

REPUBLIC OF THE PHILIPPINES }  
CONGRESS OF THE PHILIPPINES }  
*Third Regular Session*

H. No. 9374

REPUBLIC ACT NO. 8438

AN ACT TO ESTABLISH THE CORDILLERA AUTONOMOUS  
REGION

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

P R E A M B L E

*We, the people of the Cordillera,  
imploing the Aid of Divine Providence exercising our  
fundamental and constitutional right to self-determination  
in faithfulness to the struggle of our forbears  
for the defense of our patrimony and cultural heritage,  
in order to secure for ourselves and our posterity  
a region of peace founded on truth, freedom, justice,  
love and human solidarity  
and establish a Regional Autonomous Government  
that shall ensure our human rights, our human development,  
and our participation in the affairs of the Filipino nation,  
do proclaim this Charter  
of the Cordillera Autonomous Region.*

ARTICLE I

*TERRITORY AND PEOPLE*

SECTION 1. There is hereby created an autonomous region  
in the Cordilleras to be known as the "Cordillera Autonomous  
Region (CAR)."

SEC. 2. (a) The area of the Cordillera Autonomous Region  
shall consist of the city and provinces that shall vote favorably in  
the plebiscite called for the ratification of this Organic Act  
pursuant to Section 18, Article X of the Constitution.

(b) The area of the plebiscite shall be the provinces of Benguet, Mountain Province, Ifugao, Abra, Kalinga, Apayao, and the chartered City of Baguio.

SEC. 3. The term Cordillerans shall apply to all Filipino citizens who are domiciled within the territory of the CAR.

## ARTICLE II

### *DECLARATION OF PRINCIPLES AND POLICIES*

SECTION 1. The Cordillera Autonomous Region is an integral and inseparable part of the territory of the Republic of the Philippines.

The people of the autonomous region shall uphold the Constitution as the fundamental law of the land and unequivocally owe allegiance and fidelity to the Republic of the Philippines.

The autonomous region shall be governed and administered in accordance with this Organic Act.

SEC. 2. Autonomy ensures for the people of the Cordillera the right to secure for themselves their ancestral domain, develop their economy, promote their cultural heritage, and establish a system of self-governance within the framework of the Philippine Constitution and national sovereignty, as well as the territorial integrity of the Philippines.

SEC. 3. Wherever applicable, and whenever it is useful, without contravening morals and public policies, local indigenous customs, traditions, practices, and institutions are hereby recognized and may be availed of by appropriate parties.

SEC. 4. It is the primary duty of the regional government to ensure and protect the basic individual and collective rights of its constituents and general welfare of all the people as enshrined in the Constitution and this Organic Act.

SEC. 5. The exploitation, exploration, development, enjoyment and utilization of natural resources of the region shall

be consistent with the conservation and protection of ecological balance and, in any case, shall be for the benefit and advantage of the Cordillerans.

SEC. 6. The CAR shall promote social justice by enacting and implementing measures to minimize disparities between the rich and the poor, and the rural and urban areas by providing equal or equitable access to essential services, employment and other opportunities and equitable sharing of wealth and resources.

SEC. 7. The people of the Cordilleras aspire for peace founded on justice and reverence for human life and dignity. The promotion of peace shall include the renunciation of all forms of lawlessness, violence, cruelty, vengeance, and discrimination.

SEC. 8. The common good requires equal access to resources, employment, and services by all ethnic, social, and economic sectors and the adoption of measures for the democratic sharing of wealth, power and opportunities without distinctions based on ethnic origin, sex, language, political conviction, economic or social status or religious belief. The regional government shall adopt policies necessary to minimize the disparities between the rich and the poor, rural and urban areas and among territorial subdivisions.

SEC. 9. The people of the Cordillera have the right, especially through their voluntary organizations and movements, to participate and be equitably represented at appropriate levels of social, economic, and political decision-making and in the formulation and implementation of local, regional, and national priorities, plans, programs and projects, and to monitor their implementation.

SEC. 10. The development of the region requires the creation of an environment that shall provide for the basic human needs and ensure a rising standard of living for all.

The people of the region shall have prior right to the utilization and development of the natural, material, and fiscal resources of the region. The natural, material, and fiscal resources of the region shall be put to optimum and just use primarily for the benefit of the people of the Cordillera.

The conservation and protection of the natural environment by the Cordillera Autonomous Region and its people is an essential dimension of regional development.

The regional government shall promote a balanced sustainable economic growth and development in the region.

SEC. 11. It is the task of the Cordillera Autonomous Region to establish within the framework of the national system of education, as defined in the Constitution and national laws, an educational system, both formal and nonformal, that provides for its people an education of the best quality within its means; responds to the needs of Cordillera communities; encourages creativity and critical thinking; promotes science and appropriate technology; respects indigenous culture; inculcates respect for human rights and the dignity of work; fosters love of God and neighbor, self-reliance, nationalism, solidarity and other desirable Filipino values; and contributes to the common good.

SEC. 12. The development of the youth is a prime duty of the Cordillera Autonomous Region. Their effective participation and representation in public affairs shall be guaranteed.

SEC. 13. Civilian authority shall remain supreme at all times for the protection of the freedom of the people and for the promotion of their safety and welfare.

SEC. 14. The national government shall provide financial assistance to the Cordillera Autonomous Region by appropriating such sums as may be necessary to accelerate the development of the region.

SEC. 15. The regional government shall pursue a policy of holding consultation or public hearings on matters of local and regional priorities, plans and programs as well as transparency in the implementation of projects affecting the constituents of the local government units concerned.

SEC. 16. The regional government shall pursue a policy of devolution of powers and functions whereby lower levels of

government are entrusted with functions appropriate to them: *Provided, however,* That until a regional law implementing this provision is enacted, the Local Government Code shall be applicable.

The local government units shall enjoy autonomy and continue to exercise the powers granted them under the Local Government Code.

SEC. 17. The regional government shall recognize the role of organized sectors and groups to initiate the monitoring and investigation of fund utilization, work contracts and project implementation, and the filing of charges for irregularities.

SEC. 18. The regional government shall adopt measures to free the people from poverty, generate employment and develop a self-reliant economy effectively controlled by Filipinos.

SEC. 19. It is the policy of the Cordillera Autonomous Region to prohibit the development, storage, use or transport of nuclear, biological or chemical weapons within the region.

SEC. 20. The regional government shall be consistent with the Constitution and national laws, provide incentives to investors, corporation and business but shall adopt measures to prevent the exploitation of natural and human resources and to ensure that such activities contribute to the development of wealth and income among the inhabitants and local government units.

SEC. 21. Subject to the Constitution and national laws, the regional government shall review all forms of future aid loans to local government units in order to safeguard autonomy and enhance development.

SEC. 22. Subject to the Constitution and national laws, the regional government shall set rules and guidelines for energy production, public transportation and communication.

SEC. 23. The regional government shall promote and harmonize the interests of both labor and capital and shall protect their respective rights.

SEC. 24. The regional government shall ensure that women and men enjoy equality before the law and shall in particular, prevent sex discrimination in the practice of professions, in conditions of and opportunities for employment or promotion.

SEC. 25. The regional government shall enact laws to protect children against all forms of neglect, cruelty and exploitation particularly in employment harmful to their moral, physical, or mental health.

SEC. 26. Except under a state of emergency, no active military personnel shall be appointed or designated to any public position which is civilian in character, including government-owned or -controlled corporations or any of their subsidiaries under the control, supervision and management of the regional government.

SEC. 27. The regional government shall take measures to prevent torture; other cruel, inhuman, and degrading treatment or punishment; and illegal detention and extra-judicial executions.

SEC. 28. Subject to the Constitution and national policies, the regional government shall pursue reconciliation efforts and promote peace and demilitarization in the region.

### ARTICLE III

#### *THE CORDILLERA AUTONOMOUS REGION*

SECTION 1. The Cordillera Autonomous Region is a territorial and political subdivision administered by the Regional Autonomous Government consisting of the regional government and local government units, under the general supervision of the President of the Republic of the Philippines.

SEC. 2. The regional government shall exercise powers and functions necessary for the proper governance and development of all provinces, cities, municipalities, and barangays within the autonomous region consistent with the declared constitutional policy on regional and local autonomy and decentralization: *Provided*, That nothing in this Act shall be construed as to

authorize the diminution of the powers and functions already enjoyed by local government units.

SEC. 3. The President of the Philippines 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.

SEC. 4. The regional government may exercise the power of eminent domain.

SEC. 5. The autonomous region is a corporate entity with jurisdiction in all matters devolved to it by the Constitution and this Organic Act as herein enumerated:

- (1) Administrative organization;
- (2) Creation of sources of revenues;
- (3) Ancestral domain and natural resources;
- (4) Personal, family and property relations;
- (5) Regional urban and rural planning development;
- (6) Economic, social and tourism development;
- (7) Educational policies;
- (8) Preservation and development of the cultural heritage;
- (9) Powers, functions and responsibilities now being exercised by the departments of the national government, except:
  - (a) Foreign affairs;
  - (b) National defense and security;

- (c) Postal service;
  - (d) Coinage, and fiscal and monetary policies;
  - (e) Administration of justice;
  - (f) Quarantine;
  - (g) Customs and tariff;
  - (h) Citizenship;
  - (i) Naturalization, immigration and deportation;
  - (j) General auditing, civil service and elections;
  - (k) Foreign trade;
- (10) Patents, trademark, trade names, and copyrights; and such other matters for the promotion of the general welfare of the people of the region.

SEC. 6. The City of Baguio and any city within the CAR shall be governed primarily by its charter.

ARTICLE IV  
*THE REGIONAL LEGISLATIVE ASSEMBLY*

SECTION 1. The regional legislative power shall be vested in the Cordillera Assembly, except to the extent reserved by the Constitution and this Organic Act on initiative and referendum.

SEC. 2. Unless all the component provinces and the City of Baguio shall have been divided into districts for the election of the members of the sangguniang panlalawigan and the sangguniang panlungsod, respectively, and for purposes of the first election of the members of the assembly, the provinces of Abra, Benguet, Ifugao and Mt. Province shall each elect two (2) members per district, and the provinces of Apayao and Kalinga and the City of Baguio shall elect four (4) members at large.

There shall be party-list representatives which shall constitute twenty *per centum* (20%) of the total number of representatives including those under the party-list for three (3) consecutive terms after the ratification of this Organic Act, one-half (1/2) of the seats allocated to party-list representatives shall be filled, as provided by law, by selection or election from such other sectors as may be provided by the Regional Assembly, except the religious sector.

SEC. 3. (a) The members of the Legislative Assembly shall have a term of three (3) years which shall begin, unless otherwise provided by law, at noon on the thirtieth day of June next following their election.

(b) No member of the Legislative Assembly shall serve for more than three (3) consecutive terms. Voluntary renunciation of 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. 4. (a) Unless otherwise provided by law, the regular election of the members of the Legislative Assembly shall be held on the second Monday of May.

(b) In case of vacancy in the Cordillera 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: *Provided*, That the member elected shall serve only for the unexpired term.

(c) In case of permanent vacancy in the assembly, the regional governor shall appoint to the position so vacated the nominee of the political party to which the member who caused the vacancy belonged at the time of his election: *Provided, however*, That the appointee has all the qualifications required by this Organic Act of a member of the assembly and none of the disqualifications provided for in other laws, and: *Provided, further*, That he comes from the same district represented by the member who caused the vacancy.

SEC. 5. The Legislative Assembly shall start its regular session on the first Monday of July, and by resolution fix the day, time and place of its regular sessions, which shall be held at least once a week. However, it may be called to a special session at any time by the Cordillera governor. In case of special sessions, a written notice shall be sent to the members' place of residence at least twenty-four (24) hours before the special session is held unless otherwise concurred in by two-thirds (2/3) votes of the members, there being a quorum. No other matters may be considered at a special session except those stated in the notice.

SEC. 6. (a) A majority of all the members of the Legislative 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 Legislative Assembly may provide.

(b) On the first regular session following the election of its members, and within ninety (90) days thereafter, the assembly shall adopt or update its rules of proceedings which shall include, among other things, the organization of the assembly and the election of its officers, the creation of standing committees, the time, place and manner of convening its regular and special sessions, the conduct and discipline of its members, the conduct and discipline of every person present during its sessions, the preparation and publication of its journals, the determination of quorum, and the necessary votes to pass any measure, and recall proceedings in accordance with the Local Government Code.

SEC. 7. Unless otherwise provided by regional ordinance, a member of the assembly shall receive an annual salary not lower than that of an assistant secretary in the executive department of the national government. No increase in salary provided for by ordinance shall take effect until after the expiration of the term of office of all the members of the assembly approving the same.

SEC. 8. No member of the assembly may hold any other office or employment in the government or any subdivision, agency or instrumentality thereof, including government-owned or -controlled corporations, or their subsidiaries, during his term

without forfeiting his seat. Neither shall he be appointed to any office which has been created or the emoluments whereof increased by the assembly during the term for which he was elected.

SEC. 9. No member of the Legislative Assembly shall personally appear as counsel before any court of justice or before the Electoral Commission or quasi-judicial and other administrative bodies. Neither shall he, directly or indirectly, be interested financially in any contract with or in any other franchise or special privilege granted by the national or regional government, or subdivision, agency or instrumentality thereof, including government-owned or -controlled corporation or its subsidiary, during his term of office. He shall not intervene in any matter before any office of the Regional Autonomous Government for his pecuniary benefit or where he may be called upon to act on account of his office.

SEC. 10. (a) There shall be a question hour as often as may be necessary and as the rules of the assembly may provide, which shall be included in its agenda, during which any official of the regional executive department may be invited to appear and answer questions and interpellations by members of the assembly.

(b) The Cordillera Assembly or any of its committees may conduct inquiries, in aid of legislation, in accordance with its duly published rules or procedures. The rights of persons appearing in or affected by such inquiries shall be respected.

SEC. 11. The regional governor shall submit to the assembly a budget of expenditures and sources of funds within thirty (30) days from the opening of every regular session, as the basis of the regional appropriations ordinance. The form, content and manner of preparation of the regional budget shall be as prescribed by law.

(a) No provision or enactment shall be embraced in the regional appropriations ordinance, unless it relates specifically to some particular appropriations therein. Any such provision or enactment shall be limited in its operation to the appropriation to which it relates.

(b) The procedure in approving appropriations for the assembly shall strictly follow the same procedure for approving appropriations for the regional executive department. A special appropriations ordinance shall specify the purpose for which it is intended, and shall be supported by funds actually available as certified by the regional treasurer.

(c) No ordinance shall be passed authorizing any transfer of appropriations; however, the regional governor and the presiding officer of the assembly may, by ordinance, be authorized to augment any item in the general appropriations ordinance for their respective departments from savings in other items of their respective appropriations.

If, by the end of any fiscal year, the assembly shall have failed to pass the general appropriation ordinance for the ensuing fiscal year, the general appropriations ordinance for the preceding fiscal year shall be deemed reenacted and shall remain in force and effect until the proposed general appropriations ordinance is passed by the assembly.

SEC. 12. (a) No money shall be paid out of the treasury except in pursuance of an appropriation made by law.

(b) No money or property shall be appropriated, applied, paid or used, directly or indirectly, for the use, benefit or support of any sect, church, denomination, sectarian institution, or system of religion or for the use, benefit or support of any priest, preacher, minister or other religious teacher or dignitary as such, except when such priest, preacher, minister or dignitary is assigned to the regional police or government orphanage and rehabilitation centers or similar institutions.

SEC. 13. (a) Every bill shall embrace only one (1) subject which shall be expressed in the title thereof.

(b) No bill shall become a law unless it has passed three readings on separate days, and printed copies thereof in its final form have been distributed to the members three (3) days before its passage, except when the governor certifies to the necessity of

its immediate enactment to meet a public calamity or emergency affecting the region, or the component provinces, cities, municipalities or barangays. Upon the last reading of a bill, no amendment thereto shall be allowed, and the vote thereon shall be taken immediately thereafter, and the yeas and nays entered in the Journal.

(c) Every bill passed by the Legislative Assembly shall, before it becomes a law, be presented to the regional governor. If he approves the same, he shall sign it; otherwise, he shall veto it and return the same with his objections to the Legislative Assembly, which shall enter the objections in its Journal and proceed to reconsider it. If, after such reconsideration, two-thirds (2/3) of all the members of the assembly shall agree to pass the bill, it shall become a law. The regional governor shall communicate his veto of any bill to the assembly within thirty (30) days after the date of receipt thereof; otherwise, it shall become a law as if he had signed it.

(d) The regional governor shall have the power to veto any particular item or items in an appropriation or revenue, but the veto shall not affect the item or items to which he does not object.

SEC. 14. The regional governor shall submit to the Legislative Assembly within thirty (30) days from the opening of every regular session, as the basis of the regional appropriations bill, budget of expenditures and sources of financing, including receipts from existing and proposed revenue measures: *Provided*, That when regional revenues are insufficient, the difference shall be funded by the national government.

## ARTICLE V

### *THE REGIONAL EXECUTIVE DEPARTMENT*

SECTION 1. The executive power in the region shall be vested in a regional governor who shall be elected at large by direct vote of the registered voters of the CAR.

SEC. 2. (a) No person shall be elected regional governor unless he is a natural born citizen of the Philippines, and on the day of election is at least thirty-five (35) years of age, able to read

and write, a registered voter in the region and an actual resident thereof for a period of not less than five (5) years immediately preceding the day of election.

(b) The regional governor shall be assisted by a Cabinet: *Provided*, That the members shall as far as practicable come from various provinces and city or cities within the CAR.

SEC. 3. There shall be a regional vice governor who shall have the same qualifications and term of office and shall be elected in the same manner as the regional governor. The regional vice governor shall be the presiding chairman of the Legislative Assembly.

SEC. 4. The regional governor and the regional vice governor shall be elected by direct vote of the people of the autonomous region for a term of three (3) years which shall begin at noon on the thirtieth (30th) day of June next following the day of election and shall end at noon of the same date three (3) years thereafter.

No regional governor or regional vice governor 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 as an interruption in the continuity of the service for the full term for which he was elected.

The regular election for the regional governor and regional vice governor shall be held on the second (2nd) Monday of May.

SEC. 5. The regional governor and the vice governor on assuming office shall take the following oath or affirmation:

"I do solemnly swear (or affirm) that I will faithfully and conscientiously fulfill my duties as Governor/Vice governor of the Cordillera Autonomous Region, preserve and defend the Constitution of the Republic of the Philippines and the Organic Act of Cordillera Autonomous Region, execute its laws, do justice to all and consecrate myself to the service of the Cordillera. So

help me God." (In case of affirmation, the last sentence will be omitted.)

SEC. 6. Unless otherwise provided by law or ordinance, the regional governor and regional vice governor shall receive an annual salary equivalent to that of a department secretary and undersecretary respectively of the executive department of the national government which shall not be decreased during their tenure. No increase in the salary of the regional governor and regional vice governor shall take effect until after the expiration of the term of the regional governor and regional vice governor approving the same. They shall not receive during their tenure any other emoluments from the government or any other source.

SEC. 7. The regional governor shall be provided with an official residence by the Regional Assembly.

SEC. 8. If the regional governor-elect fails to qualify, the regional vice governor-elect shall act as regional governor until a regional governor shall have been chosen and qualified.

If at the beginning of the term of the regional governor, the regional governor-elect shall have died or shall have been permanently disabled, the regional vice governor-elect shall become the regional governor.

Where no regional governor and/or regional vice governor shall have qualified, or where both have died or become permanently disabled, the majority floor leader and the next-in-rank officer of the Assembly shall act as regional governor and regional vice governor respectively until such shall have been elected in a special election called for the purpose.

SEC. 9. For purposes of this article, a permanent vacancy arises when an incumbent elective regional official fills up a higher vacant office; refuses to assume office; fails to qualify, dies; is removed from office, voluntarily resigns, or is otherwise permanently incapacitated to discharge the functions of his office.

(a) If a permanent vacancy occurs in the office of the regional governor, the regional vice governor shall become the regional governor;

(b) If a permanent vacancy occurs in the office of the regional vice governor, the majority floor leader of the Assembly shall become the regional vice governor;

(c) If a permanent vacancy occurs in both the offices of the governor and vice governor, the majority floor leader and the next-in-rank officer of the Assembly shall act as governor and vice governor, respectively; and

(d) The successors as defined herein shall serve only the unexpired terms of their predecessors.

SEC. 10. The regional governor shall not, during his tenure, hold any other office or employment except as otherwise provided in this Act. He shall not engage in the practice of any profession, or participate directly or indirectly in any contract with or in any franchise or special privilege granted by the regional government or any subdivision, agency or instrumentality thereof, including any government-owned or -controlled corporations or in any of their subsidiaries. The spouse and other relatives by consanguinity or affinity within the fourth civil degree of the regional governor shall not, during his tenure, be appointed officers or employees of the regional government except as members of their confidential staff.

SEC. 11. The regional vice governor and the members of the cabinet and their assistants shall not, during their tenure, hold any other office except as otherwise provided in this Organic Act, practice any profession, or participate directly or indirectly in any contract with or in any franchise or special privilege granted by the regional government or any subdivision, agency or instrumentality thereof, including any national or regional government-owned or -controlled corporation.

The spouse and relatives by consanguinity or affinity within the fourth civil degree of the regional vice governor shall not,

during his 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. 12. The regional governor shall appoint members of the cabinet who shall serve at the pleasure of the appointing authority. Such appointments shall be with concurrence of the members of the Legislative Assembly. The Legislative Assembly may by law, vest in the members of the cabinet, special courts, heads of agencies, commissions and boards, the power to appoint subordinate officers.

SEC. 13. The regional governor shall address the Legislative Assembly at the opening of its regular session. He may also appear before it at any time. The Legislative Assembly may invite the President and other government officials to address it.

#### ARTICLE VI *LOCAL GOVERNMENT*

SECTION 1. The territorial and political subdivisions of the autonomous region are the provinces, cities, municipalities, and barangays where applicable.

SEC. 2. The local government units shall enjoy autonomy and continue to exercise the powers granted them under the Local Government Code.

Nothing herein provided shall be construed in any manner as to diminish the powers and functions already enjoyed by the local government units.

SEC. 3. Subject to the President's power of supervision over local governments, the regional government shall have general supervision over local governments within the CAR.

ARTICLE VII  
*PATRIMONY, ECONOMY AND DEVELOPMENT*

SECTION 1. The regional government shall initiate, stimulate, facilitate, support and catalyze development in the region.

SEC. 2. The regional development plan shall incorporate the priority projects identified in the integrated local development plans and shall take into account the peculiarities of the different environments within the region.

SEC. 3. The formulation and implementation of development programs in the Cordillera shall, among other things, address the following concerns:

(a) Delineation, protection, preservation and development of watersheds, public parks, and other government reservations that are declared by competent authorities as critical to the survival of the communities and declaration of such areas inalienable;

(b) Respect for indigenous concepts, processes and institutions as bases of development;

(c) The need for development strategies to meet disparities in natural resource endowments among communities. These include the need for programs that enhance physical, economic, and social mobility of the people;

(d) The need for cooperative organizations and similar institutions as instruments for democratizing ownership and management of public utilities;

(e) Urban land reform and socialized housing to minimize the problem of inadequate shelter and congestion with its attendant social problems;

(f) Development and use of appropriate technology based on indigenous conservation practices;

(g) Democratization of ownership of enterprises and equitable distribution of the benefits of development.

SEC. 4. The exploitation, exploration, development, enjoyment and utilization of natural resources found in the CAR shall be under the control and supervision of the regional government upon due consultation, except with respect to uranium, coal and petroleum which shall be under the control and supervision of the national government.

SEC. 5. The exploitation, exploration, development, enjoyment and utilization of natural resources, except those enumerated in Section 4 of this article, shall be allowed to all Filipinos and to private enterprises, including corporations, cooperatives, and similar collective organizations.

SEC. 6. The regional government shall actively and immediately pursue reforestation measures to ensure that lands not devoted to agriculture shall be covered with trees, giving priority to land strips along the edges of rivers and streams and shorelines of lakes.

SEC. 7. The regional government shall adopt measures for the development of communities occupying lands eighteen percent (18%) slope or over, by providing the necessary infrastructure, financial and technical support.

SEC. 8. There shall be a Regional Planning and Development Board which shall serve as the Regional Development Council. It shall be composed of the regional governor, as chairman, and the following as members thereof: all the provincial governors, the city mayor, two (2) members of the assembly to be designated by the regional vice governor, representatives of the regional line agencies, and the CAR congressmen or their duly authorized representatives.

The Board shall act as the planning, monitoring and coordinating body for the CAR. It shall prepare and submit a comprehensive regional medium-term and long-term development plan, and annual work programs to the regional governor, for

proper implementation. The regional office of the National Economic and Development Authority shall serve as the secretariat and technical arm of the Board.

SEC. 9. Small-scale mining shall receive support from and be regulated by the autonomous region, taking into consideration ecological balance and the interest of the communities where such operations are conducted.

SEC. 10. The regional government may establish and capitalize a Regional Development Bank which shall administer its own funds. The bank shall be under the supervision of the Bangko Sentral ng Pilipinas (BSP) and under the general banking laws.

SEC. 11. The regional government shall, in coordination with the national government, plan, construct and maintain a system of roads interconnecting the various areas of the region to other regions adjacent to the Cordilleras and shall establish a region-wide telecommunications system to enable all the municipalities within the region to be equipped with telephone, telegraph or radio facilities.

SEC. 12. Subject to ecological considerations, the regional government shall adopt and implement a comprehensive urban land reform and land use program consistent with the Constitution and national laws and policies to ensure the just utilization within their jurisdiction.

ARTICLE VIII  
*SOURCES OF REVENUES AND  
OTHER FISCAL MATTERS*

SECTION 1. The regional government shall have the power to create its own sources of revenues and to levy fees and charges except the power to impose taxes, subject to such guidelines and limitations as the Constitution and this Act may provide, consistent with the basic policy of local autonomy.

SEC. 2. All corporations, partnerships, and other entities directly engaged in business in the region shall pay their

corresponding taxes, fees, and charges to the province, city, or municipality where such establishments are conducting their business operations.

SEC. 3. The sources of revenues of the CAR shall include, but are not limited to, the following:

- (a) Fees and charges imposed by the regional government;
- (b) Appropriations and other budgetary aids from the national government;
- (c) Share in the proceeds from the development and utilization of the national wealth within the region;
- (d) Share in revenues generated from the operation of public utilities within the region as may be determined by law; and
- (e) Block grants derived from economic agreements or conventions authorized by the regional government, donations, endowments, foreign assistance, and other forms of aid, subject to the Constitution and national laws.

SEC. 4. Subject to the Constitution, the regional government shall evolve a system of economic agreements or trade compacts to generate block grants and foreign loans for investments and improvements of regional economic structures. These economic agreements or trade compacts shall be ratified by the assembly.

Upon the recommendation of the Regional Planning and Development Board, the regional government shall assist local government units and regional line agencies in projects requiring counterpart funds.

SEC. 5. Donations or grants to the CAR to finance, to provide for, or to be used in undertaking projects in health, education, culture, youth and sports development, human settlements, science and technology, and economic development,

shall be deductible in full in determining the taxable income of the donor or grantor.

SEC. 6. Subject to existing national laws, donations or grants to the autonomous region exclusively to finance, to provide for, or to be used in undertaking projects in education, health, youth and sports development, human settlement, science and culture, and in economic development shall be deductible in full in determining taxable income of the donor or grantor.

SEC. 7. The Cordillera Assembly shall have the power to grant tax incentives or exemption on taxes which the autonomous region is empowered under this Act to impose. A law granting tax exemption shall only be passed with the concurrence of a majority of all the members of the Cordillera Assembly.

SEC. 8. Foreign loans may be contracted only in accordance with the provisions of the Constitution and national laws: *Provided*, That the Cordillera governor may contract domestic loans subject to the approval of the Cordillera Assembly.

ARTICLE IX  
*AGRICULTURE, TRADE AND INDUSTRY,  
TOURISM AND COOPERATIVES*

SECTION 1. The regional government shall, as a basic policy, promote agriculture production for domestic or commercial needs.

SEC. 2. The conservation, protection and utilization of water resources for agricultural purposes shall be given priority.

SEC. 3. The regional government shall promote and develop inland fishery production and establish fishery processing plants in areas where the industry is viable.

SEC. 4. The regional government shall undertake research and pass legislation to enforce floor prices on agricultural and industrial products and ceiling prices on agricultural inputs, and provide and strengthen extension services to farmers free of charge.

SEC. 5. The regional government shall encourage the establishment of micro-cottage, small and medium-scale industries using efficient and productive methods. It shall undertake measures to provide for their protection and financing requirements.

SEC. 6. The regional government shall provide for the proper utilization and disposal of industrial waste.

SEC. 7. The regional government shall adopt measures to prevent flight of capital from the region.

SEC. 8. The regional government shall adopt measures against monopolies in public utilities, development, trading and similar concerns. It may, in the interest of regional welfare and security, establish and operate pioneering public utilities. Upon payment of just compensation, it may transfer the ownership of such utilities to cooperatives or other collective organizations.

SEC. 9. The regional government shall adopt measures to prevent the manufacture, importation, distribution or sale of agricultural and industrial inputs found to be biologically or environmentally harmful.

SEC. 10. The regional government shall adopt measures to initiate, encourage and develop industrialization in the region, taking into account the culture and capabilities of the people of the area to control or manage their resources, the ecological needs of the area and the conservation of resources.

SEC. 11. Consistent with the preservation of cultural heritage and the protection of ecology, the regional government shall promote eco-tourism within the region. The Cordillera Assembly shall establish offices and facilities that shall implement tourism concerns.

SEC. 12. The regional government shall encourage, promote and support the establishment of economic zones, industrial and trade centers, and airports, in strategic areas and growth centers in the region, including the necessary support

infrastructure in accordance with land use and other environmental considerations.

SEC. 13. The regional government shall, in coordination with the local government units, encourage foreign investments and the exportation of indigenous products in accordance with its development goals and priorities.

SEC. 14. The regional government shall promote cooperatives as tools for economic development, social justice, and people empowerment.

SEC. 15. Within one (1) year from its organization, the Cordillera Assembly shall establish a Cooperative Development Commission and define its powers, functions and mechanism for implementation.

#### ARTICLE X

#### *EDUCATION, SCIENCE AND TECHNOLOGY, LANGUAGE, ARTS AND CULTURE, AND SPORTS*

SECTION 1. The regional government shall, consistent with the Constitution and national laws, exercise legislative powers over regional educational policies and cultural matters which shall, among other things, include:

(a) The authority to establish educational institutions, colleges and universities: *Provided*, That regional colleges and universities created by the autonomous region shall enjoy fiscal and administrative autonomy subject to regional laws;

(b) Promulgate regional educational policies which shall, among other things, include the establishment of educational institutions, colleges and universities; development of curricula relevant to the cultural heritage and responsive to the social, economic, political, and moral needs of the people in the region.

SEC. 2. Private educational institutions, colleges and universities shall enjoy the protection and support of the regional government.

SEC. 3. The regional government shall establish a scholarship program for gifted or deserving students.

SEC. 4. The right of teachers, employees, students and parents to organize themselves and to participate in school policy-making shall be guaranteed.

SEC. 5. The level of compensation and other benefits for teachers, nonteaching and other personnel of the educational system in the region shall at least be equal to the national standard.

SEC. 6. Educational system in the autonomous region shall develop consciousness and appreciation of the ethnic identity of the people of the region and shall provide a better understanding of their cultural heritage for the attainment of national unity and harmony.

SEC. 7. State colleges and universities within the autonomous region shall continue to enjoy fiscal and institutional autonomy and continue to be governed by their respective charters. However, the regional official in charge of tertiary education shall be a member of the governing boards of state colleges and universities in the autonomous region.

SEC. 8. The University of the Philippines-Baguio shall continue to remain with the University of the Philippines System.

SEC. 9. The advancement of scientific research and appropriate technology on all levels of education shall be given priority in the allocation of funds by the regional government.

SEC. 10. Incentives and safeguards for intellectual property right, and assistance in the registration of patents and copyrights shall be accorded to creative artists, scientists and inventors in the region.

SEC. 11. The regional government shall take steps towards the development of a common regional language based upon the

various languages and dialects in the region to enrich the national language.

SEC. 12. The regional government shall design and implement regionwide physical fitness and sports development programs which shall be a cooperative responsibility of the school, the community, and the government.

ARTICLE XI  
*SOCIAL JUSTICE AND WELFARE*

SECTION 1. The regional government commits itself to social justice and shall, among other things, adopt measures to:

- (a) Create social and economic opportunities for the less fortunate for them to become self-reliant;
- (b) Ensure equal access to opportunity for elective public service, through mechanisms that make elections inexpensive;
- (c) Uplift marginalized communities; and
- (d) Democratize the ownership of the means of production and the benefits of development.

SEC. 2. The regional government shall promote shared responsibilities between workers and employers in the private and government sectors.

SEC. 3. The regional government shall give full protection to labor and promote equality of employment opportunities for all. Towards this end, it shall, among other things, provide for:

- (a) Periodic adjustments and rational standardization of compensation rates to ensure a living wage for all workers;
- (b) Adoption of profit sharing schemes that recognize the right of workers to a just share in the profits of business and the right of the enterprise to reasonable returns on investment;

(c) Protection of workers against unhealthy and dangerous working conditions; and

(d) Legislation for the benefit and welfare of domestic workers.

SEC. 4. The regional government recognizes health as a basic human right and the attainment, maintenance and protection thereof shall be its responsibility to the people. The regional government affirms that health is an instrument for and a product of socioeconomic development. For this purpose, it shall, among other things:

(a) Establish, maintain, and support an effective health care delivery system utilizing primary health care as a comprehensive and integrated approach;

(b) Ensure that the health care system is governed by the principles of service, social justice, and equity;

(c) Popularize health knowledge and skills to enable the people to take responsibility for their health;

(d) Give relevant training and appropriate standards for health workers and professionals;

(e) Establish and maintain an effective food and drug regulatory system which shall provide for the adoption of an essential drug list, encourage the use of generic medicines or drugs, and promote the use of herbal medicines and indigenous health resources;

(f) Conduct research and compile traditional healing methods and cultural health practices; and

(g) Evolve financing schemes to effectively lessen the costs of health care.

SEC. 5. The regional government shall promote the well-being of the physically disabled and mentally handicapped, the

elderly, the homeless, widows and orphans, retirees, and veterans, and assist victims of calamities, abused children and women in crisis situation.

SEC. 6. The Cordillera Assembly shall, within one (1) year from its organization, enact measures embodying reintegration programs responsive to the needs of rebel returnees and rejoiners.

SEC. 7. The regional government shall adopt insurance and social security measures responsive to the needs of the people to supplement existing privileges.

SEC. 8. The regional government, in cooperation with the private sector, shall promote housing programs where needed, which shall be financed under liberal credit terms and shall utilize indigenous materials, architecture and technology. Housing cooperatives to administer the projects shall be encouraged.

SEC. 9. The regional government shall promote a harmonious balance between women's personal, family and work obligations and their participation in public life. Shared parenting and homemaking responsibilities between spouses shall be encouraged.

SEC. 10. The regional government shall establish and strengthen support systems and services for working women, which include maternal and child care services, day care centers, longer maternity leaves, paternity leaves for their spouses, and early retirement age.

SEC. 11. The regional government shall undertake education and information programs to increase women's awareness of their rights and responsibilities and to correct customs, practices and mental attitudes that stereotype and regard them as commodities.

SEC. 12. The regional government shall promote and support duly established peoples' organizations and encourage the formation of organizations, especially those of the underprivileged. Guidelines and accreditation standards to define

the conditions required of peoples' organizations shall be set without abridging their right to effective participation and representation.

ARTICLE XII  
*PEACE AND ORDER*

SECTION 1. (a) The Cordillera Assembly shall enact necessary measures to promote and maintain peace and order and public safety in the region.

(b) The assembly shall, subject to the provisions of the Constitution and existing laws, create a Cordillera Regional Security Force taking into consideration indigenous and nonindigenous structures.

SEC. 2. The Cordillera Assembly shall, by law, create a regional police force as an integral part of the Philippine National Police under the administration and control of the National Police Commission. It shall be headed by a police commissioner with two (2) deputies, who shall be inhabitants of the autonomous region, to be appointed by the President of the Philippines upon recommendation of the Cordillera Governor.

SEC. 3. The regional police shall be under the supervision of the Cordillera Governor: *Provided*, That city or municipal mayors, who are hereby constituted as *ex officio* representatives of the National Police Commission, shall have operational control and supervision of the police force within their constituent units in accordance with law and appropriate rules and regulations.

SEC. 4. The defense and security of the autonomous region shall be the responsibility of the 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 national government shall have the authority to station and deploy in the autonomous region sufficient elements of the Armed Forces of the Philippines: *Provided*, That inhabitants of the autonomous region shall be given preference in assignments therein.

SEC. 5. The provisions of the preceding sections notwithstanding, the Cordillera Governor may request the President of the Philippines to call upon the Armed Forces of the Philippines:

(a) To prevent or suppress lawlessness, violence, invasion or rebellion, when the public safety so requires, in accordance with the provisions of the Constitution;

(b) To suppress the danger to or breach of peace in the area of autonomy, when the police forces of the autonomous region are not able to do so; and

(c) To avert any imminent danger to public order and security in the area of autonomy.

SEC. 6. The regional government shall recognize indigenous structures or systems found to be acceptable and effective in the promotion of peace and order in the region.

ARTICLE XIII  
*GENERAL PROVISIONS*

SECTION 1. This Organic Act shall be officially promulgated in Filipino and English and translated into the languages or dialects widely spoken in the autonomous region. In case of conflict, the English text shall prevail.

SEC. 2. For purposes of qualification for any elective or appointive public office in the Cordillera Autonomous Region, the person to be elected or appointed must have resided in the region for at least five (5) years immediately preceding the election or appointment.

SEC. 3. The Congress may, upon recommendation of the Cordillera Assembly, adopt a new name for the Cordillera Autonomous Region.

SEC. 4. The regional government shall have a regional emblem and hymn.

ARTICLE XIV  
*AMENDMENTS OR REVISIONS*

SECTION 1. Any amendment to, or revision of, this Act may be proposed by the Congress of the Philippines, upon majority vote of all the members of the House of Representatives and of the Senate voting separately.

SEC. 2. Any amendment to or revision of this Organic Act shall become effective when ratified by a majority of the votes cast in a plebiscite called for the purpose which shall be held not earlier than sixty (60) days nor later than ninety (90) days after the approval of such amendment or revision.

ARTICLE XV  
*TRANSITORY PROVISIONS*

SECTION 1. Unless otherwise provided by law, the date of the election of the first set of officials of the regional government shall be on the second Monday of May 1998.

SEC. 2. Except for the regional line agencies, the Cordillera Executive Board, the Cordillera Regional Assembly, and the Cordillera Bodong Administration as a commission, created under Executive Order No. 220, shall cease to exist immediately upon the assumption to office of the regional governor. For this purpose, all their funds, properties and assets shall automatically be transferred to the regional government. Their employees shall be given priority in the filling up of available vacant positions in the regional government, subject to civil service laws, rules and regulations.

SEC. 3. The seat of the regional government of CAR shall be determined by the regional assembly: *Provided, however,* That the *interim* seat of the regional government shall be in the City of Baguio.

SEC. 4. Civil service employees shall not be laid off, dismissed or removed as a result of any reorganization attendant to the establishment of the Cordillera Autonomous Region, except for cause. All personnel of the national government and of

government-owned or -controlled corporations who are absorbed by the regional government shall receive equal salaries and benefits with their national counterparts.

SEC. 5. Within one (1) month from the organization of the regional government, an Oversight Committee composed of the executive secretary as Chairman, the secretary of the Department of Budget and Management, the Cordillera Regional Governor, the presiding officer of the Cordillera Legislative Assembly, two (2) senators to be designated by the Senate President, two (2) representatives to be designated by the Speaker of the House of Representatives, the executive director of the Cordillera Executive Board, the chairman of the Cordillera Regional Assembly, chief-executive of the Cordillera Bodong Administration, executive director of the Office for Northern Cultural Communities 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, the oversight committee shall submit its report and recommendation to the President of the Philippines who shall act on the report and recommendations within ninety (90) days after receipt thereof: *Provided, however,* That if the President fails to act within said period, the recommendations of the Oversight Committee shall be deemed approved.

SEC. 6. Upon the organization of the autonomous region, the line agencies and offices of the national government devolved to the regional government including their personnel, equipment, properties and budgets, shall be immediately placed under the control and supervision of the regional government.

SEC. 7. Notwithstanding the provisions of the preceding sections, 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 exempted from the coverage of this Organic Act.

SEC. 8. The national government shall continue its annual allotment to the regional government and devolved regional line agencies, and in addition, provide the autonomous government annual assistance of Four billion pesos (P4,000,000,000) for the first five (5) years and Three billion pesos (P3,000,000,000) for the last five (5) years to be allocated in the following manner:

(a) Fifty percent (50%) for regional government for regional infrastructure, livelihood and revenue generating projects; and

(b) Fifty percent (50%) for provincial and city infrastructure:

*Provided*, That annually, each barangay shall receive not less than Five hundred thousand pesos (P500,000), and each municipality shall receive not less than Five million pesos (P5,000,000) to be taken from the share of the province where they are located. In the case of Baguio, barangays shall take their shares from the city government: *Provided, further*, That the duly elected congressional representatives shall be consulted in the identification of the projects to be funded by the said sums: *Provided, finally*, That the proposed projects, together with the regional infrastructure projects, shall be embodied in a regional Public Works Act to be passed by the Regional Assembly.

SEC. 9. (a) The share of each local government unit shall be released without need of any further action, directly to the provincial, city, municipal or barangay treasurer, as the case may be on a quarterly basis within five (5) days after the end of each quarter, and which shall not be subject to any lien or holdback that may be imposed by the regional government for whatever purpose.

(b) Nothing in this Organic Act shall be understood to diminish the share of local government units under existing law.

SEC. 10. To carry out the powers and functions of the regional government the assembly may create such other offices and positions as may be necessary subject to availability of funds.

SEC. 11. The creation of the CAR shall take effect when approved by a majority of the votes cast by the constituent units provided in Section 2, Article I of this Act, in a plebiscite which shall be held not earlier than forty-five (45) days nor later than one hundred twenty (120) days after the approval of this Act: *Provided*, That only the provinces and city voting favorably in such plebiscite shall be included in the CAR.

The sum of Eighty million pesos (P80,000,000) is hereby appropriated for the following purposes:

(a) Thirty million pesos (P30,000,000) to be allotted to the local government units for the conduct of a well-coordinated information campaign on this Act;

(b) Twenty million pesos (P20,000,000) to be allotted to the Commission on Elections (COMELEC) for the holding of a plebiscite as provided herein; and

(c) Thirty million pesos (P30,000,000) to be allotted to the regional government for its initial organizational requirements.

The amount of Eighty million pesos (P80,000,000) as herein appropriated shall be charged against the contingent fund. Any deficiency thereof shall be taken from any available funds of the national government.

SEC. 12. Any provision or part of this Organic Act found to be invalid or unconstitutional shall not invalidate the provisions or parts thereof not affected thereby.

SEC. 13. All laws inconsistent with this Organic Act are hereby repealed or modified accordingly.

ARTICLE XVI  
*EFFECTIVITY*

SECTION 1. This Act shall take effect after fifteen (15) days following its complete publication in at least two (2) national newspapers and all local newspapers of general circulation in the autonomous region.

Approved, December 22, 1997.