

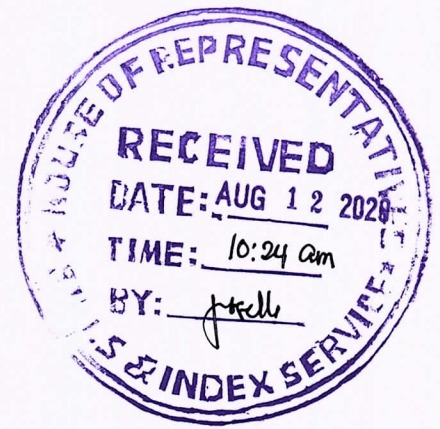


Republic of the Philippines
House of Representatives
Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

House Bill No. 7360



Introduced by Representative Jose Enrique S. Garcia III

EXPLANATORY NOTE

Boracay is a tropical island found in the north-western tip of Panay in the Province of Aklan. Best known for its stunning white sand beaches and clear blue waters, Boracay is now recognized the world over. It was awarded as the 2012 world's best island by international travel magazine *Travel + Leisure*;¹ listed among the "Top 10 destinations to watch in 2016"² by *Conde Nast Traveler*, and ranked third among "The Best Islands for Beaches: 2019 Reader's Choice Awards,"³ also by *Conde Nast Traveler*.

Drawn mainly by its "blindingly white sand"⁴ beaches, tourists from all over the world flock to Boracay Island the whole year round. In 2017, over 2.1 million visitors were recorded to have visited the island. The influx of tourists triggered commercial developments, mostly tourism-oriented accommodations and related establishments. Unfortunately, the rush to have a piece of the tiny jewel that is Boracay brought major environmental concerns that severely impacted on the island's ecological balance.

With an area of only 10.32 square kilometers, Boracay Island suffered from over-tourism and degradation. In a forum held by the National Academy of Science and Technology, Philippines, it was presented that the environmental issues confronting Boracay Island include coastal erosion, improper coastal infrastructure development, high rate of population increase, water quality degradation, green tides, loss of coastal habitats, and lack of the local government's knowledge on how to address the issues.⁵

¹ <https://news.abs-cbn.com/lifestyle/07/06/12/boracay-named-2012-worlds-best-island>; last accessed on 04 August 2020.

² <https://www.cntraveller.com/gallery/best-travel-destinations-2016>; last accessed on 04 August 2020.

³ <https://www.cntraveler.com/gallery/best-islands-beaches>; last accessed on 04 August 2020.

⁴ As described by *Conde Nast Traveler*.

⁵ <https://www.nast.ph/index.php/13-news-press-releases/353-science-policy-forum-finds-environment-degradation-as-the-major-problem-in-boracay>; last accessed on 05 August 2020.

Alarmed by what he described as a “looming environmental disaster and tragedy,”⁶ the President eventually ordered the closure of the island for six (6) months in April 2018, to undergo urgent rehabilitation. Boracay reopened in October 2018 with the commitment that further steps shall be taken to prevent further damage and ensure respect to the environment.

The task of rehabilitating Boracay is yet to be completed. Much more need to be done and the effort must be continuing to sustain the gains realized by the government’s push to clean and restore the island to its former glory. To pursue this, the creation of an Authority with the specific mandate to develop the island with due regard to the preservation and protection of its natural resources and the environment is definitely the best way forward. Through the Authority, the success of the rehabilitation efforts will be preserved and further enhanced, and Boracay will be showcased as a model for sustainable tourism and for establishing a culture of environmentally conscious tourism development across the country.⁷

Support for this bill is earnestly requested from my colleagues.



REP. JOSE ENRIQUE S. GARCIA III
Second District, Bataan

⁶ <https://news.abs-cbn.com/news/02/10/18/duterte-slams-boracay-as-cesspool-threatens-to-shut-down-island>; last accessed on 05 August 2020.

⁷ <https://oxfordbusinessgroup.com/analysis/new-standard-success-rehabilitation-boracay-island-leading-way-environmentally-conscious-tourism>; last accessed on 05 August 2020.



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AN ACT
CREATING THE BORACAY ISLAND DEVELOPMENT AUTHORITY

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

SECTION 1. *Short Title.* – This Act shall be known and cited as the “Boracay Island Development Authority Act of 2020.”

SEC. 2. *Declaration of Policy* – It is hereby declared the policy of the State to promote and accelerate sustainable development and balanced growth of the Boracay Island consistent with the necessity of maintaining a sound ecological balance and protecting and enhancing the quality of the environment. Towards this end, the Boracay Island Development Authority shall be created to formulate policies, plans, programs, and projects for the rehabilitation, preservation, and enhancement of the terrestrial and marine ecosystem of Boracay Island, ensure adequate provisions for environmental management and control, preserve the equality of human life and ecological systems, and prevent undue ecological disturbances, deterioration and pollution.

SEC. 3. *Creation of the Boracay Island Development Authority.* – A government instrumentality with corporate powers to be known as the Boracay Island Development Authority, hereinafter referred to as the “Authority” is hereby created. It shall be attached to the Department of Environment and Natural Resources (DENR) for purposes of policy direction and coordination.

The Authority shall be organized within ninety (90) days from the effectivity of this Act.

Within the framework and subject to the mandate and limitation of the Constitution and the provisions of the Local Government Code, the Authority shall develop Boracay Island into a self-sustaining, tourism, industrial, commercial,

1 financial and investment center to generate employment opportunities and to
2 attract and promote productive local and foreign investments, taking into account
3 the protection and preservation of the natural resources and biodiversity of the
4 island.

5 **SEC. 4. *Principal Office.*** – The Authority shall maintain its principal office in
6 Boracay Island without prejudice to the establishment of branch or satellite offices
7 in such other places as are deemed necessary for the proper conduct of its
8 business.

9 **SEC. 5. *Powers and Functions of the Authority.*** – The Authority shall have
10 the following powers and functions:

11 (a) Operate, administer, manage, and develop Boracay Island;

12 (b) Accept any local or foreign investment, business or enterprise, subject
13 only to such rules as may be promulgated by the Authority without prejudice to the
14 nationalization requirements under the Constitution;

15 (c) Formulate and implement short and long term strategies for eco-tourism
16 development, environmental protection, social development, and infrastructure
17 development;

18 (d) Approve or disapprove and issue the necessary clearances for all plans,
19 programs, and projects proposed by national and local government offices within
20 the island, public corporations, and private persons or enterprises where such
21 plans, programs, or projects are related to the mandate of the Authority;

22 (e) Undertake and regulate the establishment, operation and maintenance
23 of utilities, other services and infrastructure in the island, fix just and reasonable
24 fees, fares, charges and other prices therefore;

25 (f) Construct, acquire, own, lease, operate and maintain on its own or
26 through contract, franchise, license, permit, bulk purchase from the private sector
27 and build-operate-transfer scheme or joint venture the required utilities and
28 infrastructure in coordination with local government units and appropriate
29 government agencies;

30 (g) Raise and/or borrow funds from local and international financial
31 institutions and issue bonds, promissory notes, and other securities to secure the
32 same by guarantee, pledge, mortgage, deed of trust, or assignment of properties
33 held by the Authority for the purpose of financing its projects and programs within
34 the framework and limitations of this Act;

35 (h) Protect, maintain and develop forest lands, protected areas, and
36 wetlands. For this purpose, the rules and regulations of the DENR and other

1 government agencies directly involved in the aforementioned functions shall be
2 implemented by the Authority;

3 (i) Adopt, implement, and enforce measures and standards for
4 environmental pollution control of all areas within its territory, including but not
5 limited to all bodies of water;

6 (j) Order the closure, suspension of development or construction, or
7 cessation of operations of any going concern that violates any provision of this Act
8 or of the rules and regulations issued by the Authority;

9 (k) Directly or indirectly operate or license tourism-related activities, subject
10 to priorities and standards set by the Authority;

11 (l) Adopt, amend, or rescind such rules and regulations and impose
12 reasonable fines for the effective implementation of the provisions of this Act;

13 (m) Adopt, alter and use a corporate seal; contract, lease, sell, dispose,
14 acquire and own properties; sue and sued in order to carry out its duties and
15 functions as provided for in this Act and exercise the power of eminent domain for
16 public use and public purpose subject to the observance of due process and the
17 payment of just compensation;

18 (n) Receive donations, grants, bequests and assistance of all kinds from
19 local and foreign government and private sectors and utilize the same;

20 (o) Exercise such other powers as may be essential, necessary, or
21 incidental to the powers granted to it as well as to carry out the policies and
22 objectives of this Act.

23 **SEC. 6. Board of Directors.** – The powers of the Authority shall be vested
24 in and exercised by a Board of Directors, hereinafter referred to as the Board,
25 which shall be composed of eleven (11) members, to wit:

26 (a) The Secretary of the DENR as chairperson;

27 (b) The Administrator of the Authority as vice-chairperson;

28 (c) The Director-General of the National Economic and Development
29 Authority;

30 (d) The Secretary of the Department of Tourism;

31 (e) The Secretary of the Department of Public Works and Highways;

32 (f) The Secretary of the Department of Transportation;

33 (g) The Secretary of the Department of Science and Technology;

34 (h) The Secretary of the Department of the Interior and Local Government;

- 1 (i) The Representative of the second congressional district of Aklan;
2 (j) The Governor of the Province of Aklan; and
3 (k) The Municipal Mayor of the Municipality of Malay, Province of Aklan.

4 Except for the chairperson, the department secretaries who are *ex-officio*
5 members may designate their permanent representatives to the Board: *Provided*,
6 That the designated permanent representatives shall be holders of positions not
7 lower than the rank of department assistant secretary or its equivalent.

8 **SEC. 7. Powers and Functions of the Board.** – The Board shall be the
9 policy-making body and shall exercise the corporate powers of the Authority. In
10 addition, it shall perform the following powers and functions:

11 (a) Determine the organizational structure of the Authority, define the duties
12 and responsibilities of all officials and employees adopt a compensation and
13 benefit scheme at least equivalent to or comparable with that of the *Bangko*
14 *Sentral ng Pilipinas*;

15 (b) Appoint all officials who are to occupy at least third level positions:
16 *Provided*, That the appointment of lower ranked officials and employees shall be
17 delegated to the Administrator;

18 (c) Prepare the annual and supplemental budgets of the Authority;

19 (d) Submit an annual report on the operation of the Authority to the
20 President of the Philippines, the President of the Senate, and the Speaker of the
21 House of representatives; and

22 (e) Carry out the purposes of the Authority.

23 **SEC. 8. Board Meetings; Per Diems** – The Board shall meet at least once a
24 month either in person or by electronic means. However, the chairperson, or upon
25 written request of majority of the members, may call for additional meetings during
26 the month. Notice in writing or by electronic means shall be served upon each
27 member at least three (3) days prior to the scheduled meeting.

28 The chairperson shall preside over the Board meeting. In his absence, the
29 vice-chairperson shall preside: *Provided*, that the chairperson may designate a
30 representative during such meeting. No Board meeting shall be held unless the
31 chairperson or the vice-chairperson is present.

32 The members of the Board or their representatives shall be entitled to *per*
33 *diems* for each meeting actually attended at an amount to be fixed by the Board
34 taking into consideration the rates prescribed for board members of comparable
35 government-owned and controlled corporations or government instrumentalities:

1 *Provided, That no member shall collect per diems in excess of four (4) meetings in*
2 *a month.*

3 **SEC. 9. Administrator.** – The Authority shall be headed by an Administrator
4 to be appointed by the President of the Philippines, and chosen from at least three
5 (3) nominees to be submitted by the Board. The Administrator shall have a term
6 of six (6) years unless otherwise removed for cause in accordance with law.

7 No person shall be appointed as Administrator unless he is a natural-born
8 Filipino citizen, of good moral character, of unquestionable integrity, and of
9 recognized competence in relevant fields including, but not limited to, economics,
10 tourism, environmental protection, management, law, urban planning and
11 development.

12 **SEC. 10. Powers and Functions of the Administrator.** – The Administrator
13 shall be the chief executive officer of the Authority. He shall perform the following
14 powers and duties:

15 (a) Submit, for consideration of the Board, the policies and measures which
16 he believes to be necessary to carry out the purposes and provisions of this Act;

17 (b) Execute and administer the policies, plans, programs and projects
18 approved by the Board;

19 (c) Direct and supervise the operation and internal administration of the
20 Authority. The Administrator may delegate certain of his administrative
21 responsibilities to other officers of the Authority subject to such rules and
22 regulations issued by the Board;

23 (d) Appoint officials and employees below third level to positions in the
24 approved budget upon written recommendation of a duly constituted selection and
25 promotion group and guided by the standards set forth in the Authority's merit
26 system;

27 (e) Submit quarterly reports to the Board on personnel selection, placement
28 and training;

29 (f) Submit to the NEDA an annual report and such other reports as may be
30 required, including the details of the annual and supplemental budgets of the
31 Authority; and

32 (g) Perform such other functions as may be provided by law.

33 **SEC. 11. Capitalization.** – The Authority shall have an authorized capital
34 stock of Five hundred million pesos (PHP500,000,000.00) divided into five
35 hundred thousand (500,000) shares fully subscribed and paid up by the Republic
36 of the Philippines with:

1 (a) Cash contribution by the Government in the amount of One hundred
2 million pesos (PHP100,000,000.00) a year for the next three years, which is
3 hereby appropriated out of any fund in the National Treasury not otherwise
4 appropriated; and

5 (b) All other assets which the President may transfer to the Authority as part
6 of the equity contribution of the Government.

7 **SEC. 12. *Legal Counsel.*** – The Authority shall have its own internal legal
8 counsel under the supervision of the Government Corporate Counsel (GCC).
9 When the exigencies of its operations demand, the Authority may engage the
10 services of an outside counsel either on a case-by-case or on a fixed retainer
11 basis.

12 **SEC. 13. *Auditor.*** – The Commission on Audit shall appoint a
13 representative who shall be the fulltime auditor of the Authority and such
14 personnel as may be necessary to assist said representative in the performance of
15 his duties.

16 **SEC. 14. *Implementing Rules and Regulations.*** – The Board, with the
17 assistance of the DENR, the Department of Tourism and the Department of the
18 Interior and Local Government, shall promulgate the necessary rules and
19 regulations within ninety (90) days from the effectivity of this Act.

20 **SEC. 15. *Separability Clause.*** – If for any reason, any part or provision of
21 this Act is declared invalid or unconstitutional, the other parts or provisions not
22 affected shall remain in full force and effect.

23 **SEC. 16. *Repealing Clause.*** – All laws, presidential decrees, executive
24 orders, rules and regulations contrary to or inconsistent with the provisions of this
25 Act are hereby repealed or modified accordingly.

26 **SEC. 17. *Effectivity*** – This Act shall take effect fifteen (15) days after its
27 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved.