FRAMEWORK AGREEMENT

ON

THE BANGSAMORO

15TH OCTOBER 2012

Original Copy

In the Name of God, the Beneficent, the Merciful

FRAMEWORK AGREEMENT ON THE BANGSAMORO

The Philippine Government (GPH) and the Moro Islamic Liberation Front (MILF) herein referred to as the Parties to this Agreement,

HAVE AGREED AND ACKNOWLEDGED AS FOLLOWS:

I. ESTABLISHMENT OF THE BANGSAMORO

1. The Parties agree that the status quo is unacceptable and that the Bangsamoro shall be established to replace the Autonomous Region in Muslim Mindanao (ARMM). The Bangsamoro is the new autonomous political entity (NPE) referred to in the Decision Points of Principles as of April 2012.

2. The government of the Bangsamoro shall have a ministerial form.

   The Parties agree to entrench an electoral system suitable to a ministerial form of government. The electoral system shall allow democratic participation, ensure accountability of public officers primarily to their constituents and encourage formation of genuinely principled political parties. The electoral system shall be contained in the Bangsamoro Basic Law to be implemented through legislation enacted by the Bangsamoro Government and correlated with national laws.

3. The provinces, cities, municipalities, barangays and geographic areas within its territory shall be the constituent units of the Bangsamoro.

The authority to regulate on its own responsibility the affairs of the constituent units is guaranteed within the limit of the Bangsamoro Basic Law. The privileges already enjoyed by the local government units under existing laws shall not be diminished unless otherwise altered, modified or reformed for good governance pursuant to the provisions of the Bangsamoro local government code.

4. The relationship of the Central Government with the Bangsamoro Government shall be asymmetric.

5. The Parties recognize Bangsamoro identity. Those who at the time of conquest and colonization were considered natives or original inhabitants of Mindanao and the Sulu archipelago and its adjacent islands including Palawan, and their descendants whether of mixed or of full blood shall have the right to identify themselves as Bangsamoro by ascription or self-ascription.

   Spouses and their descendants are classified as Bangsamoro. The freedom of choice of other Indigenous peoples shall be respected.

II. BASIC LAW

1. The Bangsamoro shall be governed by a Basic Law.

2. The provisions of the Bangsamoro Basic Law shall be consistent with all agreements of the Parties.

3. The Basic Law shall reflect the Bangsamoro system of life and meet internationally accepted standards of governance.

4. It shall be formulated by the Bangsamoro people and ratified by the qualified voters within its territory.

III. POWERS

1. The Central Government will have reserved powers, the Bangsamoro Government shall have its exclusive powers, and there will be concurrent powers shared by the Central Government and the Bangsamoro Government.

   The Annex on Power Sharing, which includes the principles on intergovernmental relations, shall form part of this Agreement and guide the drafting of the Basic Law.

2. The Central Government shall have powers on:

   a. Defense and external security

   b. Foreign policy

   c. Common market and global trade, provided that the power to enter into economic agreements already allowed under Republic Act No. 9054 shall be transferred to the Bangsamoro

   d. Coinage and monetary policy

   e. Citizenship and naturalization

   f. Postal service

   This list is without prejudice to additional powers that may be agreed upon by the Parties.

3. The Parties recognize the need to strengthen the Shari'ah courts and to expand their jurisdiction over cases. The Bangsamoro shall have competence over the Shari'ah justice system. The supremacy of Shari'ah and its application shall only be to Muslims.

4. The Bangsamoro Basic Law may provide for the power of the Bangsamoro Government to accredit halal-certifying bodies in the Bangsamoro.

5. The Bangsamoro Basic Law shall provide for justice institutions in the Bangsamoro. This includes:

   a. The competence over the Shari'ah justice system, as well as the formal institutionalization and operation of its functions, and the expansion of the jurisdiction of the Shari'ah courts;

   b. Measures to improve the workings of local civil courts, when necessary; and

   c. Alternative dispute resolution systems.

6. The customary rights and traditions of indigenous peoples shall be taken into consideration in the formation of the Bangsamoro's justice system. This may include the recognition of indigenous processes as alternative modes of dispute resolution.

IV. REVENUE GENERATION AND WEALTH SHARING

1. The parties agree that wealth creation (or revenue generation and sourcing) is important for the operation of the Bangsamoro.

2. Consistent with the Bangsamoro Basic Law, the Bangsamoro will have the power to create its own sources of revenues and to levy taxes, fees, and charges, subject to limitations as may be mutually agreed upon by the Parties. This power shall include the power to determine tax bases and tax rates, guided by the principles of devolution of power, equalization, equity, accountability, administrative simplicity, harmonization, economic efficiency, and fiscal autonomy.

3. The Bangsamoro will have the authority to receive grants and donations from domestic and foreign sources, and block grants and subsidies from the Central Government. Subject to acceptable credit

worthiness, it shall also have the authority to contract loans from domestic and foreign lending institutions, except foreign and domestic loans requiring sovereign guaranty, whether explicit or implicit, which would require the approval of the Central Government.

4. The Bangsamoro shall have a just and equitable share in the revenues generated through the exploration, development or utilization of natural resources obtaining in all the areas/territories, land or water, covered by and within the jurisdiction of the Bangsamoro, in accordance with the formula agreed upon by the Parties.

5. The Bangsamoro may create its own auditing body and procedures for accountability over revenues and other funds generated within or by the region from external sources. This shall be without prejudice to the power, authority and duty of the national Commission on Audit to examine, audit and settle all accounts pertaining to the revenues and the use of funds and property owned and held in trust by any government instrumentality, including GOCCs.

6. The details of revenue and wealth sharing arrangements between the Central Government and the Bangsamoro Government shall be agreed upon by the Parties. The Annex on Wealth Sharing shall form part of this Agreement.

7. There shall be an intergovernmental fiscal policy board composed of representatives of the Bangsamoro and the Central Government in order to address revenue imbalances and fluctuations in regional financial needs and revenue-raising capacity. The Board shall meet at least once in six (6) months to determine necessary fiscal policy adjustments, subject to the principles of intergovernmental relations mutually agreed upon by both Parties. Once full fiscal autonomy has been achieved by the Bangsamoro then it may no longer be necessary to have a representative from the Central Government to sit in the Board. Fiscal autonomy shall mean generation and budgeting of the Bangsamoro's own

sources of revenue, its share of the internal revenue taxes and block grants and subsidies remitted to it by the central government or any donor.

8. The Parties agree that sustainable development is crucial in protecting and improving the quality of life of the Bangsamoro people. To this end, the Bangsamoro shall develop a comprehensive framework for sustainable development through the proper conservation, utilization and development of natural resources. For efficient coordination and assistance, the Bangsamoro legislative body shall create, by law, an intergovernmental body composed of representatives of the Bangsamoro and the Central Government, which shall ensure the harmonization of environmental and developmental plans, as well as formulate common environmental objectives.

V. TERRITORY

1. The core territory of the Bangsamoro shall be composed of: (a) the present geographical area of the ARMM; (b) the Municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan and Tangkal in the province of Lanao del Norte and all other barangays in the Municipalities of Kabacan, Carmen, Aleosan, Pigkawayan, Pikit, and Midsayap that voted for inclusion in the ARMM during the 2001 plebiscite; (c) the cities of Cotabato and Isabela; and (d) all other contiguous areas where there is a resolution of the local government unit or a petition of at least ten percent (10%) of the qualified voters in the area asking for their inclusion at least two months prior to the conduct of the ratification of the Bangsamoro Basic Law and the process of delimitation of the Bangsamoro as mentioned in the next paragraph.

2. The Parties shall work together in order to ensure the widest acceptability of the Bangsamoro Basic Law as drafted by the Transitory Commission and the core areas mentioned in the previous paragraph, through a process of popular ratification among all the

Bangsamoro within the areas for their adoption. An international third party monitoring team shall be present to ensure that the process is free, fair, credible, legitimate and in conformity with international standards.

3. Areas which are contiguous and outside the core territory where there are substantial populations of the Bangsamoro may opt anytime to be part of the territory upon petition of at least ten percent (10%) of the residents and approved by a majority of qualified voters in a plebiscite.

4. The disposition of internal and territorial waters shall be referred to in the Annexes on Wealth and Power Sharing.

5. Territory refers to the land mass as well as the maritime, terrestrial, fluvial and alluvial domains, and the aerial domain and the atmospheric space above it. Governance shall be as agreed upon by the parties in this agreement and in the sections on wealth and power sharing.

6. The Bangsamoro Basic Law shall recognize the collective democratic rights of the constituents in the Bangsamoro.

VI. BASIC RIGHTS

1. In addition to basic rights already enjoyed, the following rights of all citizens residing in the Bangsamoro bind the legislature, executive and judiciary as directly enforceable law and are guaranteed:

   a. Right to life and to inviolability of one's person and dignity;

   b. Right to freedom and expression of religion and beliefs;

c. Right to privacy;

d. Right to freedom of speech;

e. Right to express political opinion and pursue democratically political aspiration;

f. Right to seek constitutional change by peaceful and legitimate means;

g. Right of women to meaningful political participation, and protection from all forms of violence;

h. Right to freely choose one's place of residence and the inviolability of the home;

i. Right to equal opportunity and non-discrimination in social and economic activity and the public service, regardless of class, creed, disability, gender and ethnicity;

j. Right to establish cultural and religious associations;

k. Right to freedom from religious, ethnic and sectarian harassment; and

l. Right to redress of grievances and due process of law.

2. Vested property rights shall be recognized and respected. With respect to the legitimate grievances of the Bangsamoro people arising from any unjust dispossession of their territorial and proprietary rights, customary land tenure or their marginalization shall be acknowledged. Whenever restoration is no longer possible, the Central Government and the Government of the Bangsamoro shall take effective measures for adequate reparation collectively beneficial to the Bangsamoro people in such quality, quantity and status to be determined mutually.

3. Indigenous peoples' rights shall be respected.

4. The Central Government shall ensure the protection of the rights of the Bangsamoro people residing outside the territory of the Bangsamoro and undertake programs for the rehabilitation and development of their communities. The Bangsamoro Government may provide assistance to their communities to enhance their economic, social and cultural development.

VII. TRANSITION AND IMPLEMENTATION

1. The Parties agree to the need for a transition period and the institution of transitional mechanisms.

2. The Parties agree to adopt and incorporate an Annex on Transitional Arrangements and Modalities, which forms a part of this Framework Agreement.

3. There shall be created a Transition Commission through an Executive Order and supported by Congressional Resolutions.

4. The functions of the Transition Commission are as follows:

   a. To work on the drafting of the Bangsamoro Basic Law with provisions consistent with all agreements entered and that may be entered into by the Parties;

   b. To work on proposals to amend the Philippine Constitution for the purpose of accommodating and entrenching in the constitution the agreements of the Parties whenever necessary without derogating from any prior peace agreements;

   c. To coordinate whenever necessary development programs in Bangsamoro communities in conjunction with the MILF Bangsamoro Development Agency (BDA), the Bangsamoro

Leadership and Management Institute (BLMI) and other agencies.

5. The Transition Commission shall be composed of fifteen (15) members all of whom are Bangsamoro. Seven (7) members shall be selected by the GPH and eight (8) members, including the Chairman, shall be selected by the MILF.

6. The Transition Commission will be independent from the ARMM and other government agencies. The GPH shall allocate funds and provide other resources for its effective operation. All other agencies of government shall support the Transition Commission in the performance of its tasks and responsibilities until it becomes *functus oficio* and ceases to exist.

7. The draft Bangsamoro Basic Law submitted by the Transition Commission shall be certified as an urgent bill by the President.

8. Upon promulgation and ratification of the Basic Law, which provides for the creation of the Bangsamoro Transition Authority (BTA), the ARMM is deemed abolished.

9. All devolved authorities shall be vested in the Bangsamoro Transition Authority during the interim period. The ministerial form and Cabinet system of government shall commence once the Bangsamoro Transition Authority is in place. The Bangsamoro Transition Authority may reorganize the bureaucracy into institutions of governance appropriate thereto.

10. The Bangsamoro Transition Authority shall ensure that the continued functioning of government in the area of autonomy is exercised pursuant to its mandate under the Basic Law. The Bangsamoro Transition Authority will be immediately replaced in 2016 upon the election and assumption of the members of the Bangsamoro legislative assembly and the formation of the Bangsamoro government.

11. There will be created a third party monitoring team to be composed of international bodies, as well as domestic groups to monitor the implementation of all agreements.

12. At the end of the transition period, the GPH and MILF Peace Negotiating Panels, together with the Malaysian Facilitator and the Third Party Monitoring Team, shall convene a meeting to review, assess or evaluate the implementation of all agreements and the progress of the transition. An 'Exit Document' officially terminating the peace negotiation may be crafted and signed by both Parties if and only when all agreements have been fully implemented.

13. The Negotiating Panel of both Parties shall continue the negotiations until all issues are resolved and all agreements implemented.

VIII. NORMALIZATION

1. The Parties agree that normalization is vital to the peace process. It is through normalization that communities can return to conditions where they can achieve their desired quality of life, which includes the pursuit of sustainable livelihoods and political participation within a peaceful deliberative society.

2. The aim of normalization is to ensure human security in the Bangsamoro. Normalization helps build a society that is committed to basic human rights, where individuals are free from fear of violence or crime and where long-held traditions and value continue to be honored. Human insecurity embraces a wide range of issues that would include violation of human and civil rights, social and political injustice and impunity.

3. As a matter of principle, it is essential that policing structure and arrangement are such that the police service is professional and free from partisan political control. The police system shall be civilian in character so that it is effective and efficient in law enforcement, fair and impartial as well as accountable under the law

for its action, and responsible both to the Central Government and the Bangsamoro Government, and to the communities it serves.

4. An independent commission shall be organized by the Parties to recommend appropriate policing within the area. The commission shall be composed of representatives from the parties and may invite local and international experts on law enforcement to assist the commission in its work.

5. The MILF shall undertake a graduated program for decommissioning of its forces so that they are put beyond use.

6. In a phased and gradual manner, all law enforcement functions shall be transferred from the Armed Forces of the Philippines (AFP) to the police force for the Bangsamoro.

   The Parties agree to continue negotiations on the form, functions and relationship of the police force of the Bangsamoro taking into consideration the results of the independent review process mentioned in paragraph 4.

7. The Joint Coordinating Committees on Cessation of Hostilities (JCCCH) as well as the Ad hoc Joint Action Group (AHJAG) with the participation of the International Monitoring Team (IMT) shall continue to monitor the ceasefire agreement until the full decommissioning of the MILF forces. These existing coordinating mechanisms shall be the basis for the creation of a Joint Normalization Committee (JNC) to ensure the coordination between the Government and remaining MILF forces, and through which MILF shall assist in maintaining peace and order in the area of the Bangsamoro until decommissioning shall have been fully completed.

8. Both Parties commit to work in partnership for the reduction and control of firearms in the area and the disbandment of private armies and other armed groups.

9. The details of the normalization process and timetables for decommissioning shall be in an Annex on Normalization and shall form part of this Agreement.

10. The Parties agree to intensify development efforts for rehabilitation, reconstruction and development of the Bangsamoro, and institute programs to address the needs of MILF combatants, internally displaced persons, and poverty-stricken communities.

11. The Parties recognize the need to attract multi-donor country support, assistance and pledges to the normalization process. For this purpose, a Trust Fund shall be established through which urgent support, recurrent and investment budget cost will be released with efficiency, transparency and accountability. The Parties agree to adopt criteria for eligible financing schemes, such as, priority areas of capacity building, institutional strengthening, impact programs to address imbalances in development and infrastructures, and economic facilitation for return to normal life affecting combatant and non-combatant elements of the MILF, indigenous peoples, women, children, and internally displaced persons.

12. The Parties agree to work out a program for transitional justice to address the legitimate grievances of the Bangsamoro people, correct historical injustices, and address human rights violations.

IX. MISCELLANEOUS

1. This Agreement shall not be implemented unilaterally.

2. The Parties commit to work further on the details of the Framework Agreement in the context of this document and complete a comprehensive agreement by the end of the year.

Original Copy

Done and initialed this 12th day of October 2012 in Kuala Lumpur, Malaysia and signed in Manila, Philippines on the 15th day of October 2012.

FOR THE GPH:

Marvic M.V.F. Leonen
GPH Panel Chairman

FOR THE MILF:

Mohagher Iqbal
MILF Panel Chairman

WITNESSED BY:

Tengku Dato' Ab Ghafar bin Tengku Mohamed
Malaysian Facilitator

IN THE PRESENCE OF:

Benigno Simeon Aquino III
President of the Republic of the Philippines

Dato' Sri Hj. Mohd Najib Bin Tun Hj. Abdul Razak
Prime Minister of Malaysia

and

Al Haj Murad Ebrahim
Chairman of the Moro Islamic Liberation Front