

IMPLEMENTING THE MINDORO INTEGRATED RURAL DEVELOPMENT PROGRAM AND PROVIDING FUNDS THEREFORE.

PRESIDENTIAL DECREE NO. 805, October 02, 1975

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WHEREAS, it is a policy of the Government to promote the integrated development of agriculture, natural resources, infrastructure and social services in underdeveloped regions to solidify the economic and social structure of our society;

WHEREAS, Letter of Instructions No. 99 was issued creating a Cabinet Coordinating Committee for the purpose of coordinating all integrated rural development project;

WHEREAS, an integrated rural development project has been adopted for the Mindoro Island;

WHEREAS, the Philippine Government has signed a loan agreement with the International Bank for Reconstruction and Development to finance the Mindoro Project;

WHEREAS, there is an imperative need to create the organism that will implement the Mindoro Integrated Rural 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 insure the success of this program, do hereby order and decree the following:

SECTION 1. Declaration of Policy.—The Mindoro Integrated Rural Development Project, hereinafter referred to as the Project, is hereby declared as a project of the national government and that the following policies are adopted for the effective implementation thereof: (a) to integrate national and local government agencies into a working team for planning and implementation of rural development projects; (b) to decentralize the planning and implementation of rural development projects to the local government level;

SEC. 2. Cabinet Coordinating Committee on Integrated Rural Development Projects of the National Economic and Development Authority.—The composition of the Cabinet Coordinating Committee on Integrated Rural Development Projects of the National Economic and Development Authority, hereinafter referred to as the Cabinet Committee, will be constituted as stipulated in Letter of Instructions No 99 and, in addition, shall include the newly-created Departments involved in integrated rural development projects. The Cabinet Committee shall now be composed of the following:

Secretary, Department of Agriculture Chairman

Secretary, Department of Public Works, Transportation & Communications Vice-Chairman

Executive Secretary, Office of the President Member

Director-General, National Economic and Development Authority Member

Secretary, Department of Finance Member

Secretary, Department of Local Government and Community Development Member

Secretary, Department of Agrarian Reform Member

Secretary, Department of Natural Resources Member

Secretary, Department of Public Highways Member

As further stipulated in Letter of Instructions No. 99, all integrated rural development projects, notably, the Mindoro Integrated Rural Development Project, the Bicol River Basin Project and the Cagayan Integrated Agricultural Development Project, shall continue to be under the supervision and direction of the National Economic and Development Authority through this Cabinet Committee.

The Cabinet Committee is hereby empowered to act as the policy-making and governing body of all integrated rural development projects, and for the purpose is hereby authorized to create a Secretariat.

SEC. 3. Creation of an Executive Committee for the Projects—The Cabinet Committee shall create an Executive Committee which shall serve as the policy-making and governing body of the Project.

The Executive Committee shall be chaired by the Secretary of Natural Resources and shall have the Secretary of Agriculture, the Secretary of Public Highways, the Secretary of Health, the Secretary of Public Works, Transportation and Communications, and the Governors of the two Mindoro Provinces, or their duly designated representatives, as members.

SEC. 4. Powers and Functions of the Executive Committee.—The Executive Committee, thru its Chairman, shall exercise and discharge the following powers and functions:

- Formulate policies and guidelines related to the implementation and management of the Project;
- Oversee the coordination of the planning and implementation of the Project;
- Identify other rural development projects in the Mindoro provinces for inclusion in the adopted integrated rural development program;
- Authorize the Project Director and/or the implementing department or agencies to prepare feasibility studies for newly identified rural development projects for the Mindoro provinces;
- Arrange and/or negotiate with local and foreign financial institutions for the funding of other rural development projects mentioned in sub-section (c);
- Review the Project's consolidated plans, budgets and work programs;
- Call upon any department, bureau, office, instrumentality or any political subdivision of the Government for such assistance it may need in the performance of its functions;
- Exercise such other inherent powers and policy-making functions.

SEC. 5. Creation and Domicile of the Mindoro Integrated Rural Development Office.—There is hereby created a Mindoro Integrated Rural Development Office, hereinafter referred to as the Mindoro Office, which shall be under the direct supervision of the Mindoro Executive Committee for the purpose of coordinating the implementation of the project by the implementing departments and agencies at the national and provincial levels. The Mindoro Office shall have its principal office in Metropolitan Manila.

The Mindoro Office shall be headed by a Project Director who shall maintain a technical and management staff to assist him in the performance of his duties and responsibilities including assessing the agro-economic aspects of

the Project. The Project shall also establish provincial offices in the Mindoro provinces for the effective management of the Project at the provincial level.

SEC. 6. Appointment, Tenure of Office, Qualifications and Compensation of the Project Director.—The Project Director of the Mindoro Office shall be appointed by the Executive Committee.

He shall serve until such time as the Mindoro Office is dissolved, unless sooner removed from office for cause by the Executive Committee.

The appointee to the position of Project Director shall possess the following qualifications:

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

The annual compensation and allowances of the Project Director shall be fixed by the Executive Committee.

SEC 7. Powers and Functions of the Project Director.—The Project Director of the Mindoro Office shall exercise the following powers and functions:

- Directly coordinate the activities of all implementing departments and agencies in the planning and implementation of the projects;
- Monitor and evaluate the progress and effects of project execution by the implementing departments and agencies;
- Submit periodic financial and work accomplishment reports relating to project implementation to the Executive Committee;
- Approve and consolidate requests for budget releases for the projects by the implementing departments and agencies and forward the same to the Budget Commission for releases of funds;
- Keep and maintain records of all equipment and services procured under the Project and collect and consolidate all project accounts maintained by the implementing departments and agencies;
- Submit audited project accounts containing the auditor's opinion to the International Bank for Reconstruction and Development within four (4) months at the close of each fiscal year;
- Insure that all conditions contained in the loan agreement executed between the International Bank for Reconstruction and Development and the Philippine Government are faithfully complied with by all concerned with the implementation of the projects;
- Organize, appoint, remove and/or discipline the personnel of its technical and management staff;
- Adopt and promulgate administrative rules and procedures for the internal management of the Mindoro Office and its provincial project offices;
- Call upon any department, bureau, office, agency, instrumentality or any political subdivision of the Government to assist in the planning and implementation of the Project;
- Apply for, receive and accept grants and donations of funds, equipment, materials and services needed by the Project from sources within and outside the Philippines;

- Prepare feasibility studies for newly identified rural development projects for Mindoro provinces as authorized by the Executive Committee;
- Perform such functions as are inherently necessary in the operational management of the Project in accordance with the policies and guideline formulated by the Executive Committee.

SEC. 8. Creation, Composition, and Function of the Project Advisory Committee.—There is hereby created a Project Advisory Committee which shall extend management assistance and serve as an advisory body to the Project Director. In addition, it shall resolve problems of inter-agency coordination in the national level. The Project Advisory Committee shall be composed of the Project Director, as Chairman, and the Governors of Oriental Mindoro and Occidental Mindoro and senior officers from each implementing department and agency designated by their respective heads, as members.

SEC. 9. Creation, Composition and Functions of the Mindoro Provincial Project Offices.—There is hereby created a Provincial Project Office for each of the two Mindoro Provinces to coordinate project implementation at the provincial level. The Provincial Project Offices shall be headed by the respective Governors who shall report directly to the Project Director. Provincial Development Councils for each of the two Mindoro provinces headed by the respective governors and composed of senior officials of each implementing department and agency in the Province and representatives from the PNB and Rural Banks, shall also be created to resolve problems of inter-agency coordination at the provincial level and to render advisory and staff assistance to the heads of the Provincial Project Offices.

SEC. 10. Creation, Composition and Functions of the Agricultural Development Coordinating Council.—There is hereby created an Agricultural Development Coordinating Council for each of the Mindoro Provinces reporting to the heads of the Provincial Project Offices. Each Council shall be headed by the Coordinator of the Provincial Development Staff, and shall have for its members the representatives of each of the departments and agencies of the National Government providing agricultural support services in the respective provinces.

SEC. 11. Roles Functions and Responsibilities of the Implementing Departments and Agencies.—The Department of Agriculture, the Department of Natural Resources, the Department of Public Works, Transportation and Communications, the Department of Health, the Department of Public Highways, the Department of Agrarian Reform, the Department of Local Governments and Community Development, the National Irrigation Administration, the Presidential Assistant on National Minorities, the Commission on National Integration, the Provincial Governments of the Mindoro Provinces and all government agencies concerned shall be responsible for the implementation of the projects assigned to them.

Each implementing department and agency shall submit to the Project Director for approval their respective annual project plans, budget and the corresponding work program within three (3) months before the start of the ensuing fiscal year. They shall also submit financial and work plans for every request for budget release and periodic reports containing results of operations to the Project Director.

The Department of Public Highways shall procure the necessary commodity and service requirements to implement the projects assigned to them and must submit all documents pertinent thereto to the Project Director for information. The commodity and service requirements of all other projects shall be procured by the National Irrigation Administration.

SEC. 12. Observance of Terms and Conditions of the Loan Agreement—All departments and agencies including the provincial governments of the Mindoro provinces and all other government offices concerned with the implementation of the Project are hereby enjoined to observe strictly all the terms and conditions embodied in the

Loan Agreement executed between the International Bank for Reconstruction and Development and the Philippine Government in the planning and implementation of the Mindoro Project.

SEC. 13. Staff Appointment.—Any provision of existing laws to the contrary notwithstanding, the appointments of personnel of the Mindoro Office and the Secretariat of the Cabinet Committee may either be on full-time basis or part-time basis, and shall be exempt from requirements and restrictions of the Civil Service Law, rules and regulations, and position classification and salary standardization plan and Wage and Position Classification Office, as well as Section Two Hundred Fifty Nine of the Revised Administrative Code, Provided, that any government retiree employed in any of the said offices shall not be required to reimburse or refund any gratuity received from the Government nor shall any pension or annuity to which he is entitled to be suspended or reduced on account of his employment with any of the said offices; Provided, further that the personnel of the said offices shall be permanent and career in status without prejudice to transfer, detail, assignment, promotion, discipline and dismissal in accordance with the Personnel Management Program of the said offices and shall be entitled to benefits and privileges normally accorded to government agencies on detail with the said offices including adequate and reasonable honoraria or allowances.

SEC. 14. Fund Releases.—Releases of the International Bank for Reconstruction and Development Loan Fund and the Philippine Government Counterpart Fund for the Project shall be made by the Budget Commission directly to the parties concerned in accordance with existing laws, rules and regulations on fund releases.

SEC. 15. Expenditures and Disbursements.—Expenditures and disbursements made out of the funds of the Project for planning and implementation shall not be subject to the procurement requirements and restrictions imposed by existing laws and regulations upon government agencies, instrumentalities and government-owned or controlled corporations. It shall also be exempt from any government ban and restrictions against purchase of equipment, non-expendable and semi-expendable properties.

SEC. 16. Exemption from Taxes.—Any provision of existing laws to the contrary, notwithstanding, any donation, contribution, request, subsidy or financial aid which may be made to the Project shall be exempt from taxes of any kind, and shall constitute allowable deductions in full from the income of the donors or donees for income tax purposes.

The assets of the Project and its commodity requirements procured from local and foreign supplies shall be exempt from all taxes, duties, fees, charges, imposts, licenses, and assessments, direct or indirect, imposed by the Republic of the Philippines or any of its political subdivision or taxing authority.

SEC. 17. Auditing System.—The Commission on Audit is hereby enjoined to 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 three months after the close of each fiscal year for transmittal to the International Bank for Reconstruction and Development.

SEC. 18. Accountability of Implementing Units for Project Commodity Requirement Project.—All vehicles, equipment and machineries procured with the Project's funds shall, be under the accountability of the implementing departments and agencies including the provincial governments of the Mindoro provinces. 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 Agreement executed between the International Bank for Reconstruction and Development and the Philippine Government.

SEC. 19. Loan Authorization and Appropriations.—The loan in the amount of Twenty Five Million U.S. Dollars (U.S. \$25,000,000) obtained from the International Bank for Reconstruction and Development shall finance

partially the implementation of the Mindoro Project.

The appropriate Philippine Government counterpart fund 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.

For the Mindoro Office, the sum of one million five hundred thousand pesos (P1,500,000.00) is hereby allocated from the Special Activities Fund under Presidential Decree 733, to initially fund the operation of the Office. For the succeeding fiscal year, until its termination, their budgetary shall be provided for in the annual General Appropriation Act of the Government in such amounts as shall be adequate for the purpose.

SEC. 20. Separability Clause.—If any provision of this Decree shall be invalid, the remainder shall continue to be operative.

SEC. 21. 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. 22. Effectivity.—This Decree shall take effect immediately.

Done in the City of Manila, this 2nd day of October, in the year of Our Lord, nineteen hundred and seventy-five.

(Sgd.)

FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.)

ALEJANDRO MELCHOR

Executive Secretary

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