

Comments on House Bill 0009 introduced by Congressman Alan Peter Cayetano entitled “*An Act Establishing a National Economic Decentralization Plan in All Regions of the Philippines and Other Purposes*”

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Comments

On the Rationale of the bill

The proposed bill aims to provide development in all Regions outside of Metro Manila and to address NCR-centralism in terms of development funding. The objective of the bill is laudable and has been the direction of national development planning since the 1990s. However, there is no need for a legislative issuance on a national economic decentralization plan. The planning is already undertaken at the regional level through the Regional Development Councils. The Local Government Code also empowers the LGUs to craft and implement city and municipal plans. Moreover, with the recent Supreme Court ruling on the Internal Revenue Allotment (Mandanas Law), the LGUs are given bigger share of the IRA to implement priority development projects in their localities. The national government can support the LGUs at the regional, provincial, city and municipal level through program/project prioritization and through the development of strategic local infrastructure masterplans that will make the Regions attractive for investments and for better livability.

On Section 3: Philippine Decentralization Committee (PDC)

Given that existing avenues/mechanism (e.g. RDC, City/municipal Development Planning) are already present, the establishment of the PDC can be considered mainly to oversee the process. An executive issuance, for this matter would thus suffice.

The DTI, in-charge of industries and MSMEs, should be included in the committee.

On Sections 4 and 5: Philippine Decentralization Plan and Relocation of NGA

There is no need for a decentralization plan. The assessment of development opportunities and challenges should be done at the Regional/Provincial/Metropolitan level and a Masterplan should be the output of such assessment.

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The Masterplan should include identifying the area that could be developed as regional government centers. The agglomeration of government offices has efficiency implications and to have one NGA in one Region is not only inefficient but also ineffective in bringing about economic development in a Region.

On Section 6: Philippine Healthcare Development Program

This can be done even without the law by asking DOH to give updates on its healthcare development program and to enhance such program.

On Section 7: Regional Centers for Excellence Development Program

The Regional Centers for Excellence in Education and Skills Training can be done even without the law through DEPED, CHED, LGUs.

It is not clear what is the basis for the of Php100 billion fund. The Masterplan would enable Regions to assess the needs and strategic locations in which these Centers can be established.

On Section 8: Decentralization of Procurement for Major NGA projects

This can be addressed through IRRs of the Procurement Law

On Section 9: Tax Incentives for Industries Locating Outside Metro Manila

Tax incentives are already part of the legislative agenda on tax reform that is being pushed by the DOF's TRAIN package 2.