


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2430

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Introduced by HONORABLE LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.
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EXPLANATORY NOTE

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

- Brundtland Commission, United Nations, 1987.

Sustainability is the key to lasting alleviation from poverty and national development. Natural resources provide the basic necessities for human existence, as well as the inputs for economic development. Therefore, it is to our best interest to develop and use these resources while maintaining their physical integrity and capacity to regenerate the economic and ecologic values that are withdrawn for human consumption.

The Bicol River is the eighth largest river in the country, with a total catchment area of 3,770 square kilometers. It encompasses the provinces of Camarines Sur, Camarines Norte and Albay, as well as thirty-three (33) municipalities and three (3) cities. The river spans ninety-four (94) kilometers beginning at Lake Bato and flowing downstream to San Miguel Bay. The Bicol River System is composed of multiple tributaries and three major lakes. However, its area of influence is much larger, stretching about 10,058 square kilometers. The river basin is a vast wetland ecosystem that is responsible for the main water supply in the region. Moreover, the river system supports a rich biodiversity and supplies a bounty of materials for economic use. About two million Filipinos live in the area covered by the Bicol River Basin.¹

¹ Orient Integrated Development Consultants, Inc. (2015), *Formulation of an Integrated Bicol River Basin Management and Development Master Plan*.

At present, the river system is faced with numerous challenges that threaten the agricultural and fisheries industries, biodiversity, and more crucially, the livelihood of thousands of households living along the river basin. This directly impacts food security in the Bicol region at the most fundamental level. The river basin also provides ecosystem services such as, water purification, waste treatment, flood and drought mitigation, soil fertility, coastal salinity maintenance, nutrient delivery and biodiversity conservation. Moreover, continued decline in the river's condition also impedes potential economic and tourism development.

The Department of Environment and Natural Resources (DENR) identified the Bicol River Basin as one of the eighteen (18) priority river basins in the country for which comprehensive management and development master plans are to be formulated. In the 2015 Formulation of an Integrated Bicol River Basin Management and Development Master Plan prepared by Orient Integrated Development Consultants, Inc., it was estimated that, over a 15-year planning period, the total investment requirement to implement the Bicol River Basin master plan is about PhP31.332 billion. The first five years of implementation will require PhP8.46 billion while year 6 to year 10 would need PhP13.95 billion.

One of critical elements in the implementation of this strategy is the formation of the Sustainable Bicol River Development Authority (SBRDA). The rationale for the creation of the SBRDA springs from the need to take an integrated approach to the practical issues that beset the Bicol River System today. There is a wide range of problems that affect the river system. Climate change, soil erosion, waterway congestion leading to floods, solid and liquid waste contamination, siltation, and deforestation, are some of its issues.

At present, these problems are addressed separately by the various government agencies according to their functions. For example, flooding is addressed by the Department of Public Works and Highways (DPWH), irrigation is addressed by the National Irrigation Administration (NIA), and environmental degradation is addressed by the Department of Environment and Natural Resources (DENR). In reality, the causes and solutions to these are mostly inter-related. Arriving at integrated and comprehensive solutions to the river system's issues, requires the creation of an organization with goals that cut across departmental functions and focus on the ecological condition, socio-economic development and sustainability of the Bicol River.

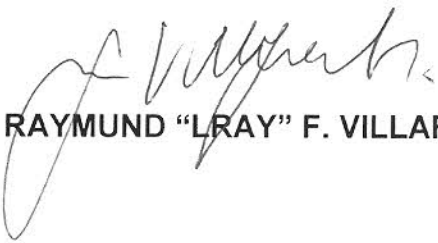
The SBRDA aims to implement the vision of a clean, sustainable river development that supports life by balancing ecological, economic, aesthetic and cultural benefits. The SBRDA will be guided by the three pillars of Sustainability:

- (1) Planet/Environmental Stewardship – referring to the ecological well-being of the entire Bicol River Basin, rehabilitating and maintain healthy ecosystem and habitats, implementing greening and aesthetic projects, ensuring ample water supply for household and economic use.

- (2) Profit/Economic Development – referring to economic development in the river basin area and in Bicol Region, such as, developing sustainable tourism opportunities.
- (3) People/Social Equity – referring to improving health and sanitation conditions and poverty alleviation, creating sustainable communities and livelihood, and setting up measures for climate change adaptation and reducing disaster risks.

This measure is designed to fully realize the great potential offered by the various resources within the Bicol River for the livelihood of the large segment of population in the area and increased income for the government, both local and national.

Thus, this Bill is proposed to form the Sustainable Bicol River Development Authority, with institutional powers to implement programs and projects to achieve the goals of the SBRD strategy. The Bill also outlines the Authority's functions and duties, in accordance with the principles of sustainable development, and the SBRD strategy.



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AN ACT CREATING THE SUSTAINABLE BICOL RIVER DEVELOPMENT AUTHORITY, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES.

Section 1. *Declaration of Policy.* – It is hereby declared to be the policy of the State to promote, and accelerate the sustainable development and balanced growth of the Bicol River area and the surrounding municipalities, towns and barangays (Region), within the context of the national and regional plans and policies for social and economic development and to carry out the development of the Bicol River Region with due regard and adequate provisions for environmental management and control, preservation of the quality of human life and ecological systems, and the prevention of undue ecological disturbances, deterioration and pollution.

Section 2. *Creation.* – There is hereby created a body corporate to be known as the Sustainable Bicol River Development Authority (SBRDA), which shall be organized within one hundred twenty (120) days after the approval of this Act. The SBRDA shall execute the powers and functions herein vested and conferred upon it in such a manner as will, in its judgment, aid to the fullest possible extent in carrying out the aims and purposes set forth below.

Section 3. *Headquarters and Main Office.* – The Authority may establish its headquarters at the Camarines Sur Provincial Capitol Complex and may establish satellite offices within the region wherever it is necessary in the conduct of its business.

Section 4. *Special Powers and Functions.* – The SBRDA shall exercise and perform the following powers and functions:

- (a) To make a comprehensive survey of the physical and natural resources and potentialities of the Region particularly its socio and economic conditions, hydrologic characteristics, power potential, scenic and tourist spots, regional problems, and on the basis thereof, to draft a comprehensive and detailed plan designed to conserve and utilize optimally the resources within the Region particularly the Bicol River to promote the Region's rapid social, environmental and economic development: *Provided*, That implementation of all fisheries plans and programs of the SBRDA shall require prior consensus of the Bureau of Fisheries and Aquatic Resources to ensure that such plans and programs are consistent with national fisheries plan and programs. For the purpose of the said survey, public agencies shall submit and private entities shall provide necessary data except such data, which under existing laws are deemed inviolable.
- (b) To make recommendation to the proper agencies on financing, technical support, physical assistance and, generally, the level of priority to be accorded agricultural, industrial and commercial projects, soliciting or requiring direct help from the national government and its instrumentalities, private organizations, non-government organizations, and other such entities that may be tapped for assistance.
- (c) To pass upon and approve or disapprove all plans, programs, and projects proposed by local government offices/agencies within the Region, public corporations, and private persons or enterprises where such plans, programs and/or projects are related to those of the SBRDA for the development of the region as envisioned in this Act. The SBRDA shall issue the necessary clearance for all approved proposed plans, programs, and projects within thirty (30) days from submission thereof unless the proposals are not in consonance with those of the SBRDA or that those will contribute to the unmanageable pollution of the Bicol River waters or will bring about the ecological imbalance of the Region: *Provided*, That the Authority is hereby empowered to institute necessary legal proceeding against any person who shall commence to implement or continue implementation of any project, plan or program within the Bicol River region without previous clearance from the Authority. Reasonable processing fees as may be fixed by the SBRDA's Board of Directors shall be collected by the SBRDA for the processing of such plans, programs and/or projects: *Provided, further*, That expansion plans shall be considered as new plans subject to review of the SBRDA and to payment of the processing fees.

The SBRDA and national and local government offices, agencies and public corporations shall coordinate their plans, programs, projects and licensing procedures with respect to the Bicol River for the purpose of drawing up a Bicol River Sustainable Development Plan which shall be binding upon all parties concerned.

- (d) To engage in agriculture, industry, commerce, or other activities within the Region which may be necessary or directly contributory to the social, environmental, and economic development of the Region, and, for this purpose, whether by itself or in cooperation with private persons or entities, to organize, finance, invest in, subsidiary corporations: *Provided*, That the SBRDA shall engage only, unless public interest requires otherwise, in those activities as are in the nature of new ventures or are clearly beyond the scope, capacity, or interest of private enterprises due to consideration or geography, technical or capital requirements, returns on investment, and risk.
- (e) To plan, program, finance and/or undertake infrastructure projects such as river, flood and tidal control works, waste water and sewerage works, water supply, roads, port works, irrigation, housing and related works, when so required within the context of its development plans and programs including the readjustment, relocation, or settlement by population within the Region as may be deemed necessary and beneficial by the SBRDA: *Provided*, That should any project be financed wholly or in part by the SBRDA, it is hereby authorized to collect reasonable fees and tolls as may be fixed by its Board of Directors from users and/or beneficiaries thereof to recover costs of construction, operation and maintenance of the projects: *Provided, further*, That if the SBRDA should find it necessary to undertake such infrastructure projects which are classified, as social overhead capital projects, the SBRDA shall be authorized to receive financial assistance from the government in such amount as may be necessary to carry out the said projects subject to such terms and conditions that may be imposed by the government: *Provided, finally*, that such amount as may be necessary for the purpose is hereby authorized to be appropriated out of the funds of the National Treasury not otherwise appropriated.
- (f) To make an annual report regarding the operation of the SBRDA, more particularly a statement of its financial conditions, activities undertaken, progress of projects and programs and plans of actions for the incoming years: *Provided, however*, that a majority of the stockholders may require the SBRDA to submit report or reports other than the annual report herein

required, which report must be submitted within a period of sixty (60) days from notice thereof.

- (g) To enforce easements involving the Bicol River in accordance with the New Civil Code, Water Code, Forestry Reform Code and other existing applicable laws, without prejudice to amendments and/or future laws pertaining to easements that may be applicable in the future.
- (h) To reclaim or cause to be reclaimed portions of the Bicol River or undertake reclamation projects and/or acquire such bodies of land from the lake which may be necessary to accomplish the aims and purposes of the SBRDA: *Provided*, That the land so reclaimed shall be the property of the SBRDA and the title thereto shall be vested in the SBRDA.
- (i) The provisions of existing laws to the contrary notwithstanding, to engage in fish production and other aqua-culture projects in the Bicol River and other bodies of water within its jurisdiction and in pursuance thereof, to conduct studies and make experiments, whenever necessary, in coordination with the Bureau of Fisheries and Aquatic Resources, with the end in view of improving present techniques and practice: *Provided*, That until modified, altered or amended by the procedure provided in the following sub-paragraph, the present laws, rules and permits or authorizations remain in force.
- (j) For the purpose of effectively regulating and monitoring activities in the Bicol River, the SBRDA shall have exclusive jurisdiction to issue new permit for the use of the river waters for any projects or activities in or affecting the said river including navigation, construction, and operation of fishpens, fish enclosures, fish corrals and the like, and to impose necessary safeguards for river quality control and management and to collect necessary fees for said activities and projects: *Provided*, That the fees collected for fisheries may be shared between the SBRDA and other government agencies and political sub-divisions in such proportion as may be determined by the SBRDA's Board: *Provided, further*, That the SBRDA's Board may determine new areas of fishery development activities in coordination the Bureau of Fisheries and Aquatic Resources taking into account the overall development plans and programs for the Bicol River and related bodies of water. *Provided*, finally, that the SBRDA shall promulgate such rules and regulations which shall govern fisheries development activities in the Bicol River taking into consideration among others the following: bonafide resident fishermen whether individually or collectively in the form of cooperatives, riverside town development, a

master plan for fishpen construction and operation, communal fishing ground for riverside town residents, and preference to riverside town residents in hiring laborers for fishery projects.

- (k) To recommend to the province, cities or municipalities embraced within the Region to pass appropriate zoning ordinances and other regulatory measures necessary to carry out the objectives of the SBRDA and enforce the same with the assistance of the SBRDA.
- (l) To extend the necessary planning, management and technical assistance to prospective and existing investors in the Region.
- (m) The provision of existing laws to the contrary notwithstanding, to exercise water rights over public waters within the Region whenever necessary to carry out the SBRDA's projects.
- (n) To act in coordination with existing government agencies in establishing water quality standards for industrial, agricultural and municipal/city waste discharges into the river and to cooperate with said existing agencies of the government of the Philippines in enforcing such standards, or to separately pursue enforcement.
- (o) To develop water supply and harness water resources, in coordination with the National Water Resources Board or its successors in interests, and to enter into agreements with municipalities, governmental agencies and corporations and the private sector to supply, distribute and market such water or water resource.
- (p) To engage in, develop and implement activities and programs for the production of conventional, alternative and renewable sources of energy that may be available in the Bicol River, and for the recovery and reuse of energy that would otherwise be wasted.
- (q) To undertake studies on the improvement and maintenance of the water quality of Bicol River, and in pursuance thereof, prepare a water quality management program on a continuing basis, which the SBRDA shall carry out with the assistance and support of national and local government units involved in water quality management.

- (r) To formulate and implement policies, standards, programs and projects for proper waste management affecting the Bicol River.
- (s) To formulate and implement policies, rules and regulations, standards, programs and projects for the promotion and safeguarding of the health and sanitation of the Bicol River and for the enhancement of ecological balance and the prevention, control and abatement of environmental pollution.
- (t) To promote public safety which includes the formulation and implementation of programs and policies and procedures to achieve public safety, especially preparedness for preventive or rescue operations during times of calamities and disasters such as conflagrations, earthquakes, flood and tidal waves, and coordination and mobilization of resources and the implementation of contingency plans for the rehabilitation and relief operations in coordination with national agencies concerned.
- (u) To conduct activities, initiatives and programs that will create, boost and promote tourism, culture and sports within the Bicol River.
- (v) To create and implement programs geared towards the promotion, preservation and conservation of Bicol River's history and culture.
- (w) To enter into Public-Private Partnership (PPP) programs, projects and contracts.
- (x) To plan, manage and conduct such other activities, initiatives and programs consistent with the Sustainable Bicol River Development Plan.

Section 5. *The Powers of the SBRDA.* - The SBRDA shall have the following powers and functions:

- A. To succeed on its corporate name;
- B. To sue and be sued in such corporate name;

C. To adopt, alter and use a corporate seal;

D. To adopt, amend, and repeal its by-laws;

E. To enter into contracts of any kind and description, to enable it to carry out its purposes and functions under this Act;

F. To acquire, buy, purchase, hold or lease, such personal and real property as it deems necessary or convenient in the transaction of its business and/ or in relation with carrying out its purposes under this Act, and to lease, mortgage, sell, alienate, or otherwise encumber, utilize, exploit or dispose and such personal and real property held by it, subject to prior or existing individual or communal right of private parties or of the government or any agency or enterprise thereof;

G. To exercise the right of eminent domain whenever the Authority deems it necessary for the attainment of the objectives of the Authority under this Act;

H. To borrow funds from any local or foreign financial institutions independent of the bonds it may issue or may continue to issue, to carry out the purposes of this Authority under this Act;

I. For carrying on its business, or for the purpose of attaining or furthering any of its objectives, to perform any and all acts which a corporation, co-partnership, or natural person is authorized to perform under the laws now existing or which may be enacted hereafter;

J. To issue such rules and regulations as may be necessary to effectively carry out the powers and purposes herein; provided including the plans, programs and projects of the Authority, to take effect thirty (30) days after publication thereof, in a newspaper of general circulation.

Section 6. Capitalization and Financing. - The Authority shall have a capital of One Billion Pesos (PhP1,000,000,000.00), which shall be entirely funded by the national government.

Section 7. *Operating Expenses.* - For the operating expenses of the SBRDA, the sum of One Hundred Million Pesos (PhP100,000,000.00) is hereby appropriated annually for five (5) years from the general fund of the National Government not otherwise appropriated from the date of approval of this Decree. The Board of Directors may appropriate out of the funds of the SBRDA such as may be needed or necessary for its operating expenses.

Section 8. *Exemption from Tax.* - The SBRDA shall be exempt from all taxes, licenses, fees, and duties, incidental to its operations. All notes, bonds, debentures and other obligations issued by the SBRDA shall be exempt from all taxes both as to principal and interest, except inheritance and gift taxes.

Section 9. *Guarantee by the Government.* - The Republic of the Philippines hereby guarantees the payment by the SBRDA of both the principal and the interest of the bonds, debentures, collaterals, notes or such other obligations issued by the SBRDA by virtue of this Act, and shall pay such principal and interest in the event at the SBRDA fails to do so. In case the SBRDA shall be unable to pay the said principal and interest, the Secretary of Finance, shall pay the amount thereof which is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, and thereupon, to the extent of the amounts so paid, the Government of the Republic of the Philippines shall succeed to all the rights of the holders of which bonds, debentures, collaterals, notes or other obligations, unless the sum so aid by the Republic of the Philippines shall be refunded by the SBRDA within a reasonable time.

Section 10. *Composition of the Board of Directors.* - The corporate powers shall be vested in and exercised by a Board of Directors (Board), which shall be composed of thirteen (13) members, to wit: the Provincial Governor of Camarines Sur, the Provincial Governor of Camarines Norte, the Provincial Governor of Albay, the Regional Director of the Department of Public Works and Highways, the Regional Director of the Department of Tourism, the Regional Director of the Department of Department of Environment and Natural Resources, the Regional Director of the National Irrigation Administration, the Regional Director of the Department of Agriculture, the Regional Director of the National Economic and Development Authority, a General Manager of the SBRDA to be appointed by the President of the Philippines, and three additional representatives from the private sector, the academe and Non-Government Organization (NGO) to be appointed by the first ten (10) members once they convene.

The Board of Directors shall elect annually from among their members a Chairman and a Vice-Chairman. There shall be a Corporate Secretary who shall be appointed by the Board. The officials next in rank to the above-mentioned members

shall serve as permanent alternate members and shall attend meetings of the Board in the absence of their principals.

Section 11. *Acting Chairman.* - In case of vacancy in the position of Chairman, or in the absence of or temporary incapacity of the Chairman, the Vice-Chairman shall act as such until a new Chairman is duly elected by the Board.

Section 12. *Effect of Vacancies and Quorum.* - Vacancies in the Board as long as there shall be seven (7) members in office, shall not impair the powers of the Board to execute the functions of the SBRDA. The affirmative vote of seven (7) members of the Board shall be necessary at all times to pass or approve any act or resolution.

Section 13. *Prohibition against "Conflict of Interest".* - No member of the Board shall be financially interested, directly or indirectly, in any contract entered into by the SBRDA or in any special privileges granted by the SBRDA during its term of office. All contracts entered into in violation of this provision shall automatically be null and void.

Section 14. *Removal of a Board member.* Any member of the Board found violating this Act or the Code of Conduct and Ethical Standards for Public Officials and Employees, by two-thirds (2/3) vote of the Board, shall be disqualified from serving his un-expired term, and shall furthermore be perpetually disqualified for membership in the said Board.

Section 15. *Board Meetings.* - The Board shall meet at least once a month. The Board shall be convened by the Chairman or upon written request signed by a majority of the members.

Section 16. *Powers and Functions of the Board of Directors.* -

- (a) To formulate, prescribe, amend and repeal rules and regulations to govern the conduct of business of the SBRDA;
- (b) To appoint and fix the compensation of all officials from division heads and above, and others of comparable rank upon the recommendation of the General Manager;

- (c) By a majority vote of all members of the Board, to suspend, remove or otherwise discipline for just cause all officials appointed by the Board other than the three (3) additional appointed members of the Board;
- (d) To approve the annual and/or supplemental budgets of the SBRDA; and
- (e) To do such other acts and perform such other functions as may be necessary to carry out the provisions of this Charter.

Section 17. *Powers and Functions of the General Manager.* - The General Manager shall be the chief executive of the SBRDA. As such, he shall have the following powers and duties:

- (a) Submit for consideration of the Board the policies and measures which he believes to be necessary to carry out the purposes and provisions of this Act;
- (b) Execute and administer the policies, plans, programs and projects approved by the Board;
- (c) Direct and supervise the operation and internal administration of the SBRDA. The General Manager may delegate certain of his administrative responsibilities to other officers of the SBRDA subject to the approval of the Board;
- (d) Recommend and appoint officials and employees below the rank of division heads to positions in the approved budget upon the approval of the majority of the members of the Board of Directors;
- (e) Submit quarterly reports to the Board on personnel selection, placement and training; and
- (f) Perform such other functions as may be provided by law.

Section 18. *Separability Clause.* - The provisions of this Act are hereby declared to be separable, and in the event any one or more of such provisions are held unconstitutional, they shall not affect the validity of other provisions.

Section 19. *Laws repealed.* - All acts, charters, executive orders, administrative orders, proclamations, rules and regulations, or parts thereof in conflict with this Act are hereby repealed or modified accordingly.

Section 20. *Effectivity.* - This act shall take effect upon its approval.

Approved,