

# A Primer on the FLAGSHIP TEZ PROJECT

## 1. What is the Flagship TEZ Project?

The Flagship Tourism Enterprise Zone (TEZ) Project is a joint initiative of the Department of Tourism (DOT) and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) to proactively develop strategically important Tourism Enterprise Zones (TEZ). This initiative is in line with the mandate of TIEZA under the Tourism Act of 2009 (Republic Act No. 9593) and the framework of the National Tourism Development Plan to support the development of Philippine tourism product and raise the competitiveness of the Philippines as a tourism destination. The Flagship TEZ Task Force is headed by TIEZA.

## 2. How is a Flagship TEZ different from an ordinary TEZ?

A Flagship TEZ differs from an ordinary TEZ in three respects: the party initiating the process, the criteria employed, and the management of the project.

In a Flagship TEZ, the DOT and TIEZA initiates the process by proactively seeking out areas with viable tourism potential. In an ordinary TEZ, the applicant initiates the process by formally filing an application for designation as TEZ and submitting the documentary requirements.

While similar in many respects, the criteria employed in Flagship TEZs still vary from those used in ordinary TEZs. Some examples of these nuances are the *minimum area requirement* i.e. fifty (50) hectares for Flagship TEZs but only five (5) hectares for ordinary TEZs; and the *willingness of the property owner/s to enter into partnership with TIEZA* is required in Flagship TEZs but not in ordinary TEZs.

Initially, TIEZA will administer or manage the Flagship TEZ pending the creation of a joint venture corporation which will manage it. In ordinary TEZs, the TEZ operator will manage the TEZ without any participation from TIEZA.

## 3. How many Flagship TEZs will there be?

The initial target by 2015 is six (6) Flagship TEZ sites in the entire Philippines.

## 4. Who/What may propose a property for identification as a Flagship TEZ?

Any person, natural or juridical, that has a clear right to develop a property may recommend or propose that it be identified as a Flagship TEZ. Ownership is not required. Examples of these persons are local government units (LGU), natural persons, private corporations, and joint ventures.

It is advised that the proposals or recommendations be coursed through the concerned regional offices of the DOT for endorsement to TIEZA.

## 5. What are the minimum requirements for the identification of an area as a Flagship TEZ?

For an area to qualify for shortlisting as Flagship TEZ, it must at least comply with the following criteria:

1. The property must at least be fifty (50) hectares, with the owner having clean title or right to develop the property;
2. It must be accessible through or near a gateway i.e. airport, seaport, or interprovincial or national road;
3. It has or may have basic utilities such as water, power, and

information and communication technology;

4. Strong institutional support by way of a comprehensive land use plan or local tourism development plan is desired;
5. The property in itself must offer tourism resources; and
6. The property owner/s must be willing to enter into a partnership with TIEZA and commit to the implementation of the master plan if the property were to be identified or designated as a Flagship TEZ.

These criteria, however, are still subject to other material considerations as may be deemed necessary by the DOT and TIEZA.

#### **6. What are the steps in the shortlisting of an area as a Flagship TEZ?**

First, an applicant proposes or recommends a property for possible identification as Flagship TEZ to TIEZA through the concerned DOT regional office. The DOT regional office then endorses the proposal to TIEZA for preliminary evaluation. TIEZA will then coordinate with the DOT regional office and the applicant to arrange the ocular

inspection on the property. Thereafter, the property will be evaluated using the shortlisting criteria for the Flagship TEZ Project. If the property is found to have complied with the shortlisting requirements, it will be considered qualified for identification as a Flagship TEZ. After the identification and master planning of the site, it will be endorsed to the TIEZA Board for designation as TEZ; hence the other requirements for regular designation must be complied with as well. Note that the *identification* of an area as a Flagship TEZ *does not automatically* lead to its designation as a TEZ.

#### **7. What are the benefits enjoyed by a Flagship TEZ?**

A Flagship TEZ enjoys assistance from TIEZA in the (1) preparation of viable development packages i.e. TIEZA will commission the master plan for the identified area; (2) provision of on-site infrastructure support and incentives; from the DOT through promotion and marketing of the area in tourism and investment missions; and from other government agencies in convergence projects.

#### **8. Who will manage the Flagship TEZ?**

Initially, TIEZA will manage the Flagship TEZ pending the creation of the joint venture corporation which will manage the Flagship TEZ. Management will then transfer once the joint venture corporation is established.

#### **9. Who or what will comprise the joint venture corporation?**

The joint venture corporation will have a board with representation from DOT, TIEZA and partner LGU, private entity, joint venture corporation and other stakeholders as may be necessary.

#### **10. Who do we contact for inquiries on the Flagship TEZ Project?**

For inquiries, you may send them to the TEZ Management Sector of TIEZA through these contact details:

Telefax: (+632) 525-6241

Email: [tez.secretariat@gmail.com](mailto:tez.secretariat@gmail.com)

**THANK YOU! ☺**