

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



23 MAR 14 A9:39

SENATE

S. No. 1993

RECEIVED BY:

Introduced by: Senator Loren Legarda

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

EXPLANATORY NOTE

In a 2021 study by Meijer et al, the Philippines is the highest ocean plastic pollutant in the world, emphasizing the estimated contribution of the Pasig River and 4,820 other rivers. An infographic demonstrating was generated by designer Louis Logas graphically showing how much this contribution is compared to that of other countries and it showed a very damning picture. With the second highest coastline of 32,289 kilometers after Indonesia, an average precipitation rate of 4,604mm, and a population of 113.9 million (2021 data), we are challenged to reverse the damage we are wreaking on our marine national patrimony. Granting, this study did not take into account the gargantuan efforts of some agencies such as the Metro Manila Development Authority which installed and maintains trash traps at mouth of the rivers in the Metropolis and the mandamus agencies which year after year make plans and execute them to clean up Manila Bay.

We are a maritime nation with a seafarer population. This is evidenced not only by our percentage contribution of seafarers in the global industry reaching as high as 30% but also by the sheer actual numbers. In 2019, there were over half a million Filipinos engaged in this trade, dropping during the pandemic but rising again

to a high of about 345 thousand currently. The ocean is in our DNA, with a great majority of our population living in our coastal cities and municipalities.

Up to 88% of our territory is marine covering 2.2 million square kilometers. One of the world's leading fish-producing countries, the Philippines produced 1.89 million tons of marine capture fisheries in 2018 alone. We are 11th in the world in both capture fisheries and aquaculture fish production. Add to this, ocean freight and transportation, oil, gas and renewable energy, and coastal and marine tourism make up a vibrant marine-based economy. The Philippines is one of the world's top suppliers of seafarers. In 2016, marine-based industries contributed over 6%, rising from a mere 3.6% in 2018.

Conscientious and strategic management of these resources requires more focused governance based on valuation, analysis, threat and opportunity detection and a development framework that highlights our maritime heritage and ensures a bright future for our oceans.

There is a dire and urgent need to protect these resources and take advantage of the economic opportunities presented by a maritime economy. For all these reasons, we urge this Chamber to pass this measure.



LOREN LEGARDA

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MARINE ECOSYSTEMS AND RESOURCES

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

- 1 Section 1. *Short Title.* – This Act shall be known as the “Blue Economy Act.”
- 2 Sec. 2. *Declaration of Policy.* – It shall be the policy of the State to:
- 3 (a) Adopt blue economy as a framework for sustainable and safe use and
- 4 development of marine wealth within our Maritime Zones, as a pillar of our national
- 5 economy and patrimony;
- 6 (b) Exercise stewardship of our seas and coasts, and protect and conserve
- 7 the health and resilience of marine and coastal ecosystems and habitats to promote
- 8 the well-being, prosperity and security of present and future generations;
- 9 (c) Preserve our maritime heritage, recognize the social, cultural, and
- 10 historical value of our seas and coasts, and foster public understanding and respect of
- 11 the value of our seas and coasts to build a strong foundation for social responsibility;
- 12 (d) Enrich scientific understanding of marine and coastal ecosystems, the
- 13 benefits we gain from these ecosystems (e.g. carbon sequestration), their changing
- 14 conditions and the causes thereof, and use the best available scientific knowledge to
- 15 inform decisions affecting our seas and coasts and to enhance our capacity to respond
- 16 and adapt to changing maritime environments;

1 (e) Foster international cooperation, and exercise rights and jurisdiction in
2 accordance with applicable international laws, including on freedom of navigation;

3 (f) Strategically address the factors that adversely affect the oceans and the
4 living and non-living resources that comprise our seas, turning threats into
5 opportunities and preventing further harm to all water bodies including land-based
6 pollution;

7 (g) Ensure a whole-of-nation approach and a comprehensive, integrated
8 framework for the stewardship of our seas and coasts to facilitate cohesive action of
9 the National Government, local authorities, academe, non-governmental
10 organizations, the private sector, and the public.

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

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

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

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

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

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

31 (f) *Environmental-economic accounting* refers to a systematic way to measure
32 and report on stocks and flows of natural assets and resources – both biotic and biotic,

1 renewable and non-renewable – and ecosystem services, to determine the contribution
2 of the environment to the economy and the impact of the economy on the
3 environment;

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

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

12 (i) *Investment promotion agencies* refer to government entities created by law,
13 executive order, decree or other issuance, in charge of promoting investments,
14 granting and administering tax and non-tax incentives, and overseeing the operations
15 of the different economic zones and freeports in accordance with their respective
16 special laws. These include the Board of Investments (BOI), Regional Board of
17 Investments-Autonomous Region in Muslim Mindanao (RBOI-ARMM), Philippine
18 Economic Zone Authority (PEZA), Bases Conversion and Development Authority
19 (BCDA), Subic Bay Metropolitan Authority (SBMA), Clark Development Corporation
20 (CDC), John Hay Management Corporation (JHMC), Poro Point Management
21 Corporation (PPMC), Cagayan Economic Zone Authority (CEZA), Zamboanga City
22 Special Economic Zone Authority (ZCSEZA), PHIVIDEC Industrial Authority (PIA),
23 Aurora Pacific Economic Zone and Freeport Authority (APECO), Authority of the
24 Freeport Area of Bataan (AFAB), Tourism Infrastructure and Enterprise Zone
25 Authority (TIEZA), and all other similar existing authorities or that may be created by
26 law;

27 (j) *Land-based pollution* - Municipal, industrial and agricultural wastes and
28 run-off including but not limited to sewage and waste water, persistent organic
29 pollutants (including pesticides), heavy metals, oils, nutrients and sediments -
30 whether brought by rivers or discharged directly into coastal waters

31

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

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

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

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

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

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

24 (q) *Subsistence fishing* - fishing for personal consumption or
25 traditional/ceremonial purposes;

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

28 **Sec. 4. *Scope of Application.*** - For purposes of this Act, the Philippines shall
29 exercise sovereignty, sovereign rights and jurisdiction, in accordance with
30 international law, as appropriate, in internal waters, archipelagic waters, territorial
31 sea, contiguous zone, exclusive economic zone and continent shelf, herein collectively
32 referred to as "Maritime Zones", including its seabed and subsoil, and any and all

1 maritime features within the Maritime Zones now known or to be known in the future,
2 without prejudice to the power, authority and right granted exclusively to the
3 Bangsamoro Government under Republic Act No. 11054, also known as the “*Organic*
4 *Law for the Bangsamoro Autonomous Region in Muslim Mindanao,*” or the powers of
5 Protected Area Management Boards over protected seascapes to explore, develop, and
6 utilize natural resources within its territorial jurisdiction.

7 CHAPTER II

8 NATIONAL MARITIME COUNCIL

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

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

- 15 (a) Executive Secretary, as Chairperson;
- 16 (b) Secretary of Socio-Economic Planning;
- 17 (c) Secretary of Environment and Natural Resources;
- 18 (d) Secretary of National Defense;
- 19 (e) Secretary of Foreign Affairs;
- 20 (f) Secretary of Justice;
- 21 (g) Secretary of the Interior and Local Government;
- 22 (h) Secretary of Agriculture;
- 23 (i) Secretary of Tourism;
- 24 (j) Secretary of Transportation;
- 25 (k) Secretary of Trade and Industry;
- 26 (l) Secretary of Energy;
- 27 (m) Secretary of Science and Technology; and
- 28 (n) Secretary of Finance.

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

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

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

- 8 (a) Climate Change Commission
- 9 (b) Bangko Sentral ng Pilipinas;
- 10 (c) Board of Investments;
- 11 (d) Securities and Exchange Commission;
- 12 (e) Philippine Statistics Authority;
- 13 (f) National Mapping and Resources Information Authority;
- 14 (g) Environmental Management Bureau;
- 15 (h) Biodiversity Management Bureau-Coastal and Marine Division;
- 16 (i) Bureau of Agriculture and Fisheries Standards;
- 17 (j) Philippine Fisheries Development Authority;
- 18 (k) Philippine Council for Agriculture and Fisheries;
- 19 (l) Maritime Industry Authority;
- 20 (m) Philippine Ports Authority;
- 21 (n) Philippine Reclamation Authority;
- 22 (o) Philippine Council for Agriculture, Aquatic and Natural Resources
23 Research and Development;
- 24 (p) Philippine Atmospheric, Geophysical and Astronomical Services
25 Administration (PAGASA);
- 26 (q) Department of Foreign Affairs-Maritime and Ocean Affairs Office;
- 27 (r) National Museum-Maritime and Underwater Cultural Heritage
28 Division;
- 29 (s) University of the Philippines-Marine Science Institute; and
- 30 (t) Investment promotion agencies.

31 In order to ensure the efficient and effective discharge of its responsibilities, the
32 Council may create working groups, and call upon other departments, bureaus,

1 offices and instrumentalities of the Government, and academic and research
2 institutions engaged in marine science and ocean-based or ocean-related activities to
3 participate in working groups, as it may deem necessary.

4 CHAPTER III

5 POLICY FRAMEWORK ON BLUE ECONOMY

6 SEC. 9. *Policy Framework on Blue Economy.* – The Council shall, within six (6)
7 months from the effectivity of this Act, formulate a Policy Framework on Blue
8 Economy, herein referred to as the Policy Framework. The Policy Framework shall
9 serve as the basis for marine spatial planning, determination of investments to
10 enhance maritime domain awareness, the preservation of value and sustainability of
11 ocean resources and their protection from threats such as land-based pollution and
12 overfishing and enforcement of economic and environmental regulations within our
13 Maritime Zones. The Policy Framework shall be subject to mandatory review and
14 modification every five (5) years.

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

17 (a) Review of all existing policies, plans, programs, projects, rules and
18 regulations on ocean-based and ocean-related activities;

19 (b) Adherence to international maritime laws;

20 (c) Analysis of current and emerging trends and changes in demography,
21 consumption, trade, technology, environmental quality and climate that show the
22 interaction between the economy and the environment, present threats and pressures
23 on coastal and marine environments and damage estimation;

24 (d) Environmental-economic accounting of coastal and marine assets and
25 resources, and ecosystem services from coastal and marine environments, including
26 assessment of losses due to degradation or major pollution events such as oil spills;

27 (e) Priority strategic and sustainable ocean-based and ocean-related
28 economic activities, which may include:

29 (1) Fisheries, including commercial fishing, but with preference to
30 subsistence fisheries, as mandated by Section 7, Art. XIII, of the Constitution;

31 (2) Aquaculture, mariculture and aquasilviculture;

32 (3) Marine and coastal tourism;

- 1 (4) Environmentally and hydrologically appropriate reclamation;
2 (5) Shipping, logistics and maritime transport;
3 (6) Ship-building and ship repair;
4 (7) Exploration, exploitation and extraction of oil and natural gas;
5 (8) Production of renewable energy from marine sources;
6 (9) Submarine mining or extraction of minerals and aggregates;
7 (10) Installation of submarine cables and pipelines;
8 (11) Bioremediation, Marine biotechnology and bioprospecting;
9 (12) Desalination; and
10 (13) Underwater cultural heritage and maritime archaeology.
- 11 (f) Guiding framework for integrated marine and coastal area
12 management;
- 13 (g) Guiding framework for blue finance;
- 14 (h) Priority research and development agenda, maximizing opportunities
15 created for pollution control, remediation, used water economics and other industries
16 that address threats;
- 17 (i) Promotion of ocean literacy and social responsibility towards the
18 protection of coastal and marine environments;
- 19 (j) Enhancement of capability of the Armed Forces of the Philippines and
20 civilian agencies to enforce laws, rules and regulations to protect our marine wealth;
- 21 (k) Goals, targets and indicators for growth, resilience and sustainability of
22 priority strategic and sustainable ocean-based and ocean-related activities, including
23 its contribution to Gross Domestic Product and job creation;

24 CHAPTER IV

25 ADHERENCE TO INTERNATIONAL MARITIME INSTRUMENTS

26 Sec. 11. *International Maritime Instruments Implementation and Reporting.* – The
27 Council shall establish mechanisms for the full and effective implementation and
28 enforcement of the following international maritime instruments and their
29 subsequent amendments and the reporting of compliance and adherence to the
30 President and Congress:

- 1 (a) Convention on the International Trade of Endangered Species of Flora
2 and Fauna;
- 3 (b) UNESCO Convention on the Protection of the Underwater Cultural
4 Heritage;
- 5 (c) International Convention for the Safety of Life at Sea, 1974, as amended,
6 and its Protocol of 1988 (SOLAS 74);
- 7 (d) International Convention for the Prevention of Pollution from Ships and
8 its Protocol of 1978 (MAPROL 73/78);
- 9 (e) Convention on the International Regulations for Preventing Collisions
10 at Sea, 1972, as amended (COLREG 72);
- 11 (f) International Convention on Load Lines, 1966 and its Protocol of 1988,
12 as amended (LL 66);
- 13 (g) International Convention on the Tonnage Measurement of Ships, 1969
14 (TONNAGE 69);
- 15 (h) Convention for the Suppression of Unlawful Acts Against the Safety of
16 Maritime Navigation, 1988 (SUA) and its Protocol;
- 17 (i) International Convention on Oil Pollution Preparedness, Response and
18 Co-operation 1990 (OPRC 1990);
- 19 (j) International Convention for the Control and Management of Ships'
20 Ballast Water and Sediments, 2004 (BWM 2004);
- 21 (k) Convention on the Prevention of Marine Pollution by dumping of
22 Wastes and Other Matter, 1972, as amended, and its 1996 Protocol (LCP);
- 23 (l) Special Trade Passenger Ships Agreement, 1971 (STP 71);
- 24 (m) Convention on the International Mobile Satellite Organization, as
25 amended (IMSO 1976) and its Operating Agreement (INMARSAT);
- 26 (n) International Convention on Standards of Training, Certification and
27 Watchkeeping for Seafarers, 1978, As Amended (STCW 78);
- 28 (o) International Convention on the Control of Harmful Anti-Fouling
29 Systems on Ships, 2001 (AFS 2001);
- 30 (p) Protocol of 1992 to Amend the International Convention on Civil
31 Liability for Oil Pollution Damage, 1969;

1 (q) Protocol of 1992 to amend the International Convention on the
2 Establishment of an International Fund for Compensation for Oil Pollution Damage,
3 1971;

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

6 (a) All ships, whether seagoing or coastwise, which are registered under the
7 Philippine flag;

8 (b) All persons, partnerships, corporations, firms and other entities duly
9 registered or licensed in the Philippines to engage in ocean-based or ocean-related
10 enterprise, or those acting on their behalf;

11 (c) All foreign ships that are within the waters, ports, harbors and offshore
12 terminals of the Philippines regardless of whether or not they are registered in, or
13 belong to, State Parties to the conventions sought to be implemented by this Act.

14 (d) All entities that have land-based activities with substantial positive or
15 adverse impact on the marine ecosystem;

16 CHAPTER V

17 ENVIRONMENTAL-ECONOMIC ACCOUNTING

18 SEC. 13. *Environmental-Economic Accounting.* – The Council shall undertake
19 environmental-economic accounting of maritime ecosystems and resources, based on
20 the United Nations System of Environmental-Economic Accounting. Members of the
21 Council and heads of support agencies shall contribute data on environmental-
22 economic accounts relating to their mandates including damage estimation and sea
23 level rise projections.

24 Sec. 14. *Framework.* – The Philippine Statistics Authority (PSA) shall develop a
25 framework for the collection, compilation, processing, analysis, publication and
26 dissemination of environmental-economic accounts and its integration in the national
27 accounts: *Provided*, That PSA shall integrate the collection of environmental-economic
28 accounts into the Community-Based Monitoring System for local government units
29 (LGUs); *Provided, further*, That the PSA shall coordinate with and provide technical
30 assistance to Members of the Council, support agencies, investment promotion

1 agencies and LGUs to ensure compliance to standard environmental-economic
2 accounting techniques, methodologies, concepts, definitions and classifications to
3 prevent duplication in collection of statistical information.

4 CHAPTER VI

5 INTEGRATED MARINE AND COASTAL AREA MANAGEMENT

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

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

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

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

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

25 (1) Alteration and destruction, of coastal and marine habitats,
26 particularly areas important for reproduction, *inter alia*, coral reef systems, sea
27 grass areas and the sea bed;

28 (2) Marine and land-based pollution;

29 (3) Improper coastal land use and the mismanagement of
30 watersheds;

31 (4) Illegal, unreported and unregulated fishing, by-catch especially
32 of threatened species, ;

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

4 CHAPTER VII

5 PROTECTION AND CONSERVATION OF COASTAL AND MARINE 6 RESOURCES

7 SEC. 17. *Protection of Endangered Species.* - The Council shall spearhead the
8 conservation, protection and rehabilitation of rare, threatened and endangered
9 aquatic species as it may determine, including their habitats and migratory routes
10 such as the East Asian Current. It shall recommend to the President and Congress the
11 designation of coastal and marine areas as protected areas under the Expanded
12 National Integrated Protected Areas System, or sanctuaries of local conservation areas
13 under the Fisheries Code and the Local Government Code, and in compliance with
14 the relevant provisions of international treaties and agreements such as, the
15 Convention on the International Trade in Endangered Species of Wild Flora and
16 Fauna, the United Nations Convention on the Law of the Sea, and Convention on
17 Biological Diversity.

18 Sec. 18. *Policy Coordination.* - The Council shall harmonize rules and regulations
19 of all relevant agencies responsible for the implementation and enforcement of laws
20 to prevent and eliminate illegal fishing such as Republic Act (RA) No. 8550, also
21 known as the "*Philippine Fisheries Code of 1998,*" as amended by RA 10654.

22 CHAPTER VIII

23 DEVELOPMENT PLANNING

24 Sec. 19. *Maritime Spatial Planning.* - The Council shall undertake a nationwide
25 maritime spatial planning to identify the spatial and temporal distribution of priority
26 activities and uses and the interactions thereof in Maritime Zones, in order to reduce
27 conflict among uses, facilitate complementary uses, mitigate environmental impacts,
28 prevent marine dead zones and preserve ecosystem services.

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

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

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

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

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

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

21 Blue SEZs may also qualify for financing provided for under RA 11293, or the
22 *“Philippine Innovation Act.”*

23 CHAPTER IX 24 BLUE FINANCE

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

30 Sec. 25. *Role of Securities and Exchange Commission (SEC).* – The SEC shall
31 encourage the issuance of blue bonds where proceeds will be exclusively applied to
32 finance or refinance, in part or in full, strategic and sustainable ocean-based or ocean-

- 1 (b) Communicating about the ocean in a meaningful way; and,
2 (c) Making informed and responsible decisions regarding the ocean and its
3 resources.

4 CHAPTER XI
5 FREEDOM OF NAVIGATION

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

12 CHAPTER XII
13 ROLE OF LOCAL GOVERNMENTS

14 Sec. 30. *Role of Local Government Units.* – Cities and municipalities shall continue
15 to exercise jurisdiction over municipal waters, pursuant to RA 7160, also known as the
16 “*Local Government Code of 1991,*” as amended, and RA 8550, as amended. Consistent
17 with this mandate, local government units shall act as the frontline agencies in the
18 formulation, planning and implementation of IMCAM in their respective
19 jurisdictions. LGUs shall integrate the National Maritime Spatial Plan and
20 opportunities such as the National Sewage and Septage Management Plan and the
21 funds under the Clean Water Act in their Comprehensive Development and Annual
22 Investment Plans.

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

26 CHAPTER XIII
27 FINAL PROVISIONS

28 Sec. 32. *Congressional Oversight.* – For the effective implementation of this Act,
29 a Congressional Oversight Committee is created to be known as the Blue Economy
30 Oversight Committee. The Blue Economy Oversight Committee shall be composed of
31 five (5) Senators and five (5) Representatives to be appointed by the Senate President
32 and the Speaker of the House of Representatives, respectively. The Minority shall be

1 entitled to pro rata representation. The Blue Economy Oversight Committee shall be
2 jointly chaired by the Chairperson of the Senate Committee on Economic Affairs and
3 the Chairperson of the House Committee on Economic Affairs.

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

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

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

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

19

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

Approved,