

MALACAÑANG
Manila

PRESIDENTIAL DECREE No. 205 June 6, 1973

**CREATING AND ESTABLISHING THE DEVELOPMENT ACADEMY OF THE PHILIPPINES,
DEFINING ITS POWERS, FUNCTIONS, AND RESPONSIBILITIES, AND FOR OTHER
PURPOSES**

WHEREAS, on May 11, 1973, the Central Bank of the Philippines, the National Economic And Development Authority, the Development Bank of the Philippines, the Government Service Insurance System, the Social Security System, and the Philippine National Bank, as developmental instrumentalities of the government dedicated to the promotion of wealth and welfare in the New Society, have entered into a memorandum agreement to establish, as their joint project, the Development Academy of the Philippines;

WHEREAS, the Development Academy of the Philippines was conceived by the said founding institutions for the purpose of promoting and supporting the developmental efforts of the country by carrying out human resource development programs designed to instill development perspectives and advance management capability in the leadership of key sectors of the government and the economy, as well as research, analysis, and publications programs of depth and quality to service the requirements of development planning, management, and implementation at both the macro and project levels;

WHEREAS, in order to effectively fulfill its purposes, it is imperative that the Development Academy of the Philippine be endowed with juridical status and conferred with certain privileges, to the end that its activities be undertaken with greater vigor, resources and direction;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution of the Philippines, and pursuant to Proclamation No. 1081 dated September 21, 1972 and General Order No. 1 dated September 22, 1972, do hereby create and establish a body corporate to be known as the Development Academy of the Philippines, which shall operate in accordance with the following provisions:

Section 1. Purposes. The purpose of the Academy are:

- (a) To foster and support the developmental forces at work in the nation's economy through selective human resource development programs, research, data-collection, and information services, to the end that optimization of wealth may be achieved in a manner congruent with the maximization of public security and welfare;
- (b) In line with the foregoing objective, to promote, carry on and conduct scientific, interdisciplinary, and policy-oriented research, education, training, consultancy, and publication in the broad fields of economics, public administration, and the political and social sciences generally, involving the study, determination, interpretation and publication of economic, political and social facts and principles bearing upon development problems of local, national or international significance;
- (c) To discharge a regional role in initiating and catalyzing exchange of ideas and expertise on development activities in the region of Asian and the Far East.

Section 2. Corporate Powers. To fulfill its purposes, the Academy shall have the following powers:

- (a) To adopt, alter and use a corporate seal;
- (b) To take and hold by bequest, devise, gift, purchase, or lease, either absolutely or in trust for any of its purposes, any property, real or personal, without limitation as to amount or value; to convey such property and to invest and reinvest any principal, and deal with and

expend the income and principal of the said Academy in such manner as will promote its objects;

(c) To collect, receive and maintain a fund or funds, by subscription or otherwise, and to apply the income and principal thereof to the promotion of its aims and purposes hereinbefore set out;

(d) To contract any obligation, or enter into any agreement necessary or incidental to the proper management of its corporate powers;

In general, to carry on any activity and to have and exercise all of the powers conferred by the laws upon private or government-owned or controlled corporations; and to do any and all of the acts and things herein set forth to the same extent as juridical persons could do, and in any part of the world, as principal, factor, agent or otherwise, alone or in syndicate or otherwise in conjunction with any person, entity, partnership; association or corporation, domestic or foreign.

Section 3. Domicile. The principal office of the Academy shall be established at Tagaytay City. The Academy may also have branches or offices at such other place or places, within or without the Philippines, as the operations and activities of the Academy may require.

Section 4. Board of Trustees. The governance and policy direction of the Academy shall be vested in, its powers exercised by, a Board of Trustees, which shall be composed of fifteen members, as follows:

- (a) The Secretary of Finance
- (b) The Executive Secretary
- (c) The Secretary of National Defense
- (d) The Director-General of the National Economic and Development Authority
- (e) The Governor of the Central Bank of the Philippines
- (f) The Chairman of the Board of Governors of the Development Bank of the Philippines
- (g) The General Manager of the Government Service Insurance System
- (h) The Administrator of the Social Security System
- (i) The President of the Philippine National Bank
- (j) One member, to be appointed for a term of two years by the aforementioned Trustees, who shall be a Muslim Filipino of national prominence.
- (k) The President of the Academy.

The Trustees shall not receive any compensation or remuneration for their services as such, but they may be reimbursed for actual expenses incurred in discharging the business of the Academy.

Section 5. Responsibilities of the Board. In the exercise of the powers granted to it under this Act, the Board of Trustees shall:

- (a) Prepare and adopt such rules and regulations as it considers necessary for the effective discharge of its responsibilities;

- (b) Authorize the fields of human resource development, investigation and major studies to which the available funds are allocated, without determining, controlling or influencing the methodology of particular investigations or the conclusions reached;
- (c) Constitute the Executive Committee, as hereinafter defined;
- (d) Appoint the President, and one or more Vice-Presidents to assist the President, in the administration of the affairs of the Academy;
- (e) To review periodically the administration and the programs of the Academy.

Section 6. Executive Committee.

There shall be an Executive Committee consisting of the President of the Academy and not fewer than three nor more than five other members to be elected by the Board of Trustees from the membership of the Board. Members of the Executive Committee, other than the President of the Academy, shall hold office for terms of two years, unless at the time of election a shorter term is specified, and shall be eligible for re-election. The Board shall elect the Chairman of the Executive Committee from the membership of the Committee.

Section 7. Functions of the Executive Committee.

The Executive Committee shall administer the affairs of the Academy in accordance with such functions, powers and responsibilities as may be delegated by the Board of Trustees. In the exercise of such delegated functions, powers of the Board, excepting the power to fill a vacancy on the Board and to amend the rules and regulations of the Academy.

Section 8. President of the Academy.

The President of the Academy shall be its chief executive officer, who shall be appointed by the Board of Trustees, and receive such compensation and remuneration to be fixed by the Board. His powers and duties are:

- (a) To submit for the consideration of the Board of Trustees and the Executive Committee the policies and measures which he believes to be necessary to carry out the purposes of the Academy;
- (b) To recommend, coordinate and administer the programs and projects of the Academy;
- (c) To direct and supervise the operations and internal administration of the Academy, and to delegate administrative responsibilities in accordance with the rules and regulations of the Academy;
- (d) To submit an annual report to the Board of Trustees setting forth the work of the Academy during the year, its financial operations and status, and a program and budget for the ensuing year; and
- (e) To exercise such other powers and to discharge such other functions as may be vested in him by the Board of Trustees and The Executive Committee.

Section 9. Financial Support.

Until such time as the Academy shall be financially self-sufficient, its operations shall be financed through the contributions of the founding institution, parties to the memorandum agreement dated May 11, 1973. A Development Academy of the Philippines Endowment Fund shall be created for the purpose of attaining self-support capability for the Academy, on the basis of contributions, investments, and other income accruing to the Academy and its operations, and with the view of terminating the need for annual contributions from the parties to the said memorandum agreement.

The endowment fund shall be administered as a trust with the Board of Trustees of the Academy as trustee thereof, provided that the principal of said endowment fund shall not be subject to impairment, and provided furthermore that only the earnings thereof shall be available for expenditure. For this purpose the founding institutions are hereby authorized to make contributions in the form of investments to the endowment fund, at the rate of three million pesos (P3,000,000) each in June 1973 and four and one-half million pesos (P4,500,000) in June 1975, provisions of their respective charters to the contrary notwithstanding.

Section 10. Expenditures and Disbursements.

Expenditures and disbursement made by the Academy in the conduct of its affairs shall not be subject the procurement requirements and restrictions imposed by existing law upon government agencies, instrumentalities and government-owned or controlled corporations.

Section 11. Staff Appointments.

Any provision of law to the contrary notwithstanding, appointments to the administrative or research staff of the Academy may be on a part-time basis, and shall be exempt from the requirements and restrictions of the Civil Service Law, Laws, rules and regulations on position-classification and salary standardization and Section Two hundred fifty-nine of the Revised Administrative Code: Provided, That any government retiree employed in the Academy shall not be required to reimburse or refund any gratuity received from the government nor shall any pension or annuity to which he is entitled be suspended or reduced on account of his employment in the Academy.

Section 12. Exemption from Taxes.

Any provision of existing laws to the contrary notwithstanding, any donation, contribution, bequest, subsidy or financial aid which may be made to the Academy shall be exempt from taxes of any kind, and shall constitute allowable deductions in full from the income of the donors or givers for income tax purposes.

The Academy, its assets, acquisitions, income, and its operations and transactions shall be exempt from any and all taxes, fees, charges, imposts, licenses and assessments, direct or indirect, imposed by the Republic of the Philippines or any of its political subdivision or taxing authority thereof, except import taxes, duties and fees.

Section 13. Disposition of Assets upon Dissolution.

In the event of dissolution of the Academy, its remaining assets, after return of the principal of the endowment fund to the contributing founding institutions, and payment of other liabilities, shall be disposed of and turned over to any foundation or institutions dedicated to the same or similar pursuits as the Academy, or to the Republic of the Philippines or any of its agencies or instrumentalities, as the Board of Trustees may determine.

Section 14. Transfer of Functions, Properties and Appropriations of the Productivity and Development Center.

All the functions vested in and conferred upon the Productivity and Development Center of the National Economic Development Authority, as well as all assets, funds and properties belonging to it, including its budgetary appropriations, are hereby transferred to the Academy, which shall execute, administer, dispose of and handle such functions, assets, properties and appropriations in accordance with the provisions of this decree.

Done in the City of Manila, this 6th day of June, in the year of Our Lord, nineteen hundred and seventy-three.