

## EXECUTIVE ORDER NO. 254-A

**AUTHORIZING THE FURTHER RELEASE OF FUNDS FROM THE NET GOVERNMENT SHARE FROM SERVICE CONTRACT NO. 38 OVER THE CAMAGO-MALAMPAYA NATURAL GAS RESERVOIR AS ASSISTANCE TO THE PROVINCE OF PALAWAN**

**WHEREAS**, the Republic of the Philippines, through the Department of Energy (DOE), entered into Service Contract No. 38 (SC 38) with Shell Philippines B.V. and Occidental Philippines, Inc. on 11 December 1990 for the exclusive conduct of petroleum operations in the area referred to as Camago-Malampaya located off the shores of northwest Palawan;

**WHEREAS**, Executive Order No. 254 dated 08 December 2003 [EO 254] recognizes the strategic importance of SC 38 in providing secure, reliable and environmentally-friendly indigenous energy and the responsibilities that have been undertaken by the Province of Palawan in assisting the National Government in securing the SC 38 Project Exclusion Zone and, therefore, it is deemed appropriate for the Province of Palawan to benefit from the net government revenues from SC 38 for its socio-economic and environmental development projects;

**WHEREAS**, under the Local Government Code, the President may, upon the request of the local government unit concerned, direct the appropriate national agency to provide financial, technical or other forms of assistance to the local government unit, at no extra cost to the local government unit concerned;

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1.** *Release of Funds.* - Subject to applicable laws and availability of funds, the Department of Budget and Management (DBM) shall release, through the DOE, the additional funds necessary to implement the projects mentioned in Section 2 hereof for the Province of Palawan, which have been determined by the DOE in consultation with the Provincial Government of Palawan, in the amount of Three Hundred Million Pesos (P300,000,000.00), sourced from the net government share of the revenues from SC 38 for fiscal year 2002 and 2003.



**SECTION 2. Allocation.** – The foregoing amount shall be allocated for priority development projects for the Province of Palawan as approved by its Sangguniang Panlalawigan, as follows:

- a. Twenty Million Pesos (P20,000,000.00) for purchase of land for relocation of the landless of Puerto Princesa City;
- b. Five Million Pesos (P5,000,000.00) for the Livelihood Program for Market Vendors, Puerto Princesa City;
- c. Twenty Million Pesos (P20,000,000.00) for the widening and drainage improvement of Rizal Avenue, Puerto Princesa City;
- d. Thirty Million Pesos (P30,000,000.00) for the concreting of the Iwahig-Sta. Lucia section of the Palawan South Road in the City of Puerto Princesa;
- e. Eleven Million Nine Hundred Thousand Pesos (P11,900,000.00) for the construction of the Barangay Convergence Center in the City of Puerto Princesa;
- f. Twenty Million Pesos (P20,000,000.00) for the PGMA Scholarship Program for the tuition fees for four (4) years of one thousand (1,000) students of petroleum engineering, agriculture and fisheries, environmental protection and management, tourism and similar courses offered by the State Universities located in the Province of Palawan, as follows:
  - i. Seven Hundred (700) students from the Palawan State University; and
  - ii. Three Hundred (300) students from the Western Philippines University;
- g. Ten Million Pesos (P10,000,000.00) for the construction of additional facilities for the *Ospital ng Palawan* Provincial Hospital;
- h. Ten Million Pesos (P10,000,000.00) for the construction of the Palawan State University building;
- i. Forty Million Pesos (P40,000,000.00) for the acquisition of land and development of the El Nido Municipal Airport;
- j. Fifteen Million Pesos (P15,000,000.00) for Barangay Electrification Projects;



- k. Six Million Pesos (P6,000,000.00) for the construction of Municipal Buildings in the Municipalities of Agutaya and Cagayancillo, in the amount of Three Million Pesos (P3,000,000.00) each;
- l. Forty Three Million One Hundred Thousand Pesos (P43,100,000.00) for Barangay Livelihood Programs, in the amount of One Hundred Thousand Pesos (P100,000.00) for each of the four hundred thirty-one (431) barangays of the Province of Palawan; and
- m. Sixty Nine Million Pesos (P69,000,000.00) for Municipal Livelihood Programs in the amount of Three Million Pesos (P3,000,000.00) for each of the twenty-three (23) municipalities of the Province of Palawan.

**SECTION 3. Reservation.** - The release of the amount under this Executive Order is made for the mutual benefit of the National Government and the Province of Palawan and its constituents, and shall be without prejudice to any on-going discussions or legal disputes regarding the National Government's territorial jurisdiction over the areas covered by SC 38.

**Section 4. Implementing Guidelines, Rules and Regulations.** The Secretary of Energy, the Secretary of Finance and the Secretary of Budget and Management shall jointly promulgate the necessary guidelines, rules and regulations to ensure the orderly implementation of this Executive Order.

**SECTION 5. Effectivity.** - This Executive Order shall take effect immediately.

**DONE** in the City of Manila, this 3rd day of March, in the year of our Lord, Two Thousand and Four.



*Glenn Arroyo*



By the President:

*Alberto G. Romulo*

**ALBERTO G. ROMULO**

Executive Secretary