again is followed by Region IV-A and Region III with 159,329 and 137,196 establishments respectively.<sup>5</sup> As such, NCR has become the most congested region in the Philippines with a population density of 21,765 Filipinos per square kilometer. In

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<sup>1</sup><https://popcom.gov.ph/popcom-number-of-filipinos-in-2021-estimated-at-110-8-million-sizes-of-families-trending-lower-at-4-members/#:~:text=POPCOM%3A%20Number%20of%20Filipinos%20in,Commission%20on%20Population%20and%20Development>

<sup>2</sup><https://psa.gov.ph/content/updated-projected-mid-year-population-philippines-2020-2025>

<sup>3</sup> <https://bcda.gov.ph/sites/default/files/2021-03/Clark%20Primer.pdf>

<sup>4</sup> <https://www.pna.gov.ph/articles/1168331>

<sup>5</sup><https://psa.gov.ph/content/more-108-million-establishments-operated-2021-which-generated-total-employment-857-million>

contrast, Regions IV-A and III, which ranks as the 2nd and 3rd most populated regions in the Philippines, only have a population density of 977 and 567 Filipinos per square kilometer, respectively; as of 2021.<sup>6</sup>

As of 2018, NCR-centrism has brought with it overcrowding, horrendous traffic jams costing Php 3.5 billion in lost opportunities per day<sup>7</sup>, uncontrolled flooding, and alarming social costs. Moreover, NCR-centrism has produced hurdles to development in other regions as businesses, world class health facilities and the Philippines' best educational institutions, are located in Metro Manila. The problems brought about by this level of concentration cannot be solved by continually building new infrastructure and devoting more resources to the perceived "imperial Manila". It is high time that every part of the Philippines becomes as much a priority as Metro Manila.

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

No less than President Rodrigo Roa Duterte himself also espouses this view and included Federalism as one of his priorities. This vision of decentralization is perfectly encapsulated in the President's statement, "...for what good will progress be if its benefits do not trickle down to the poorest of the poor. Let us bear in mind that the test of good government is not whether we can add more to the abundance of those who have much, but whether we can provide for those who have so little." It is with this reason that this Representation filed this bill in the 18th Congress.

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

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

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

  
ALAN PETER "COMPAÑERO" S. CAYETANO

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<sup>6</sup><https://psa.gov.ph/content/highlights-population-density-philippines-2020-census-population-and-housing-2020-cph#:~:text=The%20population%20density%20of%20the%20NCR,was%2019%2C137%20per%20square%20kilometer.&text=Aside%20from%20the%20NCR%2C%20five,per%20square%20kilometer%20in%2020>

<sup>7</sup><https://www.cnnphilippines.com/transportation/2018/02/23/JICA-P3.5-billion-traffic.html>



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

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

1       **SECTION 1. Short Title.** - This Act shall be known as the "*Progresibong*  
2       *Pilipinas Para sa Lahat ng Pilipino Act*".

3  
4       **SECTION 2. Declaration of Policy.** - It is the policy of the State to ensure the  
5       equitable distribution of wealth and opportunity to each Filipino through good  
6       governance in conjunction with consistent national policies, coordinated regional  
7       strategies, and a clear blueprint towards a progressive Philippines for every Filipino.

8  
9       **SECTION 3. Philippine Decentralization Committee.** - There is hereby  
10       created a Philippine Decentralization Committee (PDC) to be chaired by the Executive  
11       Secretary with the following members:

- 12  
13       a. Secretary of the Department of Public Works and Highways (DPWH);  
14       b. Secretary of the Department of Finance (DOF);  
15       c. Secretary of the Department of Budget and Management (DBM);  
16       d. Secretary of the Department of Transportation (DOTr);  
17       e. Director-General of the National Economic and Development Authority  
18       (NEDA);  
19       f. Representative from the League of Governors;  
20       g. Representative from the League of Cities; and  
21       h. Experts from the private sector and the academe in the following, but not  
22       limited to, fields of expertise: urban planning and management, supply  
23       chain management, and agro-business, and industrial growth.

24  
25       **SECTION 4. Philippine Decentralization Plan.** - The PDC shall formulate a 5  
26       year midterm, and a 10 year long-term plan within One Hundred Eighty (180) days  
27       from the effectivity of this Act, containing the following:

- 28  
29       a. Comprehensive studies focusing on the challenges and opportunities for  
30       regional economic development; and

1 b. Assessment of possible relocation sites for government offices and  
2 employees and provision of incentives and benefits therefor.  
3

4 **SECTION 5. Relocation of National Government Agencies (NGA).** – The PDC  
5 shall conduct a comprehensive feasibility study on the possibility of transferring or  
6 relocating NGAs, which will include the necessary infrastructure, technology,  
7 equipment, and other facilities to ensure effective and efficient communication and  
8 coordination between and among the various NGAs with the end view of enhancing  
9 the delivery of public goods and services in the regions/countryside. As far as  
10 practicable, each region must have at least one major NGA.  
11

12 **SECTION 6. Philippine Healthcare Development Program.** – There is hereby  
13 established a Philippine Healthcare Development Program, which provides for an  
14 integrated and comprehensive approach to health development by ensuring  
15 adequate health facilities to support the improvement and sustainability of the  
16 healthcare system with the goal of providing effective and affordable services for the  
17 entire Philippine population and improving health outcomes. The program shall also  
18 provide for the establishment of specialty hospitals within Northern and Southern  
19 Luzon, Visayas and Mindanao similar to those currently existing in Metro Manila such  
20 as the Philippine Heart Center, Lung Center of the Philippines, National Kidney and  
21 Transplant Institute, and Philippine Orthopedic Center.  
22

23 **SECTION 7. Regional Centers for Excellence Development Program.** –  
24 There is hereby established Regional Centers for Excellence Development Program,  
25 which provides assured funding in the amount of *100 Billion Philippine Pesos* (Php  
26 100,000,000,000) for the establishment and development of Regional Centers for  
27 Excellence outside of Metro Manila focusing on education and skills development to  
28 be determined by the Secretary of the Department of Education (DepEd), the  
29 Chairperson of the Commission on Higher Education (CHED) and the Director General  
30 Technical Skills and Development Authority (TESDA).  
31

32 **SECTION 8. Decentralization of Procurement Procedures for Major NGA**  
33 **Projects.** – For major NGA projects located in areas outside Metro Manila, bidding  
34 and procurement mechanisms must be established to allow the aforementioned  
35 procedures to take place in the region/s involved.  
36

37 Regional Offices of NGAs shall perform the planning, bidding, and  
38 implementation of programs, activities, and projects, within their regions.  
39

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

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

1  
2 The annual appropriations for the PDP shall be included in the National  
3 Expenditure Program which reflects the amounts necessary to support the funding  
4 requirements for all programs, activities and projects approved by Congress under  
5 the preceding paragraph. The funds to be appropriated by Congress under this Act  
6 shall be treated as a distinct and separate budget item from the regular appropriation  
7 of the implementing agencies and shall be administered by the heads thereof. For the  
8 next five (5) years, there shall be a periodic review of funding requirements to  
9 determine the need for adjustments as necessary.

10  
11 The PDC shall have an initial funding of *100 Million Philippine Pesos* (Php  
12 100,000,000) to conduct a comprehensive study referred to in Section 4 of this Act.

13  
14 **SECTION 11. Annual Reports.** – The PDC shall coordinate with the relevant  
15 national government agencies and local government units and prepare a consolidated  
16 progress report of the implementation of all priority programs, projects and activities  
17 funded under this Act.

18  
19 Within the first quarter of the succeeding year, the PDC shall submit an annual  
20 report to the Office of the President, the Senate, and the House of Representatives.  
21 Such report shall be made available to the public for scrutiny, copying, and  
22 reproduction, and shall also be uploaded in the PDC's website.

23  
24 **SECTION 12. Congressional Oversight Committee.** – There is hereby created  
25 a Congressional Oversight Committee to monitor and oversee the implementation of  
26 the provisions of this Act. The Committee shall be composed of six (6) members from  
27 the Senate and six (6) members from the House of Representatives with the  
28 Chairpersons of the Committee on Civil Service, Government Reorganization and  
29 Professional Regulation of the Senate and the Committee on Government  
30 Reorganization of the House of Representatives as joint Chairpersons of this  
31 Committee. The five (5) other members from each Chamber are to be designated by  
32 the Senate President and the Speaker of the House of Representatives, respectively.  
33 The minority shall be entitled to *pro rata* representation but shall have at least two  
34 (2) representatives from each Chamber.

35  
36 **SECTION 13. Separability Clause.** – If any provision of this Act is declared  
37 unconstitutional, the same shall not affect the validity and effectivity of the other  
38 provisions hereof.

39  
40 **SECTION 14. Repealing Clause.** – All laws, decrees, orders, issuances or  
41 portion thereof, which are inconsistent with the provisions of this Act are hereby  
42 repealed or modified accordingly.

43  
44 **SECTION 15. Effectivity.** – This Act shall take effect fifteen (15) days after its  
45 publication in two (2) newspapers of general circulation.

*Approved,*