

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 69



Introduced by **REP. JOSE FRANCISCO "KIKO" B. BENITEZ, Ph.D.**

EXPLANATORY NOTE

In his *Last Farewell*, Jose Rizal described the Philippines as “pearl of the orient sea”. His description represents both history and aspiration of the Filipino rooted in the sea. Rizal had dedicated his life to the recovery of the political agency and dignity of the Filipino from colonial repression. He challenged and corrected colonial distortion of our pre-Hispanic history and heritage as he believed that “to foretell the destiny of a nation, it is necessary to open the books that tell of her past”. In his annotation of Morga’s *Sucesos de las Islas Filipinas*, for example, Rizal boasted indigenous shipbuilding capacity and trade with Japan to repudiate colonial representation of Native Filipinos as an inferior civilization.

Rizal also lamented the colonial suppression of indigenous oral traditions that narrated mythologies and genealogies that traced our origins. “Filipinos had had minstrels who had memorized songs telling their genealogies and of the deeds ascribed to their deities. These were chanted on *voyages in cadence with the rowing...*” [*Emphasis added*] but “[t]hese traditions were almost completely lost as well as the mythology and the genealogies of which the early historians tell, thanks to the zeal of the missionaries in eradicating all national remembrances as heathen or idolatrous,” Rizal wrote.

He spoke of a glorious maritime past, of a flourishing indigenous maritime culture and economy, of a shining pearl in the Pacific. And as he believed that the past foretells the future, Rizal had spoken of our maritime destiny: prosperity from the sea.

An archipelagic and maritime nation

The Philippines has vast potential as a blue economy. We are the world’s second largest archipelagic state. Our maritime domains, including our exclusive economic zone (EEZ), have a total area of 2.2 million sq. km.¹ and compose 88% of our national territory. The Filipino is essentially a creature of the sea, descended from master maritime navigators. Almost 60 percent of our people live in coastal communities; 315 of our municipalities and 25 of our cities are coastal². That our basic political unit is named after the boat that brought our Austronesian ancestors to Philippine shores is testament to the centrality of the sea in our identity.

¹ Fisheries Statistics of the Philippines 2018-2020. Philippine Statistics Authority.

² Legal and Jurisdictional Guidebook for Coastal Resource Management in the Philippines. Department of Environment and Natural Resources, Department of Interior and Local Government, Department of Agriculture, Bureau of Fisheries and Aquatic Resources, and the Coastal Resource Management Project. 1997.

Our maritime economy is driven by rich marine resources. The Philippines is at the heart of the Coral Triangle, one of the most diverse marine habitats in the world. Our total coral reef area is 797,719 hectares which host and nurture an amazing diversity of aquatic life. The Verde Island Passage alone, which lies between Batangas and Mindoro, is home to the highest concentration of marine species in the planet – nearly 60% of the world's known fishes.

Indeed, the sea has blessed us with crucial ecosystem services and abundant harvests. The Philippines is one of the world's leading fish producing countries. According to the State of World Fisheries and Aquaculture 2020 report of the Food and Agriculture Organization, the Philippines produced 1.89 million tons of marine capture fisheries in 2018, the 11th highest in the world. We are also 11th in aquaculture fish production.

Our maritime economy is not only dependent on fisheries. Maritime freight and transportation, marine energy, and coastal and marine tourism are also pillars of our maritime economy. The Philippines is in fact one of the world's top suppliers of seafarers. And our beaches are named one of the world's best beaches.

Altogether, according to the NSOC, ocean-based industries generated 11.9 billion USD in 2016 or 6.96% of Philippine GDP, and employed 2.2 million workers or about 5.3% of the country's total employment.

Blue economy: Economy *and* ecology

The challenge for us is to transform our ocean-based industries into sustainable activities. In the face of growing threat from climate change, we need to act now to transform our maritime economy into a low-carbon, blue economy.

Sustainable management of our marine and coastal resources begins with recognizing and understanding their value, both economic, cultural and social. We cannot manage something without measuring it. We therefore need to institute an accounting system that puts monetary value on our marine and coastal resources, including their ecosystem services, or the gains that humankind derive from carbon sequestration and other natural processes that the ocean performs.

We need to transition to blue economy, to sustainable maritime economic activities that protect our marine wealth and our maritime heritage. After all, our history, culture and economy are inextricably linked to the sea. Our fortunes dance with the ebb and flow of tides, to the rhythm of the waves.

Comprehensive framework for blue economy

Our relationship with the sea is increasingly diminished by our abuse and excess. Our marine and coastal resources are also depleted by overexploitation and pollution. We therefore need to strengthen enforcement of laws and regulations to prevent illegal, unreported, unregulated fishing, and protect marine and coastal ecosystems. We need to harmonize policies and regulations on ocean-based industries that have long been in silos. We as a whole nation need to assume greater responsibility for the protection of our coasts and seas.

This bill consolidates all interventions in a single framework that promotes a whole-of-nation approach to sustainably develop, manage, protect and preserve our marine and coastal

resources. This bill enshrines and shines new light on the Philippines as the “pearl of the orient sea”.

This bill reminds us that we are a nation with close affinity with the sea and that we must not take advantage of the bounty of the sea. We must not forget that we are only stewards of nature. We have to ensure that the benefits we enjoy now will be enjoyed by our children and our children’s children too.

In view of the foregoing, we earnestly seek for the immediate enactment of this measure.


JOSE FRANCISCO “KIKO” B. BENITEZ, Ph.D.

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Introduced by **REP. JOSE FRANCISCO “KIKO” B. BENITEZ, Ph.D.**

AN ACT
ESTABLISHING A FRAMEWORK FOR BLUE ECONOMY, PROMOTING
STEWARDSHIP AND SUSTAINABLE DEVELOPMENT OF COASTAL AND
MARINE ECOSYSTEMS AND RESOURCES

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

CHAPTER I
GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “*Blue Economy Act.*”

SEC. 2. *Declaration of Policy.* – It shall be the policy of the State to:

- (a) Adopt blue economy as a framework for sustainable and safe use and development of marine wealth within our Maritime Zones, as a pillar of our national economy and patrimony;
- (b) Exercise stewardship of our seas and coasts, and protect and conserve the health and resilience of marine and coastal ecosystems and habitats to promote the well-being, prosperity and security of present and future generations;
- (c) Preserve our maritime heritage, recognize the social, cultural, and historical value of our seas and coasts, and foster public understanding and respect of the value of our seas and coasts to build a strong foundation for social responsibility;
- (d) Enrich scientific understanding of marine and coastal ecosystems, the benefits we gain from these ecosystems (e.g. carbon sequestration), their changing conditions and the causes thereof, and use the best available scientific knowledge to inform decisions affecting our seas and coasts and to enhance our capacity to respond and adapt to changing maritime environments;
- (e) Foster international cooperation, and exercise rights and jurisdiction in accordance with applicable international laws, including on freedom of navigation;
- (f) Ensure a whole-of-nation approach and a comprehensive, integrated framework for the stewardship of our seas and coasts to facilitate cohesive action of the National

Government, local authorities, academe, non-governmental organizations, the private sector, and the public.

SEC. 3. ***Definition of Terms.*** – As used in this Act:

(a) *Aquaculture* refers to the farming of aquatic organisms including fish, molluscs, crustaceans and aquatic plants. Farming implies some sort of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators, etc. Farming also implies individual or corporate ownership of the stock being cultivated, the planning, development and operation of aquaculture systems, sites, facilities and practices, and the production and transport;

(b) *Aquisilviculture* refers to a multi-purpose production system that allows production of fish in a mangrove reforestation project;

(c) *Blue economy* refers to a practical ocean-based economic model using green infrastructure and technologies, innovative financing mechanisms, and proactive institutional arrangements for meeting the twin goals of protecting our oceans and coasts and enhancing its potential contribution to sustainable development, including improving human well-being, and reducing environmental risks and ecological scarcities;

(d) *Commercial fishing* refers to the harvesting of fish, either in whole or in part, for sale, barter or trade;

(e) *Ecosystem services* refer to the flow of benefits which humans gain from ecosystems, through biological processes and climate, hydrological and biochemical cycles, and experiences that contribute to intangible culture;

(f) *Environmental-economic accounting* refers to a systematic way to measure and report on stocks and flows of natural assets and resources – both biotic and biotic, renewable and non-renewable – and ecosystem services, to determine the contribution of the environment to the economy and the impact of the economy on the environment;

(g) *Environmental-economic accounts* refer to statistical information, in physical or monetary terms, about the extraction of natural resources, their use within the economy, natural resource stock levels, the changes in those stocks during a specific period, and such other economic activities related to the environment;

(h) *Integrated marine and coastal area management* refers to a participatory process for decision-making to prevent, control, or mitigate adverse impacts from human activities in the marine and coastal environment, and to contribute to the restoration of degraded coastal areas;

(i) *Investment promotion agencies* refer to government entities created by law, executive order, decree or other issuance, in charge of promoting investments, granting and administering tax and non-tax incentives, and overseeing the operations of the different economic zones and freeports in accordance with their respective special laws. These include the Board of Investments (BOI), Regional Board of Investments-Autonomous Region in Muslim Mindanao (RBOI-ARMM), Philippine Economic Zone Authority (PEZA), Bases Conversion and Development Authority (BCDA), Subic Bay Metropolitan Authority (SBMA), Clark Development Corporation (CDC), John Hay Management Corporation (JHMC), Poro

Point Management Corporation (PPMC), Cagayan Economic Zone Authority (CEZA), Zamboanga City Special Economic Zone Authority (ZCSEZA), PHIVIDEC Industrial Authority (PIA), Aurora Pacific Economic Zone and Freeport Authority (APECO), Authority of the Freeport Area of Bataan (AFAB), Tourism Infrastructure and Enterprise Zone Authority (TIEZA), and all other similar existing authorities or that may be created by law;

(j) *Mariculture* refers to the farming of organisms, both plants and animals, in an aquatic medium or environment which may be completely marine (sea), or sea water mixed to various degrees with fresh water. This definition would include both the sea and inland brackishwater areas;

(k) *Marine scientific research* refers to any research activity, which is conducted for exclusively peaceful purposes, for the purpose of increasing scientific knowledge about the marine environment, including all natural resources, toward the benefit of mankind and according to the United Nations Convention on the Law of the Sea;

(l) *Maritime domain awareness* refers to the effective understanding of any activity that could impact upon the security, safety, economy or environment;

(m) *Maritime spatial planning* refers to a process by which human activities in Maritime Zones are analyzed and organized, based on best available scientific knowledge, and to achieve economic, ecological and social objectives;

(n) *Ocean-based activities* refer to activities that are undertaken in the ocean, e.g. fisheries and aquaculture, offshore oil and gas, mining, ocean energy, desalination, shipping and marine transportation, marine tourism, marine construction;

(o) *Ocean-related activities* refer to activities that use products from the ocean (e.g., seafood processing, marine biotechnology, chemicals, salt, etc.) and produce products and services for the ocean and ocean-based activities (e.g., ship building and repair, ports, tourist resorts, communication, maritime insurance and law, maritime technical services, etc.);

(p) Subsistence fishing – fishing for personal consumption or traditional/ceremonial purposes;

(q) *Ocean literacy* refers to an understanding of the ocean's influence on humans and human influence on the ocean.

SEC. 4. *Scope of Application.* – For purposes of this Act, the Philippines shall exercise sovereignty, sovereign rights and jurisdiction, in accordance with international law, as appropriate, in internal waters, archipelagic waters, territorial sea, contiguous zone, exclusive economic zone and continent shelf, herein collectively referred to as “Maritime Zones”, including its seabed and subsoil, and any and all maritime features within the Maritime Zones now known or to be known in the future, without prejudice to the power, authority and right granted exclusively to the Bangsamoro Government under Republic Act No. 11054, also known as the “*Organic Law for the Bangsamoro Autonomous Region in Muslim Mindanao*,” to explore, develop, and utilize natural resources within its territorial jurisdiction.

CHAPTER II

NATIONAL MARITIME COUNCIL

SEC. 5. **National Maritime Council.** – The National Coast Watch Council, created under Executive Order No. 57, Series of 2011, is hereby renamed and reconstituted as the National Maritime Council, herein referred to as the “Council,” and its functions expanded to include the formulation of an integrated strategy to promote blue economy and ecosystem-based management of coastal and marine resources.

SEC. 6. **Composition.** – The Council is composed of the following:

- (a) Executive Secretary, as Chairperson;
- (b) Secretary of Socio-Economic Planning;
- (c) Secretary of Environment and Natural Resources;
- (d) Secretary of National Defense;
- (e) Secretary of Foreign Affairs;
- (f) Secretary of Justice;
- (g) Secretary of the Interior and Local Government;
- (h) Secretary of Agriculture;
- (i) Secretary of Tourism;
- (j) Secretary of Transportation;
- (k) Secretary of Trade and Industry;
- (l) Secretary of Energy;
- (m) Secretary of Science and Technology; and
- (n) Secretary of Finance.

Department Secretaries may designate an Undersecretary, whose portfolio covers matters directly or principally relating to the development or management of coastal and marine resources and ecosystems, if applicable. They shall sit in a permanent capacity, and their acts shall be considered the acts of their principals.

SEC. 7. **Secretariat.** – The Coastal Watch Council Secretariat, created under Section 4 of Executive Order No. 57, Series of 2011, is hereby renamed as the National Maritime Office and shall continue to provide technical and administrative support to the Council.

SEC. 8. **Support Agencies.** – Section 6 of Executive Order No. 57, Series of 2011 is hereby amended to include the following agencies to provide material or technical support to the Council, as may be deemed necessary:

- (a) Bangko Sentral ng Pilipinas;
- (b) Board of Investments;
- (c) Securities and Exchange Commission;
- (d) Philippine Statistics Authority;
- (e) National Mapping and Resources Information Authority;
- (f) Environmental Management Bureau;
- (g) Biodiversity Management Bureau-Coastal and Marine Division;
- (h) Bureau of Agriculture and Fisheries Standards;
- (i) Philippine Fisheries Development Authority;
- (j) Philippine Council for Agriculture and Fisheries;
- (k) Maritime Industry Authority;
- (l) Philippine Ports Authority;
- (m) Philippine Reclamation Authority;

- (n) Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development;
- (o) Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA);
- (p) Department of Foreign Affairs-Maritime and Ocean Affairs Office;
- (q) National Museum-Maritime and Underwater Cultural Heritage Division;
- (r) University of the Philippines-Marine Science Institute; and
- (s) Investment promotion agencies.

In order to ensure the efficient and effective discharge of its responsibilities, the Council may create working groups, and call upon other departments, bureaus, offices and instrumentalities of the Government, and academic and research institutions engaged in marine science and ocean-based or ocean-related activities to participate in working groups, as it may deem necessary.

CHAPTER III POLICY FRAMEWORK ON BLUE ECONOMY

SEC. 9. *Policy Framework on Blue Economy.* – The Council shall, within six (6) months from the effectivity of this Act, formulate a Policy Framework on Blue Economy, herein referred to as the Policy Framework. The Policy Framework shall serve as the basis for marine spatial planning, determination of investments to enhance maritime domain awareness, and enforcement of economic and environmental regulations within our Maritime Zones. The Policy Framework shall be subject to mandatory review and modification every five (5) years.

SEC. 10. *Components of the Policy Framework on Blue Economy.* – The Policy Framework shall include the following components:

- (a) Review of all existing policies, plans, programs, projects, rules and regulations on ocean-based and ocean-related activities;
- (b) Adherence to international maritime laws;
- (c) Analysis of current and emerging trends and changes in demography, consumption, trade, technology and climate that show the interaction between the economy and the environment, and present threats and pressures on coastal and marine environments;
- (d) Environmental-economic accounting of coastal and marine assets and resources, and ecosystem services from coastal and marine environments;
- (e) Priority strategic and sustainable ocean-based and ocean-related economic activities, which may include:
 - (1) Fisheries, including commercial fishing, but with preference to subsistence fisheries, as mandated by Section 7, Art. XIII, of the Constitution;
 - (2) Aquaculture, mariculture and aquasilviculture;
 - (3) Marine and coastal tourism;
 - (4) Reclamation;
 - (5) Shipping, logistics and maritime transport;
 - (6) Ship-building and ship repair;

- (7) Exploration, exploitation and extraction of oil and natural gas;
 - (8) Production of renewable energy from marine sources;
 - (9) Submarine mining or extraction of minerals and aggregates;
 - (10) Installation of submarine cables and pipelines;
 - (11) Marine biotechnology and bioprospecting;
 - (12) Desalination; and
 - (13) Underwater cultural heritage and maritime archaeology.
- (f) Guiding framework for integrated marine and coastal area management;
 - (g) Guiding framework for blue finance;
 - (h) Priority research and development agenda;
 - (i) Promotion of ocean literacy and social responsibility towards the protection of coastal and marine environments;
 - (j) Enhancement of capability of the Armed Forces of the Philippines and civilian agencies to enforce laws, rules and regulations to protect our marine wealth;
 - (k) Goals, targets and indicators for growth, resilience and sustainability of priority strategic and sustainable ocean-based and ocean-related activities, including its contribution to Gross Domestic Product and job creation;

CHAPTER IV

ADHERENCE TO INTERNATIONAL MARITIME INSTRUMENTS

SEC. 11. *International Maritime Instruments.* – The State shall adhere to the provisions of the 1982 United Nations Convention on the Law of the Sea and relevant international conventions relating to maritime activities. Towards this end, the Council shall establish mechanisms for the full and effective implementation and enforcement of the following international maritime instruments and their subsequent amendments:

- (a) Convention on the International Trade of Endangered Species of Flora and Fauna;
- (b) UNESCO Convention on the Protection of the Underwater Cultural Heritage;
- (c) International Convention for the Safety of Life at Sea, 1974, as amended, and its Protocol of 1988 (SOLAS 74);
- (d) International Convention for the Prevention of Pollution from Ships and its Protocol of 1978 (MAPROL 73/78);
- (e) Convention on the International Regulations for Preventing Collisions at Sea, 1972, as amended (COLREG 72);
- (f) International Convention on Load Lines, 1966 and its Protocol of 1988, as amended (LL 66);
- (g) International Convention on the Tonnage Measurement of Ships, 1969 (TONNAGE 69);
- (h) Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation, 1988 (SUA) and its Protocol;
- (i) International Convention on Oil Pollution Preparedness, Response and Co-operation 1990 (OPRC 1990);

- (j) International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (BWM 2004);
- (k) Convention on the Prevention of Marine Pollution by dumping of Wastes and Other Matter, 1972, as amended, and its 1996 Protocol (LCP);
- (l) Special Trade Passenger Ships Agreement, 1971 (STP 71);
- (m) Convention on the International Mobile Satellite Organization, as amended (IMSO 1976) and its Operating Agreement (INMARSAT);
- (n) International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, As Amended (STCW 78);
- (o) International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001 (AFS 2001);
- (p) Protocol of 1992 to Amend the International Convention on Civil Liability for Oil Pollution Damage, 1969;
- (q) Protocol of 1992 to amend the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971;

SEC. 12. ***Application.*** – Unless otherwise indicated, the international conventions enumerated in the preceding section shall apply to:

- (a) All ships, whether seagoing or coastwise, which are registered under the Philippine flag;
- (b) All persons, partnerships, corporations, firms and other entities duly registered or licensed in the Philippines to engage in ocean-based or ocean-related enterprise, or those acting on their behalf;
- (c) All foreign ships that are within the waters, ports, harbors and offshore terminals of the Philippines regardless of whether or not they are registered in, or belong to, State Parties to the conventions sought to be implemented by this Act.

CHAPTER V ENVIRONMENTAL-ECONOMIC ACCOUNTING

SEC. 13. ***Environmental-Economic Accounting.*** – The Council shall undertake environmental-economic accounting of maritime ecosystems and resources, based on the United Nations System of Environmental-Economic Accounting. Members of the Council and heads of support agencies shall contribute data on environmental-economic accounts relating to their mandates.

SEC. 14. ***Framework.*** – The Philippine Statistics Authority (PSA) shall develop a framework for the collection, compilation, processing, analysis, publication and dissemination of environmental-economic accounts and its integration in the national accounts: *Provided*, That PSA shall integrate the collection of environmental-economic accounts into the Community-Based Monitoring System for local government units (LGUs); *Provided, further*, That the PSA shall coordinate with and provide technical assistance to Members of the Council, support agencies, investment promotion agencies and LGUs to ensure compliance to standard environmental-economic accounting techniques, methodologies, concepts, definitions and classifications to prevent duplication in collection of statistical information.

CHAPTER VI INTEGRATED MARINE AND COASTAL AREA MANAGEMENT

SEC. 15. ***Integrated Marine and Coastal Area Management (IMCAM).*** – The Integrated Marine and Coastal Area Management (IMCAM) shall be the framework to address human impacts on marine and coastal biological diversity, and for promoting conservation and sustainable use of this biodiversity.

SEC. 16. ***Elements of the National IMCAM Framework.*** – The Council shall develop and implement the National IMCAM Framework within one (1) year from the effectivity of this Act to provide direction, support and guidance to relevant member and support agencies, LGUs and other stakeholders, according to the Elaborated Programme of Work on Marine and Coastal Biological Diversity contained in the Annex to Decision VII/5 of the Conference of the Parties to the United Nations Environmental Programme Convention on Biological Diversity.

Accordingly, the National IMCAM Framework shall consider the following elements:

(a) Building capacity of stakeholders, in both national and local levels, to apply relevant policy instruments to address legal issues, institutionalize participatory processes, and develop strategies to promote multidisciplinary and multisectoral ecosystem-based management of coastal and marine environments;

(b) Direct action to protect coastal and marine environments from negative impacts, such as:

(1) Identification, protection, prevention of alteration and destruction, and restoration of coastal and marine habitats, particularly areas important for reproduction, *inter alia*, coral reef systems;

(2) Prevention, reduction or control of marine pollution;

(3) Protection of coastal and marine environments from land-based sources, including proper coastal land use and watershed management;

(4) Establishment of closed fishing areas;

(5) Reduce by-catch.

(c) Establishment of mechanisms and guidelines for research, monitoring and assessment of coastal and marine ecosystems and resources, including indicators to measure natural and human-induced impacts

CHAPTER VII

PROTECTION AND CONSERVATION OF COASTAL AND MARINE RESOURCES

SEC. 17. ***Protection of Endangered Species.*** – The Council shall spearhead the conservation, protection and rehabilitation of rare, threatened and endangered aquatic species as it may determine, including their habitats. It shall recommend to the President and Congress the designation of coastal and marine areas as protected areas under the Expanded National Integrated Protected Areas System or under the Fisheries Code, as amended, and in compliance with the relevant provisions of international treaties and agreements such as, the Convention on the International Trade in Endangered Species of Wild Flora and Fauna, the United Nations Convention on the Law of the Sea, and Convention on Biological Diversity.

SEC. 18. ***Policy Coordination.*** – The Council shall harmonize rules and regulations of all relevant agencies responsible for the implementation and enforcement of laws to prevent

and eliminate illegal fishing such as Republic Act (RA) No. 8550, also known as the "*Philippine Fisheries Code of 1998*," as amended by RA 10654.

CHAPTER VIII DEVELOPMENT PLANNING

SEC. 19. ***Maritime Spatial Planning.*** – The Council shall undertake a nationwide maritime spatial planning to identify the spatial and temporal distribution of priority activities and uses and the interactions thereof in Maritime Zones, in order to reduce conflict among uses, facilitate complementary uses, mitigate environmental impacts, and preserve ecosystem services.

SEC. 20. ***Industry Development Plans.*** – The Council, through working groups created for the purpose, shall prepare five-year and ten-year development plans for each priority strategic and sustainable ocean-based or ocean-related industry, in accordance with the Policy Framework.

SEC. 21. ***Integration with Area and National Development Plans.*** – The National Economic and Development Authority shall integrate the maritime spatial plan and industry development plans into the Philippine Development Plan, the National Priority Plan, the National Physical Framework Plan, and Area Spatial Development Framework.

SEC. 22. ***Inclusion in Strategic Investment Priority Plan.*** – The Council shall recommend to the Board of Investments the inclusion of identified priority strategic ocean-based and ocean-based activities in the Strategic Investment Priority Plan.

SEC. 23. ***Blue Economic Zones.*** – Investment promotion agencies shall encourage the establishment of blue economic zones and the transformation of existing special economic zones (SEZs) into the same, where locator enterprises engaged in ocean-based or ocean-related activities shall enjoy the privileges, benefits, advantages or exemptions granted to economic zones and freeports in accordance with their respective special laws.

In addition, the incentives provided for under the following laws may be granted to blue SEZs:

- (a) RA 9003, or the "*Ecological Solid Waste Management Act of 2000*;"
- (b) RA 9275, or the "*Philippine Clean Water Act of 2004*;"
- (c) RA 9513, or the "*Renewable Energy Act of 2008*;" and
- (d) RA 10771, or the "*Philippine Green Jobs Act of 2016*."

Blue SEZs may also qualify for financing provided for under RA 11293, or the "*Philippine Innovation Act*."

CHAPTER IX BLUE FINANCE

SEC. 24. ***Role of the Bangko Sentral ng Pilipinas (BSP).*** – In the exercise of its regulatory powers over financial institutions, the BSP shall mandate banks and quasi-banks to adopt the United Nations Environment Programme Sustainable Blue Economy Finance Principles as a foundation of corporate governance and risk management.

SEC. 25. *Role of Securities and Exchange Commission (SEC).* – The SEC shall encourage the issuance of blue bonds where proceeds will be exclusively applied to finance or refinance, in part or in full, strategic and sustainable ocean-based or ocean-related activities, in accordance with ASEAN Green Bonds Standards and Green Bonds Principles, as developed and may be revised from time to time by the ASEAN Capital Markets Forum and the International Capital Market Association, respectively.

SEC. 26. *Role of Government Financial Institutions.* – The Land Bank of the Philippines and the Development Bank of the Philippines shall allocate five percent (5%) of its regular loan portfolio for credit to strategic and sustainable ocean-based or ocean-related enterprises.

CHAPTER X MARINE SCIENCE AND OCEAN LITERACY

SEC. 27. *Marine Scientific Research.* – The State recognizes marine science as a foundation of maritime governance, insofar as rules governing the use of coastal and marine resources must be based on the sound scientific understanding of the marine environment. In accordance with UNCLOS, the Philippines has the exclusive rights to regulate, authorize and conduct marine scientific research in our internal waters, archipelagic waters and territorial sea; whereas, the Philippines has rights to regulate, authorize and conduct maritime research in our exclusive economic zone and continental shelf: *Provided*, That the marine scientific research activities shall not unjustifiably interfere with other legitimate uses of the sea and shall not constitute the legal basis for any claim to any part of the marine environment or its resources.

Marine scientific research by foreign states and competent international organizations may only be conducted with the express consent of and the conditions set forth by the Council, in accordance with the UNCLOS.

SEC. 28. *Ocean Literacy Framework.* – The Department of Education, Commission on Higher Education, Technical Education and Skills Development Authority and other government agencies implementing sector-specific literacy programs, in consultation with relevant Members of the Council or support agencies, shall integrate into the curricula of K-12, the Alternative Learning System, general education programs of higher education institutions, technical and vocational education and training, and other community-based training programs, the essential principles and fundamental concepts of ocean sciences to develop the following competencies:

- (a) Understanding the importance of the ocean to humankind;
- (b) Communicating about the ocean in a meaningful way; and,
- (c) Making informed and responsible decisions regarding the ocean and its resources.

CHAPTER XI FREEDOM OF NAVIGATION

SEC. 29. ***Archipelagic Sea Lanes.*** – The Council shall designate sea lanes and air routes there above, suitable for the continuous and expeditious passage of foreign ships and aircrafts through or over the archipelagic waters and the adjacent territorial sea, and shall, where necessary as regards to the safety of navigation, require foreign ships exercising the right of innocent passage to use such lanes and traffic separation schemes in accordance with the UNCLOS.

CHAPTER XII ROLE OF LOCAL GOVERNMENTS

SEC. 30. ***Role of Local Government Units.*** – Cities and municipalities shall continue to exercise jurisdiction over municipal waters, pursuant to RA 7160, also known as the “*Local Government Code of 1991*,” as amended, and RA 8550, as amended. Consistent with this mandate, local government units shall act as the frontline agencies in the formulation, planning and implementation of IMCAM in their respective jurisdictions. LGUs shall integrate the National Maritime Spatial Plan in their Comprehensive Development and Annual Investment Plans.

SEC. 31. ***Inter-LGU Cooperation.*** – Consistent with the provisions of RA 7160, as amended, LGUs may group themselves, consolidate or coordinate their efforts, services, and resources for the accomplishment of the objectives of this Act.

CHAPTER XIII FINAL PROVISIONS

SEC. 32. ***Congressional Oversight.*** – For the effective implementation of this Act, a Congressional Oversight Committee is created to be known as the Blue Economy Oversight Committee. The Blue Economy Oversight Committee shall be composed of five (5) Senators and five (5) Representatives to be appointed by the Senate President and the Speaker of the House of Representatives, respectively. The Minority shall be entitled to pro rata representation. The Blue Economy Oversight Committee shall be jointly chaired by the Chairperson of the Senate Committee on Economic Affairs and the Chairperson of the House Committee on Economic Affairs.

SEC. 33. ***Appropriations.*** – The amount of One hundred million pesos (P100,000,000.00) as initial funding for the Council to be charged against the unexpended Contingency Fund of the Office of the President is hereby appropriated. Thereafter, the amount needed for the implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 34. ***Implementing Rules and Regulations.*** – The Council shall issue the implementing rules and regulations within sixty (60) days from the approval of this Act: *Provided*, That That failure to issue rules and regulations shall not in any manner affect the executory nature of the provisions of this Act.

SEC. 35. ***Separability Clause.*** – If any provision of this Act is held invalid or unconstitutional, the remaining provisions not affected shall remain in full force and effect.

SEC. 36. ***Repealing Clause.*** – All other laws, decrees, executive orders, and rules and regulations contrary to or inconsistent with the provisions of this Act are repealed or modified accordingly.

SEC. 37. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,