IMPLEMENTING RULES AND REGULATIONS (IRR) OF EXECUTIVE ORDER NO. 406 KNOWN AS INSTITUTIONALIZING THE PHILIPPINE ECONOMIC-ENVIRONMENTAL AND NATURAL RESOURCES ACCOUNTING (PEENRA) S...

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1
Rationale

Pursuant to Section 5 of the Executive Order No. 406 signed by the President of the Republic of the Philippines, His Excellency FIDEL V. RAMOS on March 21, 1997, the following implementing rules and regulations are hereby promulgated to implement the said Executive Order.

Statement of Policy — The Philippine Government is committed to the principles set forth in Agenda 21 which emphasizes the need to attain economic growth and equity through sustainable utilization of the country's resources. Towards this end, it adopted the Philippine Agenda 21 which embodies the country's overall environmental management objectives and stressed on its thrust to balance development and environmental goals by incorporating sustainable development principles in national plans and policies. The establishment of an environmental and natural resource accounting system is viewed as one of the main strategies by which environmental concerns could effectively be integrated in the socio-economic policy and decision making. The Executive Order No. 406 therefore directs the institutionalization of the Philippine Economic-Environmental and Natural Resources Accounting (PEENRA) System and creating units within the organizational structure of DENR, NEDA, NSCB and other agencies as necessary.

2
Objective

This IRR shall provide the guidelines for the implementation of the Executive Order No. 406 which aims:

a. to develop and institutionalize the PEENRA System;

b. to improve existing statistical system to address the requirements of the PEENRA compilation; and

c. to ensure the effective integration of the PEENRA results in socio-economic planning and decision making.

3
Features of the PEENRA

The PEENRA will serve as a satellite account to the Philippine System of National Accounts (PSNA). It will adopt a framework which is harmonized with the System of National Accounts (SNA) and will incorporate relevant features of other environmental and natural resource accounting frameworks. The main features of the PEENRA are as follows:

a. Incorporates the utilization of natural resources and environmental media in economic production and

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consumption;

b. Adopts an approach that allows prioritization in the development of accounts in accordance with environmental concerns and the statistical capability of the country;

c. Follows concepts and classification that are consistent with the SNA;

d. Segregates all environment-related flows and stock of the SNA, notably environmental protection expenditures;

e. Links the physical resource accounts with monetary environmental accounts;

f. Extends the concept of capital to cover not only man-made but also natural capital;

g. Links changes in environmental quality to human capital, natural ecosystem and produced and non-produced capital; and

h. Provides estimates of environmentally adjusted indicators.

4
Institutional Linkages and Organizational Structures

The institutions involved in the development and maintenance of the PEENRA System include the PEENRA Steering Committee (PEENRA-SC), the Inter-Agency Committee (IAC) on PEENRA and the designated PEENRA Units within the organizational structure of NSCB, DENR and NEDA. Other agencies shall also be designated to form part of the system which will take the roles as compilers data producers and users.

4.1 Coordinative Mechanisms

The PEENRA Steering Committee and the Inter-Agency Committee (IAC) shall provide the necessary coordinative mechanisms in the implementation of the EO No. 406.

4.1.1 PEENRA Steering Committee

The PEENRA Steering Committee shall perform the following functions:

a. to provide overall direction and ensure effective implementation of the EO No. 406;

b. to resolve issues and problems in the development and operationalization of the PEENRA based on recommendations of the IAC;

c. to ensure the use of standard concepts and approaches in the generation and dissemination of PEENRA data; and

d. to approve an efficient workable scheme for the institutionalization of the PEENRA System.

The PEENRA Steering Committee whose composition is indicated in the EO No. 406 shall be chaired by the Secretary of Socio-Economic Planning and NEDA Director-General who is at the same time the Chairman of the Philippine Council for Sustainable Development (PCSD). Member agencies shall come from government and non-government sectors. Permanent and alternate members to the committee shall be designated for each member agency. For government, member agencies shall be represented by designated undersecretary level officials of NSCB, DENR, NSO, DTI and DA. There will be representatives from the non-government, sector to include one (1) representative each from the academe, NGO/PO, business and labor sectors.

The PEENRA Steering Committee shall create ad-hoc or permanent inter-agency committees and task forces which will support the data and technical requirements of the PEENRA.

The NSCB shall serve as the secretariat of the PEENRA-SC and other inter-agency committees, ad-hoc and

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task forces created under it.

4.1.2 Inter-Agency Committee on PEENRA

An Inter-Agency Committee shall be created to perform the following functions:

a. to serve as a forum for discussion of problems and issues encountered by compilers, data producers and users of PEENRA System as well as identify strategies to resolve such problems and issues;

b. to assess and evaluate available environmental statistics/indicators as input to the compilation of the PEENRA System in terms of their quality and timeliness, determine areas of duplication, discrepancies and gaps as well as come up with recommendations for improvement;

c. to recommend policies on data standards in support of the PEENRA System;

d. to recommend an efficient workable schemes for the institutionalization of the PEENRA System;

e. to recommend the creation of the technical working groups as necessary;

f. to report periodically to the PEENRA-SC; and

g. to perform other tasks as may be assigned by the PEENRA-SC.

The Inter-Agency Committee on PEENRA shall be chaired by the National Statistical Coordination Board (NSCB). Members shall be duly designated representatives from the DENR, NEDA, NSO, DTI, and DA. The IAC membership can be expanded as the need arises to provide representation of other sectors for the PEENRA compilation.

Coordinators and support staff shall be designated to assist the PEENRA-SC and IAC in carrying out their respective functions. It shall be drawn from the existing staff of the NSCB, the agency assigned to act as the secretariat to the PEENRA-SC and IACs. The following are their specific functions:

a. Coordinators — to coordinate and monitor the effective implementation of the various activities of the PEENRA-SC and IACs including the TWGs as well as prepare status reports and other relevant documents for the committees' activities.

b. Support Staff — to provide secretariat services to the committees, take charge of the preparation of the discussion materials for the meetings as well as the highlights/minutes/proceedings of the committees' meetings, workshops and other related activities.

4.2 PEENRA Units

PEENRA units shall be created within the organizational structure of the NSCB and the DENR. A unit at NEDA shall be designated to coordinate ENRA activities and the agency's current personnel shall be augmented to assume the PEENRA functions. The PEENRA units shall closely coordinate to ensure consistency and complementarity of activities in support for PEENRA. Other agencies which will provide inputs to and adopt the PEENRA System may establish their own PEENRA units as necessary.

At designated PEENRA units of the NSCB, NEDA and DENR, the structures and specific functions of the PEENRA units are as follows:

4.2.1 National Statistical Coordination Board (NSCB)

The PEENRA unit at NSCB shall be designated as one division under the Economic and Social Statistics Office. It shall perform the following functions:

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a. compile the environmental accounts, study and formulate viable approaches and methodologies for the PEENRA;

b. explore ways and means to modify and improve current environmental and economic statistics, in coordination with the concerned data producing agencies as well as data users;

c. serve as repository of all PEENRA-related data materials through the National Statistical Information Center which the NSCB has established;

d. to provide technical and secretariat services to the Inter-Agency Committee and Task Forces which the PEENRA Steering Committee may create for the coordinated functioning of the data generating agencies;

e. act as secretariat of the PEENRA Steering Committee; and

f. to perform other tasks as maybe assigned by the PEENRA-SC.

4.2.2 Department of Environment and Natural Resources (DENR)

The PEENRA Unit shall be created within the organizational structure of the Planning and Policy Studies Office of the DENR and its attached bureaus. It shall perform the following functions:

a. compile sectoral resource accounts, and study and formulate viable approaches and methodologies in coordination with NSCB:

b. conduct studies and research in support of policy development related to PEENRA;

c. ensure that environmental considerations are integrated in their policy, project planning and implementation based on PEENRA results; and

d. provide environmental and natural resources data and strengthen its statistical capabilities for PEENRA.

e. to perform other tasks as maybe assigned by the PEENRA-SC.

4.2.3 National Economic and Development Authority (NEDA)

The PEENRA Unit at NEDA Shall be lodged at the Agriculture Staff, being the secretariat of the Philippine Council for Sustainable Development (PCSD) until such time that a permanent PEENRA unit shall be designated by the Director General of the NEDA. The designation of the said unit shall not exceed one year upon the implementation of the IRR. The unit shall perform the following functions:

a. coordinate the conduct of consultations, orientations and training-seminars for the members of the Philippine Council for Sustainable Development (PCSD) and other concerned institutions or units;

b. coordinate the conduct of studies and research in support of policy development related to PEENRA;

c. establish mechanisms for the integration of environmental considerations in planning, policy, project development and implementation based on PEENRA results; and

d. to perform other tasks as maybe assigned by the PEENRA-SC.

4.3 Functional Responsibilities

The agencies involved in the PEENRA System shall take the roles as compilers of the PEENRA, data producers and users of PEENRA results. Thus, the following agencies including their specific functional responsibilities are identified according to their roles in the system which are as follows:

4.3.1 Compilers

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The NSCB, which is the agency tasked with the compilation of the System of National Accounts (SNA), shall also be designated as the major compiler of the PEENRA. While other PEENRA agencies shall be designated to compile the sectoral resource accounts, the NSCB as the lead agency shall be responsible for integrating the accounts. The PEENRA shall be lodged at the NSCB.

As PEENRA compilers, the following are their responsibilities:

a. NSCB — shall compile the environmental accounts and in the interim, shall compile the asset accounts for land/soil and water resources until an appropriate agency is identified.

b. DENR — shall compile the asset accounts for forest, mineral, and biological and genetic resources.

c. DA — shall compile the asset accounts for aquatic resources.

4.3.2 Data Producers

The following are identified as data producers of the PEENRA:

a. Department of Environment and Natural Resources (DENR) bureaus, attached agencies and field offices:
a.1 Ecosystems Research and Development Bureau (ERDB)
a.2 Environment Management Bureau (EMB)
a.3 Forest Management Bureau (FMB)
a.4 Laguna Lake Development Authority (LLDA)
a.5 Land Management Bureau (LMB)
a.6 Mines and Geo-Sciences Bureau (MGB)
a.7 National Mapping & Resource Information Authority (NAMRIA)
a.8 Protected Areas and Wildlife Bureau (PAWB)
a.9 Other offices and attached agencies

b. Department of Agriculture (DA) bureaus and attached agencies:

b.1 Bureau of Agricultural Statistics (BAS)
b.2 Bureau of Fisheries and Aquatic Resources (BFAR)
b.3 Bureau of Soils and Water Management (BSWM)
b.4 Philippine Fisheries and Development Authority (PFDA)
b.5 Bureau of Agricultural Research (BAR)
b.6 Other bureaus and attached agencies

c. Department of Energy (DOE) and attached agencies

c.1 National Electrification Administration (NEA)
c.2 National Power Corporation (NAPOCOR)
c.3 Philippine National Oil Company (PNOC)

d. National Statistics Office (NSO)
e. Department of Trade and Industry (DTI)
f. Bureau of Labor and Employment Statistics (BLES)
g. Land Transportation Office (LTO)
h. National Water Resources Board (NWRB)
i. Local Water Utilities Administration (LWUA)
j. Bureau of Research and Standards (BRS)
k. Department of Science and Technology (DOST)
l. Department of Health (DOH)
m. Other relevant data producers

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As data producers, they are responsible for the following:

a. identify means for the generation and improvement of required data;

b. provide data support in the compilation of the PEENRA; and

c. prepare a program of activities for the improvement of the data.

4.3.3 Users of PEENRA

The following are identified as users of the PEENRA:

a. National Economic and Development Authority (NEDA)
b. Office of the President (OP)
c. Department of Environment and Natural Resources (DENR)
d. Department of Agriculture (DA)
e. Department of Energy (DOE)
f. Department of Trade and Industry (DTI)
g. Senate
h. House of Representatives
i. Philippine Council for Sustainable Development (PCSD)
j. Academe/Researchers
k. Non-Government Organizations and People's Organization
l. Local Government Units
m. Other government agencies
n. Other concerned groups

The data users shall be responsible for doing the analysis of the PEENRA results and its applications for planning and policy making. They will be encouraged to utilize the PEENRA results as well as provide feedback and make attributions on the use of these results.

5
Operations

In the implementation of the EO No. 406, the following operations and procedures relating to the maintenance of the framework particularly its compilation, data support and utilization, the localization of the PEENRA system and the funding support shall be considered:

5.1 Maintenance of the Framework

5.1.1 Compilation

In coordination with other PEENRA compilers, the NSCB, as the lead agency in the compilation of the PEENRA is also responsible for the development and maintenance of the PEENRA framework including the prioritization of the PEENRA accounts to be compiled on the basis of the priority environmental concerns and its data support.

The designated compilers of sectoral resources accounts namely: the DENR for forest resources and mineral resources and the DA for aquatic resources, shall submit their preliminary estimates to NSCB. Consolidation of the PEENRA accounts shall be done by the NSCB.

The NSCB jointly with other PEENRA agencies shall determine the schedules of compilations and releases upon the approval of the PEENRA-SC.

5.1.2 Data Production

Data support for the PEENRA compilation will come from censuses, surveys, derived statistics and administrative-based data which shall be generated by identified data producers. Aside from regular sources of data, results of special studies conducted by universities, research institutions, etc. can also provide data for the PEENRA.

The Inter-Agency Committee (IAC) through the NSCB and in coordination with other PEENRA agencies shall formulate guidelines on what data shall be collected, compiled, processed and disseminated by PEENRA agencies. These will provide the basis in establishing priorities for data production, defining frequency of data production and scheduling of data releases.

5.1.3 Utilization

The NEDA through the Office of the Director-General and Chairman of the PEENRA-SC and the Office of the President through the Office of the Press Secretary shall be provided by the NSCB with advanced copies of the PEENRA accounts prior to its release to other users. The NEDA shall analyze the PEENRA results for planning and policy purposes. Various institutions identified as users of the PEENRA shall also be provided with the PEENRA reports on a regular basis and ensure the dissemination of these reports in accordance with the designated time frame as maybe decided by the PEENRA-SC. The dissemination at the NSCB will be done by the National Statistical Information Center (NSIC) established by the NSCB.

5.2 Localization

As may be identified by the compilers of the PEENRA and approved by the PEENRA-SC, the localization of the PEENRA compilation at the subnational levels (regional and provincial levels) will be done depending on the availability of resources as well as the current data system that will support the PEENRA compilation. At the same time, concerned agencies at the subnational levels can also undertake other PEENRA related research activities to facilitate the compilation of the accounts.

The NSCB in coordination with the compiling agencies at the subnational levels shall ensure that the activities will be in accordance with the prescribed framework of the PEENRA.

5.3 Funding Support

The NSCB, NEDA, DENR and other agencies involved in the PEENRA System shall prepare their own initial budget proposal which shall be submitted to the PEENRA Steering Committee for endorsement to the Department of Budget and Management (DBM). The approved budget of the agency shall be included in the budget preparation of each agency to be incorporated in the Annual General Appropriation Bill.

6
General Provisions

6.1 Separability — the provisions of this Order are hereby declared to be separable and in the event any provision or part thereof is declared unconstitutional or invalid, the other provision or parts thereof is declared unconstitutional or invalid, the other provision or parts thereof which are not affected thereby shall remain in full force and effect.

6.2 Amendments — the amendments can be made on the IRR subject to the approval of the PEENRA-SC.

6.3 Repealing Clause — the provisions of the Department Orders, rules and regulations and other issuance of each implementing agency which are inconsistent with this Order are hereby repealed or modified accordingly.

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6.4 Publication: Effectivity — these rules and regulation shall be published in two (2) newspapers of general circulation and shall take effect immediately after publication.

6.5 Additional Guidelines — each agency involved may issue additional guidelines relevant to their individual concerns that are consistent with the IRR of the EO No. 406.

7
Effectivity

These implementing rules and regulations shall take effect immediately upon approval.

Adopted: 01 April 1998

Chairman:

(SGD.) HON. CIELITO F. HABITO
Secretary
National Economic and Development Authority

Members:

(SGD.) HON. DELFIN J. GANAPIN
Undersecretary
Department of Environment & Natural Resources

(SGD.) HON. MELITO S. SALAZAR JR.
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