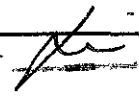

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EXPLANATORY NOTE

The country has a total territorial water area of 2,200,000 square kilometer, with the coastline measuring 17,460 kilometers, while the coastal area stretches to 266,00 square kilometers.

As of 2008, fisheries contribution to the total Gross Domestic Product of the country amounted to 2.3% (at current prices).

Based on the data from the Bureau of Fisheries and Aquatic Resources (BFAR), the total fish and fish product intake amounted to 11.7%, based on a-mean one-day per capita food consumption.

This is evident of the fact that fish product is one of the main food sources of the Filipino families.

It is however alarming that there is a diminishing supply of aquatic resources in the country today. In an article entitled "Development of a Mariculture Park" written by Mr. Wilfredo G. Yap, Executive Vice-President of the Society of Aquaculture Engineers in the Philippines, Inc. (SAEP), he reported that:

"Coastal or municipal fisheries in the Philippines have reached the point of diminishing returns. More and more fishers are chasing after less and less fish. While it is posted a growth of 3.1% in 1999, this cannot be attributed to increased fish resources in municipal waters. In 1997, an El Nino year, municipal landing increased by 3.65% but fell abruptly by 5.45% in 1998, a La Nina year. Over-all municipal fisheries have declined at the average rate of 2.66% since 1992 (All figures are derived from BFAR, 2000).

Thus the need to reduce fishing pressure to allow the fish resources to recover remains crucial. Encouraging municipal fishers to shift to other means of livelihood will be one way of doing so, and aquaculture, specifically sea-based aquaculture, beckons as one such alternative. The culture of fish or other marine organism in the sea will mean giving fishers a livelihood involving the production of the very same commodity, and in the very same environment, that they are already familiar with. It can be considered a most logical choice."

Fish farming or mariculture park is a fishing concept introduced in the country in 2004. It operates like industrial parks where investors set up fish cages to breed high value marine species like bangus, siganids and seaweeds.

There are currently 40 mariculture parks established in the country. Of this number, the Visayas has the highest number at 16, followed by Mindanao, 13, and 11 in Luzon, according to BFAR Director Malcolm Sarmiento.

Republic Act 8550, otherwise known as The Philippine Fisheries Code of 1998 has provided the foundation of mariculture operations in the country. However, there is no existing national program on mariculture.

Hence, this bill proposes the formulation of the National Mariculture Program, with the end goals of providing security of food for our countrymen, steady livelihood to the fisherfolk, and sustaining an ecologically-balanced aquatic environment.

There is an urgent need to replenish the decreasing volume of fish in Philippine waters. Mariculture is the best alternative option in attaining this objective.

Let us bring back the treasure of the seas. Aquaculture development will greatly contribute to cultivate fishery production.

In view of thereof, the passage of this bill is earnestly requested.



FERDINAND R. MARCOS, JR

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES) .
First Regular Session)

SECRET
OFFICE OF THE SECRETARY

SENATE

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S.B. NO. 2526

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**AN ACT ESTABLISHING THE NATIONAL MARICULTURE PROGRAM, AND
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

SECTION 1. Title. – This Act shall be known as “The National Mariculture Program of 2010”.

SECTION 2. Declaration of Policy. – The State shall ensure food security to everyone, utilizing and developing the country’s natural wealth, and shall protect the aquatic resources as valuable food reserve. Toward this end, the State shall ensure the utmost protection of the country’s marine environment, while optimizing its potential contribution to food security.

Likewise, the State shall uphold the rights and interests of the Filipino fisherfolk and they shall be given preferential use of the marine and fishing resources in the country.

To this end, there shall be a comprehensive program on marine technology and research, financial and marketing assistance, and other services for the benefit of the fisherfolk and the local communities.

SECTION 3. National Mariculture Program. – The National Government, through the BFAR, shall undertake a National Mariculture Program, guided by the following objectives:

1. Promotion of mariculture as major source of livelihood for the fishermen;
2. The identification and establishment of mariculture parks in suitable areas in the country;
3. Increase socio-economic growth and ensure food security through mariculture industry;
4. Conservation, protection and preservation of the aquatic environment conducive to fisheries, species management, and mariculture investment;
5. Development of technical skills for fishermen to sustain the mariculture industry;
6. Provide appropriate infrastructure and equipment for favorable investment climate, and post-harvest technology.
7. Provide stakeholders easy access to lending institutions.

SECTION 4. Definition of Terms. As used in this Code, the following terms shall mean as follows:

1. Mariculture –is designed to produce fish through sea cages , to grow high value marine species, such as bangus, siganids, seaweeds, oysters, mussels, red snappers, groupers and other related species.

2. **Mariculture Park or Zone** – refers to duly designated fishery areas where mariculture is undertaken.
3. **SEAFDEC** – refers to the Southeast Asian Fisheries Development Center, an intergovernmental organization established for the purpose of sustaining fishery development in the Southeast Asian Region.

SECTION 5. Mariculture Development Parks and Zone. Subject to the limitations set forth under Sections 20 and 22 of Republic Act 8550, otherwise known as The Philippine Fisheries Code of 1988, and Section 149 of Republic Act 7160, otherwise known as The Local Government Code of 1991, the concerned officials of the local government unit shall supervise the establishment of mariculture parks and zones in duly designated areas located within the municipal waters. In case of waters located outside municipal waters, the Department of Agriculture (DA) shall designate and supervise the respective mariculture area.

The technical, social, economic viability and sustainability, as well as the environmental protection, shall be taken into consideration in selecting an area for a mariculture parks or zone.

For this purpose, the province, city or municipality shall enter into a Lease Agreement with the registered fisherfolk or fisherfolk cooperative as well as private investors, where the terms and conditions, as well as profit sharing, are specified therein.

However, the BFAR shall provide a ceiling for rents to locators, in consultation with the sangguniang concerned, taking into consideration its affordability to ordinary fisherfolks and the viability for its continued operation. In granting lease proposals by the local government unit, preference shall be given to local fisherfolks.

SECTION 6. Ownership of Mariculture Parks. Unless the mariculture park is established by private individual or corporation, the ownership of the park shall belong to the municipal or city which has jurisdiction over the area. If the park is established outside the municipal waters or within the territorial jurisdiction of two or more cities or municipalities, the ownership shall belong to the provincial government which has jurisdiction over the area. If the area is within the territorial jurisdiction of two or more provinces, the concerned provinces shall enter into a Joint Venture Agreement where the issue of ownership dispute shall be amicably settled.

SECTION 7. Mariculture Zone Advisory Council. The Mariculture Zone Advisory Council is hereby created which shall be composed of the following:

1. Representative from the BFAR with a rank equivalent to a Director as Chairman;
2. The City or Municipal Agriculturist, or in the absence thereof, the Provincial Agriculturist as Vice Chairman;
3. A representative from the registered Fisherfolk organization or cooperative;
4. A representative from the private business sector directly involved with Mariculture Zone.

All the above-mentioned members of the Advisory Council, and not their respective proxies, shall be required to attend all council meetings.

SECTION 8. Functions of the Mariculture Zone Advisory Council. The Mariculture Zone Advisory Council shall have the following functions:

1. To operate, administer, manage and develop the Mariculture Zone according to the principles set forth in this Act;
2. To register, regulate, supervise the enterprises in the Mariculture Zone in an efficient and decentralized manner;
3. To exercise general supervision over the development, plans, activities and operations of the Mariculture Zone;
4. To ensure that all revenues of the Mariculture Zone are properly collected and remitted to the local government unit.

SECTION 9. Mooring Spaces. Grant of Mariculture Zone areas shall be based on mooring spaces to ensure that usage of area-space for seacage farming is solely based on the granted space as provided. Granted mooring spaces not developed/installed with cage within 6 months will be forfeited and awarded to other applicants. The BFAR shall prescribe the guidelines in installation of sea cages.

SECTION 10. Support Infrastructures. To make the mariculture park and zone more convenient and useful to potential investors, there shall be support infrastructures such as, but not limited to floating, guardhouses, an onshore feed warehouse, an shore net mending and drying shed, a pier where small crafts can dock safely and a small ice plant or an insulated ice house.

In addition to the physical infrastructure, socio-economic infrastructure shall likewise be placed in order to ensure the success of the mariculture park and zone.

SECTION 11. Aquaculture Technical Assistance and Training to Local Government Units, Fisherfolk Cooperatives/Associations, Non-Government Organizations. The SEAFDEC, through its Aquaculture Department, shall provide technical assistance, training and marketing support to local government units, coastal fishermen, fisherfolk cooperatives/associations, and non-government organizations with respect to the establishment, utilization and management of mariculture system in their respective jurisdictions. The SEAFDEC shall closely coordinate with the concerned stakeholders for this purpose.

SECTION 12. Private Sector as Economic Partners. Private individual investors or enterprises shall, as far and practicable, be encouraged to take an active role in establishment, utilization and management of mariculture system. Qualified private investors or entrepreneurs shall coordinate with the concerned local government officials, local fishing community and appropriate government agencies, for this purpose.

SECTION 13. Financing Scheme. The LandBank of the Philippines (LBP) shall provide financial or loan assistance to registered fisherfolk organizations/cooperatives for the construction of the fish cage and to finance the initial stocks and feeds.

The LBP shall issue guidelines on the scheduled annual payments of the loan. It shall ensure however, that whenever practicable, it shall reduce the interest rate and/or reduce the principal obligation to make the repayment affordable for the fisherfolk.

The LBP shall render quarterly reports on the disbursement of funds for the National Mariculture Program.

SECTION 14. Continuing Research and Development. The BFAR shall conduct continuing research and development as well as application of technological advancements in mariculture industry.

A one-hectare Research and Development area shall be designated within a province, city or municipality for the conduct of research and demonstration activities as well as a venue for the manpower capability trainings in the mariculture zone. This area shall be jointly managed by the LGU and BFAR.

SECTION 15. Monitoring and Evaluation. – The DA shall monitor the implementation of Research and Development programs and mariculture projects. The BFAR shall review all existing mariculture parks and zones every four (4) years, to determine their viability or effectiveness. The BFAR shall employ the services of independent evaluators to assess the over-all impact of the country's mariculture development. A quarterly Performance Evaluation issued by independent evaluators shall be submitted to the BFAR for this purpose.

SECTION 16. Appropriations. The initial amount of Five Hundred Million Pesos is hereby appropriated to effectively carry out the provisions of this Act during the first year of implementation. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the succeeding General Appropriations Act.

SECTION 17. Identification of Mariculture Areas. Within six (6) months from the effectivity of this Act, the BFAR shall identify the local government units which have potential areas for the establishment of mariculture parks. Provided that, not later than one year from the effectivity of this Act, the BFAR, in coordination with the local government units concerned, shall complete the blueprint of each mariculture park in the said identified areas.

SECTION 18. Annual Report.- The DA, through the BFAR, shall render an annual report to Congress on the accomplishment of the program. A review on the viability of the program, which includes a complete list of the areas suitable for establishment of mariculture parks in the country with their respective feasibility study, shall be made by the concerned agencies after three (3) years of its implementation.

SECTION 19. Information Campaign. The BFAR shall undertake intensive public information campaign within three (3) months from the effectivity of this Act.

SECTION 20. Implementing Rules and Regulations.- The DA, through the BFAR, together with the Department of Interior and Local Government(DILG) and the representatives of the League of Provinces, League of Cities, and League of Municipalities, shall adopt rules and regulations necessary to implement the provisions of this Act within ninety (90) days from the effectivity thereof.

SECTION 21. Separability Clause- If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SECTION 22. Repealing Clause.—All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 23. Effectivity.— This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation or in the Official Gazette, whichever comes first.

Approved.