

IMPLEMENTING RULES AND REGULATIONS OF REPUBLIC ACT NO. 11995, OTHERWISE KNOWN AS THE "PHILIPPINE ECOSYSTEM AND NATURAL CAPITAL ACCOUNTING SYSTEM (PENCAS) ACT";

IRR of REPUBLIC ACT NO. 11995, May 22, 2025

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RULE I

GENERAL PROVISIONS

SECTION 1. - Title. These rules and regulations shall be referred to as the "Implementing Rules and Regulations (IRR) of Republic Act No. 11995 (R.A. No. 11995), also known as the PENCAS Act".

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to:

a)

Recognize natural ecosystems as an integral part of our patrimony and heritage;

b)

Protect and promote ecological balance and resilience, and advance the right of the people to live in harmony with nature;

c)

Adhere to internationally accepted System of Environmental-Economic Accounting that measures and monitors the dynamic interaction and intersections of the environment, economy and society;

d)

Develop a comprehensive information system and accounting framework that will take into consideration the role of our natural capital, consisting of both environmental and natural resources, including ecosystem services, and its impact on the economy;

e)

Compile and progressively integrate natural capital accounts in macroeconomic indicators, strengthening and building on Republic Act No. 10625, otherwise known as the "Philippine Statistical Act of 2013," which mandates the compilation of national accounts including environmental accounts, statistics, and indicators;

f)

Provide indicators that will facilitate the integration of environmental and natural resource concerns in planning and policymaking at the national and subnational levels, in allocating budgets, and in designating statistics that will be produced regularly for an identified period of analysis;

g)

Establish and improve interagency coordination for the purpose of linking natural capital information as well as efficient data management among concerned agencies and their partner institutions, and establish an office to guide such coordination; and

h)

Understand nature's pricelessness, its heritage and intrinsic value, and its interdependencies in the implementation of the foregoing policies to consider that nature and ecosystems have inherent rights to exist, with an end view of recognizing legal rights that serve to protect endangered ecosystems and applying the precautionary principle, especially when economic values cannot be estimated.

SEC. 3. Objectives of the PENCAS. The PENCAS shall have the following major objectives:

a)

To provide a system for the collection, compilation, and development of physical and natural capital accounts in the government as a tool for physical and development planning and programming, policy analysis, and decision-making;

b.)

To serve as a comprehensive data framework in the generation of natural capital statistics and accounts towards their progressive integration in macroeconomic indicators;

c)

To provide tools and measures that contribute to the protection, conservation, and restoration of ecosystems;

d)

To guide valuation of ecosystem services such as provisioning, regulating and maintenance, and cultural services; and

e)

To define the institutional arrangements for the implementation of the PENCAS.

SEC. 4. Rule on Interpretation and Construction of General and Technical Terms. Terms herein defined, which may have different significations, shall be understood in that which is most in keeping with the nature and object of the Act.

The technical usage or the relevant international standards shall be considered in the interpretation and construction of the terms and provisions of this IRR.

RULE II

DEFINITION OF TERMS

SECTION 1. Definition of Terms. Whenever used in these Rules, the following terms shall have the respective meanings hereafter set forth:

a)

Adjusted net national income is gross national income (GNI) minus consumption of fixed capital and natural resources depletion.

b)

Adjusted net savings refers to the net national savings and education expenditure, and deduct natural resources (such as energy, minerals, forest, water, soil, inland wetlands, coastal and marine areas, and fisheries), depletion, and greenhouse gas emissions and pollution damage.

c)

Asset refers to a store of value representing a benefit or series of benefits accruing to an economic owner by holding or using the entity over a period of time.

d)

Asset account refers to a record of both the opening and closing stock of environmental assets and the changes over the accounting period.

e)

Degradation refers to changes in the capacity of environmental assets to deliver a broad range of ecosystem services and the extent to which this capacity may be reduced through the action of institutional sectors.

f)

Depletion, in physical terms, refers to the decrease in the quantity or value of the stock of a non-produced natural resource over an accounting period that is due to the extraction of the natural resource by economic units occurring at a level greater than that of regeneration, in monetary terms, it corresponds with the decline in future income, due to extraction, that can be earned from a resource, the value of which is based on the physical flows of depletion using the price of the natural resource in situ.

g)

Ecosystem refers to all living things in a given area, as well as their interactions with each other, and with their non-living environments (such as weather, earth, sun, soil, climate, atmosphere, water).

h)

Ecosystem accounting refers to a coherent framework for integrating measures of ecosystems and flows of services from them with measures of economic and other human activity.

i)

Ecosystem accounts refer to a record over an accounting period (i) the stock and change in stock of each ecosystem asset encompassing entries for ecosystem enhancement and degradation and (ii) flows from the asset in the form of ecosystem services.

j)

Ecosystem asset refers to contiguous spaces covered by a specific ecosystem type characterized by a distinct set of biotic and abiotic components and their interactions.

k)

Ecosystem condition accounts refer to organized data on selected ecosystem characteristics and the distance to a

reference condition to provide insight into the ecological integrity of ecosystems. It also organizes data relevant to the measurement of the capacity of an ecosystem to supply different ecosystem services.

l)

Ecosystem extent accounts refer to organized data on the extent or area of different ecosystem types.

m)

Ecosystem services refer to the benefits supplied by the functions of the ecosystem and received by humanity and all elements of living systems, which support life systems on the planet. Ecosystem services consist of provisioning services, regulating and maintenance services, and cultural services.

n)

Ecosystem typology refers to the classification framework that systematically categorizes ecosystem assets based on their functional roles and compositional characteristics.

o)

Emissions refer to substances released to the environment by institutional sectors as a result of production, consumption, and accumulation processes. Generally, emissions are analyzed by type of receiving environment such as air, water bodies, and soil, and by type of substance.

p)

Environmental activity accounts refer to a record of transactions that may be considered environmental such as activities undertaken to preserve and protect the environment.

q)

Environmental assets refer to the naturally occurring living and non-living component of the Earth, together constituting the biophysical environment, which may provide benefits to humanity.

r)

Environmental indicators refer to environment statistics that have been selected for their ability to depict important phenomena or dynamics. Environmental indicators are used to synthesize and present complex environment and other statistics in a simple, direct, clear and relevant way.

s)

Environmental protection activities refer to those activities whose primary purpose is the prevention, reduction and elimination of pollution and other forms of degradation of the environment.

t)

Environmental protection expenditures refer to expenditures for environmental protection activities.

u)

Flow accounts refer to records of flows of natural inputs, products, and residuals from the environment to the economy, within the economy, and back to the environment.

v)

Gross Domestic Product (GDP) refers to the standard measure of the value added created through the production

of final goods and services in a country during a certain period.

w)

Gross National Income (GNI) refers to the total income earned by all residents within an economic territory during an accounting period. It is equal to GDP plus earned income receivable from abroad minus earned income payable abroad.

x)

Instructional sector refers to a grouping of economic units that are treated as a single economic entity for statistical purposes. These units are classified into four main sectors: financial corporations, non-financial corporations, general government, and households, including non-profit institutions serving households.

y)

Natural capital refers to the stock of renewable and non-renewable resources, including plants, animals, air, water, soil, ores, and minerals, that provide a flow of benefits to people and living things which includes, but is not limited to, ecosystem services such as air and water filtration, flood protection, carbon sequestration, pollination of crops, and habitats for wildlife.

z)

Natural Capital Accounting (NCA) refers to an accounting framework that provides a systematic way of measuring and reporting on stocks and flows of natural capital. NCA covers accounting for individual environmental assets or natural resources, both biotic and abiotic such as but not limited to water, ores, minerals, energy, timber, and fish as well as accounting for ecosystem assets, biodiversity, and ecosystem services.

aa)

Natural Capital Auditing Roadmap refers to the document that provides strategic guidance on the national implementation of NCA. It presents the critical activities, milestones, and outputs for each planning period to fully institutionalize and integrate NCA, including valuation of ecosystem services in the government's planning, investment decisions, and policymaking process.

bb)

Natural Resources refers to all natural biological resources (including timber and aquatic resources), mineral and energy resources, soil resources, and water resources.

cc)

Residuals refers to flows of solid, liquid, and gaseous materials and energy that are discarded, discharged, or emitted to the environment by institutional sectors through processes of production, consumption or accumulation but may also flow within the economy.

dd)

Restoration refers to any intentional activity that initiates or accelerates the recovery of an ecosystem from a degraded state.

ee)

System of Environmental-Economic Accounting (SEEA) refers to a framework that integrates both economic and environmental data to provide a more comprehensive and multipurpose view of the interrelationships among the

economy, the environment and ecosystems, and the stocks and changes in stocks of natural assets, as they bring benefits to humanity.

ff)

System of National Accounts refers to the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles.

gg)

Valuation refers to determining the value or worth, in both physical and economic terms, of natural capital and the services it provides at national and sub-national levels.

RULE III

PHILIPPINE ECOSYSTEM AND NATURAL CAPITAL ACCOUNTING SYSTEM

SECTION 1. Institutionalization of PENCAS. The PENCAS is institutionalized within the government bureaucracy to mandate its use in policy and decision-making, designate the agencies responsible for its implementation, and provide institutional arrangements among agencies.

SEC. 2. PENCAS as a Designated Statistical Activity. The PENCAS framework shall include, among others, a list of officially designated statistics on the depletion, degradation, and restoration of natural capital; environmental protection expenditures; pollution and quality of land, air and water; environmental damages; and adjusted net savings. It shall include asset, flow, environmental activity, and ecosystem accounts. The accounts shall be compiled at the national and subnational levels by the Philippine Statistics Authority (PSA), and the site-specific level by the Department of Environment and Natural Resources (DENR).

Concerned agencies may propose new designated statistics subject to the evaluation of the Interagency Committee on Environment and Natural Resources Statistics (IACENRS), based on the current Guidelines on the Modification of Designated Statistics, prior to its endorsement and the approval of PSA Board for its inclusion in the System of Designated Statistical Activities that will generate Critical Data for Decision-Making of the Government and the Private Sector".

The PENCAS framework shall be in alignment with internationally accepted environmental-economic accounting frameworks given their applicability and replicability within the local context. The use of existing framework/s-in its entirety, or its portion/s in combination with other NCA-related systems-shall not be limited to the System of Environmental-Economic Accounting (SEEA) Framework. The IACENRS, through a resolution, shall specify the frameworks that may be adopted.

SEC. 3. PENCAS Framework. A Natural Capital Accounting (NCA) framework shall be formulated to guide all concerned agencies and its instrumentalities for implementation. The said framework shall integrate ecosystem services into the accounting systems of a particular ecosystem accounting unit. It shall cover the measurement of natural capital consistent with accounting structures, definitions, rules, data standards and clearing protocols set by the IACENRS. The conduct of NCA for site-specific accounts may use various methodologies and tools developed by the DENR.

The IACENRS shall review the framework and methodologies based on the results and progress of the PENCAS implementation. Clearing protocols and quality checks may be developed to ensure that all the activities are aligned to the SEEA framework. Pursuant to Section 2, Rule III of this IRR, the IACENRS shall recommend

revisions, as necessary, for the approval of the PSA Board.

SEC. 4. Natural Capital Accounting Roadmap. The Natural Capital Accounting (NCA) Roadmap shall be reviewed and updated as necessary by the IACENRS to incorporate developments and innovations in the environment and natural resources sector, including the updates in reference manuals and frameworks. It shall serve as a basis in the implementation of PENCAS, particularly on the development of natural capital and ecosystem accounts.

The NCA Roadmap shall outline strategies based on the development goals of the Philippines, in consideration of national policies and international commitments, among others.

It shall identify activities such as collection, renewal, and review of NCA data, and timeframe to support mainstreaming of NCA and its integration into policy, planning, programming, and decision-making. It shall identify implementation structure and detail the roles and responsibilities of agencies involved in accordance with the Act and this IRR.

The components for the NCA Roadmap shall consist of, but not limited to, the following:

- Component 1. Development of natural capital and ecosystems accounts
- Component 2. Calculation of natural capital-adjusted macroeconomic indicators
- Component 3. Policy Use and Application
- Component 4. Data Management System
- Component 5. Capacity Development C
- Component 6. Dissemination

SEC. 5. Development of Natural Capital and Ecosystem Accounts. The development of natural capital and ecosystem accounts shall be progressive and in accordance with the NCA Roadmap. The compilation of accounts involves several steps such as:

1)

Preparatory work and design phase, which includes the formation of a technical working group or task force, continuous training on the specific account development, local adaptation of the SEEA framework, and preliminary data assessment;

2)

Data collection and consolidation phase;

3)

Actual compilation of accounts;

4)

Preparation of statistical reports; and

5)

Preparation of technical guidance.

PENCAS shall include asset, flow, environmental activity, and ecosystem accounts. The accounts shall be

compiled at the national, subnational, and site-specific levels, as necessary.

a)

Asset accounts shall be compiled in physical and monetary terms for individual natural resources including, but not limited to, mineral and energy, water, land, soil, forest, and biological resources.

b)

Flow accounts shall be compiled in physical and monetary terms encompassing energy, water, and material flow accounts (domestic material extraction and physical trade)

c)

Environmental activity accounts shall be compiled including specific environmental activity accounts such as Environmental Protection Expenditure Accounts, Environmental Goods and Services Sector, and Environmental Taxes and Subsidies Accounts.

d)

Ecosystem accounts shall be compiled in physical and monetary terms, as appropriate, including ecosystem extent, condition, services, and asset accounts.

SEC. 6. Natural Capital-Adjusted Macroeconomic Indicators. The development of natural capital (NC)-adjusted macroeconomic indicators shall be progressive and in accordance to the guidelines issued by the PSA. NC-adjusted macroeconomic indicators shall be used to account for and analyze the sustainability of the country's economic and development processes.

The NC-adjusted macroeconomic indicators to be developed include, but shall not limited to, Adjusted Net Income (ANI), Adjusted Net Savings (ANS), and Comprehensive Wealth (CW).

SEC. 7. Policy Use and Application of Natural Capital Accounts and Adjusted Macroeconomic Indicators. NCA shall integrated and established as a fundamental part of policy development across all government sectors, contributing to regular environmental reporting and the achievement of a green economy.

This involves the inclusion of NCA-related indicators in the PDP Result Matrix, conduct of studies and assessments on the integration of NCA in development, sectoral and spatial planning, policy, and budgeting at the national and local level, and development of policy papers on NCA.

Policy use of NCA and NC-adjusted macroeconomic indicators in the long term shall cover investment programming and appraisal, integration of NCA in the Philippine Environmental Impact Statement System (PEISS), development of financing instrument with the potential for upscaling, policy analysis using natural capital-adjusted macroeconomic indicators, and integration of NCA in the Philippine education system.

SEC. 8. Natural Capital Accounting Information System. The DENR shall be responsible for developing, hosting, maintaining, and securing the Natural Capital Accounting (NCA) Information System. This information system will facilitate data collection, management and compilation of environmental and economic data from various data producers for natural capital accounting. The DENR and PSA, as the process owners of the NCA Information system, shall collaborate to define the data requirements, including processes, scope, access protocols, and data management standards for the information system.

With the technical capabilities of the Department of Information and Communication Technology (DICT), they shall provide technical assistance to DENR and PSA in ensuring the data interoperability and sharing with

NCA-related data systems among stakeholders from different government, non-government, and academic institutions. Also, DICT shall assist DENR in cybersecurity protocols, which helps minimize potential vulnerabilities in the system.

The NCA Information System shall enforce a Role-Based Access Control (RBAC) based on users' specific roles and access rights to NCA-related data. Any modification to roles and permissions will be determined by PSA and DENR as process owners of the system to ensure proper data governance and security.

User roles and access rights will be established according to the user's specific responsibilities in the data flow and dissemination process. This ensures that every user, including data contributors, has the appropriate level of access needed for their role while also maintaining data security and integrity.

Nothing in this IRR shall hinder the sharing of information, provided that the confidentiality of such information is strictly maintained. Data producers shall be responsible for the sharing of their respective data.

Data producers such as, but not limited to, DENR bureaus and attached agencies, Department of Agriculture (DA), bureaus, Department of Science and Technology (DOST), Department of Energy (DOE), DTI, DOF, DOTr, DHSUD, Department of the Interior and Local Government (DILG) and local government units (LGUs), PSA, BSP, non-government organizations (NGOs), academics and research institutions shall:

a)

Provide timely data and statistics in accordance with the guidelines in connection with data flow;

b)

Know the data requirements (i.e., types of information, frequency of collection, and data format and parameters) of the NCA to ensure that the generated information could feed into the national statistical system; and

c)

Adhere to standards and classifications of statistical information to facilitate timely compilation of accounts.

Accounts compiler such as PSA as the lead compiler and DENR for the site-specific ecosystem account shall:

a)

Compile national, subnational, and site-specific accounts which facilitates all the processes in the accounts development - from the designation of priority accounts to the release of final estimates;

b)

Review, validate, and consult with data producers to ensure accuracy and consistency of the data and parameters used prior to the release of the account; and

c)

Release the accounts in accordance with the timelines specified in the NCA Roadmap.

Users of accounts such as, but not limited to, Department of Economy, Planning, and Development (DEPDev), DENR, DA, DOE, DILG, Department of Finance (DOF), other government agencies, Senate, House of Representatives, LGUs, civil society. NGOs, academic and research institutions in the in the government sector shall integrate the results of the accounts in the development of their plans and programs, whenever applicable.

SEC. 9. Capacity Development. The PSA, in close coordination with Technical Working Group on Natural

Capital Accounts (TWG-NCA) and other concerned agencies, shall continue to implement programmatic training programs/modules and basic training on the PENCAS framework. Capacity development activities shall target NCA data producers, accounts compilers, and users to ensure alignment and harmonization of NCA concepts, methodologies, and resources. A mechanism for accessing technical assistance and expert advice from both local and international experts shall be established to expand and enhance NCA knowledge base among experts in the Philippines.

A systematic approach shall be adopted, taking into account the following activities: development of training program and conduct of basic training on the PENCAS framework, development of technical note to provide standard set of Ecosystem Typology (ET) or NCA terminology, establishment of local pool of trainers, development, review and updating of training kits and manuals, and competency development and human resource complement for PENCAS implementation.

SEC. 10. Dissemination. Communication initiatives shall involve multi-sectoral engagement to maintain and strengthen the demand for NCA and raise public awareness on NCA and its significance in policy analysis. Partnerships between data producers, compilers, and users shall be strengthened through dissemination efforts.

The TWG-NCA shall establish the NCA Community of Practice to serve as a collaboration and learning platform to bring together advocates and professionals from the national and local governments, civil society, and academic and research institutions.

PSA shall formulate an NCA Communication Plan to improve the understanding of the NCA and its policy applications and promote the use of SEEA as a framework for NCA. It shall include the goals, risks, audience, main messages, and programs on NCA. It shall be implemented by the PSA, as lead agency, and other government agencies involved in NCA activities with inputs from both data producers, policy analysts, policy makers, academics, and non-government organizations as well.

PSA and DENR, with other concerned government agencies, shall establish coordination and feedback mechanisms among the NCA players through consultations, dialogues, and workshops for continuous improvement of the PENCAS.

RULE IV

INSTITUTIONAL ARRANGEMENT FOR THE IMPLEMENTATION OF PENCAS

To ensure the effective implementation of PENCAS, the following shall be involved:

SECTION 1. Philippine Statistics Authority (PSA) Board. The PSA Board shall oversee the implementation of PENCAS. The PSA Board shall direct the relevant interagency committees created under Section 10 of Republic Act No. 10625 to assist the PSA in addressing agency and sectoral concerns that may arise in the development of natural capital accounts, particularly on the (1) techniques and methodologies in generating environment and natural resources statistics; (2) areas of duplication, discrepancies, and gaps; and (3) workable schemes for the improvement of data systems of accounts including production, dissemination, and archiving of data and information.

SEC. 2. Interagency Committee on Environment and Natural Resources Statistics (IACENRS). The IACENRS shall have the following specific functions:

a)

Provide technical in ensuring that data requirements for NCA are being generated by all concerned agencies.

b)

Adopt, implement, monitor, and update on a regular basis the NC Roadmap that will (1) guide short-term, medium-term, and long-term activities for natural capital accounts development; and (2) prioritize areas for budget support and monitoring and evaluation of PENCAS implementation in the country

c)

Recommend statistical measures, strategies, and policies for the improvement of NCA and ecosystem statistics and accounts to the PSA Board

d)

Recommend a list of officially designated statistics on natural capacity and ecosystem accounts and statistics to the PSA Board and conduct regular monitoring on its implementation, prioritization, and updating.

e)

Clearing protocols and quality checks may be developed to ensure that all the activities are aligned to the SEEA framework.

The IACENRS shall be composed of the following:

a)

Department of Environment and Natural Resources (DENR)

b)

Philippine Statistics Authority (PSA)

c)

Climate Change Commission (CCC)

d)

Department of Economy, Planning, and Development (DEPDev)

e)

Department of Agriculture (DA)

f)

Department of Science and Technology (DOST)

g)

Department of the Interior and Local Government (DILG)

h)

Office of the Civil Defense (OCD)

i)

Department of Energy (DOE)

j)

Department of Finance (DOF)

The PSA Environment, Natural Resources, and Ecosystem Accounts Services (ENREAS) shall provide secretariat support to the IACENRS.

The membership of the IACENRS may be increased or decreased as the exigencies of the work require. It shall recommend the said increase or decrease of membership subject to the approval of the PSA Board. It may invite representatives from other relevant agencies as resource persons as the need for them arises.

A similar IAC shall be created in the regional and provincial levels subject to the approval of the PSA Board for purposes of coordination and collaboration among agencies of all PENCAS activities. In the case of the BARMM, the creation of IAC as well as any increase or decrease in the membership shall be in accordance with the rules governing the BARMM.

SEC. 3. Technical Working Group on Natural Capital Accounts (TWG-NCA). A TWG-NCA shall be established under the IACENRS. It shall consist of the PSA as lead accounts compiler, the DENR as main data producer, the DEPDev, and the DA. The PSA shall serve as chair and shall provide secretariat support to the TWG-NCA.

The TWG-NCA shall perform the following roles and responsibilities:

a)

Provide immediate support to achieve the priority activities across all components of the NCA Roadmap such as ensuring the inclusion of proposals, through program convergence budgeting to avoid duplication of funding for similar program, activity, or project for PENCAS, by the implementing agencies for budgetary or financial and technical support and collaborating with development partners for project preparation and implementation;

b)

Serve as a forum for discussion and resolution of issues and concerns in the compilation, processing, and dissemination of natural capital and ecosystem statistics and accounts and other related indicators in terms of accuracy, completeness, timeliness, and relevance;

c)

Review and recommend enhancements on the concepts, techniques, and methodologies used in the collection, processing, and reporting of natural capital and ecosystem statistics and account to ensure conformity with the prescribed statistical standards and classification system;

d)

Identify and recommend statistical measures, strategies, and policies for the improvement of natural capital and ecosystem statistics and accounts to IACENRS;

e)

Develop manuals and handbooks, as necessary, that articulate specific standard procedures and required templates to ensure the effective and efficient conceptualization, generation, analysis and presentation of statistics and data requirements of the PENCAS;

f)

Recommend improvements in the methodology of compiling natural capital and ecosystem statistics and accounts

and formulate measures to ensure that the data requirements of the same are being generated and addressed by all concerned agencies;

g)

Prioritize outputs that will address the more urgent statistical requirements in the Philippine Statistical Development Program (PSDP), including those required to monitor and measure the accomplishment of relevant chapters of the Philippine Development Plan (PDP) and its Results Matrices (RM), and the Philippines' obligations in multilateral environmental agreements; and

h)

Update the PSA Board and the IACENRS on developments in natural capital and ecosystem statistics and accounts.

The TWG-NCA may invite representatives from other relevant agencies as resource ecosystem as the need for them arises.

RULE V

SPECIFIC FUNCTIONS OF NATIONAL GOVERNMENT AND OTHER BUREAUS ON PENCAS

SECTION 1. Philippine Statistics Authority. The PSA shall have the overall responsibility for the institutionalization and progressive implementation of PENCAS following the SEEA Framework.

1.1 Functions. As the implementing agency, the PSA shall have the following functions:

a)

It shall develop and maintain the compilation of natural capital accounts as well as the environmental and ecosystem accounts at the national and, as necessary, at the subnational levels;

b)

It shall progressively develop and generate natural capital-adjusted macroeconomic indicators;

c)

It shall coordinate with and provide technical support to interagency committees, task forces, technical working groups, national government agencies, and LGUs in the generation, compilation, and use of environmental accounts, statistics, and indicators; and

d)

In coordination with concerned agencies, it shall designate the required environment and economic statistics/accounts in agencies and bureaus responsible for generating data through the System of Designated Statistics.

1.2

Environment, Natural Resources, and Ecosystem Accounts Service (ENREAS). There shall be established under the Sectoral Statistics Office of the PSA, an Environment, Natural Resources, and Ecosystem Accounts Service to be headed by an Assistant National Statistician (ANS) equivalent to Director IV in government agencies.

The ENREAS shall be responsible for the development, enhancement, and implementation of natural capital and ecosystem accounts used for development planning and policy making at the national and subnational levels.

Under the Service, three (3) Divisions shall be created:

a) Environment and Natural Resources Account Division

The Environment and Natural Resources Accounts Division shall compile environment and natural resources accounts such as asset, flow, and environmental activity accounts in physical and monetary terms at the national and subnational levels, including the development of methodologies and preparation of statistical reports. It shall conduct studies towards the development of adjusted macroeconomic indicators.

b) Ecosystem Accounts Division

The Ecosystem Account Division shall compile ecosystem accounts such as ecosystem extent, condition, services flows, and asset accounts in physical and monetary terms at the national and subnational levels, including the development of methodologies and preparation of statistical reports.

c) Environment Statistics and Indicators Division

The Environment Statistics and Indicators Division shall compile the Compendium of Philippine Environment Statistics, climate change and disaster-related statistics and indicator, including the development of methodologies and preparation of statistical reports. It shall assist in the monitoring of environment and natural resources-related indicators in the Philippine Development Plan Results Matrix and Sustainable Development Goals.

1.3

The Assistant National Statistician for the ENREAS. The Assistant National Statistician to be appointed by the President of the Philippines, upon the recommendation of the National Statistician, shall possess the following minimum qualifications:

a)

Master's Degree appropriate to the position; and

b)

Relevant experience appropriate to the position.

1.4 Creation of a Division in PSA RSSOs and Additional Positions in PSOs. An Environment, Natural Resources, and Ecosystem Accounts Division (ENREAD) shall be created in the RSSOs, while additional plantilla positions shall be provided in the PSOs for the implementation of PENCAS.

1.5

Within 120 days from the effectivity of this IRR, the PSA shall submit its proposal for the creation of the

ENREAS, ENREAD, and additional plantilla positions in the PSOs to the DBM for review and approval. These proposals should detail the functions, staffing, requirements, and budget implications.

SEC. 2. The Department of Environment and Natural Resources (DENR). The DENR is responsible for providing NCA data to PSA. The DENR shall ensure the active participation of its concerned offices, all bureaus and attached agencies of the DENR, including, but not limited to, the National Mapping and Resource Information Authority (NAMRIA), Laguna Lake Development Authority (LLDA), National Water Resources Board (NWRB), and Palawan Council for Sustainable Development (PCSD).

2.1 Functions. Specifically, the DENR shall perform the following functions:

a)

It shall spearhead the establishment of data collection systems necessary for the production and development of priority site-specific ecosystem accounts and valuation of ecosystem services that may be contributory to the ecosystem account requirements of the PSA;

b)

Based on a set of criteria, it shall identify priority sites and corresponding ecosystem services to be accounted within a timeline in support of mainstreaming the natural capital accounting and its integration into policy, planning, programming and decision-making;

c)

In the Environmental Impact Assessment (EIA), it shall ensure that the natural environment, ecosystem services, and natural capital are framed as opportunities, benefits, or assets that may be put at risk, with great consideration to the provisions of Rule IX hereof and update Environmental Impact Assessment guidelines, accordingly;

d)

It shall ensure the wide availability of frameworks, tools, methods, and skills including, but not limited to, the Extractive Industries Transparency Initiative (EITI), and use of available temporal and spatial NCA data in the conduct of EIA;

e)

It shall process, interpret and analyze environmental data to derive statistics and indicators relevant to the mandates of the Department; and

f)

It shall compile the site-specific ecosystem accounts in coordination with the PSA.

2.2

To perform the foregoing functions, the DENR shall be strengthened through the creation of new plantilla positions subject to existing laws, rules and regulations, under exiting relevant offices, as enumerated below, or other offices that may be created:

a)

Policy and Planning Service

b)

Knowledge Information Systems Service

c)

Geospatial Database Office

d)

All Bureaus of the DENR

e)

NAMRIA, LLDA, PCSD and NWRB

f)

DENR Regional Offices, Provincial Environment and Natural Resources Offices (PENROs) and City Environment and Natural Resources Offices (CENROs)

The DENR shall submit its proposed organizational structure to the DBM for approval within one (1) year upon effectivity of this IRR.

SEC. 3. Department of Economy, Planning, and Development (DEPDev). The DEPDev, including its regional offices, shall ensure that NCA is included in the national and regional development priorities based on the usefulness of the accounts in policy analysis, development planning, and investment programming. It shall provide strategic guidance on improving uptake on policy use and application, enhancing institutional capacity, and raising awareness and transparency of NCA work.

SEC. 4. Department of Agriculture (DA). The DA, especially the Bureau of Fisheries and Aquatic Resources (BFAR), the Bureau of Soils and Water Management (BSWM), Philippine Fisheries Development Authority (PFDA), Philippine Rice Research Institute (PRRI), and the Philippine Coconut Authority (PCA), shall assist the PSA and the DENR in the generation and provision of the NCA information relative to agricultural areas, and fisheries and aquatic resources and shall closely coordinate with and assist the DENR in compiling the associated ecosystem accounts data, particularly in areas where agricultural activities intersect with or impact natural

ecosystems.

Clear protocols for data sharing and joint analysis shall be established between the DA and the DENR, which may be based on the delineation as stipulated under RA 9147 or the Wildlife Resources Act, among others.

4.1 Functions. Specifically, the DA shall perform the following functions:

a)

The BFAR, in line with its mandate, shall provide support in the creation of data and information on fisheries valuation and accounting. BFAR shall support PSA in the development of methodologies for valuing fisheries resources, collection of data on production and other relevant statistics. It shall ensure that its data collection method is aligned with the overall PENCAS framework and the NCA Roadmap.

b)

The National Fisheries Research and Development Institute (NFRDI) shall continue to conduct research and development activities and studies to support the assessment, including the profiling of the status of fish stocks of the country. It shall align its research agenda to the overall goals of the PENCAS framework and the NCA roadmap.

c)

The BSWM shall ensure that NCA is considered to ensure soil fertility and hydrological stocks and services. It shall coordinate with other relevant agencies, such as the DENR, to ensure a holistic approach to assessing and managing soil and water resources within the PENCAS framework.

4.2

Within 120 days from the effectivity of this IRR, the DA shall submit its proposals for the creation of natural capital units and additional plantilla positions to the DBM for review and approval, justifying the need for these resources in relation to the agencies' PENCAS mandates. These proposals should detail the functions, staffing requirements, and budget implications of the proposed units.

SEC. 5. Department of the Interior and Local Government (DILG). The DILG shall consolidate and submit NCA-related data and statistics from local governments to PSA and DENR. Further, the DILG shall ensure that LGUs utilize and mainstream NCA into their local policies, plans, and programs.

The Local Government Units (LGUs) shall submit NCA-related data and statistics to DILG and shall utilize and mainstream NCA into their local policies, plans, and programs.

For site-specific accounts, LGUs shall provide assistance in generating NCA-related data and statistics to the DENR regional data producers.

SEC. 6. Educational Institutions. The Department of Education (DepEd), Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA), state universities and colleges (SUCs), and higher education institutions (HEIs) shall craft modules in all levels and modalities of basic, technical, vocational, and higher education to capacitate the citizenry to avail of participatory mechanism in

relation to PENCAS.

SEC. 7. Professional Regulation Commission (PRC). The PRC shall incorporate NCA concepts in the continuing professional education programs and develop the understanding of the impact of different professions on the environment. This is subject to the rules and regulations on the implementation of the Continuing Professional Development Act of 2016.

SEC. 8. Department of Finance (DOF). - The DOF shall integrate NCA considerations into fiscal policies and regulations and develop incentive mechanisms that will drive PENCAS investments.

SEC. 9. The Department of Energy (DOE) and the Department of Human Settlements and Urban Development (DHSUD). The DOE and DHSUD shall integrate NCA considerations into the performance of their mandate and ensure that its planning and decision-making consider natural capital.

SEC. 10. Department of Information and Communications Technology (DICT). The DICT shall provide technical assistance to the DENR and PSA in ensuring data interoperability and sharing across NCA-related data systems and support the DENR in implementing cybersecurity protocols to minimize system vulnerabilities.

SEC. 11. Climate Change Commission (CCC). The CCC shall integrate NCA in the development and mainstreaming of evidence-based climate adaptation and mitigation policies, and in the coordination, monitoring, and evaluation of programs and action plans of the government relating to climate change.

SEC. 12. Participation of Specific Bureaus and Attached Agencies. The following offices shall contribute to the collection, generation, analysis and presentation of statistics and data requirements of the PENCAS in adherence to the Statistical Standard Classifications:

- a) National Irrigation Administration (NIA)
- b) National Renewable Energy Board (NREB);
- c)

Research and development institutes, and science and technology services, especially the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA) and the Philippine Institute of Volcanology and Seismology (PHIVOLCS) of the Department of Science and Technology (DOST).

SEC. 13. Roles and responsibilities applicable to BARMM and NCR. Roles and responsibilities of agencies stated under this Rule shall be implemented by the equivalent offices or ministries under the BARMM and NCR.

SEC. 14. Other bureaus, as necessary.

SEC. 15. The respective agencies mentioned from Section 1 to Section 13 may issue internal guidelines, as necessary, to operationalize this IRR within their purview.

RULE VI

INVOLVEMENT OF OTHER STAKEHOLDERS

SECTION 1. Involvement of Other Stakeholders. Stakeholders. The TWG-NCA shall ensure the involvement of other relevant stakeholders in the implementation of PENCAS, particularly in the generation and provision of NCA data and the use of natural capital and ecosystem accounts. Stakeholders may include, but are not limited to:

- a)

Other relevant government agencies not explicitly named in the Act;

b)

Private sector entities;

c)

Non-government organizations (NGOs) working on environmental conservation, resource management, and related areas;

d)

Indigenous peoples (IPs) and local communities (LCs) with traditional knowledge and stewardship over natural resources; and

e)

Academic and research institutions.

SEC. 2. Subject to the guidelines and national security concerns that shall be issued by TWG-NCA, all stakeholders are enjoined to regularly publish their NCA information on their website and/or such other medium deemed appropriate. The PSA shall issue an advisory on the conduct of information campaigns in relations to the PENCAS.

RULE VII

VIOLATIONS AND PENALTIES

SECTION 1. Applicability of Other Laws. For purposes of implementing the provisions of this Act, penalties provided in Republic Act No. 9485 or the "Anti-Red Tape Act of 2007," as amended by Republic Act No. 11032 or the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018," Republic Act No. 10175 or the "Cybercrime Prevention Act of 2012" and Republic Act No. 10625 or the "Philippine Statistical Act of 2013," shall apply.

In cases where there is conflict between the provisions of this IRR and the referenced laws, the provisions of the referenced laws shall prevail.

RULE VIII

PARTICIPATORY MECHANISMS AND CITIZEN REMEDIES

SECTION 1. Consultative Mechanisms and Mass Collaboration Measures. The concerned agencies shall institute consultative mechanisms and mass collaboration measures to effectively popularize PENCAS and ensure wide comprehensibility and usage of the accounts.

SEC. 2. Citizen's Rights and Remedies.

a)

Right to information - Any citizen shall have the right to information on any account generated under the Act. Major PENCAS accounts, results on nature's wealth and the economic value of ecosystem services, and loss and damage associated with disasters or climate change shall be released along with all releases of national economic data, such as Gross National Income (GNI), Gross Domestic Product (GDP), and other often-released measures of

the state of the country's economic health and highlight the contribution of natural resources and ecosystems to the economy, incomes and employment. The concerned government agencies shall implement a mechanism and employ appropriate technology for purposes of delivering the needed information of the public in accordance with the provisions of this IRR. Information regarding NCA shall be made accessible to the public, subject to the applicable laws, rules, and regulations.

b)

Right to compel performance - Subject to the applicable laws, rules, and regulations, any citizen shall have the right to compel the performance of any of the mandates of any government agency or entity provided under this IRR.

c)

Right to seek justification - Any citizen shall have the right to seek justification from any government agency that may have ignored or neglected PENCAS accounts and indicators in their policy or decision-making. The concerned government agency shall provide the mechanism and guidelines to process and address requests for justification.

RULE IX

RIGHTS OF NATURE

SECTION 1. Rights of Nature. Nothing in this IRR shall be construed to mean that nature has no inherent and intrinsic value separate and distinct from its economic value.

The maintenance of nature's vital cycles, functions, and processes ensures the sustainability and health of natural ecosystems. This is in recognition of the fact that there are limits to the ability of these natural ecosystems to regenerate and that human development that alters or affects them must be sustainable and must allow for their renewal and restoration.

RULE X

APPROPRIATIONS

SECTION 1. Funds. The amount necessary to cover the initial implementation of the Act shall be charged against the current year's appropriations of the departments or agencies concerned. Thereafter, the amount necessary for its continued implementation shall be included in the respective budgets of the departments and agencies concerned in the annual General Appropriations Act. This shall include the positions and staffing requirements provided under Rule V of this IRR.

RULE XI

TRANSITORY PROVISION

In accomplishing the implementation of the collection, compilation, and development of physical and natural capital accounts herein prescribed, the following transitory provisions shall be compiled with:

a)

The agencies as stated in the Act and the IRR shall continue to perform their respective duties and responsibilities

under existing laws, rules, and regulations prior to the effectivity of this Act, so as not to unduly delay the ongoing collection, production, compilation, analysis, and publication of statistical information relating to the country's environmental activities and condition; and

b)

Existing environmental accounts, frameworks and standards for collecting, processing, analyzing, and disseminating data shall remain in force until the updated frameworks are approved by the PSA Board.

The TWG-NCA shall create a transition plan to gradually synchronize and consolidate all existing government initiated data collection, processing, and analysis into the databases of all agencies into one integrated and interconnected ecosystem and NCA system in order to provide the official statistical information relating to the country's environmental activities and condition. The transition plan shall set up the timelines and deliverables and shall be crafted based on the Natural Capital Accounting Roadmap. This shall include gradual hiring of additional personnel, procurement of equipment, and provision of financial resources in preparation for the full implementation of the Act.

RULE XII

SEPARABILITY CLAUSE

If any provision of this IRR is declared unconstitutional or otherwise invalid, the validity of the other provisions shall not be affected thereby.

RULE XIII

REPEALING CLAUSE

All decrees, orders, rules and regulations, issuances, or parts thereof inconsistent with the provisions of this IRR are hereby repealed or modified accordingly.

RULE XIV

EFFECTIVITY

This IRR shall take effect immediately after its publication in the Official Gazette or in a newspaper of general circulation and upon filing at the University of the Philippines Law Center in accordance with law.

Approved and signed this 22nd day of May 2025 in Quezon City, Philippines.

(SGD.) CLAIRE DENNIS S. MAPA, PhD

Undersecretary

National Statistician and Civil Registrar General

Philippine Statistics Authority

(SGD.) ARSENIO M. BALISACAN, PhD.

(SGD.) MARIA ANTONIA YULO-LOYZAGA

Secretary

Secretary

Department of Economy, Planning and

Department of Environment and Natural

Development

Resources

(SGD.) FRANCISCO P. TIU LAUREL, JR.

(SGD.) JUANITO VICTOR C. REMULLA

Secretary

Secretary

Department of Agriculture

Department of the Interior and Local

Government

(SGD.) JUAN EDGARDO M. ANGARA

(SGD.) SHIRLEY C. AGRUPIS, PhD.

Secretary

Chairperson

Department of Education

Commission on Higher Education

(SGD.) JOSE FRANCISCO B. BENITEZ

(SGD.) CHARITO A. ZAMORA

Director General

Chairperson

Technical Education and Skills

Professional Regulation Commission

Development Authority

(SGD.) RALPH G. RECTO

(SGD.) RAPHAEL PERPETUO M. LOTILLA

Secretary

Secretary

Department of Finance

Department of Energy

(SGD.) RENATO U. SOLIDUM, JR., PhD.

(SGD.) JOSE RAMON P. ALILING

Secretary

Secretary

Department of Science and Technology

Department of Human Settlements and

Urban Development

(SGD.) ROBERT E.A. BORJE

(SGD.) ARIEL F. NEPOMUCENO

Vice Chairperson and Executive Director

Undersecretary

Climate Change Commission

Office of Civil Defense

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