

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 2101

Introduced by **REP. BERNADETTE "DETTE" G. ESCUDERO**

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

EXPLANATORY NOTE

Article XII, Section 2 of the 1987 Constitution provides that "[t]he State shall protect the nation's marine wealth in its archipelagic waters, territorial sea, and exclusive economic zone, and reserve its use and enjoyment exclusively to Filipino citizens." Pursuant to this constitutional mandate, the State bears both a legal and moral obligation to safeguard the country's marine and coastal resources and to ensure that their utilization directly benefits the Filipino people.

The Philippines, an archipelagic state composed of 7,641 islands, spans from the Babuyan Channel in the north, the Pacific Ocean in the east, the Celebes and Sulu Seas in the south, to the West Philippine Sea in the west, with a total coastline of 36,289 kilometers. These vast bodies of water serve as vital lifelines of the nation—providing channels for transportation, food security, trade, ecological stability, and overall economic development.

According to the Philippine Ocean Economy Satellite Accounts (POESA) published by the Philippine Statistics Authority (PSA), the ocean economy—comprising economic activities conducted in or near the ocean or those that depend on ocean resources—grew by 6.7 percent in 2021, with a Gross Value Added (GVA) amounting to PhP 707.80 billion. Ocean fishing was the largest contributor, accounting for 33.9 percent (PhP 239.74 billion), followed by the manufacture of ocean-based products (23.0 percent or PhP 163.12 billion), and sea-based transportation and storage (14.8 percent or PhP 104.44 billion). In the same year, ocean-based industries provided employment to approximately 1.99 million Filipinos, representing 4.5 percent of total national employment.

Despite their significant contribution to the economy, fisherfolk remain among the poorest sectors in the country. Preliminary 2021 data from the PSA indicate a poverty incidence of 30.6 percent among fisherfolk—up from 26.2 percent in 2018. Moreover, the Philippines’ location within the Coral Triangle—recognized globally as the “center of the center” of marine biodiversity—imposes a greater responsibility on the State to protect and conserve its rich marine ecosystems. These ecosystems face mounting threats from human activities, including overexploitation, pollution, habitat degradation, and the worsening impacts of climate change.

In light of these urgent concerns, this measure seeks to establish a comprehensive legal framework for the protection, sustainable development, and equitable utilization of the country’s marine resources through the adoption of a **blue economy** approach. The bill also proposes the creation of a **National Maritime Council**, which shall serve as the primary coordinating body for the implementation of policies that promote economic advancement while ensuring environmental stewardship.

In view of the foregoing, the immediate and favorable passage of this measure is earnestly sought.



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

Section 1. *Short Title.* This Act shall be known as the "Blue Economy Act".

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

a. Adopt blue economy as a framework for equitable and sustainable development and safe use 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, through strong institutional mechanisms for maritime monitoring and regulatory enforcement, 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 like 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 multi-stakeholder engagement, 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, nongovernmental organizations, the private sector, and the public; and

g. Promote, support and monitor science, technology and innovation programs of public and private academic and research institutions to strengthen interdisciplinary research in marine science, and to develop emerging technologies to catalyze growth of new maritime sectors.

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

a. *Aquaculture* refers to fishery operations involving all forms of raising and culturing fish and other fishery species in fresh, brackish, and marine water areas;

b. *Aquasilviculture* refers to a multi-purpose production system that allows production of fish and other aquatic species in a mangrove reforestation project;

c. *Aquatic resources* refer to fish and other living resources of the aquatic environment that have or will have commercial value when utilized;

d. *Blue economy* refers to the integrated, holistic, cross-sectoral, and cross-stakeholder approach for the sustainable, resilient and inclusive use, governance, management and conservation of oceans, seas as well as marine and coastal resources and ecosystems for economic growth, leveraging green infrastructure and technologies, innovative financing mechanisms and proactive institutional mechanisms, and improving human well-being and social equity, and reducing environmental risks and ecological scarcities;

e. *Blue carbon* refers to organic carbon that is captured by marine and coastal ecosystems, such as algae, seagrass, mangroves, and other plants growing in salt marshes and coastal wetlands;

f. *Blue public expenditure* refers to public expenditures that address issues related to coastal and marine resources, environmental degradation, and development aspirations that depend on marine resources and environments;

g. *By-catch* refers to fish or other marine species that a fisher does not intend to catch, including juveniles of commercially-valuable species and biologically-important species caught unintentionally while trying to catch a certain type of fish;

h. *Commercial fishing* refers to the taking of fishery species by passive or active gear for trade, business and profit beyond subsistence or sports fishing, to be further classified as: small scale commercial fishing, or fishing with passive or active gear utilizing fishing vessels of three and one-tenth (3.1) gross tons (GT) up to

twenty (20) GT; medium scale commercial fishing or fishing utilizing active gears and vessels of twenty and one-tenth (20.1) GT up to one hundred fifty (150) GT; and large commercial fishing or fishing utilizing active gears and vessels of more than one hundred fifty (150) GT;

i. *Contiguous zone* refers to the contiguous zone of the Philippines to the waters beyond and adjacent to its territorial sea and up to the extent of twenty-four (24) nautical miles from the baselines from which the breadth of the territorial sea is measured;

j. *Continental shelf* refers to the seabed and subsoil of the submarine areas of the Philippines that extend beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of two hundred (200) nautical miles from the baselines from which the breadth of the territorial sea is measured, where the outer edge of the continental margin does not extend up to that distance;

k. *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;

l. *Environmental-economic accounting* refers to a systematic way to measure and report on stocks and flows of natural assets and resources - both biotic and abiotic, 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;

m. *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;

n. *Exclusive economic zone (EEZ)* refers to the waters beyond and adjacent to its territorial sea and up to the extent of two hundred (200) nautical miles from the baselines from which the breadth of the territorial sea is measured, as established by Presidential Decree No. 1599, otherwise known as the "Philippine Exclusive Economic Zone of 1978", and to the extent consistent with the other provisions of this Act and with the provisions of the 1982 United Nations Convention on the Law of the Sea (UNCLOS);

o. *Fisheries* refer to all activities relating to the science and act of business of fishing, culturing, preserving, processing, marketing, developing, conserving, and managing of aquatic resources, and environment;

p. *Integrated coastal management (ICM)* refers to a holistic and integrativemanagement that incorporates the following components: (1) connectivity

of various ecosystems - environment and resources; (2) various sectors and stakeholders; (3) institutional arrangements that are relevant; and (4) assessment of drivers of coastal ecosystem degradation, management planning and implementation, including research and education, to address coastal degradation and biodiversity losses, and to improve the well-being of communities in coastal and interconnected areas;

q. *Integrated Marine and Coastal Area Management (IMCAM)* 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;

r. *Internal waters* refer to waters on the landward side of the archipelagic baselines not forming part of archipelagic waters under Section 4 of this Act and delineated in accordance with Article 50 of the UNCLOS; and waters on the landward side of the baselines of the territorial sea of territories outside of the archipelagic baselines, drawn in accordance with Article 8 of the UNCLOS;

s. *Investment promotion agencies (IPAs)* 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), Bangsamoro Board of Investments, Philippine Economic Zone Authority, Bases Conversion and Development Authority, Subic Bay Metropolitan Authority, Clark Development Corporation, John Hay Management Corporation, Poro Point Management Corporation, Cagayan Economic Zone Authority, Zamboanga City Special Economic Zone Authority, PHIVIDEC Industrial Authority, Aurora Pacific Economic Zone and Freeport Authority, Authority of the Freeport Area of Bataan, Tourism Infrastructure and Enterprise Zone Authority, and all other similar existing authorities that may be created by law;

t. *Mariculture* refers to the sea farming of aquatic plants and fishes;

u. *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 UNCLOS;

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

w. *Maritime spatial planning* refers to a process by which human activities in maritime zones are analyzed and organized, based on best available scientific knowledge, to achieve economic, ecological and social objectives;

x. *Maritime zones* refer to the maritime zones of the Philippines comprising the internal waters, archipelagic waters, territorial sea, contiguous zone, EEZ, and continental shelf;

y. *Ocean-based activities* refer to activities that are undertaken in the ocean, such as fisheries and aquaculture, offshore oil and gas, mining, ocean energy, desalination, shipping and marine transportation, marine tourism, and marine construction;

z. *Ocean-related activities* refer to activities that use products from the ocean such as seafood processing, marine biotechnology, chemicals, salt, and produce products and services for the ocean and ocean-based activities such as shipbuilding and repair, ports, tourist resorts, communication, maritime insurance and law, and maritime technical services;

(aa) *Subsistence fishing* refers to fishing for personal consumption or traditional/ceremonial purposes; and

(bb) *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 commitments under the UNCLOS and other related treaties which the Philippines has ratified, in internal waters, archipelagic waters, territorial sea, contiguous zone, exclusive economic zone and continental shelf, herein collectively referred to as "maritime zones", including its seabed and subsoil, and any and all maritime features within the maritime zones and where appropriate, the relevant airspace above the territorial sea, internal waters and archipelagic waters now known or to be known in the future.

CHAPTER II NATIONAL MARITIME MONITORING SYSTEM

SEC. 5. National Maritime Monitoring System. The National Coast Watch System, established under Executive Order (EO) No. 57, series of 2011, is hereby renamed as the National Maritime Monitoring System.

SEC. 6. National Maritime Council. The National Coast Watch Council, created under EO 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.

In addition to the powers and functions of the Council enumerated in Section 3 of the same EO, the Council is likewise further mandated to:

(a) Steer the development, research, and sustainable resource explorations in maritime zones, especially in areas with high economic potential such as the Philippine Rise and the West Philippine Sea;

(b) Coordinate the maritime regulation or licensing and law enforcement for strengthened preparedness and responsiveness to potential security threats or concerns in the country's maritime areas and zones; and

(c) Build capacities in monitoring, including the use of digital and innovative technologies for security and surveillance activities.

The Council is likewise authorized to convene committees or sub-committees to oversee the abovementioned functions. In this way, all strategic maritime zones will be covered and will reduce the call for the creation of new bodies or authorities to manage the same.

SEC. 7. *Composition of National Maritime Council.* The Council is composed of the Executive Secretary as Chairperson and the Secretaries of the following national agencies as members:

- (a) National Economic and Development Authority (NEDA);
- (b) Department of Environment and Natural Resources;
- (c) Department of National Defense;
- (d) Department of Foreign Affairs (DFA);
- (e) Department of Justice;
- (f) Department of the Interior and Local Government;
- (g) Department of Agriculture;
- (h) Department of Tourism;
- (i) Department of Transportation;
- (j) Department of Trade and Industry;
- (k) Department of Energy;
- (l) Department of Science and Technology;
- (m) Department of Finance;
- (n) Department of Education (DepEd);
- (o) Department of Information and Communications Technology;
- (p) National Security Council; and
- (q) Bureau of Fisheries and Aquatic Resources.

Department Secretaries may designate an alternative representative, 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. 8. *National Maritime Secretariat.* The Coastal Watch Council Secretariat, established under Section 4 of EO 57, series of 2011, is hereby renamed as the National Maritime Secretariat and shall continue to provide technical and administrative support to the Council and perform its functions under the same EO.

SEC. 9. *National Maritime Coordination Center.* The National Coast Watch Center, established under Section 5 of EO 57, series of 2011, is hereby renamed as the National Maritime Coordination Center and shall continue to be the operational support unit of the National Maritime Monitoring System and perform its functions under the same EO.

SEC. 10. *Support Agencies.* In order to ensure the efficient and effective discharge of its responsibilities, in addition to the agencies enumerated under Section 6 of EO 57, series of 2011, the Council may call upon other departments, bureaus, offices and instrumentalities of the government, representatives from maritime industries, 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. 11. *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 develop modern physical infrastructure and build an enabling environment for blue economy to prosper, and 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. 12. *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 in our maritime zones, including seafood processing and storage, and commercial research and development (R&D) activities for biomass resource and fish stock estimation, artificial intelligence for forecasting fish stocks and supply;

(b) Compliance to local and international maritime laws;

(c) Analysis of current and emerging trends 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 goods and services from coastal and marine environments;

(e) Priority strategic and sustainable ocean-based and ocean-related economic activities within our maritime zones, which may include the following:

- (1) Fisheries, including commercial fishing, but with preference to subsistence fisheries, as mandated by Section 7, Article XIII, of the Constitution;
- (2) Aquaculture, mariculture and aquasilviculture and support industries, including seafood processing and storage, and aquaculture feed milling;
- (3) Marine and coastal tourism;
- (4) Shipping, logistics and maritime transport;
- (5) Shipbuilding and ship repair;
- (6) Production of renewable energy from marine sources;
- (7) Installation of submarine cables and pipelines;
- (8) Marine biotechnology and bioprospecting;
- (9) Desalination;
- (10) Underwater cultural heritage and maritime archaeology; and
- (11) Commercial R&D activities and commercialization of new and emerging technologies developed from locally-undertaken R&D;

(f) Principles and indicators to guide environmental impact assessment of ocean-based and ocean-related economic activities, taking into account the environmental-economic accounting of marine resources and ecosystem services that will be affected;

(g) Adoption of integrated marine and coastal area management;

(h) Strategies to promote blue finance;

(i) Priority research and development agenda, including development of innovative technologies, and human capital to support the blue economy;

(j) Promotion of ocean literacy and social responsibility towards the protection of coastal and marine environments;

(k) Enhancement of capability of the Armed Forces of the Philippines and civilian agencies to enforce laws, rules and regulations to protect our marine wealth;

(l) 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; and

(m) Such other components may be determined by the Council as a result of its periodic review, to ensure that the Policy Framework is continually updated and adapted to the needs of the times.

CHAPTER IV

COMPLIANCE WITH INTERNATIONAL MARITIME INSTRUMENTS

SEC. 13. *International Maritime Instruments.* - The Council shall direct the Inter-Agency Coordinating Committee, as created under EO No. 159, series of 2021, to Facilitate the Ratification of/Accession to and Implementation of Maritime Conventions (ICCRIMC) to establish mechanisms for the full and effective implementation and enforcement of the following international maritime instruments and their subsequent amendments, including, but not limited to the following:

- (a) 1982 United Nations Convention on the Law of the Sea;
- (b) Convention on the International Trade of Endangered Species of Flora and Fauna;
- (c) United Nations Educational, Scientific and Cultural Organization (UNESCO) Convention on the Protection of the Underwater Cultural Heritage;
- (d) International Convention for the Safety of Life at Sea, 1974, as amended, and its Protocol of 1988 (SOLAS 74);
- (e) International Convention for the Prevention of Pollution from Ships and its Protocol of 1978 (MARPOL 73/78);
- (f) Convention on the International Regulations for Preventing Collisions at Sea, 1972, as amended (COLREG 72);
- (g) International Convention on Load Lines, 1966 and its Protocol of 1988, as amended (LL 66);
- (h) International Convention on the Tonnage Measurement of Ships, 1969 (TONNAGE 69);
- (i) Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation, 1988 (SUA) and its Protocol;
- (j) International Convention on Oil Pollution Preparedness, Response and Co-operation 1990 (OPRC 1990);
- (k) International Convention for the Control and Management of Ships' Ballast Water and Sediments, 2004 (BWM 2004);
- (l) Convention on the Prevention of Marine Pollution by dumping of Wastes and Other Matter, 1972, as amended, and its 1996 Protocol (LCP);
- (m) Special Trade Passenger Ships Agreement, 1971 (STP 71);
- (n) Convention on the International Mobile Satellite Organization, as amended (IMSO 1976) and its Operating Agreement (INMARSAT);
- (o) International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, As Amended (STCW 78);
- (p) International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001 (AFS 2001);
- (q) Protocol of 1992 to Amend the International Convention on Civil Liability for Oil Pollution Damage, 1969;

(r) Protocol of 1992 to amend the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1971; and

(s) Other relevant maritime treaties, conventions, or instruments as may be agreed upon in the future.

SEC. 14. *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 that engage in ocean-based or ocean-related enterprise, or those acting on their behalf; and

(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.

SEC. 15. *Reciprocity.* - The rights and privileges of foreign vessels and aircraft in Philippine archipelagic waters herein provided are recognized under conditions of reciprocity and mutual respect. The President of the Philippines is hereby authorized to institute countermeasures and other appropriate steps as may be recommended by the DFA in response to foreign states that do not abide by, or that act inconsistently with the UNCLOS, or which do not ensure that vessels and aircraft under their authority comply with their rights and obligations under the convention.

CHAPTER V ENVIRONMENTAL-ECONOMIC ACCOUNTING

SEC. 16. *Environmental-Economic Accounting.* - The Philippine Statistics Authority shall include the environmental-economic accounting of marine ecosystems, as part of the Philippine ecosystem and natural capital accounting system, in the generation of the Philippine ocean economy satellite accounts.

CHAPTER VI INTEGRATED MARINE AND COASTAL AREA MANAGEMENT

SEC. 17. *Integrated Marine and Coastal Area Management.* - The IMCAM shall be the framework to address human impacts on marine and coastal ecosystem, and for promoting its conservation and sustainable use. The Integrated Coastal Management Framework, principles, and mechanisms shall be aligned and shall be an integral part of the IMCAM framework to be developed under this Act.

SEC. 18. *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, local government units 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) Build 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, and closed seasons, in accordance with Republic Act (RA) No. 8550, also known as the "Philippine Fisheries Code of 1998", as amended by RA 10654; and
- (5) Reduction of by-catch.

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

(d) Establish guidelines and mechanisms on green and blue businesses.

CHAPTER VII

PROTECTION AND CONSERVATION OF COASTAL AND MARINE RESOURCES

SEC. 19. *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 of the Philippines and Congress the designation of coastal and marine areas as protected areas under the Expanded National Integrated Protected Areas System or under RA 8550, 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 UNCLOS, and Convention on Biological Diversity.

SEC. 20. *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 RA 8550, as amended.

CHAPTER VIII DEVELOPMENT PLANNING

SEC. 21. *Maritime Spatial Planning.* - The Council, in consultation with relevant agencies, regional bodies and local government units (LGUs), shall undertake a nationwide maritime spatial planning, guided by the standards of the Intergovernmental Oceanographic Commission, 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. 22. *Industry Development Plans.* - The Council, through working groups created for the purpose, shall prepare five-year and ten-year development plans for priority strategic and sustainable ocean-based or ocean-related industry, in accordance with the Policy Framework and in consideration of the existing development plans and strategies formulated by agencies involved in coastal and marine protection and development. The Council shall also ensure the integration of the framework in existing industry plans.

SEC. 23. *Integration with Area and National Development Plans.* - The NEDA 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. 24. *Inclusion in Strategic Investment Priority Plan.* - The Council shall recommend to the BOI the inclusion of identified priority strategic ocean-based and ocean-related activities in the Strategic Investment Priority Plan.

SEC. 25. *Blue Economic Zones.* - Investment Promotion Agencies (IPAs) shall encourage the establishment of blue economic zones and the transformation of existing special economic zones into the same: Provided, That Registered Business Enterprises (RBEs) engaged in ocean-based or ocean-related activities in these blue economic zones, duly registered by an IPA, may be entitled to the incentives under Title XIII (Tax Incentives) of the National Internal Revenue Code of 1997, as amended.

In addition, the incentives provided under this Act shall be without prejudice to the following laws:

- (a) RA 9003, otherwise known as the "Ecological Solid Waste Management Act of 2000";
- (b) RA 9275, otherwise known as the "Philippine Clean Water Act of 2004";

- (c) RA 9513, otherwise known as the "Renewable Energy Act of 2008"; and
- (d) RA 10771, otherwise known as the "Philippine Green Jobs Act of 2016".

The RBEs operating within blue economic zones may also qualify for financing provided under RA 11293, otherwise known as the "Philippine Innovation Act", as applicable.

CHAPTER IX BLUE FINANCE

SEC. 26. *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. 27. *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, eligible Blue Economy activities, in accordance with SEC Guidelines, the Association of Southeast Asian Nations (ASEAN) Green Bonds Standards and Green Bonds Principles, as developed and may be revised from time to time by the SEC, ASEAN Capital Markets Forum, and the International Capital Market Association, respectively. All designated Blue Projects or Activities must provide clear benefits to ocean health and the blue economy or must contribute substantially to United Nations Sustainable Development Goals (UN SDG) 6 or 14, which shall be assessed and, where feasible, quantified by the Issuer.

SEC. 28. *Role of Government Financial Institutions.* - The Land Bank of the Philippines and the Development Bank of the Philippines shall provide credit to strategic and sustainable ocean-based or ocean-related enterprises.

SEC. 29. *Blue Public Expenditures.* - The Department of Budget and Management (DBM) shall allocate funds to implement blue economy programs, activities and projects (PAPs), in consonance with Section 15 of Republic Act No. 9729, as amended. The DBM shall include blue public expenditures as part of its efforts to increase convergence in programming and implementation of climate change and disaster risk reduction PAPs through the Risk Resiliency Program.

CHAPTER X MARINE SCIENCE, TECHNOLOGY, AND INNOVATION (STI) AND OCEAN LITERACY

SEC. 30. *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. 31. *Marine Technology and Innovation.* - The State recognizes that science, technology, and innovation have a critical role in harnessing ocean resources for the blue economy while ensuring sustainability. Marine technology and innovations are needed to address technical and logistical constraints that impede the development of Philippine blue industries. Among these technologies are advanced materials, subsea engineering and technology, sensors and imaging, big data analytics, autonomous systems, biotechnology, nanotechnology, marine spatial planning, and circular blue economy. The government shall also support the development and adoption of locally-developed marine-related technologies.

SEC. 32. *Ocean Literacy Framework.* - The DepEd, 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 economic, socio-cultural, spiritual, scientific, and political importance/significance of the ocean to humankind in general and the Filipinos in particular;
- (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. 33. *Archipelagic Sea Lanes.* - The President of the Philippines shall designate sea lanes and air routes thereabove, 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 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. 34. *Role of Local Government Units.* - Cities and municipalities shall continue to exercise jurisdiction over municipal waters, pursuant to RA 7160, otherwise known as the "Local Government Code of 1991", as amended, and RA 8550, as amended subject to the jurisdiction and authority of national government agencies as stated in the provisions of special laws as the case may be. Consistent with this mandate, LGUs shall act as the frontline agencies in the formulation, planning, and implementation and enforcement of the law of IMCAM in their respective jurisdictions. The LGUs shall integrate the National Maritime Spatial Plan in their Comprehensive Development and Annual Investment Plans.

SEC. 35. *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. 36. *Joint Congressional Oversight.* - For the effective implementation of this Act, a Joint Congressional Oversight Committee is created, to be known as the Blue Economy Oversight Committee, which 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. 37. *Appropriations.* - The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the Office of the President. Thereafter, such amount shall be included in the annual General Appropriations Act.

SEC. 38. *Implementing Rules and Regulations.* - The Council shall issue the necessary rules and regulations to efficiently carry out the provisions of this Act within sixty (60) days from its effectivity.

SEC. 39. *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. 40. *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. 41. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,