

Part I

Introduction

**Why
Peace
Agreements
do not
always lead
to Peace**

A great majority of peace agreements fail (Kanavou, 2006; Jarstad and Sundberg, 2006). There is in fact growing empirical evidence that rather than achieve peace, peace agreements have paved the way to increased violence and chaos — Rwanda is a case in point. The literature assessing the success or failure of peace pacts have produced a plethora of hypotheses explaining the failure to implement peace agreements, among them: security dilemmas of the warring parties; inadequate international involvement; the presence of spoilers whose commitment to peace is only tactical; vague, incomplete, or expedient peace agreements; or the lack of coordination among implementing agencies (Stedman, 2002). This preponderance of failed peace agreements has in fact created a cottage industry of peace and conflict experts, as well as centers and institutes.

It has become important to understand the dynamics not just of mediating conflicts but the factors for successful implementation of peace agreements as well. The end of the Cold War did not bring with it “Pax Americana”, nor did it bring about the much-touted “end of history”. Instead, states in the post-Cold War era had to deal with conflicts and civil wars due to increased demands for autonomy and assertions of ethnic identity.

States have traditionally been reluctant to deal with local insurgency groups for fear that dealing with them constitutes a grant of legitimacy that consequently will undermine the power of the state. However,

governments have increasingly come to appreciate the need for politically negotiated settlements in order to attain peace and development (Harish, 2005: p. 7). According to Anna Jarstad and Ralph Sundberg, from 1989 to 2004, there have been 83 peace agreements signed by warring parties (2006).

Given the fact that 7 out of 10 agreements end up failing, it is imperative to understand the factors that led to such failure and subsequently the pitfalls to avoid to ensure success in implementation. What policy lessons and recommendations can we draw from the collapse of pacts? These are some of the same questions that need to be asked with respect to the 1996 Peace Agreement between the Philippine Government and the Moro National Liberation Front (MNLF).

Promise of Peace

The 1996 Final Peace Agreement (FPA) between the Government of the Republic of the Philippines (GRP) and the Moro¹ National Liberation Front (MNLF) was welcomed by millions of suffering Mindanaoans as the long-awaited solution to end decades of armed conflict. This was the only major peace agreement successfully brokered by the Organization of the Islamic Conference. President Fidel V. Ramos and MNLF Chair Nurulajji Misuari received the Felix Houphouet-Boigny Peace Prize² "for the agreement they have made in ending the conflict on 2nd September 1996 between the Philippines Government and the Moro National Liberation Front".

¹ "Moro", Spanish for "Moor", was considered a derogatory term until adopted by the Moro National Liberation Front (MNLF) as the political identity of the Muslim peoples of Mindanao.

² The Felix Houphouet-Boigny Peace Prize was established in 1990 by UNESCO to honor individuals and institutions who significantly contribute to the promotion of peace in accordance with the UN charter.

The agreement came in the wake of almost 25 years of fighting between Moro rebels and government troops that according to some estimates, have resulted in more than 150,000 deaths, mostly women, children and the elderly; about 300,000 homes and buildings burned; 535 mosques demolished; 200 schools destroyed; 35 towns and villages completely razed; almost half the entire Moro population uprooted; 200,000 Moro refugees in Sabah, Malaysia; and physical and emotional damage that can never be quantified. A quarter of a century of conflict had reduced dynamic Muslim communities to a state of poverty and lawlessness.

However, after giving hope that peace in Mindanao would finally become a reality, the agreement encountered rough waters that threatened to undermine the initial gains achieved ten years ago. MNLF Chair Misuari, in fact, proclaimed during the tenth year commemoration of the FPA, "that it needed to be exhumed".

Predictably, the government and the MNLF disagree as to the status of implementation of the FPA. There has been much frustration experienced in the implementation of the agreement, with each side blaming the other for violations of the accord. A fact-based and dispassionate assessment is required which should go beyond the assignment of blame; rather it should seek out new alternatives to get back to the original solution to the "Mindanao Problem", back on the path of peace and development.

This study is an attempt to evaluate implementation of the 1996 peace accord by: (1) analyzing the legal and political structures set in place; (2) evaluating the implementation of the FPA in terms of institutional responses, governance issues and fiscal support from the national government; (3) comparing the perspectives of the government and the MNLF vis-à-vis the implementation of key provisions in the agreement (4) provide a snapshot of overseas development assistance to the ARMM as an indicator of development initiatives launched in the wake of the agreement (5) assessing the human development conditions of Muslim Mindanao ten years after the signing of the FPA, (6) considering the possible steps to bring the implementation of the FPA back on track, and, (7) pointing to the lessons that peacemakers should learn from its implementation.

Part II

**The Story of the
1996 Peace
Agreement**

Most conflicts are contextualized by long and complicated historical antecedents. It is not the objective of this study to review the history of the Bangsa Moro struggle. Other publications provide substantive historical backgrounds. For instance, Abraham Iribani's book, "Give Peace A Chance: The Story of the 1996 Peace Agreement" is a compelling and deeply personal account of what transpired during the negotiations of the 1996 FPA. While that is important to understanding the 'Mindanao problem', this section will simply give a cursory background of past attempts to resolve the impasse in Muslim Mindanao.

Prior to the 1996 Agreement, there had been various attempts to bring peace to Mindanao. Following talks between Imelda Marcos and Libyan President Muamar Gaddafi, the Tripoli Agreement (see Annex 1) was signed in Libya between the Philippine government and the Moro National Liberation Front on December 23, 1976. The Tripoli Agreement established a ceasefire and provided for autonomy in the southern Philippines "within the realm of the sovereignty and territorial integrity of the Republic of the Philippines". The agreed area of autonomy was defined to encompass thirteen provinces¹ of Mindanao, Sulu and Palawan and the cities therein. The MNLF, however, pulled out of talks over the implementation of the Tripoli Agreement when President Marcos made clear his intention to hold a plebiscite in the proposed autonomous region of Muslim Mindanao, a unilateral act which the MNLF considered to be a gross

¹ Now 14 provinces, after the creation of the province of Sarangani. The third district of South Cotabato was converted into the independent province of Sarangani was 1992 through Republic Act 7228.

violation of the Tripoli Agreement.

It is important to note here that the 1996 Agreement must be understood in the context of the 1976 Tripoli Agreement. As the title of the 1996 accord suggests, the 1996 FPA is intended as the final implementation of the unresolved stipulations under the mother agreement — the GRP-MNLF Tripoli Agreement. As earlier stated, under the Tripoli Agreement, the MNLF and the GRP agreed on the establishment of an Autonomous Government for the Muslims in Southern Philippines within the territorial integrity and sovereignty of the Republic of the Philippines, specifically in the “13 provinces and all cities and villages situated therein”. In fact, the Tripoli Agreement was the basis for the 2nd exploratory talks in Cipanas, hosted by Indonesia on April 1993. The Cipanas Statement of Understanding set out the agenda for the peace negotiations, i.e., “the talks will focus on the modalities for the full implementation of the Tripoli Agreement in letter and spirit” (see Annex 2).

After the downfall of the Marcos regime, President Corazon C. Aquino reached out to the MNLF in 1986, initiating peace talks with the intention of establishing an autonomous region for the Moros. The two parties met in Jeddah but the government rejected the MNLF position to suspend autonomy provisions in the draft Constitution. A new Philippine Constitution was ratified in 1987. Article X of the 1987 constitution mandated that the

Congress create an Autonomous Region in Muslim Mindanao. An impasse resulted. The MNLF went back to the mountains and resumed their struggle. In the meantime, government continued its move to establish a region of autonomy.

On August 1, 1989, through Republic Act No. 6734, otherwise known as the Organic Act, a plebiscite was held in the provinces and cities identified in the Tripoli Agreement. The plebiscite would determine which provinces and cities would become part of the Autonomous Region in Muslim Mindanao (ARMM), based on the decision of the residents. The MNLF, stating that this was a violation of the Tripoli Agreement, boycotted the plebiscite. Only four provinces voted for autonomy: Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi.

After Fidel V. Ramos won the presidency in 1992, he declared that the first order of the day was to bring about peace and order so that economic reforms could take place. On 28 July 1992, President Ramos issued Presidential Proclamation No. 10 A which affirmed that in order "to address the problem of bringing back the rest of the rebels in our society to the folds of the law, there is need to undertake a comprehensive and participative peace process which will involve all concerned sectors of society in order to generate the collective political will to attain peace with justice."

President Ramos then began to set into

motion a strategy that would achieve “peace with justice”. In September 1992, he created the National Unification Commission (NUC) that immediately conducted provincial and regional consultations for the purpose of coming up with a report containing a set of recommendations for a comprehensive peace process. The NUC report became wholly the basis for the issuance of Executive Order 125 (Defining the Approach and Administrative Structure for Government’s Peace Efforts) on September 1993. EO 125 provided for the creation of the Office of the Presidential Adviser on the Peace Process (OPAPP), the Government of the Republic of the Philippines Negotiating Panels (GRP NP or GPNP), the National Amnesty Commission (NAC), and the National Program for Unification and Development (NPUD); and, the “Six Paths to Peace”.

The “Six Paths to Peace” included: (1) pursuit of social, economic and political reforms; (2) consensus-building and empowerment for peace; (3) peaceful, negotiated settlement with the different rebel groups; (4) programs for reconciliation, reintegration into mainstream society, and rehabilitation; (5) addressing concerns arising from the continuing armed hostilities; and (6) building and nurturing a climate conducive to peace. These “paths”, specifically the third, laid the basis for government’s effort for a politically negotiated settlement with various rebel groups.

After four years of negotiations, the GRP-

MNLF Peace Agreement was signed on September 2, 1996. The peace accord was officially known as "The Final Agreement on the Implementation of the 1976 Tripoli Agreement between the Government of the Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF) with the Participation of the Organization of Islamic Conference Ministerial Committee of the Six and the Secretary General of the Organization of Islamic Conference (OIC)". It was signed by Nurulajji Misuari, as Chairman of the MNLF, and Manuel Yan, Chairman of the Government of Republic of the Philippines (GRP) panel and on behalf of President Fidel V. Ramos.

Part III

**The Plan
for Peace**

The 1996 Peace Agreement clearly offered both parties some measure of political and strategic incentives. On the one hand, it afforded Nur Misuari and the MNLF the opportunity, after years of revolutionary struggle, to effect meaningful reforms in Muslim Mindanao. On the other hand, it provided the Government of the Republic of the Philippines with an opening for peace that would allow it to initiate vital economic reforms for the country. Understandably, there was renewed hope on both sides that peace would finally allow progress and development to take root in the distressed areas of Muslim Mindanao.

While the good intentions of both parties in agreeing to a framework for Peace based on the 1976 Tripoli Agreement must be acknowledged, both sides have traditionally maintained contrary views concerning the implementation of that framework. The MNLF was, and continues to be, wedded to the full implementation of the Tripoli Agreement in letter and spirit. However, the provision that states "The Government of the Philippines shall take all necessary constitutional processes for the implementation of the entire Agreement" did provide government the legal cover for requiring a plebiscite.

¹ President Marcos left this escape clause for the Philippine government. According to observers, the Libyan government convinced the MNLF to accept the precondition, stating that a peace agreement was in the best interest of the Moros.

The Tripoli Agreement was signed during the martial law years when President Marcos had tremendous powers. Although Marcos could have carved up the desired territory then, he sought protective cover under the umbrella of Constitutional provisions¹. Why Marcos did not use his powers to provide for

the Bangsamoro territory is the subject of much speculation. Some maintain that Marcos, a constitutional law expert, did not want to unilaterally implement an act which could violate the Constitution. Others surmise that the politically-astute Marcos had to mollify his Mindanao leaders who believed the peace agreement would diminish their power and territory.

The peace talks under President Aquino and President Ramos, which led to the 1996 Peace Agreement, were conducted under a new Constitution which greatly limited the powers of the President and the executive branch. A powerful legislative body was in play, which tied the hands of the executive branch. The co-equal status of the legislative and the executive complicated the negotiations. Both houses of Congress were suspicious of the negotiations and therefore unsupportive of the peace talks. Further, the local government units of Mindanao, especially in the Christian dominated areas, were similarly suspicious of a peace agreement which would hand over power to the MNLF.

With these changes in the Philippine political system, the GRP has sought to project that the Mindanao today is not the Mindanao of 1976. The government believes that the peace implementation is a much more pragmatic affair that necessitates some measure of flexibility in the realization of many of the Peace Agreement's goals.

² The original number of provinces was 13. However, with the creation of the province of Saranggani, the number increased to 14 without an increase in territory.

Phase I: Transition

Phase I of the Peace Agreement was

envisioned to be a three-year transitory period that would lay the groundwork for peace and development in the Autonomous Region. ARMM at the time consisted of Lanao del Sur, Maguindanao, Sulu and Tawi Tawi. Phase I was meant to spur the reconciliation process and strengthen the peace and order situation in the region.

The transitional phase also envisioned the creation of nascent institutional bodies that would oversee development and infrastructure projects, and serve as the bedrock for the future autonomous region envisioned in Phase II of the Agreement: the Southern Philippines Council for Peace and Development (SPCPD), the Consultative Assembly (CA), and the Special Zone of Peace and Development (SZOPAD).

President Ramos issued Executive Order 371 on August 2, 1996 to create the three transitional mechanisms. The 152-province SZOPAD³ covered the original provinces and cities identified in the Tripoli Agreement. The transition phase envisioned development efforts to be poured into the SZOPAD area in preparation for full-blown autonomy, and the SPCPD was tasked to coordinate and spearhead these development efforts.

EO 371 spelled out twelve projects to be implemented in the SZOPAD by the SPCPD and CA, as part of the "mini-Marshall Plan" for Mindanao. These were the following:

1. Human development projects, including but no limited to health and sanitation services, educational development, and

³ Including the provinces of Basilan, Sulu, Tawi-Tawi, Zamboanga del Sur, Zamboanga del Norte, North Cotabato, Maguindanao, Sultan Kudarat, Lanao del Norte, Lanao del Sur, Davao del Sur, South Cotabato, Sarangani, and Palawan, and nine cities namely: Cotabato, Dapitan, Dipolog, General Santos, Iligan, Marawi, Pagadian, Zamboanga, and Puerto Princesa.

⁴ These projects were to be part of the mini-Marshall Plan for the SZOPAD.

welfare services, to promote the well-being of families in depressed communities and enhance their capabilities to participate in economic programs.

2. Socialized housing projects to address housing backlogs in priority areas;

3. Water supply development to provide potable water especially to depressed communities in the SZOPAD;

4. Roads and bridges to connect depressed communities to centers of economic activities and improve mobility of goods and services within the SZOPAD and between the SZOPAD and other growth areas;

5. Airports and seaports to address the needs of commuters and facilitate transport of products in the priority areas;

6. Telecommunications and power / electrification programs to support the increase in economic activities in the SZOPAD;

7. Development and promotion of tourism to harness the tourism potential and enhance appreciation and awareness of history and culture in the SZOPAD;

8. Environmental and marine resources improvement program to protect and conserve natural resources in the SZOPAD;

9. Enhancement of agricultural production through irrigation and post-harvest and marketing facilities;

10. Establishment of food processing facilities to generate employment and create forward and backward economic linkages;

11. Establishment of Provincial Industrial Centers and People's Industrial Enterprises to serve as focal points of business activities and generate additional economic opportunities; and

12. People empowerment programs to

ensure greater participation of women and other disadvantaged groups in governance and in the determination of their political, economic and social destinies.

Phase 1 also included the integration of former MNLF combatants into the Armed Forces of the Philippines (AFP) and Philippine National Police (PNP),

PHASE II : The New Autonomy

Phase II envisioned attainment of full autonomy through a series of steps. The most important hurdle pursuant to the full implementation of the Peace Agreement involved the reconstitution of the autonomous region. The composition and characteristics of this new autonomous region would be dependent on an amendment of the Organic Act (RA 6734) of the Autonomous Region in Muslim Mindanao. This amendatory law would be put before the people of the concerned areas in a plebiscite.

The amendatory law was meant to incorporate the following specific provisions, as prescribed by the Peace Agreement:

- The establishment of an Executive Council, a Legislative Assembly, an administrative system, and a system of representation in the national government.
- The Establishment of the Special Regional Security Forces for the Autonomous Region;
- The Establishment of an Integrated Educational System intended to

develop the totality of spiritual, intellectual, social, cultural, scientific and physical aspects of the Bangsamoro people to make them God-fearing, productive, patriotic citizens conscious of their Filipino and Islamic values and Islamic cultural heritage;

- The Establishment of an Economic and Financial System

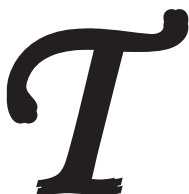
In 2001, Congress passed RA 9054 otherwise known as "An Act to Strengthen and Expand the Organic Act for the ARMM, Amending for the Purpose RA No. 6734, Entitled 'An Act Providing for the Autonomous Region in Muslim Mindanao', As Amended. Through a plebiscite held on August 14, 2001, Basilan and the Islamic City of Marawi joined Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi to form the new ARMM.

The Government holds that it has met the majority of obligations under both phases, especially with regard to the creation of an amendatory law that makes explicit the powers and functions afforded to the autonomous government by central government. By contrast, the MNLF has unequivocally maintained that majority of the provisions for both phases have been failures in implementation. The MNLF is particularly vocal about its opposition to the new law, which they say runs entirely counter to the letter and spirit of the 1976 Tripoli Agreement.

Part IV

**The Politics
of Peace:**

**Autonomy
in Transition**



he specific issue at the heart of the contentions between government and the MNLF is this: did government do its part in the implementation of the peace agreement? Government argues that they have done all that is required of them in the 1996 FPA while the MNLF counters that government has failed. This chapter will look at the contending viewpoints issue by issue, and will attempt to explain the source of the disagreement.

The first issue is with regard to the adequacy of powers given to the transitional structures namely: the SPCPD and the Consultative Assembly. As mentioned earlier, the chances of peace agreements succeeding in post-conflict societies depend a great deal on the success of the transitional structures that are put in place. In the case of the 1996 FPA, the transitional structures would determine the quality of autonomy for Muslim Mindanao.

¹ *Broken Peace? An Assessment of the 1996 Peace Agreement* organized by the Philippine Council for Islam and Democracy supported by the Magbassa Kita Foundation Inc and the Konrad Adenauer Stiftung, Club Filipino, Greenhills, San Juan City, August 31, 2005

² *Making Peace and Democracy Work: The GRP-MNLF Peace Agreement* organized by the Philippine Council for Islam and Democracy supported by the Magbassa Kita Foundation Inc., The Asia Foundation, and the Konrad Adenauer Stiftung, Club Filipino, Greenhills, San Juan City, August 25, 2006

The government, through the Office of the Presidential Adviser on the Peace Process (OPAPP), declared that they have done their part in ensuring the success of Phase I of the agreement. In a forum¹ organized by the Philippine Council on Islam and Democracy (PCID) in 2005, Secretary Jesus Dureza asserted that the military and political aspects of Phase 1 of the agreement have been fully completed. Specifically, OPAPP Undersecretary Dimasangcay Pundato ² reported that the government has made possible the establishment of the Special Zones of Peace and Development, the

Southern Philippine Council for Peace and Development (SPCPD), and the Consultative Assembly (CA). OPPAP also claimed to have provided development assistance in the amount of P68 billion spread over four years as well as the facilitation of the channeling of overseas development assistance (ODA) for ARMM and the SZOPAD Social Fund.

The MNLF representatives in the same 2005 PCID conference³ disputed the claims made by government that it had accomplished its part in the implementation of Phase I. Rev. Absalom Cerveza, spokesperson of the MNLF Peace Panel, explicitly stated that while government indeed created the transitional structures as provided for in the FPA, the SPCPD and the Consultative Assembly had no direct powers and were under-funded. Worse, little coordination between and among government agencies, departments and instrumentalities including government-owned and controlled corporations made it especially difficult for the SPCPD to fulfil its tasks.

³ *Broken Peace? An Assessment of the 1996 Peace Agreement* organized by the Philippine Council for Islam and Democracy.

⁴ Contained in E.O. 496 which the President signed on January 23, 2006 but was later amended after protests from Muslim leaders

⁵ Contained in E.O. 496 which the President signed on January 23, 2006 but was later amended after protests from Muslim leaders

The MNLF also cited the failure of national government to remit the internal revenue funds in the first five years to the regional government. Former ARMM Governor Dr. Parouk Hussin noted that from 2002 to 2004, more than P1 billion in ARMM funds were not released. This failure to release the allotted funds, and delays in transferring funds to the regional government, is aggravated by the fact that out of the total budget, around 70% goes to personal services, leaving

almost nothing for infrastructure and development programs.

Weak Transitional Structures

Peace agreements traditionally contain a transition phase before the implementation of the permanent political settlement. The transitional structures are intended to stabilize the area and pave the way for establishment of the new political order. Needless to say, if the transitional structures fail, the entire peace agreement may collapse.

Under the provisions of the 1996 agreement, the transitional phase was crucial in laying the foundation for the successful emergence of a new autonomous government. There was however a mismatch in the objectives and functions of the SPCPD, and the specific powers provided for it by EO 371 (see Table 3).

EO 371 was a watered down version of what was agreed upon. This view is held by not only the MNLF but other key stakeholders in the peace process, such as members of the Consultative Assembly. The three transitional structures—the Southern Philippines Council for Peace and Development (SPCPD), the Special Zone of Peace and Development in the Southern Philippines (SZOPAD), and the Consultative Assembly (CA) were too weak to pursue meaningful changes.

The control and regulatory powers of the

SPCPD were not specified in the Peace Agreement. All functions and powers of the bodies remained derived from, and dependent on, the President. For example, the President exerted direct control through his powers of appointment of officers of key economic institutions of the region. Politically, while members of the Consultative Assembly were elected by the people in the region at large, this body’s functions and powers were derivative from those of the President.

This arrangement, in effect, made the assembly an appendage of the Executive Office. The political structures created therefore lacked authority in implementing its own development initiatives and was unable to influence the development policies of national and local government agencies in the SZOPAD such as NEDA’s Special Development Planning Task Group (SDPTG).

Below is a table that summarizes what the SPCPD was tasked to do, and what its actual powers were, and the extent of its activities.

Table 3—Comparison of SPCPD Functions and Powers

SPCPD FUNCTIONS (UNDER EO 371)	DEFICIENCIES IN POWERS
1. Take charge of the promotion, monitoring, and coordination of the improvement of peace and order in the area.	1. While the SPCPD could “request such police or military forces to address specific contingencies in accordance with law”, it had minimal influence over the military and police. The SPCPD merely acted as a recommendatory and consultative body.

SPCPD FUNCTIONS (UNDER EO 371)	DEFICIENCIES IN POWERS
2. Undertake peace and development efforts, especially in the depressed areas and initiate the implementation of appropriate projects.	2. Had no overarching authority over the departments and local government units operating in the SZOPAD. SPCPD served as a mere coordinating agency between agencies that were actually implementing programs and initiatives.
3. Support the local government units, when needed.	3. Local government units had their own programs in place; SPCPD had little impact in implementing new programs for the LGU's since it had limited resources.
4. Use other powers needed to implement its mandate as may be delegated by the President.	4. The SPCPD had no powers to raise revenues. It remained heavily dependent on the President in terms of its authority and funding. Further, it had no powers to influence government agencies.
5. Assist in the holding of elections, referenda, or plebiscite, and peoples' initiative in the area, if deputized by the Commission on Elections upon the recommendation of the President.	5. The SPCPD was not deputized to assist in the 1998 elections and 2001 plebiscite.
6. Recommend the creation of such offices or instrumentalities necessary for the effective and efficient administration of the affairs of the area.	6. Under former President Estrada's term, EO 261 created the Mindanao Coordinating Council (MCC) that effectively superseded the SPCPD.

The SPCPD lacked resources from the National Government and had to primarily rely on foreign donor assistance such as the UN Multi-Donor Assistance Programme. The SPCPD and the Consultative Assembly — bereft of any direct power and lacking supplementary funds — were unable to monitor, coordinate, and direct development efforts in the SZOPAD.

Fr. Eliseo Mercado, former Majority Leader of the CA, explained that the failure of the SPCPD could be attributed to: the ambiguous powers of the SPCPD and its mandate vis-à-vis the line agencies and local government units leading to the absence of a clear and decisive leadership in the SZOPAD (Diaz, 2006). There is also a lack of enthusiasm on the part of local governments to work with the SPCPD-Consultative Assembly, and a lack of logistical and administrative support for the SPCPD (Bacani, 2004).

The SPCPD was completely disregarded in the peace talks with the MILF and was not deputized by the Commission on Elections (COMELEC) to assist in the 1998 elections and 2001 plebiscite, contrary to previous agreements with the national government. The failure to launch consultative talks with grass-roots groups and other civil society actors bred a sense of distrust on all sides, and created resistance among non-Muslims to the Peace Agreement and the SPCPD (Cagaco-Guiam, 1999).

Moreover, while the SPCPD and the CA were tasked to promote, coordinate and accelerate development initiatives within the SZOPAD, there was very little coordination between and among government agencies, departments and instrumentalities including government-owned and controlled corporations. There was even a complete failure in linking the SPCPD and CA to the regional development councils, regional peace and order councils, and other similar bodies composed of local government officials, regional heads of departments and other government offices within SZOPAD (Mercado, 2006).

In other words, the introduction of new political structures in the region did not come with the mechanisms that should have rationalized the relationship between and among already existing government agencies and the transitional structures of the peace agreement. Ultimately, local government officials did not consider EO 371 superior to RA 7160 or the national Local Government Code. In fact, the provincial governors and mayors largely ignored the SPCPD-CA and were far more concerned with programmed projects set out by their development councils (Diaz, 2006). In the face of this bureaucratic confusion, the SPCPD and the CA appeared as redundant agencies with overlapping functions.

The implementation of genuine autonomy requires a comprehensive revamp of the philosophy and structures of government. It necessitates the harnessing of all government resources and the harmonization of agencies towards the achievement of genuine political reforms. This was the same conclusion that Benedicto Bacani (2004) reached when he studied the relationship between ARMM and LGUs: *"Autonomy is prone to failure in an environment where there is an established system of decentralization from the national government to local government units and the relationship of the autonomous region with the national and local governments is not clear"*.

As if that was not enough, former President Joseph Ejercito Estrada, through Executive Order 261 (5 July 2000), created the Mindanao Coordinating Council (MCC). The Mindanao Coordinating Council, with the

authority to coordinate all development and infrastructure programs in Mindanao, effectively usurped the SPCPD of its coordinating role over the SZOPAD. The MCC, while largely inactive in its year of existence under Estrada, also proved to be unrepresentative. President Estrada's nominees for the Council's four private sector representatives came solely from the Mindanao business community, a fact that clearly frustrated much of Mindanao civil society (Hidalgo 2000).

To protest this marginalization of the SPCPD, three prominent officials of the SPCPD and Consultative Assembly resigned, namely: Notre Dame University President Fr. Eliseo Mercado as Majority Floor leader of the SPCPD-Consultative Assembly, Mayor Edward Hagedorn of Puerto Princesa as SPCPD Vice Chairman and Bai Yasmin Macalandong as member of the Consultative Assembly.

Phase I was the predicate for a more arduous Phase II—the emergence of an autonomous government. It principally necessitated the amendment or repeal of RA 6734 (the existing autonomy law), and the submission of the same to the people in the affected area through a plebiscite. This became more difficult as the political capital, created by the euphoria of signing the agreement, was gradually undermined by the perceived failure of the transitional structures to achieve its objectives.

On the other hand, the political force of those who continue to oppose the agreement was gaining ground. The peace agreement, once supported and celebrated by a cross-section of Philippine society, started to lose

its lustre as public confidence declined in the ability of the autonomous government to get things done.

The deficiencies of Executive Order No. 371, and subsequent events, ensured that the transitional structures that it created could not achieve the purposes for which they were envisioned. It was a problematic transition from its very inception.

The Question of Integration

Sections 19 and 20 of the 1996 FPA provided for the “joining of the MNLF elements with the Philippine National Police (PNP)” and the “joining of the MNLF forces with the Armed Forces of the Philippines (AFP).” The FPA mandated government the integration of five thousand seven hundred fifty (5,750) to the AFP and one thousand five hundred (1,500) to the PNP. Moreover, section 20 (b) provides the following:

“In the beginning, the MNLF forces will join as units distinct from AFP units. They will be initially organized into separate units within a transition period, until such time that mutual confidence is developed as the members of these separate units will be gradually integrated into regular AFP units deployed in the area of the autonomy (underscoring supplied).”

Government maintains that it has fulfilled its obligation. It has integrated MNLF members into the Armed Forces of the Philippines and Philippine National Police, and provided livelihood assistance to MNLF combatants. The MNLF, for its part, asserted that

government violated the Peace Agreement when it did not organize the MNLF integreees into separate units under the command of the Deputy Commander.

In violation of the agreement, government deployed, as it continues to deploy, the MNLF integreees in combat duties to fight fellow Muslims in the Moro Islamic Liberation Front (MILF) and were recently used to fight against the MNLF forces in Sulu. There were significant numbers killed in the encounters and others have gone on absence without leave.

Phase II, Round 2

The disagreements get more intense with respect to the second phase of the agreement which is intended to establish genuine autonomy for Muslims. The essence of this autonomous region would be defined by a law amending the Organic Act (RA 6734) of the Autonomous Region in Muslim Mindanao.

And in this regard, OPAPP reported the following:

☑ The passage of RA 9054 in 2001 as the New ARMM Organic Act and its acceptance through a plebiscite on August 14, 2001.

☑ Establishment of the ARMM Regional Government composed of an Executive Council, Legislative Assembly, and Administrative System.

☑ Appointment of Muslims to national agencies pursuant to the right of representation in the national government.

The President has appointed two Muslims with the rank of Cabinet Secretary: Nasser Pangandaman (Department of Agrarian Reform) and Zamzamin Ampatuan (National Anti-Poverty Commission Chairman).

☑ The Establishment of the PNP Special Regional Security Force for the Autonomous Region in 2002 with 1,500 MNLF integrees deployed throughout ARMM and the establishment in 2003 of the ARMM AFP Unified Command.

☑ Devolution of line agencies through five Executive Orders.

☑ Development and institutionalization of Madrasah education. Department of Education-ARMM is implementing the 2002 Basic Education Curriculum and the Madrasah Education program through the creation of a standard curriculum and professionalization program for Madaris and Arabic language teachers.

☑ Creation of an Autonomous Economic and Financial System is underway. The Regional Economic Development and Planning Board has been created and a Medium-Term Development Plan has been initiated for ARMM. The Regional Legislative Assembly has been given powers to prioritize the System on Economic and Trade Agreements and has enacted the "ARMM Special Economic Zone Act of 2003" that created the Regional Economic Zone Authority (REZA). While the National Government continues to control and supervise matters of extraction, with their devolved mandate, the Regional Government effectively has full authority over all areas of environment and natural resources within the ARMM. The National Government is working closely with the Regional Legislative Assembly in legislating further devolution for the utilization and development of natural

resources within the ARMM such as the proposed enactment of a Regional Aquatic and Fisheries Code.

☑ The establishment of *Shariah* courts. There are currently five Sharia District Courts with one District Judge, and 51 Sharia Circuit Courts with 19 Circuit Court Judges functioning within and outside the ARMM.

MNLF: Problematic Autonomy

Point by point the MNLF rejected these claims by government and maintained that government is not implementing the 1996 FPA. Rather, it is implementing RA 9054, which contains provisions that violated the 1996 and the 1976 Tripoli peace agreements. The MNLF claims were contained in an official report on the implementation of the 1996 Peace Agreement that was sent by the MNLF to the OIC in July 2006. That report extensively enumerates the violations committed by government:

☑ It is the GRP alone, through the Philippine Congress, and *without* the participation of the MNLF and the OIC that determined and crafted RA 9054. It is clear that RA 9054 is contrary to the letter and spirit of the documents, namely the 1976 Tripoli Agreement and the 1996 Peace Agreement. What the GRP has been implementing unilaterally is neither the Tripoli Agreement nor the 1996 Peace Agreement but RA 9054 which has become the greatest impediment and stumbling block towards the implementation of the Agreements.

☑ Related to the first is that the MNLF maintains that the plebiscite unilaterally conducted by the GRP on August 14, 2001 is a violation of the Tripoli Agreement,

Paragraph 8, Article II, which specifically enumerates the areas to be included under the New Autonomous Government.

☒ The GRP, acting through Congress, has unilaterally arrogated to itself the power to define strategic mines and minerals, which violated Paragraphs 146 and 147 of 1996 FPA. This contravenes the agreement, which mandates that the MNLF and the GRP, with the positive contribution of the technical experts of the OIC, will mutually agree on the definition of the strategic mines and minerals on a latter date. This is a gross violation of the Agreement because it strikes into the heart of the jurisdiction of the Autonomous Government over Mines and Minerals within the territory.

☒ By putting the ARMM under the Office of the Presidential Adviser on Peace Process (OPAPP), the five-century old conflict is addressed and relegated to a mere advisory office which only demonstrates government's indifference to the problem¹.

☒ The GRP has not made any single appointment pursuant to Paragraph 65 FPA and to RA 9054, Article V, Sec. 2, where it provides that appointment should be through the recommendation of the Regional Governor.

☒ There continues to be an insufficiency of funds for the educational system in the ARMM. There is a general disconnect between what is stated as policy and what is effected on the ground.

There are other areas that have not been addressed. For example, according to OPAPP itself, there are 19 vacancies in the Shariah circuit courts, and only 1 out of the 5 district courts have been filled, which indicates that Shariah is implemented very poorly, and in some areas, not at all. (OPAPP: 2004)

Furthermore, while the Regional Legislative Assembly enjoys similar powers or restrictions of the provincial boards in the rest of country, the Regional Executive Council—perhaps the most important political institution in the region—exercises authority only to the extent that this is exercised on behalf of the President. This dependent character of the relationship between the Regional Autonomous Government and the national government has made the former subject to the whims of the latter, to the fluctuations of opinion among members of the national legislature, and to the inter-departmental or inter-agency squabbles over priorities or funds (Bauzon, p. 8). Given this, the nature of autonomy of the ARMM Regional Executive Council can be likened to that of any other local government unit in the country.

It is clear from the foregoing that the two sides that shook hands in the signing of the peace agreement have now diametrically opposed views with respect to the implementation of the agreement (see Tables 1 and 2 for summary of disagreements).

The crux of the controversy seems to be how one interprets the term “implementation.” Implementation is traditionally defined as “the carrying out, execution, or practice of a plan, a method, or any design for doing something.” But in the implementation of a peace agreement, such definition is problematic. Assessing the success of the implementation of peace agreements should consist of two important parts: (1) implementation success, and (2) peace.

The first refers to the execution of the

provisions of the agreement. If a peace agreement, for example, calls for the enactment of a law, such is considered implemented when the legislature passes a law as provided. This seems to be the position taken by government. From their perspective, they have executed all the tasks mandated to them by the agreement.

The second element of implementation is, however, more complicated. It refers to so-called “peace dividends”. The success of a peace agreement, as in the case of the 1996 FPA, cannot be simply measured by the administrative or bureaucratic “carrying out” of the provisions of the agreement; it must be measured by its capacity to actually achieve peace and development to its intended beneficiary. In the case of the peace agreement, there seems to be the common error of mistaking outputs for outcomes. Government has chosen to focus on outputs (e.g. passage of a law, establishment of structures), whereas the MNLF and other stakeholders look at the outcomes, in this case, peace and development.

Thus, while the government has indeed “carried out” its tasks, has it succeeded to pave the way for genuine autonomy and development in Muslim Mindanao. The test is simple: is Muslim Mindanao enjoying peace and development now as a result of the peace agreement? The answer is discussed in the succeeding chapters

Table 1—Comparing the GRP and MNLF Positions on Phase I

GRP Position on Phase I	MNLF Position on Phase I
On Institutional Arrangements	
Establishment of the Special Zones of Peace and Development (SZOPAD) covering 14 provinces and 9 cities including all those under the ARMM	The SPCPD and the Consultative Assembly had no direct powers and ill-funded
Establishment of the Southern Philippine Council for Peace and Development (SPCPD) and the Consultative Assembly (CA).	Little coordination between and among government agencies, departments and instrumentalities including government-owned and controlled corporations to support SPCPD
On the ARMM Regional Government	
Establishment of the ARMM Regional Government	The intervention of Malacañang in the ARMM elections
On Funding	
The provision by government of development assistance amounting to P67.88 Billion from 1996 – 2000 and the facilitation of the channelling of Overseas Development Assistance (ODA) for ARMM and the SZOPAD Social Fund.	The failure of national government to remit the internal revenue funds in the first five years to the regional government
On Security	
Integration of MNLF members into the Armed Forces of the Philippines and Philippine National Police including livelihood assistance to MNLF combatants	MNLF Integrees not organized in separate units under an MNLF-AFP Deputy Commander, which violated Paragraph 20b and 20c of the Peace Agreement.

Table 2—Comparing the GRP and MNLF Positions on Phase II

GRP POSITION ON PHASE II	MNLF POSITION ON PHASE II
On the New Organic Act (RA 9054)	
<p>Passage of RA 9054 in 2001 as the New ARMM Organic Act and its acceptance through a plebiscite.</p> <p>Establishment of the ARMM Regional Government composed of an Executive Council, Legislative Assembly, and Administrative System.</p>	<p>It is the GRP alone through the Philippine Congress -- without the participation of the MNLF and the OIC - - that determined and crafted RA 9054, which is contrary to the letter and spirit of the 1976 Tripoli Agreement and the 1996 Peace Agreement.</p> <p>The plebiscite unilaterally conducted by the GRP on August 14, 2001 is a violation of the Tripoli Agreement, Paragraph 8, Article II, which specifically enumerates the areas to be included under the New Autonomous Government</p>
On Mines and Minerals	
<p>While National Government continues to control and supervise matters of extraction, the Regional Government effectively has full authority over all areas of environment and natural resources within the ARMM. The National Government works closely with the Regional Legislative Assembly in legislating further devolution for the utilization and development of natural resources within the ARMM such as the proposed enactment of a Regional Aquatic and Fisheries Code.</p>	<p>The GRP, acting through Congress, has unilaterally defined strategic mines and minerals, which violates Paragraphs 146 and 147 of 1996 FPA. This contravenes the agreement, which mandates that the MNLF and the GRP, with the positive contribution of the technical experts of the OIC, will mutually agree on the definition of the strategic mines and minerals on a later date.</p>
On Institutional Arrangements	
<p>Devolution of line agencies through five Executive Orders</p> <p>Creation of an Autonomous Economic and Financial System is ongoing. The Regional Economic Development and Planning Board has been created and a Medium-Term Development Plan has been initiated for ARMM.</p>	<p>By putting the ARMM under the Office of the Presidential Adviser on Peace Process (OPAPP), the five-century old conflict is addressed and relegated to a mere advisory office which only demonstrates government's indifference to the problem.¹</p>

Part V

**The Politics
of Peace:**

**A Question of
Governance**

A

s in the case of many agreements, the most difficult part is the implementation. Peace agreements are not implemented in a vacuum. No matter how grand the visions of the 1996 Peace Agreement, it still had to pass through the Philippine political process which has been criticized as partisan, inefficient, over-centralized, and corrupt.

Following the ouster of President Marcos, the Aquino administration pushed for the decentralization of government. The conventional view post-Marcos held that while centralization offered such benefits as promoting national unity and uniformity in the legal, educational and tax systems, it also retarded progress by promoting large-scale corruption, marginalizing provinces at the periphery of the national government through the adoption of “one size fits all” policies for the country.

Decentralization was seen to offer greater legitimacy, participation, and accountability by narrowing the physical distance between officials and citizens. This further entailed that local governments would be more responsive to the needs of the local population, and thus be able to provide more effective infrastructure and social services. The drive for decentralization ultimately led to the adoption of the 1991 Local Government Code (RA 7160) and the creation of the ARMM and the Cordillera Autonomous Region.

However, the centralized authority of Manila, established during the colonial administrations of Spain and the United States

and consolidated during the Philippine Commonwealth, remained in place. It proved to be a stumbling block to the implementation of regional autonomy. The traditionally over-centralized nature of the national government precluded any substantial decentralization of powers and authority in the past, in spite of the Local Government Code which devolved many functions of central government to the local government units.

The struggle for power between executive and legislative branches of government did not help. The Executive branch undertook the negotiation with minimal involvement of Congress. However, Congressional approval and support for a peace agreement were essential to its effective implementation. The Senate had to approve the agreement and both houses of Congress would need to approve future amendments of the autonomy law as well as provide for budgetary allocations.

Early on in the peace process, members of Congress expressed opposition to the Interim Agreement signed in Jakarta in 1995. The Senate agreed to support the agreement only if amendments would be introduced, which would dilute the powers and autonomy of institutions to be set up under Phase I of the agreement. Politicians, led by Senators, even filed a 54-page petition asking the Supreme Court to nullify the Agreement.

Later, Congress would amend the autonomy law and insert sections that would undermine the genuine and meaningful

autonomy for the Moros of Mindanao, as provided for in the FPA.

A case in point identified in the previous chapter was the question of control over strategic minerals. Although the peace agreement provided for the ARMM to have control over economic and fiscal systems, RA 9054 took away crucial elements. The government, acting through Congress, has unilaterally defined strategic mines and minerals, which violated Paragraphs 146 and 147 of 1996 PA. The agreement mandates that the MNLF and the GRP, with the positive contribution of the technical experts of the OIC, will mutually agree on the definition of the strategic mines and minerals on a later date. This article of RA 9054 also violated the power of the Regional Legislative Assembly to pass laws on all matters, concerns and issues within the autonomous region.

While Article XII, Section 5 provides for the "(u)se, development, of mines, minerals and other natural resources; revenue sharing;" it also provided for exceptions in control "Except for strategic minerals such as uranium, petroleum, and other fossil fuels, mineral oils, as well as all sources of potential energy, as well as national reserves and aquatic parts, forest and watershed reservations already delimited by authority of the central government or national government and those that may be defined by an act of congress within one year from effectivity date of this organic act". This article in effect ties the hands of the ARMM

from developing key resources which could have made it more financially independent of the national government (Parcasio, 2003).

Further, RA 9054 also contravenes the provisions of RA 8371 known as the Indigenous Peoples Rights Act (IPRA), which provides, under Sec. 3 thereof, that ancestral domains refer to all areas generally belonging to the Indigenous Cultural Communities (ICCs) and Indigenous Peoples (IPs).

This was the sentiment of Prof. Misuari when he said, in his message to the GRP-MNLF-OIC Tripartite Meeting on October 1999:

“We are supposed to be dealing with the GRP peace panel. GRP means Government of the Republic of the Philippines, which is supposed to embrace the entity of the whole state system, namely the Office of the President, the Congress, the Supreme Court and these Judicial organs of government, but now they are fragmenting. What the executive office commits the other organs of government may not necessarily agree to as it is happening now.” (Underscoring supplied)

¹ The OIC, the inter-governmental organization composed of fifty seven largely Islamic countries, has facilitated negotiations between the MNLF and the GRP since the 1970s.

² This was contained in his report, titled “On the Question of Muslims in Southern Philippines” submitted to the 26th Islamic Conference of Foreign Ministers, held at Ouagadougou, Burkina Faso on June 28-July 2, 1999.

This wrangling within the political structures of the government was what probably led former Secretary-General of the Organization of Islamic Conference¹, Dr. Azeddine Laraki, to appeal to the Philippine government in 1999 to end its “procrastination, prevarication and filibuster tactics” in the implementation of the agreement².

In 1999, Dr. Paul Oquist, a UNDP expert, reported:

“The first assessment report (21 June 1999) concluded that the Mindanao peace process had been largely successful (high levels of peace and order after more than two decades of internal war, demobilization of combatants and their reintegration into civilian life, and the assimilation of some into the military and the police). However, the peace process faced a crisis of credibility on the issues of regional autonomy and development. The second assessment report (7 May 2000) concludes that the autonomy and development issues are still pending while the situation on the ground has deteriorated significantly. It could also worsen still further due to adverse internal and external factors. Autonomy for peace and development is still the win-win situation in Mindanao, but it faces a series of immediate risks that require action to avoid worst case scenarios”³.

The UNDP report affirms the contention of many that the Organic Act did not offer genuine autonomy. Further, it also noted the ineffectiveness of the regional government as well as the lack of government financial support.

³ This was contained in the Second Assessment Mission Report, May 8-9, 2000. Multi-Donor Group Support to Peace and Development in Mindanao, Phase Three

The inability to grant sufficient funds and the failure to provide adequate powers to local government units (in this case, an autonomous government unit) lends credence to the argument that the national government is unwilling to diffuse power from

the center to a peripheral political unit.

This was also the case with the 1991 Local Government Code which ushered in the era of decentralization in the country. Despite the considerable increase in the powers of local government units, powers and authorities continue to emanate from, and be monopolized by, the national government. This is the result of the centuries-old set up in Philippine government where power is still monopolized by a central government, in spite of devolution.

The Problems of Governance in ARMM

Accusations of corruption, inefficiency, and nepotism, deserved or otherwise, against the ARMM regional government, including Regional Governor Misuari, did not help. A report by the Philippine Center for Investigative Journalism (PCIJ) cited corruption as the major reason for the slow delivery of social services in the region. It quoted from a 1992 Commission on Audit (COA) report which said that of 294 infrastructure projects inspected, 213 worth P49.54 million were not yet implemented at the fiscal year's end. (Vitug: 1996)

COA also reported excessive disbursements of funds: a film production on drug abuse which cost P1.89 million; charter of planes with no purpose stated; unliquidated cash advances; unnecessary hiring of consultants; and the disbursement of P25.876 million worth of confidential funds through cash advances. Local papers

reported in January 1994 that Department of Agrarian Reform employees accused ARMM officials of “converting office supplies into instant cash.” (Vitug: 1996)

A World Bank study cited the following to further reinforce this fact: the first ARMM governor did not concede defeat in the election and used this as a pretext to refuse the transfer of government inventory and accounts, and the second governor was concurrently secretary of ARMM’s two most corrupt departments, including public works. Salaries are routinely delayed (this was cause for a protest by health officials in Lanao del Sur in 1994) and public employees accuse officials involved in loan-sharking for causing these delays (Azfar: 2000).

Misuari disputed these insinuations of corruption and incompetence:

‘... wittingly or unwittingly, what the government has done was to make us appear as if we are useless, to make us appear as if we are incompetent, to make us appear as if we are a total failure. This is the effect of their strategy, their counter-insurgency strategy. They want our people to be estranged from us, they want our people to be isolated from us, they want us to become pariahs so to speak, in our homeland.’ (Statement during the 9th Joint Monitoring Committee Meeting May 25, 1999)

An ADB Report (2002) noted that while more than three fourths of the budget of ARMM goes to personnel costs, “this

expenditure does not translate into service delivery owing to inefficiencies in systems and procedures for human resource management, insufficient focus on performance, and a tendency for appointments to be politically influenced". The report further asserted that the ARMM regional agencies have limited skills and experience in project identification, planning, project implementation, and monitoring and evaluation, which also limits their ability to absorb overseas development assistance (ADB, 2002: p. 4).

A 2004 report by the Ombudsman in Mindanao showed that there have been 1,461 cases filed against officials in ARMM. Many of these cases and anecdotes of corruption have never been proven in court. But the sad fact remains that ARMM has been viewed by many as not just corrupt but inefficient as well.

Distribution of Graft cases by Mindanao Region
(As of June 2004)

Region 11 – Southern Mindanao	8, 844
Region 9 – Western Mindanao	5,717
Region 10 – Northern Mindanao	5,649
Region 12 – Southwestern Mindanao	4,795
CARAGA	2, 581
ARMM	1,461

Source: Office of the Ombudsman in Mindanao

It seems as if the challenge for ARMM governance is a significant one. Aside from the aforementioned problems of violations of the peace accord leading to a lack of autonomy, the way the ARMM Regional Government has been run has exacerbated the problems. Corruption and inefficiency certainly does not help the cause of peace and development in Muslim Mindanao.

“Spoilers”

Worsening the situation was the relentless threat to peace and order created by the Abu Sayyaf Group (ASG) and battles between government troops and the Moro Islamic Liberation Front (MILF). Some even suggested that the timing of the attacks were suspicious as the encounters occurred in the year that the next Autonomous Government would have been formed, which roughly overlaps with the three years granted to the SZOPAD and the SPCPD.)

Despite visions of autonomy, the implementation of the agreement encountered problems in the centralized system of government. Hence, any agreement on autonomy must require a corresponding shift in the philosophy of government in terms of allocation of powers and resources. It must be willing to diffuse power to allow minority and marginalized groups to empower themselves.

Part VI

**The Economics
of Peace:**

**Debating
Fiscal
Autonomy**

In the furious blame game between the GRP and the MNLF, both sides accuse the other of not doing its part in the meaningful implementation of the Agreement. Autonomy, to be effective, must be accompanied by the commensurate set of powers and funds to allow the fulfilment of such responsibilities. A mini-Marshall Plan¹ for Muslim Mindanao has been discussed by officials of the Ramos, Estrada and Arroyo administrations but has not been crafted or implemented.

Central to the controversy is the issue of funding. Did government provide Muslim Mindanao with enough resources? Did ARMM squander the money provided? Was it a case of unfunded mandates, i.e., government failing to provide SPCPD and ARMM with sufficient funds to fulfil its new mandates and produce significant changes in the region?

The MNLF, on the one hand, asserted that the GRP never sufficiently funded the political structures of both the SPCPD and the ARMM to make it genuinely effective in bringing about substantial changes in the region. On the other hand, the government categorically states that it has done its part in terms of appropriating money.

The Philippine government, in its report to the OIC, claimed that it has appropriated over Php67-billion, since the forging of the 1996 Peace Agreement, to finance infrastructure and other government programs.

As further proof of government support for the FPA, President Gloria Macapagal Arroyo unveiled the Mindanao National Initiative

¹ One of three recommendations in the MNLF Progress Report submitted to the OIC calls for "The immediate implementation of the massive socio-economic development plan or mini-Marshall Plan as provided for under the agreement". This was submitted by the MNLF delegation to the OIC Committee of the Eight at its hearing on the Question of the Muslim Minorities in Southern Philippines during the 32nd Islamic Conference of Foreign Ministers held in Sana'a, Republic of Yemen on June 27-July 1, 2005.

(Mindanao Natin) during the First Muslim Leaders' Summit convened by then Congressman Gerry Salapuddin, Deputy Speaker for Mindanao in April of 2003. Mindanao Natin, as explained in the President's website includes a "catch up plan"² for Muslim Mindanao.

"The Mindanao National Initiative or "Mindanao Natin" is the sound strategy for peace and development in Mindanao that is being implemented across many areas of action from security to infrastructure to education to economic growth to poverty reduction to law enforcement. Touted to be an important step towards the fulfillment of the promise of the region, Mindanao Natin aims to mobilize the local governments, civil society and the business community in the blueprint for development for Muslim Mindanao. It has been noted that Muslim Mindanao continued to be the poorest area in the country, beset by a very low literacy rate and whose economic exclusion has resulted in conflicts. Guided by four principles, the socio-economic package would be carried out in over 5,000 villages in Mindanao's four regions- Autonomous Region in Muslim Mindanao (ARMM), Southcentral Mindanao, Western Mindanao and Northern Mindanao. A 10-point program has been drawn in view of the Tripoli Agreement reached by the Government of the Republic of the Philippines and the Moro National Liberation Front."

² In 2002, at a national conference of political parties organized by the ruling Lakas Party, a "catch up plan" for Muslim Mindanao and the indigenous people's communities was endorsed by political leaders.

In June 2004, Mrs. Arroyo unveiled a Ten-Point Legacy Agenda which included Mindanao Natin, a "comprehensive" plan to address the problems of Muslim Mindanao. Has this priority

been reflected in the government's appropriations? Since Mindanao Natin is publicized to be in response to the Tripoli Agreement and the 1996 Peace Agreement, the impression given is that Muslim Mindanao would receive the lion's share of projects identified. The fact that Mindanao Natin was unveiled by President Arroyo during the First Muslim Leaders Summit strengthens that impression.

How much of the resources and projects under Mindanao Natin actually went to Muslim Mindanao? How much has government spent or invested in ARMM as compared to other regions? Unfortunately, data has been difficult to obtain for both revenues and disbursements in ARMM. Majority of the data gathered thus far are only indicative, being budget appropriations and not amounts actually disbursed. However, the data does reflect priorities of national government.

Autonomy: The Resource Component

Since the peace agreement was signed in 1996 until 2005, the ARMM Regional Government (ARMM-RG) has spent an estimated Php89.48-billion. A chunk of this amount goes to overseas development assistance-funded programs and projects, as will be discussed in the next chapter. The table below shows the share of ARMM in government expenditures for a decade, comparing it to selected regions in the Philippines.

***Comparative Regional Share in Government's Expenditure (In billion pesos)
NCR, CAR, and Mindanao Provinces***

	1996	1997	1998	1999	2000	2001	2002	2004	2005
NCR	23.50	23.35	30.11	33.60	40.37	47.20	42.00	35.50	36.30
IX	7.20	8.68	11.77	11.80	14.39	17.50	16.70	15.00	15.20
X	9.80	12.06	10.32	10.70	12.88	15.50	14.30	14.70	17.40
XI	10.10	11.57	15.62	16.90	21.39	23.20	22.50	16.10	16.10
XII	5.70	7.20	8.40	8.90	12.04	14.10	14.30	14.60	15.20
CARAGA	---	0.25	6.12	8.60	10.10	15.50	14.10	10.90	14.90
CAR	4.70	6.33	8.06	8.60	10.16	14.20	11.40	10.00	10.90
ARMM	5.60	6.06	7.90	9.20	9.72	14.90	11.10	10.50	14.50
TOTAL	158.30	194.6	237.2	263.3	307.6	371.0	354.3	316.5	351.5

**Congressional Planning and Budget Department,
House of Representatives**

Note that CARAGA — the country's newest region — even overtook ARMM in expenditures by fiscal year 2000. CARAGA is not the subject of a peace agreement. Neither does it figure prominently in media as the recipient of government attention. However, very quietly, it has received more government funding than ARMM, which has the third lowest share among the regions. Since ARMM is the subject of a peace agreement, one could have expected a significant increase in funding, rather than incremental growth for rehabilitation of conflict areas and pump-priming activities necessary to spur growth.

A 2005 World Bank Joint Needs Assessment for Reconstruction and Development of Conflict-Affected Areas in Mindanao makes a very insightful observation of two unique features which characterize ARMM:

- Public services already being performed by local government units in other parts of the country *are still*

being performed by the ARMM Regional Government (ARMM-RG).

- Other services not yet devolved to local government units elsewhere *are already being performed* by the ARMM-RG (such as education)

ARMM had to absorb the personnel costs associated with the devolution of line agencies, its funds in the regular allotment could not provide for operating expenses and capital outlays. To date, 20 offices have been devolved to the ARMM-RG. No other region has to fund and manage these offices, because the regional offices in the other areas are still funded by the national line agencies.

It is also important to note that ARMM has to fund the cost of a regional governor and a legislative assembly. These items also do not exist in other regions. Aside from that, regional line departments already devolved to ARMM (e.g. ARMM-DepEd) have a bigger workload and overhead than the usual regional administrative offices of national agencies (e.g. DepEd Region IV) because the central agencies takes care of other administrative costs, such as planning. Those devolved to the ARMM have to do everything themselves.

It is not surprising that the study concludes "ARMM costs tend to be higher than those in other regions". Given all these, when compared with other regions, ARMM's share does not seem commensurate to what it has to fund, as can be seen in the table above.

The next table shows the distribution of

the ARMM budget according to the three major categories of object of expenditure: personal services or salaries, maintenance and other operating expenses (MOOE), and capital outlays.

Appropriation for ARMM by Object of Expenditure (1997 – 2006)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	TOTAL
Personal Services (in billion pesos)	2.04	2.85	3.07	3.09	3.09	3.67	3.78	3.78	4.46	4.46	34.29
%	81%	58%	70%	72%	72%	72%	75%	75%	67%	67%	70%
MOOE	0.43	0.54	0.75	0.55	0.55	0.71	0.76	0.76	1.34	1.34	7.74
%	17%	11%	17%	13%	13%	14%	15%	15%	20%	20%	16%
Capital Outlays	0.04	1.55	0.55	0.68	0.68	0.70	0.48	0.48	0.90	0.90	6.95
%	2%	31%	12%	16%	16%	14%	10%	10%	13%	13%	14%
Total (In Billion pesos)	2.51	4.94	4.33	4.33	4.33	5.07	5.02	5.02	6.69	6.69	48.97

Source: Legislative Budget and Research Management Office, Philippine Senate

Note: Appropriations for 2001, 2004 and 2006 were reenactments

After the peace agreement was signed, a total of P6.95 billion was spent on capital outlays – items such as equipment, infrastructure, buildings, and other big ticket expenses that underpin long-term growth. But the cost for personal services (salaries for the most part) was at a total of P34-billion, and operating costs were at P7.7-billion.

The item for personal services seems disproportionately high, at an average of 70% for the past decade. Operating costs account for 16%, and capital outlays at 14%. What could account for these figures? Are there

too many employees in ARMM regional government? Has the ARMM-RG been transformed into an employment agency, as is the common perception?

As mentioned above, the ARMM regional government had to absorb the personnel of 20 devolved line agencies, as well as establish a regional governor's office, and a regional legislative assembly.

Aside from that, according to the World Bank (2005), teachers comprise more than 74% of the ARMM Regional Government workforce. This is followed by ARMM-Department of Health which accounts for 7.5%. This means that more than 80% of civil servants who draw salaries in the ARMM regional government are involved in the basic services of education and health. These are population-sensitive work: the more the population grows, the more you have to hire teachers, doctors, or barangay health workers.

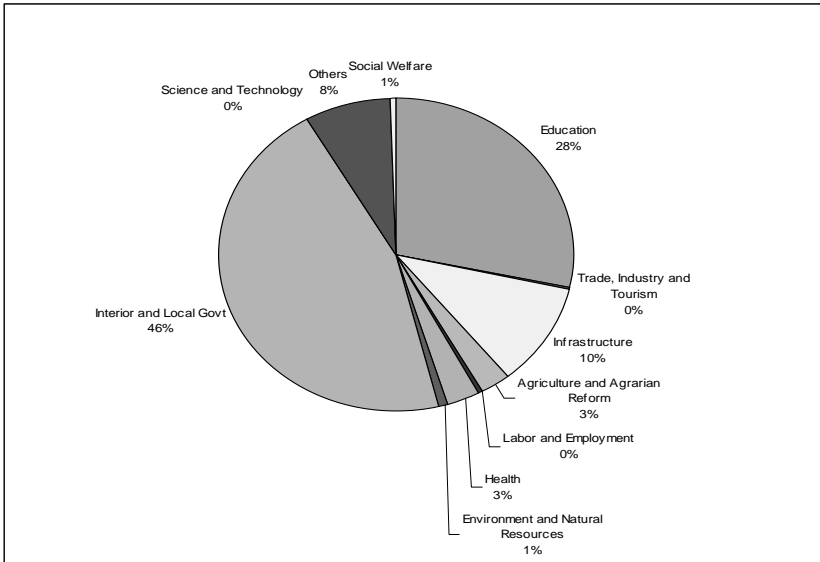
The Japanese aid agency JICA claims that the personnel from the devolved agencies are not enough to provide for basic services in the entire region. Therefore, ARMM has to hire more people despite the fact that around 70% of its budget goes to salaries. (World Bank: 2005)

These arguments seem to point to the conclusion that the shares in the budgetary pie of the ARMM-RG are not skewed, or that there are too many employees (that may well be true). The pie is simply not big enough.

So for the funds that do not go to salaries, where does the Regional Government of

ARMM spend its money? The chart below details the expenses of ARMM-RG for the period 2001-2005.

Sectoral Expenditure of the ARMM Regional Government



INCITEGov (2007)

Excluding funds coming from the internal revenue allotments of local government units (looking at regional and national government allocations only), education gets the biggest share in ARMM at 28%. Infrastructure is next at 10%. Other sectors such as trade, tourism, labor and employment got less than 1% share of the regional budget.

Who Controls the Funds?

Given the amounts and distribution of resources, what is more troubling to note are the findings of a study by the

International Center for Innovation, Transformation and Excellence in Governance (INCITEGov) entitled, "Towards Strengthening the Fiscal Capabilities of ARMM" (2007), as well as the World Bank Joint Social Assessment (2005) on the amount of control exercised by the ARMM regional government on their budgets. As an autonomous government, one would expect ARMM to have significant control over their resources as the name implies.

However, according to the two studies, the ARMM budget is still controlled by national government. In fact, 95.2% of the regional budget is identified as controlled by national government and **has to be defended in Congress just like any other regular department.**

INCITEGOV states that "only a negligible 4% (of ARMM funds)...is completely within the control of (ARMM regional government)." 99.96% of ARMM funds are sourced and released by the national government, making the ARMM-RG's autonomy illusory.

ARMM Fiscal Inventory, 2001-2005 (In Million Pesos)

Sources of Funds	200	2002	2003	2004	2005	Total
National Government Appropriations for ARG	4,768	4,953	5,193	5,510	6,467	6,891
National Government Appropriations for ARMM Public Works	----	149	261	261	650	1,321
Congressional Allocations	311	584	545	572	560	2,572
ARG Share in Internal Revenue Collection in the Autonomous Region	195	187	285	405	704	1,776
IRA of LGUs in ARMM	4,589	6,148	6,460	6,490	7,037	30,724
National Government Agencies Funds disbursed in ARMM	1,777	2,322	3,020	2,878	2,956	12,953
Regional Revenues raised by ARG	6	2	7	11	6	32
TOTAL	11,646	14,345	15,771	16,127	18,380	76,269

INCITEGov (2007)

This led the World Bank Joint Needs Assessment team to state that "(t)he ARMM has no more real of practical autonomy in deciding on the level and allocation of funds intended for its politically distinct mandate than other non-autonomous administrative agencies of national government". And if the regional government has no autonomy in the realm of funds, can it have autonomy elsewhere?

Further, the INCITEGOV study states the following:

1. There is weak ARMM revenue mobilization,
2. ARMM is fiscally dependent on the national government,
3. There is personnel/overhead burden,
4. There is limited program administration capacity, and
5. There is dispersed resource control and accountability.

The INCITEGov study also indicates another startling realization: from 2001 to 2005, the ARMM Regional Government was only able to raise P32 billion despite increased revenue-generating powers provided to it by RA 9054.

The ADB assessment report took note of this: "The ability of the regional government to generate other sources of income, and to attract investment, is limited by security concerns, low economic development, and weak institutional systems and processes. In addition, low awareness and compliance with tax laws limits collections."

While it is wrong to exculpate the regional government from blame for its lack of capability, neither is it correct to wholly ignore the fact that it is quite difficult to tax—even when one is vested such powers—a population already mired in poverty. And when there are sporadic encounters in the region, few investors would even begin to think of ARMM as a safe haven in which to invest.

It may be concluded therefore that the ARMM regional government has had increased mandates, limited funds, as well as heavy dependence on national government – characteristics that do not bode well for development in the area.

Part VII

**Overseas
Development
Assistance in
Mindanao**

The international community has tried to do its part in rehabilitating Muslim Mindanao, and to give it additional support for development efforts. Given the limited resources from internal revenue as well as national government, ARMM has had to get by with support from the international community.

It is estimated that Official Development Assistance (ODA) that poured into ARMM totaled over \$1 billion (these include those not accessed through ARMM). Based on information from the ARMM Regional Government through the Regional Economic and Development Planning Office, about 29 ongoing foreign-assisted projects in 2000 reached ARMM. Of these, seven are in human development with the aim of improving the delivery of basic social services, especially in poor and vulnerable communities. Health, education and capability-building have had tremendous support from international funding institutions.

Macapado Muslim, Chancellor of the Mindanao State University-General Santos Campus, wrote in 1999 that "(t)he Philippine government has relied heavily on foreign assistance in development efforts for SZOPAD. In some areas, the most visible development activities are those under the auspices of the UN Multi-Donor Assistance Programme for Peace and Development". Targeting the ex-combatants and MNLF communities, the program included livelihood assistance, vocational skills training and enterprise development, and delivery of basic services as well as training MNLF commanders to become effective development managers. However, the non-MNLF communities equally affected by the conflict were not part of this fund.

Since then, the World Bank has implemented the Social Fund and is coordinating the Mindanao Trust Fund (MTF), launched early in 2003. Total funding for

Phase I of the MTF is more than US\$2.7 Million. Former World Bank Philippines Country Director Joachim von Amsberg said:

“Such funding is significant and strategic but small compared to the overall needs. However, capacity building in Phase I will unlock international support in Phase 2 of around US\$50 million or more. That program in turn can unleash the even greater social and economic benefits that Mindanao can experience through lasting peace. Mindanao has great potential for rapid development if different groups can begin to trust each other, find agreements, and, together, focus on the development of Mindanao, especially those areas that have been affected by the armed conflict.”

It must be noted, however, that the Fund is linked to the peace process with the Moro Islamic Liberation Front.

The Asian Development Bank has provided technical assistance to improve the capacity of ARMM to deliver services. According to the ADB website:

“The ARMM has wide-ranging powers and its own local government code, which defines autonomy and governance, particularly as they relate to local government units (LGUs). However, implementation of this code is incomplete due to such constraints as the inexperience of officials, insufficient financial resources, weak institutions and limited human resource capacity”.

The United States Agency for International Development (USAID), the Japanese International Cooperation Agency (JICA), the United Nations, the Canadian International Development Agency (CIDA), the European Union and its member-states, the Australian Agency for International Development (AusAID) and other international organizations have provided funds and technical assistance

for education, health, water, electrification and infrastructure projects in ARMM. Donor institutions and foundations such as the Konrad Adenauer Foundation and The Asia Foundation have assisted in improving the capacity of civil society as well as local governments. Civil society capacity building has been supported by the European Union, the Netherlands, and many others.

Economic programs have also been jumpstarted to increase intra-regional and external trade. Focus areas such as ARMM Fruit Forum helped rejuvenate the rich, untapped agricultural sector. The Regional Economic Zone and business matching promoted by the ARMM Business Congress and business groups, Muslim Business Forum and local Chambers of Commerce helped discover comparative advantages (such as seaweeds) that can be supported and perhaps expanded into industries in the future. Vast potential in the bangus and tilapia industries has been found.

Snapshots of ODA Support to ARMM

In pursuit of development and peace in Mindanao, specifically in ARMM, significant amounts have been poured into the area by multilateral and bilateral donors.

SZOPAD Social Fund. One such targeted ODA initiatives was the SZOPAD Social Fund Project worth \$21.5-million, funded by the World Bank, OPEC Fund for International Development and Japan. The Social Fund was created as “an offshoot of the peace agreement between the Philippine government and the MNLF” (www.portal.emindanao.org.ph) in July 1998 and was aimed at provision of basic infrastructure projects, services and employment to the communities most affected by the conflict, including ex-combatants of the MNLF. (OPAPP: 2004)

The UN Multi-Donor Programme. This program, officially known as the Livelihood Investment Program or LEAP, came into effect in April 1997 and lasted for 40 months. It was program initiated by the United Nations, along with 10 donor countries with a total fund of almost US\$10-million. 40% of this amount came from the United Nations Development Programme. LEAP addressed the needs of integrating the former MNLF combatants into society, by providing them and their families with support. (OPAPP: 2004)

MRDP. The \$27.5-million project Mindanao Rural Development Project (MRDP1) funded by the World Bank was implemented from December 1999 to December of 2004. (World Bank data, 2007) It was aimed at income and food security for the rural poor and the indigenous peoples in Mindanao. It included five provinces and 32 municipalities in Mindanao.

MRDP2. Phase 2 of the MRDP (MRDP2) has recently been approved with \$83.7-million dollars, for all 27 provinces in Mindanao. (www.worldbank.org.ph) The MRDP2 began in March 2007 and will end on December 2012 (World Bank data: accessed 2007).

ARMM Social Fund. The ARMM Social Fund Project, funded by the World Bank and JBIC, targets 25% of population of the region, and focuses on poverty reduction and peace-building projects with three components: Community Development Assistance, Strategic Regional Infrastructure, and Institutional Strengthening and Governance (OPAPP: 2004). It was initiated in December 2002 and will be completed by June of 2008 (World Bank data: accessed 2007). US\$33.6-million came from the World Bank and ¥2.47-billion from JBIC. (www.neda.gov.ph/opm)

Aside from the ARMM Social Fund, the World Bank has also initiated the Mindanao Trust Fund with a \$1.525-million infusion

USAID. The United States Agency for International Development has provided a total of US\$292-million to Mindanao for the decade following the peace agreement. In 2006, US\$39.5-million out of a total US\$68.7-million went to Mindanao. Of this, US\$11.9 million went to education, US\$10-million to conflict mitigation programs, US\$10-million to health, US\$5.3-million to environment and energy, and US\$2.3-million for economic growth and governance programs. (USAID online)

According to the National Economic and Development Authority's online ODA Monitoring System (www.neda.gov.ph/opm), there are \$87.4-million worth of on-going ODA Loans directly benefiting ARMM, which is comprised of the Social Fund and the \$32.2-million Central Mindanao Road Project funded by JBIC. This program is for the rehabilitation of 87.62km out of the 104-86km total length of the national highway in the area, including improvements in bridges

The NEDA Monitoring System mentions another \$515-million worth of loans in 5 projects being implemented that benefit multiple regions, including ARMM. These include the following:

- The Western Mindanao Community Initiatives Project funded by the IFAD. This project is for community and resource development for 80 farming and fishing villages in 80 villages in Mindanao (only Basilan part of the project)
- Mindanao Basic Urban Service Sector Project, funded by ADB and Nordic Development Fund. A credit facility for the urban infrastructure and municipal services for an estimated 40 local governments in Mindanao (only Maguindanao province included for ARMM)
- The Secondary Education

Development and Improvement Project to fund school facilities construction, rehabilitation and furnishing, provision of textbooks and other materials, and training of teachers. This is funded by the Japanese Bank for International Cooperation (JBIC) and the Asian Development Bank (ADB). 26 provinces part of the project, including Maguindanao, Sulu and Tawi-Tawi for ARMM.

- The Agrarian Reform Communities Project funded by the ADB, which targets an estimated 200,000 people nationwide (32 provinces including 4 ARMM provinces). This project is for improved road networks, installation of wells, provision of credit and other activities to benefit rural communities
- Infrastructure for Rural Productivity Enhancement Sector Project, funded by the ADB, which targets 779 municipalities and cities nationwide, including ARMM. This is for the improvement of rural infrastructure and the capacity local governments to manage them
- New Communications, Navigation Surveillance/Air Traffic Management Systems funded by JBIC, for the development of air traffic control in the country (Basilan and Maguindanao part of the project)

The status report on the Implementation of the 1996 Final Peace Agreement submitted by the Office of the Presidential Adviser on the Peace Process in March of 2004 has a subsection on ODA projects. They list Php41-billion pesos worth (or US\$ 790.70 million) of ODA projects that have gone into SZOPAD since the Peace Agreement (in

1996) until 2004. Unfortunately, the table (in page 37 of the report) showing the breakdown of ODA projects is full of errors and cannot be used.

The report also presents the distribution of new ODA-assisted projects in ARMM and the former SZOPAD areas from 2000 – 2002. It is instructive to note that for that period, ARMM directly received Php1.6-billion worth of new ODA projects, but the former SZOPAD areas (the other provinces and cities which are not part of ARMM) directly received Php21.44-billion worth of new ODA projects. There is Php73-billion worth of ODA projects that are multi-regional in nature and include the ARMM provinces, although there is no indication of how much of this flows into ARMM and non-ARMM areas.

Aside from grants to ARMM, the national government has also made some developmental loans. We can look at the figures to serve as indicators of the nature of prioritization for the ARMM.

Share of ARMM in Total Loans (2000 – 2006)

Year	Total # Loans	ARMM-SPECIFIC	% share of ARMM	Total Commitment (US\$M)	ARMM	% share of ARMM
2000	203	2	.98%	13,313.10	122.94	.92%
2001	202	2	.99%	13,174.35	122.3	.92%
2002	204	2	.98%	11,856	121	1.02%
2003	189	2	1.06%	10,917	55	.50%
2006	141	2	1.4%	9,506.27	54.53	.56%

Source: National Economic and Development Authority

It is instructive to note that ARMM received directly, on average, only 1% of the total number of loans, and less than 1% of the committed amounts. There are other

loans labeled "Mindanao" as well as "Intra-Mindanao". There are also multi-regional and nationwide loans. Although these items did not specify provinces or projects these loan commitments went to, it will be safe to presume that some of the amounts went to ARMM. However, the percentages are still very small in comparison to the development needs of ARMM, and the commitment to the peace process.

Many peace and development efforts have been launched and funded by the donor community. When asked to name development projects, the Muslims of Mindanao cite the donor community, not government. But these are simply anecdotal evidences.

Much work has to be done in order to gather the data necessary to have a complete and holistic picture of just how much aid has gone into the ARMM from the international donor community. At present, the data is disparate and scattered, and no integration has been accomplished. There is also a need to objectively analyze the impact of these funds. There is also debate as to the need of the donor community to coordinate their efforts at development in order to be more efficient with the use of resources, and to avoid duplication and overlapping of programs.

Part VIII

**Human
Development in
ARMM**

An African proverb perfectly captures the tragedy of this finger-pointing over who is to blame for the problems of the Peace Agreement: “when the elephants fight, the grass gets trampled upon.” As both parties trade criticisms, the Muslims continue to suffer from poverty and underdevelopment.

The real measure of peace, and the reason why people are begging for peace, is not the termination of the conflict. People want peace because they want food on their tables, they want jobs, they want justice, they want shelter and health care, and they want a decent life. The most important standard therefore, by which the 1996 peace agreement must be measured, is the quality of life of the people in Muslim Mindanao. Any politically negotiated settlement, to be truly successful, must ensure human security and development.

More than ten years after the signing of the 1996 PA, are the Muslim communities of Mindanao more secure and developed? An endless supply of statistics from government and international organizations confirm what the Muslims have already known for the past years: that poverty has not been alleviated, and the quality of life has not improved. In fact, some indicators show that the lives of the Muslims have noticeably worsened.

To start off, the table below shows the levels of poverty comparing ARMM to selected regions in the country, with the National Capital Region as a benchmark. While there has been improvement in the poverty

incidence levels in the ARMM, it is noticeable that aside from being the poorest (it reached more than 70% in 2000), ARMM is the only region in the country that still has a poverty incidence level above 50% (as of 2003).

Poverty Incidence comparing ARMM and selected regions

REGION	1997		2000		2003	
	%	Rank	%	Rank	%	Rank
NCR	8.50	15	11.50	15	7.30	15
5-Bicol	57.00	2	61.90	2	47.90	4
6-Western Visayas	45.90	8	51.00	8	48.40	3
8-Eastern Visayas	48.50	6	51.10	6	43.40	6
9-Western Mindanao	45.50	7	53.00	7	49.40	2
10-Northern Mindanao	52.70	4	52.20	4	44.30	5
12-Central Mindanao	55.80	3	58.10	3	38.40	7
CARAGA		---		---		---
CAR	50.10	5	43.80	5	31.20	9
ARMM	62.50	1	71.30	1	53.10	1

Source: Philippine Human Development Report (2005)

Looking beyond economic indicators, the UN Human Development Index (HDI) provides a more holistic view of development, as it takes into account not only economic development but also literacy, education, life expectancy, childbirth, and other factors. The next table shows the Human Development Index rate and rank of the ten provinces at the bottom. Four of the five ARMM provinces occupy the last four slots. Between 2000 and 2003, while Lanao del Sur improve significantly through the years (moving 8 places from second worst, to tenth worst) the HDI ranking of Sulu, Maguindanao, Tawi-Tawi and Basilan **actually declined**.

Human Development Index Ranking of Bottom Ten Provinces

1997		2000		2003	
<i>Province</i>	<i>HDI</i>	<i>Province</i>	<i>HDI</i>	<i>Province</i>	<i>HDI</i>
Sulu	0.336	Sulu	0.351	Sulu	0.31
Lanao del Sur	0.415	Tawi-Tawi	0.390	Maguindanao	0.36
Maguindanao	0.416	Basilan	0.425	Tawi-Tawi	0.36
Tawi-Tawi	0.430	Maguindanao	0.461	Basilan	0.41
Basilan	0.439	Ifugao	0.461	Masbate	0.44
Ifugao	0.452	Lanao del Sur	0.464	Zamboanga del Norte	0.45
Lanao del Norte	0.470	Agusan del Sur	0.482	Sarangani	0.45
Agusan del Sur	0.482	Samar	0.511	Western Samar	0.47
Samar	0.493	Lanao del Norte	0.512	Eastern Samar	0.47
Sarangani	0.494	Sarangani	0.516	Lanao del Sur	0.48

Philippine Human Development Report (2005)

Gross Regional Domestic Product Per Capita

The gross regional domestic product levels are shown below, as a proportion of population. The GRDP is a measure of economic activity and the total production in the area, taking into account the population. ARMM has the lowest GRDP per capita among all regions. In fact, the GRDP per capita of ARMM is **four times lower** than the national average. The next lowest region in terms of GRDP per capita is the Bicol Region, which has double that of the ARMM. In this six-year period, only Muslim Mindanao among all regions has shown a drop in its GRDP per capita. This is unsurprising considering the conflict that erupts in the region.

¹ According to the 2005 *Philippine Human Development Report*.

² Prior to their integration into ARMM, Lanao del Sur and Maguindano were classified in Region XII while Sulu, Tawi-tawi and Basilan were Region IX.

Comparative GRDP Per Capita (2001 – 2006)

	Region	2001	2002	2003	2004	2005	2006
	National	12,746	12,843	13,139	13,789	14,186	14,676
NCR	METRO MANILA	30,048	30,077	30,970	33,867	35,742	37,855
CAR	CORDILLERA	17,749	17,889	18,114	18,111	17,919	18,171
V	BICOL	5,950	6,060	6,273	6,442	6,632	6,685
ARMM	MUSLIM MINDANAO	3,799	4,455	4,493	3,382	3,433	3,486
XIII	CARAGA	6,828	4,900	4,823	6,589	6,690	6,912

National Statistical Coordination Board

When we delve deeper into the per capita income of ARMM provinces in selected years following the signing of the 1996 peace agreement, we see a trend that is alarming:

Annual Per Capita Income for ARMM Provinces excluding Lanao del Sur (1997, 2000, 2003)

Province	1997	2000	2003	% change from 1997 to 2003
Maguindanao	21,915.00	19,967.00	14,198.00	-35%
Basilan	22,269.00	13,193.00	13,265.00	-40%
Tawi-Tawi	19,794.00	11,349.00	10,780.00	-45%
Sulu	8,994.00	7,850.00	8,430.00	-6.2%

1997 and 2000 data from World Bank; 2003 data from PHDR 2005

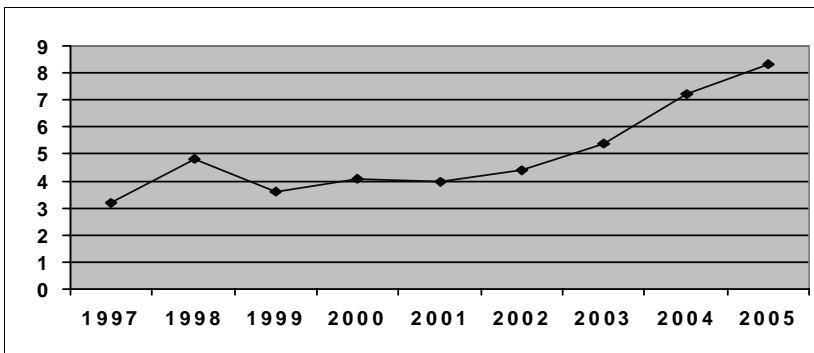
Since the signing of the peace agreement, there has been a **massive drop** in annual per capita income for the ARMM provinces. Sulu registered a relatively minor decrease of -6.2% but a decrease nonetheless. Tawi-Tawi showed the most dramatic decrease, at 45%, which indicates that per capita income for the province was almost halved

post-1996 peace agreement. It seems that no progress has been made in improving the lives of people in ARMM after the 1996 PA has been signed.

Employment

Unemployment rate in the region increased during the period of implementation of the 1996 PA, from 1997 to 2005 (see figure below). While unemployment was maintained at an average of 4% for some time, it peaked at 8.3% in 2005. The situation is worsening.

Unemployment Rate in ARMM, 1997-2005



National Statistical Coordination Board

Health

The Philippine Human Development Report for 2005 showed that the five ARMM provinces had the poorest health situation, in terms of life expectancy, infant mortality, and access to public health services.

Life expectancy, which is defined as the number of years that an individual is expected to live as determined by statistics, is a significant indicator of the welfare of a community. In terms of life expectancy, the ARMM provinces were at the bottom five. Tawi-Tawi has the lowest with life expectancy of 51.2 years compared to 72.6 years of Cebu which topped the category. This is **a staggering difference of 21.4 years**, of two areas within the same country.

Provincial Comparison of Life Expectancy, 2003

Top- and bottom-10 provinces in life expectancy (in years), 2003			
Top Ten Provinces	Years	Bottom Ten Provinces	Years
Cebu	72.6	Antique	62.6
Pampanga	72.2	Kalinga	62.5
Batangas	71.8	Apayao	62.4
Bulacan	71.4	Eastern Samar	61.7
Camarines Sur	71.3	Western Samar	61.4
Nueva Ecija	71.2	Basilan	60.6
Davao del Sur	71.1	Lanao del Sur	57.9
Rizal	71.0	Sulu	52.8
La Union	70.6	Maguindanao	52.0
Cavite	70.5	Tawi-Tawi	51.2

Source: Philippine Human Development Report, 2005

When we look into the ARMM provinces, and compare how they have fared in selected years prior to and following the 1996 peace agreement, we have thus:

Life expectancy of ARMM provinces by year

Province	1994	1997	2003
Basilan	59.1	61.4	60.6
Lanao del Sur	61.2	57.1	57.9
Sulu	50.7	52.9	52.8
Maguindanao	53.8	55.8	52.0
Tawi-Tawi	49.8	51.9	51.2

National Statistical Coordination Board

Although Sulu, Basilan and Tawi-Tawi have registered slight increases from 1994 to 2003 in life expectancy, Lanao Del Sur and Maguindanao show a **decrease in life expectancy**. This indicates that despite all improvements in nutrition as well as science and technology that have resulted in a general rise in life expectancy across the world, these two provinces in ARMM have not benefited from the trend and have shown a reversal. This is a very disturbing situation.

The next table illustrates the infant mortality rate levels of ARMM compared to selected regions in the Philippines. Infant mortality is defined as the number of infants who die under one year of age for every 1,000 live births.

Infant Mortality Rates Selected Regions (1995 – 2003)

Region	1995	1998	2003
Philippines	49	36	30
National Capital Region	32	24	24
Cordillera Autonomous Region	55	43	14
5 Bicol Region	58	31	28
6 Western Visayas	55	26	39
10 Northern Mindanao	54	41	38
ARMM	63	55	41

National Demographic and Health Survey
- National Statistics Office

While the ARMM registered the highest infant mortality rates in the country, there has been a steady decline from 1995 until 2003.

In terms of the number of hospitals, ARMM had 14 hospitals out of the 1,708 in the country in 2001. This actually represents a **decline** of 17 hospitals as ARMM had 31 hospitals in 1996, as shown in the table below. 10 public hospitals and 7 private hospitals closed within five years of the signing of the peace agreement.

Moreover, according to the Department of Health, of the 3,021 government doctors in 2001, ARMM had to make do with only 79 doctors. There is roughly one government doctor per 35,000 people in ARMM. This could be one of the factors why infant mortality and life expectancy are not improving, and at times, are actually deteriorating in the area.

Total Number of Hospitals, 1996-2001

	1996	1997	1998	1999	2000	2001
National	1,738	1,817	1,713	1,794	1,712	1,708
ARMM	31	20	22	19	12	14
Public	21	15	18	15	7	11
Private	10	5	4	4	5	3

Department of Health

ARMM also has 359 barangay health stations, out of the national total of 15,436 barangay health stations according to the Department of Health. This represents only 2% of the total.

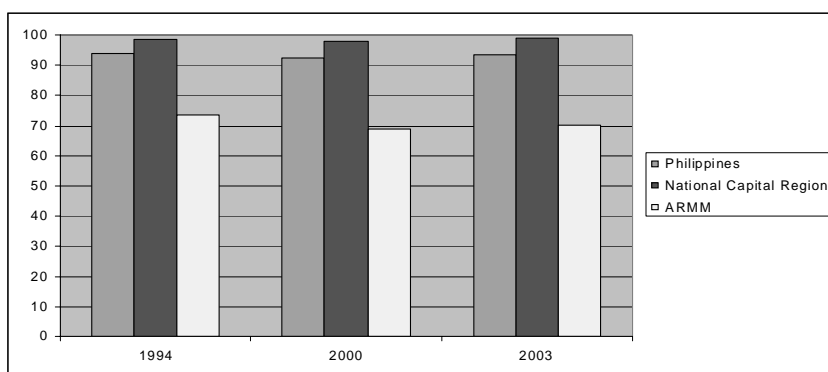
Education

There has been a marked increase in literacy rates in the country over the last twenty years. The proportion of the population 10 years old and over able to read and write registered at 93.5 percent in 1990, an improvement of about 10 percentage points over 1980 estimate. By 1994, based on the results of the Functional Literacy, Education and Mass Media Survey (FLEMMS), this proportion stood at 93.9 percent. Additionally, the FLEMMS reported an increase in functional literacy rates (which measures numeracy skills along with reading and writing ability) among those aged 10 to 64 years from 75.6 percent to 83.79 percent.

At the regional level however, the indicators for the Muslim areas are dismal (see chart below). While some regions achieved high levels, the predominantly Muslim areas have been unable to keep up. Simple literacy rate in ARMM (70.2%) is

significantly lower than the national average of 93.4% — a difference of almost 20%. More noteworthy is the fact that the 2003 figure is actually lower than the 1994 literacy rate (73.4%) in ARMM.

Simple Literacy Rates (1994, 2000 and 2003)



National Statistics Office and the Department of Education

The next table shows the functional literacy levels, again comparing the ARMM rates to those of the National Capital Region, and the entire Philippines. The same story is told – but this time, ARMM lags behind the national rate at more than 20%. Compared to the NCR, ARMM trails by more than 30%.

Functional Literacy Rates (1994 and 2003)

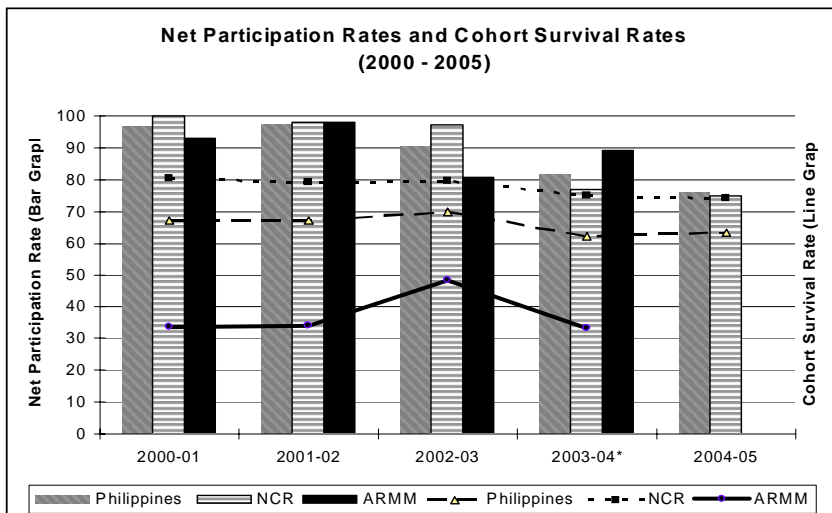
Region	1994	2003
Philippines	83.8	84.1
National Capital Region	92.4	94.6
ARMM	61.2	62.9

National Statistics Office and the Department of Education

The comparative table below shows the net participation rates of elementary school level for the Philippines (bar graph), the National Capital Region, and ARMM. Net participation rate is defined as the proportion of the number of enrollees 7-12 years old to the total population of 7-12 years old for elementary, and the proportion of the number of enrollees 13-16 years old to the population of 13-16 years old for the secondary level.

This is superimposed with a line graph showing the cohort survival rates for the three areas. Cohort survival rate at the elementary level is defined as the proportion of enrollees at the beginning grade who reach the final grade at the end of the required number of years of study, in this case, after six years of elementary schooling. At the secondary or high school level, this refers to those who survive the four years and graduate with a high school diploma.

Elementary Level Net Participation and Cohort Survival Rates

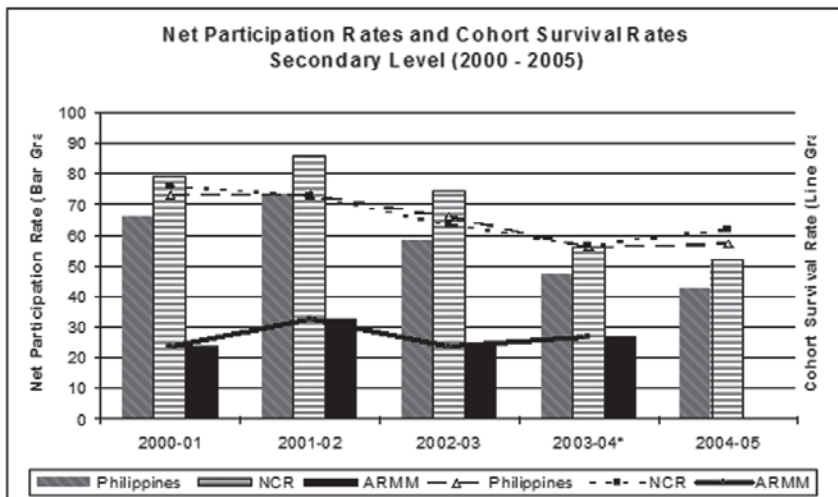


*data for public schools only; Philippine Statistical Yearbook (2006)

Thus, while ARMM enjoys relatively high participation rates (peaking at 97% for school year 2001-2002), it also has the lowest cohort survival rates in the entire Philippines, at only 33% for school year 2004-2005. This means that almost 70% of those who join the elementary level **do not graduate**.

Looking at the secondary level below, the statistics are even worse. ARMM had only 26% cohort survival rate. This means that only one-fourth who enter the high school level ever get to graduate. This has been explained by poverty (parents cannot afford to send their children to school, or children need to work to help the household income) and by conflict (schools are closed during encounters, and often are used as evacuation centers).

Secondary Level Net Participation and Cohort Survival Rates



*data for public schools only; Philippine Statistical Yearbook (2006)

Given the low survival rates at the elementary level, there are fewer children who proceed to high school. And of those who do attempt to get a high school diploma, only about 3 out of 10 successfully make it.

The preceding discussion merely presents selected of the state of human development (or underdevelopment) in the Muslim areas in the Philippines. The statistics are dismal. Across all indicators, ARMM continues to be the worst off of all provinces in the country. It is the poorest, with the worst health care, the least educated, and the least productive area in the entire Philippines. In some aspects, it is worse off today than it was prior to the signing of the peace agreement in 1996. This is not a picture that the protagonists want to see. This is not what they were aiming for.

Part IX

Conclusion:

**Learning
from Past
Mistakes
and
Moving
Forward**



uring one briefing that PCID gave to neophyte members of the House of Representatives in 2007, one young legislator, after listening intently to the report on the implementation of the 1996 Peace Agreement and the continuing problems of the Muslims, stood up and exclaimed that he got depressed and exasperated after hearing the conditions of ARMM. Imagine how exasperated and depressed Muslims are over their own conditions. Imagine living constantly in war, fear and insecurity. It is a life which, as Thomas Hobbes put it, is “solitary, poor, nasty, brutish and short.”

It is important, therefore, that any assessment of the peace agreement must show the mistakes—not to pin the blame on anyone but so that peacemakers can learn from them. Whatever the direction the peace efforts will take, it is important that those who will attempt to forge the peace learn from the mistakes of the past.

First, any attempt to resuscitate the peace process must be truly all-embracing, i.e. it must include all stakeholders. While it is understandable that the Ramos administration focused its peace efforts in Mindanao on the MNLF to rationalize its peacemaking efforts, subsequent events showed that such decision politically isolated the MNLF and created a huge constituency (mostly composed of those opposed to the MNLF and who claimed government sold out to the MNLF) against the agreement. The very factor that enabled government to effectively negotiate the peace was the same factor that created problems in the agreement’s implementation.

The result of focusing its peace efforts on one group was to marginalize other groups and create a natural opposition to the peace process. Ironically, this was the same recommendation of the National Unification Council in 1992 that laid the foundation for the government's peace efforts: "to address the problem of bringing back the rest of the rebels in our society to the folds of the law, there is need to undertake a **comprehensive and participative peace process** which will involve all concerned sectors of society in order to generate the collective political will to attain **peace with justice**." In other words, any peace process must include the meaningful participation of all parties including civil society organizations whose experience in the field is unparalleled. Civil society participation, in particular, is important in giving the process and the agreement that it will produce the legitimacy and the critical political constituency it needs to succeed.

In addition, making the peace process more inclusive will create a de facto sanction mechanism for both parties. As observed by some participants in the series of roundtable discussion organized by PCID, most notably Dr. Takeshi Kawanaka¹, there were no clear sanctions provided in case of violations of the Agreement. The most important part of the enforcement of any agreements is the institution of sanctions, formal and informal, for non-compliance. Sanctions make it costly for parties to violate the agreement. Hence, any perceived violation of the Agreement should create a huge public outcry that will serve as deterrent to anyone violating the letter and spirit of the Agreement. Sadly, the exact opposite was achieved with respect

¹Roundtable discussion on FPA Assessment organized by the Ateneo School of Government in October 2006.

to the 1996 Peace Agreement.

The reality is that the long period of conflict has not only resulted in casualties or animosities but the loss of trust as well. Agreements, therefore, even when made with all the best intentions, may fail because of the inability to trust each other and therefore to enforce the terms of the agreement. This is the reason why mechanisms of enforcement and compliance are crucial to the success of peace agreements (Ouellet, 2004). Enforcement mechanisms should be understood as those methods by which negotiators can encourage compliance. The goal is not absolute compliance, but rather increased cooperation.

While enforcement is traditionally seen as negative or punitive, there are certain mechanisms that are positive like the creation of a dispute resolution body which functions not just to provide an avenue for the discussion of disputes over the enforcement of the agreement but also to allow both parties to clarify vague aspects of the agreement.

In this regard, the 1996 Peace Agreement was very clear. It provided for a Joint Monitoring Committee composed of members from both the government and the MNLF to monitor the implementation of the agreement. Why government has continuously refused to convene the JMC is a mystery to many observers. It has been postponed no less than six times while it should have been frequently meeting to monitor the progress of the implementation of Phase I and II.

Another important mechanism is

transparency which creates important psychological incentives for compliance. If two parties to an agreement agree that their compliance (or lack of compliance) to the terms of the agreement will be made public, there are then higher costs for one party to violating the terms of the treaty and possibly upsetting the peace process (Ouellet, 2004).

The effectiveness of enforcement mechanisms is circumscribed by the balance of power between the two parties. The relative power of the parties comes into question if one party is significantly weaker than the other. In this case, the dominant party will tend to have less incentive to follow the terms of the agreement. One is tempted to ask whether this was the case with the GRP-MNLF Peace Agreement. The government negotiated with the MNLF presumably because the MNLF was the main liberation force in Muslim Mindanao enjoying influence in the region. In the words of Soliman Santos, Jr: "The main standard bearer of the contemporary Moro armed struggle, at least from 1972 to 1996, has been the *Moro National Liberation Front* (2005).

Whether it is because of the perceived mismanagement of the ARMM regional government under Misuari or because of internal organizational strife leading to the strengthening of its rival faction, the MILF, it may be safely concluded that the MNLF has lost most of the influence it enjoyed in the past. Its authority mainly undermined by allegations of inefficiency and corruption when it controlled the SPCPD and the ARMM regional government. Was this the reason why government felt less inclined to fulfill its part in the agreement?

Second, in any peace endeavor government must ensure that it has multi-partisan political support, and that all agencies and branches of government commit to its vision (and details!) of peace. This is especially true with Congress. One of the problems of the 1996 FPA was that Congress, contrary to the commitments of the executive department, managed to water down the implementing structures of the FPA that in effect rendered the peace accord inutile. The important lesson in peacemaking learned here is that **the implementers cannot be completely divorced from the negotiation of the agreement**. This was the case, for example, of the 1991 Angolan agreement between the Government of the People's Republic of Angola and the National Union for the Total Independence of Angola (UNITA), which was brokered by the United States, Russia and Portugal without any U.N. involvement, but the United Nations was later designated to enforce it.

Successful implementations of peace accords, therefore, depend largely on the inclusion of implementers into the process before negotiations are complete. This will allow them to have a better sense of the intricacies of the written agreement and where the parties are likely to encounter problems.

Finally, as political leaders debate about charter change, whatever option government and the other stakeholders might take (resuscitate autonomy, institute federalism, or even independence), peacemakers must realize that genuine autonomy or a working federal structure cannot be attained unless the central government divests itself of

substantial powers and invests the same to local communities and allow them to chart their own destiny. This was the main problem encountered in the implementation of the FPA.

While all parties agreed that autonomy is necessary for the development of Muslim Mindanao, the implementation of autonomy was mangled by a bureaucracy that continues to be controlled from the center, from Manila. Government cannot have it both ways. It cannot promise autonomy without a massive revamp of its centralized philosophy and structure. It cannot commit to an agreement that provides for self-rule and maintain its traditional sovereign power.

During negotiations between government and insurgency groups, the former always argues for the protection of the sovereignty and unity of the Republic. Perhaps government ought to rethink the whole notion of sovereignty to allow it to be creative in its approach to peace processes and the demand of peoples for self-determination.

The most radical thing that can happen in the attempt of government to empower marginalized communities is for it to realize that the solution to ethnic marginalization is for government to let go of its traditional mind set on sovereignty. Stephen Krasner (2001) for example, argued that a playful rethinking and disaggregating of sovereignty may enable political actors to create entities that are semi-autonomous, semi-independent, and/or semi-legal in order to solve specific problems stemming from competing claims to authority. Sovereignty, he asserted, must not be understood as a set of established rules that constrain the capacities of states; rather

it should **allow the state to increase its capacity to deal with the complicated problems of a changing world.**

Political settlements require the artful reconfiguration of traditional thinking, and that while norms of sovereignty are prized and contested they are also surprisingly flexible. Hence creative solutions to disputes over state sovereignty are possible, if the parties are willing. Unless government is willing to pursue such flexible directions towards peace it might just find itself irrelevant. It is this shift in governmental philosophy, in the way government views and exercises its sovereignty that should underpin any attempt to change the form and structures of government.

Moving Forward

This paper has attempted to present the issues surrounding the implementation of the 1996 Peace Agreement. There is general agreement that the peace accord is beset with problems. The most obvious points of disagreement is the sufficiency (or insufficiency) of powers and resources given by government to the Autonomous Region in Muslim Mindanao and the inability of the ARMM government institutions to deliver public services and goods.

While it is important to analyze the flaws in the implementation of the Agreement so that lessons can be learned and that past mistakes will not be repeated, the most important issue to be settled is how to proceed with the implementation of the peace processes in Muslim Mindanao. It seems tragic, even criminal, to play the blame game

in the face of abject poverty in Muslim communities. So the most important question that has to be answered today is not who is to be blamed, but what should be done?

The Philippine Council for Islam and Democracy (PCID) organized a multi-sectoral forum on August 25, 2006 to evaluate the peace accord and elicit their recommendations on the next steps. Dubbed **Making Peace and Democracy Work: The GRP-MNLF Final Peace Agreement**, assessments were presented by Undersecretary Dimasangcay Pundato of the Office of Presidential Adviser on the Peace Process (OPAPP), Fatmawati Salapuddin of the Mindanao Peace-Weavers, and Atty. Randolph Parcasio, lawyer of MNLF Chair Misuari and Chairperson of the Bangsamoro Lawyers Network. Atty. Aquilino Pimentel III representing Senator Aquilino Pimentel Jr., Undersecretary Ramon Santos of OPAPP, and Assemblyman Hatimil Hassan, MNLF leader and former speaker of the Regional Legislative Assembly of the Autonomous Region of Muslim Mindanao (ARMM) rounded off the discussions with their own analyses.

The forum identified 12 recommendations to address the major issues which surfaced during the discussions.

The 12-point plan to return to peace

1. Chairman Nurulajji Misuari must be released. Most Muslims believe that Chair Misuari is the only one to unite the MNLF factions and resolve the conflicts in Sulu. Many believe he is innocent of the charges against him. Further, the OIC has offered to host a tripartite committee meeting in Jeddah to find a way to move forward but

preconditioned on Misuari leading the MNLF delegation.

The participants in the PCID forums are in agreement that fragmenting the MNLF was a mistake. In hindsight, the resurgence of armed conflict between government and MNLF troops could have been avoided. The perception that President Arroyo's advisors had a hand in ousting Misuari from the leadership of the MNLF has strengthened Misuari's influence, especially since ARMM has not shown any improvement post-Misuari.

2. The “contracting parties” of the GRP, MNLF and OIC must meet to review and assess the implementation of the 1996 Final Peace Agreement. This can be achieved through the proposed Jeddah tripartite talks. The participation of the OIC has to be strengthened, so as to ensure the involvement of a third party that will engage and monitor the other two parties to comply with the objectives of the peace agreement and guarantee performance.

Further, the OIC should look into alternative methods, such as designating a special envoy of the Secretary General to the tripartite committee meetings. With this situation, a single representative from the office of the Secretary General will be designated to come to the meetings in place of all the ambassadors of the Committee of Eight. The OIC may also hold informal dialogues with incumbent ARMM officials to ensure the execution of the provisions of the peace agreement. It had been recommended that former President Fidel V. Ramos be involved by the government. Not only did Mr. Ramos play a crucial role in the signing of the FPA but he remains widely respected among the

MNLF and in Muslim Mindanao as a leader who can deliver on his word. Thus, he is seen as an “honest broker”.

3. The infirmities of the implementation of the Final Peace Agreement must be recognized by all parties concerned. Pertinent provisions of Phases I and II of the agreement need to be fully carried out. All parties must acknowledge the errors committed and their failures to meet certain obligations. By understanding the past and current problems facing Phase II of the Agreement, the contracting parties would be able to collectively move forward in pursuing necessary reform initiatives. The immediate actions that can be executed include the implementation of provisions such as effective and equitable representation in national government bodies.

4. As the Final Peace Agreement stipulates, a joint-monitoring committee should be convened. The committee will consist of representatives of the OIC, GRP, and MNLF. Representatives of civil society should also be included. The joint monitoring committee, as provided in the Final Peace Agreement, will be a grievance mechanism where the parties involved will be able to articulate their concerns on the gaps in implementing the peace agreement and agree on parameters for deciding what policies can be successfully implemented.

5. The faulty provisions of RA 9054, the law amending the Organic Act for the ARMM, need to be amended. The defects of RA 9054 must be examined and the President must push for its amendment so

that the Organic Act actually conforms to the letter and spirit of the 1996 Final Peace Agreement. Most stakeholders, including the MNLF, have complained about the deficiencies of the Organic Act. If these stakeholders are to fully subscribe to implementing a Phase II of the Peace Agreement, the government must be willing to examine and redress those grievances.

6. Active participation from the broad spectrum of civil society is required. The capacity of civil society and people's organizations as active stakeholders must be strengthened. Empowered civil society organizations can exert leverage on the government and the MNLF to adhere to the terms of agreement. Moreover, ARMM, the government, and foreign donors must provide policy space for the engagement of civil society groups.

7. The situation in Muslim Mindanao, particularly the conflict with the MNLF, should be disaggregated from policies supporting the US-led coalition against terrorism. It is very crucial to distinguish the internal issues from those that are global in nature, or are external. There is a dangerous tendency to mask the legitimate grievances of the liberation fronts under an international strategy to combat terrorism.

8. A human rights commission for ARMM should be established. The rule of law is lacking in ARMM. This has resulted in numerous human rights violations perpetrated by criminal groups such as the Abu Sayyaf, and by government forces as well. The need for greater accountability makes the presence of a Human Rights Commission a necessary

component for the realization of peace and order in the region. This will require the support of the Regional Legislative Assembly, Congress, as well as the national Commission on Human Rights. Capacity-building on the promotion and protection of human rights must also be undertaken.

9. There is a need for further community empowerment initiatives in peace-building. A climate for reconciliation must be fostered if lasting peace is to be attained. This will need the strong support and intervention of the OPAPP, as it currently supervises the UNDP donor-assisted programs, and by the donor community. Peace-building initiatives such as inter-faith dialogues must be promoted to foster mutual recognition and respect among the Moros, Christians and Lumads.

10. There is a need to internationalize the issues of the Bangsamoro. Most of the Muslim participants agree that opportunities for international dialogue between the GRP, MNLF and other parties must be promoted. Currently, only the OIC has taken up the issue concretely. Unfortunately, the OIC has not been as effective as the Muslim communities hoped. The Mindanao question must be brought to the United Nations and other international fora, so that the conditions faced by Bangsamoro are acknowledged, and their voices heard.

11. Democracy-building is needed for ARMM. For effective autonomy to be realized, government must be accountable to their constituents. Bangsamoro leadership must be developed, and ARMM governance must be

strengthened. This can be achieved through confidence-building measures among all involved parties, and promoting transparency and accountability in government institutions. Further, electoral reform is required and support must be given for the development of local and regional political parties for local empowerment to be guaranteed.

12. ARMM should be demilitarized and civilian authority strengthened. With the supposed implementation of the peace agreement, militarization was not reduced. The AFP troops are strangers to the culture and the peoples of the areas of conflict. The current government policy of training the AFP to respond to terrorism and threats against the state is viewed as counterproductive. To deal with external threats and to ensure internal security, civilian authorities such as the police force must be strengthened as the first line of defense. The penal and judicial systems should similarly be reformed and strengthened. Corollary to this, the full implementation of the Shariah Court system is required.

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List of Abbreviations

ADB	Asian Development Bank
AFP	Armed Forces of the Philippines
ARMM	Autonomous Region of Muslim Mindanao
ARMM-RG	Autonomous Region of Muslim Mindanao-Regional Government
ASG	Abu Sayyaf Group
AUSAID	Australian Agency for International Development
CAV	Consultative Assembly
CAR	Cordillera Autonomous Region
CIDA	Canadian International Development Agency
COA	Commission on Audit
COMELEC	Commission on Elections
DepEd	Department of Education
EO	Executive Order
FLEMMS	Functional Literacy, Education and Mass Media Survey
FPA	1996 Final Peace Agreement
GRDP	Gross Regional Domestic Product
GRP	Government of the Republic of the Philippines
HDI	Human Development Index
ICCs	Indigenous Cultural Communities
InciteGov	International Center for Innovation, Transformation and Excellence in Governance
IPs	Indigenous Peoples
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
KAS	Konrad Adenauer Stiftung

LGU	Local Government Unit
MCC	Mindanao Coordinating Council
MILF	Moro Islamic Liberation Front
MNLF	Moro National Liberation Front
MOOE	Maintenance and Other Operating Expenses
MRDP	Mindanao Rural Development Project
MTF	Mindanao Trust Fund
NAC	National Amnesty Commission
NEDA	National Economic and Development Authority
NPUD	National Program for Unification and Development
NUC	National Unification Commission
ODA	Overseas Development Assistance
OIC	Organization of Islamic Conference
OPAPP	Office of the Presidential Adviser on the Peace Process
PCID	Philippine Council for Islam and Democracy
PCIJ	Philippine Center for Investigative Journalism
PNP	Philippine National Police
REZA	Regional Economic Zone Authority
SPCPD	Southern Philippines Council for Peace and Development
SZOPAD	Special Zone of Peace and Development
UN	United Nations
UNDP	United Nations Development Program
USAID	United States Agency for International Development

Appendices



THE TRIPOLI AGREEMENT

In the Name of God, the Omnipotent, the Merciful.

Agreement Between the Government of the Republic of the Philippines and Moro National Liberation Front with the Participation of the Quadripartite Ministerial Commission Members of the Islamic Conference and the Secretary General of the organization of Islamic Conference.

In accordance with the Resolution No. 4 Para. 5 adopted by the Council of Ministers of the Islamic conference in its Fourth Session held in Benghazi, Libyan Arab Republic during the month of Safar 1393 H. corresponding to March 1973, calling for the formation of Quadripartite Ministerial Commission representing the Libyan Arab Republic, the Kingdom of Saudi Arabia, the Republic of Senegal and the Republic of Somalia, to enter into discussions with the Government of the Republic of the Philippines concerning the situation of the Muslims in the South of the Philippines.

And in accordance with the Resolution No. (18) adopted by the Islamic conference held in Kuala Lumpur, Malaysia in Jumada Alakhir 1393 H. corresponding to June 1974 A.D. which recommends the searching for a just and peaceful political solution to the problem of the Muslims in the South of the Philippines through the negotiations.

And in accordance with the Resolution No. 12/7/S adopted by the Islamic conference held in Istanbul in Jumada El-Ula 1396 H. corresponding to May 1976 A.D. empowering the Quadripartite Ministerial Commission and

the Secretary General of the Islamic Conference to take the necessary steps for the resumption of negotiations.

And following the task undertaken by the Quadripartite Ministerial Commission and the Secretary General of the Islamic Conference and the discussions held with H.E. President Marcos, President of the Republic of the Philippines.

And in realization of the contents of Para. 6 of the Joint Communiqué issued in Tripoli on the 25th Zulgeda 1396 H. corresponding to 17th November 1976 A.D. following the official visit paid by the delegation of the Government of the Philippines headed by the First Lady of the Philippines, Mrs. Imelda R. Marcos, to the Libyan Arab Republic and which calls for the resumption of negotiations between the two parties concerned in Tripoli on the 15th of December 1976 A.D.

Negotiations were held in the City of Tripoli during the period between 24th Zuhija 1396 H. to Second to Moharram 1397 H. corresponding to the period from 15th to 23rd December 1976 A.D. at the Ministry of Foreign Affairs presided over by Dr. Ali Abdussalam Treki, Minister of State for Foreign Affairs of the Libyan Arab Republic, and comprising of the Delegations of:

1. Government of the Republic of the Philippines, led by Honorable Carmelo Z. Barbero, Undersecretary of National Defense for Civilian Relations.

2. Moro National Liberation Front, led by Mr. Nur Misuari Chief of the Front.

And with the participation of the representatives of the Quadripartite Ministerial Commission:

The Libyan Arab Republic - represented by Dr. Ali Abdussalam Treki, Minister of State for Foreign Affairs.

The Kingdom of Saudi Arabia - H.E. Salah Abdalla El-Fadl, Ambassador of the Kingdom of Saudi Arabia, Libyan Arab Republic.

The Republic of Senegal - Mr. Abubakar Othman Si, Representative of the Republic of Senegal and Charge d'Affairs of Senegal in Cairo.

Democratic Republic of Somalia, Libyan Arab Republic.

With the aid of H.E. Dr. Amadou Karim Gaye, Secretary General of the organization of Islamic Conference, and a delegation from the Secretariat General of the Conference composed of Mr. Qasim Zuheri, Assistant Secretary General, and Mr. Aref Ben Musa, Director of Political Department.

During these negotiations which were marked by a spirit of conciliation and understanding, it has been agreed on the following:

First: The establishment of Autonomy in the Southern Philippines within the realm of the sovereignty and territorial integrity of the Republic of the Philippines.

Second: The areas of the autonomy for the Muslims in the Southern Philippines shall comprise the following:

1. Basilan
2. Sulu
3. Tawi-tawi
4. Zamboanga del Sur
5. Zamboanga del Norte
6. North Cotabato
7. Maguindanao
8. Sultan Kudarat

9. Lanao del Norte
10. Lanao del Sur
11. Davao del Sur
12. South Cotabato
13. Palawan

Third:

1. Foreign Policy shall be of the competence of the Central Government of the Philippines.

2. The National Defense Affairs shall be the concern of the Central Authority provided that the arrangements for the joining of the forces of the Moro National Liberation Front with the Philippine Armed Forces be discussed later.

3. In the areas of the autonomy, the Muslims shall have the right to set up their own Courts which implement the Islamic Shari'ah laws. The Muslims shall be represented in all Courts including the Supreme Court. The representation of the Muslims in the Supreme Court shall be upon the recommendation from the authorities of the Autonomy and the Supreme Court. Decrees will be issued by the President of the Republic of their appointments taking into consideration all necessary qualifications of the candidates.

4. Authorities of the autonomy in the South of the Philippines shall have the right to set up schools, colleges and universities, provided that matters pertaining to the relationship between these educational and scientific organs and the general education system in the state shall be subject of discussion later on.

5. The Muslims shall have their own administrative system in compliance with the

objectives of the autonomy and its institutions. The relationship between this administrative system and the Central administrative system to be discussed later.

6. The authorities of the autonomy in the South of the Philippines shall have their own economic and financial system. The relationship between this system and the Central economic and financial system of the State shall be discussed later.

7. The authorities of the autonomy in the South of the Philippines shall enjoy the right of representation and participation in the Central Government and in all other organs of the State. The number of representatives and ways of participation shall be fixed later.

8. Special Regional Security Forces are to be set up in the area of the Autonomy for the Muslims in the South of the Philippines. The relationship between these forces and the Central security forces shall be fixed later.

9. A Legislative Assembly and an Executive Council shall be formed in the areas of the Autonomy for the Muslims. The setting up of the Legislative Assembly shall be constituted through a direct election, and the formation of the Executive Council shall take place through appointments by the Legislative Assembly. A decree for their formation shall be enacted by the President of the Republic respectively. The number of members of each assembly shall be determined later on.

10. Mines and mineral resources fall within the competence of the Central Government, and a reasonable percentage deriving from the revenues of the mines and minerals be fixed for the benefit of the areas of the

autonomy.

11. A Mixed Committee shall be composed of representatives of the Central Government of the Republic of the Philippines and the representatives of the Moro National Liberation Front. The Mixed Committee shall meet in Tripoli during the period from the Fifth of February to a date not later than the Third of March 1977. The task of said Committee shall be charged to study in detail the points left for discussion in order to reach a solution thereof in conformity with the provisions of this agreement.

12. Ceasefire shall be declared immediately after the signature of this agreement, provided that its coming into effect should not exceed the 20th January 1977. A Joint Committee shall be composed of the two parties with the help of the organization of the Islamic Conference represented by the Quadripartite Ministerial Commission to supervise the implementation of the ceasefire. The said Joint Committee shall also be charged with supervising the following:

a. A complete amnesty in the areas of the autonomy and the renunciation of all legal claims and codes resulting from events which took place in the South of the Philippines.

b. The release of all the political prisoners who had relations with the events in the South of the Philippines.

c. The return of all refugees who have abandoned their areas in the South of the Philippines.

d. To guarantee the freedom of movements and meetings.

13. A joint meeting be held in Jeddah

during the first week of the month of March 1977 to initial what has been concluded by the Committee referred to in Para. 11.

14. The final agreement concerning the setting up of the autonomy referred to in the first and second paragraphs shall be signed in the City of Manila, Republic of the Philippines, between the Government of the Philippines and Moro National Liberation Front, and the Islamic Conference represented by the Quadripartite Ministerial Commission and the Secretary General of the organization of Islamic Conference.

15. Immediately after the signature of the Agreement in Manila, a Provisional Government shall be established in the areas of the autonomy to be appointed by the President of the Philippines; and be charged with the task of preparing for the elections of the Legislative Assembly in the territories of the Autonomy; and administer the areas in accordance with the provisions of this agreement until a Government is formed by the elected Legislative Assembly.

16. The Government of the Philippines shall take all necessary constitutional processes for the implementation of the entire Agreement.

Fourth: This Agreement shall come into force with effect from the date of its signature.

Done in the City of Tripoli on 2nd Muharram 1397 H. corresponding to 23rd December 1976 A.D. in three original copies in Arabic, English, French languages, all equal in legal power.

For the Government of the Republic of the Philippines:

Hon. Carmelo Z. Barbero Undersecretary

of National Defense for Civilian Relations
For the Moro National Liberation Front:
Professor Nur Misuari Chairman of the
Front

Dr. Ali Abdusaalam Treki Minister of State
for Foreign Affairs, Libyan Arab Republic and
Chairman of the Negotiations

Dr. Amadou Karim Gaye Secretary General
of the organization of the Islamic Conference

JEDDAH ACCORD

January 3-4, 1987

Joint Statements of the Philippine Government and the MNLF Panels

The two panels agreed to continue discussion of the proposal for the grant of full autonomy to Mindanao, Basilan, Sulu, Tawi-Tawi and Palawan subject to democratic processes.

In the meantime, the MNLF panel proposes that President Corazon C. Aquino will issue an executive order suspending pertinent provisions of the draft constitution on the grant of autonomy to Muslim Mindanao in the scheduled plebiscite on February 2, 1987, to allow the MNLF to undertake democratic consultations with the people of Mindanao and its islands, and that the Philippine Government panel shall present this proposal to President Aquino for her approval.

MNLF Panel NUR MISUARI Chairman	Philippine Government Panel AQUILINO PIMENTEL, JR. Chairman
Witnessed by: S.S. PIRZADA	
Secretary General of the Organization of the Islamic Conference	
OIC Headquarters, Jeddah, Kingdom of Saudi Arabia, January 3, 1987	

Summary of the points taken up in the meeting between the Philippine and the MNLF Panels held at the Organization of the Islamic Conference Headquarters, Jeddah, Kingdom of Saudi Arabia on January 3, 1987

The two panels have taken up the following points:

1. The substantive part of the talks will

be held in Manila, Zamboanga or any other place in the Philippines mutually acceptable to both parties. For this purpose, a joint commission composed of three members from each side shall be created to discuss and draft the mechanics and details of the proposal to grant full autonomy to Mindanao, Basilan, Sulu, Tawi-Tawi and Palawan. The Joint Commission is tasked to do everything possible to complete its work within ninety (90) days from February 9, 1987.

2. The provincial committees shall be created to monitor and implement the observance of the agreement on the cessation of hostilities between the Philippine Government and the MNLF.

3. The MNLF proposed some form of reorganization involving certain political and governmental institutions to enhance a conducive atmosphere for further talks. The MNLF proposed that an Executive Order be immediately issued for this purpose.

4. The Philippine and the MNLF Panels agreed to propose the immediate formulation and implementation of a comprehensive economic and social development program in priority areas mutually agreed upon.

5. Both panels agreed to jointly pursue the dissemination of accurate and comprehensive information regarding the Bangsamoro issue as part of the vital pursuit of democratic processes in arriving at a just and lasting solution to the Bangsamoro problem.

6. The Philippine panel agreed to exercise its best efforts to provide a secure and peaceful atmosphere to enable the MNLF to undertake consultations with the

component peoples in the proposed area of autonomy.

7. The Philippine panel likewise agreed to propose to the authorities of the Republic of the Philippines to provide security to the three-man representative of the MNLF Panel to the Joint Commission referred to in Paragraph 1, above, and to their staff in the discharge of their duties as members of the Joint Commission. Jeddah, Kingdom of Saudi Arabia, January 3, 1987.

MNLF Panel By: NUR MISUARI Chairman	Philippine Government Panel By: AQUILINO PIMENTEL, JR.
JOSEPH B. BANGHULOT Member	AGAPITO A. AQUINO Member

Joint Statement of the MNLF and the Philippine Government Panels

The two panels met in the evening of January 3, 1987 at the Headquarters of the Organization of Islamic Conference in Jeddah, Kingdom of Saudi Arabia, and agreed to:

1. create a Joint Commission which will discuss and draft the mechanism and details of the proposal for the grant of full autonomy to Mindanao, Basilan, Sulu, Tawi-Tawi and Palawan subject to democratic processes. The Joint Commission shall be composed of three members from each panel and shall initially meet in Manila on February 9, 1987. It shall endeavor to complete its work within 90 days from said date;

2. create provincial committees to monitor and implement the observance of the agreement on the cessation of hostilities

between the Philippine government and the MNLF; and

3. propose the immediate formulation and implementation of a comprehensive economic and social development program in priority areas mutually agreed upon.

Both panels express their sincere gratitude and appreciation to King Fahd Ibn Abdul Aziz, Custodian of the Two Holy Mosques, for graciously allowing this meeting to be held in Jeddah, Kingdom of Saudi Arabia.

The MNLF Panel hereby conveys its heartfelt gratitude to Her Excellency, President Corazon C. Aquino of the Republic of the Philippines, for sincerely addressing the aspirations of the Bangsamoro people and for sending a Philippine panel most suitable for this delicate negotiations.

The panels also wish to thank the Organization of Islamic Conference, thru its Secretary-General H.E. Syed Shariffuddin Pirzada, for continuing to provide its good offices in assisting the parties in their efforts to achieve a peaceful and lasting solution to the Bangsamoro problem.

Jeddah, Kingdom of Saudi Arabia, January 4, 1987.

<p>MNLF Panel By: NUR MISUARI Chairman</p>	<p>Philippine Government Panel By: AQUILINO PIMENTEL, JR.</p>
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Departemen Luar Negri Republic Indonesia Statement of Understanding

1. The Second Round of Exploratory Talks between the Government of the Republic of the Philippines (GRP) and The Moro National Liberation Front (MNLF) was held at Istana Presiden, Cipanas, West Java, Indonesia on April 14-16, 1993.

2. The talks were held in an atmosphere of goodwill and understanding and through the good offices of the Indonesian Government representing the Ministerial Committee of Six of the Organization of Islamic Conference (OIC) and H. E. Ambassador Ibrahim Bakr, OIC Assistant Secretary General for Political, Legal and Minority Affairs as representative of the Secretary General of the OIC.

OPENING CEREMONY

3. The Opening Ceremony, held on April 14, 1993, was presided over by H. E. Ali Alatas, Foreign Minister of Indonesia, who welcomed the delegations on behalf of H.E. President Soeharto and expressed the constant readiness of his government to assist in pushing forward the peace process between the GRP and the MNLF in line with the mandate of the Indonesian Constitution seeking the achievement and maintenance of a world of greater peace, justice and security. In his opening statement, Minister Alatas also urged both sides to consider certain measures that will create the necessary and conducive atmosphere of mutual confidence that could help ensure the

success of further substantive talks as for instance, a cessation of armed hostilities and other appropriate measures.

4. In the Opening Ceremony, the gathering also received the message of H. E. Dr. Hamid Algabid, Secretary General of the OIC, which was read out on his behalf by H.E. Ambassador Ibrahim Bakr, representative of the Secretary General of the OIC. In his message, Dr. Algabid thanked President Soeharto and Minister Alatas for their noble gesture in hosting the talks. He said he was convinced that the problem of the Muslims in Southern Philippines could best be resolved by sincere and constructive negotiations between the parties within the framework of Philippine sovereignty and territorial integrity; and aimed at the full realization of the objectives, purpose and commitment embodied in the Tripoli Agreement of 1976.

5. Representative Eduardo R. Ermita, Head of the GRP Panel, made an Opening Statement, expressing the gratitude of the President of the Philippines, H.E. Fide V. Ramos to President Soeharto and Minister Alatas, for the hospitality extended the GRP Panel. He cited the policy of President Ramos of placing peace at the forefront of all efforts at national progress and development; and affirmed the commitment of the National Unification Commission of the GRP to pursue a national peace program based on the principled and peaceful resolution of armed conflict with neither blame or surrender, but with dignity to all concerned. He also emphasized the desire of the GRP to exhaust all avenues to peace under the realm of Philippine sovereignty, territorial integrity, the

Constitution and democratic processes; and the undiminished commitment of the GRP to render the full measure of autonomy to Muslim Filipinos in line with the spirit and intent of the Tripoli Agreement of 1976. He said that the mandate of the Philippine panel was not to negotiate the substantive issues but to further explore a viable framework for peace with the MNLF and the agenda for projected formal negotiations, as well as the date thereof and attendant administrative requirements and public information guidelines.

6. Prof. Nur Misuari, Chairman of the MNLF, made an Opening Statement thanking President Soeharto and the Indonesian people and government for responding positively to the request of the OIC in regard to the holding of the exploratory talks. He stressed the honorable intentions of the MNLF in coming to the talks, even as he expressed his concern over the fragility of the undertaking. He said that the area of coverage of autonomy under Article II of the Tripoli Agreement of 1976 is final and unalterable and should be unconditionally implemented if the Philippine Government is indeed sincere in facing its responsibility; and that this demand was a sine qua non for the peace process to move forward. He further emphasized that the MNLF would not accept any solution to the problem that would come in the form of an imposition to the MNLF.

7. The Opening Ceremony ended at this point and all parties repaired to dinner, held under a cordial and friendly atmosphere, hosted by H. E. Minister Alatas.

TALKS PROPER

8. The talks proper commenced the next

day, April 15, 1993 with H.E. Ibrahim Saleh Bakr, Deputy Secretary General representing the Secretary General of the OIC and H. E. S. Wiryono representing the Indonesian Government and the OIC Ministerial Committee of Six.

9. Chairman Misuari reiterated his proposal that the main agenda of the formal talks would be to determine the modalities to fully implement the 1976 Tripoli Agreement in letter and spirit, adding that the MNLF was prepared to agree on the agenda, time and place of the formal talks which the MNLF preferred to be held in any of the OIC member states. Representative Ermita, on the other hand, expressed the position of the Philippine Government that the formal talks be held in the Philippines.

10. H.E. Ambassador Ibrahim Bakr explained the position of the OIC and gave assurances to the effect that the OIC will continue to be an active participant in the talks between the GRP and the MNLF.

11. Representative Ermita submitted a set of talking points to the MNLF panel outlining the constitutional and legal steps undertaken by the GRP to comply with all the provisions of the Tripoli Agreement which served as the basic document for the drafting of the provisions of the 1987 constitution on the creation of the autonomous region in Muslim Mindanao and the Cordilleras as well as the enactment of the organic act for the autonomous region in Muslim Mindanao. Representative Ermita also emphasized that even under the 1973 Constitution which was enforced at the time of the signing of the Tripoli Agreement, any state action to create,

merge and abolish political subdivisions or local government units or to substantially alter their boundaries was always subject to approval by a majority of the votes cast in a plebiscite in the unit or units affected. He said this is a universally accepted democratic process merely reiterated in the 1987 Constitution.

12. Chairman Misuari rejected the constitutional and the legal bases of the autonomous region in Muslim Mindanao installed under the Philippine Constitution and said that the MNLF was not a party to the process of granting the autonomy; reiterating the demand for the full implementation of Article II of the Tripoli Agreement of 1976.

AGREEMENTS

13. The formal talks will be held on or before June 30, 1993 at a place to be mutually agreed upon.

14. The agenda for the formal talks will focus on the modalities for the full implementation of the Tripoli Agreement in letter and spirit, to include:

A. Those portions of the Agreement left for further or later discussion; and

B. Transitional implementing structure and mechanism.

15. The talks shall be held with the participation of the Secretary General of the OIC and the OIC Ministerial Committee of Six.

16. The talks shall be supported by a Joint Secretariat to be appointed by both parties.

17. All press releases in relation to the peace talks shall be approved by both parties.

FINAL ITEMS

18. The foregoing agreements are subject

to the approval of the highest authorities of the GRP; such approval to be communicated to the MNLF and the Office of the Secretary General of the OIC as soon as possible.

19. All parties agreed to send a letter of thanks to H.E. President Soeharto for the warm hospitality of the Indonesian Government and people in hosting the second exploratory talks between the Philippine Government and the MNLF; as well as for their vital and positive contributions to the said talks.

20. The parties likewise agreed to send a letter of thanks to the Secretary General of the OIC, expressing their profound appreciation for the valuable contribution extended by his representatives towards the success of the talks.

Signed in Istana Presiden, Cipanas, West Java, Indonesia on April 16, 1993.

For the GRP Panel:	For the MNLF Panel:
EDUARDO R. ERMITA	NUR MISUARI
S. WIRYONO	IBRAHIM SALEH BAKR
Director General for Political Affairs, Department of Foreign Affairs, Republic of Indonesia representing the OIC Ministerial Committee of Six	Deputy Secretary General for Political, Legal and Minority Affairs, OIC, representing the Secretary General of the OIC

Executive Order No. 125

Defining the approach and Administrative Structure for Government's Comprehensive Peace Efforts

WHEREAS, a primary objective of Government is the attainment of a just, comprehensive and lasting peace under the Rule of Law and in accordance with Constitutional processes, which is the basic foundation for economic development and national prosperity.

WHEREAS, the National Unification Committee, by virtue of its mandate under Executive Order No. 19, has submitted recommendations to the President for the pursuit of a peace process envisioned to lead to a just, comprehensive and lasting peace in the country.

WHEREAS, the term of the National Unification Commission ended on 31 July 1993; and

WHEREAS, a comprehensive peace process demands a wholistic approach that will require the cooperative efforts of all sectors of society.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Scope.

The systematic approach for the pursuit of peace, as well as the administrative structure for carrying out the peace process, shall be governed by this Executive Order.

Section 2. Principles Underlying the Comprehensive Peace Process

The comprehensive peace process shall be governed by the following underlying

principles:

A comprehensive peace process should be community-based, reflecting the sentiments, values and principles important to all Filipinos. Thus, it shall be defined not by Government alone, nor by the different contending groups only, but by all Filipinos as one community.

A comprehensive peace process aims to forge a new social compact for a just, equitable, humane and pluralistic society. It seeks to establish a genuinely pluralistic political society, where all individuals and groups are free to engage in peaceful competition for predominance of their political programs without fear, through the exercise of rights and liberties guaranteed by the Constitution, and where they may compete for political power through an electoral system that is free, fair and honest.

A comprehensive peace process seeks a principled and peaceful resolution of the internal armed conflicts, with neither blame nor surrender, but with dignity for all concerned.

Section 3. Components of the Comprehensive Peace Process.

The comprehensive peace process shall henceforth include, but shall not be limited to, the following components:

PURSUIT OF SOCIAL, ECONOMIC AND POLITICAL REFORMS. This component shall involve the vigorous implementation of various policies, reforms, programs and projects aimed at addressing the root of causes of internal armed conflicts and social unrest. This may require administrative action, new legislation, or even constitutional amendments.

CONSENSUS-BUILDING AND EMPOWERMENT FOR PEACE. This component shall include continuing consultations on both

national and local levels to build consensus for a peace agenda and process, and the mobilization and facilitation of people's participation in the peace process.

PEACEFUL, NEGOTIATED SETTLEMENT WITH THE DIFFERENT REBEL GROUPS. This component involves the conduct of face-to-face negotiations to reach peaceful settlement with the different rebel groups.

PROGRAMS FOR RECONCILIATION, REINTEGRATION INTO MAINSTREAM SOCIETY, AND REHABILITATION. This component shall include programs to address the legal status and security of former rebels, as well as community-based assistance programs to address the economic, social and psychological rehabilitation needs of former rebels, demobilized combatants, and civilian victims of the internal armed conflicts.

ADDRESSING CONCERNS ARISING FROM THE CONTINUING ARMED HOSTILITIES. This component involves the strict implementation of laws and policy guidelines, and the institution of programs to ensure the protection of non-combatants and reduce the impact of the armed conflict on communities found in conflict areas.

BUILDING AND NURTURING A CLIMATE CONDUCIVE TO PEACE. This component shall include peace advocacy and peace education programs, and the implementation of various confidence-building measures.

Section 4. Administrative Structure.

The administrative structure for carrying out the peace process shall be as follows:

THE PRESIDENCY. The President shall provide the active leadership for the pursuit of the comprehensive peace process.

PRESIDENTIAL ADVISER ON THE PEACE PROCESS. The Presidential Adviser on the

Peace Process (PAPP) shall be charged with the management and supervision of the comprehensive peace process. He shall be appointed by the President and shall have the rank and remuneration of a Cabinet member. He shall perform the functions and discharge the duties and responsibilities enumerated in Memorandum Order No. 163 dated 25 August 1993.

NATIONAL RECONCILIATION AND DEVELOPMENT COUNCIL. The National Reconciliation and Development Council (NRDC) shall perform the functions and responsibilities relative to the implementation of the reconciliation program for surfacing rebels.

GOVERNMENT PEACE NEGOTIATING PANELS. There shall be a Government Peace Negotiating Panel (GPNP) for each of the three rebel groups, to be composed of a Chairman and four (4) members who shall be appointed/designated by the President as his official emissary to conduct negotiations, dialogues and face-to-face discussions with rebel groups. They shall report directly to the President on the conduct and progress of their negotiations.

PANEL OF ADVISERS. There shall be a panel of advisers for each of the GPNPs, composed of a member from the Senate, from the House of Representatives and from the Cabinet to be designated by the President, which shall function as an advisory body to their respective GPNPs on the conduct of their negotiations leading to the achievement of a comprehensive, just and lasting peace.

Section 5. Secretariat.

The PAPP shall be provided with technical and administrative support by a Secretariat. The GPNPs shall each be provided technical

support by a Negotiating Secretariat under the direct control and supervision of the respective Panel Chairmen.

Administrative support services for the GPNPs shall be provided by the PAPP Secretariat.

The PAPP and the GPNPs shall be authorized to organize their own Technical Committee and to hire consultants.

Section 6. Funding.

The Office of the PAPP and the GPNPs shall be funded with an initial budget to be taken from the President's Contingent Fund in an amount to be recommended by the Department of Budget and Management and approved by the President. Appropriations for succeeding years shall be incorporated in budget proposals of the Office of the President.

Section 7. Agency Support.

The PAPP and the Chairmen of each GPNP are authorized to call on all departments, agencies of the government, including government-owned or controlled corporations, to actively assist in the effective and efficient implementation of the comprehensive peace process.

Section 8. Implementing Rules and Regulations.

Subject to the approval of the Office of the President, the PAPP shall promulgate the necessary implementing rules and regulations to carry out the provisions of this Executive Order.

Section 9. Transition Mechanism.

Until such time that the Secretariat for the peace process is fully organized and operational, the NUC Secretariat created under Executive Order No. 19 (s. 1992) shall continue to provide staff support to the PAPP

in the implementation of the comprehensive peace process. It shall be under the direct control and supervision of the PAPP. The NUC Secretariat is authorized to continue receiving, disbursing, and accounting for funds released for the peace process. Until new funds as defined under Section 6 of this Executive Order are released for the peace process, the NUC Secretariat shall advance funding support from its own budget for the operation of the PAPP and the GPNPs.

All assets, funds, records, equipment, facilities, other properties, choses in action, as well as the personnel of the NUC Secretariat are hereby transferred to the Secretariat of the PAPP.

Section 10. Repealing Clause.

All executive orders, rules and regulations and other issuances or parts thereof, which are inconsistent with this Executive Order are hereby repealed or modified accordingly.

Section 11. Effectivity.

This Executive Order shall take effect immediately.

DONE in the City of Manila, this 15th day of September in the year of our Lord, Nineteen Hundred and Ninety-Three.

(sgd) FIDEL V. RAMOS President
By the President:

(sgd) TEOFISTO T. GUINGONA, JR.
Executive Secretary

1996 Peace Agreement with the Moro National Liberation Front

In The Name of God, The Omnipotent, The Merciful

The final agreement on the implementation of the 1976 Tripoli Agreement between the Government of the Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF) with the participation of the Organization of Islamic Conference Ministerial Committee of Six and the Secretary General of the Organization of Islamic Conference.

Whereas, the President of the Republic of the Philippines, His Excellency Fidel V. Ramos, has pursued a peaceful settlement of the armed conflict under the principle of peace with honor and to serve the paramount ends of national unity, solidarity and progress for all Filipinos;

Whereas, the MNLF, led by Professor Nur Misuari, inspired by their quest for peace and prosperity, had in the past asserted the right of the Moro people to freely determine their political status and freely pursue their religious, social, economic and cultural development;

Whereas, the Organization of Islamic Conference (OIC), upon the request of the GRP initiated the First Formal Peace Talks between the GRP and the MNLF during its Third Ministerial Conference in Jeddah,

Kingdom of Saudi Arabia, which resulted in the signing of the Tripoli Agreement on December 23, 1976, the document which served as a basis for a just, lasting, honorable and comprehensive solution to the problem in Southern Philippines within the framework of the Philippine Constitution;

Whereas, by the Grace of the Almighty God and owing to the bold and innovative initiative of the Philippine Government, under H.E. President Fidel V. Ramos, and the dedication and perseverance of his duly appointed representatives, headed by the Presidential Adviser for the Peace Process Manuel T. Yan, coupled with the highly positive and laudable response of the MNLF leadership under its founding Chairman, H.E. Professor Nur Misuari, a peace process has been conducted and pursued successfully for the last four (4) years, with the most constructive and beneficial participation of the OIC Ministerial Committee of the Six, headed by its distinguished Chairman, H.E. Ali Alatas, Minister of Foreign Affairs of Indonesia, and his four (4) able assistants as facilitators of the talks, namely: H.E. Ambassador S. Wiryono, H.E. Dr. Hassan Wirajuda, H.E. Ambassador Pieter Damanik, and H.E. Ambassador Abu Hartono, and the OIC Secretary General, H.E. Hamid Algabid, and his deputy, H.E. Ambassador Mohammed Mohsin, and with special mention to Libyan Ambassador, H.E. Rajab Azzarouq;

Whereas, the parties acknowledge the valuable role of the Organization of Islamic Conference (OIC) in promoting and upholding

the rights, welfare and well-being of Muslims all over the world;

Whereas, the parties likewise, acknowledge the role of the OIC Ministerial Committee of the Six comprising the nations of Indonesia as Chair, Libya, Saudi Arabia, Bangladesh, Senegal and Somalia in the search of a just, comprehensive and durable peace in Southern Philippines;

Whereas, in accordance with the Statement of Understanding signed in Tripoli, Libya on October 3, 1992 and the subsequent Statement of Understanding signed in Cipanas, West Java on April 14, 1993, the parties agreed, through the good offices of the Great Libyan Arab Jamahiriyah, inspired and guided by its great leader, H.E. Colonel Muammar Gaddafi, the Government of the Republic of Indonesia under the wise and able leadership of H.E. Bapah President Suharto, and H.E. OIC Secretary General, Dr. Hamid Algabid, to hold formal peace talks to discuss the modalities for the full implementation of the 1976 Tripoli Agreement in letter and spirit; to include those portions of the Agreement left for further discussion and the transitional implementing structure and mechanism;

Whereas, the parties affirm their solemn commitment in the aforementioned Statement of Understanding as well as the Memorandum of Agreement signed in the 1st Round of Formal Peace Talks held in Jakarta, Indonesia on October 25-November 7, 1993; the Interim Agreement signed in the 2nd Round of Formal Peace Talks held in Jakarta on September 1-

5, 1994; the Interim Agreement signed in the 3rd Round of Formal Peace Talks held in Jakarta on November 27-December 1, 1995; the Interim Agreement signed in the 4th Round of Formal Peace Talks held in Jakarta on August 29, 1996; and in the nine (9) meetings of the Mixed Committee held in various places and dates in the Philippines and Indonesia;

Whereas, all these agreements resulted from the consensus points reached by the Mixed Committee and the Support Committees (Support Committee No. 1 - National Defense and Security; Support Committee No. 2 - Education; Support Committee No. 3 Economic and Financial System, Mines and Minerals; Support Committee No. 4 Administrative System, Right of Representation and Participation in the National Government, and in all Organs of the State; Support Committee No. 5 - Shariah and the Judiciary; and the Ad Hoc Working Group on the Transitional Implementing Structure and Mechanism in meetings held in various places in the Philippines and Indonesia;

Whereas, the parties have rationalized and consolidated all the agreements and consensus points reached, with the assistance of the Mixed Committee and the various support committees established for the purpose, into a final peace agreement;

Whereas, the parties affirm the sovereignty, territorial integrity and the Constitution of the Republic of the Philippines; and

Whereas, this final peace agreement constitutes the full implementation of the Tripoli Agreement.

Now therefore, the Parties do hereby agree on the following:

I. Implementing Structure and Mechanism of this Agreement

1. Phase I shall cover a three (3) year period starting after the signing of the peace agreement with the issuance of Executive Order establishing the Special Zone of Peace and Development (SZOPAD), the Southern Philippine Council for Peace and Development (SPCPD), and the Consultative Assembly.

During this phase, the process of the joining in of MNLF elements with the Armed Forces of the Philippines will start. The joining in of MNLF elements with the PNP as part of the regular police recruitment programme will also take place in this phase.

2. Phase II shall involve an amendment to or repeal of the Organic Act (RA 6734) of the Autonomous Region in Muslim Mindanao (ARMM) through Congressional action, after which the amendatory law shall be submitted to the people of the concerned areas in a plebiscite to determine the establishment of a new autonomous government and the specific area of autonomy thereof.

a. While peace and development programs

are being implemented in the SZOPAD, a bill to amend or repeal the RA 6734 shall be initiated within Phase I (1996-1997). The bill shall include the pertinent provisions of the final Peace Agreement and the expansion of the present ARMM area of autonomy. After a law shall have been passed by Congress and approved by the President, it shall be submitted to the people for approval in a plebiscite in the affected areas, within two (2) years from the establishment of the SPCPD (1998).

b. The new area of autonomy shall then be determined by the provinces and cities that will vote/choose to join the said autonomy (1998). It may be provided by the Congress in a law that clusters of contiguous Muslim-dominated municipalities voting in favor of autonomy be merged and constituted into a new province(s) which shall become part of the new Autonomous Region.

II. The Transitional Period (Phase I)

Phase I shall be implemented as follows:

3. There shall be established a Special Zone of Peace and Development in the Southern Philippines (SZOPAD) covering the provinces of Basilan, Sulu, Tawi-Tawi, Zamboanga del Sur, Zamboanga del Norte, North Cotabato, Maguindanao, Sultan Kudarat, Lanao del Norte, Lanao del Sur, Davao del Sur, South Cotabato, Sarangani and Palawan and the cities of Cotabato, Dapitan, Dipolog, General Santos, Iligan, Marawi, Pagadian, Zamboanga and Puerto Princesa.

Within the next three (3) years, these areas shall be the focus of intensive peace and development efforts. Public and private investments shall be channeled to these areas to spur economic activities and uplift the conditions of the people therein.

4. There shall be established a Southern Philippines Council for Peace and Development (SPCPD), composed of one (1) Chairman, one (1) Vice Chairman and three (3) Deputies, one each representing the Muslims, the Christians, and the Cultural Communities. They shall be appointed by the President.

5. The SPCPD shall be assisted by the Darul Iftah (advisory Council) which shall be created by the Chairman of the SPCPD.

6. The local government units in the area including the ARMM, shall continue to exist and exercise their functions in accordance with existing laws.

7. Appropriate agencies of the government that are engaged in peace and development activities in the area, such as but not limited to the Southern Philippines Development Authority (SPDA), shall be placed under the control and/or supervision of the Council as its implementing agencies to ensure that peace and development projects and programs are effectively accomplished.

Based on the foregoing, the following agencies or entities will be placed under the control and/or supervision of the SPCPD, to wit:

a. The Southern Philippines Development Authority (SPDA) may be attached to the SPCPD and be placed under the latter's direct supervision in so far as SPDA offices and projects in the SZOPAD are concerned. The SPCPD can exercise a further degree of control over SPDA by allowing the Council to submit recommendees to the President for appointment as officials of SPDA;

b. The Regional and Field Offices of the Office of Muslim Affairs (OMA) which are situated and operating within the Special Zone of Peace and Development (SZOPAD), shall be placed under the direct supervision of SPCPD, provided that the coordination, linkages and complementation between the central OMA and SPCPD shall be defined by a Presidential issuance;

c. The Regional and Field Offices of the Office of Southern Cultural Communities (OSCC) which are situated and operating within the Special Zone of Peace and Development (SZOPAD), shall be placed under the direct supervision of SPCPD, provided that the coordination, linkages and complementation between the central OSCC and SPCPD shall be defined by a Presidential issuance;

d. Task Force Basilan, which shall be reorganized into the Basilan Development Task Force, to undertake development activities in Basilan shall be placed under the control and supervision of SPCPD;

e. Task Force MALMAR, to be reorganized into the Central Mindanao Development Task Force, to undertake development activities in Central Mindanao shall be placed under the control and supervision of SPCPD;

f. Sulu Development Task Force - an interagency task force that shall be organized to undertake development projects in Sulu shall be placed under the control and supervision of SPCPD; and

g. Special Development Planning Group - this is an ad hoc body composed of staff officers and planning experts from the Department of Trade and Industry (DTI), the National Economic and Development Authority (NEDA), the Department of Public Works and Highways (DPWH) and other concerned agencies which could be organized to support directly the staff planning requirements, shall be placed under SPCPD.

The foregoing enumeration of agencies or entities shall not preclude the President from exercising his power or discretion to delegate, subject to existing laws, certain powers or functions to the SPCPD, or to place other agencies or entities under the control and/or supervision of the latter.

8. The SPCPD, in consultation with the Consultative Assembly, utilizing the funds from the National Government, shall monitor, promote and coordinate the development efforts in the area, including the attraction of foreign investment, specially from OIC member countries and the Association of

South East Asian Nations (ASEAN).

9. The powers and functions of the SPCPD and the Consultative Assembly are derivative and extension of the powers of the President. The powers referred to here are only those powers of the President that could be delegated under the Constitution and existing laws.

10. There shall be established a Consultative Assembly with 81 members composed of the following:

a. The Chairman of the SPCPD shall be the head and presiding officer of the Assembly;

b. The Governor and the Vice Governor of the ARMM, the 14 Governors of the provinces and the 9 City Mayors in the SZOPAD;

c. 44 members from the MNLF; and

d. 11 members from various sectors recommended by non-governmental organizations (NGOs) and people's organizations (POs).

11. The Consultative Assembly shall exercise the following functions and powers:

a. To serve as a forum for consultation and ventilation of issues and concerns;

b. To conduct public hearings as may be necessary and to provide appropriate advice to the SPCPD; and

c. To formulate and recommend policies to the President through the Chairman of the SPCPD and make rules and regulations to the extent necessary for the effective and efficient administration of the affairs of the area.

12. The OIC shall be requested to continue to extend its assistance and good offices in monitoring the full implementation of this agreement during the transitional period until the regular autonomous government is firmly established and for this purpose, help generate broad international support for the Zone of Peace and Development.

13. A Joint Monitoring Committee composed of members coming from the GRP and the MNLF, with the help of the OIC, shall continue to meet to review and identify agreements that can be immediately implemented, and monitor the implementation of this Agreement during Phase I.

14. The provisions of the 1994 and 1995 Interim Agreements and subsequent agreements entered into by the GRP and the MNLF that would not require legislative action shall be implemented during Phase I.

15. The funds for the operations of the Council and the Assembly shall be initially sourced from the funds of the Office of the President. Funding for development programs and projects shall come from the appropriations of Congress as may be drawn from the General Appropriations Act. A

supplementary budget for the year 1996 will be recommended to Congress for the purpose.

16. The term of the SPCPD and the Consultative Assembly shall be for a period of three years and may be extended by the President upon recommendation of the Council itself.

17. The term of office of the SPCPD and the Assembly shall coincide with the three-year term of office of the officials of the Autonomous Region in Muslim Mindanao (ARMM) elected in 1996.

18. The powers and functions of the Council shall be as follows:

a. To take charge in promoting, monitoring and coordinating the improvement of peace and order in the area;

b. To focus on peace and development efforts more particularly in the depressed areas and cause the implementation of peace and development projects;

c. To provide support to local government units as necessary;

d. To exercise such other powers and functions necessary for the effective implementation of its mandate as may be delegated by the President;

e. To assist in the preparation for the holding of elections, referenda or plebiscite and people's initiative in the area as may be

duly deputized by the Commission on Elections (COMELEC);

f. To cause the creation of such offices or instrumentalities as shall be necessary for the effective and efficient administration of the affairs of the areas. There shall be approval from the Office of the President for budgetary purposes.

19. The joining of the MNLF elements with the Philippine National Police (PNP) and the Provision of Security Protection for Certain Officials of the Southern Philippines Council for Peace and Development:

a. During the transitional phase (Phase I), there shall be a program or process to allow the joining of MNLF elements into the PNP and to be part of the PNP in accordance with guidelines and procedures under existing laws. The Philippine Government shall allocate one thousand five hundred (1,500) PNP vacancies for this purpose to be filled up by MNLF elements during the transition period, and another two hundred fifty (250) items for special or auxiliary services.

b. The processing of MNLF elements will start upon the establishment of the Southern Philippines Council for Peace and Development (SPCPD). The police training programs to be undergone by the joining MNLF elements shall be as prescribed by existing laws and regulations, and shall be conducted by the PNP.

c. The concerned officials of the Council

(e.g. the Chairman and his Deputies) shall be provided security and protective assistance by the national government, as the security situation warrants and as part of confidence-building measures. An AFP/PNP security detail shall be immediately and particularly assigned to the Council. This special AFP/PNP security detail shall be composed of former MNLF regulars who shall have been granted AFP or PNP appointments and duly integrated into the AFP or PNP. This security detail shall be of appropriate size in accordance with the needs of the situation, without prejudice to augmentation by regular AFP or PNP units as the need arises and in coordination with the AFP and PNP commanders concerned. This security detail which shall not be utilized for law enforcement, but solely for the security and protection of SPCPD officials concerned, shall conduct themselves in accordance with existing policies and regulations in order to prevent undue alarm to the population during movements of concerned officials.

d. To have good coordination between the AFP and PNP on the one hand and the SPCPD on the other, a liaison system will be set up composed of the AFP, PNP and SPCPD senior officials.

20. The joining of the MNLF forces with the Armed Forces of the Philippines (AFP):

a. Five thousand seven hundred fifty (5,750) MNLF members shall be integrated into the Armed Forces of the Philippines (AFP), 250 of whom shall be absorbed into the auxiliary services. The government shall exert

utmost efforts to establish the necessary conditions that would ensure the eventual integration of the maximum number of the remaining MNLF forces into the Special Regional Security Force (SRSF) and other agencies and instrumentalities of the government. There shall be a special socioeconomic, cultural and educational program to cater to MNLF forces not absorbed into the AFP, PNP and the SRSF to prepare them and their families for productive endeavors, provide for educational, technical skills and livelihood training and give them priority for hiring in development projects.

b. In the beginning, the MNLF forces will join as units distinct from AFP units. They will be initially organized into separate units within a transition period, until such time that mutual confidence is developed as the members of these separate units will be gradually integrated into regular AFP units deployed in the area of the autonomy. Subject to existing laws, policies, rules and regulations, the appropriate authorities shall waive the requirements and qualifications for entry of MNLF forces into the AFP.

c. One from among the MNLF will assume the functions and responsibilities of a Deputy Commander of the Southern Command, AFP, for separate units that will be organized out of the MNLF forces joining the AFP. The Deputy Commander will assist the Commander of the Southern Command, AFP in the command, administration and control of such separate units throughout the aforementioned transition period. The Deputy Commander will

be given an appointment commensurate to his position and shall be addressed as such.

d. The government recognizes the skills, capabilities and achievements of the MNLF and its capacity to develop its members for the highest echelons of military and civilian leadership. The ranks and grades of MNLF forces joining AFP shall be subject to the decision of the President in his capacity as Commander-in-Chief of the AFP along the principles of universality, nondiscrimination, equity and preferential treatment for the poor and underprivileged.

e. The government shall take affirmative measures to continually improve the capabilities of those MNLF forces joining the AFP to enhance their opportunities for professional advancement in the military service. It shall undertake initiatives to provide professional training and military schooling in foreign countries to former MNLF members absorbed into the AFP in consonance with the education and training programmes with the AFP.

f. All other matters regarding the joining of MNLF forces into the AFP not expressly covered by this Agreement shall be prescribed by the President in his capacity as Commander-in-Chief of the AFP.

III. The New Regional Autonomous Government (Phase II) The following provisions shall be implemented after a law amending or repealing the Organic Act of ARMM shall have been enacted by Congress

and approved by the people in the concerned areas in a plebiscite therefore. Accordingly, these provisions shall be recommended by the GRP to Congress for incorporation in the amendatory or repealing law.

A. Executive Council, Legislative Assembly, Administrative System and Representation in the National Government

Executive Council

21. Executive power shall be vested in the Head of the regular Autonomous Government duly elected at large by direct vote of the people of the Autonomous Region. There shall also be a Vice Head of the Regional Autonomous Government also elected in the same manner. The Head of the Regional Autonomous Government may appoint three (3) Deputies. The Head, the Vice-Head and the three (3) Deputies shall comprise the Executive Council of the area of Autonomy.

22. The President shall exercise general supervision over the Regional Autonomous Government and all local government units in the area of Autonomy through the Head of the Regional Autonomous Government to ensure that laws are faithfully executed.

The Head of the Autonomous Government shall exercise general supervision over all local government units in the area of autonomy to ensure that national and regional laws are faithfully executed, and see to it that they act within their assigned powers and functions.

Legislative Assembly

23. Legislative power shall be vested in the Regional Legislative Assembly.

24. The Legislative Assembly shall be composed of members elected by popular vote,

with three (3) members elected from each of the Congressional Districts.

25. There shall be sectoral representatives in the Legislative Assembly whose number shall not exceed fifteen percent (15%) of the total number of elected Members of the Legislative Assembly coming from the labor, disabled, industrial, indigenous cultural communities, youth, women, non-government organizations, agricultural, and such other sectors as may be provided by Regional Law to be appointed by the Head of the Autonomous Government from among the nominees of the different sectoral groups; provided, however, that the youth representative shall not be less than 18 years of age nor more than 21 years of age at the time of his appointment.

26. The people's initiative, by way of a plebiscite or referendum, is recognized.

27. The Regional Legislative Assembly shall exercise legislative power for application in the area of autonomy except on the following matters, to wit:

- a. Foreign Affairs;

- b. National Defense and Security;
- c. Postal Service;
- d. Coinage, and Fiscal and Monetary Policies;
- e. Administration of Justice except on matters pertaining to Shari'ah;
- f. Quarantine;
- g. Customs and Tariff;
- h. Citizenship;
- i. Naturalization, Immigration and Deportation;
- j. General Auditing, Civil Service and Elections;
- k. Foreign Trade;
- l. Maritime, Land and Air Transportation and Communications that affect areas outside the autonomous region; and
- m. Patents, Trademarks, Tradenames and Copyrights.

28. The Legislative Assembly may create, divide, merge, abolish or substantially alter boundaries of local government units in the area of autonomy in accordance with the criteria laid down by law subject to approval by a majority of the votes cast in a plebiscite called for the purpose in the political units affected. It may also change the names of such local government units, public places and institutions.

29. Any member of the Legislative Assembly who accepts an appointment and qualifies for any position in the Government, including government-owned-and/or-controlled corporations or institutions and their subsidiaries, shall automatically forfeit his seat in the Legislative Assembly.

30. No member of the Legislative Assembly may personally appear as counsel before courts of justice or quasi-judicial and other administrative bodies. Neither shall he directly or indirectly, be interested financially in any contract with, or in any franchise or privilege granted by, the Government or any subdivision, agency or instrumentality thereof, including any government-owned-and/or-controlled corporation or its subsidiary, during his term of office. He shall not intervene in any matter before any office of the government for his pecuniary benefit or where he may be called upon to act on account of his office.

31. In case of vacancy in the Legislative Assembly occurring at least one year before the expiration of the term of office, a special election shall be called to fill the vacancy in the manner prescribed by law; provided that the member elected shall serve for the unexpired term.

32. The Legislative Assembly shall elect from among its members a Speaker and such other officers as the rules may provide. The Speaker shall appoint the personnel of the administrative organization of the Legislative Assembly.

33. The powers, functions, responsibilities and structure of the different Departments, agencies, bureaus, offices and instrumentalities of the regional government including regional government-owned-and-controlled corporations in the areas of the

autonomy shall be prescribed and defined by the Regional Legislative Assembly.

34. No person shall be elected member of the Legislative Assembly unless he/she is:

- a. A natural-born citizen of the Philippines;
- b. At least 21 years of age on the day of elections;
- c. Able to read and write;
- d. A registered voter of the district in which he/she shall be elected on the day he/she files his/her certificate of candidacy; and
- e. A resident thereof for a period of no less than five years immediately preceding the day of election.

35. Every member of the Legislative Assembly shall take an oath or affirmation of allegiance to the Republic of the Philippines before taking his/her seat.

36. The Legislative Assembly shall adopt its own rules of procedure by a majority vote of all its Members including the selection of members of its standing committees and the suspension or expulsion of its Members.

37. A majority of all the Members of the Assembly shall constitute a quorum to do business, but a smaller number may adjourn from day-to-day and may compel the attendance of absent members in such manner, and under such penalties as the Assembly may provide.

38. The Legislative Assembly or any of its

committees may conduct inquiries or public consultations in aid of legislation in accordance with its rules. The rights of persons appearing in or affected by such inquiries shall be respected.

39. The Legislative Assembly shall keep a journal of its proceedings and a record of its caucuses and meetings. The records and books of account of the Assembly shall be preserved and be open to public scrutiny. The Commission on Audit shall publish an annual report of the itemized list of expenditures incurred by the Members of the Assembly within sixty (60) days from the end of every regular session.

40. The Speaker of the Legislative Assembly shall, within ten working days from approval thereof, submit to the President and to both Houses of Congress a certified true copy of all laws and resolutions approved by the Legislative Assembly.

41. No member shall be questioned or be held liable in any other place for any speech or debate in the Assembly or in any committee thereof.

42. The Chief Executive of the Autonomous Government shall approve the budget of the Autonomous Region. If, by the end of any fiscal year, the Legislative Assembly shall have failed to pass the regional appropriations bill for the ensuing fiscal year, the regional Appropriations Act for the preceding fiscal year shall be deemed automatically reenacted and shall remain in force and effect until the

regional appropriations bill is passed by the Legislative Assembly.

43. No provision or enactment shall be embraced in the regional appropriations bill unless it relates specifically to some particular appropriation therein. Any such provision or enactment shall be limited in its operation to the appropriation to which it relates.

44. The procedure in approving appropriations for the Legislative Assembly shall strictly follow the procedure for approving appropriations for other departments and agencies of the Regional Government.

45. A special appropriations bill shall specify the purpose for which it is intended, and shall be supported by funds actually available as certified by the Regional Treasurer, or to be raised by a corresponding revenue proposal therein.

46. Discretionary funds appropriated for particular offices shall be disturbed only for public purposes to be supported by appropriate vouchers and subject to such guidelines as may be prescribed by regional law.

47. All money collected on any regional tax levied for a special purpose shall be treated as a special fund and paid out for such special purpose only. If the purpose for which a special fund was created has been fulfilled or abandoned, the balance, if any, shall accrue to the general funds of the regional government.

48. Trust funds shall only be paid out of the regional treasury upon fulfillment of the specific purpose for which said funds were created or received.

49. Except as provided by its rules, the Legislative Assembly shall meet in open session. Regular session shall commence on the 4th Monday of April and shall continue to be in session for such number of days as may be determined by the Assembly until thirty (30) days before the opening of its next regular session.

50. The Legislative Assembly shall meet in special sessions at the request of one-third (1/3) of all its Members or by call of the Chief Executive. Such special sessions must be convened with specific agenda.

51. No bill shall become a law unless it has passed three (3) readings on separate days and printed copies thereof in its final form have been distributed to its Members three (3) days before its passage, except when the Chief Executive certifies to the necessity of its immediate enactment to meet a public calamity or emergency.

52. Every bill passed by the Legislative Assembly shall, before it becomes a law, be presented to the Chief Executive. If he approves the same, he shall sign it, otherwise, he shall veto it and return it with his objections to the Legislative Assembly, which shall enter the objections at large in its journal and proceed to consider it. If, after such

reconsideration, two-thirds (2/3) of all the Members of the Legislative Assembly shall agree to pass the bill, it shall become a law. In all such cases, the veto shall be determined by yeas and nays, and the names of the members voting for or against shall be entered in the journal.

The Chief Executive shall communicate his veto of any bill to the Legislative Assembly within thirty (30) days after the receipt thereof; otherwise, it shall become a law as if he had signed it.

53. The Legislative Assembly may request the presence of the Chief Executive, Vice Chief Executive, Cabinet members or their deputies, as the rules shall provide, for questioning on matters falling within the scope of their assigned powers and functions.

54. Subject to the rules of the Legislative Assembly, the legislative power to inquire on matters relating to the exercise of administrative functions by an agency of government within the Autonomous Region shall be in the form of written questions.

55. The Chief Executive shall submit to the Legislative Assembly not later than two (2) months before the beginning of every regular session, as the basis of the regional appropriations bill, a budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures.

56. The fiscal year of the Autonomous Region shall cover the period January 1 to

December 31 of the same year.

57. The Legislative Assembly may not increase the appropriations recommended by the Chief Executive for the operation of the Autonomous Government as specified in the budget. The form, content and manner of preparation of the budget shall be prescribed by regional law; provided, however, that pending the enactment of such regional law, the budgeting process shall be governed by existing national laws and rules and regulations prescribed by the Department of Budget and Management.

58. The Chief Executive shall have the power to veto any particular item or items in an appropriation or revenue bill, but the veto shall not affect the item or items to which he does not object. The veto may be reconsidered by the Assembly by a vote of two thirds (2/3) of all its Members.

59. The financial accounts of the expenditures and revenues of the Autonomous Region shall be audited by the Commission on Audit.

60. No money shall be paid out of the Regional Treasury except in pursuance of an appropriation made by regional law.

61. No regional law shall be passed authorizing any transfer of appropriations; however, the Chief Executive, the Speaker of the Assembly, and the Presiding Justice of the highest Shariah Court may, by law, be authorized to augment any item in the

Regional

General Appropriation Law for their respective offices from savings in other items of their respective appropriations.

Administrative System

62. The Regional Autonomous Government shall have the power to enact its own Regional Administrative Code and Regional Local Government Code consistent with national laws and the Constitution provided that it shall not in any way diminish the powers and functions already enjoyed by Local Government Units.

Right of Representation and Participation in the National Government and in all Organs of the State

General Principles:

63. Representation in the National Government by the inhabitants of the Autonomous Region may be effected through appointment or elections and must be subject to standards and guidelines prescribed for the position. When representation is done by appointment, the inhabitants of the Autonomous Region will be appointed by the President of the Philippines to herein specified positions which are policy determining, highly technical, primarily confidential and supervisory upon recommendation by the Head of the Autonomous Government.

64. Right of representation shall not be construed in such a way that applicants from

the Autonomous Region, especially Muslims, and Cultural Communities, for lower positions in the above organs of the government cannot be appointed anymore thereto.

Manner of Representation and Participation

Executive

65. It shall be policy of the National Government that there shall be at least one (1) member of the Cabinet (with the rank of Department Secretary) who is an inhabitant of the Autonomous Region to be recommended by the Head of the Autonomous Government.

66. It shall likewise be a policy that there shall be at least one (1) official in each of the departments and the constitutional bodies of the national government who shall be appointed in executive, primarily confidential, highly technical policy-determining positions, from among the inhabitants of the Autonomous Region upon recommendation by the Head of the Autonomous Government. The Head of the Autonomous Government shall participate as ex-officio member of the National Security Council on all matters concerning the Autonomous Region and such other matters as may be determined by the President.

67. Government-Owned and Controlled Corporations (GOCCs) or institutions and their subsidiaries in the area of autonomy: where Government-Owned and Controlled Corporations (GOCCs) are operating mainly or with a subsidiary in the area of autonomy,

as a policy, the Regional Autonomous Government shall be given some representations in the Board of Directors or in the policy-making body of said GOCCs or their subsidiaries consistent with their respective charters.

Legislative

68. It shall be the policy of the National Government that the Regional Autonomous Government shall have one (1) representative in Congress as a Sectoral Representative. This is aside from the representatives/congressmen elected from the congressional districts located in the autonomous region.

Judicial

69. It shall be a policy of the National Government that at least one (1) justice in the Supreme Court and at least two (2) in the Court of Appeals shall come from the Autonomous Region. For this purpose, the Head of the Autonomous Government may submit the names of his recommendees to the Judicial and Bar Council for consideration. This is without prejudice to the appointment of qualified inhabitants of the Autonomous Region to other positions in the judiciary in accordance with their merits and qualifications.

70. The GRP shall endeavour to cause the appointment, as a member of the Judicial and Bar Council, a qualified person to be recommended by the Head of the Regional Autonomous Government.

71. The GRP shall request the Supreme Court to create the Office of the Deputy Court Administrator for the Area of Autonomy, and to appoint thereto a qualified person recommended by the Head of the Regional Autonomous Government.

Civil Service Eligibilities

72. The civil service eligibility requirements for appointment to government position shall be applicable in the Autonomous Government. As necessary, the Civil Service

Commission shall hold special civil service examinations in the region to further increase the number of eligibles therein. For a period not longer than five (5) years from the establishment of the Regional Autonomous Government, the GRP will endeavour to provide for appropriate civil service eligibility to applicants in the Autonomous Region, provided, the minimum educational qualifications for the position are met.

B. The Establishment of the Special Regional Security Force for the Autonomous Region (Phase II of the Implementation of the Tripoli Agreement)

General Principles

73. When the new regular Autonomous Regional Government shall have been established, there shall be created or constituted a PNP Regional Command for the new Autonomous Region, which shall be the Special Regional Security Forces (SRSF) as

referred to in Paragraph 8, Article III of the Tripoli Agreement.

74. The Regional Legislative Assembly may enact laws governing the PNP Regional Command for the Autonomous Region/SRSF consistent with the constitutional provision that there shall be one police force in the country which is national in scope and civilian in character.

75. The PNP Regional Command for the Autonomous Region/SRSF shall be composed of the existing PNP units in the area of autonomy, the MNLF elements and other residents of the area who may later on be recruited into the force.

76. The powers and functions of the PNP Regional Command for the Autonomous Region/SRSF, which shall be exercised within the territories covered by the Regional Autonomous Government (RAG), shall be the following:

a. Enforce all laws and ordinances relative to the protection of lives and properties;

b. Maintain peace and order and take all necessary steps to ensure public safety;

c. Investigate and prevent crimes, effect the arrest of criminal offenders, bring offenders to justice and assist in their prosecution;

d. Exercise the general powers to make arrest, search and seizure in accordance with

the Constitution and pertinent laws;

e. Detain and arrest a person for a period not beyond what is prescribed by law, informing the person so detained of all his rights under the Constitution and observing the inherent human rights of the citizens; and

f. Perform such other duties and exercise all other functions as may be provided by law.

77. The PNP Regional Command for the Autonomous Region/SRSF shall be charged with the maintenance and preservation of peace, law and order, and protection of life, liberty and property in the region in consonance with the Constitution.

Organization of the PNP Regional Command for the Autonomous Region/SRSF

78. It shall be civilian in nature or character.

79. It shall be regional in scope of operations.

80. It shall be headed by a Regional Director who shall be assisted by two (2) Deputies, one (1) for Administration and one (1) for Operations.

81. It shall have regional, provincial, and city or municipal offices.

82. At the provincial level, there shall be a provincial office, headed by a Provincial Director.

83. At the city or municipal level, there shall be an office/station which shall be headed by a Chief of Police.

Powers of the Head of the Regional Autonomous Government over the PNP Regional Command for the Autonomous Region/SRSF

84. Act as the Deputy of the National Police Commission (NAPOLCOM) in the region and shall be the ex-officio Chairman of the Regional Police Commission (REPOLCOM).

85. Exercise operational control and general supervision and disciplinary powers.

86. Employ/deploy the elements of the Regional Command through the Regional Director.

87. Assign/reassign officers and other personnel through the Regional Director.

88. Recommend to the President the appointment of the Regional Director and his two (2) Deputies.

89. Oversee the preparation and implementation of the integrated regional public safety plan.

90. Impose, after due notice and summary hearings of citizen's complaints, administrative penalties on personnel of the Regional Command except Presidential Appointees.

Creation of the Regional Police Commission

91. There shall be created a Regional Police Commission (REPOLCOM) by the Regional Legislative Assembly consistent with the Constitution.

92. The REPOLCOM shall be under the supervision of the NAPOLCOM.

93. The Chairman of REPOLCOM shall be an ex-officio Commissioner of the NAPOLCOM.

C. Education

The Integrated System of Education

94. The Regional Autonomous Government shall have an educational component comprising of existing schools, colleges and universities in the present area of autonomy and such other schools and institutions in the future expanded area of autonomy, with the possible inclusion of state universities and colleges (SUCs) to be decided later on. The relationship of the Regional Autonomous Government educational body with the national educational system shall be that of a system and sub-system with emphasis on the autonomy of the sub-system. In the event that SUCs should be included as part of the educational component of the Regional Autonomous Government, the autonomous government recognizes the fiscal autonomy and academic freedom of the SUCs as mandated by their respective charters.

95. The Regional Autonomous Government educational system shall, among others, perpetuate Filipino and Islamic ideals and aspirations, Islamic values and orientations of the Bangsamoro people. It shall develop the total spiritual, intellectual, social, cultural, scientific and physical aspects of the Bangsamoro people to make them God-fearing, productive, patriotic citizens, conscious of their Filipino and Islamic values and Islamic cultural heritage under the aegis of a just and equitable society.

The Structure of Education System

96. The elementary level shall follow the basic national structure and shall primarily be concerned with providing basic education; the secondary level will correspond to four (4) years of high school, and the tertiary level shall be one year to three (3) years for non degree courses and four (4) to eight (8) years for degree courses, as the case may be in accordance with existing laws.

Curriculum

97. The Regional Autonomous Government educational system will adopt the basic core courses for all Filipino children as well as the minimum required learnings and orientations provided by the national government, including the subject areas and their daily time allotment. Teaching materials and curriculum contents shall promote solidarity, unity in diversity, Filipino and Islamic values.

98. The addition of more required learnings

and instructional materials shall be the prerogative and responsibility of the Autonomous Government.

99. The minimum requirements and standards prescribed by Department of Education Culture and Sports (DECS), Commission on Higher Education (CHED) and Technical Education and Skills Development Authority (TESDA) will be followed by the Autonomous Region.

100. The same textbooks of the National Government will be used by schools in the Autonomous Region. The formulation, shaping and revision of textbooks are the responsibilities of the Regional Autonomous Government and the National Government and within agreed norms, academic freedom and relevant legal limits, the formulation and revisions shall emphasize Islamic values or orientation, in addition to Filipino values which include Christian values and values of indigenous people, modern sciences and technology as well as the latest educational thrusts. Having adopted the core curriculum of the national government in consideration of achieving the highest quality of education, students and graduates of the education system of the Autonomous Region shall be fully accredited when they transfer to non autonomous regions.

101. The integration of Islamic Values in the curriculum should be done gradually after researches and studies are conducted.

102. The teachings of Islamic Values, as

well as Filipino values, shall be incorporated in Good Manners and Right Conduct in appropriate grade levels including the tertiary level subject to agreed norms, academic freedom, and legal limitations.

103. Muslim culture, mores, customs and traditions which are mainly based on Islam, as well as the cultures, mores, customs, and traditions of Christians and indigenous people, shall be preserved through the regular public and special schools in the Autonomous Region, considering that schools are perpetuating vehicles of the values of the people.

Administration of Educational System

104. The management and control, and supervision of the entire educational system in the area of autonomy shall be the primary concern of the Regional Autonomous Government, consistent with the declared policies of national educational bodies. The national education bodies shall monitor compliance by the regional educational system with national educational policies, standards and regulations in collaboration with the educational authorities of the autonomous region. The head of the educational system of the Regional Autonomous Government shall have the right to participate in policy and decision making activities of the national educational bodies.

105. The Regional Autonomous Government shall be represented in the Board of SUCs in the region as co-chairman or at least, co-vice-chairman, as may be provided by law.

Appointment to SUC Boards shall be made by the President of the Philippines.

106. The Regional Autonomous Government will be responsible for specific administrative, management functions and powers, educational supervision and school administration, and regulation over private schools.

107. The organizational structure of the educational system in the autonomous region shall follow the basic structure of the national educational system. The Regional Legislative Assembly may add special structures, if necessary. It shall follow whatever organizations of the curricular years as found in the national set-up.

108. Locally funded programs will be the responsibility of the Regional Autonomous Government.

109. The selection, recruitment, appointment and promotion of teachers and employees shall be the responsibility of the Regional Autonomous Government in accordance with general qualification standard prescribed by the Civil Service Commission (CSC) provided that the Regional Autonomous Government can initiate regionally-defined standards which are not below national standards.

110. The selection, recruitment, appointment and promotion of elementary, secondary and tertiary education employees shall be the responsibility of the Regional

Autonomous Government in accordance with general standards of the Civil Service Commission (CSC) and other recognized bodies.

111. Primary disciplinary authority over officials and employees of the Regional Autonomous Government will be the area of concern of the Regional Autonomous Government in accordance with Civil Service Commission (CSC) rules and regulations. Administrative sanctions deemed appropriate and reasonable as determined by the Civil Service Commission will be the area of concern of the Regional Autonomous Government.

Religious Instruction

112. Religious instruction in public schools should be optional, with the written consent of the parent/guardian, taught by the authorities of the religion to which the student belongs, and should not involved additional costs to the government in accordance with national policies.

Medium of Instruction

113. Filipino and English shall be the medium of instruction in the areas of the Autonomy; provided that Arabic shall be an auxiliary medium of instruction.

114. Regional languages may be used as auxiliary official languages in the region as well as auxiliary medium of instruction and communication.

115. Arabic shall be recognized as a medium of instruction in Madaris (schools) and other Islamic institutions.

116. Arabic shall be taught as a subject in all appropriate grade levels as presently required in the existing laws for Muslims, and optional, for non-Muslims.

Madrasa Education

117. Existing Madaris, including Madaris Ulya shall be under the Regional Autonomous Government educational system as presently organized in the area of autonomy.

118. Madaris teachers shall receive compensation out of the funds of the Regional Autonomous Government provided they are employed in the public schools.

Non-formal Education and Specialized Education

119. The Regional Autonomous Government educational system shall develop the full potentials of its human resources, respond positively to changing needs and conditions and needs of the environment, and institutionalize non-formal education.

120. The educational system shall respond positively and effectively to the changing needs and conditions of the times as well as regional and national needs of the environment through the proper use of the latest educational technology, development, planning, monitoring, evaluation, and

appropriate and timely educational intervention as well as linkages with national and international institutions.

121. The Regional Autonomous Government educational system shall institutionalize non-formal education in scope and methodology, to include literacy, numeracy and intensive skills training of the youth and adult, to allow them to participate actively and productively in the mainstream of regional and national life.

Scholarship Grants and Assistance

122. Universities and colleges in the areas of autonomy may seek and receive overseas donations for educational purposes.

123. The Regional Autonomous Government educational system will handle, by administrative arrangement with the national DECS, CHED, and TESDA scholarship programs, both local and foreign, including those provided by the autonomous region pursuant to the provision of existing laws.

124. Disadvantaged but deserving students will be given financial assistance by the Regional Autonomous Government out of funds given by the national government for the purpose and from other sources of funds.

Funds for Education

125. Funds for education constituting the share of the Regional Autonomous

Government as contained in the General Appropriations Act should be given directly to the Autonomous Government.

D. The Economic and Financial System, Mines and Minerals

126. The Regional Autonomous Government in the area of autonomy shall establish its own Regional Economic and Development Planning Board chaired by the Head of Government in the area of autonomy. The Board shall prepare the economic development plans and programs of the Autonomous Government.

127. The pivotal role of banks and other financial institutions for development in the area of autonomy is recognized.

128. The Regional Autonomous Government in the area of autonomy has the power to promote tourism as a positive instrument for development provided that the diverse cultural heritage, moral and spiritual values of the people in the area of autonomy shall be strengthened and respected.

129. The Regional Autonomous Government in the area of autonomy shall have the power to grant incentives including tax holidays within the power and resources in the area of autonomy.

130. The Regional Autonomous Government in the area of autonomy advocates equal opportunities for all the inhabitants of the area of autonomy regardless

of ethnic origin, culture, sex, creed and religion.

131. In enacting tax measures, the Regional Legislative Assembly shall observe the principle of uniformity and equity in taxation and shall not impose confiscatory taxes or fees of any kind.

132. The Regional Autonomous Government in the area of autonomy shall have the power to enact a Regional Tax Code and a regional Local Tax Code applicable to all local government units within the area of autonomy.

133. All corporations, partnerships or business entities directly engaged in business in the area of autonomy shall pay their corresponding taxes, fees, and charges in the province, city or municipality in the area of autonomy where the establishment is doing business.

134. All corporations, partnerships or business entities whose head offices are located outside the area of autonomy, but doing business within its territorial jurisdiction, either by using, exploiting, and utilizing the land, aquatic and all natural resources therein, shall pay their income taxes corresponding to their income realized from their business operation in the area of autonomy through the province, city or municipality where their branch offices are located. In case the business establishment has no branch in the area of autonomy, such business establishment shall pay through the city or municipality where its operation is

located.

135. The Regional Autonomous Government in the area of autonomy as a corporate body, may contract domestic loans.

136. The Regional Autonomous Government recognizes the pivotal role played by banks and other financial institutions in the economic development of the area of autonomy. Toward this end, the Autonomous Government shall:

a. Encourage the establishment of banks and bank branches in the area of autonomy;

b. Encourage the entry and establishment of off-shore banking units of foreign banks in the area of autonomy.

137. The Regional Autonomous Government may accept foreign financial and economic grant for the development and welfare of the people in the region.

138. The Regional Autonomous Government may issue its own treasury bills, bonds, promissory notes, and other debt papers in consultation and coordination with the Bangko Sentral ng Pilipinas.

139. The Regional Autonomous Government may contract foreign loans within the purview of national laws and pertinent monetary and fiscal policies.

140. In the pursuit of the region's economic growth, development and welfare, the autonomous government shall have the right to formulate economic and financial policies

and implement economic and financial programs, taking into account national laws and policies.

141. The Regional Autonomous Government in the area of autonomy shall encourage, promote and support the establishment of economic zones, industrial centers, and ports in strategic area and growth centers to attract local and foreign investments and business enterprise.

142. The Regional Autonomous Government in the area of autonomy shall undertake encourage, promote and support the establishment of economic zones and industrial centers. And, in order to attract local and foreign investments within the area of the zone and outside but within the area of autonomy, the government in the area of autonomy may grant incentives to investors as may be defined in an Autonomous Investment Act to be formulated by the Regional Legislative Assembly within one year from its organization.

143. The residents in the area of the autonomy shall have preferential rights over the exploration, development and utilization of natural resources in the area of autonomy respecting existing rights on the exploitation, exploration, development and utilization of natural resources.

144. The Regional Autonomous Government in the area of autonomy shall enjoy fiscal autonomy in budgeting its own revenue resources and block subsidies granted to it

by the National Government and foreign donors. Budgeting includes planning, programming and disbursing of funds.

145. The National Government shall appropriate for the area of autonomy a sufficient amount and for a period (both to be determined later) for infrastructure projects which shall be based on a development plan duly approved by the Regional Autonomous Government taking into account national policies.

147. In the regulation of the exploration, utilization, development, protection of the natural resources inclusive of mines and minerals, except strategic minerals which will be defined later, the government in the area of autonomy shall enact rules and regulations and shall impose regulatory fees, taking into account national policies.

148. An Islamic Banking Unit shall be established in the Bangko Sentral ng Pilipinas which shall be staffed by qualified Islamic banking experts nominated by the Governor of the Regional Autonomous Government. The Governor of the Regional Autonomous Government shall nominate at least three (3) qualified persons from the area of autonomy, from which nomination the appointing authority shall appoint the Head of the Unit. The same procedure shall be observed as regards the rest of the positions in the Unit.

149. The Bangko Sentral ng Pilipinas shall have a Regional Office with full banking service in the capital of the government of the

Autonomous Region to respond to the growing needs of the banking community in the area of autonomy which shall be established within one (1) year from the establishment of the Autonomous Government. The Governor of the Autonomous Government shall submit a list of qualified recommendees to the appointing authority from which the staff of the regional office may be chosen; provided that those staff who are now occupying and already appointed to positions in the regional office are considered as recommended by the Governor of the Regional Autonomous Government.

150. The Regional Autonomous Government shall establish a body in the area of autonomy with the same powers as the Philippine Economic Zone Authority (PEZA) consistent with the Special Economic Zone Act of 1995.

151. All current year collections of internal revenue taxes within the area of autonomy shall, for a period of five (5) years, be allotted for the Regional Autonomous Government (RAG) in the Annual General Appropriations Act; provided that:

a. The Bureau of Internal Revenue (BIR) shall continue to collect such taxes and the BIR Collection Districts/Offices concerned shall retain such collections and remit the same to the RAG through an approved depository bank within thirty (30) days from the end of each quarter of the current year;

b. Out of said internal revenue tax collections, fifty percent (50%) of the tax collected under Section 100 (Value-added tax on sale of goods), 102 (Value added tax on sale of services), 112 (Tax on persons exempt from value-added tax), 113 (Hotel, motels and others), and 114 (Caterers) of the National Internal Revenue Code (NIRC), as amended, in excess of the increase in collections for the immediately preceding year shall be shared by the RAG and the local government units (LGUs) within the area of autonomy as follows:

(1) Twenty percent (20%) shall accrue to the city or municipality where such taxes are collected; and

(2) Eighty percent (80%) shall accrue to the RAG. In all cases, the RAG shall remit to the LGUs their respective shares within sixty (60) days from the end of each quarter of the current year.

Provided, however, that the provinces, cities, municipalities and barangays within the area of autonomy shall continue to receive their respective shares in the Internal Revenue Allotment (IRA), as provided for in Section 284 of the Local Government Code of 1991.

Provided, finally, that the five-year (5) periods herein abovementioned may be extended upon mutual agreement of the National and Regional Autonomous Governments.

E. Shari'ah and Judiciary

152. The Regional Legislative Assembly of the area of autonomy shall establish Shari'ah Courts in accordance with the existing laws.

F. Totality Clause

153. This Peace Agreement, which is the full implementation of the 1976 Tripoli Agreement, embodies and constitutes the totality of all the agreements, covenant and understandings between the GRP and the MNLF respecting all the subject matters embodied herein. This Agreement supersedes and modifies all agreements, consensus, covenants, documents and communications not referred to or embodied in this Agreement or whose terms and conditions are otherwise inconsistent herewith. Any conflict in the interpretation of this Agreement shall be resolved in the light of the Philippine Constitution and existing laws.

G. Effectivity Clause

154. This Agreement shall take effect immediately upon the signing hereof by the parties, unless otherwise provided herein.

Done in the City of Manila on the 2nd day of September 1996.

For the GRP:

H.E. Ambassador Manuel T. Yan
Chairman of the GRP Panel

For the MNLF:

H.E. Professor Nur Misuari
Chairman of the MNLF Panel

With the participation of the OIC Ministerial
Committee of the Six and the Secretary
General of the OIC

H.E. Mr. Ali Alatas
Minister for Foreign Affairs of the Republic
of Indonesia/Chairman of the OIC
Ministerial Committee of the Six

H.E. Dr. Hamid Al-Gabid
Secretary-General of the OIC

REPUBLIC OF THE PHILIPPINES
CONGRESS OF THE PHILIPPINES S. No. 2129
Third Regular Session H. No. 7883

REPUBLIC ACT NO. 9054

AN ACT TO STRENGTHEN AND EXPAND THE ORGANIC ACT FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO, AMENDING FOR THE PURPOSE REPUBLIC ACT NO.6734, ENTITLED "AN ACT PROVIDING FOR THE AUTONOMOUS REGION IN MUSLIM MINDANAO," AS AMENDED

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

PREAMBLE

The people of the Autonomous Region in Muslim Mindanao, Imploring the aid of Almighty God, in order to develop a just and humane society and establish a Regional Autonomous Government that is truly reflective of their ideals and aspirations within the framework of the Constitution and national sovereignty, as well as the territorial integrity of the Republic of the Philippines, and to secure to themselves and their posterity the blessings of autonomy, democracy, peace, justice and equality, do ordain and promulgate this Organic Act through the Congress of the Philippines.

ARTICLE I

Name and Purpose

SECTION 1. The name of the Autonomous Region shall be the Autonomous Region in Muslim Mindanao unless provided otherwise by the Regional Assembly.

The Autonomous Region in Muslim Mindanao shall be governed by the Regional Government.

ARTICLE II
THE AUTONOMOUS REGION

Area and Seat of Government

SECTION 1. *Expanded Autonomous Region.* – (1) The Autonomous Region in Muslim Mindanao which, under the provisions of Republic Act No. 6734, the Organic Act for the Autonomous Region in Muslim Mindanao, is composed of the four provinces of Lanao del Sur, Maguindanao, Sulu and Tawi-Tawi, is hereby expanded to include the provinces and cities, enumerated here under, which vote favorably to be included in the expanded area of the autonomous region and for other purposes, in a plebiscite called for that purpose in accordance with Section 18, Article X of the Constitution.

The new area of autonomy shall then be determined by the provinces and cities that will vote/choose to join the said autonomy. It is understood that Congress may by law which shall be consistent with the Constitution and in accordance with the provisions of Republic Act No. 7160, the Local Government Code of 1991, provide that clusters of contiguous-Muslim-dominated municipalities voting in favor of autonomy be merged and constituted into a new province(s) which shall become part of the new Autonomous Region.

(2) *Plebiscite Coverage.* The plebiscite shall be conducted in the provinces of Basilan, Cotabato, Davao del Sur, Lanao del Norte, Lanao del Sur, Maguindanao, Palawan, Sarangani, South Cotabato, Sultan Kudarat, Sulu, Tawi - Tawi, Zamboanga del Norte, Zamboanga del Sur and the newly created Province of Zamboanga Sibugay, and (b) in the cities of Cotabato, Dapitan, Dipolog, General Santos, Iligan, Kidapawan, Marawi, Pagadian, Puerto

Princesa, Digos, Koronadal, Tacurong and Zamboanga.

(a) PLEBISCITE QUESTION FOR VOTERS OF THE FOUR ORIGINAL PROVINCES OF THE AUTONOMOUS REGION. For the voters of the provinces of Maguindanao, Lanao del Sur, Sulu and Tawi-Tawi which are already members of the autonomous region under the provisions of Republic Act No. 6734, the Organic Act for the Autonomous Region in Muslim Mindanao, the question to be asked in the plebiscite of the voters therein shall be as follows: Do you vote in favor of the amendments to Republic Act No. 6734, the Organic Act for the Autonomous Region in Muslim Mindanao, as proposed under this Organic Act, which includes, among other things, the expansion of the area of the autonomous region?

(b) PLEBISCITE QUESTION FOR THE VOTERS OF THE PROVINCES AND CITIES PROPOSED FOR INCLUSION IN THE EXPANDED AUTONOMOUS REGION. For the voters of the provinces of Basilan, Cotabato, Davao del Sur, Lanao del Norte, Palawan, Sarangani, South Cotabato, Sultan Kudarat, Zamboanga del Norte, Zamboanga del Sur, and the newly created Province of Zamboanga Sibugay, and the cities of Cotabato, Dapitan, Dipolog, Digos, Koronadal, Tacurong, General Santos, Iligan, Kidapawan, Marawi, Pagadian, Puerto Princesa, and Zamboanga, which compose the provinces and cities that are proposed for inclusion in the expanded area of the autonomous region, the question to be asked in the plebiscite of the voters therein shall be as follows: Do you vote in favor of the inclusion of your province or city in the Autonomous Region in Muslim Mindanao?

SEC.2. *Results of the Plebiscite.* – (a) In the four provinces.

If the majority of the voters of the four provinces of Lanao del Sur, Maguindanao, Sulu, and Tawi-Tawi vote in favor of the above-

mentioned proposed amendments, the amendments are deemed ratified. Otherwise, the amendments are deemed rejected except as regards the inclusion of the provinces and cities that vote for their inclusion in the autonomous region as provided in this Organic Act, in which case, the said provinces and cities shall become members of the autonomous region.

(b) In the provinces or cities proposed for inclusion in the expanded area of the autonomous region. A majority of the votes cast in the plebiscite in every province or city in favor of the inclusion of the province or city as members of the expanded area of the autonomous region as provided in this Organic Act shall effect their membership in the autonomous region.

SEC.3. Seat of Autonomous Government.

– The regional legislative assembly, hereinafter referred to as the Regional Assembly, shall by law, fix the permanent seat of government of the regional government in any province or city that is a member of the autonomous region, taking into consideration accessibility and efficiency in which its mandate may be carried out under this Organic Act.

Until the seat of the regional government is transferred as provided above, its provisional seat shall be in Cotabato City. The Regional Assembly elected after the plebiscite mentioned in this Organic Act, shall, within its term, identify the site of the permanent seat of the regional government. The central government which shall also mean the national government shall appropriate funds for the transfer of the provisional seat to its permanent site as determined by the Regional Assembly.

ARTICLE III

Guiding Principles and Policies

SECTION 1. Integral Part of the Republic. – The Autonomous Region in Muslim Mindanao shall remain an integral and inseparable part of the national territory of the Republic as defined by the Constitution and existing laws.

The autonomous region shall be governed and administered in accordance with the laws enacted by the Regional Assembly and by this Organic Act.

SEC.2. *Peaceful Settlement of Conflicts.* – The Regional Autonomous Government shall adopt the policy of settlement of conflicts by peaceful means, and renounce any form of lawless violence as an instrument of redress.

SEC.3. *Devolution of Powers.* – The regional government shall adopt a policy on local autonomy whereby regional powers shall be devolved to local government units particularly in areas of education, health, human resource, science and technology and people empowerment. Until a law implementing this provision is enacted by the Regional Assembly, Republic Act No. 7160, the Local Government Code of 1991, shall continue to apply to all the provinces, cities, municipalities, and barangay within the autonomous region.

The Regional Assembly may not pass any law to diminish, lessen, or reduce the powers, functions, and shares in the internal revenue taxes of the said local government units as provided by Republic Act No. 7160, the Local Government Code of 1991.

SEC.4. *Charters Govern Cities.* – All chartered cities within the autonomous region shall continue to be governed by their charters. Nothing in this Organic Act shall be construed

as to diminish the powers and functions already enjoyed by these cities.

SEC.5. *Customs, Traditions, Religious Freedom Guaranteed.* – The beliefs, customs, and traditions of the people in the autonomous region and the free exercise of their religions as Muslims, Christians, Jews, Buddhists, or any other religious denomination in the said region are hereby recognized, protected and guaranteed.

The Regional Assembly shall adopt measures to ensure mutual respect for and protection of the distinct beliefs, customs, and traditions and the respective religions of the inhabitants thereof, be they Muslims, Christians, Jews, Buddhists, or any other religious denomination. The Regional Assembly, in consultation with the Supreme Court and consistent with the Constitution, may formulate a Shari'ah legal system including the criminal cases, which shall be applicable in the region, only to Muslims or those who profess the Islamic faith. The presentation of the regional government in the various central government or national government bodies as provided for by Article V, Section 5 shall be effected upon approval of the measures herein provided.

The Shari'ah courts shall have jurisdiction over cases involving personal, family and property relations, and commercial transactions, in addition to their jurisdiction over criminal cases involving Muslims.

The Regional Assembly shall, in consultation with the Supreme Court, determine the number and specify the details of the jurisdiction of these courts.

No person in the autonomous region shall be subjected to any form of discrimination on account of creed, religion, ethnic origin, parentage or sex.

The regional government shall ensure the development, protection, and well-being of all indigenous tribal communities. Priority legislation in this regard shall be enacted for the benefit of those tribes that are in danger of extinction as determined by the Southern Philippines Cultural Commission.

SEC.6. Filipino and Islamic Values In Educational Policies. – The regional government shall adopt educational policies that shall perpetuate Filipino and Islamic values and ideals and the just aspirations of the Bangsa Moro with due respect to the beliefs, customs, traditions, and religions of the other non-Muslim inhabitants of the region be they Christians, Jews, Buddhists, or of any other religious denomination.

SEC.7. Improving Status of the Marginalized. – The regional government shall devote its resources to the improvement of the well-being of all its constituents, particularly the marginalized, deprived, disadvantaged, underprivileged, disabled, and the elderly.

SEC.8. Regional Government Authority Over Natural Resources. – Subject to the provisions of the Constitution and this Organic Act, the Regional Government shall have the authority, power, and right to explore, develop and utilize the natural resources, including surface and sub-surface rights, in-land and coastal waters, and renewable and non-renewable resources in the autonomous region. Muslims and the other indigenous cultural communities shall, however, have priority rights to explore, develop and utilize the said resources in the areas designated as parts of their respective ancestral domains.

SEC.9. Preferential Rights of Inhabitants and Their Safeguards. – The autonomous region shall provide manpower training programs,

create livelihood and job opportunities, allocate equitable preferential rights to its inhabitants, and adopt laws that will safeguard the rights of workers.

SEC.10 *.Protection of Women and Children.* – The Regional Government shall uphold and protect the fundamental rights of women and children including the right of women to engage in lawful employment. Women and children, especially orphans of tender age, shall be protected from exploitation, abuse or discrimination.

SEC.11. *Enhancement of Quality of Life.* – The Regional Government shall provide, maintain, and ensure the delivery of, among other things, basic and responsive health programs, quality education, appropriate services, livelihood opportunities, affordable and progressive housing projects, and water resource development.

It shall maintain appropriate disaster-preparedness units for immediate and effective relief services to victims of natural and man-made calamities. It shall also ensure the rehabilitation of calamity areas and victims of calamities.

SEC.12 *.Progressive Tax System.* – The Regional Assembly shall adopt an efficient and progressive system of taxation which, among other things, shall provide incentives for the prompt payment of taxes and penalize tax evasion and delinquency.

SEC.13. *Equitable Share In National Budget and Development Assistance.* – The central government or national government shall provide the autonomous region a proportionate and equitable share in the annual national budget and foreign assisted projects in addition to other financial assistance, support, and subsidies to accelerate its

development. Whenever the Commission on Audit finds that the internal controls set up in the region are inadequate, it may require pre-audit and shall likewise conduct seminars in the communities concerned explaining the benefits and proper use of internal revenue allotments.

SEC.14. *Rights to Initiatives, Consultations, Referenda and Plebiscites.* – Without prejudice to other rights guaranteed by the Constitution, the rights of the people of the autonomous region to initiate measures for the passage, amendment or repeal of regional or local legislation; to be consulted on matters that affect their environment; to call for a referendum on important issues affecting their lives; and, to recall regional or local officials as provided by Republic Act No. 7160, the Local Government Code of 1991, are hereby recognized.

The Regional Assembly shall enact priority legislation to define such rights. Until such priority legislation is enacted, existing laws shall govern the exercise of the rights mentioned above.

SEC. 15. *Fundamental Rights and Duties of People.* – The fundamental rights and duties of the people in the autonomous region are those defined in the Constitution and this Organic Act, the Geneva Convention, the United Nations Charter, the United Nations Declaration on the Rights of Indigenous Communities, the International Declaration on Human Rights, as well as those prescribed in all the laws, practices, and principles binding upon members of the community of nations.

SEC.16. *Human Rights Commission.* – There is hereby created a Regional Human Rights Commission. The chair and two commissioners of the commission shall be appointed by the President upon recommendation of the Regional Governor. The

composition of the commission shall reflect the ethnic distribution of the population of the autonomous region. The chair shall be a lawyer and shall be a resident of the autonomous region. The two commissioners shall, preferably, be lawyers or, at least, holders of bachelor degrees from colleges or universities recognized by the Department of Education, Culture and Sports of the central government or national government.

The Regional Human Rights Commission shall perform within the autonomous region, the functions of the commission on human rights of the central government or national government. Decisions of the commission may be appealed to the Court of Appeals on questions of law.

Initially, the Regional Assembly shall fix the salaries, perquisites and privileges of the chair and the commissioners of the Commission at a level not lower than those fixed for the chair and members of the National Labor Commission. The Commission may provide additional functions to enhance and protect the human rights of all the people in the autonomous region. Thereafter, subject to availability of funds, the Regional Assembly may raise the salaries, perquisites, and privileges of the chair and commissioners.

SEC.17. Environmental Protection and Sustainable Development. – The protection, rehabilitation, and the sustainable development of forests, coastal, and marine resources, including the adoption of programs and projects to ensure the maintenance of ecological balance, shall be given priority.

ARTICLE IV

Powers of Government

SECTION 1. Powers and Functions. – Subject to the provisions of the Constitution, the Regional Government shall exercise those

powers and functions expressly granted to it in this Organic Act, or necessary for or incidental to the proper governance and development of all the constituent units within the autonomous region consistent with the policy on regional and local autonomy and decentralization.

The Regional Government may enact its own regional administrative code and regional local government code consistent with the Constitution. The powers and functions already vested upon and the shares of the national taxes provided by Republic Act No. 7160, the Local Government Code of 1991, to provinces, cities, municipalities, and barangay in the autonomous region shall not be reduced.

SEC.2. *Corporate Entity.* – The autonomous region is a corporate entity with jurisdiction over all matters devolved to it by the Constitution and this Organic Act.

SEC.3. *Scope of Regional Assembly Legislative Power ;Exceptions.* – The Regional Assembly may exercise legislative power in the autonomous region for the benefit of the people and for the development of the region except on the following matters:

- (a) Foreign affairs;
- (b) National defense and security;
- (c) Postal service;
- (d) Coinage and fiscal and monetary policies;
- (e) Administration of justice. It may, however, legislate on matters covered by the Shari'ah. The Shari'ah shall apply only to Muslims. Its application shall be limited by pertinent constitutional provisions, particularly by the prohibition against cruel and unusual punishment and by pertinent national

legislation that promotes human rights and the universally accepted legal principles and precepts;

(f) Quarantine;

(g) Customs and tariff;

(h) Citizenship;

(i) Naturalization, immigration and deportation;

(j) General auditing;

(k) National elections;

(l) Maritime, land and air transportation, and communications. The autonomous government shall, however, have the power to grant franchises, licenses and permits to land, sea and air transportation plying routes in the provinces or cities within the region, and communications facilities whose frequencies are confined to and whose main offices are located within the autonomous region;

(m) Patents, trademarks, trade names, and copyrights; and

(n) Foreign trade.

SEC.4. *General Welfare Powers.* – Notwithstanding the limitations on the powers of the Regional Assembly as stated above, it may enact laws that promote the general welfare of the people of the autonomous region.

SEC.5. *Representation in Central Government or National Government Departments, Offices.* – As far as practicable, the autonomous region shall be represented in the departments, offices, commissions, agencies, and bureaus of the central government or national government that implement and

enforce policies, programs and projects of the central government or national government in the region.

SEC.6. *Eminent Domain.* – The Regional Government may exercise the power of eminent domain.

ARTICLE V

Inter-Governmental Relations

SECTION 1. *General Supervision of the President Over the Regional Governor.* – Consistent with the Constitution and basic policy on local autonomy, the President of the Republic shall exercise general supervision over the Regional Governor to ensure that his or her acts are within the scope of his or her powers and functions.

The power of supervision of the President over the provincial governors and the mayors of the highly urbanized cities shall be exercised through the Regional Governor; over the mayors of the component cities and municipalities, through the provincial governor, and over the punong barangay, through the city or municipal mayor.

In addition to other acts which he or she may impose under the Constitution and this Organic Act, the President may suspend, reduce, or cancel the financial blocks or grants-in-aid, funds for infrastructure, and other forms of assistance intended for the autonomous region (1) if the regional government fails to account for the funds and financial assistance released to it by the central government or national government, within one month from the end of every quarter in which the funds and financial assistance had been released or (2) when measures for the protection and enhancement of the civil, human, political or religious rights of the lumads, Christians and other minorities in the autonomous region

ordained by the Constitution and this Organic Act, are not respected or are violated or are not implemented within one (1) year from its enactment.

The President may suspend the Regional Governor for a period not exceeding six (6) months for willful violation of the Constitution, this Organic Act or any existing law that applies to the autonomous region.

SEC.2. Cabinet Membership. – As far as practicable, it shall be the policy of the national government that there shall be at least one (1) member of the cabinet with a rank of a department secretary who is an inhabitant of the autonomous region to be recommended by the Regional Governor in consultation with elected officials and concerned sectors of the autonomous region.

SEC.3. Shari'ah and Tribal Courts; Coordination With Central Government or National Government. – The Regional Government shall maintain close coordination with the central government or national government for an effective administration of justice in the autonomous region.

SEC.4. Representation of Autonomous Region in General in the Central Government or National Government. –Representation of the inhabitants of the autonomous region in the central government or national government may be done by appointment or election.

Appointment of inhabitants of the autonomous region to positions in the central government or national government shall be subject to central government or national government standards and guidelines. Such appointment shall be made only upon recommendation by the Regional Governor after consultation with the Regional Assembly and the concerned sectors of the autonomous

region.

Right of representation shall not be construed in such way that applicants from the autonomous region, especially Muslims and cultural communities, for lower positions in the above organs of the government cannot be appointed anymore there to.

Election of legislators to represent the autonomous region in the Congress of the Republic shall be done pursuant to the rules of the Commission on Elections.

SEC.5. *Representatives in Executive Departments and Constitutional Bodies.* – At least, one (1) qualified inhabitant of the autonomous region recommended by the Regional Govern or consultation with the Regional Assembly and concerned sectors of the autonomous region shall be appointed, as far as practicable, in each of the departments, offices or bureaus and constitutional bodies of the central government or national government that deal with the autonomous region, in primarily confidential, highly technical, or policy-determining positions.

SEC.6. *Ex Officio Member of the National Security Council.* – The Regional Governor shall be an ex officio member of the National Security Council on matters concerning the autonomous region and such other matters as may be determined by the President.

SEC.7. *Representatives in Government-Owned or-Controlled Corporations.* – The Regional Government shall be represented in the board of directors or in the policy-making bodies of government-owned or -controlled corporations that operate businesses directly or through their subsidiaries in the autonomous region.

ARTICLE VI

The Legislative Department

SECTION 1. *Regional Assembly.* – The legislative power of the autonomous government shall be vested in the Regional Assembly except to the extent that it is reserved to the people by provisions on initiative and referendum as provided by law.

SEC.2. *Election of Regional Assembly.* – The Regional Assembly shall be composed of Members elected by popular vote, with three (3) members elected from each of the legislative districts.

SEC.3. *Sectoral Representatives.* – There shall be sectoral representatives in the Regional Assembly whose number shall not exceed fifteen percent (15%) of the total number of elected members of the Regional Assembly coming from the agricultural, labor, urban poor, disabled, indigenous cultural communities, youth, and women sectors. The Regional Assembly may enact legislation to provide for the representation of other sectors. The youth representative shall not be less than eighteen (18) years of age nor more than twenty-one (21) years of age at the time of his or her assumption to office.

The sectoral representatives shall be entitled to the same salary and allowances and rights and privileges enjoyed by the regularly elected members of the Regional Assembly. They shall be elected on the same date as that fixed for the election of the members of the Regional Assembly.

SEC.4 . *Term of Office.* – The members of the Regional Assembly, including the sectoral representatives, shall have a term of three (3) years which shall begin, at noon on the 30th day of September next following the day of the election and shall end at noon of the same date

three (3) years thereafter.

No member of the Regional Assembly shall serve more than three (3) consecutive terms. Voluntary renunciation of or removal from office for any length of time shall not be considered as an interruption in the continuity of his service for the full term for which he was elected.

SEC.5 *Filling of Vacancy.* – In case of vacancy in the Regional Assembly occurring at least one (1) year before the expiration of the term of office, a special election shall be called to fill the vacancy in the manner prescribed by regional law. The member elected shall serve only for the unexpired term.

SEC.6. *Qualifications of Members of Regional Assembly.* – No person shall be a member of the Regional Assembly unless he or she is:

- (1) A natural-born citizen of the Philippines;
- (2) At least twenty-one (21) years of age on the day of the election;
- (3) Able to read and write;
- (4) A registered voter of the district in which he or she shall be elected on the day he or she files his or her certificate of candidacy; and
- (5) A resident thereof for a period of not less than five (5) years immediately preceding the day of the election.

SEC.7. *Oath of Office.* – Every member of the Regional Assembly shall take an oath or affirmation of allegiance to the Republic, renounce the use of violence, and commit

himself or herself to democratic means in the pursuit of the ideals and aspirations of the people of the autonomous region before taking his or her seat.

SEC.8. *Salaries.* – Unless otherwise provided by the Regional Assembly, a member of the Regional Assembly shall receive an annual salary of One hundred eighty thousand pesos(P180,000) except the Speaker of the Regional Assembly who shall receive an annual salary of Two hundred thousand pesos(P200,000), subject to the Salary Standardization Law.

The annual compensation of the Speaker and Members of the Regional Assembly may be increased by the Regional Assembly in accordance with existing laws on position classification and compensation of the central government or national government. The increase shall, however, not take effect until after the expiration of the terms of office of the members of the assembly who had approved the increase. The increase shall be funded solely from revenue raised by the Regional Government. No funds or parts thereof provided by the central government or national government for the Regional Government shall be used for salaries, honoraria, per diems or to increase the salaries, honoraria or per diems of the officials or employees of the Regional Government.

They shall not receive during their tenure other emoluments from the Regional Government or from the central government or national government.

SEC.9. *Forfeiture of Seat.* – Any member of the Regional Assembly who accepts an appointment and qualifies for any position in the government, including government-owned or-controlled corporations or institutions and their subsidiaries, shall automatically forfeit his

or her seat in the Regional Assembly.

SEC.10. *Disclosure of Financial or Business Interests.* –All members of the Regional Assembly shall, upon their assumption of office, make a full disclosure of their financial and business interests, including those of their spouses and unmarried children under eighteen (18) years of age living in their households. They shall notify the assembly of any potential conflict of interest that may arise from the filing of measures of which they are authors upon the filing thereof.

Any member found guilty of non-disclosure as required under this Section may be expelled by a two-thirds (2/3) vote of all the members of the Regional Assembly, without prejudice to his or her other liabilities under pertinent legislation.

SEC .11. *Prohibited Acts for Members of the Regional Assembly.* – No member of the Regional Assembly may personally appear as counsel before courts of justice or quasi-judicial and other administrative bodies. Neither shall the member, directly or indirectly, be interested financially in any contract with, or in any franchise or special privilege granted by the central government or national government or by the regional government, or any subdivision, agency or instrumentality thereof, including any government-owned or -controlled corporation or its subsidiary, during his or her term of office. The member shall not intervene in any manner before any office of the government for his or her pecuniary benefit or where he or she may be called upon to act on account of his or her office.

SEC.12. *Parliamentary Immunity.* – Any member of the Regional Assembly who commits offenses within the jurisdiction of the autonomous region punishable by not more than six (6) years imprisonment, shall be

privileged from arrest while the Regional Assembly is in session.

No member of the Regional Assembly shall be questioned or be held liable in any other place for any speech or debate in the assembly or in any of its committees.

SEC. 13. Rules of Procedure; Discipline of Members and Civil Service Rules. – The Regional Assembly shall adopt its own rules of procedure by a majority vote of all its members including the selection of members of its standing committees and for the suspension or expulsion of its members .

The Regional Assembly shall elect from among its members a speaker and such other officers as the rules may provide. The Speaker shall appoint the personnel of the Regional Assembly. All qualified applicants shall have equal opportunity for employment with the regional government. Inhabitants of the autonomous region shall, however, have preference for appointment to any position in the regional government without regard to ethnic origin, culture, sex, creed and religion.

For a period not exceeding six (6) years from the date of the approval of this Organic Act, appointments to the various positions in the Regional Government shall be subject to the Civil Service law, rules, and regulations of the central government or national government. Thereafter, the Civil Service law, rules and regulations adopted by the Regional Government shall apply to all such appointments. If no Civil Service law, rules or regulations are adopted by the Regional Government, appointments to positions in the Regional Government shall continue to be governed by the Civil Service law, rules, and regulations of the central government or national government.

A majority of all the members of the Regional Assembly shall constitute a quorum to do business, but a smaller number may adjourn from day to day and may compel the attendance of absent members in such a manner and under such penalties as the assembly may provide.

The Regional Assembly or any of its committees may conduct inquiries or public consultations in aid of legislation in accordance with its rules. In connection therewith, it shall have the power to issue subpoena or subpoena duces tecum to compel the attendance of and the production of papers, documents, or things by witnesses or persons under investigation by the assembly, itself, or by any of its committees. It shall also have the right to cite witnesses or persons under investigation for contempt for refusal to testify before it or before any of its committees or to produce papers, documents or things required by the assembly or any of its committees. The rights of persons appearing in or affected by such inquiries shall be respected.

The Regional Assembly shall keep a journal of its proceedings and a record of its caucuses and meetings. The record and books of accounts of the assembly shall be preserved and open to public scrutiny.

The Commission on Audit of the Regional Government shall publish an annual report of the itemized list of expenditures incurred by the members of the Regional Assembly within sixty (60) days from the end of every regular session.

SEC.14. *Questioning Cabinet Members and Other Officials.* – The Regional Assembly may, in aid of legislation and with the express consent of the Regional Governor, require the presence of the regional cabinet members or their deputies as its rules shall provide, for questioning on matters falling within the scope of their powers and functions.

The Regional Assembly may require any regional commission, office, or agency of the central government or national government with offices in the autonomous region to explain matters relating to the exercise of its powers and functions.

SEC.15. *Regular and Special Sessions.* – Except as provided by its rules, the Regional Assembly shall meet in open session. Regular sessions shall commence on the 4th Monday of October and shall continue to be in session for such number of days as may be determined by the assembly until thirty (30) days before the opening of its next regular session exclusive of Saturdays, Sundays, and legal holidays.

The Regional Assembly may meet in special sessions at the request of one-third ($1/3$) of all its Members or by call of the Regional Governor. The special session shall have a specific agenda.

SEC.16. *Passage of Bills.* – No bill shall become a law of regional application unless it has passed three (3) readings on separate days and printed copies thereof in its final form have been distributed to its members three (3) days before its passage, except when the Regional Governor certifies to the necessity of its immediate enactment to meet a public calamity or emergency.

SEC.17. *Approval of Bills and Overriding of Veto.* – Every bill passed by the Regional Assembly, shall, before it becomes a law, be presented to the Regional Governor. If the Regional Governor approves the bill, he or she shall sign it; otherwise, he or she shall veto it on the ground that it is *ultra-vires* or it is against public policy and return it with his or her objections to the Regional Assembly. The Regional Assembly shall, there after, enter the objections at large in its journal and may

proceed to reconsider it. If, after such reconsideration, two-thirds (2/3) of all the Members of the Regional Assembly shall agree to pass the bill, it shall become a law. In such cases, the vote shall be determined by yeas and nays, and the names of the members voting for or against shall be entered in the journal. The Regional Governor shall communicate his veto of any bill to the Regional Assembly within thirty (30) days after the date of its receipt; otherwise, it shall become a law as if he had signed it.

SEC.18. *Submittal of Bills to the President and Congress.*— The Speaker of the Regional Assembly shall within ten (10) working days from their approval thereof, submit to the President and to both Houses of Congress a certified true copy of all laws and resolutions approved by the Regional Assembly.

SEC.19. *Creation, Division or Abolition of Provinces, Cities, Municipalities or Barangay.* — The Regional Assembly may create, divide, merge, abolish, or substantially alter boundaries of provinces, cities, municipalities, or barangay in accordance with the criteria laid down by Republic Act No. 7160, the Local Government Code of 1991, subject to the approval by a majority of the votes cast in a plebiscite in the political units directly affected. The Regional Assembly may prescribe standards lower than those mandated by Republic Act No. 7160, the Local Government Code of 1991, in the creation, division, merger, abolition, or alteration of the boundaries of provinces, cities, municipalities, or barangay. Provinces, cities, municipalities, or barangay created, divided, merged, or whose boundaries are altered without observing the standards prescribed by Republic Act No.7160, the Local Government Code of 1991, shall not be entitled to any share of the taxes that are allotted to the local government units under the provisions of the Code.

The financial requirements of the provinces, cities, municipalities, or barangay so created, divided, or merged shall be provided by the Regional Assembly out of the general funds of the Regional Government.

The holding of a plebiscite to determine the will of the majority of the voters of the areas affected by the creation, division, merger, or whose boundaries are being altered as required by Republic Act No. 7160, the Local Government Code of 1991, shall, however, be observed.

The Regional Assembly may also change the names of local government units, public places and institutions, and declare regional holidays.

SEC.20. Annual Budget and Infrastructure Funds. – The annual budget of the Regional Government shall be enacted by Regional Assembly. Funds for infrastructure in the autonomous region allocated by the central government or national government shall be appropriated through a Regional Assembly Public Works Act.

Unless approved by the Regional Assembly, no public works funds allocated by the central government or national government for the Regional Government or allocated by the Regional Government from its own revenues may be disbursed, distributed, realigned, or used in any manner.

ARTICLE VII

The Executive Department

SECTION 1. Executive Power. – The executive power shall be vested in a Regional Governor. He shall be elected by the qualified voters of the autonomous region.

SEC.2. Regional Governor and Cabinet Members. – The Regional Governor shall be the

chief executive of the Regional Government. He shall be assisted by a cabinet not exceeding ten (10) members, at least six (6) of whom shall come from indigenous cultural communities. The representatives of the indigenous cultural communities in the cabinet shall come from various provinces and cities within the autonomous region.

The members of the cabinet must be registered voters and residents of the region for at least five (5) years immediately preceding their appointments.

The Regional Governor shall appoint the members of the cabinet subject to confirmation by the Regional Assembly.

SEC.3. Qualifications of Regional Governor and Regional Vice Governor. – No person may be elected Regional Governor or Regional Vice Governor of the autonomous region unless he or she is a natural-born citizen of the Philippines, a registered voter of the autonomous region, able to read and write, at least, thirty-five (35) years of age on the day of the election, and a resident of the autonomous region for, at least, one (1) year immediately preceding the election.

SEC.4. Election of Regional Governor and Regional Vice Governor. – The Regional Governor and the Regional Vice Governor shall be elected as a team by the qualified voters of the autonomous region. A vote for a candidate for Regional Governor shall be counted as a vote for his team mate for Regional Vice Governor. A vote for a Regional Vice Governor shall be counted as a vote for his teammate for Regional Governor. For purposes of their election, the candidates for Regional Governor and Regional Vice Governor shall belong to the same political party or coalition of parties. The Commission on Elections shall promulgate the necessary rule or rules to give effect to this provision of law.

SEC.5. *Regional Vice Governor Appointment to or Removal from the Cabinet.* – The Regional Vice Governor maybe appointed by the Regional Governor as a member of the regional cabinet without need of confirmation by the Regional Assembly. He may be removed from office in the same manner as the Regional Governor.

SEC.6 *Executive Council; Deputy Regional Governors.* –The Regional Governor shall appoint three (3) deputies each representing the Christians, indigenou cultural communities, and the Muslims in the region. The Regional Governor, the Regional Vice Governor, and the three (3) deputies shall comprise the executive council of the autonomous government. The executive council shall advise the Regional Governor on matters of governance of the autonomous region. The three deputies shall be ex officio members of the regional cabinet with or without portfolio. The Regional Governor may assign powers and functions to the executive council to promote the general welfare of the people of the autonomous region subject to the laws enacted by the Regional Assembly.

Unless sooner removed by the Regional Governor, the term of office of a deputy Regional Governor shall be co-terminus with the term of office of the Regional Governor who appointed him or her.

SEC.7. *Terms of Office of Elective Regional Officials.*–

(1) Terms of Office. The terms of office of the Regional Governor, Regional Vice Governor and members of the Regional Assembly shall be for a period of three (3) years, which shall begin at noon on the 30th day of September next following the day of the election and shall end at noon of the same date three (3) years thereafter. The incumbent elective officials of the autonomous region shall continue in effect until their successors are elected and qualified.

(2) Term limits. No Regional Governor, Regional Vice Governor, or member of the Regional Assembly shall serve for more than three (3) consecutive terms. Voluntary renunciation of or removal from office for any length of time shall not be considered an interruption in the continuity of the service for the full term for which he or she was elected.

The term limits in Republic Act No. 7160, the Local Government Code of 1991, shall apply to the governors of provinces and mayors of cities, municipalities, and punong barangay in the autonomous region.

SEC.8. *Oaths or Affirmations of Office of the Regional Governor and Regional Vice Governor.* – Before they enter on the execution of their office, the Regional Governor and the Regional Vice Governor shall take the following oath or affirmation: “I do solemnly swear (or affirm) that I will faithfully and conscientiously fulfil my duties as the Regional Governor (or the Regional Vice Governor) of the Regional Government of the Autonomous Region in Muslim Mindanao, preserve and defend the Constitution of the Republic, this Organic Act, the national and regional laws, do justice to every man, consecrate myself to the service of the autonomous region and the nation, renounce the use of violence and commit myself to democratic means in the pursuit of the ideals and aspirations of the people of the autonomous region. So help me God.” (In case of affirmation, last sentence will be omitted.)

SEC.9. *Compensation of Regional Governor and Vice Governor.* – Unless otherwise provided by the Regional Assembly, the annual compensation of the Regional Governor and Regional Vice Governor shall be Two hundred fifty thousand pesos (P250,000) and Two hundred thirty thousand pesos (P230,000), respectively subject to the Salary Standardization Law. The compensations may

be increased or decreased by the Regional Assembly subject to the existing laws on position classification and compensation. The increase or decrease of their salaries shall, however, not take effect until after their term of office during which the increase or decrease was enacted by the Regional Assembly shall have ended. They shall not receive during their tenure any other emoluments from the central government or national government or Regional Government or from any central or regional government-owned or -controlled corporations or firms.

No funds or parts thereof provided by the central government or national government for the Regional Government shall be used for salaries, honoraria, per diems, or to increase the salaries, honoraria, or per diems of the Regional Governor, Regional Vice Governor, members of the Regional Assembly, or employees of the Regional Government.

SEC.10. *Regional Governor Housing and Travel Allowances.* – The Regional Governor shall be provided with a reasonable housing allowance by the Regional Assembly. When he Regional Governor travels outside the autonomous region, he shall be provided with reasonable travel and accommodation allowances at rates not less than what is granted to the members of the cabinet of the central government or national government.

SEC.11. *Succession to Regional Governorship in Cases of Permanent Vacancy.* – In case of death, permanent disability, removal from office, or resignation of the Regional Governor, the Regional Vice Governor shall become the Regional Governor who shall serve for the unexpired term of the former. In case of death, permanent disability, removal from office, or the resignation of both the Regional Governor and the Regional Vice Governor, the Speaker of the Regional Assembly shall act as Regional

Governor until the Regional Governor and Regional Vice Governor are elected and qualified in a special election called for the purpose.

Upon his assumption as acting Regional Governor, the Speaker of the Regional Assembly shall temporarily vacate his position as such and an interim speaker shall be elected. Upon the election and assumption of office of a new Regional Governor, the Speaker shall reassume his office.

No special election shall be called to fill a vacancy occurring within one (1) year immediately preceding the next regular election.

SEC. 12. *Succession to Regional Governorship in Cases of Temporary Incapacity.* – In case of temporary incapacity of the Regional Governor to perform his duties on account of physical or legal causes, or when he is on official leave of absence or on travel outside the territorial jurisdiction of the Republic of the Philippines, the Regional Vice Governor, or if there be none or in case of his permanent or temporary incapacity or refusal to assume office, the Speaker of the Regional Assembly shall exercise the powers, duties and functions of the Regional Governor as prescribed by law enacted by the Regional Assembly or in the absence, thereof, by the pertinent provisions of Republic Act No. 7160, the Local Government Code of 1991.

SEC. 13. *Removal of Regional Governor or Regional Vice Governor.* – The Regional Governor or the Regional Vice Governor may be removed from office for culpable violation of the Constitution or this Organic Act, treason, bribery, graft and corruption, other high crimes, or betrayal of public trust by a three-fourths (3/4) vote of all the Members of the Regional Assembly.

The proceedings of the Regional

Assembly for the removal of the Regional Governor or Regional Vice Governor shall be presided over by the Presiding Justice of the Court of Appeals. The Regional Assembly may initiate moves for the removal of the Regional Governor or the Regional Vice Governor under this Section by a majority vote of all its members. The Regional Assembly shall promulgate the necessary rules to carry out the purposes of this Section .

The Regional Governor may also be suspended or removed by the President for culpable violation of the Constitution, treason, bribery, graft and corruption, and other high crimes.

Notwithstanding the provisions of the immediately preceding paragraphs, the Regional Governor or the Regional Vice Governor may be charged criminally for any offense before the proper regional trial court. The said court may order his or her preventive suspension from office for not more than two (2) months pending the termination of the criminal case or cases. The court may also order the removal of the Regional Governor or Regional Vice Governor from office as a part of its decision of conviction.

SEC.14. Recall of Regional Governor, Regional Vice Governor or Members of Regional Assembly. – The Regional Governor, the Regional Vice Governor or members of the Regional Assembly may be recalled only once during their respective terms of office for loss of confidence.

The Regional Assembly shall provide the procedure and system whereby such recall can be made.

No recall shall take place within one (1) year from the date of the assumption of office of the official concerned or one (1) year immediately preceding a regional election. In the absence of the procedure and system of recall

enacted by the Regional Assembly, the procedure and system of such recalls shall be governed by the provisions of Republic Act No. 7160, the Local Government Code of 1991.

SEC.15. Punishment for Disorderly Behavior. – Upon the commendation of the proper committee, the Regional Assembly may punish its members for disorderly behavior. With the concurrence of the majority of its members, the Regional Assembly may admonish, reprimand, or censure an erring member. With the concurrence of two-thirds (2/3) of all its members, it may suspend or expel such erring member. The penalty of suspension shall not exceed sixty (60) days.

SEC.16. Prohibition Against Holding of Other Offices or Conflict of Interests. – The Regional Governor, the Regional Vice Governor, the members of the cabinet or their deputies shall not hold any other office or employment during their tenure. They shall not, during said tenure, directly or indirectly, practice any other profession, participate in any business, or be financially interested in any contract with, or in any franchise or special privilege granted by the government or any subdivision, agency, or instrumentality thereof, including government-owned or -controlled corporations or their subsidiaries. They shall strictly avoid conflicts of interest in the conduct of their office.

The spouses and relatives by consanguinity or affinity within the fourth civil degree respectively of the Regional Governor, the Regional Vice Governor, the members of the cabinet, or their deputies shall not, during their tenure, be appointed members of the regional cabinet or chairmen of regional commissions or heads of bureaus or offices, including government-owned or -controlled corporations and their subsidiaries located in the autonomous region.

SEC.17. *Appointments by Acting Regional Governor.* –Appointments extended by the acting Regional Governor before the assumption of office by the elected Regional Governor shall remain effective, unless revoked by the elected Regional Governor within ninety (90) days from his or her assumption of office.

SEC.18. The Regional Governor shall not issue appointments, remove personnel, or, unless authorized by the Commission on Elections, undertake public works projects, within the prohibited period before and after a regional election as provided by law.

SEC.19. *Appointments by Regional Governor.* – The Regional Governor shall appoint, in addition to the members of the cabinet and their deputies, the chairmen and members of the commissions and the heads of bureaus of the Regional Government, and those whom he may be authorized by this Organic Act, or by regional law to appoint. The Regional Assembly may, by law, vest the appointment of other officers or officials lower in rank on the heads of departments, agencies, commissions, or boards. The powers, functions, responsibilities, and structure of the departments, agencies, bureaus, offices, and instrumentalities of the Regional Government including the corporations owned or controlled by the Regional Government shall be prescribed and defined by the Regional Assembly.

SEC.20 .*Power of Regional Governor Over Commissions, Agencies, Boards, Bureaus and Offices.* – Subject to the exceptions provided for in this Organic Act, the Regional Governor shall have control of all the regional executive commissions, agencies, boards, bureaus, and offices. He shall ensure that laws are faithfully executed.

SEC.21. *Fiscal Year; Submission of Budget.* – The fiscal year of the autonomous

region shall cover the period January 1 to December 31 of every year.

(a) *Regional Budget.* The Regional Governor shall submit to the Regional Assembly not later than two (2) months before the beginning of every regular session, as the basis of the regional appropriations bill, a budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures.

(b) *Regional Assembly Power Over Budget.* The Regional Assembly may not increase the appropriations recommended by the Regional Governor for the operation of the autonomous government as specified in the budget. The form, content, and manner of preparation of the budget shall be prescribed by law enacted by the Regional Assembly. Pending the enactment of such law, the budgeting process shall be governed by existing laws and rules and regulations prescribed by the Department of Budget and Management.

(c) *Prohibition Against Riders.* No provision or enactment shall be embraced in the regional appropriations bill unless it relates specifically to some particular appropriation therein. Any such provision or enactment shall be limited in its operation to the appropriation to which it relates.

(d) *Procedure for Approval.* In approving appropriations for its own operations, the Regional Assembly shall strictly follow the procedure for approving the appropriations for the other departments and agencies of the Regional Government.

(e) *Specific Purpose and Availability of Funds.* A special appropriations bill shall specify the purpose for which it is intended and shall be supported by funds actually available or to be raised by a corresponding revenue proposal

as certified to by the treasurer of the Regional Government.

(f) *Transfer of Funds.* No regional law shall be passed authorizing any transfer of appropriations. The Regional Governor, the Speaker of the assembly and the Presiding Justice of the highest Shari'ah court may, however, be authorized by law enacted by the Regional Assembly, to augment any item in the Regional General Appropriations Law for their respective offices from savings in other items of their respective appropriations.

(g) *Discretionary Funds.* Discretionary funds appropriated for particular officials shall be disbursed only for public purposes as evidenced by appropriate vouchers and subject to such guidelines as prescribed by law enacted by the Regional Assembly.

SEC.22. *Budget Approval; Automatic Reenactment.* – The Regional Governor shall approve the budget of the autonomous region within one (1) month from its passage by the Regional Assembly. If, by the end of a fiscal year, the Regional Assembly shall have failed to pass the regional appropriations bill for the ensuing fiscal year, the Regional Appropriations Act for the preceding fiscal year shall be deemed automatically reenacted and shall remain in force and effect until the regional appropriations bill is passed by the Regional Assembly.

SEC.23. *Veto Power of the Regional Governor; Votes to Override.* – The Regional Governor shall have the power to veto any particular item or items in an appropriation or revenue bill, but the veto shall not affect the item or items to which he does not object. The Regional Assembly may override the veto by a two-thirds (2/3) vote of all its members.

SEC.24. (a) *Law to Authorize Use of Money.* – No money shall be paid out of the

regional treasury except in pursuance of an appropriation made by regional law.

(b) *Prohibitions Against Sectarian Purposes; Exception.* No public money or property shall be appropriated, applied, paid, or employed, directly or indirectly, for the use, benefit, or support of any sect, church, denomination, sectarian institution, or system of religion or of any priest, imam, preacher, minister, or other religious teacher or dignitary as such, except when such priest, imam, preacher, minister, or dignitary is assigned to the regional police force or to any penal institution, or government orphanage, or leprosarium within the region.

(c) *Special Fund.* All money collected on any regional tax levied for a special purpose shall be treated as a special fund and paid out for such special purpose only. If the purpose for which special fund was created has been fulfilled or abandoned, the balance, if any, shall accrue to the general funds of the Regional Government. (d) *Trust Funds.* Trust funds shall only be paid out of the regional treasury for the specific purpose for which said funds were created or received. (e) *Authorization by Regional Governor or Representative.* No funds or resources shall be disbursed unless duly approved by the Regional Governor or by his duly authorized representative.

ARTICLE VIII

Administration of Justice

SECTION 1. *Exercise of Judicial Power.* – The judicial powers shall be vested in the Supreme Court and in such lower courts as may be established by law including the Shari'ah Courts in accordance with Section 5 hereof.

SEC. 2. *Justices from Autonomous Region.*
– It shall be the policy of the central government

or national government that, whenever feasible, at least one (1) justice in the Supreme Court and two (2) justices in the Court of Appeals shall come from qualified jurists of the autonomous region. For this purpose, the Regional Governor may, after consultations with the Regional Assembly and concerned sectors in the autonomous region, submit the names of qualified persons to the Judicial and Bar Council for its consideration. The appointments of those recommended by the Regional Governor to the judicial positions mentioned above are without prejudice to appointments that may be extended to other qualified inhabitants of the autonomous region to other positions in the Judiciary.

SEC.3. Consultant to the Judicial and Bar Council. – The President shall appoint a qualified person as a consultant to the Judicial and Bar Council recommended by the Regional Governor in consultation with the concerned sectors of the autonomous region. The person recommended by the Regional Governor shall first be confirmed by the Regional Assembly. Once appointed by the President, the consultant shall sit with the Judicial and Bar Council only to advise and be consulted by the council on matters of appointments to judicial positions in the autonomous region.

SEC.4 .Deputy Court Administrator. – The Office of the Deputy Court Administrator for the autonomous region is hereby created. The Deputy Court Administrator for the autonomous region shall be appointed by the Chief Justice of the Supreme Court from among three recommendees submitted by the Regional Governor upon previous confirmation by the Regional Assembly and after consultation with the concerned sectors of the autonomous region.

SEC.5. Shari'ah Courts. – The Regional Assembly of the autonomous region shall

provide for the establishment of Shari'ah courts. Shari'ah courts existing as of the date of the approval of this Organic Act shall continue to discharge their duties. The judges, thereof, may, however, be reshuffled upon recommendation of the Deputy Court Administrator of the autonomous region.

SEC.6. *Shari'ah Public Assistance Office.* – There is hereby created a Shari'ah Public Assistance Office. The Office shall be staffed by a director and two (2) lawyers who are members of the Philippine Shari'ah bar. They may be assisted by such personnel as may be determined by the Regional Assembly. Unless otherwise provided by regional law, the compensation of the director and the Shari'ah lawyers shall be equivalent to the salary grade of a Director III and a trial lawyer of the Public Assistance Office, respectively.

The Shari'ah Public Assistance Office is hereby established in each of the Shari'ah judicial districts to provide free legal assistance to poor or indigent party litigants.

SEC.7. *Shari'ah Appellate Court.* – There is hereby created a Shari'ah Appellate Court which shall have jurisdiction over cases enumerated in Section 9 of this Article.

SEC.8. *Shari'ah Appellate Court Composition.* – The Shari'ah Appellate Court shall be composed of one (1) presiding justice and two (2) associate justices. Any vacancy shall be filled within ninety (90) days from the occurrence thereof.

SEC.9. *Jurisdiction of the Shari'ah Appellate Court.* –The Shari'ah Appellate Court shall:

(a) Exercise original jurisdiction over petitions for certiorari, prohibition, mandamus,

habeas corpus, and other auxiliary writs and processes only in aid of its appellate jurisdiction; and,

(b) Exercise exclusive appellate jurisdiction over all cases tried in the Shari'ah district courts as established by law.

SEC.10. *Shari'ah Appellate Court Decisions.* – The decisions of the Shari'ah Appellate Court shall be final and executory. Nothing herein contained shall, however, affect the original and appellate jurisdiction of the Supreme Court, as provided in the Constitution.

SEC.11. *Shari'ah Appellate Court Justices Qualifications and Appointments.* – The Justices of the Shari'ah Appellate Court shall possess the same qualifications as those of the Justices of the Court of Appeals and, in addition, shall also be learned in Islamic law and jurisprudence. The members of the Shari'ah Appellate Court shall be appointed by the President from a list of at least three (3) nominees prepared by the Judicial and Bar Council. The nominees shall be chosen from a list of recommendees submitted by the Regional Assembly. Such appointments need no confirmation.

SEC.12. *Shari'ah Appellate Court Justices Tenure of Office.* – The Presiding Justice and Associate Justices of the Shari'ah Appellate Court shall serve until they reach the age of seventy (70) years, unless sooner removed for cause in the same manner as justices of the Court of Appeals or become incapacitated to discharge the duties of their office.

SEC.13. *Shari'ah Appellate Court Justices Compensation.* – The Presiding Justice and Associate Justices of the Shari'ah Appellate Court shall receive the same compensation and enjoy the same privileges as the Presiding Justice and Associate Justices of the Court of

Appeals, respectively.

SEC.14. *Shari'ah Appellate Court Administrator and Clerk of Court.* – The Supreme Court shall, upon recommendation of the Presiding Justice of the Shari'ah Appellate Court, appoint the court administrator and clerk of court of the Appellate Court. Such other personnel as may be necessary for the Shari'ah Appellate Court shall be appointed by the Presiding Justice of said court.

The pertinent provisions of existing law regarding the qualifications, appointments, compensations, functions, duties, and other matters relative to the personnel of the Court of Appeals shall apply to those of the Shari'ah Appellate Court.

SEC.15. *Prohibition Against Holding of Other Offices.* –The Justices of the Shari'ah Appellate Court and the judges of other Shari'ah courts shall not be appointed or designated to any office or agency performing quasi-judicial or administrative functions.

SEC.16. *Shari'ah Appellate Court Official Seat.* – The official seat of the Shari'ah Appellate Court shall unless the Supreme Court decides otherwise, be in the province or city where the seat of the Regional Government is located.

SEC.17. *Shari'ah Appellate Court Proceedings.* –Proceedings in the Shari'ah Appellate Court and in the Shari'ah lower courts in the autonomous region shall be governed by such special rules as the Supreme Court may promulgate.

SEC. 18. *Shari'ah Courts.* – The Shari'ah district courts and the Shari'ah circuit courts created under existing laws shall continue to function as provided therein. The judges of the Shari'ah courts shall have the same qualifications as the judges of the regional trial

courts, the metropolitan trial courts or the municipal trial courts, as the case may be. In addition, they must be learned in Islamic law and jurisprudence.

SEC.19. Tribal Courts. – There is hereby created a system of tribal courts, which may include a Tribal Appellate Court, for the indigenous cultural communities in the autonomous region. These courts shall determine, settle, and decide controversies and enforce decisions involving personal and family and property rights of members of the indigenous cultural community concerned in accordance with the tribal codes of these communities. These courts may also exercise exclusive jurisdiction over crimes committed by members of indigenous cultural communities where the imposable penalty as prescribed by the Revised Penal Code or other pertinent law does not exceed imprisonment of six (6) years or a fine not exceeding Fifty thousand pesos (P50,000) or both such imprisonment and fine and where the offended party or parties are also members of the indigenous cultural community concerned.

The Regional Assembly shall define the composition and jurisdiction of the said courts in accordance with the Constitution, existing laws, and this Organic Act.

SEC.20. Jurisconsult in Islamic Law. – The Regional Assembly shall give priority consideration to the organization of the office of jurisconsult in Islamic law as established under existing law and provision for its facilities to enable the proper functioning of the office.

SEC.21. Customary Law. – The Regional Assembly shall provide for the codification of indigenous laws and compilation of customary laws of the Muslims and the indigenous cultural communities in the autonomous region.

SEC.22 .*Application and Interpretation of Laws.* – The provisions of the Muslim code and the tribal code shall be applicable only to Muslims and other members of indigenous cultural communities respectively and nothing herein shall be construed to operate to the prejudice of the non-Muslims and non-members of indigenous cultural communities.

In case of conflict between the Muslim code and the tribal code, the national law shall apply. In case of conflict between the Muslim code or the tribal code on the one hand, and the national law on the other, the latter shall prevail.

Except in cases of successional rights to property, the regular courts shall acquire jurisdiction over controversies involving real property located outside the area of autonomy. Muslims who sue other Muslims or members of indigenous cultural communities who sue other members of indigenous cultural communities over matters covered respectively by Shari'ah or by tribal laws may agree to litigate their grievances before the proper Shari'ah or tribal court in the autonomous region. The procedure for this recourse to the Shari'ah or tribal court shall be prescribed by the Supreme Court.

SEC.23. *Bases for Interpretation of Islamic Law.* – Subject to the provisions of the Constitution, the Shari'ah courts shall interpret Islamic law based on sources such as:

- (a) Al-Qur'an (The Koran);
- (b) Al-Sunnah (Prophetic traditions);
- (c) Al-Qiyas (Analogy); and
- (d) Al-Ijima (Consensus).

SEC.24. *Shari'ah Powers and Functions.*
– The powers and functions of the Shari'ah

courts and the Shari'ah Public Assistance Office shall be defined by the Regional Assembly subject to the provisions of the Constitution.

ARTICLE IX
Fiscal Autonomy

SECTION 1. *Revenue Source.* – The Regional Government shall have the power to create its own sources of revenues and to levy taxes, fees, and charges, subject to the provisions of the Constitution and this Organic Act.

SEC.2. *Fiscal Autonomy.* – The Regional Government shall enjoy fiscal autonomy in generating and budgeting its own sources of revenue, its share of the internal revenue taxes and block grants and subsidies remitted to it by the central government or national government or any donor.

The utilization of its share of the internal revenue taxes and block grants or subsidies from the central government or national government shall be subject to a semi-annual and annual audits by the Commission on Audit and to the rules and regulations of the Department of Budget and Management. All accountable officials of the Regional Government shall, up on demand, furnish the Commission on Audit all documents, papers, and effects necessary for the completion of the audit. Failure to do so shall empower the President or the Secretary of Finance to sequester, suspend, or cancel the release of funds intended for the autonomous region to the extent of the amounts that cannot be audited for reasons attributable to the officials of the autonomous region or are unaccounted for after audit.

If more than half of the funds released to the autonomous region by the central government or national government remain unaccounted for six (6) months after the audit

mentioned above, the Secretary of Finance may also suspend or cancel the release of any or all funds allocated by the central government or national government for the autonomous region. Officials of the Regional Government who fail to submit the documents, papers and effects demanded by the Commission on Audit within the period specified here in may be suspended or removed from office by the President upon recommendation of the Secretary of Finance.

The utilization of the revenue generated by the Regional Government and block grants or subsidies remitted to it by foreign or domestic donors shall be subject to the rules and regulations of the Regional Government Department of the Budget and Management, if any, and to audit by regional government auditors. In the absence of such rules and regulations, the audit of the said funds, block grants or subsidies shall be done by the Commission on Audit and the use thereof shall be in accordance with the rules and regulations of the Department of the Budget and Management of the central government or national government.

The results of the audit mentioned in this Section shall be published in national newspapers of general circulation and in newspapers of regional circulation. The results shall also be announced over government-owned radio and television stations.

SEC.3. *Regional Tax Code.* – The Regional Assembly may enact a regional government tax code. Until the regional government tax code is enacted, the pertinent provisions of Republic Act No. 7160, the Local Government Code of 1991, shall apply to tax ordinances of the provinces, cities, municipalities, and barangay within the autonomous region.

SEC.4. *Regional Economic and Financial Programs.* –The Regional Government may

formulate its own economic and financial programs, subject to the provisions of the Constitution.

SEC.5. *Uniform, Equitable Taxation; Prohibition Against Confiscatory Taxes, Fees.* – In enacting revenue-raising measures, the Regional Assembly shall observe the principles of uniformity and equity in taxation and shall not impose confiscatory taxes or fees of any kind. Until a regional tax code shall have been enacted by it, the Regional Assembly may not revoke or amend, directly or indirectly, any city or municipal ordinances imposing taxes or fees on purely local businesses. Prior to their vocation or amendment of such city or municipal ordinances, the Regional Assembly shall consult with the city or municipal government concerned.

SEC.6. *Payment of Taxes.* – Corporations, partnerships, or firms directly engaged in business in the autonomous region shall pay their corresponding taxes, fees, and charges in the province or city, where the corporation, partnership, or firm is doing business.

Corporations, partnerships, or firms whose central, main, or head offices are located outside the autonomous region but which are doing business within its territorial jurisdiction, by farming, developing, or utilizing the land, aquatic, or natural resources therein, shall pay the income taxes corresponding to the income realized from their business operations in the autonomous region to the city, or municipality where their branch offices or business operations or activities are located.

SEC.7. *Extent of Tax Powers; Exceptions.* – Unless otherwise provided herein, the taxing power of the regional government and of the provinces, cities, municipalities, and barangay located therein shall not extend to the following:

(a) Income tax, except when levied on banks and other financial institutions;

(b) Documentary stamps tax;

(c) Taxes on estate, inheritance, gifts, legacies, and other acquisitions *mortis causa*, except as otherwise provided by law;

(d) Customs duties, registration fees of vessel and wharfage on wharves, tonnage dues, and all other kinds of custom fees, charges, and dues except vessels which are registered by their owners with the Regional Government and wharfage on wharves constructed and maintained by the Regional Government or the local government unit concerned;

(e) Taxes, fees, or charges and other impositions upon goods carried into or out of, or passing through the territorial jurisdictions of the provinces, cities, municipalities, or barangay of the autonomous region in the guise of charges for wharfage, tolls for bridges, or otherwise, or other taxes, fees, or charges in any form whatsoever upon such goods or merchandise except tolls on bridges or roads constructed and maintained by the provinces, cities, municipalities, or barangay concerned or by the Regional Government.

(f) Taxes, fees, or charges on agricultural and aquatic products when sold by marginal farmers or fisher folk;

(g) Taxes on business enterprises certified by the Board of Investments or by the Regional Assembly as pioneer or non-pioneer for a period of six (6) and four (4) years, respectively from the date of registration;

(h) Excise taxes on articles enumerated under the national internal revenue code, and taxes, fees, or charges on petroleum products;

(i) Percentage or value-added tax (VAT) on sales, barter, or exchanges or similar transactions on goods or services except as otherwise provided by law;

(j) Taxes on the gross receipts of transportation contractors and persons engaged in the transportation of passengers or freight by hire and common carriers by air, land, or water except as provided in this Organic Act;

(k) Taxes on premiums paid by way of reinsurance or retrocession;

(l) Taxes, fees, or other charges on Philippine products actually exported, except as otherwise provided by law enacted by the Congress;

(m) Taxes, fees, or charges on countryside, barangay business enterprises and cooperatives duly registered under Republic Act No. 6810, the "Magna Carta for Countryside and Barangay Business Enterprises" and Republic Act No. 6938, the "Cooperatives Code of the Philippines," respectively; and

(n) Taxes, fees, or charges of any kind on the central government or national government, its agencies and instrumentalities, and local government units except on government-owned or -controlled corporations or entities that are primarily organized to do business.

SEC. 8. Sources of Regional Government Revenue. – The sources of revenues of the Regional Government shall include, but are not limited to, the following:

(a) Taxes, except income taxes, imposed by the Regional Government;

(b) Fees and charges imposed by the

Regional Government;

(c) Taxes, fees, or charges for the registration of motor vehicles and for the issuances of all kinds of licenses or permits for the driving thereof, except tricycles which shall be registered with the city or municipality within whose territorial boundaries they are operated;

(d) Shares and revenue generated from the operations of public utilities within the autonomous region;

(e) Appropriations, shares in the internal revenue taxes, block grants, and other budgetary allocations coming from the central government or national government; and

(f) Block grants derived from economic agreements or conventions entered into or authorized by the Regional Assembly, donations, endowments, foreign assistance, and other forms of aid, subject to the pertinent provisions of the Constitution.

SEC.9. Sharing of Internal Revenue, Natural Resources Taxes, Fees and Charges. – The collections of a province or city from national internal revenue taxes, fees and charges, and taxes imposed on natural resources, shall be distributed as follows:

(a) Thirty-five percent (35%) to the province or city;

(b) Thirty-five percent (35%) to the regional government; and

(c) Thirty percent (30%) to the central government or national government.

The share of the province shall be apportioned as follows: forty-five percent (45%) to the province, thirty-five percent (35%) to the municipality and twenty percent (20%) to the barangay.

The share of the city shall be distributed as follows: fifty percent (50%) to the city and fifty percent (50%) to the barangay concerned.

The province or city concerned shall automatically retain its share and remit the shares of the Regional Government and the central government or national government to their respective treasurers who shall, after deducting the share of the Regional Government as mentioned in paragraphs (b) and (c) of this Section, remit the balance to the national government within the first five (5) days of every month after the collections were made.

The remittance of the shares of the provinces, cities, municipalities, and barangay in the internal revenue taxes, fees, and charges and the taxes, fees, and charges on the use, development, and operation of natural resources within the autonomous region shall be governed by law enacted by the Regional Assembly.

The remittances of the share of the central government or national government of the internal revenue taxes, fees, and charges and on the taxes, fees, and charges on the use, development, and operation of the natural resources within the autonomous region shall be governed by the rules and regulations promulgated by the Department of Finance of the central government or national government.

Officials who fail to remit the shares of the central government or national government, the Regional Government and the local government units concerned in the taxes, fees, and charges mentioned above may be suspended or removed from office by order of the Secretary of Finance in cases involving the share of the central government or national government or by the Regional Governor in cases involving the share of the Regional

Government and by the proper local government executive incases involving the share of local government.

SEC.10. *Treasury Bills, Notes and Other Debt Papers.* –The Regional Government may issue treasury bills, bonds, promissory notes, and other debt papers or documents pursuant to law enacted by the Regional Assembly.

SEC.11. *Economic Agreements.* – Subject to the provisions of the Constitution, the Regional Government shall evolve a system of economic agreements and trade compacts to generate block grants for regional investments and improvements of regional economic structures which shall be authorized by law enacted by the Regional Assembly. Pursuant to specific recommendations o the Regional Economic and Development Planning Board, the Regional Government may assist local government units in their requirements for counterpart funds for foreign-assisted projects.

SEC.12. *Donations or Grants; Tax Deductible.* – The Regional Government may accept donations or grants for the development and welfare of the people in the autonomous region. Such donations or grants that are used exclusively to finance projects for education, health, youth and culture, and economic development, may be deducted in full from the taxable income of the donor or grantor.

SEC.13. *Regional Tax Exemptions.* – The Regional Assembly, by a vote of absolute majority of all its members, may grant exemptions from regional taxes.

SEC.14. *Foreign or Domestic Loans.* – The Regional Governor may be authorized by the Regional Assembly to contract foreign or domestic loans in accordance with the provisions of the Constitution. The loans so contracted may take effect upon approval by a majority of all

the members of the Regional Assembly.

SEC.15. *Collection and Sharing of Internal Revenue Taxes.* – The share of the central government or national government of all current year collections of internal revenue taxes, within the area of autonomy shall, for a period of five (5)years be allotted for the Regional Government in the Annual Appropriations Act.

The Bureau of Internal Revenue (BIR) or the duly authorized treasurer of the city or municipality concerned, as the case maybe, shall continue to collect such taxes and remit the share to the Regional Autonomous Government and the central government or national government through duly accredited depository bank within thirty (30) days from the end of each quarter of the current year;

Fifty percent (50%) of the share of the central government or national government of the yearly incremental revenue from tax collections under Sections 106 (value-added tax on sales of goods or properties), 108 (value-added tax on sale of services and use or lease of properties) and 116 (tax on persons exempt from value-added tax) of the National Internal Revenue Code (NIRC) shall be shared by the Regional Government and the local government units within the area of autonomy as follows:

(a) twenty percent (20%) shall accrue to the city or municipality where such taxes are collected; and

(b) eighty percent (80%) shall accrue to the Regional Government.

In all cases, the Regional Government shall remit to the local government units their respective shares within sixty (60) days from the end of each quarter of the current taxable year. The provinces, cities, municipalities, and

barangays within the area of autonomy shall continue to receive their respective shares in the Internal Revenue Allotment (IRA), as provided for in Section 284 of Republic Act No. 7160, the Local Government Code of 1991. The five-year (5) period herein abovementioned may be extended upon mutual agreement of the central government or national government and the Regional Government.

ARTICLE X

Ancestral Domain, Ancestral Lands and Agrarian Reform

SECTION 1. *Ancestral Domain; Lands of Indigenous Cultural Communities.* – Subject to the Constitution and existing laws, the Regional Government shall undertake measures to protect the ancestral domain and ancestral lands of indigenous cultural communities.

All lands and natural resources in the autonomous region that have been possessed or occupied by indigenous cultural communities since time immemorial, except when prevented by war, *force majeure*, or other forms of forcible usurpation, shall form part of the ancestral domain. Such ancestral domain shall include pasture lands, worship areas, burial grounds, forests and fields, mineral resources, except strategic minerals such as uranium, coal, petroleum; and other fossil fuels, mineral oils, and all sources of potential energy; lakes, rivers, and lagoons; and national reserves and marine parks, as well as forest and watershed reservations. Until laws are enacted that provide otherwise, fifty percent (50%) of the revenues derived from the utilization and development of such strategic materials shall accrue to the Regional Government and the provinces, cities, municipalities, and barangay in the autonomous region. The sharing between the Regional Government and the local government units in the revenues derived from the strategic materials mentioned above shall be apportioned

according to the formula set out in Section 5, Article XIII of this Organic Act.

Lands in the actual, open, public, and uninterrupted possession and occupation by an indigenous cultural community for at least thirty (30) years are ancestral lands.

SEC.2. The constructive or traditional possession of lands and resources by an indigenous cultural community may also be recognized subject to judicial affirmation, the petition for which shall be instituted within a period of ten (10) years from the effectivity of this Organic Act. The procedure for judicial affirmation of imperfect titles under existing laws shall, as far as practicable, apply to the judicial affirmation of titles to ancestral lands.

The foregoing provisions notwithstanding, titles secured under the Torrens System, and rights already vested under the provisions of existing laws shall be respected.

SEC.3. As used in this Organic Act, the phrase "indigenous cultural community" refers to Filipino citizens residing in the autonomous region who are:

(a) *Tribal peoples*. These are citizens whose social, cultural, and economic conditions distinguish them from other sectors of the national community; and

(b) *Bangsa Moro people*. These are citizens who are believers in Islam and who have retained some or all of their own social, economic, cultural, and political institutions.

SEC.4. *Cultural Communities*. – The customary laws, traditions, and practices of indigenous cultural communities on land claims and ownership and settlement of land dispute shall be implemented and enforced among the members of such communities.

SEC.5. *Ecological Balance.* – The proclamations issued by the central government or national government declaring old growth or natural forests and all watersheds within the autonomous region as forest reserves are hereby reiterated.

The forest reserves shall not be subjected to logging operations of any nature or kind. Forest concessions, timber licenses, contracts, or agreements of any kind or nature whatsoever granted by the central government or national government or by the Regional Government as of the date of the approval of this Organic Act, are hereby cancelled, nullified and voided, and shall not be renewed until thirty (30) years after the approval of this Organic Act.

If the said forest reserves are logged over or are mined by authority or neglect of the Regional Government, the funds provided by the central government or national government including the internal revenue shares of the Regional Government may be withheld, reduced, cancelled, or forfeited by order of the President.

Ten percent (10%) of the shares of the internal revenue taxes of the Regional Government and of the provinces, cities, municipalities, and barangay of the autonomous region and all allocations for the development of the autonomous region by the central government or national government shall be devoted to reforestation projects and other environmental activities to enhance the protection and development of the environment in the autonomous region.

The Regional Government shall require corporations, companies, and other entities within the ancestral domain of the indigenous cultural communities whose operations adversely affect the ecological balance to take the necessary preventive measures and safeguards to restore, enhance, and maintain

such a balance.

SEC.6. Unless authorized by the Regional Assembly, lands of the ancestral domain titled to or owned by an indigenous cultural community shall not be disposed of to non-members.

SEC.7. No portion of the ancestral domain shall be open to resettlement by non-members of the indigenous cultural communities.

SEC.8. *Regional Land Reform.* – Subject to the provisions of the Constitution, the Regional Assembly may enact an agrarian reform law suitable to the special circumstances prevailing in the autonomous region.

ARTICLE XI

Urban and Rural Planning and Development

SECTION 1. *Urban and Rural Development.* – The Regional Government shall promote and formulate comprehensive and integrated regional urban and rural development policies, plans, programs, and projects responsive to the needs, aspirations, and values of the people in the autonomous region.

SEC.2. *Indigenous Development Plans.* – The Regional Government shall initiate, formulate, and implement special development programs and projects, responsive to the particular aspirations, needs, and values of the indigenous cultural communities.

SEC.3. *Equitable Development.* – The Regional Government shall provide equitable opportunities for the development of every province, city, municipality, and barangay within its jurisdiction and shall strengthen their existing planning bodies to ensure wider public participation.

SEC.4. *Urban Land, Land and Water Use.* – Consistent with the Constitution, this Organic Act, and subject to ecological considerations, the Regional Government shall within one (1) year from the approval of this Organic Act, adopt and implement a comprehensive urban land reform and land and water use program, to ensure the just utilization of lands and waters within its jurisdiction.

ARTICLE XII

Economy and Patrimony

SECTION 1. *Regional Economy and Conservation of Patrimony.* – Consistent with the Constitution and existing laws, the Regional Assembly may enact laws pertaining to the regional economy and patrimony that are responsive to the needs of the region. The Regional Government may not lower the standards required by the central government or national government for the protection, conservation, and enhancement of the natural resources.

SEC.2. *Economic Zones, Centers and Ports.* – The Regional Government shall encourage, promote, and support the establishment of economic zones, industrial centers, ports in strategic areas, and growth centers to attract local and foreign investments and business enterprises.

SEC.3. *Incentives for Investors.* – The Regional Assembly may by law grant incentives to investors in the autonomous region. The central government or national government may likewise grant incentives to investors in the autonomous region in addition to those provided by the Regional Government.

SEC.4. *Regional Economic Zone Authority; Free ports.* – The Regional Government may establish a regional economic zone authority in

the autonomous region. The Regional Economic Zone Authority shall have similar powers as the Philippine Economic Zone Authority and consistent with the Special Economic Zone Act of 1995. The Regional Assembly may provide such additional powers and functions to the Regional Economic Zone Authority as may be necessary to meet the special circumstances of the autonomous region.

Once the Regional Economic Zone Authority is created by a Regional Assembly legislation, the Philippine Export Zone Authority shall no longer authorize any other economic zone within the autonomous region. Any corporation, firm, or entity established within the autonomous region, by authority of the Philippine Export Zone Authority, shall be placed under the jurisdiction of the Regional Economic Zone Authority and shall continue to enjoy the benefits granted to it by the Philippine Export Zone Authority.

SEC.5. Use, Development of Mines, Minerals, and Other Natural Resources; Revenue Sharing; Exceptions. – (a) Regional Supervision and Control. The control and supervision over the exploration, utilization, development, and protection of the mines and minerals and other natural resources within the autonomous region are hereby vested in the Regional Government in accordance with the Constitution and the pertinent provisions of this Organic Act except for the strategic minerals such as uranium, petroleum, and other fossil fuels, mineral oils, all sources of potential energy, as well as national reserves and aquatic parks, forest and watershed reservations already delimited by authority of the central government or national government and those that may be defined by an Act of Congress within one (1) year from the effectivity of this Organic Act.

(b) Sharing Between Central Government or National Government and Regional Government

in Strategic Minerals Revenues, Taxes, or Fees. Fifty percent (50%) of the revenues, taxes, or fees derived from the use and development of the strategic minerals shall accrue and be remitted to the Regional Government within thirty (30) days from the end of every quarter of every year. The other fifty percent (50%) shall accrue to the central government or national government.

(c) *Sharing Between Regional Government and Local Government Units in Strategic Minerals Revenues, Taxes, or Fees.* The share of the Regional Government mentioned above is hereby apportioned as follows: thirty percent (30%) to the Regional Government; twenty percent (20%) to all the provinces; fifteen percent (15%) to all the cities; twenty percent (20%) to all the municipalities; and fifteen percent (15%) to all the barangays. If there are no cities in the autonomous region as of the date the sharing above mentioned is done, the share of the cities shall be divided equally by all the provinces, municipalities, and barangay in the autonomous region.

(d) *Regional Assembly Authority to Grant Franchises and Concessions and Empower Regional Governor to Grant Leases, Permits, and Licenses.* The Regional Assembly shall by law have the authority to grant franchises and concessions and may bylaw empower the Regional Governor to grant leases, permits, and licenses over agricultural, forest, or mineral lands. The said leases, permits, franchises, or concessions shall, however, cover areas not exceeding the limits allowed by the Constitution and shall subsist for a period not exceeding twenty-five (25) years. Except as provided in this Organic Act, existing leases, permits, licenses, franchises, and concessions shall be respected until their expiration unless legally terminated earlier as provided by law enacted either by Congress or by the Regional Assembly.

(e) *Consultations with Cultural Communities, Needed.* The permits, licenses, franchises, or concessions over the natural resources located within the boundaries of an ancestral domain shall be issued by the Regional Assembly only after consultations are conducted with the cultural community concerned.

SEC.6. *Use and Development of Natural Resources Open to Citizens.* – The exploration, development, and utilization of natural resources, except those referred to in the first paragraph of Section 5 of this Article, shall be allowed to all citizens and to private enterprises, including corporations, associations, cooperatives, and such other similar collective organizations with at least sixty percent (60%) of their capital investment or capital stocks directly controlled or owned by citizens.

SEC.7. *Preferential Rights of Citizen-Inhabitants of Autonomous Region.* – Subject to the exceptions provided in this Organic Act, citizens who are inhabitants of the autonomous region shall have preferential rights over the exploration, utilization, and development of natural resources of the autonomous region. Existing rights over the exploration, utilization, and development of natural resources shall be respected subject to the exceptions specified in this Organic Act.

SEC.8. *Rules, Regulations and Fees.* – The Regional Assembly shall by law regulate the exploration, utilization, development, and protection of the natural resources, including the mines and minerals, except the strategic minerals as provided in this Organic Act. The Regional Government shall, pursuant to the said law, shall prescribe the rules and regulations and impose regulatory fees in connection therewith. Upon the enactment of the said law and the effectivity of such rules and regulations, the fees imposed by the Regional Government shall replace those that had been imposed by

the central government or national government.

SEC.9. *Regulation of Small-Scale Mining.*
– Small-scale mining shall be regulated by the Regional Government to the end that the ecological balance, safety and health, and the interests of the indigenous cultural communities, the miners, and the people of the place where such operations are conducted are duly protected and safeguarded.

SEC.10. *Regional Economic and Development Planning Board; Composition and Functions.* – There is hereby created a Regional Economic and Development Planning Board. The Board shall be chaired by the Regional Governor. The members of the Board shall be composed of all the provincial governors and the city mayors of the provinces and cities within the autonomous region; the Speaker, and two (2) members of the Regional Assembly appointed by the Speaker, one (1) of whom shall be nominated by the opposition; and, five (5) representatives elected by the private sector as prescribed by the Regional Assembly.

The Board shall serve as the planning, monitoring, and coordinating agency for all development plans, projects, and programs intended for the autonomous region. It shall evaluate and recommend for approval by the Regional Assembly, the annual work programs and comprehensive development plans of the autonomous region. Once approved, it shall be the duty of the Regional Governor to ensure the proper implementation of the said annual work programs and comprehensive development plans.

The Board shall formulate a master plan for a systematic, progressive, and total development of the region. The master plan shall take into account the development plans of the province, city, municipality, and barangay concerned as mandated by Republic Act No.

7160, the Local Government Code of 1991.

After due notice in writing, the attendance at meetings of the Board by one-third (1/3) of its members with the Regional Governor or the Regional Vice Governor and three (3) of their representatives of the private sector being present, shall be a sufficient quorum for the board to transact business.

The Board shall adopt its own rules of procedure for the conduct of its meetings.

SEC.11. *Pioneering Public Utilities and Cooperatives.* –The Regional Assembly may, in the interest of regional welfare and security, establish and operate pioneering public utilities. Upon payment of just compensation, it may cause the transfer of the ownership of such utilities to cooperatives or other collective organizations.

SEC.12. *Proclamation of State of Calamity: Operation of Public Utilities.* – (a) *Temporary take-over of operations.* The Regional Government may, in times of regional calamity declared by the Regional Governor, when the public interest so requires and under such reasonable terms and safeguards as may be prescribed by the Regional Assembly, temporarily take over or direct operation of any privately-owned public utility or business affected with public interest. The public utility or business concerned may contest the take over of its operations by the Regional Government by filing a proper case or petition with the Court of Appeals.

(b) *Proclamation of state of calamity.* The Regional Governor may proclaim a state of calamity over the region or parts thereof whenever typhoons, flash floods, earthquakes, tsunamis, or other natural calamities cause widespread damage or destruction to life or property in the region. The state of calamity proclaimed by the Regional Governor shall only

be for the purpose of maximizing the efforts to rescue imperiled persons and property and the expeditious rehabilitation of the damaged area. The state of calamity proclaimed shall in no way suspend any provision of the Constitution or this Organic Act, as well as the pertinent laws promulgated by the central government or national government or the Regional Government.

SEC.13. *Legislating Benefits, Compensation for Victims of Mining and Mining Operations; Rehabilitation of Affected Areas.* – The Regional Assembly shall enact laws for the benefit and welfare of the inhabitants injured, harmed or adversely affected by the harnessing of natural and mineral resources in the autonomous region. Such laws may include payment of just compensation to and relocation of the people and rehabilitation of the areas adversely affected by the harnessing of natural and mineral resources mentioned above.

The Regional Assembly may by law require the persons, natural or juridical, responsible for causing the harm or injury mentioned above to bear the costs of compensation, relocation and rehabilitation mentioned above wholly or partially.

SEC.14. *Reforestation; Support for Lumads or Tribal Peoples.* – The Regional Government shall actively and immediately pursue reforestation measures to ensure that at least fifty percent (50%) of the land surface of the autonomous region shall be covered with trees, giving priority to watershed areas, strips of land along the edges of rivers and streams and shorelines of lakes and the seas within or abutting the autonomous region.

The Regional Government shall adopt measures for the development of lands eighteen percent (18%) in slope or over by providing infrastructure, financial and technical support to

upland communities specially the lumads or tribal peoples.

The Regional Government shall also adopt measures to employ the people who may be displaced by the cancellation or revocation of timber concessions, licenses, contracts, or agreements mentioned in paragraph above.

SEC.15. *Prohibition Against Toxic or Hazardous Substances.* – The Regional Government shall prohibit the use, importation, deposit, disposal, and dumping of toxic or hazardous substances within the autonomous region.

SEC.16. *Business Ownership.* – The Regional Government shall adopt policies to promote profit sharing and broaden the base of ownership of business enterprises.

SEC.17. *Incentives, Tax Rebates and Holidays.* – The Regional Assembly may by law, and with the approval of the absolute majority of all its members, grant incentives, including tax rebates and holidays, for investors in businesses that contribute to the development of the autonomous region. It may provide similar incentives to companies doing business in the autonomous region which reinvest at least fifty percent (50%) of their net profits therein, and to cooperatives which reinvest at least ten percent (10%) of their surplus into socially-oriented projects in the autonomous region.

SEC.18. *Transport and Communication Facilities, Priority Projects.* – The Regional Government shall give priority to the establishment of transportation and communication facilities to expedite the economic development of the autonomous region.

SEC.19. *Power Services Priority.* – In the

delivery of power services, priority shall be given to provinces and cities in the autonomous region which need but do not have direct access to such services.

SEC.20. *Pioneering Firms.* – The Regional Assembly may create pioneering firms and other business entities to boost economic development in the autonomous region. Agriculture, Fisheries and Aquatic Resources

SEC.21. *Farming and Fishing Cooperatives.* – The Regional Government shall recognize, promote, and protect the rights and welfare of farmers, farm-workers, fisherfolk, and fish-workers, as well as cooperatives and associations of farmers and fish-workers.

SEC.22. *Agricultural Productivity; Organic Farming.* –The Regional Government shall encourage agricultural productivity and promote diversified and organic farming.

SEC.23. *Soil and Water Conservation.* – The Regional Government shall give top priority to the conservation, protection, utilization, and development of soil and water resources for agricultural purposes.

SEC.24. *Aquatic and Fisheries Code.* – The Regional Assembly may enact an aquatic and fisheries code which shall enhance, develop, conserve, and protect marine and aquatic resources, and shall protect the rights of subsistence fisherfolk to the preferential use of communal marine and fishing resources, including seaweeds. This protection shall extend to offshore fishing grounds, up to and including all waters fifteen (15) kilometers from the coastline of the autonomous region but within the territorial waters of the Republic, regardless of depth and the seabed and the subsoil that are included between two (2) lines drawn perpendicular to the general coastline from points where the boundary lines of the

autonomous region touch the sea at low tide and a third line parallel to the general coastline.

The provinces and cities within the autonomous region shall have priority rights to the utilization, development, conservation, and protection of the aforementioned offshore fishing grounds.

The provinces and cities concerned shall provide support to subsistence fisherfolk through appropriate technology and research, adequate financial, production, marketing assistance, and other services.

The Regional Assembly shall enact priority legislation to ensure that fish-workers shall receive a just share from their labor in the utilization, production, and development of marine and fishing resources.

The Regional Assembly shall enact priority legislation to develop science, technology, and other disciplines for the protection and maintenance of aquatic and marine ecology.

SEC.25. Agriculture and Fisheries Bureau. – The Regional Assembly shall by law, create a Bureau on Agriculture and Fisheries and define its composition, powers and functions. Trade and Industry

SEC.26. Private Sector. – The Regional Government recognizes the private sector as the prime mover of trade, commerce, and industry. It shall encourage and support the building up of entrepreneurial capability in the autonomous region and shall recognize, promote, and protect cooperatives.

SEC.27. Cottage Industries. – The Regional Government shall promote and protect cottage industries by providing assistance such as marketing opportunities, financial support,

tax incentives, appropriate and alternative technology and technical training to produce semi-finished and finished products. Deserving small and medium-scale cottage industries may be provided priority assistance.

SEC.28. *Banks and Financial Institutions.*

– The Regional Government shall, subject to the supervision of the Bangko Sentral ng Pilipinas, encourage the establishment in the autonomous region of:

(a) Banks and financial institutions and their branches; and

(b) Off-shore banking units of foreign banks.

SEC.29. *Islamic Banks.* – The Bangko Sentral ng Pilipinas shall establish an Islamic Bank and authorize the establishment of its branches in the autonomous region.

The members of the board of directors or trustees of the Islamic Bank shall be appointed by the President upon recommendation of the Regional Governor. The persons recommended by the Regional Governor shall possess educational qualifications and sufficient experience in the management and operation of Islamic banking and shall be subject to confirmation by the Regional Assembly before they are recommended to the President. The board of directors or trustees of the bank shall elect from among their members the chair, the vice chair and the president of the bank. Other bank officials and employees shall be appointed by the president of the bank.

SEC.30. *Bangko Sentral Regional Bank.* –

The Bangko Sentral ng Pilipinas shall establish a Bangko Sentral Regional Bank with full banking services in the capital city or any suitable municipality in the autonomous region within

one (1) year from the approval of this Organic Act. The Regional Governor shall submit a list of qualified persons to the appropriate Bangko Sentral authority from which the staff of the regional office may be chosen. The rights of the Bangko Sentral personnel who are occupying positions in the Bangko Sentral Regional Office as of the date of the approval of this Organic Act to continue as such shall be respected.

SEC.31. *Barter and Counter-Trade.* – Subject to existing laws, the Regional Government shall regulate traditional barter trade and counter-trade with Indonesia, Malaysia, or Brunei. The goods or items that are bartered or counter-traded with the said countries shall not be sold elsewhere in the country without payment of appropriate customs or import duties. The Department of Finance shall, in consultation with the Regional Government, promulgate the rules to govern barter and counter-trade within six (6) months from the approval of this Organic Act.

SEC.32. *Consumer Education and Welfare.* – The Regional Government shall promote consumer education and protect the rights, interests, and general welfare of the consumers.

SEC.33. *Local Labor and Goods.* – The Regional Government shall promote the preferential use of local labor and locally produced goods and materials by adopting measures to increase their competitiveness.

SEC.34. *Foreign Investments.* – Subject to the provisions of the Constitution, the Regional Government shall regulate and exercise authority over foreign investments within its jurisdiction. The central government or national government may intervene in such matters only if national security is involved.
Tourism Development

SEC.35. *Regional Tourism.* – The Regional Government shall have primary jurisdiction in the promotion of tourism within the autonomous region. In promoting tourism, the diverse cultural heritage, and the moral and spiritual values of the people in the autonomous region shall be upheld, respected, and maintained.

SEC.36. *Tourism Office.* – The Regional Assembly may, by law, create a regional tourism office, and define its composition, powers and functions.

The Department of Tourism of the central government or national government shall, whenever feasible, extend financial and technical support to the tourism program of the Regional Government.

ARTICLE XIII

Public Order and Security

SECTION1. *Law and Order.* – The Regional Government shall give priority to the maintenance and preservation of law and order for the establishment of peace and the protection of life, liberty, and property of the people in the autonomous region, inconsonance with the provisions of the Constitution and this Organic Act.

SEC. 2. *Regional Security Force.* – There is hereby created a Philippine National Police Regional Command for the autonomous region, hereafter called the Special Regional Security Force (SRSF) or Regional Police Force, in short.

SEC.3. *Law Governing Regional Police Force.* – The Regional Assembly shall enact laws to govern the Regional Police Force consistent with the pertinent provisions of the Constitution and this Organic Act. The members of the Moro National Liberation Front who are integrated into the Regional Police Force may be deployed in the autonomous region or elsewhere in the

Republic as may be determined by the proper police authorities.

SEC.4. Regional Police Force Composition.

– The PNP Regional Command for the autonomous region/SRSF shall be composed of the existing PNP units therein, the MNLF elements, and other residents of the area who may later on be recruited into the SRSF.

SEC.5. Powers and Functions of Regional Police Force. –The Regional Police Force shall exercise within the autonomous region the following powers and functions:

(a) Enforce laws enacted by the Congress and by the Regional Assembly relative to the protection of lives and properties of the people;

(b) Maintain law and order and ensure public safety;

(c) Investigate and prevent crimes, arrest criminal offenders, bring criminal suspects to justice, and assist in their prosecution;

(d) Effect other arrests, searches, and seizures in accordance with the Constitution and pertinent laws;

(e) Detain persons for a period not exceeding what is prescribed by law, inform the person so detained of all his or her rights under the Constitution, and observe the human rights of all people in the autonomous region;

(f) Process applications for the licensing of firearms for approval by the proper official of the Philippine National Police;

(g) Initiate drives for the licensing or surrender of unlicensed firearms; confiscate unlicensed firearms after such drives are over; prosecute or recommend to the President the

grant of amnesty or pardon to possessors of unlicensed firearms who surrender them; and

(h) Perform such other duties and exercise all other functions as may be provided by law enacted by Congress or by the Regional Assembly.

SEC.6. Observance of Constitution and Laws. – The Regional Police Force shall be charged with the preservation of peace, the maintenance of law and order, and the protection of life, liberty, and property in the autonomous region in consonance with the Constitution and pertinent legislation.

The Regional Police Force shall be run professionally and free from partisan political control. The discharge of its functions shall be done impartially and with professional integrity. It shall be constrained by and accountable to the law.

SEC.7. Regional Police Framework and Organization. –The philosophical framework and structural organization of the Regional Police Force shall be as follows:

(a) It shall be civilian in nature and character;

(b) The scope of its operations shall be regional. The Regional Police Force, its units or personnel may be deployed elsewhere in the Republic as directed by the National Police Commission or when needed to suppress lawless violence, pursue, and arrest criminal offenders or maintain law and order. In such circumstances, the order to deploy must be signed by the chairman of the National Police Commission and approved by the President. The President may also order the said deployment on his own authority;

(c) It shall be headed by a regional

director who shall be assisted by two deputies, one for administration and one for operations. The regional director and the two deputies shall come from the ranks of the professional police force, preferably from any province, city, or municipality of the autonomous region;

(d) It shall have regional, provincial, and city or municipal offices;

(e) At the provincial level, there shall be a provincial office headed by a provincial director, who shall be a professional police officer with the rank of police superintendent, at least; and

(f) At the city or municipal level, there shall be an office or station which shall be headed by a Chief of Police, who shall be a professional police officer with the rank of police superintendent for the city and police inspector for the municipality.

SEC.8. *Power of Regional Governor Over Regional Police Force.* – The Regional Governor shall have the following powers over the Regional Police Force:

(a) To act as the deputy of the National Police Commission in the region and as the *ex officio* chair of the Regional Police Commission;

(b) To exercise operational control and general supervision and disciplinary powers over the Regional Police Force;

(c) To employ or deploy the elements of and assign or reassign the Regional Police Force through the regional director. The Regional Director may not countermand the order of the Regional Governor unless it is in violation of the Constitution and the law;

(d) To recommend to the President the appointment of the regional director and his two deputies;

(e) To oversee the preparation and implementation of the Integrated Regional Public Safety Plan;

(f) To impose, after due notice and summary hearings of the citizen's complaints, administrative penalties on personnel of the Regional Police Force except those who are appointed by the President; and

(g) Do everything necessary to promote widespread support by the various communities making up the autonomous region for the Regional Police Force.

SEC.9. *Regional Police Directors.* – The selection, assignment, and appointment of the Provincial and City Directors of the Regional Police Force and the assignment of Moro National Liberation Front integreees shall be done pursuant to Republic Act No. 6975, the Philippine National Police Law and Republic Act No. 8551, the Philippine National Police Reform and Reorganization Act of 1998.

SEC.10. *Regional Police Commission.* – There is hereby created a regional police commission which shall perform the functions of the National Police Commission in the autonomous region. The Regional Police Commission shall be under the administration and control of the National Police Commission. The chairman and the members, thereof, shall be appointed by the Regional Governor subject to confirmation by the Regional Assembly. The chairman shall be an ex officio commissioner of the National Police Commission on matters dealing with the Regional Police Force.

The Regional Police Commission shall have the power to investigate complaints against the Regional Police Force. Appeals from its decisions may be lodged with the National Police Commission. Pending resolution of the

appeal, its decisions maybe executed. The rules and regulations governing the investigation of members of the Philippine National Police shall be followed by the Regional Police Commission in the absence of rules and regulations enacted by the Regional Assembly.

SEC.11. *Regional Defense and Security.* – The defense and security of the autonomous region shall be the responsibility of the central government or national government. Towards this end, there is hereby created a Regional Command of the Armed Forces of the Philippines for the autonomous region, which shall be organized, maintained, and utilized in accordance with national laws. The central government or national government shall have the authority to station and deploy in the autonomous region such elements of the Armed Forces as may be necessary to carryout that responsibility. Qualified inhabitants of the autonomous region shall be given preference for assignments in the said regional command.

SEC.12. *Calling Upon the Armed Forces.*
– The provisions of the preceding sections notwithstanding, the Regional Governor may request the President to call upon the Armed Forces of the Philippines:

(1) To prevent or suppress lawless violence, invasion, or rebellion, when the public safety so requires, in the autonomous region in accordance with the provisions of the Constitution;

(2) To suppress the danger to or breach of peace in the autonomous region, when the Regional Police Force is not able to do so; or,

(3) To avert any imminent danger to public order and security in the area of autonomy.

The President may on his own accord

send the Armed Forces of the Philippines into the autonomous region to attain the above objectives if the Regional Governor does not act within fifteen (15) days after the occurrence of the events mentioned above that need to be suppressed, prevented, or suppressed.

SEC.13. *Indigenous Structures.* – The Regional Government shall recognize indigenous structures or systems which promote peace, law, and order.

ARTICLE XIV

Education, Science and Technology, Arts, and Sports

SECTION 1. *Quality Education, A Top Priority.* – The Regional Government shall establish, maintain, and support as a top priority a complete and integrated system of quality education and adopt an educational framework that is meaningful, relevant, and responsive to the needs, ideals, and aspirations of the people in the region.

The schools, colleges, and universities existing in the autonomous region as of the date of the approval of this Organic Act and such other schools and institutions that may be established in the region shall be deemed integral components of the educational system of the Regional Government.

The educational system of the Regional Government shall be deemed a subsystem of the national educational system. The regional educational subsystem shall enjoy fiscal autonomy and academic freedom. Educational Policies

SEC.2. *Policies and Principles.* – Consistent with the basic state policy on education, the Regional Government shall adopt the following educational policies and principles:

(a) *Perpetuation of Filipino and Islamic values.* The regional educational subsystem shall perpetuate Filipino and Islamic values and ideals, aspirations, and orientations. It shall develop the total spiritual, intellectual, social, cultural, scientific, and physical aspects of the people of the autonomous region to make them god-fearing, productive, patriotic citizens, and conscious of their Filipino and Islamic values and cultural heritage;

(b) *Inculcation of values of peaceful settlement of disputes.* The regional educational subsystem shall prioritize the inculcation among the citizenry and students of their commitment to the peaceful settlement of disputes and grievances and the avoidance of the use of lawless violence.

To this end, emphasis shall be placed on the desirability and practicality of relying upon democratic and legal processes rather than on the use of guns or resort to violence to settle personal, familial, or tribal problems. The Regional Assembly may, by law, establish a program for the surrender of firearms with payment of compensation provided by the Regional Government. The program may also be supported from the funds of the Philippine National Police.

(c) *Optional religious instruction.* Religious instruction in public schools shall be optional, with the written consent of the parent or guardian, and taught by the authorities of the religion to which the student belongs. The teaching of religion shall not involve additional costs to the government in accordance with national policies;

(d) *Inculcation of patriotism and nationalism.* To develop, promote, and enhance unity in diversity, all schools in the autonomous region shall inculcate into the minds of their

students the values of patriotism and nationalism, appreciation of the role of national and regional heroes in the historical development of the country and region, foster love of humanity, respect for human rights, and teach the rights and duties of citizenship, and the cultures of the Muslims, Christians, and tribal peoples in the region;

(e) *Vocational and special education.* The thrusts, programs, and administration of vocational, non-formal, and special education shall be supported and made relevant to the manpower needs of the region;

(f) Scholarships, student loans and scholarships. A system of scholarship programs, grants, student loans, subsidies, and other incentives shall be made available to all poor but deserving students;

(g) Funding for local education programs. Funding for local educational programs shall be the responsibility of the Regional Government;

(h) Community participation in education. The active participation of the home, community, religious organizations, and other sectors in the total educative process of the child shall be encouraged and supported;

(i) Development of regional language. A regional language may be evolved and developed from the different dialects in the region;

(j) Media of instruction in schools. Filipino and English shall be the media of instruction in all schools in the autonomous region. Arabic shall be an auxiliary medium of instruction;

(k) Teaching of Arabic as subject. Arabic shall be taught as a subject in all grade levels

as required for Muslims under existing laws and optional, for non-Muslims;

(l) Auxiliary official languages. Regional languages may be used as auxiliary official languages in the region as well as auxiliary media of instruction and communication;

(m) Develop ethnic identity. Education in the autonomous region shall develop consciousness and appreciation of one's ethnic identity and shall provide a better understanding of another person's cultural heritage for the attainment of national unity and harmony;

(n) The Regional Government shall recognize the participation of private institutions of learning, including the Madaris (Arabic schools), in providing quality education to the people of the region; and

(o) (1) *Basic education structure.* The elementary level shall follow the basic national structure and shall provide basic education, the secondary level will correspond to four (4) years of high school, and the tertiary level shall be one year to three (3) years for non-degree courses and four (4) to eight (8) years for degree courses, as the case may be, in accordance with existing laws.

(2) *Social studies subjects contents.* Filipino and Islamic values shall be incorporated in the social studies subjects or their equivalent in appropriate grade levels and subject to agreed norms, academic freedom, and legal limitations. These values shall be taught also as a part of appropriate subjects in the secondary and tertiary levels of education.

(3) *Textbook preparation, writing, revision and printing.* The preparation, writing, revision, and printing of textbooks for the use of the schools in the autonomous region shall be the joint responsibility of the Regional Government

and the central government or national government. Subject to agreed norms, academic freedom, and relevant legal limits, the preparation, writing, revision, and printing of the textbooks shall emphasize Filipino and Islamic values. The said values shall include those of Muslims, Christians, and indigenous peoples, human rights, modern sciences and technology, as well as, the latest advances in education that are relevant to the ideals of the autonomous region and to the Republic.

(4) *Accreditation for transfer to other schools.* After they shall have passed the core curriculum prescribed by the central government or national government, the students and graduates of the education system of the autonomous region shall be fully accredited for transfer to the corresponding grade levels in the schools outside the autonomous region.

(5). *Period for integration of Islamic values.* The integration of Islamic values in the curriculum of the regional educational subsystem shall be done over a period of six (6) years from the approval of this Organic Act after appropriate researches and studies shall have been conducted, evaluated, and approved by the regional education authorities

(6) *Primary responsibility for learning aids and instructional materials.* The Regional Government shall have the primary responsibility to provide learning aids and instructional materials to the schools in the autonomous region in addition to those already prescribed by the central government or national government.

(7) *Responsibility for selection, recruitment, appointment, promotion, and civil service protection of teachers and non-teaching personnel.* (a) The selection, recruitment, appointment, and promotion of teaching and non-teaching personnel of the regional

educational subsystem shall be the responsibility of the Regional Government. The teaching and non-teaching personnel of the regional educational subsystem who have appropriate civil service eligibility may not be replaced, removed, or dismissed without just cause.

(b) The Regional Government may impose its regionally-defined standards for the employment of teaching and non-teaching personnel in its school system which, however, shall not be lower than the standards of the Department of Education, Culture and Sports.

(c) In the selection, recruitment, appointment, and promotion of elementary, secondary, and tertiary education teaching and non-teaching personnel, the minimum requirements and standards prescribed by the Department of Education, Culture and Sports, the Commission on Higher Education, and the Technical Education and Skills Development Authority shall be observed by the regional educational subsystem.

(8) *Preservation of culture, mores, customs, and traditions.* The culture, mores, customs, and traditions of the Muslim people and those of the Christians and indigenous people, shall be preserved, respected, enhanced, and developed.

(9) *Schools to preserve, enhance, and develop cultures, mores, customs, and traditions.* The regular public and Madaris schools in the autonomous region shall be the primary vehicles for the preservation, enhancement, and development of the said cultures, mores, customs, and traditions.

SEC.3. *Regional Educational Curricula.* – The Regional Department of Education, Culture and Sports shall develop curricula that are relevant to the economic, social, political, cultural,

moral, and spiritual needs of the people in the autonomous region.

SEC.4. *Education, Management, and Control of Education.*— The management, control, and supervision of the regional educational subsystem shall be the primary concern of the Regional Government.

The Department of Education, Culture and Sports, the Commission on Higher Education, and the Technical Education and Skills Development Authority, and other appropriate educational bodies of the central government or national government shall monitor compliance by the regional educational subsystem with national educational policies, standards, and regulations. The Department of Education, Culture and Sports, the Commission on Higher Education, and the Technical Education and Skills Development Authority of the Regional Government shall participate in policy and decision-making activities of their counterparts of the central government or national government in matters that affect the regional educational subsystem.

Educational Structure

SEC.5. The Regional Assembly may, by law, create, support, and maintain a regional Department of Education, Culture and Sports, and shall define its powers, functions and composition.

SEC.6. *Private Schools Supervision.* – (a) The Regional Department of Education, Culture and Sports shall be responsible for the supervision and regulation of private schools.

(b) Private schools, including sectarian and non-sectarian institutions of learning of whatever level, may organize themselves and shall have the right to participate and be represented by three (3) representatives in the

deliberations of the Regional Department of Education, Culture and Sports on matters dealing with private schools.

(c) The representatives of the private schools to the Regional Department of Education, Culture and Sports shall act for the sectarian Christian schools, non-sectarian schools, and the schools of the lumads, if any.

(d) The right of sectarian educational institutions to propagate their religious beliefs shall be not be curtailed. The regional educational subsystem shall not discriminate against the sectarian educational institutions in any manner or form.

SEC.7. Educational Subsystem Structure.

– The organizational structure of the regional educational subsystem shall follow the basic structure of the educational system of the central government or national government. The Regional Assembly may, however, create its own structures. It shall prescribe the same curricular years as those prescribed nationally.

SEC.8. Academic Freedom and Fiscal Autonomy. – State colleges and universities shall be part of the regional educational subsystem within the autonomous region and shall enjoy academic freedom and fiscal autonomy and shall continue to be governed by their respective charters. The provisions of existing laws to the contrary notwithstanding, the Regional Government shall be represented in the board of state universities and colleges in the region by the Chair of the Committee on Education, Culture and Sports of the Regional Assembly either as co-chair or co-vice chair.

SEC.9. Education Centers. – All state colleges and universities in the autonomous region shall serve as regional centers for tertiary and post graduate education in their respective areas of competence.

SEC.10. *Tribal University System.* – The Regional Assembly may create a tribal university system within the autonomous region to address the higher educational needs of the indigenous cultural communities in the region.

Madrasah Education

SEC.11. *Supervision of Madaris Schools.* – Accredited madaris in the autonomous region shall be supervised by the Department of Education, Culture and Sports in accordance with the principles of the Constitution and this Organic Act. The educational policies should also take into consideration the teaching of the Koran that an educational system should inculcate respect by individuals for duly constituted authority. A periodic review and supervision of the ‘Madaris’ educational system shall be conducted by the Department of Education, Culture and Sports and a monthly report shall be submitted by the Department to Congress through the Senate President, the Speaker and the Chairs of respective education committees of both Houses of Congress or the corresponding committees of the Regional Assembly of the autonomous region in Muslim Mindanao, if there are such committees in the said Assembly.

SEC.12. *Madrasah Educational System; Arabic as Medium of Instruction.* – The Regional Assembly shall enact legislation for the strengthening and development of the Madrasah Educational System in the autonomous region.

Arabic is hereby recognized as a medium of instruction in madaris (schools) and other Islamic institutions.

SEC.13. *Madaris.* – Existing madaris and *madaris ulya* are deemed parts of the regional educational subsystem.

SEC.14. *Madaris Teachers Qualifying Examinations; Compensation.* – The Regional Department of Education, Culture and Sports shall, in coordination with the Regional Commission on Higher Education, conduct periodic competitive qualifying examinations of madaris teachers for permanent appointments to the regional educational subsystem.

The compensation of *madaris* teachers employed in the public schools of the autonomous region shall be taken from the funds of the Regional Government.

Science and Technology

SEC.15. *Science and Technology.* – Science and Technology are recognized as essential to national and regional progress and development.

SEC.16. *Priority Legislation.* – The Regional Assembly shall enact laws that shall:

(a) Give priority to science, research, inventions, technology, education, and their development and utilization;

(b) Provide incentives, including tax deduction and funding assistance, and encourage the participation of the private sector in basic and applied scientific researches;

(c) Regulate the transfer and promote the adoption of technology from all sources for regional benefit;

(d) Secure and protect the exclusive rights of scientists, inventors, scholars, writers, artists, and other gifted citizens to their intellectual properties; and

(e) Ensure the full and effective participation of all sectors in the planning,

programming, coordination, and implementation of scientific and technological researches and the acquisition, adoption, innovation, and application of science and technology for development.

SEC.17. *Environmental Changes.* – The regional educational subsystem shall endeavor to respond positively and effectively to the climatic changes affecting the environment. It shall monitor and evaluate ecological developments affecting the region and develop appropriate plans to meet ecological situations. To this end, it may establish linkages with appropriate domestic and international institutions.

SEC.18. *Non-Formal Education.* – The Regional Department of Education, Culture and Sports shall institutionalize non-formal education in scope and methodology, to include literacy, numeracy, and intensive skills training of the youth and adults.

Scholarship Grants and Assistance

SEC.19. *Donations to Universities, Colleges and Schools.*– Public or private universities, colleges, and schools in the autonomous region may seek and receive local or foreign donations for educational purposes. Donors to public or private universities, colleges, and schools may deduct the amount of the donation from their taxable income due to the Regional Government.

SEC.20. *Scholarship Programs.* – The Regional Government shall provide scholarships to qualified poor but deserving students in all levels of education. To this end, the Regional Government shall devote, at least, fifteen percent (15%) of its regular budget for education to support scholarships and shall endeavor to augment the funds for scholarships from other sources of revenue, public or private.

The Regional Government shall administer the scholarship programs of the Commission on Higher Education and the Technical Education and Skills Development Authority scholarship programs, both local and foreign within the region. The administrative and other details of this transfer of authority to administer the scholarship programs shall be done within six (6) months from the approval of this Organic Act.

SEC.21. *Financial Assistance for Disadvantaged, Deserving Students.* – The Regional Government shall provide financial assistance to disadvantaged but deserving students from any funds including those provided by the central government or national government for that purpose. Funds for Education

SEC.22. *Release of Education Funds.* – Educational funds for the Regional Government allocated by the central government or national government in the General Appropriations Act shall be released directly to the treasurer of the Regional Government. Physical Education and Sports Development

SEC.23. *Physical Education and Sports Development.* –The regional educational subsystem shall develop and maintain an integrated and comprehensive physical education program. It shall develop healthy, disciplined, creative, innovative, and productive individuals, and promote the spirit of sportsmanship, cooperation, teamwork, goodwill, and understanding.

SEC.24. *Sports Programs.* – The regional educational subsystem shall encourage and support sports programs, league competitions, indigenous games, martial arts, and amateur sports, including training for regional, national

and international competitions.

Cultural Heritage

SEC.25. *Cultural Heritage.* – The cultural heritage of the people of the autonomous region shall be an integral component of regional development.

SEC.26. *Protection and Promotion of Culture.* – The Regional Government shall recognize, respect, protect, preserve, revive, develop, promote, and enhance the culture, customs, traditions, beliefs, and practices of the people of the autonomous region. It shall encourage and undertake the recovery, collection, collation, and restoration of historical and cultural properties for posterity.

SEC.27. *Bureau of Cultural Heritage.* – The Regional Assembly may, by law, create a bureau on cultural heritage. The Bureau shall plan, initiate, implement, and monitor cultural programs, projects, and activities that preserve and enhance the positive elements of the indigenous culture of the inhabitants of the autonomous region. It shall coordinate with other concerned agencies engaged in similar and related activities.

ARTICLE XV

Social Justice, Services, Institutions, and Other Concerns

SECTION1. *Promotion of Social Justice.* – The promotion of social justice shall include the commitment to create social, political, and economic opportunities based on freedom of initiative, resourcefulness, and self-reliance.

SEC.2. *(a) Social Services.* The Regional Assembly shall, consistent with the provisions of the Constitution and existing national laws, enact measures to provide and promote social

services.

(b) *Food and Drug Regulation.* The Regional Assembly shall, by law, establish and maintain an effective food and drug regulatory system. The rational use of drugs through an essential drugs list and the use of generic medicines or drugs, as well as the use of herbal medicines and indigenous health resources, whenever appropriate, shall be encouraged and promoted.

(c) *Other Legislation.* The Regional Assembly shall also enact legislation on the following:

(1) Child health and development, including the support of the physically challenged and other disadvantaged persons in need of welfare services;

(2) Protection and development of the rights of women and of indigenous population;

(3) Registration of births, marriages and deaths; and

(4) Fixing of regional public holidays.

SEC.3. *Housing Program.* – The Regional Government, in cooperation with the private sector, shall evolve its own housing program that will provide adequate, low-cost, and decent housing facilities, and other basic services to the residents of the region, especially the under privileged.

SEC.4. The Regional Assembly shall, within one year from its organization, enact measures embodying re-integration programs responsive to the needs of former rebels who return to the fold of the law. A rehabilitation program shall be provided for displaced persons or communities that are victims of man-made or natural calamities.

SEC.5. *Family as Nation's Foundation.* – The Regional Government recognizes the Filipino family as the foundation of the nation. It shall strengthen its solidarity and actively promote its total development.

SEC.6. *Women's Rights.* – The Regional Government recognizes the role of women in nation building and regional development. It shall promote their well-being and ensure their fundamental rights and equality with men.

The Regional Government shall take appropriate measures against all forms of exploitation of and discrimination against women.

It shall ensure the representation of women in appropriate decision and policy-making bodies.

SEC.7. *Youth.* – The Regional Government recognizes the vital role of the youth in nation building. The Regional Assembly may, by law, create the Office of Youth Affairs and define its powers, functions, and composition.

SEC.8. *People's Organization.* – The Regional Government shall protect and promote the rights of people's organizations.

SEC.9. *Protection of Labor.* – The Regional Government recognizes labor as a primary social economic force for development. It shall afford full protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race, or creed, and regulate the relations between workers and employers.

The Regional Government shall ensure the right of labor to its just share in the fruits of production, and the right of enterprise to reasonable returns on investments and to expansion and growth.

ARTICLE XVI
General Provisions

SECTION 1. The Regional Assembly is hereby empowered to pass a law adopting an official regional emblem, seal, and hymn. The regional emblem and seal shall be displayed along with the national emblem and seal. The regional hymn shall be sung in after the national anthem in official proceedings at the discretion of the government officials in the autonomous region.

SEC. 2. *Disciplinary Authority Over Officials and Employees.* – The Regional Government shall have primary disciplinary authority over officials and employees of the Regional Government. In the exercise of that authority, the Regional Government shall apply the Civil Service Law, rules and regulations of the central government or national government until the Regional Assembly shall have enacted a Regional Civil Service Law.

The Regional Civil Service Law shall govern the conduct of the civil servants, the qualifications for non-elective positions, and the protection of civil service eligibles in various government positions in the autonomous region. The Regional Civil Service Law shall be consistent with the provisions of Article IX (B) of the Constitution.

SEC. 3. *Oath of Office.* – All public officers and employees, as well as members of the Regional Police Force and the military establishment, shall be required to take an oath of allegiance to the Republic of the Philippines, to support and defend the Constitution and this Organic Act, renounce the use of violence, and commit themselves to democratic means in the pursuit of their ideals and aspirations.

SEC. 4. *Civil Service Eligibility.* – Until the Regional Assembly shall have enacted a civil

service law, the civil service eligibilities required by the central government or national government for appointments to public positions shall likewise be required for appointments to government positions in the Regional Government. As may be necessary, the Civil Service Commission shall hold special civil service examinations in the autonomous region. For a period not longer more than six (6) years from the approval of this Organic Act, the central government or national government shall endeavor to provide appropriate civil service eligibility to applicants coming from the autonomous region for government positions therein. The minimum qualifications prescribed by law shall, however, be met.

SEC.5. Prohibition Against Employment of Military Personnel in Civil Service. – No member of the Armed Forces of the Philippines in the active service shall, at any time, be appointed or designated in any capacity to a civilian position in the Regional Government, including government-owned or-controlled corporations, or in any of their subsidiaries or instrumentalities within the autonomous region.

SEC.6. Promulgation and Translation of Organic Act. –This Organic Act shall be officially promulgated in Filipino, English, and Arabic and translated into the dialects widely spoken in the autonomous region. In case of conflict, the English text shall prevail.

ARTICLE XVII

Amendments or Provisions

SECTION 1. Consistent with the provisions of the Constitution, this Organic Act may be reamended or revised by the Congress of the Philippines upon a vote of two-thirds (2/3) of the Members of the House of Representatives and of the Senate voting separately.

SEC.2. The Regional Assembly shall have the power to initiate proposals for amendment to or revisions of this Organic Act by a vote of three-fourths (3/4) of all its Members or it may call for a Regional Consultative Commission to propose the amendment or revision. In any case, the amendment or revision shall require the approval of the Congress of the Philippines by a vote of two-thirds (2/3) of the Members of the House of Representatives and of the Senate voting separately.

SEC.3. Any amendment to or revision of this Organic Act shall become effective only when approved by a majority of the vote cast in a plebiscite called for the purpose, which shall be held not earlier than sixty (60) days or later than ninety (90) days after the approval of such amendment or revision.

ARTICLE XVIII

Transitory Provisions

SECTION1. *Disposition of Certain Real Properties of the Autonomous Region.* The land and permanent buildings or structures owned, controlled, administered, or in the possession of the Regional Government of the Autonomous Region in Muslim Mindanao, including those formerly owned, held, administered, or controlled by the defunct autonomous governments in Regions IX and XII located in provinces and cities which do not vote favorably for the inclusion of their respective areas in the Autonomous Region in Muslim Mindanao as provided by this Organic Act shall be purchased by the central government or national government at a price to be determined by the Oversight Committee as provided for in Section 3 of this Article, within three (3) months from the holding of the said plebiscite. Any dispute on the price as determined by the Oversight Committee may be appealed to the President of the Philippines, who shall decide on said price with finality within

three (3) months from the receipt of the appeal. The proceeds of the purchase shall be remitted to the Regional Government of the Autonomous Region in Muslim Mindanao.

The national government or central government shall within three (3) months from its acquisition of said land and permanent buildings or structures sell, transfer, and convey the said properties in favor of the local government unit having territorial jurisdiction there over and willing to purchase the said land and buildings or structures, or portions thereof, at the price agreed upon by the central government or national government with the local government concerned.

SEC.2. Personnel Absorbed by Regional Government. –All personnel of the central government or national government and of government-owned or -controlled corporations who are absorbed by the Regional Government shall retain their seniority rights, compensation levels, and other benefits.

SEC.3. Oversight Committee. – Within one (1) month from the approval of this Organic Act, an oversight committee composed of: (a) the Executive Secretary as Chairman, (b) the Secretary of Budget and Management, (c) the Regional Governor of the autonomous region, (d) the Speaker of the Regional Assembly, (e) the Chair of the Senate Committee on Local Government, (f) one (1) other Senator designated by the Senate President, (g) the Chair of the House Committee on Local Government, and (h) one (1) other representative representing a congressional district in the Autonomous Region in Muslim Mindanao designated by the Speaker of the House of Representatives, as members, shall be organized for the purpose of supervising the transfer to the autonomous region of such powers and functions vested in it by this Organic Act, and the appropriations of the offices or

agencies ,including the transfer of properties, assets, and liabilities, and such personnel as may be necessary; and, of identifying the other line agencies and government-owned or -controlled corporations that may be absorbed by the Regional Government and, with respect to the latter, also the terms and conditions of their turnover.

Within six (6) months after its organization as ordained by this Organic Act, the oversight committee shall submit its report and recommendations to the President of the Philippines who shall act on the report and recommendations within ninety (90) days after receiving it. If the President fails to act within said period, the recommendations of the oversight committee shall be deemed approved.

SEC.4. Agencies and Offices Transferred to the Autonomous Region. – Upon the election of the officials of the Regional Government, as mandated by this Organic Act, the line agencies and offices of the central government or national government dealing with local government, social services, science and technology, labor, natural resources, and tourism, including their personnel, equipment, properties, and budgets, shall be immediately placed under the control and supervision of the Regional Government. Other central government or national government offices and agencies in the autonomous region which are not excluded under Section 3, Article IV of this Organic Act, together with their personnel, equipment, properties, and budgets, shall be placed under the control and supervision of the Regional Government pursuant to a schedule prescribed by the oversight committee mentioned in Section 3 of this Article. The transfer of these offices and agencies and their personnel, equipment, properties, and budgets shall be accomplished within six (6) years from the re-organization of the Regional Government.

The central government or national

government shall continue to provide such levels of expenditures as may be necessary to enable the Regional Government to carry out the functions devolved under this Organic Act. The annual budgetary support shall, as soon as practicable, terminate for the line agencies or offices devolved to the Regional Government.

SEC.5. Notwithstanding the provisions of the preceding section, the Government Service Insurance System (GSIS), the Social Security System (SSS), the Pagtutulungan-Ikaw, Bangko, Industriya't Gobyerno (PAG-IBIG), and other funds of similar trust or fiduciary nature shall be exempt from the coverage of this Organic Act.

SEC.6. *Budgetary Law, Rules, and Regulations.* – Pending the enactment of a regional budgetary law, the budgeting process of the Regional Government shall be governed by pertinent rules and regulations prescribed by the Department of Budget and Management.

SEC.7. *First Regular Elections.* – The first regular elections of the Regional Governor, Regional Vice Governor and members of the regional legislative assembly under this Organic Act shall be held on the second Monday of September 2001. The Commission on Elections shall promulgate rules and regulations as may be necessary for the conduct of said election.

The election of the Regional Governor, Regional Vice Governor, and members of the Regional Legislative Assembly of the Autonomous Region In Muslim Mindanao (ARMM) set forth in Republic Act No. 8953 is hereby reset accordingly.

The funds for the holding of the ARMM elections shall betaken from the savings of the national government or shall be provided in the General Appropriations Act (GAA).

SEC.8. The incumbent Regional Governor, Regional Vice Governor, and members of the Regional Legislative Assembly of the Autonomous Region in Muslim Mindanao shall continue in office pursuant to existing laws and until their successors shall have been duly elected and qualified.

SEC.9. Within one (1) year from its organization, the Regional Assembly shall, by law, create a code commission on Muslim and a code commission on tribal laws. Each code commission shall have three (3) members. The code commissions shall codify tribal laws and Islamic laws and jurisprudence within three (3) years from their creation and submit the same to the Regional Assembly for enactment into law.

The Chairs and Commissioners of the code commissions shall be entitled to reasonable per diems for the work.

SEC.10. *Initial Funds for the Regional Government.* –The sum of Fifteen million pesos (P15,000,000), which shall be charged against the Contingent Fund of the President, is hereby appropriated for the initial organizational requirements of the Regional Government. Any deficiency shall be taken from savings of the central government or national government. An amount not exceeding Ten million pesos (P10,000,000) thereof shall be allotted to the Commission on Elections to undertake an information campaign on this Organic Act. The Commission on Elections shall determine the manner of campaigning and the deputization of government agencies for the purpose. The Commission on Elections shall adopt measures to ensure the dissemination of the said impartial information campaign.

SEC.11. *Annual Assistance.* – In addition to the regular annual allotment to fund the regular operations of the Regional Government, such amounts as may be needed to fund the

infrastructure projects duly identified, endorsed, and approved by the Regional Economic and Development Planning Board as created herein shall be provided by the central government or national government as annual assistance for six (6) years after the approval of this Organic Act, and shall be included in the annual General Appropriations Act (GAA). The annual assistance herein mentioned shall be appropriated and disbursed through a Public Works Act duly enacted by the Regional Assembly. The national programs and projects in the autonomous region shall continue to be financed by central government or national government funds.

SEC.12. *Sectoral Representatives.* – The sectoral representatives mentioned in Section 3, Article VI of this Organic Act, shall be chosen by the sectoral groups concerned at sectoral conventions called for the purpose by the Commission on Elections. The sectoral conventions shall be held within three (3) months after the date of the holding of the simultaneous plebiscites mandated by this Organic Act.

The Commission on Elections (COMELEC) shall formulate the rules and regulations to ensure equitable sectoral representations in the Regional Assembly. It shall identify and accredit the sectoral organizations, which shall be entitled to sectoral representation in the Regional Assembly.

The Regional Assembly shall enact a law for the election of marginalized and under-represented sectors, following the principle of proportional representation, within its first term following the approval of this Organic Act.

SEC.13. *Plebiscite and Effectivity of this Organic Act.* –This Organic Act shall take effect when approved by a majority of the votes cast in the four (4) provinces constituting the present Autonomous Region in Muslim Mindanao

pursuant to Republic Act No. 6734, the Organic Act for the Autonomous Region in Muslim Mindanao.

A separate plebiscite shall be held simultaneously with the plebiscite mentioned in the preceding paragraph in the Provinces of Basilan, Cotabato, Davao del Sur, Lanao del Norte, Palawan, Sarangani, South Cotabato, Sultan Kudarat, Zamboanga del Norte, Zamboanga del Sur and the newly created Province of Zamboanga Sibugay, and the cities of Cotabato, Dapitan, Dipolog, General Santos, Iligan, Marawi, Pagadian, Puerto Princesa, Zamboanga, Digos, Koronadal, Tacurong, and Kidapawan to determine by majority vote cast in every province and city whether or not the voters approve the inclusion of their respective provinces or cities in the autonomous region. Only provinces and cities voting favorably in such plebiscite shall be included in the Autonomous Region in Muslim Mindanao.

If the majority of the votes cast in the said plebiscite in the four (4) provinces favor the amendments to Republic Act 6734, the amendments will be deemed ratified.

SEC.14. Plebiscite Information Campaign.

– The Commission on Elections shall conduct an information campaign on the plebiscite in every municipality, city, and province where the plebiscite is held. Public conferences, assemblies, or meetings on dates before the plebiscite day, itself, shall be held to inform the residents thereof regarding the significance and meaning of the plebiscite and to help them to cast their votes intelligently. Free, full, and constructive discussion and exchange of views on the issues shall be encouraged. For this purpose, the assistance of persons of known probity and knowledge may be enlisted by the Commission on Elections, the Regional Government, the local government units or interested parties to act as speakers or resource persons.

SEC.15. *Promulgation of Rules; Appropriations for Simultaneous Plebiscites.* – The Commission on Elections shall within fifteen (15) days from the approval of this Organic Act, promulgate such rules and regulations as may be necessary to govern the conduct of the plebiscites.

The amount necessary for the conduct of the plebiscites shall be charged against any savings of the appropriations of the Commission on Elections and any deficiency thereof, shall be augmented from the contingent fund.

SEC.16. *Zone of Peace and Development.* – The Special Zone of Peace and Development in the Southern Philippines, the Southern Philippines Council for Peace and Development, and the Consultative Assembly created under Executive Order No. 371 dated October 2, 1996, are deemed abolished and shall cease to exist as of the date of the approval of this Organic Act in the said plebiscites. If this Organic Act is rejected in the said plebiscites, the aforementioned bodies shall continue to exist only in the four (4) provinces constituting the present ARMM and in the provinces and cities that opt to join the expanded autonomous region until abolished by law.

SEC.17. *Separability Clause.* – The provisions of this Organic Act are hereby declared to be separate and in the even tone or more of such provisions are held unconstitutional, the validity of other provisions shall not be affected thereby.

SEC.18. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, and other issuances or parts thereof, which are inconsistent with this Organic Act, are hereby repealed or modified accordingly.

SEC.19. *Effectivity Clause.* – This Organic

Act shall take effect after fifteen (15) days following its complete publication in at least two (2) national newspapers of general circulation and one (1) local newspaper of general circulation in the autonomous region.

Lapsed into law on March 31, 2001 without the President's signature, pursuant to Sec. 27(1), Article VI of the Constitution.

REPORT OF THE SECRETARY-GENERAL ON THE QUESTION OF MUSLIMS IN SOUTHERN PHILIPPINES

1- Ten years have elapsed since the signing of the Peace Agreement between the Government of the Republic of the Philippines (GRP) and the Moro National Liberation Front (MNLF) under the auspices of the Organization of the Islamic Conference (OIC). The agreement provided for the establishment of a viable and progressive Autonomous Region in Muslim Mindanao (ARMM). It also provided that the Government of the Philippines should execute infrastructural projects in southern Philippines and provide the necessary budget for these projects.

2- The Organization of the Islamic Conference (OIC) has been urging the GRP and the MNLF to fully implement the terms of the agreement so as to establish peace in that region. The OIC has also been emphasizing that the Autonomous Region in southern Philippines should really feel the benefits of the agreement on all levels, which requires the GRP to provide the budget for development projects at all levels.

3- Muslims in southern Philippines, whose population is estimated at 8 to 10 million, are still living under deteriorating political, economic, and social conditions, which are evident in the extreme backwardness and acute lack of educational and health services.

These conditions are in fact due to the central government's control of natural resources in the Muslim areas, in addition to the political marginalization of Muslims that is manifest in the absence of fair representation in government and judiciary posts. Moreover, military operations have continued, leading to the displacement of more and more Muslims from their villages and towns on top of the continued demographic reengineering that has encouraged the migration of non-Muslims to the south in order to turn the Muslims there into the minority.

4- The report of the Ministerial Committee of Eight entrusted with following up the question of Muslims in southern Philippines, which was issued on 29 June 2005 following the meeting of the committee in Sana'a alongside the 32nd Session of the Islamic Conference of Foreign Ministers (ICFM), has indicated that **there is still a discrepancy between the reports of the GRP and the MNLF**. Therefore, there is an urgent need to strengthen cooperation and partnership between them in order to accelerate the development of the region as stipulated under the Peace Agreement. In addition, the Ministerial Committee fully supports the initiative seeking to complete the implementation of the Peace Agreement in consideration of the fact that economic and social development is the focus of Phase II.

5- The members of the Committee agreed to continue to monitor Phase II and reaffirmed the need for the Member States and Islamic charitable organizations to continue to provide developmental assistance to southern Philippines. The Committee welcomed the invitation addressed by the GRP to the

Organization to dispatch a field mission to southern Philippines. A meeting was then convened to assess progress on the implementation of the Peace Agreement with the participation of the GRP, the MNLF, the General Secretariat of the Organization of the Islamic Conference (OIC), and the Ministerial Committee of Eight.

6- The General Secretariat received a Note from the GRP dated December 2005 enumerating five chief articles in the implementation by the GRP of Phase II of the Peace Agreement. **Article I** of these was **on the Participation of Muslims in the Executive Council, the Legislative Assembly, the Administrative System, and Representation in National Government.** The Note indicated that the fifth elections organized for ARMM, which were held on 18 August 2005, resulted in the election of Dato Zaldi Uy Ampatuan as the new Regional Governor as well as the election of 24 new members for the Legislative Assembly. This Legislative Assembly is comprised of representatives of the five provinces and one city in ARMM, which is headed by Hatimil Hassan, who is a prominent leader of the MNLF. The Note also indicated that Muslims with the rank of Cabinet Secretary were also elected. They are Nasser Pangandamam, Department of Agrarian Reform, and Mr. Zamzamin Ampatuan, National Anti-Poverty Commission Chairman. In addition, two Muslim candidates were elected to the Philippine House of Representatives. The Note also indicated that two senior Muslim magistrates were appointed to serve in the Court of Appeals.

7- In Article II on the Participation of Muslims in the Regional Security Forces, the Note indicated that the security forces in ARMM were presently constituted of the Philippine National Police (PNP) and the MNLF units integrated into the PNP, which numbered around 1500 integrees as part of Phase I.

8- In Article III on Public Education, the Note indicated the need for an integrated system of education for Muslims in the Philippines. That is why the education authorities defined a road map for the development of the elementary education of Muslims, where the first stages are governed by Order No. 51 of the National Government Department of Education, which essentially enjoins a smooth transfer of students from public to private schools or vice versa, to unify the long history of dichotomy among Muslims. The aim of this process is to promote both Philippine national identity and preserve the Islamic cultural heritage. The ARMM Regional Government also recognized 36 schools whose teachers are receiving salaries from the ARMM Educational System.

9- In Article IV on the Economic and Financial Systems, Mines and Minerals, Banking, and Natural Resources, Fiscal Management, and National Government Funding for the ARMM. In this respect, the Note explained that all these details have been realized under Republic Act 9054-Article 11 of (*on Urban and Rural Planning and Development*) and Article 12 (*on Economy and Patrimony*), which provides for the establishment of a Regional Economic Development and Planning Board. A Medium-Term Development Plan has been developed for the development of ARMM for the period 2004 to 2010. Regarding investment

incentives, powers have been given to the ARMM Regional Government to grant tax incentives and establish economic and industrial zones; and for the Regional Legislative Assembly to prioritize the System on Economic and Trade Agreements. Relative to natural resources, Article 12, Section 5, provides for the Use and Development of Mines, Minerals, and other Natural Resources, and Revenue Sharing. Although, the National Government continues to control and supervise matters of extraction, with their devolved mandate, the Regional Government effectively has full authority over all areas of environment and natural resources within the ARMM. The National Government is working closely with the Regional Legislative Assembly in legislating further devolution or increase in the Regional Government's control and supervision in the utilization and development of natural resources within the ARMM. One of these legislative goals is the enactment of a Regional Aquatic and Fisheries Code.

Relative to National Government Funding for the ARMM, the National Government has so far appropriated over 67 Billion Pesos, since the forging of the 1996 Peace Agreement, to finance infrastructure and other government programs.

10- Finally, regarding **Article V on Sharia and the Judiciary**, the Note indicates that there are today five Sharia District Courts with two District Judges, and 30 Sharia Circuit Courts with 27 Circuit Court Judges functioning within and outside the ARMM.

11- **The General Secretariat has received a report on the implementation of the 1996 Peace Agreement (PA) from the Moro National Liberation Front (MNLF), which noted the following:**

On the Executive Council: The bone of contention on Phase II-A is with respect to the determination of the areas to be included under the supposed New Autonomous Government. The GRP insisted on the plebiscite, which the MNLF does not recognize.

- The MNLF does not recognize the plebiscite unilaterally conducted by the GRP on August 20, 2001. For refusing to accept the said plebiscite, the GRP provoked and attacked MNLF forces and finally arrested and illegally detained Chairman Nur Misuari.

- The MNLF maintains that the plebiscite is violative of the Tripoli Agreement, Paragraph 8, Article II, which specifically enumerates the areas to be included under the New Autonomous Government.

- By putting the ARMM under the Office of the Presidential Adviser on Peace Process (OPAPP), the five-century old conflict is addressed and relegated to a mere advisory office which only demonstrates GRP's disinterest in the problem.

On the Question on National Representation: The GRP has not made any single appointment pursuant to Paragraph 65 PA and to RA 9054, Article V, Sec. 2, where it provides that appointment should be through the recommendation of the Regional Governor.

- The same provision emasculates the

Regional Governor through the insertion of the phrase “in consultation with the elected officials and the concerned sectors of the autonomous region”. This is digression if not a violation of Paragraphs 63 and 66 of the Peace Agreement.

- All the appointments so far made by the GRP fall within Paragraph 64 PA and RA 9054, Article V, Sec. 4, which are optional appointment or appointment deemed not within the ambit of the Agreement.

On the Issue of Special Regional Security Forces (SRSF): The second sentence of Paragraph 8, Article III, of the Tripoli Agreement “the relationship between these forces and the Central security forces ...”, provides for the separate framework for the Regional Security Forces and the Central security forces. The rationale behind this is to put in place, in the Autonomous Government, security forces not hostile to the inhabitants. The Special Regional Security Forces created under Article XIII, RA 9054, is a mere nomenclature because it is essentially the same Central security forces.

- Subparagraphs b. and c. No. 20 of the Peace Agreement provides that initially the MNLF forces will be “organized into separate units within the transition period” under a Deputy Commander of the Southern Command, Armed Forces of the Philippines.

- In violations of the Peace Agreement, the GRP did not organize the MNLF integrees into separate units under the command of the Deputy Commander. The worst part of it is that the GRP deployed, as it continues to deploy, the MNLF integrees in combat duties to fight Muslim brothers in the Moro Islamic

Liberation Front (MILF) and recently used to fight against the MNLF forces. There were significant numbers killed in the encounters and others have gone on absence without leave (AWOL).

On Education: No matter how many pieces of legislations, of Government Circulars, especially if these are made only to please some quarter, and not backed up and coupled with sufficient funds, the whole enterprise is doomed to fail. This is the state of education in the Autonomous Government.

On Economic and Financial Systems, Mines, and Minerals: In order to survive as a viable Autonomous Government, there is no gainsaying the fact on the necessity of the control of the exploration, utilization, and development of the natural resources.

- Republican Act (RA) 9054, Article X, Section (Sec.) 1, and Article XII, Sec. 5 violate Paragraphs 146 and 147, 1996 PA.

- The GRP, acting through Congress, has unilaterally arrogated to itself the power to define strategic mines and minerals, which violated Paragraphs 146 and 147 of 1996 PA. This contravenes the agreement, which mandates that the MNLF and the GRP, with the positive contribution of the technical experts of the OIC, will mutually agree on the definition of the strategic mines and minerals on a latter date.

- This is a gross violation of the Agreement because it strikes into the heart of the jurisdiction of the Autonomous Government over Mines and Minerals within the territory.

- It is well to mention that in the course

of the negotiation during the peace talks, the definition of the strategic minerals as proposed by the GRP, such as what is now provided under Article X, Sec. 1, was rejected by the MNLF panel. A definition by gestation was the counterproposal of the MNLF panel, hence the MNLF and the GRP agreed to define the strategic minerals later as provided for in Paragraph 146 PA. Any attempt therefore to define strategic minerals unilaterally is unacceptable as it violates the Agreement. The intent was to come up with a tri-partite expert definition and the same must be done before the crafting of the amendatory bills.

- Article X, Sec. 1, definition of the ancestral domain, will rob the inhabitants in the autonomous region of their birthright over the God-given natural resources which by law are protected and strengthened by RA 8371. It must be born in mind that one of the direct causes that drove the Bangsamoro people to take up arms and assert their birth right to self determination is the land grabbing issue. The GRP has once again committed a disservice to the cause of peace by removing strategic minerals, such as uranium, coal, petroleum, and other fossil fuels, mineral oil, and all sources of potential energy; lakes, river, and lagoons; and national reserves and marine parks, as well as forest and watershed reservation from the scope of the ancestral domain and the jurisdiction of the autonomous region. This is contrary to the provisions of RA 8371 known as Indigenous Peoples Rights Act (IPRA), which provides, under Sec. 3 thereof, that ancestral domains refer to all areas generally belonging to the Indigenous Cultural Communities (ICCs), Indigenous People (IPs), comprising lands, inland waters, coastal water, and natural resources therein,

which are necessary to ensure their economic, social, and cultural welfare, including ancestral lands, forests, pasture, residential, agricultural, and other lands individually owned whether alienable and disposable or otherwise, hunting grounds, burial grounds, worship areas, bodies of water, minerals and other natural resources.

- The questioned provisions negate the letter and the spirit of Paragraph 27, 1996 PA, which grants plenary legislative power to the Legislative Assembly to pass laws on all matters, concerns, and issues within the area of the autonomy except those specified under the Tripoli Agreement.

Impediments to the Implementation of the 1996 PA:

- It is the GRP alone, specifically the Philippine Senate and Congress, without the participation of the MNLF and the OIC that determined and fixed RA 9054.

- It is crystal clear that RA 9054 is contrary to the letter and spirit of the documents, namely the 1976 Tripoli Agreement and the 1996 Peace Agreement.

- What the GRP has been implementing unilaterally is neither the Tripoli Agreement nor the 1996 Peace Agreement but RA 9054.

- RA 9054 has become the greatest impediment and stumbling block towards the implementation of the Agreements.

Conclusion

- Phase two of the September 2 1996 Peace Agreement can never be implemented

because the Senate and Congress, instead of ratifying the agreement, have made an organic act—RA 9054 on March 31, 2001, as a solid stumbling block on the path towards the implementation of PA 1996.

The GRP has already violated the PA 1996 unilaterally by disregarding the MNLF participation as the principal party to the agreement, let alone the OIC, in any plan of action.

12- The General Secretariat is still concerned over the persistent environmental impacts that affect 1.2 million Maranao Muslims living around Lake Lanao whose water resources feed the Agus hydroelectric power plant. Reports received by the General Secretariat have confirmed that this plant is causing hazardous environmental pollution. These plants have caused widespread poverty among the Maranao due to the construction of dams by the government, which has resulted in the flooding of farmlands and the spread of diseases as a results of the pollution and contamination of the lake waters at the hands of the state-owned National Power Corporation (NPC), despite a court order that has not been implemented by the government. The Maranao still await the implementation of the court order and the abovementioned plant to honor its obligations under the Environmental Compliance Certificate (ECC), which has been signed by the two parties in order to build irrigations projects and pay comprehensive damages to displaced Maranao Muslims.

13- The Secretary-General reiterates his appeal to OIC Member States to double their assistance to the Muslims in Southern Philippines in order to achieve the economic

advancement of this region, which has lived in deprivation for many long decades. The Ministerial Committee has also called on specialized and affiliated organs of the OIC, notably the Islamic Development Bank (IDB), to increase their contributions to the development process.

14- The Secretary-General is submitting the present report to the Thirty-third Session of the Islamic Conference of Foreign Ministers (ICFM) for appropriate decision thereon.

Original: Arabic. Trans./ A.S.D.



Konrad
Adenauer
Stiftung

The Konrad Adenauer Stiftung

The KAS, more popularly known in the Philippines as the Konrad Adenauer Foundation, is an independent, non-profit German political foundation guided by the principles of the Christian Democratic Movement. KAS activities include political education, grants for research and scholarships for gifted students. The main aims of the international work are: training political and social leaders; introducing democratic institutions and processes; encouraging political and social elites of focus on development in their actions; promoting international political dialogue; and the worldwide exchange of information and experience. KAS has been active in the Philippines since the 1960s. The main activities of KAS in the Philippines have focused on Social Market Economy, Institutional and Political Reform and Peace and Development in Mindanao.



The Philippine Council for Islam and Democracy

The Philippine Council for Islam and Democracy (PCID) is a non-partisan, non-government organization dedicated to the study of Islamic and democratic political thought, and the search for a peaceful, just and lasting solution to the Mindanao conflict. It is the belief of the Council that genuine peace and development in Muslim Mindanao can only take place within the context of meaningful democracy. Since its inception in 2002, the Council has initiated programs to serve as a springboard from which the moderate Muslims can finally engage mainstream Philippine society. These programs have ranged from empowerment projects for Ulama, women and other basic sectors, roundtable discussions of stakeholders at the local level, academic forums at the premier Philippine universities, to international conferences that tackle the complexity of the development of Muslim Mindanao. The topics tackled have run the gamut of key issues which include the Madrasah (Islamic) educational system, the role of the Ulama (Muslim religious leaders) in democracy, the impact and evaluation of the 1996 final peace agreement, security and terrorism, and the perennial and growing concern for human rights



The Magbassa Kita Foundation, Inc. (MKFI)

The Magbassa Kita Foundation, Inc. (MKFI) is a non-stock, non-profit, non-government organization dedicated to the promotion of literacy, poverty alleviation and peace, principally in Muslim Mindanao. Its mission is anchored on the philosophy that literacy and economic empowerment are preconditions for a meaningful participation of individuals in society. MKFI was registered with the Securities and Exchange Commission in 1991 and launched that same year. It got its name from the "Magbassa Kita" literacy project which Senator Santanina T. Rasul launched in 1966. "Magbassa Kita" is a Tausug phrase which means "let us read". While maintaining literacy promotion as its major area of concern over the years, MKFI expanded its activities to include livelihood skills training for women, capability building among farmers, development of self- help organizations, and cooperatives and producing post literacy materials.

