

EIGHTEENTH CONGRESS OF THE	
REPUBLIC OF THE PHILIPPINES	
First Regular Session	

20 MAR -4 P6:52

SENATE

s. No. <u>1402</u>



Prepared and submitted jointly by the Committees on Economic Affairs, Civil Service, Government Reorganization and Professional Regulation, and Finance with Senators Gatchalian and Marcos as authors thereof

# AN ACT CREATING THE DEPARTMENT OF ECONOMIC PLANNING AND DEVELOPMENT, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

**CHAPTER I** 

**CREATION OF THE** 2 DEPARTMENT OF ECONOMIC PLANNING AND DEVELOPMENT 3 4 **ARTICLE I** 5 TITLE AND POLICY 6 7 SECTION 1. Short Title. - This Act shall be known as the "Department of 8 Economic Planning and Development." 9 10 SEC. 2. Declaration of Policy. - The State recognizes that, pursuant to Section 11 9, Article XII of the 1987 Philippine Constitution, the Congress may establish an 12 independent economic and planning agency headed by the President of the 13 Philippines, which shall, after consultations with the appropriate public agencies, 14 various private sectors, and local government units, recommend to Congress, and 15 implement continuing integrated and coordinated programs and policies for national 16

development.

The State recognizes that, pursuant to Section 1, Article XII of the Constitution, the goals of the national economy are a more equitable distribution of opportunities, income and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.

**ARTICLE II** 

′

# 

# DEPARTMENT OF ECONOMIC PLANNING AND DEVELOPMENT-

SEC. 3. Creation of the Department of Economics and Planning. – There is hereby created a Department of Economic Planning and Development, hereafter referred to as DEPD.

SEC. 4. *Mandate.* – DEPD shall be the policy, planning, coordinating, implementing, and administrative entity of the Executive Branch of government on economic planning and development. It shall formulate the country's continuing, integrated, and coordinated policies, plans, and programs for national development and oversee the country's public investment program.

SEC. 5. *Powers and Functions.* DEPD shall have the following powers and functions:

### I. Policy and Planning

- a. Formulate the long-term development framework as the basis for
  - overall direction of government policies, programs, and projects;
    b. Formulate the national and regional framework for physical and
- spatial planning to ensure the sustainable use of land and other physical resources;
  - c. Formulate national, inter-regional, regional and provincial development plans that set forth measurable goals, strategies, proposed policies, programs, and projects;

1	d.	Ensure consistency of national, inter-regional, regional and provincial
2		sectoral, and spatial plans and programs and monitor their respective
3		implementations;
4	e.	Recommend the priorities for budget expenditure policies including
5		sectoral and regional allocations;
6	f.	Propose and review policies to achieve economic development goals
7		and foster innovation;
8	g.	Conduct research, surveys, and related studies for the formulation of
9		policies, plans, programs, and projects; and
10	h.	Coordinate with autonomous and administrative regions in the
11		conduct of planning activities affecting their respective regions.
12	II. I	nvestment Programming
13	a.	Formulate and review the national and regional public investment
14		program that identifies priority programs, activities, and projects;
15	b.	Adopt and implement appropriate evaluation measures and criteria to
16		determine viability of programs and projects;
17	с.	Appraise and recommend programs and projects that are found
18		viable;
19	d.	Monitor and assess the progress of implementation of priority
20		programs and projects; and
21	e.	Assess the impacts and outcomes of priority programs and projects.
22	III. C	Capacity Building of Development Planners
23	a.	Establish and implement a capacity building program on development
24		planning for national, regional, and local planners; and
25	b.	Provide technical assistance on the localization of national
26		development strategies.
27	IV. S	Secretariat Support
28	a.	Provide technical and secretariat support to the Economics and Planning
29		Council and its Committees, Regional Development Councils, National
30		Innovation Council, and Legislative-Executive Development Advisory
31		Council.

	SEC. 6.	Compos	sition	of DEPD.	- DEPD shall	be headed	d by a	Secretar	y. The	
Depa	artment Pro	oper sha	ll be	composed	of the Office	of the Sec	cretar	y, the Off	ices of	
the	Undersecr	etaries	and .	Assistant	Secretaries,	technical	and	sectoral	staffs,	
oper	operations support staffs, and regional offices.									

SEC. 7. Secretary of Economics and Planning. – The Secretary of Economics and Planning, hereafter referred to as the Secretary, shall be appointed by the President, subject to the confirmation of the Commission on Appointments.

The Secretary, who shall be the country's Chief Economist, shall have the following minimum qualifications: a natural-born citizen and resident of the Philippines: of good moral character; must have distinguished himself/herself professionally in public, civic, or academic service in the field of economics; must have been in the active practice of his/her profession for at least ten (10) years; and must not have been a candidate for any elective national or local office in the immediately preceding elections, whether regular or special.

- SEC. 8. *Powers and Functions of the Secretary.* The Secretary shall have the following powers and functions:
  - (a) Advise the President on matters of national economic and social development;
    - (b) Provide executive direction and supervision over the entire operations of DEPD;
    - (c) Establish policies and standards for the efficient and effective operations of DEPD;
    - (d) Exercise disciplinary powers over officers and employees of DEPD in accordance with law;
    - (e) Promulgate such rules and regulations, and exercise such other powers as may be required to implement the objectives of this Act; and
    - (f) Perform such other functions as may be provided by law.

SEC. 9. *Undersecretaries and Assistant Secretaries.* – The Secretary shall be assisted by four (4) Undersecretaries and eight (8) Assistant Secretaries, who shall be appointed by the President upon recommendation of the Secretary.

The Secretary shall have the flexibility to determine the respective assignments of the Undersecretaries and Assistant Secretaries depending on DEPD's strategic directions and/or on emerging development trends affecting the country's economy.

- SEC. 10. *Groups and Offices.* DEPD shall have four (4) major Groups headed by Undersecretaries, to be supported by Offices and Staffs in the discharge of their functions, to wit:
  - (a) The Policy and Planning Group which shall be responsible for preparing and updating the integrated long-term development frameworks and plans, and physical planning frameworks; harmonizing national and sub-national, sectoral, and spatial plans and programs and monitoring their respective implementations; conducting research and related studies for plan formulation and policy recommendations; and preparing the annual economic reports;
  - (b) The Investment Programming Group which shall be responsible for translating plans and policies into programs and projects for sectoral and regional development; and formulating the public investment program;
  - (c) The Regional Development Group which shall be responsible for promoting and undertaking regional planning and development; and
  - (d) The Corporate Affairs Group which shall be responsible for providing support services relating to budget, finance and management; human resources; legal assistance; information, communications and technology; records; supplies and equipment; collection and disbursement; security; sanitation; and custodial work.

The Secretary shall have the flexibility to reorganize the groups, offices, and staffs, and to recommend to DBM for approval, the creation of additional offices,

positions, or staffing modifications as may be necessary.

SEC 11. Structure and Staffing. – The organizational structure and staffing shall be determined by DEPD and shall be submitted to DBM for approval as necessary.

SEC. 12. DEPD Regional Offices. – The DEPD shall establish, operate and maintain a regional office in all the different regions of the country. Each regional office shall be headed by a Regional Director, who shall be assisted by an Assistant Director. The regional offices shall discharge the functions of DEP, as applicable, at the regional level.

SEC. 13. Attached Agencies. – The agencies currently attached to the National Economic and Development Authority (NEDA) shall hereafter be attached to DEPD and shall continue to operate and function in accordance with their respective charters, laws, or orders creating them, except as otherwise provided in this Act.

The Philippine Institute for Development Studies (PIDS) as the government's primary socioeconomic policy think tank; and the Philippine Statistics Authority (PSA) as the government's central statistical authority shall be organizationally linked to the Office of the Secretary for policy and program coordination.

The Public-Private Partnership Center of the Philippines (PPPC) as the agency responsible for the promotion and facilitation of PPP programs and projects shall be organizationally linked to the Investment Programming Group for policy and program coordination.

The Philippine Statistical Research and Training Institute (PSRTI) as the agency mandated to conduct high quality, objective and responsive statistical research and training; the Commission on Population and Development (POPDEVCOM) as the agency responsible for the government's national program on population and family planning; and the Philippine National Volunteer Service Coordinating Agency (PNVSCA) as the agency mandated to promote and coordinate volunteer programs and services shall be organizationally linked to the Policy and Planning Group for policy and program coordination.

The Tariff Commission (TC) as the agency that provides independent analysis, information, and technical support on matters related to tariff and non-tariff measures shall be organizationally linked to the Policy and Planning Group for administrative purposes.

SEC. 14. Legislative-Executive Development Advisory Council. — DEPD shall serve as the principal secretariat of the Legislative-Executive Development Advisory Council (LEDAC), pursuant to Republic Act No. 7640, otherwise known as "An Act Constituting the Legislative-Executive Development Advisory Council." The LEDAC Secretariat shall hereafter be integrated in the organizational structure of DEP. The necessary appropriations for operating and capital expenditure of the LEDAC Secretariat shall be included in DEPD's budget in the General Appropriations Act.

#### CHAPTER II

# THE ECONOMICS AND PLANNING COUNCIL AND ITS COMMITTEES

SEC. 15. *The Economics and Planning Council.* – There shall be established an Economics and Planning Council, hereafter referred to as the Council, as the executive collegial body responsible for directing and providing overall policy direction on economic, financial, social and environmental matters to achieve inclusive and sustained economic growth. The Council shall be headed by the President of the Philippines.

- SEC. 16. *Composition of the Council.* The Council shall be composed of the following:
  - (a) The President of the Philippines as Chairperson;
- 26 (b) Secretary of Economics and Planning;
- (c) Secretary of Finance;
  - (d) Secretary of Budget and Management;
- (e) Secretary of Interior and Local Government
- 30 (f) Secretary of Trade and Industry
  - (g) Secretary of Public Works and Highways

1	(h) Chairperson of the Union of Local Authorities of the Philippines; and
2	(i) Governor of the Bangko Sentral ng Pilipinas (BSP), as a resource
3	institution.
4	All members of the Council, except the Governor of BSP, are voting members.
5	The presence of a majority of all members of the Council shall constitute a quorum.
6	The Council may request inputs from the private sector.
7	The President shall assign the Vice-Chairperson from among the members of
8	the Council. The President may revise the membership of the Council as deemed
9	necessary for the effective performance of the Council's functions.
10	
11	SEC. 17. Powers and Functions of the Council. – The Council shall have the
12	following powers and functions:
13	(a) Direct the formulation and implementation of policies, plans, and
14	programs that promote economic development and address development
15	concerns of national importance;
16	(b) Approve policies, plans, programs, and projects, as endorsed by the
17	Committees;
18	(c) Approve proposed cost threshold and other criteria for priority programs
19	and projects, unless already provided by existing laws, rules and
20	regulations;
21	(d)Approve the level of annual government expenditures, as well as
22	projections, forecast, resource requirement, and the ceiling of
23	government spending; and
24	(e) Issue rules and regulations necessary for the effective discharge of the
25	powers and functions vested on the Council.
26	
27	SEC. 18. Meetings. – The Council shall meet quarterly. A special meeting of
28	the Council may be convened by the President to address urgent concerns,
29	emergencies, and other extraordinary circumstances.
30	All decisions of the Council shall require the concurrence of the President of the
31	Philippines.

DEPD shall maintain and preserve a complete record of the proceedings and deliberations of the Council, including the recording and transcripts, either in their original form, or in any secure format made available by existing technology.

SEC. 19. *Full Disclosure Rule.* – In addition to the requirements of Republic Act No. 6713, otherwise known as the Code of Conduct and Ethical Standards for Public Officials and Employees, any member of the Council with personal and pecuniary interest in any matter in the agenda of the Council shall disclose the interest to the Council and shall withdraw from the meeting when the matter is taken up. The minutes shall reflect the disclosure made and the retirement of the member concerned from the meeting.

SEC. 20. *Committees of the Council.* – The Council shall have committees that shall act as its primary advisory bodies.

These Committees shall be the main coordinating mechanism that ensures that the policy environment is conducive to the promotion of rapid, inclusive, and sustained economic growth.

The President shall designate the respective Chairpersons of the Committees. DEPD shall serve as the Secretariat for all Committees, unless otherwise provided in this Act.

The President may revise the membership and reorganize the structures and functions of the Committees, and establish new committees, as deemed necessary.

SEC. 21. Development Budget Coordination Committee (BudgetCom). – BudgetCom shall be composed of the Secretaries of the Department of Budget and Management, Department of Economics and Planning, and Department of Finance, the Executive Secretary, and the Governor of BSP.

A technical committee of BudgetCom, composed of duly designated Undersecretaries of the same member agencies, is hereby established to conduct a technical review of matters that require appropriate action by BudgetCom. The

1	Department of Budget and Management shall serve as the Secretariat for								
2	BudgetCom.								
3	BudgetCom shall recommend for final approval of the Council:								
4	(a) The level of annual government expenditures and the ceiling of								
5	government spending for economic and social development, national								
6	defense, and government debt service;								
7	(b) The budget to be allocated for current operating expenditures and capital								
8	outlays of government programs and projects;								
9	(c) A strategic multi-year fiscal program which supports the long-term and								
10	medium-term development objectives of the country; and								
11	(d) A domestic and foreign borrowing program.								
12									
13	SEC. 22. Investment Coordination Committee (InvestmentCom)								
14	InvestmentCom shall be composed of the Secretaries of the Department of Finance,								
15	Department of Economics and Planning, Department of Budget and Management,								
16	Department of the Interior and Local Government, and Department of Trade and								
17	Industry, the Executive Secretary, and the Governor of BSP.								
18	A technical committee of InvestmentCom, composed of duly designated								
19	Undersecretaries of the same member agencies, is hereby established to conduct a								
20	technical review of matters that require appropriate action by InvestmentCom.								
21	InvestmentCom shall discharge the following functions:								
22	(a) Ensure the efficient and effective evaluation of major capital programs								
23	and projects of the country by determining levels of acceptability and								
24	viability relative to overall economic and fiscal conditions of the country;								
25	(b) Recommend for the final approval of the Council:								
26	i. The timetable of the implementation of major capital programs and								
27	projects on a regular basis;								
28	ii. Public-private partnerships, privatization, and other funding options to								

augment government's financing capacity;

1	iii. Modalities of development financing and capital market development in
2	support of long-term programs and projects for both national and local
3	government, and GOCCs; and
4	iv. Specific major programs and projects found viable in terms of
5	economic and social benefits, and viability.
6	(c) Submit to the President of the Philippines a status of the fiscal, monetary
7	and balance of payment (BOP) implications of major capital programs
8	and projects.
9	
10	SEC. 23. Economic Development Committee (EconDevCom). – EconDevCom
11	shall be composed of the Secretaries of the Department of Economics and Planning,
12	Department of Finance, Department of Trade and Industry, Department of Budget
13	and Management, Department of Public Works and Highways, Department of
14	Transportation, Department of Information and Communications Technology,
15	Department of Energy, Department of Science and Technology, Department of
16	Tourism, Department of Agriculture, and Department of the Interior and Local
17	Government, the Executive Secretary, and the Governor of BSP.
18	A technical committee of EconDevCom, composed of duly designated
19	Undersecretaries of the same member agencies, is hereby established to conduct a
20	technical review of matters that require appropriate action by EconDevCom.
21	EconDevCom shall recommend for final approval of the Council:
22	(a) Policies that ensure equitable and sustainable distribution of economic
23	opportunities and benefits to Filipinos;
24	(b) Policies towards the development of agriculture, industry, and services
25	that are vital to food security, and equitable and sustainable growth; and
26	(c) Policies and measures to promote national productivity, competition and
27	competitiveness.
28	
29	SEC. 24. Infrastructure Committee (InfraCom). – InfraCom shall be
30	composed of the Secretaries of the Department of Public Works and Highways,
31	Department of Economics and Planning, Department of Budget and Management,

- 1 Department of Finance, Department of Information and Communications
- 2 Technology, Department of Transportation, Department of Trade and Industry,
- 3 Department of Energy, Department of Agriculture, and Department of Tourism,
- 4 and the Executive Secretary.

A technical committee of InfraCom, composed of duly designated Undersecretaries of the same member agencies, is hereby established to conduct a technical review of matters that require appropriate action by InfraCom.

InfraCom shall discharge the following functions:

- (a) Recommend for the final approval of the Council a national infrastructure development strategy;
- (b) Advise the Council on all matters concerning infrastructure development; and
- (c) Coordinate the activities of agencies, including government-owned and controlled corporations involved in infrastructure development.

SEC. 25. Social Development Committee (SocialDevCom). – SocialDevCom shall be composed of the Secretaries of Department of Social Welfare and Development, Department of Economics and Planning, Department of Budget and Management, Department of Education, Department of Agrarian Reform, Department of Agriculture, Department of Health, Department of the Interior and Local Government, and Department of Labor and Employment, and the Executive Secretary.

A technical committee of SocialDevCom, composed of duly designated Undersecretaries of the same member agencies, is hereby established to conduct a technical review of matters that require appropriate action by SocialDevCom.

SocialDevCom shall discharge the following functions:

(a) Recommend for final approval of the Council policies and programs that enhance the welfare and reduce risks of Overseas Filipino Workers, older persons, differently-abled persons, children, women, indigenous peoples, marginalized farmers and fisher folk, and informal urban and upland settlers; and

(b)	Advise	the	Council	on	matters	concerning	social	development	and
	delivery	of s	ocial ser	vice	s.				

SEC. 26. Committee on Trade and Related Matters (TradeCom). – TradeCom shall be composed of the Secretaries of the Department of Trade and Industry, Department Economics and Planning, Department of Agriculture, Department of Budget and Management, Department of Environment and Natural Resources, Department of Finance, Department of Foreign Affairs, Department of Information and Communications Technology, and Department of Transportation, the Executive Secretary, the Governor of BSP, and the Chairperson of the Tariff Commission.

A technical committee of TradeCom, composed of duly designated Undersecretaries of the same member agencies, is hereby established to conduct a technical review of matters that require appropriate action by TradeCom.

TradeCom shall discharge the following functions:

- (a) Recommend for final approval of the Council a continuous rationalization policy and program for the country's tariff structure;
- (b) Advise the Council on trade and related matters, as well as the effects of various international developments on the country; and
- (c) Coordinate government agency positions and recommend national positions for international economic negotiations.

SEC. 27. Regional Development Committee (RDCom). – RDCom shall be composed of the Secretaries of the Department of Economics and Planning, Department of the Interior and Local Government, Department of Budget and Management, and Department of Trade and Industry, three (3) Regional Development Council Chairpersons representing Luzon, Visayas and Mindanao, and one (1) representative from the Union of Local Authorities of the Philippines.

A technical committee of RDCom, composed of duly designated Undersecretaries of the same member agencies, is hereby established to conduct a technical review of matters that require appropriate action by RDCom.

RDCom shall discharge the following functions:

- (a) Formulate and monitor the implementation of policies that reduce regional development disparities;
- (b) Promote equitable allocation of resources among regions by providing recommendations to DBCC on the guidelines for the regional allocation of budgetary resources; and
- (c) Periodically review the viability of the regional configuration of the country, and recommend to the Council the re-delineation of regions, as may be necessary.

SEC. 28. Marine Resource and Land Use Committee (MaRLUCom). — MaRLUCom shall be composed of the Secretaries of the Department of Economics and Planning, Department of Agrarian Reform, Department of Agriculture, Department of Energy, Department of Environment and Natural Resources, Department of the Interior and Local Government, Department of Science and Technology, Department of Tourism, and Department of Human Settlements and Urban Development, the Chairperson of the National Commission on Indigenous Peoples, the Chairperson of the National Coast Watch Council, and the presidents of leagues of provinces, municipalities and cities.

A technical committee of MarLUCom, composed of duly designated Undersecretaries of the same member agencies, is hereby established to conduct a technical review of matters that require appropriate action by MarLUCom.

MaRLUCom shall discharge the following functions:

- (a) Advise the Council on matters concerning marine resource use planning and land use physical planning;
- (b) Recommend for final approval of the Council the national and subnational framework for physical planning;
- (c) Recommend for final approval of the Council resolutions concerning marine resource use and land use policy conflicts among national government agencies; and

(d) Ensure the integration of marine resource use, land use and physical planning, including disaster risk management, into national development policies, plans and programs.

SEC. 29. Regional Development Council (RDC). – The Regional Development Councils are the regional counterparts of the Council. Each RDC shall be composed of provincial governors, city mayors, mayors of municipalities designated as provincial capitals, presidents of the provincial league of mayors, mayors of municipalities designated as the regional centers, regional directors of the agencies represented in the Council, regional directors of the Department of Education, Department of Social Welfare and Development, and Department of Tourism, and private sector representatives who shall comprise one-fourth of the members of the fully constituted RDC.

The President of the Philippines shall appoint the Chairperson and Vice Chairperson of the RDC. The DEPD Regional Offices shall serve as secretariat of the RDCs.

#### **CHAPTER III**

## TRANSITORY AND OTHER MISCELLANEOUS PROVISIONS

SEC. 30. *Transitory Provision*. – NEDA is hereby abolished. DEPD shall, by virtue of this Act, be subrogated to all the rights and assume all the liabilities of NEDA, and all of its funds, records, property, assets, equipment, and such personnel as necessary, including unexpended appropriations and/or allocations. All contracts and liabilities of NEDA are hereby transferred to and assumed by DEPD and shall be acted upon in accordance with the Auditing Code and other pertinent laws, rules, and regulations. All current officials and employees of NEDA shall be retained under and absorbed by DEPD.

Any reference to NEDA or to the Secretary of NEDA in any existing law, Executive Order, Administrative Order, or Presidential Proclamation, rules and regulations, and other issuances with respect to any duty or function assumed by

DEPD created in this Act, shall be deemed hereafter to be referenced to DEPD or to the Secretary of Economics and Planning, respectively.

All programs and projects submitted to NEDA for appraisal and/or those endorsed by the current Investment Coordination Committee for NEDA Board approval prior to the effectivity of this Act shall be processed by DEPD and the Council, respectively, subject to the prevailing laws, rules and regulations, guidelines, and issuances at the time they were submitted or endorsed.

SEC. 31. Separation and Retirement from Service. – NEDA employees who are separated from service as a result of the consolidation and/or reorganization under the provisions of this Act, shall receive separation benefits to which they may be entitled under existing laws: *Provided,* That those who are qualified to retire under existing retirement laws shall be allowed to retire and receive retirement benefits to which they may be entitled under applicable laws and issuances.

SEC. 32. *Appropriations*. – The amount necessary to cover the initial implementation of this Act shall be charged against the current year's appropriations of NEDA. Thereafter, such sums as may be necessary for the effective and continuous implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 33. *Implementing Rules and Regulations*. – Within ninety days (90) days from the effectivity of this Act, DEPD shall promulgate the rules and regulations, as well as the necessary issuances required for the proper implementation of the provisions of this Act. The implementing rules and regulations shall take effect fifteen (15) days after the completion of its publication in two (2) newspapers of general circulation. Within three (3) days from its effectivity date, three (3) certified copies of the published implementing rules and regulations shall be furnished to the University of the Philippines Office of the Law Center pursuant to Book VII, Chapter 2, Section 3 of the Administrative Code of 1987.

SEC. 34. Separability Clause. – If any provision or portion of this Act is declared unconstitutional, the remainder of this Act or any provision not thereby affected shall remain in full force and effect.

SEC. 35. *Repealing Clause.* – Executive Order No. 230, series of 1987, and Chapters 1, 2, 3, and 4, Subtitle C, Title II, Book V of Executive Order No. 292, Series of 1987, are hereby repealed. All laws, decrees, executive orders, ordinances, rules, regulations, and other issuances, or parts thereof, which are inconsistent with any provision of this Act, are hereby repealed, amended, and/ or modified accordingly.

SEC. 36. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

APPROVED,