

REPUBLIC ACT NO. 7820

AN ACT CREATING THE PARTIDO DEVELOPMENT
ADMINISTRATION, DEFINING ITS POWERS AND
FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR
OTHER PURPOSES

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

SECTION 1. *Title.* – This Act shall be known as the
"Partido Development Administration Act of 1994."

SEC. 2. *Declaration of Policy.* – It is hereby declared the
policy of the State to accelerate the development of lagging regions
and districts in order to catch up with more advanced regions
and districts through an integrated and coordinated approach.

SEC. 3. *Creation of the Partido Development Administration.*
– To implement the abovementioned policy, there is hereby created
a corporate body to be known as the Partido Development
Administration, hereinafter referred to as the "Administration,"
which shall be under the supervision and direction of the Board
of Directors.

SEC. 4. *Jurisdiction.* – The jurisdiction of the
Administration covers the following municipalities in the Province
of Camarines Sur: Sagnay, Tigaon, Goa, San Jose, Lagonoy,
Tinambac, Siruma, Presentacion, Garchitorena and Caramoan.

SEC. 5. *Functions and Powers.* – The Administration shall
have the following functions and powers:

(a) To make a comprehensive survey of the physical and
natural resources of the district, including social conditions and
values, and institutional systems, as well as the special problems
of the area;

(b) To prepare, undertake, and implement a comprehensive and integrated development program for the district;

(c) To pass over all plans, programs, projects, and project developmental programs proposed by local government agencies within the district, public corporations, and private enterprises where such plans, programs and/or projects are related to the development of the district as envisioned in this Act. The Administration shall determine whether such plans, programs and/or projects are contributory to district development and consistent with national goals and objectives;

(d) To make recommendations to the proper agencies on the technical support, physical assistance and, generally, the level of priority to be accorded agricultural, industrial, commercial, and infrastructure projects, soliciting or requiring direct or indirect help from or through the government or any of its instrumentalities;

(e) To encourage investments in the district by extending the necessary planning, management, and technical assistance to prospective and existing investors;

(f) To help promote the economic zones and/or industrial estates established in the district;

(g) To engage in agriculture, industry, commerce or other activities within the district which may be necessary to the socioeconomic development of the area and for this purpose, whether by itself or in cooperation with private persons or entities, to organize, finance, invest in, and operate subsidiary corporations: *Provided*, That the Administration shall engage only, unless public interest requires otherwise, in those activities as are in the nature of new ventures or are clearly beyond the scope, capacity or interest of private enterprises;

(h) To receive grants, both in cash and in kind, for its capitalization and operation;

(i) To establish, operate and/or contract to operate such agencies, functional units and instrumentalities which may be necessary for the furtherance of the provisions of this Act;

(j) To adopt a corporate seal, enter into contracts, and alienate properties;

(k) To sue and be sued; and

(l) To exercise any other functions necessary to attain the purposes for which it is created.

SEC. 6. *Capitalization.* – The Administration shall have an authorized capital stock of Fifty million pesos (P50,000,000) to be subscribed and paid by the member-municipalities.

The amount necessary for the implementation of this Act shall be charged against the member-municipalities and against the special fund provided for under Section 12 of Presidential Decree No. 1869, as amended, in addition to the projects therein.

SEC. 7. *The Board of Directors.* – The affairs and business of the Administration shall be directed and its properties managed and preserved unless otherwise provided by this Act by a Board of Directors hereinafter referred to as the "Board."

(a) Composition of the Board –

The Board shall have twenty-three (23) members:

(1) The ten (10) mayors of the member-municipalities, as *ex officio* members;

(2) One (1) private sector representative from each of the member-municipalities selected from among duly organized nongovernmental organizations (NGOs) and sectoral associations, such as, but not limited to farmers, fishermen, businessmen, youth, women, etc., whose terms of office shall be two (2) years;

(3) The incumbent member of the House of Representatives representing the third congressional district of the Province of Camarines Sur, and the Administrator as *ex officio* members; and

(4) The provincial development and planning coordinator of the Province of Camarines Sur.

(b) Quorum and voting –

The chairman of the Board who shall have a term of two (2) years shall be elected by the Board from among themselves. The members of the Board shall have one (1) vote each. A majority of the members shall constitute a quorum. A decision shall, as far as practicable, be reached by consensus. If no consensus is reached, a decision shall be arrived at upon a vote of the majority of all members of the Board constituting the quorum.

(c) Powers and functions of the Board –

The Board shall:

(1) Formulate policies, develop programs, and promulgate rules and regulations to carry out the powers and functions of the Administration;

(2) Approve each year a budget to cover the operations of the Administration based upon the:

(i) Income from the Administration's investments and projects in member-municipalities; and

(ii) Paid-up capital and additional paid-up subscriptions.

(3) Fix compensations, emoluments, and allowances of the administrator and other officers and personnel of the Administration;

(4) Approve appointment of all officers and employees of the Administration in accordance with the civil service law, rules and regulations; and

(5) Perform such other functions as may be necessary to carry out the purposes of this Act or as may be provided in other sections of this Act.

SEC. 8. *Duties and Functions of the Chairman of the Board.* – The chairman shall:

(a) Call and preside at the meetings of the Board and shall see to it that the policies, programs, and rules and regulations developed and promulgated by it are implemented properly;

(b) Present for approval by the Board:

(1) The annual budget of the Administration;

(2) The rules and regulations needed to carry out the provisions of this Act and the amendments thereto;

(3) Other matters which he deems necessary or proper for the effective implementation of this Act; and

(4) The annual report on the activities and finances of the Administration, copies of which upon approval by the Board, shall be furnished the offices of the governor of the Province of Camarines Sur, the member of the House of Representatives representing the third district of Camarines Sur, and the two (2) provincial board members from the third district of Camarines Sur.

(c) Perform such other functions which the Board may direct to carry out the provisions of this Act.

SEC. 9. *Organizational Structure.* – The Board shall determine the organizational structure, staffing pattern, and pay scale of the officers and employees of the Administration. The Board may reorganize the same and create or abolish divisions, offices, units, branches or agencies therein, as it may deem to be required: *Provided*, That the municipal planning and development coordinator of the member-municipalities shall be involved in the day-to-day operations of the Administration, who, in carrying out their assigned tasks, may be assisted by contractual personnel: *Provided, further*, That the number of contractual personnel to be employed by the Administration shall be based on such organizational structure jointly prepared by the Board and the administrator.

SEC. 10. *The Administrator.* – The Administration shall have an administrator who may be recommended by the provincial governor of the Province of Camarines Sur to be appointed by the Board: *Provided,* That should the governor fail to recommend within thirty (30) days from receipt of the notice of vacancy from the Board, the Board may appoint the administrator of its own choice. He shall be the chief executive officer of the Administration and automatically vice-chairman of the Board.

The administrator shall have the following powers, duties, and responsibilities:

(a) To submit to the Board, through the chairman, policies and measures which, in his judgment, are necessary to carry out the purposes and provisions of this Act;

(b) To prepare the budget of the Administration for approval of the Board;

(c) To execute and administer policies and measures approved by the Board;

(d) To direct and supervise the operations and internal administration of the Administration. He may delegate certain administrative responsibilities to other officers of the Administration subject to the rules and regulations of the Board;

(e) To appoint all employees of the Administration except the heads of departments and divisions whose appointments shall be made by the Board upon his recommendation; and to remove, dismiss or otherwise discipline for cause, such employees in accordance with Civil Service Law, rules and regulations;

(f) To represent the Administration in all its dealings with other offices, agencies, and instrumentalities of the government and with other persons and entities, public or private;

(g) Subject to the approval of the Board, to determine the rates of compensation, allowances, *honoraria*, and such other additional compensation which the Administration is hereby authorized to grant its officers, technical staff, and consultants including the necessary detailed personnel; and

(h) To exercise such other powers as may be granted to him by the Board.

The administrator shall have the following qualifications:

(1) He must at least possess a master's degree in management or other such equivalent educational qualification;

(2) He must preferably be a resident of the third district of Camarines Sur;

(3) He must have had at least three (3) years management experience involving not less than fifty (50) subordinates;

(4) He must have had at least three (3) years experience in development planning; and

(5) He must not have been convicted of any crime in any court of law.

SEC. 11. *Power to Issue Bonds.* – Whenever the Board deems it necessary for the Administration to incur an indebtedness or to issue bonds to carry out the provisions of this Act, it shall, by resolution, declare and state the purpose for which the proposed debt is to be incurred.

In order that such resolution be valid, it shall be passed by the affirmative vote of at least two-thirds (2/3) of all the members of the Board.

SEC. 12. *Sinking Fund.* – A sinking fund shall be established by the Administration in such manner that the total annual contributions thereto, accrued at such rate of interest as may be determined by the Secretary of Finance, shall be sufficient to redeem at maturity the bonds issued under the provisions of this Act.

SEC. 13. *Foreign Loans.* – The Administration is hereby authorized to contract from time to time loans, credits, and

indebtedness repayable in foreign currencies from foreign governments or any international financial institution, or fund sources for use in the development of the district.

The President of the Philippines, by himself, or through the Secretary of Finance, is hereby further authorized to guarantee, on behalf of the Republic of the Philippines, the payment of any loan herein authorized, as well as the performance of any other obligations undertaken by the Administration, pursuant to loan agreements with foreign governments or international financial institutions.

In the negotiation and contracting of any loan, credit, or indebtedness under this section, the provisions of Section 4 of Republic Act No. 4860 and Section 5 of Republic Act No. 6142, as amended, shall apply.

The loans, credits, and indebtedness contracted under this subsection and the payment of the principal, interest and other charges thereon, as well as the importation of machinery, equipment, materials and supplies by the Administration, paid from the proceeds of any loan, credit or indebtedness incurred under this Act shall be exempt from all taxes, fees, imposts, other charges, and restrictions imposed by the Republic of the Philippines, or any of its agencies and political subdivisions.

SEC. 14. *Auditor.* – The Administration shall be subject to audit by the Commission on Audit (COA). The COA resident auditor shall submit a report of audit findings at the end of each calendar semester to the Board.

SEC. 15. *Annual Report.* – The Administration shall publish annually a report on its operations and achievements including therein its financial statements. The annual report shall be submitted to the governor of the province, the congressman of the district, the members of the sangguniang panlalawigan, the municipal mayors of the municipalities of the district, and such appropriate government and nongovernmental organizations, universities, colleges and other entities and media as the Board may determine.

SEC. 16. *Merit System.* – All officials and employees of the Administration shall be selected and appointed on the bases of merit and fitness, in accordance with the merit system to be established by the Administration upon its organization in accordance with the Civil Service Law, rules and regulations. The transfer, promotion, and dismissal of all personnel including temporary workers shall be governed by such merit system. Their qualifications being equal, long time residents of the district shall be preferred in recruiting administration staff.

SEC. 17. *Donations and Gifts.* – The Administration may receive donations or bequests which shall be utilized only for implementation of programs and projects of the Administration: *Provided,* That such programs and projects financed by foreign grants or loans with national security implications shall be approved by the national agency concerned which shall be deemed to have approved the same if it fails to act on the request from the Administration for such approval within thirty (30) days from receipt thereof. Any such donations or bequests shall be exempt from the payment of gift taxes and the full amount of such donations or bequests shall be deductible from the gross income of the donor for the year during which the same is made.

SEC. 18. *Dissolution.* – The Administration shall be dissolved even before the expiration of its corporate life once objectives have been realized as manifested by a comprehensive road network and economic indicators equal to those present in the most developed district in the country. The regional development council through the National Economic and Development Authority (NEDA) shall initiate the dissolution by submitting a recommendation to the Board.

SEC. 19. *Applicability of the Corporation Law.* – The provisions of the corporation law, as amended, insofar as they are not inconsistent with this Act, shall be applicable to the operations of the Administration.

SEC. 20. *Separability Clause.* – Should any provision of this Act be declared invalid or unconstitutional, any provision not affected thereby shall remain in full force and effect.

SEC. 21. *Repealing Clause.* – All other laws, decrees, orders, rules and regulations, and other issuances or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 22. *Effectivity Clause.* – This Act shall take effect upon its approval and publication in two (2) newspapers of general circulation in the Bicol region and the entire country.

Approved, November 18, 1994.