

SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY **REPORT OF ACCOMPLISHMENT/ACTIVITIES CY 2017**

OPERATIONAL HIGHLIGHTS

For CY-2017, the Agency continued the operations and maintenance of the facilities of the following projects: SPDA Koronadal Business Center in Koronadal City; SPDA Pikit Ice Plant in Pikit North, Cotabato; SPDA Vitali Fishpond Estate in Zamboanga City, Region IX; SPDA Integrated Solar Salt and Fish Farm Project and the SPDA Bonbon Agricultural Development Project in Bonbon, Butuan City, CARAGA Region.

Operations of the projects in the areas of Cotabato and ARMM continued to operate where the SPDA Koronadal Business Center is located. The total actual revenue of the Koronadal Business Center was P 2,726,081.40 which is only 65.65% of the total target revenue of P 4,152,492.00 for the year.

The Ice Plant facility in North, Cotabato is still currently managed and operated by a private partner, ITM Enterprises. The project has encountered mechanical problems in the plant and has not remitted any income as of March 31, 2017.

The SPDA Vitali Fishpond Project currently intends to pursue the joint venture undertaking with any private company in producing aqua products like bangus and prawn within the 67-hectare production areas.

The Authority effected the conversion of usage of the SPDA Integrated Solar Salt and Fish Farm Project from salt production to aquaculture production considering the unpredictable weather conditions in the region. Maintenance of the projects facilities is being undertaken by project personnel.

The activities leading to the development of the SPDA Bonbon property into housing was held in abeyance until issues on the Bangsamoro Basic Law is resolved. The maintenance of the project's facilities is currently being undertaken by project personnel in the area.

Operational details of the on-going projects/activities are as follows:

SPDA VITALI FISHPOND PROJECT
Vitali, Zamboanga City
Region IX

For the FY-2017, continuous maintenance of the corporate fishpond area and pangasius live stock is still undertaken by project personnel. The Authority still intends to pursue the Joint Venture Undertaking with any private company in producing aqua products like bangus and prawns with the 67-hectare production areas. Enhancement of operations and management of the project to maximize profitability and explore other potential aquaculture venture in the area aimed to increase revenue.



SPDA KORONADAL BUSINESS CENTER
Koronadal City
SOCOKSARGEN

For the CY-2017, the project continues the rental of commercial spaces of the commercial building 1 and operates the 18-units business inn and social hall and function rooms/events centers. Aggressive marketing and promotion strategies of the facilities have been pursued and tie-ups formed with government offices and private institutions for the holding of special events and functions within the SPDA Business Center. The project attained total actual revenue of P 2.726 Million of the total target revenue of P 4.152 million with an attainment rate of 65.65%.



The hotel's/business inns for CY-2017 generated P 1,098,981.00 income revenue against the target revenue of P 2,178,000.00 with an attainment rate of 50.46%. The commercial building generated income of P 1,102,538.40 revenues or 83.53% attainment rate against the total revenue of P 1,320,000.00 of office rentals total for the year. Catering services and canteen operations had income revenue of P 98,562.00 with an attainment rate of 30.37% against the target revenue of P 324,492.00 for the year.



Function Hall/Social Hall attainment rate of 129.09% of revenue or an actual total revenue of P 426,000.00 from the target revenue of P 330,000.00 with an actual number of clients served at an average of 30 persons served per function. Moreover, the Agency is still currently working out the property acquisition of Lasedeco Lot No. 991-A, Csd-12008906-D containing an area of 7,516 square meters at P 840.00/ square meters as per evaluation by the Privatization and Management Office (PMO).

PROPOSED DEVELOPMENT OF THE SPDA BONBON, BUTUAN CITY PROPERTY FOR HOUSING

For the preliminary first semester of 2017, continuous maintenance of the mango and rice production and project facilities is still being undertaken by project personnel. The Authority still continues to scout for prospective land developer under a Joint Venture Undertaking for the redirection of the property usage into a Housing Project. Although interests from private entities for development of the property have been received, the Authority cannot proceed to formalize possible arrangements/partnership yet until the status of SPDA is resolved.



SPDA PIKIT ICE PLANT

**Pikit, North Cotabato
Region XII**

For the period under review, the project is still being operated and maintained under management contract with an annual guaranteed income of P 350,000.00 by a private partner, ITM Enterprises. As of March 31, 2017, the project has not remitted its guaranteed income for the quarter because of the pending mechanical problem encountered in the plant.



**INTEGRATED SOLAR SALT AND FISHFARM PROJECT
Alubijid, Misamis Oriental
Region X**

The conversion of the salt ponds to fishponds has been undertaken in view of the intermittent weather conditions prevailing in the area whereby there was more wet/rainy season than dry season in the area. Maintenance of the ponds is being undertaken by project personnel.



OTHER DEVELOPMENTS AND ACTIVITIES ACCOMPLISHED

AGENCY COORDINATION MEETINGS WITH GOVERNMENT AGENCIES

As an offshoot of the statement of OPAPP Secretary Dureza during the Senate Budget Hearing last September 2016 of OPAPP's proposal to utilize SPDA for its peace and development program, a consultative meeting was held at Lispher Inn, Davao City last February 16, 2017 between the Office of the Presidential Adviser on Peace Process (OPAPP) and the Southern Philippines Development Authority (SPDA) to discuss areas of proposed partnership particularly on peace and development roadmap of President Duterte.

Highlighted during the briefing is the desire of the Authority continue the real purpose behind the creation of SPDA and its predecessors like the original Mindanao Development Authority (MDA-1965), Commission on National Integration, Presidential Commission for the Rehabilitation and Development of Southern Philippines (PCRDSP), among others and the national mandates, 1996 Final Peace Agreements with the MNLF and the Annex on Wealth Sharing and Revenue Generation of the Comprehensive Agreement on the Bangsamoro (CAB) which are mainly towards resolution of conflict and provision of economic packages for the economic upliftment of communities affected by civil strife and in general for peace and development in Southern Philippines.

SPDA existing program and projects that will serve as vehicle for peace and development like the Vitali Fishpond and the Wao and Bumbaran properties of SPDA were proposed. OPAPP officials also proposed the PAMANA program as possible area for SPDA to implement.

Proposed Organizational Set-up for the partnership:

- Creation of a program office to be constituted in the interim of concurrent SPDA personnel to undertake preliminary activities to mobilize the partnership to include OPAPP officials and staff. Eventually, upon the implementation of the proposed programs/projects/business enterprises, concurrent personnel shall be supplemented by regular staff. Separate financial records and transaction handling shall be pursued to separate the regular functions of SPDA.

Proposed initial activities to be undertaken for the partnership:

- Conduct of planning sessions
- Conduct of updated studies for the proposed projects
- Preparation of proposals and budgets for the projects to be included for OPAPP funding consideration
- Conduct of consultations with the target beneficiaries and other stakeholders



*SPDA Officials headed by **SPDA Administrator Sultan Yahya Jerry M. Tomawis** during the meeting with OPAPP Officials headed by **Usec. Ronald I. Flores** with OPAPP **Dir. Atty. Yesther Baccay**.*

With the appointment by President Duterte of new Regional Development Council (RDC) Chairs, SPDA Management scheduled briefings and meetings with the new RDC Chairs who are also Ex-officio members of its Board. Of vital concern during the briefing/meeting is the current status of SPDA vis-à-vis the Governance Commission on GOCC's (GCG) recommendations.



*SPDA Officials with the New Member of the **SPDA Board of Directors RDC XII Chairperson Hon. Mayor Ronnel C. Rivera** last April 5, 2017 at General Santos City.*



*SPDA Officials with the New Member of the **SPDA Board of Directors RDC XI Chairperson Hon. Governor Antonio Rafael G. Del Rosario** last April 20, 2017 at Tagum City Provincial Hall.*



*SPDA Officials headed by **SPDA Administrator Sultan Yahya Jerry M. Tomawis** with the New Member of the **SPDA Board of Directors RDC X Chairperson Hon. Governor Jose Maria R. Zubiri, Jr.** last May 17, 2017 at Malaybalay City Provincial Hall.*

- ◆ Last May 15, 2017, a meeting and briefing with the Bangsamoro Federal Business Council, Inc. (BFBCI), a private non-stock non-profit corporation advocating the establishment of economic programs and projects to uplift the economic conditions of the Bangsamoro people for a possible investment partnership with SPDA was held at Lishper Inn, Davao City.



*SPDA Officials headed by **SPDA Administrator Sultan Yahya Jerry M. Tomawis** during the briefing with the Bangsamoro Federal Business Council, Inc. headed by **Chairperson Abdulgani Macatoman**.*

SPDA PROPERTY MANAGEMENT AND DISPOSITION

SPDA PROPERTIES IN ZAMBOANGA CITY

1. SPDA RIO HONDO PROPERTY

For period under review, the Authority still continues coordination with National Housing Authority (NHA) Central Office in coordination with their Region IX office. As per information from NHA, the P 20 million budget for the property was downloaded to NHA and is available subject to some documentary requirement.



Before and after pictures of the SPDA Rio Hondo Property, Zamboanga

2. SPDA PROPERTY IN PASOBOLONG, ZAMBOANGA CITY

For FY-2017, the Authority still continues coordination for updates concerning the affected area of road construction at the Regional Field Office of DPWH in particular the compensation of the affected area of the property which is subjected of some documentary requirements for its release.



SPDA PROPERTY IN CATITIPAN, DAVAO CITY

For FY-2017, the Catitipan Homeowners Association (CAHOA) still has an outstanding balance of P 9,626,576.00 due to SPDA for the acquisition of the property under the Community Land Acquisition Support Program of NHA. Follow-ups on the payment of the amount due are being pursued.



SPDA PROPERTY IN VALENCIA, BUKIDNON

For the period under review, the Authority still continues coordination and negotiation with the Northern Valencia Homeowners Association Inc. (NOVAHAI) for the acquisition of the property. The Association has been directed to submit documentary requirements to finalize negotiations.



FINANCIAL HIGHLIGHTS

SPDA BUDGETARY PROPOSAL FOR CY-2018 was submitted to DBM and underwent pre-technical budget hearing conducted last April 2017. The recommended budget ceiling for the Agency for CY-2018 as communicated by DBM is P 47.993 million. This is higher by 16.88% compared to the appropriated amount of P 41.058 million in CY-2017. The Congress Committee on Appropriation and Senate Committee on Finance approved SPDA's budget of P 47.993 million for CY-2018 after the budget hearings are conducted.

Revenues and other income generated for CY-2017 consisted of rental income of P 733,913.75 from the one-unit SPDA Makati condominium which is being rented by World Logistics and P 291,000.00 from the SPDA Zamboanga City Veterans Avenue Property; collections/payments consisted from FM Soriano in the amount of P 450,000.000 taken up under Other Income and the revenues from the SPDA Koronadal Business Center amounting to P 2,726,081.40.

- ◆ Last January 20, 2017, SPDA Officials attended the FY 2018 Budget Forum conducted by the Department of Budget and Management (DBM) held at Philippine International Convention Center (PICC), Pasay City.



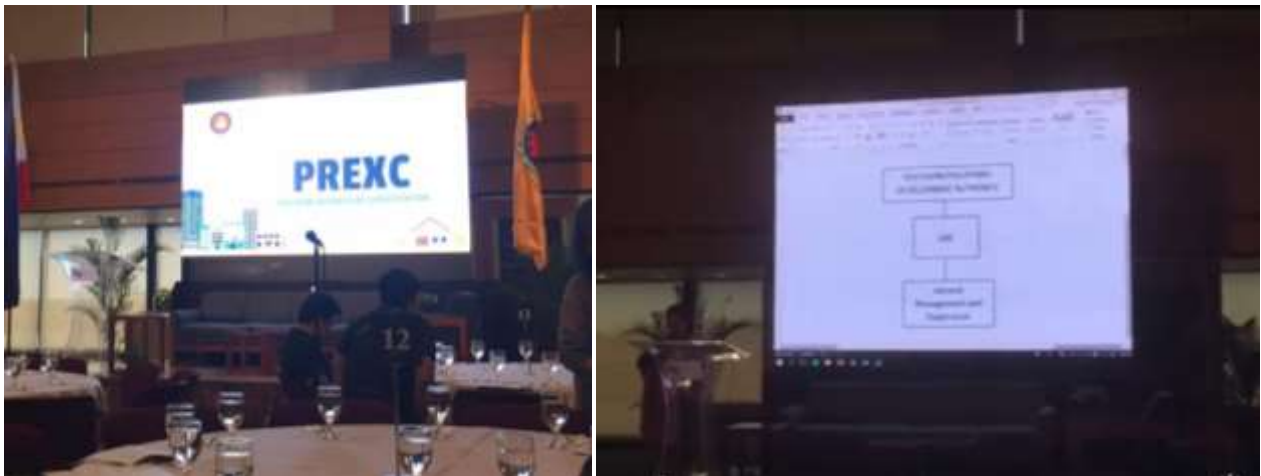
SPDA Officials headed by the Finance Manager during the forum.

- ◆ Budget Execution: FY-2017 Release of Funds was conducted by the Department of Budget and Management (DBM) last February 2, 2017 attended by SPDA Officials held at Summit Hall, Philippine International Convention Center (PICC), Pasay City.



Officials from the DBM, DOF and Bureau of Treasury during the open forum.

- ◆ Program Expenditure Classification (PREXC) Orientation for GOCCs was held last February 17, 2017 at the Summit Hall D, Philippine International Convention Center (PICC), Pasay City.



SPDA Representative presented their PREXC Presentation Output during the program workshop.

FINANCIAL HIGHLIGHTS

BALANCE SHEET							
	2017 (UNAUDITED)		2016 (AUDITED)		INCREASE/ (DECREASE)	%	
ASSETS							
CURRENT ASSETS	P	56,671,839.63	P	53,454,338.35	P	3,217,501.28	6.019%
PROPERTY, PLANT AND EQUIPMENT		67,150,261.77		75,732,490.32		(8,582,228.55)	-11.33%
OTHER ASSETS		0.00		0.00		0.00	0%
INVESTMENTS		11,212,422.77		11,212,422.77		0.00	0%
TOTAL ASSETS	P	135,034,524.16	P	140,399,251.44	P	(5,364,727.28)	-3.821%
LIABILITIES AND EQUITY							
CURRENT LIABILITIES	P	23,704,584.19	P	20,188,183.98		P3,516,400.21	17.42%
LONG TERM LIABILITIES		162,754.80		159,124.80		3,630.00	2.281%
TOTAL LIABILITIES	P	23,867,338.99	P	20,347,308.78	P	3,520,030.21	17.30%
TOTAL EQUITY	P	111,167,185.18	P	120,051,942.66	P	(8,884,757.48)	-7.40%
TOTAL LIABILITIES AND EQUITY	P	135,034,524.16	P	140,399,251.44	P	(5,364,727.28)	-3.821%

Current assets increased by 6.019% due to the account receivables from CY-2016 to CY-2017. Current liabilities increased by 17.42% in CY-2017 in the accounts due to officers and employees compared to CY-2016.

**STATEMENT OF REVENUES AND EXPENSES FOR CY-2017
AND CY-2016**

	2017 (UNAUDITED)	2016 (AUDITED)	INCREASE/ (DECREASE)	%
SUBSIDY RELEASES	P 41,058,000.00	P 42,030,000.00	P (972,000.00)	-2.313%
TOTAL SUBSIDY INCOME	P 41,058,000.00	P 42,030,000.00	P (972,000.00)	-2.313%
EXPENSES:				
PERSONAL SERVICES	P 26,655,815.16	P 26,848,956.71	P (193,141.55)	-0.719%
MAINTENANCE AND OTHER OPERATING EXPENSES	19,490,974.34	22,552,388.79	(3,061,414.45)	-13.575%
FINANCIAL EXPENSES	352,916.00	7,180.00	345,736.00	4,857.1%
TOTAL CURRENT OPERATING EXPENSES	P 46,499,705.49	P 49,408,525.50	P (2,908,820.01)	-5.887%
SURPLUS/(DEFICIT)	P (5,441,705.49)	P (7,378,525.50)	P (1,936,820.01)	-26.249%
ADD: REVENUES AND OTHER INCOME	P 3,889,470.50	4,601,077.66	(711,607.16)	-15.466%
NET SURPLUS/(DEFICIT)	P (1,552,234.99)	P (2,777,447.84)	P (1,225,212.85)	-44.113%

Subsidy support from the National Government decreased by 2.313% from CY-2016 compared to CY-2017. Maintenance and Other Operating Expenses (MOOE) for CY-2017 decreased by 13.575% compared to CY-2016 due to decreased in travelling expenses, gasoline, oil and lubricants and repairs and maintenance of motor vehicles. There was also a decrease in representation expenses and general services as contract of services was reduced.

ORGANIZATIONAL HIGHLIGHTS

- ◆ SPDA REGULAR BOARD OF DIRECTOR'S MEETING convened last January 19, 2017 held in Lispher Inn Hall, Davao City.



- ◆ Briefing and Hand-on Session on the Formulation of the 2017-2022 Philippine Investment Programs held at the office of National Economic Development Authority (NEDA), Pasig City last February 15, 2017.



- ◆ Leadership and Management Development Course conducted by Civil Service Commission Resource Center last March 1-17, 2017 held in Quezon City were attended by a selected SPDA Representative.
- ◆ Workplace Engagement through Competency Profiling was held last March 2-3, 2017 at El Bajada Hotel, Davao City was attended SPDA HRMO Representatives.



- ◆ Orientation on Public-Private Partnership (PPP) Concepts and Processes for SPDA conducted by Public-Private Partnership Center (PPPC) last March 8, 2017 held in Linmarr Apartelle, Davao City attended by SPDA Officials and technical personnel.



- ◆ Selected SPDA employees attended the Basic Supervisory Development Course last March 22-23, 2017 held at El Bajada Hotel, Davao City conducted by CSC Region XI.

- ◆ Attendance of SPDA headed by the Operations Manager in the **Mindanao Development Authority (MinDA) 10th Board Meeting** last March 28, 2017 held at Garden Oasis Function Room, Barrio Obrero, Davao City.



- ◆ CSC UNDP Supervisory Development Course Track 1 held at El Bajada Hotel, Davao City last March 27-31, 2017 was attended by select SPDA personnel.
- ◆ The celebration of **SPDA 42nd Anniversary** was done in advance last April 20, 2017 at SPDA Main Office, Davao City.



- ◆ **Special Board Meeting with the New Board of Directors** was convened last May 5, 2017 held at Kalaw Function Hall, Waterfront Insular Hotel, Lanang, Davao City. The New Board through Board Resolution No. 2017-10 moved to *“Earnestly Appeal to President Duterte for the Revitalization of SPDA and allow it to continue performing its Mandates and Responsibilities in the Peace and Development Efforts in Mindanao under the oversight of OPAPP.”*



- ◆ CSC UNDP Supervisory Development Course Track 2 held last May 8-12, 2017 at Pinnacle Hotel and Suites, Davao City was attended by select SPDA Representatives.



- ◆ **SPDA Special Board Meeting** was convened last November 14, 2017 held at Marco Polo Hotel, Davao City to discuss the new GCG endorsement of SPDA Abolition Issue and the MRHI Request for funding after the MARAWI Siege.



- ◆ **SPDA Year-End Party** was celebrated last December 21, 2017 held at SPDA Main Office, Davao City.



**SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS
(As of December 31, 2017)**

Chairman, Board of Directors

**HON. SULTAN YAHYA JERRY M. TOMAWIS
Administrator/CEO
Ex-Officio Vice-Chairman**

**HON. ANAMEL C. OLEGARIO
Chairperson, RDC– IX/Mayor, Ipil, Zamboanga Sibugay
Ex- Officio Member**

**HON. JOSE MARIA R. ZUBIRI, JR.
Chairperson, RDC-X/ Governor, Bukidnon Province
Ex-Officio Member**

**HON. ANTONIO RAFAEL G. DEL ROSARIO
Chairperson, RDC-XI/Governor, Davao Del Norte Province
Ex-Officio Member**

**HON. RONNEL C. RIVERA
Chairperson, RDC-XII/Mayor, General Santos City
Ex-Officio Member**

**HON. MYLAH FE AURORA B. CARIÑO
Acting Chairperson, RDC-CARAGA/NEDA Caraga Director
Ex-Officio Member**