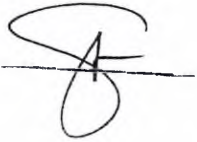




Senate
Office of the Secretary

**NINETEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
First Regular Session]**

'22 AUG -8 A10 :08

RECEIVED BY: 

SENATE

S.B. No. 1055

Introduced by SEN. WIN GATCHALIAN

**AN ACT
CREATING THE PHILIPPINE RISE DEVELOPMENT AUTHORITY,
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

One of the greatest blessings bestowed upon the Filipino people is the abundance of ecological diversity and natural wealth found throughout the islands and seas of the Philippines. Unfortunately, despite the best efforts of many in advocating for the preservation and responsible development of these rich natural resources, our country's natural wealth has continually declined due to unjust exploitation and, at times, pure negligence.

Since the beginning, the Philippine scientific community and the Government of the Republic of the Philippines have worked hand-in-hand to establish and solidify our claim to sovereign rights over the Philippine Rise and the waters surrounding it. After 11 long years of scientific research and international legal advocacy, the United Nations Commission on the Limits of the Continental Shelf finally approved the claim of the Philippines in 2012 and recognized our sovereign rights over 13 million hectares of the Philippine Rise region as part of the Philippine Extended Continental Shelf. With 11.4 million hectares of the Rise already falling within our Exclusive Economic Zone, this brought the entire 24.4 million hectares of the Rise under our jurisdiction.

Truly, the Philippines has been made richer by its successful claim over the Philippine Rise. The reefs and varieties of fish found in the shallower Benham Bank, and throughout the entire Philippine Rise region, are important for their contributions to marine biodiversity. This is significant not only for ecological purposes, but also for bioprospecting. Meanwhile, the large volume of various tuna species found in the region showcases a huge potential for commercial fishing as well.

Last, but certainly not least, the seabed of the Philippine Rise holds a potentially massive treasure trove of rare and precious mineral resources, the most impactful of which may be methane gas hydrates which are composed of natural gas encased in ice and usually found deep under the ocean in the seabed. They are highly touted for their potential as the so-called "fuel of tomorrow".

This measure takes a responsible, proactive, and forward-looking approach to developing the natural resources of the Philippine Rise by establishing the institutional mechanism needed to facilitate a coordinated and integrated approach to optimizing the full potential of the Philippine Rise, while conserving its ecology and resources for the benefit of future generations. This institutional mechanism comes in the form of the Philippine Rise Development Authority (PRDA) - a coordinating, policymaking, and regulatory body which will serve as a sort of "one-stop-shop" for everything concerning the Philippine Rise. The 15-member Board of the PRDA will be chaired by the President of the Philippines and will include representatives from pertinent cabinet departments and technical agencies. The numerous areas of interest to be covered by the PRDA - policy formulation and advocacy, coordination and support for scientific research and exploration, environmental protection, and investments promotions - backs up the necessity of its creation.

This is a forward-looking piece of legislation that creates this institutional mechanism now, while the Philippine Rise remains pristine and undeveloped, so that we will be prepared to meet threats of ecological degradation and irresponsible development when they present themselves in later years.

However, on May 16, 2022, it was reported¹ there were foreign incursions in the Philippine Rise, and that the Department of Foreign Affairs was set to file a diplomatic protest over such actions.

In view of the foreign interest lurking around the corner, which threatens once again the sovereign rights of the Philippines over our natural resources, and in this case, over our definite territory, the immediate passage of this bill is earnestly sought, as the creation of the PRDA is a definite exercise of Philippine jurisdiction over our extended continental shelf.



WIN GATCHALIAN

¹ Philippine Daily Inquirer. "DFA to protest incursions in Philippine Rise, says Palace." <https://globalnation.inquirer.net/203038/dfa-to-protest-incursions-in-philippine-rise-says-palace#ixzz7W3dJVMXE>



**NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session

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**AN ACT
CREATING THE PHILIPPINE RISE DEVELOPMENT AUTHORITY,
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES**

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

1 SECTION 1. *Short Title.* - This Act shall be known as the "Philippine Rise
2 Development Authority Act" or "PRDA Act".

3

4 SEC. 2. *Declaration of Policy.* - It is hereby declared a policy of the State
5 to tap and accelerate the sound management and sustainable development of
6 the Philippine Rise, particularly on its potential to be a rich source of alternative
7 energy and marine resources, and as a possible tourism destination. Towards
8 this end, an effective institutional mechanism with due regard to the
9 precautionary principle, as well as ecosystem-based and science-based
10 approaches, shall be established to address the need for a coordinated and
11 integrated approach in the formulation and implementation of various
12 development plans, programs, and projects that will optimize the full potential
13 of the Philippine Rise while conserving its ecology and resources for the benefit
14 of future generations.

1 SEC. 3. *Creation of the Philippine Rise Development Authority.* – There
2 is hereby created a body corporate to be known as the Philippine Rise
3 Development Authority, hereinafter referred to as the Authority, which shall
4 promote, coordinate and facilitate the active and extensive participation of all
5 sectors to effect the exploration, study, and development, as well as the
6 conservation and protection, of the natural resources within the Philippine Rise.

7 The Authority shall also be the lead agency in conducting scientific
8 research and exploration and shall secure the rights of the State over the area.
9 Explorations must be done in partnership with the Department of Environment
10 and Natural Resources - Biodiversity Management Bureau (DENR-BMB),
11 Department of Agriculture - Bureau of Fisheries and Aquatic Resources (DA-
12 BFAR), and academic institutions with the necessary competence to conduct
13 rigorous and comprehensive studies in the Philippine Rise area.

14 The Authority shall be organized within one hundred eighty (180) days
15 after the approval of this Act. It shall have a term of fifty (50) years from its
16 organization and may be renewed for another fifty (50) years, unless otherwise
17 provided by law. It shall be an attached agency to the Office of the President.

18 It shall establish its first office in the Aurora Pacific Economic and
19 Freeport Zone and may put up such other offices as may be necessary to
20 achieve the objectives of this Act.

21

22 SEC. 4. *Coverage.* - The PRDA shall cover all natural resources located
23 in the undersea feature known as the Philippine Rise Region, within the
24 Philippine exclusive economic zone and continental shelf, as well as the outer
25 limits of the extended continental shelf pursuant to the recommendations of
26 the Commission on the Limits of the Continental Shelf (CLCS) issued on April
27 12, 2012, and bounded by the coordinates 12°30'N to 20°30'N latitude and
28 122°30'E to 129°30'E longitude, excluding the fifteen-kilometer municipal
29 waters of adjacent coastal areas.

30

1 SEC. 5. *Powers and Functions of the Philippine Rise Development*

2 *Authority.* - In the exercise of its mandate, the Authority shall have the following
3 powers and functions:

4 (a) Formulate and advocate national policies that will foster the
5 integrated, balanced, and sustainable development framework for the
6 Philippine Rise that is consistent with the development initiatives of the national
7 government, as far as practicable;

8 (b) Develop, plan, program, prioritize, integrate, and implement,
9 whenever allowed and authorized by applicable laws, programs, projects, and
10 activities at the Philippine Rise;

11 (c) Recommend to or coordinate with the proper government agencies
12 programs, projects, and activities soliciting or requiring their direct or indirect
13 assistance including, but not limited to, technical support and physical
14 assistance for the prioritization of the region's environmental, agricultural,
15 fisheries, marine and non-marine biodiversity, energy, industrial, commercial,
16 infrastructure, tourism, technological, and scientific concerns;

17 (d) Review Philippine Rise programs, projects, and activities by the
18 national government and donor agencies, subject to existing laws, rules, and
19 regulations, for the purpose of ensuring consistency with national policies and
20 plans, as well as monitor, evaluate, and formulate recommendations in the
21 implementation of such programs, projects, and activities;

22 (e) Establish a complete, comprehensive, and integrated database on
23 the Philippine Rise prior to the conduct of any exploration activities, whenever
24 possible. For this purpose, the Authority may coordinate with academic
25 institutions concerned to conduct comprehensive survey and assessment and
26 generate resource map of the Philippine Rise which shall be the underlying
27 foundation for all policy and management decisions;

28 (f) Create an area research plan and coordinate research initiatives and
29 exploration in the Philippine Rise region, establish a repository of research data,
30 and provide incentives for such research and exploration activities;

1 (g) Promote the protection and conservation of important marine
2 biodiversity and fishery resources, including marine genetic resources, which
3 are important for ensuring climate change resiliency and food security;

4 (h) Promote and facilitate public and private investments that would
5 enhance the integrated, balanced, and sustainable development of the
6 Philippine Rise, and explore other sources of financing for priority Philippine
7 Rise related programs, projects, and activities, in close coordination with
8 agencies primarily mandated to undertake such functions;

9 (i) Receive and administer donations, contributions, grants, bequests, or
10 gifts, in cash or in kind, from foreign governments, international agencies,
11 private entities, and other sources, including Official Development Assistance,
12 subject to existing laws, rules, and regulations;

13 (j) Sue and be sued, and as approved by the Board, enter into contracts,
14 acquire, purchase, hold, lease, transfer, or dispose of properties of any kind or
15 nature to carry out the purposes of this Act;

16 (k) Issue clearances, including the necessary rules and standards, for all
17 proposals, plans, programs, projects, or any activity involving the Philippine
18 Rise Region including, but not limited to, marine science research, exploration,
19 and exploitation, whether conducted by Filipino or foreign nationals, in
20 accordance with Sec. 7 of this Act;

21 (l) Request the President of the Philippines and other government
22 agencies for any needed assistance in the enforcement of all applicable laws,
23 rules, and regulations, the exploration and scientific study of the entire region,
24 the sustainable exploitation of its natural bounties, and the protection of
25 national security and national interests, including law enforcement against
26 illegal intruders and poachers; and

27 (m) Discharge such other functions as may be deemed necessary to
28 carry out its mandate under this Act or as may be provided by law.

29 The Authority, through its Administrator, shall submit to the President
30 and both Houses of Congress annual reports on its accomplishments and
31 activities.

1 SEC. 6. *Board of Directors.* - The power of the Authority shall be vested
2 in and exercised by a Board of Directors, hereinafter referred to as the Board,
3 which shall manage and supervise the overall directions and thrusts. It shall be
4 composed of the following:

5 (a) The President of the Philippines who shall act as the Chairperson of
6 the Board;

7 (b) The Administrator of the Philippine Rise Development Authority who
8 shall act as the Vice-Chairperson of the Board;

9 (c) Thirteen (13) other members composed of the following:

10 (1) The NEDA Director-General or the duly authorized representative;

11 (2) The Department of Environment and Natural Resources (DENR)
12 Secretary or the duly authorized representative;

13 (3) The Department of Energy (DOE) Secretary or the duly authorized
14 representative;

15 (4) The Department of Agriculture (DA) Secretary or the duly
16 authorized representative;

17 (5) The Department of Science and Technology (DOST) Secretary or
18 the duly authorized representative;

19 (6) The Department of Finance (DOF) Secretary or the duly
20 authorized representative;

21 (7) The Department of Budget and Management (DBM) Secretary or
22 the duly authorized representative;

23 (8) The Department of National Defense (DND) Secretary or the duly
24 authorized representative;

25 (9) The Department of Foreign Affairs (DFA) Secretary or the duly
26 authorized representative;

27 (10) The Department of Transportation (DOTr) Secretary or the
28 duly authorized representative;

29 (11) The National Coast Watch Council (NCWC) Executive
30 Director or the duly authorized representative;

1 (12) The National Security Council (NSC) National Security
2 Adviser and Director General or the duly authorized
3 representative; and

4 (13) The University of the Philippines (UP) President or the duly
5 authorized representative.

6 The members of the Board shall receive a per diem at a rate to be
7 determined by the Governance Commission for Government Owned or
8 Controlled Corporations (GCG), in accordance with existing rules and
9 regulations: Provided, however, That the per diem collected per month does
10 not exceed the equivalent per diem of four (4) meetings: Provided, further,
11 That the amount of per diem for every Board meeting may be increased by the
12 President or GCG but such amount shall not be increased within two (2) years
13 from its last increase.

14 The Board shall have the following functions:

15 (a) Provide direction and guidance for the Authority's work and thrusts
16 for the Philippine Rise;

17 (b) Ensure that the goals and policies of the Authority are consistent with
18 the overall national development goals and objectives, and that the programs
19 of the Authority are consistent with regional and local development plans,
20 programs, and projects, and vice versa, for purposes of harmonization;

21 (c) Explore sources for financing of priority Philippine Rise plans,
22 programs, projects, and activities;

23 (d) Create committees or task forces as may be deemed necessary in
24 the accomplishment of its functions;

25 (e) Determine schedules, establish voting procedures, criteria for the
26 constitution of a quorum, and other rules and regulations in the conduct of
27 Board meetings;

28 (f) Approve contracts and enter into agreements to carry out the
29 purposes of this Act, except when authority to sign such contracts and/or
30 agreements is vested in a specific government officer or entity; and

1 (g) Perform such other functions as may be necessary to carry out the
2 purposes of this Act.

3

4 SEC. 7. *Issuance of Clearances by the Authority.* - No proposals, plans,
5 programs, projects, or activities involving the Philippine Rise Region including,
6 but not limited to, marine science research, exploration, and exploitation,
7 whether conducted by Filipino and foreign nationals, shall be carried out, nor
8 shall any license or permit be issued in relation to the same, without the
9 clearance of the Authority.

10 The Authority shall issue the necessary clearance for all approved
11 proposals, plans, programs, projects, or activities within twenty (20) calendar
12 days from submission thereof. In cases where the Authority fails to act within
13 the same 20-day period, the submissions shall be deemed approved. Any
14 decision of disapproval by the Authority may be appealed within fifteen (15)
15 calendar days from receipt thereof to the Office of the President whose decision
16 shall be final.

17 The Authority shall issue rules and standards concerning the clearance
18 required under this section: Provided, That, such clearance must be secured
19 before all other permits and/or licenses required under existing and applicable
20 laws shall be issued: Provided, further, That the grant or denial of an application
21 for clearance shall be made on the basis of this Act, other laws and regulations
22 applicable to the Philippine Rise, and the integrated, balanced, and sustainable
23 development framework formulated under Sec. 5(a) of this Act.

24

25 SEC. 8. *Accrual of Revenues and Receipts to the General Fund.* - All
26 revenues and receipts from any and all sources including the government share
27 representing royalties, rentals, production share on service contracts, and
28 similar payments on the development, exploration, and exploitation of energy
29 resources within the Philippine Rise shall be remitted to the National Treasury
30 and shall accrue to the General Fund.

31

1 SEC. 9. *Advisory Panel of Technical Experts.* - The Authority shall
2 constitute an advisory panel of technical experts consisting of practitioners in
3 disciplines that are related to oil and gas extraction and processing,
4 hydrography, marine ecology, surveying, hydrology, including, but not limited
5 to, oceanography.

6 The Advisory Panel shall perform research and development, and
7 provide technical advice to the Authority in maritime science, technologies, and
8 best practices for the extraction and development of oil and gas fields.

9 The Authority shall set the qualifications and compensation for the
10 technical experts. It shall provide resources for the operations and activities of
11 the Advisory Panel.

12

13 SEC. 10. *Administrator.* - The Authority shall have an Administrator who
14 shall be appointed by the President of the Philippines, upon recommendation
15 of the Board. The Administrator shall serve a term of six (6) years from the
16 date of his/her appointment unless sooner separated from service due to death,
17 voluntary resignation, or removal for cause: Provided, That no person shall be
18 appointed as Administrator unless he/she is a Filipino citizen, holder of a degree
19 in law or a masters degree in any of the following fields: economics, business,
20 public administration, law, management, or their equivalent, and have at least
21 ten (10) years of relevant experience in said fields: Provided, further, That
22 he/she shall be a resident of the Philippines for at least five (5) years before
23 the appointment.

24

25 SEC. 11. *Powers and Duties of the Administrator; Secretariat.* – The
26 Administrator shall have the following powers and duties:

27 (a) Direct and manage the affairs of the Authority in accordance with
28 the policies of the Board; and

29 (b) Call and preside over meetings of the Board in the absence of the
30 Chairperson, and supervise and direct its Secretariat.

31 A Secretariat is hereby established to serve and assist the Board in the
32 effective implementation of this Act. The Head of the Secretariat shall be

1 appointed by the Administrator upon recommendation by the Board: Provided,
2 That no person shall be appointed as Head of the Secretariat unless he/she is
3 a Filipino citizen, holder of a degree in any of the following fields: economics,
4 business, public administration, law, management, or their equivalent, and
5 have at least five (5) years of relevant experience in said fields: Provided,
6 further, That he/she shall be a resident of the Philippines for at least five (5)
7 years prior to his/her appointment and has the requisite eligibilities for third
8 level career service position pursuant to the career executive service rank
9 system;

10 (c) Ensure the proper implementation of applicable policies, programs,
11 and rules and regulations, including the resolutions of the Board;

12 (d) Identify solutions to key issues and concerns, taking into account
13 related risks, affected parties, and impact, in coordination with the Board and
14 key stakeholders;

15 (e) Advocate the Authority's work among the various concerned sectors
16 and stakeholders;

17 (f) Call on any agency, group, individual member of the Board, local
18 government unit, and host community to address issues and concerns relating
19 to the implementation of major programs, projects, and activities;

20 (g) Supervise the monitoring and timely implementation of Philippine
21 Rise related programs, projects, and activities;

22 (h) Endorse to the Board all policy recommendations, plans, and
23 programs for approval;

24 (i) Accept, on behalf and upon approval of the Authority, donations,
25 contributions, grants, gifts, bequests, or devises, in cash or in kind, from
26 members, foreign governments, international agencies, private entities, or any
27 individual for purposes that will realize the functions of the Authority;

28 (j) Supervise administrative operations, including disbursement of any
29 fund of the Authority, subject to the usual accounting and auditing procedures,
30 and submit reports thereon;

31 (k) Execute and administer the policies and measures approved by the
32 Board;

1 (l) Appoint all employees of the Authority, and remove, dismiss, or
2 otherwise discipline for cause, such employees in accordance with the standard
3 guidelines for recruitment, employment, and discipline under civil service law,
4 rules, and regulations;

5 (m) Represent the Authority in all dealings with other offices, agencies,
6 and instrumentalities of the government and with all persons and entities,
7 public or private;

8 (n) Sign agreements and/or contracts, on behalf of the Authority and
9 upon the Board's approval, including those for expert and consultant services
10 and other reports of accountabilities emanating from the Authority, except
11 when authority to sign such agreements, contracts, or reports is vested in a
12 specific government entity; and

13 (o) Perform such other functions that the Board may direct to carry out
14 the provisions of this Act or which are necessary or incidental to his/her office.

15

16 SEC. 12. *Organizational Structure.* - The Administrator shall determine
17 the organizational structure, staffing pattern, and pay scales of the Authority
18 subject to existing civil service and compensation laws. Subject to the approval
19 of the Board, the Administrator may reorganize the Authority and may create
20 or abolish divisions, units, or branches therein as the exigencies of the affairs
21 of the Authority may require.

22

23 SEC. 13. *Merit System.* - All officials and employees of the Authority shall
24 be selected and appointed on the basis of merit and fitness in accordance with
25 civil service law, rules, and regulations. The recruitment, transfer, promotion,
26 and dismissal of all its personnel, including temporary workers, shall be
27 governed by a merit system that will be established by the Authority in
28 compliance with existing laws, rules and regulations.

29

30 SEC. 14. *Appropriations.* - Such amounts necessary to finance the initial
31 implementation of this Act shall be sourced from the unprogrammed funds in

1 the current General Appropriations Act (GAA). Thereafter, such amounts
2 necessary for its continued implementation shall be included in the annual GAA.

3

4 SEC. 15. *Implementing Rules and Regulations.* - The Authority, subject
5 to the approval of the Board and in consultation with other stakeholders shall,
6 within sixty (60) days from the date of effectivity of this Act, promulgate and
7 publish the rules and regulations for the effective and faithful implementation
8 of this Act: Provided, That the failure of the promulgation of the said rules and
9 regulations shall not prevent the implementation of this Act upon its effectivity.

10

11 SEC. 16. *Separability Clause.* - If any portion or provision of this Act is
12 subsequently declared invalid or unconstitutional, other provisions hereof which
13 are not affected thereby shall remain in full force and effect.

14

15 SEC. 17. *Repealing Clause.* - All other laws, acts, presidential decrees,
16 executive orders, presidential proclamations, issuances, rules and regulations,
17 or parts thereof which are contrary to or inconsistent with any of the provisions
18 of this Act are hereby repealed, am ended, or modified accordingly.

19

20 SEC. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after its
21 publication in the Official Gazette or in at least two (2) newspapers of general
22 circulation.

Approved,