

# [ PRESIDENTIAL DECREE NO. 1703, July 26, 1980 ]

## **AMENDING PRESIDENTIAL DECREE NO. 690, THE REVISED CHARTER OF THE SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY.**

**WHEREAS**, it is the policy of the Government to foster and accelerate the balanced growth of the Southern Philippines (Mindanao, Sulu Basilan and Tawi-Tawi) for the national economic, social and political stability;

**WHEREAS**, surveys and studies indicate a pressing need to accelerate the economic growth and development of the region to make it more responsive to the national plans and policies within the context of national solidarity with the leadership, support and total commitment of the government;

**WHEREAS**, sustained development of the region will rely heavily on the capabilities of the people of the area to participate in the total effort in undertaking integrated development projects under one authoritative agency;

**WHEREAS**, the Southern Philippine Development Administration has been created by Presidential Decree No. 690 to serve as the specific agency of the Government which is responsible for the initiation and/or implementation of development projects in Southern Philippines; and

**WHEREAS**, the Southern Philippines Development Administration in order to more effectively and vigorously promote and enhance the development of Mindanao and Sulu Archipelago, should be restructured and strengthened;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree that Presidential Decree No. 690, otherwise known as the Southern Philippines Development Administration Charter, be amended to read as follows:

**SECTION 1. Short Title.**— This Decree shall be known as the "Revised Charter of the Southern Philippines Development Authority."

**SEC. 2. Declaration of Policy** — It is hereby declared the policy of the Government to foster and accelerate the balanced growth of the Southern Philippines within the context of national plans and policies, by the activation of mass participation in the processes of development to be exercised through a unified responsive agency; democratization of opportunity for improvement and maximization of benefits in the utilization and allocation of all the resources that may be available; utilization of income and profit for economic growth and development and in support of the required social innovations.

**SEC. 3. Creation of the Southern Philippines Development Authority.** —There is hereby created a body corporate to be known as the Southern Philippines Development Authority, hereinafter referred to as the "Authority" which shall be governed by the provisions of this Decree. Generally, the Authority shall undertake essentially developmental and economically viable ventures within its territorial boundaries of operations which is limited to the geographical coverage of Regions IX, X, XI and XII.

**SEC. 4. *Principal Office; Term*** — The principal office of the authority shall be in Davao City. It may, however, establish such branches, subsidiaries, offices or agencies as it may deem proper and necessary for the attainment of the objectives of this Decree . The Authority shall have a term of fifty (50) years from the issuance hereof, renewable for the same period unless otherwise *provided* by law.

**SEC. 5. *Purposes***. — The Authority shall have the following purposes and objectives:

- a. To promote the development of Southern Philippines by initiating and/or undertaking, by itself or otherwise, development and/or business projects of corporate, economic nature whether in agriculture, power, infrastructure, energy, public utilities, land development, manufacturing, exploration and/or utilization of natural resources and other fields or projects;
- b. To make investments in any field as would enhance the economic development of the region;

**SEC. 6. *Powers and Functions of the Authority***. — The Authority shall exercise the following powers and perform functions:

- a. To succeed on its corporate name, with the power of succession.
- b. To sue and be sued in such corporate name.
- c. To adopt, alter and use a corporate seal, which shall be judicially noticed.
- d. To undertake the programs and projects specified or envisioned under Section 5 hereof.
- e. To make contracts of any kind and description to enable it to discharge its functions and attain the objectives *provided* in this Decree.
- f. To adopt, amend and repeal its by-laws
- g. To acquire, lease or hold such personal and real property as it deems necessary or convenient in the transaction of its business and to lease out, mortgage, sell, alienate or otherwise dispose any such personal and real property held by it.
- h. To hold, own, possess, lease, convey and mortgage agricultural lands,
- i. To engage or invest in or extend, loans and guarantees to, or enter, into joint ventures with Filipino and foreign investors as it may deem proper, and necessary or contributory to the economic development of Southern Philippines.
- j. To exercise the right of eminent domain as may be necessary for the purpose for which the corporation is created.
- k. Whenever essential to the proper transaction of its business or to carry out the purposes of its organization, to contract indebtedness and issue bonds.
- l. To charge and collect fees dues or other charges at reasonable rates for such services and/or facilities that may be *provided* by the Authority.

**SEC. 7. *Availability and Utilization of Public Lands*** — Upon request by the Authority and certification by the President, the Bureau of Lands and Bureau of forestry shall immediately make available and deliver necessary public lands, for the Authority's priority projects. The Authority is hereby empowered and authorized to hold, administer, utilize, encumber or otherwise deal with such land in the pursuit of the said priority projects.

**SEC. 8. *Capital Stock*** — The Authority shall have an authorized capital stock of Five Hundred Million Pesos (P500,000,000.00) the amount to be fully subscribed and paid by the National Government, to be appropriated out of any funds in the

National Treasury not otherwise appropriated. The present assets of the Authority may be revalued as of the date of the effectivity of this Decree and such revaluation may be reflected in the Authority's capitalization. Existing liabilities of the Authority due the National Government are hereby converted as capital of the Authority.

**SEC. 9. *Operating Expenses*** — There is hereby appropriated the sum of Two Million Pesos out of the funds of the National Treasury not otherwise appropriated for the operating costs of the authority for the remaining period of fiscal Year 1980. Thereafter and for subsequent fiscal years, the amount of Ten Million Pesos shall be *provided* in the General Appropriations Act to cover the operating expenses of the Authority.

**SEC. 10. *Powers to Issue Bonds*** — Whenever the Board Directors may deem, it necessary for the authority to incur an indebtedness or to issue bonds to carry out the provisions of this Decree, it shall by resolution, so declare and state the purpose for which the proposed debt is to be incurred. It order that such resolution be valid, it shall be passed by the affirmative vote of at least a simple majority of all the members of such Boad and approved by the President of the Philippines upon the recommendation of the Secretary of Finance, after consultation with the National Economic and Development Authority and the Monetary Board of the Central Bank.

**SEC. 11. *Sinking Fund*** — A sinking fund shall be established by the Authority in such manner that the total annual contributions thereto, accrued at such rate of interest as may be determined by the Minister of Finance in consultation with the Monetary Board, shall be sufficient to redeem at maturity the bonds issued under the provisions of this Decree. Said fund shall be under the custody of the Central Bank of the Philippine which shall invest the same in such manner as the Monetary Board may approve, charging all expenses of such investment of said sinking fund, and crediting the same with the interest on investments and other income accruing thereto,,

**SEC. 12. *Government Guarantee*** — The Republic of the Philippines hereby guarantees the payment of the Authority of both the principal and interests on the bonds, debentures, collaterals, notes or such other obligations incurred by the Authority by virtue of the provisions of this decree, and shall pay the said principal and interest in case the Authority fails to pay the same, The Minister of Finance shall pay the amount thereof, to be appropriated from the funds of the National Treasury not otherwise appropriated, and thereupon to the extend of the amount so paid, the Government of the Republic of the Philippines shall succeed to all the rights of the holders of such bonds, debentures, collaterals, notes or other obligation-unless the amount be refunded by the Authority within a reasonable time.

**SEC. 13. *Foreign Loans*** — The Authority is hereby authorized to contract loans, credit and indebtedness, in any convertible foreign currency or capital goods from time to time from foreign governments or any international financial institutions or fund sources, the total outstanding amount of which, exclusive of interest charges, shall not exceed two hundred million US Dollars or the equivalent thereof in other currencies at any one time on such terms and conditions as may be agreed upon.

The President of the Philippines, by himself, or through the Minister of Finance or the Governor of the Central Bank is hereby further authorized to guarantee, absolutely and. unconditionally, as primary obligor and not as surety merely, in the name and on behalf of the Republic of the Philippines, the payment of any loans