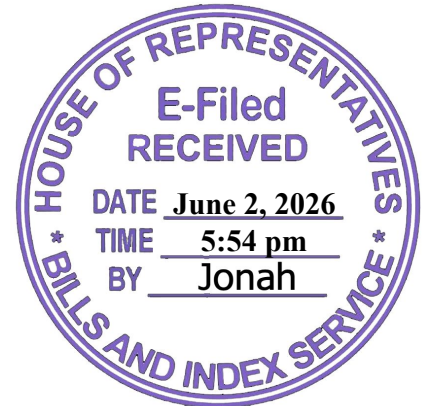




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH (20TH) CONGRESS
First Regular Session

HOUSE BILL NO. 9688



Introduced by KAMANGGAGAWA Partylist
Representative **ELIJAH R. SAN FERNANDO**

EXPLANATORY NOTE

The Constitution unequivocally recognizes the vital role of the people in governance and mandates the State to uphold transparency, accountability, social justice, environmental protection, and the participation of citizens in matters affecting their lives and welfare. Article II, Section 23 declares that the State shall “*encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation,*” while Article XIII, Section 16 further provides that the “*right of the people and their organizations to effective and reasonable participation at all levels of social, political, and economic decision-making shall not be abridged.*” Complementing these constitutional guarantees are the State policies under Article II promoting full public accountability, the protection of labor, and the preservation of a balanced and healthful ecology for present and future generations.

These constitutional principles are especially significant in the governance and administration of the Freeport Area of Bataan (FAB), which has emerged as one of the country’s major industrial, logistics, and investment hubs under Republic Act No. 9728, otherwise known as the “*Freeport Area of Bataan (FAB) Act of 2009,*” as amended by Republic Act No. 11453. Through these laws, the Authority of the Freeport Area of Bataan (AFAB) has been vested with broad regulatory, administrative, developmental, and quasi-governmental powers intended to accelerate economic growth, attract investments, and strengthen industrial development in the Province of Bataan.

While these expanded powers are intended to advance national development, they likewise heighten the need for stronger democratic safeguards, meaningful community participation, and institutional accountability. Large-scale industrial and infrastructure projects within economic zones often generate profound social, environmental, and economic consequences for workers, local communities, fisherfolk, informal settlers, and Indigenous Peoples. In the absence of effective transparency and participatory mechanisms, development projects may lead to displacement, labor exploitation, environmental degradation, social conflict, and erosion of public trust. Worse, communities directly affected by such projects are frequently excluded from decision-making processes despite bearing the long-term consequences of these developments.

At present, there remains no comprehensive statutory mechanism within the FAB governance framework that institutionalizes the participation of civil society organizations, affected communities, labor groups, and other stakeholders in project review, monitoring, and grievance redress. Existing laws primarily focus on expanding the administrative and regulatory powers of the AFAB without establishing corresponding participatory structures capable of ensuring that development remains equitable, transparent, and socially accountable. Consequently, consultations are often discretionary, monitoring mechanisms are fragmented, and grievance systems remain inaccessible or inadequate for ordinary citizens and workers.

This measure seeks to address these longstanding gaps by institutionalizing participatory governance, transparency mechanisms, and community accountability systems within the FAB. Central to this reform is the recognition that people's participation is not merely symbolic consultation but an essential component of democratic governance and sustainable economic development. When communities are given meaningful opportunities to participate in decisions affecting their livelihoods, land, environment, and welfare, development becomes more stable, inclusive, and legitimate.

Ultimately, this measure recognizes that genuine development cannot be measured solely by investment inflows or infrastructure expansion. Economic growth that excludes workers, disregards community welfare, weakens environmental protections, or silences public participation cannot be considered sustainable or just. Development must be people-centered, transparent, and accountable to those whose lives are directly affected by it.

By institutionalizing participatory governance mechanisms within the FAB, this bill seeks to balance economic development with social justice, environmental

stewardship, labor protection, and democratic accountability. It affirms the constitutional principle that governance must remain accountable to the people and that those most affected by development must never be excluded from decisions shaping their future.

In solidarity with the working class, the passage of this bill is earnestly sought.



ELIJAH R. SAN FERNANDO
Representative
KAMANGGAGAWA PARTYLIST



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HOUSE BILL NO. 9688

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AN ACT
STRENGTHENING TRANSPARENCY, ACCOUNTABILITY, PEOPLE'S
PARTICIPATION, COMMUNITY MONITORING, AND LOCAL REVENUE
SHARING IN THE FREEPORT AREA OF BATAAN, ENHANCING
PARTICIPATORY GOVERNANCE AND COMMUNITY SAFEGUARDS,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 9728, AS AMENDED BY
REPUBLIC ACT NO. 11453, OTHERWISE KNOWN AS THE "FREEPORT AREA OF
BATAAN (FAB) ACT OF 2009"

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

SECTION 1. Section 4 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

"SEC. 4. Governing Principles.— The FAB shall be managed and operated under the following principles:

"x x x

"(J) THE GOVERNANCE, ADMINISTRATION, DEVELOPMENT, REGULATION, AND OPERATION OF THE FAB SHALL BE GUIDED BY THE PRINCIPLES OF TRANSPARENCY, ACCOUNTABILITY, MEANINGFUL PEOPLE'S PARTICIPATION, ENVIRONMENTAL STEWARDSHIP, SOCIAL JUSTICE, AND RESPECT FOR THE RIGHTS OF AFFECTED COMMUNITIES, WORKERS, AND

INDIGENOUS PEOPLES: *PROVIDED*, THAT NO MAJOR PROJECT SHALL BE APPROVED OR IMPLEMENTED UNLESS THE DISCLOSURE, CONSULTATION, MONITORING, AND GRIEVANCE MECHANISMS PROVIDED UNDER THIS ACT AND ITS IMPLEMENTING RULES AND REGULATIONS HAVE BEEN SUBSTANTIALLY COMPLIED WITH."

SECTION 2. Section 6 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

"SEC. 6. *Imposition of a Tax Rate of ~~[Five]~~ SIX Percent ([5]6%) on Gross Income Earned.* — No taxes, local and national, shall be imposed on registered business establishments operating within the FAB. In lieu thereof, and subject to Section 10 of this Act, said business establishments shall pay a ~~[five]~~ SIX percent ([5]6%) final tax on their gross income earned in the following percentages:

"(a) One per centum (1%) to the National Government;

"(b) One per centum (1%) to the Province of Bataan;

"(c) One per centum (1%) to the host city/ municipality; ~~[and]~~

"(D) ONE PER CENTUM (1%) TO THE HOST BARANGAY WHERE THE ENTERPRISE OR FACILITY IS LOCATED; AND

"~~[(d)]~~(E) Two per centum (2%) to the Authority of the Freeport Area of Bataan."

SECTION 3. Section 13 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

"SEC. 13. *Powers and Functions of the AFAB.* — The AFAB shall have the following functions:

"x x x

"(w) TO ESTABLISH, OPERATE, AND MAINTAIN A TRANSPARENCY AND PUBLIC DISCLOSURE SYSTEM, INCLUDING A PUBLICLY ACCESSIBLE ELECTRONIC TRANSPARENCY DASHBOARD, FOR THE DISCLOSURE OF PROJECT APPLICATIONS, PERMITS, ENVIRONMENTAL

COMPLIANCE CERTIFICATES, MONITORING REPORTS, COMPLIANCE REPORTS, ENFORCEMENT ACTIONS, COMMUNITY BENEFIT AGREEMENTS, AND SUCH OTHER DOCUMENTS AS MAY BE REQUIRED UNDER THIS ACT AND ITS IMPLEMENTING RULES AND REGULATIONS;

“(x) TO INSTITUTIONALIZE A CIVIL SOCIETY ADVISORY PANEL WHICH SHALL PARTICIPATE IN PROJECT REVIEW, POLICY CONSULTATION, MONITORING, AND GRIEVANCE REDRESS WITHIN THE FAB;

“(Y) TO CREATE AND CONSTITUTE A MULTI-STAKEHOLDER MONITORING COMMITTEE FOR EACH MAJOR PROJECT OR GROUP OF RELATED PROJECTS FOR THE PURPOSE OF MONITORING COMPLIANCE WITH ENVIRONMENTAL, SOCIAL, LABOR, RELOCATION, COMMUNITY BENEFIT, AND OTHER LEGAL OBLIGATIONS;

“(Z) TO REQUIRE, AS A CONDITION PRECEDENT TO THE ISSUANCE OF ANY FINAL PERMIT, CERTIFICATE OF REGISTRATION, NOTICE TO PROCEED, OR OTHER AUTHORITY TO COMMENCE GROUND-BREAKING OR CONSTRUCTION, THE PRIOR CONDUCT OF PUBLIC CONSULTATIONS, THE PUBLIC DISCLOSURE OF PROJECT DOCUMENTS FOR A PERIOD OF NOT LESS THAN THIRTY (30) DAYS, AND, WHEN REQUIRED BY LAW, COMPLIANCE WITH FREE, PRIOR, AND INFORMED CONSENT (FPIC) REQUIREMENTS AND THE EXECUTION OF A COMMUNITY BENEFIT AGREEMENT;

“(AA) TO ISSUE COMPLIANCE ORDERS, SUSPEND OR REVOKE PERMITS, REGISTRATIONS, LICENSES, CLEARANCES, INCENTIVES, OR OTHER PRIVILEGES, AND TO ISSUE STOP-WORK ORDERS, AFTER DUE NOTICE AND HEARING, FOR MATERIAL VIOLATIONS OF THIS ACT, ITS IMPLEMENTING RULES AND REGULATIONS, OR CONDITIONS IMPOSED BY THE AFAB: PROVIDED, THAT IN CASES OF IMMINENT DANGER TO LIFE, HEALTH, SAFETY, OR THE ENVIRONMENT, THE AFAB MAY ISSUE A TEMPORARY STOP-WORK ORDER EFFECTIVE IMMEDIATELY, SUBJECT TO CONFIRMATION IN ACCORDANCE WITH THE IMPLEMENTING RULES AND REGULATIONS;

"~~(w)~~(AB) To exercise such powers as may be essential, necessary or incidental to the powers granted to it hereunder as well as those that shall enable it to carry out, implement and accomplish the purposes, objectives and policies of this Act; and

"~~(x)~~(AC) To be vested with other powers enjoyed or exercised by other freeport zone authorities."

SECTION 4. Section 14 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

"SEC. 14. *Board of Directors of the [FAB] AFAB.* — The powers of the AFAB shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, which shall be composed of the following:

"x x x

"(c) Members consisting of:

"x x x

"(6) One (1) representative from the AFAB-registered foreign investors; ~~[and]~~

"(7) One (1) representative from the workers working in the FAB[:];
AND

"(8) ONE (1) REPRESENTATIVE FROM A DULY REGISTERED CIVIL SOCIETY ORGANIZATION (CSO) OPERATING WITHIN THE FAB, PARTICULARLY IN THE FIELD OF COMMUNITY DEVELOPMENT, LABOR, ENVIRONMENTAL PROTECTION, OR GOOD GOVERNANCE.

"x x x."

SECTION 5. Section 15 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

“SEC. 15. Powers and Duties of the Administrator.— The administrator shall have the following powers and duties:

“x x x

“(d) To submit within thirty (30) days after the close of each fiscal year an annual report to the Board and such other reports as may be required, INCLUDING REPORTS ON PUBLIC DISCLOSURE, CONSULTATIONS CONDUCTED, GRIEVANCES RECEIVED AND RESOLVED, COMPLIANCE ACTIONS TAKEN, MONITORING ACTIVITIES, AND THE STATUS OF COMMUNITY BENEFIT AGREEMENTS;

“x x x

“(f) To create a mechanism in coordination with relevant agencies for the promotion of industrial peace, the protection of the environment, and the advancement of the quality of life in the FAB; [and]

“(g) TO ESTABLISH AND MAINTAIN ACCESSIBLE GRIEVANCE REDRESS MECHANISMS, INCLUDING BARANGAY-LEVEL OR COMMUNITY-ACCESSIBLE GRIEVANCE DESKS, WITH PRESCRIBED TIMELINES FOR RESPONSE, RESOLUTION, ESCALATION, AND PUBLIC REPORTING; AND

[(g)](H) To perform such other duties as may be assigned to him by the Board or which are necessary or incidental to his office.”

SECTION 6. New sections 15-A, 15-B, 15-C, and 15-D are hereby inserted between Sections 15 and 16 of Republic Act No. 9728, as amended, to read as follows

“SEC. 15-A. PUBLIC DISCLOSURE AND CONSULTATION REQUIREMENTS. — THE AFAB AND EVERY PROPONENT OF A MAJOR PROJECT SHALL COMPLY WITH THE FOLLOWING REQUIREMENTS:

“(A) AT LEAST THIRTY (30) DAYS BEFORE THE ISSUANCE OF ANY FINAL PERMIT, CERTIFICATE OF REGISTRATION, NOTICE TO PROCEED, OR AUTHORITY TO COMMENCE CONSTRUCTION, THE AFAB AND THE PROJECT PROPONENT SHALL PUBLICLY DISCLOSE THE PROJECT PROFILE, SITE LOCATION, TECHNICAL

DESCRIPTION, ENVIRONMENTAL AND SOCIAL IMPACT DOCUMENTS, PROPOSED MITIGATION MEASURES, RELOCATION PLANS, EMPLOYMENT PROJECTIONS, AND DRAFT COMMUNITY BENEFIT AGREEMENT, IF APPLICABLE;

“(B) THE DISCLOSURE REQUIRED UNDER THIS SECTION SHALL BE MADE AVAILABLE THROUGH THE OFFICIAL WEBSITE OF THE AFAB, THE TRANSPARENCY DASHBOARD, AND CONSPICUOUS PHYSICAL POSTING IN THE AFFECTED BARANGAYS, MUNICIPALITY, CITY, OR OTHER ACCESSIBLE PUBLIC LOCATIONS;

“(C) THE AFAB SHALL CONDUCT NOT LESS THAN ONE (1) MEANINGFUL PUBLIC CONSULTATION IN THE AFFECTED COMMUNITY PRIOR TO THE APPROVAL OF ANY MAJOR PROJECT; AND

“(D) MINUTES OF CONSULTATIONS, WRITTEN COMMENTS RECEIVED, AND THE WRITTEN RESPONSES OF THE AFAB OR THE PROJECT PROPONENT SHALL BE MADE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE IMPLEMENTING RULES AND REGULATIONS;

“FOR THE PURPOSES OF THIS ACT, A MAJOR PROJECT’ IS DEFINED AS ANY PROJECT, ACTIVITY, UNDERTAKING, OR DEVELOPMENT WITHIN THE FAB OR ITS EXPANSION AREAS WHICH, DUE TO ITS SCALE, LOCATION, NATURE, OR IMPACT, MAY RESULT IN DISPLACEMENT, LAND CONVERSION, RECLAMATION, ENVIRONMENTAL ALTERATION, SUBSTANTIAL SOCIAL IMPACT, OR SIGNIFICANT EFFECTS ON THE SURROUNDING COMMUNITY, AS MAY BE DETERMINED BY THE AFAB IN ITS IMPLEMENTING RULES AND REGULATIONS;

“NO FINAL PERMIT, NOTICE TO PROCEED, OR AUTHORITY TO COMMENCE CONSTRUCTION SHALL BE ISSUED ABSENT COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION.

“SEC. 15-B. *CIVIL SOCIETY ADVISORY PANEL.* — THERE IS HEREBY CREATED A CIVIL SOCIETY ADVISORY PANEL UNDER THE AFAB. THE PANEL SHALL BE COMPOSED OF REPRESENTATIVES FROM DULY

ACCREDITED CIVIL SOCIETY ORGANIZATIONS, AFFECTED COMMUNITIES, LABOR, WOMEN, YOUTH, ACADEME, AND, WHEN APPLICABLE, INDIGENOUS PEOPLES, AS MAY BE PROVIDED IN THE IMPLEMENTING RULES AND REGULATIONS. THE PANEL SHALL HAVE THE FOLLOWING FUNCTIONS:

“(A) TO REVIEW AND PROVIDE RECOMMENDATIONS ON MAJOR PROJECTS, POLICIES, PERMITS, AND COMPLIANCE MATTERS;

“(B) TO PARTICIPATE IN MONITORING ACTIVITIES AND CONSULTATIONS;

“(C) TO RECEIVE, DOCUMENT, AND REFER COMMUNITY GRIEVANCES OR OBSERVATIONS TO THE AFAB AND THE CONCERNED PROJECT PROPONENT;

“(D) TO RECOMMEND CORRECTIVE ACTIONS, FURTHER CONSULTATIONS, OR MITIGATION MEASURES; AND

“(E) TO REQUIRE WRITTEN RESPONSES FROM THE AFAB OR PROJECT PROPONENT ON MATTERS RAISED BY THE PANEL WITHIN THE PERIOD PRESCRIBED IN THE IMPLEMENTING RULES AND REGULATIONS.”

“SEC. 15-C. MULTI-STAKEHOLDER MONITORING COMMITTEE. — FOR EVERY MAJOR PROJECT, THE AFAB SHALL CREATE A MULTI-STAKEHOLDER MONITORING COMMITTEE COMPOSED OF REPRESENTATIVES FROM THE AFAB, THE CONCERNED LOCAL GOVERNMENT UNIT OR UNITS, RELEVANT NATIONAL GOVERNMENT AGENCIES, THE CIVIL SOCIETY ADVISORY PANEL, THE PROJECT PROPONENT, AND SUCH OTHER REPRESENTATIVES AS MAY BE NECESSARY. THE MSMC SHALL HAVE THE FOLLOWING FUNCTIONS:

“(A) TO CONDUCT SITE VISITS, REVIEW REPORTS, AND VERIFY COMPLIANCE WITH PROJECT CONDITIONS, LEGAL REQUIREMENTS, AND COMMUNITY BENEFIT COMMITMENTS;

“(B) TO MONITOR ENVIRONMENTAL, SOCIAL, LABOR, RELOCATION, AND COMMUNITY IMPACT INDICATORS;

“(C) TO RECOMMEND CORRECTIVE ACTIONS, COMPLIANCE MEASURES, OR TIME-BOUND REMEDIAL PLANS;

“(D) TO RECOMMEND THE ISSUANCE OF STOP-WORK ORDERS, SUSPENSION, OR OTHER ENFORCEMENT ACTIONS FOR SUBSTANTIAL NON-COMPLIANCE; AND

“(E) TO SUBMIT PERIODIC PUBLIC REPORTS TO THE AFAB BOARD AND THE AFFECTED COMMUNITIES.”

“SEC. 15-D. *COMMUNITY BENEFIT AGREEMENTS*. — NO MAJOR PROJECT SHALL COMMENCE GROUND-BREAKING OR CONSTRUCTION WITHOUT A DULY EXECUTED COMMUNITY BENEFIT AGREEMENT. THE COMMUNITY BENEFIT AGREEMENT SHALL INCLUDE, AT A MINIMUM:

“(A) LOCAL HIRING AND SKILLS DEVELOPMENT COMMITMENTS;

“(B) LIVELIHOOD, LOCAL PROCUREMENT, AND MSME PARTICIPATION MEASURES;

“(C) RELOCATION, RESETTLEMENT, OR HOUSING SAFEGUARDS, WHEN APPLICABLE;

“(D) ENVIRONMENTAL MITIGATION, REHABILITATION, AND MONITORING COMMITMENTS;

“(E) GRIEVANCE REDRESS AND COMMUNITY FEEDBACK MECHANISMS;

“(F) MONITORING INDICATORS, REPORTING SCHEDULES, AND REMEDIES FOR BREACH; AND

“(G) SUCH OTHER COMMUNITY DEVELOPMENT OR SOCIAL PROTECTION MEASURES AS MAY BE REQUIRED BY THE AFAB.

“ANY MATERIAL BREACH OF THE COMMUNITY BENEFIT AGREEMENT MAY BE A GROUND FOR THE SUSPENSION, REVOCATION, OR NON-RENEWAL OF THE PROJECT’S PERMITS,

REGISTRATIONS, LICENSES, OR INCENTIVES, SUBJECT TO DUE PROCESS.”

SECTION 7. Section 26 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

“SEC. 26. *Interpretation/Construction.* — The powers, authorities and functions that are vested in the AFAB are intended to establish decentralization of governmental functions and authority and promote an efficient and effective working relationship between the AFAB, the National Government, **[and] the LGU[;], AND THE AFFECTED COMMUNITIES.”**

SECTION 8. Section 29 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

SEC. 29. Implementing Rules and Regulations. — The ~~[DTI, the DOF, the LGU and the Department of the Interior and Local Government]~~ **BOARD** shall, **IN CONSULTATION WITH THE DTI, DOF, DENR, DOLE, CONCERNED LOCAL GOVERNMENT UNITS, CIVIL SOCIETY ORGANIZATIONS, PEOPLE’S ORGANIZATIONS, AND OTHER RELEVANT STAKEHOLDERS,** formulate the implementing rules and regulations of this Act within ninety (90) days after its approval. Such rules and regulations shall take effect fifteen (15) days after their publication in a newspaper of general circulation in the Philippines.”

SECTION 9. Section 32 of Republic Act No. 9728, as amended, is hereby further amended to read as follows:

“SEC. 32. *Repealing Clause.* – Proclamation No. 740, as amended by Proclamation No. 900 and Presidential Decree No. 545, insofar as these laws convey the balance of the public land mentioned therein in favor of the GSIS and the SSS, and mandate said agencies to develop the land for construction of housing units and/or condominium houses, are hereby repealed.

“All other laws, **CHARTERS**, decrees, executive orders, **ADMINISTRATIVE ORDERS, ISSUANCES**, rules and regulations or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.”

SECTION 10. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the remaining parts or provisions hereof not affected thereby shall remain in full force and effect.

SECTION 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication, in English and Filipino, in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,