

IMPLEMENTING THE CAGAYAN INTEGRATED AGRICULTURAL DEVELOPMENT PROJECT, PROVIDING FUNDS THEREFORE AND FOR OTHER PURPOSES.

PRESIDENTIAL DECREE NO. 1189, August 30, 1977

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WHEREAS, it is the policy of the Government to promote and accelerate the integrated development of agriculture, natural resources, infrastructure and social services in underdeveloped areas in order to improve the existing physical, economic and social structure of Philippine society;

WHEREAS, a Cabinet Coordinating Committee on Integrated Rural Development Projects of the National Economic and Development Authority was organized under Letter of Instructions No. 99 later reconstituted under Presidential Decree No. 805 to act as the policy making and governing body of all integrated rural development projects;

WHEREAS, as integrated rural development project has been adopted for the Cagayan Province as the third integrated rural development project of the Philippines under the direct supervision of the Cabinet Coordinating Committee on Integrated Rural Development Projects;

WHEREAS, there is a need to create the machinery that will implement the Cagayan Integrated Agricultural Development Project;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, in order to ensure the success of this project, do hereby order and decree the following:

SECTION 1. Declaration of Policy.-The Cagayan Integrated Agricultural Development Project identified as the third integrated rural development project of the Philippines, hereinafter referred to as the Project, is hereby declared as a project of the national government under the direct supervision of the Cabinet Coordinating Committee on Integrated Rural Development Projects of the National Economic and Development Authority. The following policies are adopted for the effective implementation thereof: (a) to integrate national and local government agencies into a working team for the planning and implementation of rural development projects; (b) to decentralize the planning and implementation of rural development projects at the local level.

SEC. 2. Cabinet Coordinator for the Project.- The Cabinet Committee shall designate a member of the Cabinet to act as Cabinet Coordinator for the Project. He shall act for the Cabinet Committee in all administrative matters in accordance with the broad policies and guidelines established by the Cabinet Committee. As Cabinet Coordinator, he shall have the following powers and functions:

- a. Oversee the coordination of the planning and implementation of the project;
- b. Review the Project's consolidated plans, budget and work programs and recommended approval by the Cabinet Committee;
- c. Recommended to the Budget Commission through the Chairman of the Cabinet Committee approval of the requests of implementing departments and agencies for budget releases for projects in accordance with the

consolidated plans, budget and work program approved by the Cabinet Committee;

d. Arrange and negotiate with local and foreign financing institutions, subject to the approval by the Cabinet Committee, for the funding of rural development projects in Cagayan province in addition to the loan granted by the Government of Japan through the Overseas Economic Cooperation Fund;

e. Call upon any department, bureau, office, instrumentality or any political subdivision of the government for such assistance that may be needed in achieving the objectives of the Project;

f. Bring to the attention of the Cabinet Committee matters requiring urgent consideration; and

g. Exercise such other related powers as may be delegated by the Cabinet Committee.

SEC. 3. Creation and Domicile of the Cagayan Integrated Agricultural Development Project Office, There is hereby created a Cagayan Integrated Agricultural Development Project Office, hereinafter referred to as the Project Office, which shall be under the supervision of the Cabinet Committee, through the Cabinet Coordinator, for the purpose of coordinating the planning and implementation of the projects by the implementing departments and agencies at the national and provincial levels. The Project Office shall have its principal office in Cagayan Province. It shall also have a Manila Liason Office for the purpose of facilitating supportive actions at the national level and for coordinating activities with the Secretariat of the Cabinet Committee, and such sub-office as may be necessary in any municipality within the Project area. The Project Office shall be headed by a Project Director.

SEC. 4. Powers and Functions of the Project Office.-The Project Office shall have the following powers, duties and functions:

a. Serve as a coordinating center for inter-agency planning and implementation of the Project;

b. Identify rural development projects/sub-projects in Cagayan Valley for inclusion in the adopted integrated rural development program;

c. Prepare feasibility studies for identified projects for the Cagayan province as authorized by the Cabinet Committee;

d. Coordinate requests for budget releases and monitor the accounts and disbursements of loans proceeds received by the different implementing agencies;

e. Monitor and evaluate the progress and effects of project implementation in the Project area;

f. Maintain a feedback system with national agencies involved in integrated rural development projects in Cagayan;

g. Call on the appropriate department, bureau, office, agency, or other government instrumentality for assistance in the discharge of its duties;

h. Establish a quarterly reporting system to the Cabinet Committee for monitoring and evaluation purposes; and

i. Perform such other related functions as may be necessary to attain the objectives of this Decree.

SEC. 5. Powers and Functions of the Project Director.-The Project Director shall exercise the following powers and duties;

a. Execute and administer the policies, guidelines and decisions of the Cabinet Committee;

b. Organize and manage the Project Office and adopt administrative rules and procedures for its internal operation and management;

- c. Directly coordinate the activities of all implementing departments and agencies in the planning and implementation of the Project;
- d. Call upon any department, agency, bureau, office, instrumentality or any political subdivision of the Government to assist in the planning and implementation of the Project;
- e. Consolidate requests for budget releases of projects of the implementing departments and agencies in accordance with the consolidated plans, budgets and programs of work approved by the Cabinet Committee;
- f. Collect and consolidate all project accounts under the Project maintained by the implementing departments and agencies;
- g. Ensure that all conditions contained in the loan agreement executed between the Philippine Government and the Government of Japan through the Overseas Economic Cooperation Fund (OECF) are faithfully complied with by all concerned in the implementation of the Project.
- h. Submit periodic financial and work accomplishment reports relating to project implementation to the Cabinet Committee, the Budget Commission, National Economic and Development Authority and other agencies concerned through the Cabinet within four (4) months at the close of each fiscal year;
- i. Submit audited project accounts containing the auditor's opinion to the Overseas Economic Cooperation Fund (OECF) Coordinator;
- j. Apply for, receive and accept grants and donation of funds, equipment, materials and services needed by the Project from sources within and outside the Philippines through the Cabinet Committee;
- k. Enter into contract with private or public entities in connection with the functions of the Project Office subject to the approval of the Cabinet Coordinator and the Cabinet Committee.
- 1. Perform such other functions as may be prescribed by the Cabinet Coordinator.

SEC. 6. Appointment, Qualifications and Compensation of the Project Director.-The Project Director shall possess the following qualifications:

- a. A natural born citizen of the Philippines;
- b. At least thirty (30) years of age; and
- c. A proven record of executive competence in the field of public administration and/or infrastructure projects or in the management of agricultural or rural projects.

The Project Director shall receive an annual compensation to be fixed by the Cabinet Committee.

SEC. 7. Creation, Compensation and Functions of the Project Coordination Committee.-A project Coordination Compensation Committee is hereby created to serve as a forum in providing and ensuring technical coordination among the agencies and offices concerned in the Project area.

It shall be composed of the Project Director as Chairman, with the following as members: Governor of Cagayan, Region II Regional Directors of the National Economic and Development Authority, National Irrigation Administration, National Electrification Administration, Department of Public Highways, Bureau of Public Works, Department of Agrarian Reform, Department of Local Governments and Community Development, Bureau of Agricultural Extension, Bureau of Plant Industry, Bureau of Soil and a representative of the Cagayan Valley Agricultural Research Complex of the Philippine Council for Agriculture and Resources Research.

SEC. 8. Powers and Functions of the Project Coordination Committee.-The Project Coordination Committee shall

have the following powers and functions.

- a. Formulate the annual work plan of the Project based on defined policies, instructions and guidelines for implementation;
- b. Review plans and programs prior to submission to the Cabinet Coordinator;
- c. Maintain continuous coordination among agencies concerned for the effective implementation of the Project;
- d. Serve as a forum in solving technical and inter-agency management problems at the provincial level and propose or institute immediate remedial measures;
- e. Ensure that plans of the Project conform with the overall development plan of the region;
- f. Exercise such other powers and functions as may be assigned by the Cabinet Coordinator.

SEC. 9. Roles, Functions and Responsibilities of the Implementing Departments and Agencies.-The major implementing departments and agencies shall perform the following:

- a. The Department of Agriculture-act as the coordinating lead agency of the whole Project and support major services related to agricultural development, and to provide the establishment of the Agricultural Pilot Center.
- b. The National Irrigation Administration-act as the executing agency in the construction, operation and maintenance of irrigation, drainage facilities and service roads and support major aspects of infrastructure development.
- c. The National Electrification Administration-act as the executing agency in the installation, operation and maintenance of rural electrification facilities and support major aspects related to the power supply of the Province.
- d. The Department of Public Works, Transportation and Communications-finalize the design and supervise the construction of the Agricultural Pilot Center and support projects related to waterwork systems and other infrastructure projects.
- e. The Department of Public Highways-implement projects pertaining to the improvement, construction and maintenance of barangay roads and support projects related to road systems.
- f. The Department of Agrarian Reform-implement projects involving operation land transfer, negotiate building sites, other land operations and support major projects related to social development.
- g. The Department of Local Governments and Community Development-act on projects pertaining to the organization of farmers, management of farmer's cooperatives and support services for rural development.
- h. The Provincial Government of Cagayan-provide local leadership and political support at the municipal and barangay levels.

Each implementing department and agency shall submit within the first three months of the current year to the Project Office for consolidation and submission to the Cabinet Committee through the Cabinet Coordinator their respective annual project plans, budget, and the corresponding work program for the ensuing calendar year. They shall also submit to the Project Office financial and work plans specifying the local and foreign fund components for every request for budget releases and periodic reports containing results of operations.

SEC. 10. Local Participation-The local governments, both provincial and municipal, in the areas affected by the project may participate in the implementation thereof by providing commodity and services, as well as real property and additional financing.

SEC. 11. Observance of Terms and Conditions of the Loan Agreement.-All departments and agencies including the provincial government offices concerned with the planning and implementation of the Project are hereby enjoined to observe strictly all the terms and conditions embodied in the Loan Agreement executed between the Philippine Government and the Government of Japan through the Overseas Economic Cooperation Fund (OECF), and other loan agreements which may be entered into by the Government of the Philippines.

SEC. 12. Staff Appointment.-In accordance with the staffing pattern to be recommended by the Cabinet Coordinator and to be approved by the Budget Commission, the Project Director shall appoint in accordance with the approved personnel policies of the Cabinet Committee the other personnel of the Project and define their duties and responsibilities: Provided, That the Project may employ personnel on part-time basis, any provision of law to the contrary notwithstanding.

SEC. 13. Loan Authorization and Appropriations.-The loan in the amount of TWENTY TWO MILLION U.S. DOLLARS (U.S. \$22,000,000) obtained through the Overseas Economic Cooperation Fund shall finance partially the implementation of the Cagayan Integrated Agricyultural Development Project.

The appropriate Philippine Government counterpart funds for each of the Project's components shall be made available through the usual government budgetary systems and procedures. For this purpose, each implementing department and agency shall keep a separate account for the implementation of the project/projects under their concern.

The sum of FIVE MILLION PESOS (P5,000,000) is hereby released immediately to the Cabinet Committee for the initial operations of the Cagayan Integrated Agricultural Development Project Office and the Agricultural Pilot Center in Cagayan and the additional sum of TWO MILLION PESOS (P2,000,000) for the expansion phase of the Project with in the region or for such other projects as may be determined by the Cabinet Committee, the said funds to be allocated from the Special Activities Fund under the National Priorities Support Fund, P.D. 1050.

SEC. 14. Auditing System.-The Commission on Audit shall assign an auditor/auditors to the Project in accordance with existing laws, rules and regulations. The auditor/auditors shall submit to the Project Director a consolidated project financial report within 3 months after the close of each fiscal year for transmittal to the Overseas Economic Cooperation Fund.

SEC. 15. Accountability of Implementing Units for Project Commodity Requirements.-All vehicles, equipment and machineries procured with the Project fund shall be under the accountability of the implementing departments and agencies including the provincial government. These shall be used solely for the implementation of the Project and shall be disposed afterwards in accordance with the terms and conditions set forth under the Loan Agreements executed between the Philippine Government and the Government of Japan through the Overseas Economic Cooperation Fund (OECF) and other lending institutions.

SEC. 16. Separability Clause.-If any provision of this Decree be invalid, the remainder shall continue to be operative.

SEC. 17. Repealing Clause.-All laws, decrees, executive orders, administrative orders, rules and regulations, or parts thereof which are inconsistent with any provision of this Decree are hereby repealed or modified accordingly.

SEC. 18. Effectivity.-This Decree shall take effect immediately.

Done in the City of Manila, this 30th day of August in the year of Our Lord, nineteen hundred and seventy-seven.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

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