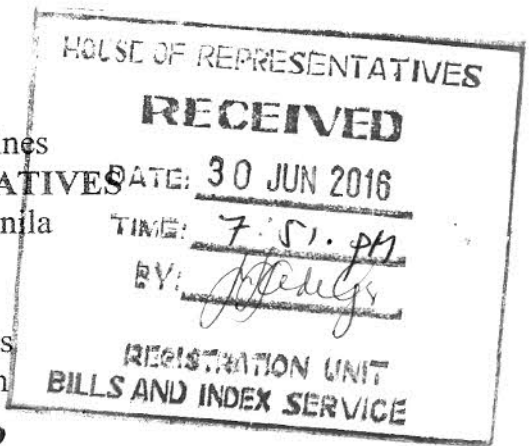


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
First Regular Session

HOUSE BILL NO. 202



Introduced by **Hon. Frederick F. Abueg**

EXPLANATORY NOTE

This bill was filed in the Sixteenth Congress as House Bill No. 2909. It has been referred to the Committee on Government Enterprises and Privatization and the Committee on Natural Resources. A Technical Working Group has been created to discuss further this legislative measure and to identify the gaps that need to be addressed. Furthermore, this house bill is founded on the State's policy of autonomy of local government units vis-à-vis economic independence. This present bill is now a reiteration *in toto* of the previous legislative measure already filed as House Bill No. 2909, explained as follows:

The Philippines is located in the middle of the Asia Pacific Region, enclosed by countries with substantial oil and natural gas deposits. The country itself is rich in natural and mineral resources, but disputes regarding the nation's offshore wealth are yet to be settled. As a result, Filipino people not only endure the high prices of basic commodities for everyday living but also the non-observance of their rights to enjoy what is for them as the law mandates.

Archipelagic provinces have started exploring the potential of the country's natural wealth, such as in the Camago-Malampaya area, which is located approximately eighty (80) kilometers off the coast of the island province of Palawan. Since the exploration began, the province of Palawan has not been able to enjoy its equitable share in the proceeds, and rather granted only financial assistance by former President Macapagal-Arroyo.

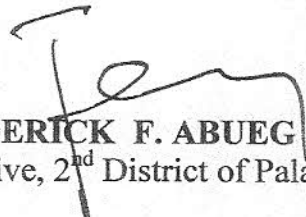
Chapter II, Section 290 of the Local Government Code provides that the share of the local government unit is forty percent (40%) of the gross collection derived by the national government from the utilization and development of the national wealth

within their territorial jurisdiction. This is in consonance with Article X, Section 7 of the 1987 Constitution, which states that local government units are entitled to an equitable share in the proceeds of the utilization and development of the national wealth within their respective areas, in the manner provided by law, including sharing the same with the inhabitants by way of direct benefits.

Conscious that there is an absence of the definition of provincial waters within territories, this bill delineates provincial offshore territories in relation to the State's Exclusive Economic Zone (EEZ) as defined by the United Nations Convention on the Law of the Sea (UNCLOS). Further, this bill seeks to guarantee that the rights of local government units are exercised with regard to the equitable release of shares in the proceeds of the utilization and development of the national wealth.

The approval of this bill will maximize opportunities for all sectors by ensuring that all Filipinos will directly benefit from the proceeds thereof. This will be a key factor in facilitating socio-economic growth and development not only in provinces where deposits of natural wealth exist, but in the entire Philippine archipelago.

In view of the foregoing, the immediate approval of this bill is earnestly requested.



FREDERICK F. ABUEG
Representative, 2nd District of Palawan

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Seventeenth Congress
First Regular Session

HOUSE BILL NO. 202

Introduced by **Hon. Frederick F. Abueg**

AN ACT
PROVIDING FOR THE ALLOCATION OF FUNDS RECEIVED FROM THE
UTILIZATION OF OFFSHORE NATURAL RESOURCES, CREATING FOR
THE PURPOSE THE PROVINCIAL OFFSHORE NATURAL RESOURCES
ECONOMIC DEVELOPMENT AUTHORITY, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES

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

ARTICLE I
GENERAL PROVISIONS

1 **SECTION 1. *Short Title.*** - This Act shall be known as the “Philippine
2 Offshore Natural Resources Economic Act of 2016.”

3 **SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State
4 that all resources, living or non-living, within the Two Hundred (200) nautical miles
5 offshore, within the territory and Exclusive Economic Zone (EEZ) of the Republic of
6 the Philippines, are owned by the State. It shall be the responsibility of the State to
7 promote their rational exploration, development, utilization, and conservation through
8 the combined efforts of government and the private sector in order to enhance national
9 growth in a way that effectively safeguards the environment and protect the rights of
10 affected communities. The State shall give to local governments their equitable share

1 in the proceeds from the utilization and development of national wealth within their
2 territorial jurisdiction by way of direct benefits.

3 **SEC. 3. *Governing Principles.*** – The following principles constitute the
4 framework upon which this Act is anchored:

5 (a) Desiring to rationalize the rights of coastal and archipelagic provinces to
6 their offshore resources even beyond municipal waters because of the absence of the
7 definition of provincial waters within their territories, as an important contribution to
8 the maintenance of peace, justice and progress for their constituents;

9 (b) Noting that coastal and archipelagic provinces have no legal basis as to
10 the metes and bounds of their areas of responsibility or jurisdiction over the offshore
11 areas adjacent to or surrounding their provinces, particularly in the management,
12 development and maintenance of peace and order and/or in the pursuit of economic
13 development, using their offshore resources;

14 (c) Recognizing the need to settle the problems of offshore areas which
15 purportedly belong to a particular coastal or archipelago province;

16 (d) Recognizing the need to establish, with due regard to the autonomy of
17 all provinces, a legal order for the offshore areas (seas and oceans) within the
18 prescribed limits set forth in this Act, which will facilitate the equitable and efficient
19 utilization of their offshore resources and the conservation, protection and
20 preservation of the marine life in their environment;

21 (e) Bearing in mind that the achievement of these goals will contribute to
22 the realization of a just and equitable economic order which takes into account the
23 interests and needs of provinces' respective constituents;

(f) Cognizant of the need to rationalize and give the coastal, island and/or archipelagic provinces a rightful share in the revenues generated from offshore resources, in accordance with the Local Government Code of 1991, in furtherance of their respective development plans for their constituents;

(g) Defining the metes and bounds of the offshore territory of coastal and/or archipelagic provinces will strengthen the responsibilities of these provinces to promote the economic and social advancement of their constituents in accordance with the intents and purposes set forth in the Constitution giving local inhabitants a share in the national wealth within their territorial jurisdiction by way of direct benefits.

ARTICLE II METES AND BOUNDS OF COASTAL, ISLAND AND/OR ARCHIPELAGIC PROVINCES

SEC. 4. *Territorial Jurisdiction of Coastal Island and/or Archipelagic Provinces.* - The territorial jurisdiction of a coastal province extends beyond its land territory and internal territorial sea, and includes the provincial offshore territorial sea described in Section 5 hereof. In the case of an island and/or archipelagic province, aside from its land territory and internal territorial sea, its territorial jurisdiction includes archipelagic waters, and its provincial offshore territorial sea.

SEC. 5. *Outer Limits of the Provincial Offshore Territorial Sea.* - The outer limit of the coastal, island and/or archipelagic province's offshore territorial sea shall not exceed One Hundred (100) nautical miles from its baselines defined in Sections 6.f and 6.g hereof. This includes the archipelagic waters inside the baselines. Beyond this limit, up to the 200 nautical miles (370 kilometers) measured from the baselines

1 Exclusive Economic Zone (EEZ) of the Philippines, as defined and recognized by the
2 United Nations Convention on the Law of the Sea (UNCLOS), is the national
3 territorial sea under the jurisdiction of the National Government. .

4 a) Determination of territorial sea boundaries of adjacent coastal, island
5 and/or archipelagic provinces:

6 (1) The boundaries between adjacent coastal provinces shall start from the
7 common land boundaries, perpendicularly extending 100 nautical miles
8 offshore;

9 (2) The boundaries between island and/or archipelagic provinces are the
10 lines equidistant to the baselines of each adjacent provinces;

11 (3) In the case of islands situated on atolls or of islands having fringing
12 reefs, the baseline for measuring the breadth of the territorial sea is the
13 seaward low-water line of the reef, as shown by the appropriate symbol
14 on charts officially recognized by the Republic of the Philippines.

15 **SEC. 6. *Definition of Terms.*** – As used in this Act, the term:

16 a) “Coastal Province” shall refer to a province whose land territory abuts the
17 sea/ocean surrounding the Philippine Archipelago.

18 b) “Exclusive Economic Zone” shall refer to the water, sea bottom and sub-
19 surface measured from the baseline of the Philippine archipelago up to 200
20 nautical miles offshore as defined under the UNCLOS.

21 c) “Internal Archipelagic Waters” shall refer to waters surrounding and
22 between islands and islets/reefs inside the straight baselines of the
23 archipelagic province.

- 1 d) "Island and/or archipelagic province(s)" shall refer to entire lands, islets
2 and reefs within its territory, surrounded by sea within the Philippine
3 Archipelago.
- 4 e) "National Territorial Sea" refers to all marine areas, waters, seas and
5 oceans beyond 100 but within 200 nautical miles from the nearest landfall
6 or island(s) of the Philippine territory, which is under the management,
7 supervision, and jurisdiction of the National Government
- 8 f) "Non-producing Province" shall refer to any province in the Philippines
9 which either: (i) does not have any identified Offshore national wealth
10 located within its Provincial Offshore Territorial Sea Limit; or (ii) has an
11 identified Offshore national wealth located within its Provincial Offshore
12 Territorial Sea Limit but which has not yet been fully developed, produced,
13 and/or utilized.
- 14 g) "Normal Baselines" except where otherwise provided in this Act, shall
15 refer to the normal baseline for measuring the breadth of the offshore
16 territorial sea in the low- water line along the coast of the particular
17 province.
- 18 h) "Offshore national wealth" shall refer to all natural resources situated
19 within the 200 nautical mile EEZ of the Philippines, living or non-living,
20 including minerals, coal, petroleum, potential energy resources, gas and oil
21 deposits, and similar natural assets, and the products that can be derived
22 therefrom.

- 1 i) "Offshore Resource Producing Province" refers to the province refers to a
2 province where offshore national wealth is located, fully developed, and
3 which is already being produced and utilized;
- 4 j) "Philippine Offshore Territorial Sea Jurisdiction" shall refer to all marine
5 areas, waters, seas and oceans within 200 nautical miles from the nearest
6 landfall or island(s) of the Philippine territory as recognized by the
7 UNCLOS which defines the rights and responsibilities of nations in their
8 use of the world's oceans, establishing guidelines for business, the
9 environment, and the management of marine natural resources.
- 10 k) "Provincial Offshore Territorial Sea Limit" shall not exceed 100 nautical
11 miles from the coastal or island and/or archipelagic province's baselines.
- 12 l) "Straight Baselines" shall refer to archipelagic provinces where the
13 coastline is deeply indented and cut into, or if there is a fringe of islands,
14 islets/reefs along the coast in its immediate vicinity, the method of straight
15 baselines joining appropriate points, including the outermost islands,
16 islets/reefs may be employed in drawing the baseline from which the
17 breadth of the provincial offshore territorial sea jurisdiction is measured.

ARTICLE III EQUITABLE SHARING OF PHILIPPINE OFFSHORE NATURAL RESOURCES

- 18 **SEC. 7. *Share in the Proceeds from the Development and Utilization of***
19 ***National Wealth.*** – The National Government, the Offshore resource producing
20 province, and the Non-producing province shall have a share in the proceeds from the

utilization and development of offshore national wealth derived by the National Government from the preceding fiscal year from the following:

- (1) Taxes, royalties, and such other fees, or charges, including related surcharges, interests, or fines, from its share in any co-production, joint venture or production sharing agreement in the utilization and development of such national wealth located within provincial offshore territorial sea limits as defined under Section 6j herein;
- (2) Administrative charges enumerated herein accruing to the National Government whether collected by the National Government collecting agencies, or by the local government units (LGUs) in certain cases; and
- (3) Proceeds from the development and utilization of national wealth where the LGU actually collects and automatically retains its share of at least forty percent (40%) of such proceeds shall not form part of the revenue base in the computation of the forty percent (40%) share.

SEC. 8. *Amount of Share of Local Government Units and the National Government.* - (a) The proceeds derived from the utilization and development of the offshore national wealth within provincial offshore territorial sea limits shall be distributed in the following manner:

- (i) National government – Twenty percent (20%);
- (ii) Offshore resource producing province – Forty percent (40%); and
- (iii) Non-producing provinces – Forty percent (40%)

1 (b) Where the Offshore national wealth is located in two (2) or more provinces,
2 the nearest province shall be entitled to the 40% share provided in Section 8 (a)
3 hereof. *Provided*, that where 2 or more provinces are equidistant to the location of the
4 Offshore national wealth, their respective shares shall be computed on the basis of:

5 (i) Population – Seventy percent (70%); and

6 (ii) Land area – Thirty percent (30%)

7 (c) The 40% collective share of the Non-producing provinces shall be
8 computed and allocated by the Department of Budget and Management (DBM) in
9 coordination with the Department of Energy (DOE) to each non-producing province,
10 on the basis of:

11 (i) Land area – Thirty percent (30%); and

12 (ii) Population – Seventy percent (70%)

13 (d) The allotment made by the DBM and DOE, where applicable, shall form
14 part of the annual Internal Revenue Allotment (IRA) released to the Non-producing
15 province, in accordance with the Local Government Code of 1991.

16 (e) A province, whether producing or non-producing, is comprised of
17 municipalities and cities, including highly urbanized, component, and chartered cities,
18 situated therein.

19 **SEC. 9. *Allocation of Shares.*** - The proceeds from the share of a province
20 pursuant to this Article shall be allocated in the following manner:

21 a) Education, Manpower and Youth Development (10%)

22 b) Health (10%)

23 c) Agriculture (10%)

1 d) Infrastructure, Transportation and Communication (10%)

2 e) Commerce and Industry (Processing Zone for Aqua-fisheries and forestry)
3 (10%)

4 f) Water and Power, Including Renewable Energy (10%)

5 g) Environmental Protection, Peace and Order Security (10%)

6 h) Social Welfare (National calamities & disaster and food security) (10%)

7 i) Science and technology (10%)

8 j) Operation of the Provincial Offshore Natural Resources Economic
9 Development Authority (10%)

10 **SEC. 10. *Automatic Release of Shares.*** – The share of each province shall be
11 released, without need of any further action, directly to the Treasurer of the Provincial
12 Offshore Natural Resources Economic Development Authority, created under Section
13 13 of this Act, on a quarterly basis within five (5) days after the end of each quarter.
14 The amount shall not be subject to any lien or holdback that may be imposed by the
15 national government for whatever purpose. Nothing in this Article shall be understood
16 to diminish the share of the recipient province under existing laws.

17 **SEC. 11. *Monitoring of Implementation.*** – The Department of Interior and
18 Local Government (DILG), Department of Budget Management (DBM), and the
19 Department of Energy (DOE) (where the offshore natural resource is a source of
20 energy), shall monitor the proper implementation of this Article.

21 **SEC. 12. *Funds Auditing and Accountability.*** – The Commission on Audit
22 (COA) shall appoint a representative who shall be a full time auditor of the
23 PONREDA and assign such number of personnel as may be necessary to assist said

1 representative in the performance of his/her duties. The salaries and emoluments on
 2 the assigned auditor and personnel shall be in accordance with pertinent laws, rules
 3 and regulations. The COA, through its representative, shall submit an annual audit
 4 report, including any Special Audit Report that may be required, to the President of
 5 the Philippines, DILG, National Economic Development Authority (NEDA), and
 6 DBM. It shall post said report(s) on the COA Website and make copies thereof readily
 7 available to the public, including non-government independent groups or persons,
 8 within the limits prescribed by law, for public information.

ARTICLE IV CREATION OF THE PROVINCIAL OFFSHORE NATURAL RESOURCES ECONOMIC DEVELOPMENT AUTHORITY (PONREDA)

9 **SEC. 13. *Creation of the Provincial Offshore Natural Resources Economic***
 10 ***Development Authority (PONREDA).*** – There is hereby created in every Offshore
 11 Resource Producing Province a Provincial Offshore Natural Resources Economic
 12 Development Authority (hereinafter referred to as PONREDA), for the purpose of
 13 implementing the 40% share of the province from the proceeds of the offshore natural
 14 wealth, in accordance with the fund allocation system under Section 9 hereof.

15 **SEC. 14. *Principal Office of PONREDA.*** – The Provincial Offshore Natural
 16 Resources Economic Development Authority shall have its main office at the
 17 provincial capital. It may establish such branches, subsidiaries, offices, or agencies as
 18 it may deem necessary to achieve the proper conduct of business. The PONREDA
 19 shall have a term of fifty (50) years from the effectivity of this Act and/or the
 20 commencement of its utilization, development, and production of the Offshore

1 national wealth within its Provincial Offshore Territorial Limit, renewable for the
2 same period unless otherwise provided by law.

3 **SEC. 15. Powers and Functions of the PONREDA.** – The PONREDA shall
4 have the following powers and functions:

- 5 a.) Formulate plans, programs, and projects funded out of the provincial
6 share from the proceeds of the Provincial Offshore Natural Resources
7 wealth, consistent with the Provincial Master Development Plan;
- 8 b.) May operate public enterprises such as power, water, toll roads and
9 bridges, transport systems, and other businesses that would provide
10 better and more affordable services and utilities to the community;
- 11 c.) Enter into contracts, partnerships and joint venture arrangements,
12 through the PONREDA Board, to implement approved plans, programs
13 and projects under the Provincial Master Development Plan;
- 14 d.) Subject to the approval of the President and the Monetary Board of the
15 Bangko Sentral ng Pilipinas, upon the recommendation of the
16 Department of Finance and Department of Energy (in case the offshore
17 natural wealth is a source of energy), raise or borrow adequate and
18 necessary funds from local or foreign sources to finance its plans,
19 projects and programs under this Act, and to secure the same by a
20 guarantee, pledge, mortgage, deed of trust, or an assignment of all or
21 part of its share in the Offshore natural wealth or other property or
22 assets;

- e.) Protect, preserve, maintain, and develop all Offshore national wealth within the Provincial Offshore Territorial Sea Limit, including coral reefs, and maintain ecological balance therein;
- f.) Adopt, alter, and use a corporate seal; lease, own, or otherwise dispose of personal or real property; sue and be sued; and otherwise carry out its functions and duties as provided for in this Act;
- g.) 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
- h.) To issue rules and regulations consistent with the provisions of this Act as may be necessary to accomplish and implement the purposes, objectives, and policies provided herein.

SEC. 16. *The Board of Directors of the PONREDA.* – The powers of the PONREDA shall be exercised by a Board of Directors, which shall be its governing and policy-making body. The Board of Directors shall be composed of the following:

- a.) The Chairman, who shall at the same time be the administrator of the PONREDA;
- b.) A Vice-Chairman who shall come from among the members of the Board, consisting of:
 - (1) The Governor of the Province;
 - (2) The Members of the House of Representatives in the Offshore resource producing province;

1 (3) Undersecretary of the Department of Environment and Natural
2 Resources;

3 (4) Deputy Director General of the National Economic and Development
4 Authority;

5 (5) Undersecretary of the Department of Budget and Management;

6 (6) Undersecretary of the Department of Energy;

7 (7) Representative from the Sangguniang Panlalawigan;

8 (8) President of the Municipal Mayors' League;

9 (9) President of the Provincial Chapter of the Provincial Councilors'
10 League;

11 (10) President of the Provincial Chapter of the Association of Barangay
12 Chairmen (ABC); and

13 (11) Such other members from the public or private sectors as the majority of
14 the Board may deem necessary.

15 (c) There shall be minimum of eleven (11) but not more than seventeen (17)
16 members of the Board, including the Chairman, but in all cases membership shall
17 always be an odd number.

18 (d) A Secretary shall be appointed by the Board to prepare the minutes and
19 keep the records of all of its meetings and other issuances. The Board shall prescribe
20 the qualifications, compensation, and term of office of the Secretary, who shall not be
21 a member of the Board.

22 **SEC. 17. *Tenure of Office of the Members of the Board of Directors.*** – (a)
23 The Governor, the Congressional Representatives, the representative of the

1 Sangguniang Panlalawigan, President of the Municipal Mayors' League, President of
2 the Provincial Chapter of the Provincial Councilors' League, and President of the
3 Provincial Chapter of the Association of Barangay Chairmen (ABC), shall serve as *ex-*
4 *officio* members of the Board, whose term in the Board corresponds to their term as
5 elected officials.

6 **SEC. 18. *Compensation of Board Members.*** – The Members of the Board
7 shall each receive per diems and allowances at rate to be determined by the
8 Department of Budget and Management in accordance with existing rules and
9 regulations: *Provided however*, That the total per diem collected each month shall not
10 exceed the equivalent *per diem* for four (4) meetings. Unless and until the President of
11 the Philippines has fixed a higher per diem for the members of the board, such per
12 diem shall not be more than ten thousand pesos (P10,000.00) for every Board meeting.
13 *Provided*, that the salary and other compensation of the Chairman-Administrator
14 serving as Administrator of the PONREDA shall be separate from the per diems and
15 allowances he/she shall receive as a member of the Board.

16 **SEC. 19. *The Administrator of the PONREDA.*** – (a) The Chairman and
17 Administrator of the PONREDA shall be appointed by the President of the Philippines
18 to serve for a term of six (6) years, unless sooner separated from service due to death,
19 voluntary resignation, or removal for cause. In case of death, resignation or removal
20 for cause, the replacement shall serve only the unexpired portion of the term.

21 (b) No person shall be appointed by the President of the Philippines as the
22 Administrator of the PONREDA unless he is a Filipino citizen, of good moral
23 character, of proven probity and integrity, and a degree-holder in any of the following

1 fields: economics, business, public administration, law, management or their
2 equivalent, and with at least ten (10) years relevant working experience preferably in
3 the field of management, public administration, and rural and urban development.

4 **SEC. 20. *Powers and Duties of the Chairman-Administrator.*** – The
5 Chairman- Administrator shall have the following powers and duties:

- 6 a) To direct and manage the affairs of the PONREDA in accordance with
7 the policies of the Board;
- 8 b) To establish the internal organization of the PONREDA under such
9 conditions that the Board may prescribe;
- 10 c) To submit an annual budget and necessary supplemental budget for the
11 operations of the PONREDA to the Board for its approval;
- 12 d) To submit within thirty (30) days after the close of each fiscal year an
13 annual report to the Board and such other reports as may be required;
- 14 e) To submit to the Board for its approval policies, systems, procedures,
15 rules and regulations that are essential to the operation of the
16 PONREDA;
- 17 f) To coordinate with relevant agencies for the accomplishment of the
18 policies, purposes, and objectives of this Act; and
- 19 g) To perform such other duties as may be assigned to him by the Board or
20 which are necessary or incidental to his office.

21 **SEC. 21. *Organization and Personnel.*** – (a) The Board of Directors of the
22 PONREDA shall provide for an organization and staff of its officers and employees,
23 for implementation by the Chairman-Administrator. Upon recommendation of the

1 Chairman-Administrator, the Board shall appoint and fix the remuneration and other
 2 emoluments of its officers and employees in accordance with existing laws on
 3 compensation and position classification. *Provided*, That the Board shall have
 4 exclusive and final authority to promote, transfer, assign or reassign officers of the
 5 PONREDA, any provision of existing law to the contrary notwithstanding. *Provided*,
 6 *further*, That the Chairman-Administrator may carry out removal of such officers and
 7 employees. No officer or employee of the PONREDA, subject to Civil Service laws
 8 and regulations, shall be removed or suspended except for cause, as provided by law.

ARTICLE V THE PROVINCIAL MASTER DEVELOPMENT PLAN AND ITS IMPLEMENTATION

9 **SEC. 22. *The Provincial Master Development Plan.*** – Each Offshore
 10 resource producing province shall come out with a Provincial Master Development
 11 Plan (PMDP) embodying the long-term programs and projects to be funded from its
 12 share of the proceeds from the utilization and development of Offshore national
 13 wealth under Section 8 hereof, projects funded from local funds and those funded
 14 from the IRA. All plans are subject to approval by the Provincial Offshore Natural
 15 Resources Economic Development Board of Directors under Section 16 hereof and
 16 the Sangguniang Panlalawigan.

17 **SEC. 23. *Annual Implementation Plan.*** – The PONREDA shall prepare an
 18 Annual Implementation Plan based on the approved Provincial Master Development
 19 Plan and submit the AIP for approval of the PONREDA Board, for implementation of
 20 the PONREDA thereafter.

ARTICLE VI
THE PONREDA OVERSIGHT COMMITTEE

1 **SEC. 24. *Creation of the Oversight Committee.*** – There shall be created an
2 Oversight Committee, an independent multi-sectoral body that shall periodically
3 monitor and evaluate the programs and projects, as well as the performance of the
4 PONREDA. In addition, it shall perform the following functions:

5 (a) Detect and prevent poor administration, waste, abuse, arbitrary and
6 capricious behavior, or illegal and unconstitutional conduct in the use of the
7 40% share of the proceeds from the utilization and development of the
8 Offshore national wealth;

9 (b) Prepare a report on its monitoring and performance of the PONREDA and
10 submit the same to the President, the DILG, DBM, and NEDA;

11 (c) Inform the general public and ensure that PONREDA policies and projects
12 and programs reflect the public interest;

13 (d) Recommend to the Congress of the Philippines such matters that may
14 require legislation in support of the objectives of this Act; and

15 (e) Such other powers and duties incidental or necessary to ensure
16 administrative compliance with the purposes of this Act.

17 **SEC. 25. *Composition of the Oversight Committee.*** – (a) The Chairman-
18 Administrator of the PONREDA shall recommend for appointment, subject to
19 approval by the Board, persons of known probity, expertise, and credibility, as well as

1 possessing an excellent track record in the practice of profession or business, to be a
2 member of the Oversight Committee.

3 (b) Members of the Oversight Committee may come from the public or
4 private sectors and represent the following: legal, health, indigenous peoples,
5 environment, socio-civic, education, business, senior citizens, and governance, among
6 others. *Provided*, that there shall be a minimum of nine (9) up to a maximum of fifteen
7 (15) members.

8 (c) The members shall elect from among themselves a Chairman who shall
9 preside over meetings and business of the Oversight Committee and perform such
10 other functions as may be delegated to him/her by the committee.

11 (d) The Committee shall formulate its own rules in performing its functions,
12 subject to existing laws..

13 **SEC. 26. *Compensation of the Oversight Committee Members.*** – Members of
14 the Oversight Committee shall receive honoraria as may be allowed by law, but not
15 more than Twenty Thousand Pesos (P20,000.00) each, plus actual traveling expenses
16 and per diems when performing their field duties.

ARTICLE VII FINAL PROVISIONS

17 **SEC. 27. *Appropriations.*** – The amount of Fifty Million Pesos
18 (Php50,000,000.00) shall be included in the General Appropriations Act in the year
19 following the enactment of this Act as initial funding for the organization, operations,
20 and maintenance of the PONREDA. The succeeding appropriations therefor shall
21 come from the ten percent (10%) allocation provided for in Section 9 hereof.

1 **SEC. 28. *Separability Clause.*** - If any provisions of this Act shall be held
2 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
3 full force and effect.

4 **SEC. 29. *Repealing Clause.*** - All laws, executive orders and issuances, or any
5 parts thereof, which are inconsistent herewith are hereby repealed or amended
6 accordingly.

7 **SEC. 30. *Effectivity Clause.*** - This Act shall take effect fifteen (15) days after
8 publication in the Official Gazette or in two (2) national newspapers of general
9 circulation.

Approved,