



**MEMORANDUM**

**FOR : THE BUREAU DIRECTORS**  
FMB, BMB, LMB, ERDB, EMB, AND MGB

**FROM : THE OIC, DIRECTOR**  
Policy and Planning Service

**SUBJECT : REQUEST FOR INFORMATION ON SUBSIDIES AND INCENTIVES IN ENVIRONMENTAL SERVICES OF PHILIPPINE COMPETITION COMMISSION**

**DATE : 12 APR 2021**

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This pertains to the attached letter of Atty. Joseph Giancarlo C. Agdamag of Philippine Competition Commission (PCC), dated 9 March 2021, requesting data and information on the subsidies, incentives, or programs under the management of the Department of Environment and Natural Resources (DENR).

The PCC is currently conducting a study "*A stocktaking of Philippine Subsidies in Key Services Sectors and Establishing a Framework for Assessing their Competitive impact*". It aims to come up with the list of subsidies and incentives being granted by the Philippine government. The study will tackle as one of the sectors, the incentives and subsidies under Environment and Natural Resources Sector which is within the purview of the DENR.

In this regard, we would like to request for inputs on the incentives and subsidies imbedded in the programs of the DENR particularly the programs or policies listed in the attachment of this Memorandum. If there are programs or policies not included in the list, kindly include the same in the submission. The data and information shall include:

1. The total or annual amount budgeted for the subsidy (2018-2020);
2. Actual amount spent from the total estimated budget (2018-2020);
3. Eligibility requirements; and
4. Recipients or grantees (if possible).

We hope to receive your inputs **on or before 15 April 2021**. You may send it thru email address [jcbautista@denr.gov.ph](mailto:jcbautista@denr.gov.ph). For queries and clarifications, you may send those on the same email address provided.

FOR CONSIDERATION, PLEASE.

  
**MELINDA C. CAPISTRANO**



Republic of the Philippines  
Department of Environment and Natural Resources  
Visayas Avenue, Diliman, Quezon City  
Tel Nos. 929-6626 to 29; 929-6633 to 35  
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**MEMORANDUM**

TO : **THE OIC DIRECTOR**  
Policy and Planning Service

FROM : **THE UNDERSECRETARY**  
Policy, Planning and International Affairs

SUBJECT : **REQUEST FOR INFORMATION ON SUBSIDIES AND  
INCENTIVES IN ENVIRONMENTAL SERVICES**

DATE : MAR 19 2021

This pertains to the letter dated 9 March 2021, from Atty. Joseph Giancarlo C. Agdamag, Legislative Liaison Office – Philippine Competition Commission, requesting assistance in the study being conducted by PCC Long-Term Research Program (PLRP): *“A Stocktaking of Philippine Subsidies in Key Service Sectors and Establishing a Framework for Assessing their Competitive Impact.”*

The study aims to conduct a comprehensive scoping of subsidies and incentives granted by the Philippine government in key service sectors, including environmental services in the past three years to public and private entities. The study also includes subsidies granted by the government in the environmental services sector which is under the purview of the DENR.

Relative thereto, we are referring the matter to your end for information and appropriate action. Please inform this office of any actions taken on the matter.

  
ATTY. JONAS R. LEONES



Office of the Secretary &lt;osec@denr.gov.ph&gt;

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**[Request] Subsidies and Incentives in Environmental Services**

1 message

**Juan Paolo De Guzman** <jppdeguzman@gmail.com>

Wed, Mar 10, 2021 at 9:55 AM

To: osec@denr.gov.ph

Cc: "Joseph Giancarlo C. Agdamag" &lt;jcagdamag@phcc.gov.ph&gt;, Kimberly Belle Diet &lt;kdiet@phcc.gov.ph&gt;, Kirsten Dela Cruz &lt;kjdelacruz@phcc.gov.ph&gt;

Good day Hon. Roy A. Cimatú,

I am Juan Paolo de Guzman, a research assistant at the Philippine Competition Commission. We are writing to respectfully request the assistance of your esteemed office in the study being conducted by the PCC Long-Term Research Program ("PLRP") titled "A Stocktaking of Philippine Subsidies in Key Service Sectors and Establishing a Framework for Assessing their Competitive Impact".

The study involves a stocktaking of Philippine subsidies in key service sectors, one of which is environmental services, and establishing a framework for assessing their competitive impact. We are humbly requesting your office for information regarding subsidies granted to those engaged in environmental services such as direct financial contributions, tax incentives, or the grant of exclusive rights or privileges. Please find attached our request letter for further details.

May we also request for the contact details of a focal person from whom we can follow up or request interviews from? Feel free to contact me via this email or via mobile at 09950112981. Thank you so much for your time and consideration.

Best regards and stay safe,

Juan Paolo P. de Guzman

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**[PCC] DENR Request Letter.pdf**  
214K

09 March 2021

**Hon. Roy A. Cimat**

*Secretary*

Department of Environment and Natural Resources  
DENR Building, Visayas Avenue, Quezon City  
Republic of the Philippines

**Subject: Request for Information on PCC Study**

Dear **Secretary Cimat**:

The Philippine Competition Commission (“PCC”) is mandated to monitor and analyze the practice of competition in markets that affect the Philippine economy. As part of its mandate to conduct, publish, and disseminate studies and reports on anti-competitive conduct and agreements to inform and guide consumers and businesses as well as to help advance research in the field of competition policy and law in the Philippines, the PCC Long-Term Research Program (“PLRP”) has been conceptualized.

We write to respectfully request the assistance of your esteemed office in the PRLP study titled “*A Stocktaking of Philippine Subsidies in Key Service Sectors and Establishing a Framework for Assessing their Competitive Impact*”. The study aims to conduct a comprehensive scoping of subsidies and incentives granted by the Philippine government in key services sectors, including environmental services, in the past three years to public and private entities. The stocktaking will be complemented with a framework which the PCC shall use to streamline its review on the effects of subsidies on competition in the relevant market/s. Among other sectors covered, the study includes subsidies granted by the government in the **environmental services** sector which is under the purview of the Department of Environment and Natural Resources.

For purposes of this study, subsidies shall include any: (1) direct financial contribution or aid; (2) foregone or uncollected revenue; or (3) exclusive rights or privileges conferred. In relation to this, we would like to request for pertinent data and information on subsidies, incentives, or programs managed by your office, particularly, the following information on the programs or policies as listed in Annex A:


- i. The total or annual amount budgeted for the subsidy (2018-2020);
- ii. Actual amount spent from the total estimated budget (2018-2020);
- iii. Eligibility requirements; and
- iv. Where possible, recipients and/or grantees.

Should your esteemed office find that there are other programs or policies we may have excluded in the list in Annex A which fall under the aforementioned definitions of subsidies, we would greatly appreciate receiving the relevant information on these as well.

The research team shall coordinate with your office on this matter. For any questions or concerns, you may contact Mr. Juan Paolo P. de Guzman at [jppdeguzman@gmail.com](mailto:jppdeguzman@gmail.com).

Thank you very much.

Sincerely,

  
**Joseph Giancarlo C. Agdamag**  
Attorney IV  
Legislative Liaison Office

**Annex A**  
DENR Policies and Programs Granting Subsidies and Incentives

Title of Policy	Legal Basis	Details of the Subsidy
Implementing the Tax Incentives Provision of RA No. 10771, otherwise known as the Philippine Green Jobs Act of 2016	Section 4, Revenue Regulations No. 5-2019	A qualified business enterprise shall be entitled to a special deduction from the taxable income equivalent of 50% of the total expense for skills training and research development expenses
National Integrated Protected Areas System Act	Sections 16 and 16-A of RA 7586 as amended by RA 11038	<p>There is hereby established a fund to be known as Integrated Protected Areas Fund (IPAF) for purposes of financing projects of the System.</p> <p>The IPAF may solicit and receive donations, endowments, and grants in the form of contributions, and such endowments shall be exempted from income or gift taxes and all other taxes, charges or fees imposed by the Government or any political subdivision or instrumentality thereof.</p>
Wildlife Resources Conservation and Protection Act	Section 29 of Republic Act No. 9147	<p>There is hereby established a Wildlife Management Fund to be administered by the Department as a special account in the National Treasury.</p> <p>Contributions to the Fund shall be exempted from donor taxes and all other taxes, charges or fees imposed by the government</p>
Comprehensive Agrarian Reform Law	Republic Act No. 6657 as amended by Republic Act No. 9700	<p>Sparsely occupied agricultural lands of the public domain shall be surveyed, proclaimed and developed as farm settlements for qualified landless people based on an organized program to ensure their orderly and early development.</p> <p>The State shall also adopt the integrated policy of support services delivery to agrarian reform beneficiaries.</p>
Enhanced National Greening Program (E-NGP)	Section 1 of Executive Order 193, s. 2015	All proceeds from agroforestry plantations, duly accounted by the DENR, shall accrue to the NGP beneficiary communities to address food security and poverty reduction. NGP beneficiary communities shall be considered priority in the Conditional Cash Transfer (CCT) Program. Appropriate incentives shall be developed by the Convergence Initiative to encourage rainforestation, particularly in the protected area.
Philippine Clean Air Act of 1999	Sections 13 and 14 of Republic Act No. 8749	<p>Industries, which shall install pollution control devices or retrofit their existing facilities with mechanisms that reduce pollution shall be entitled to tax incentives such as but not limited to tax credits and/or accelerated depreciation deductions.</p> <p>An Air Quality Management Fund is established, and contributions to the Fund shall be exempted from donor taxes and all other taxes, charges or fees imposed by the Government.</p>

Philippine Clean Water Act of 2004	Sections 25 and 26 of Republic Act No. 9275	<p>Industrial wastewater treatment and/or adoption of water pollution control technology, cleaner production and waste minimization technology shall be classified as preferred areas of investment under its annual priority plan and shall enjoy the applicable fiscal and non-fiscal incentives under the Omnibus Investments Code.</p> <p>Other incentives such as tax and duty exemptions of donations, a financial assistance program, and extensions of grants to LGUs shall also be provided for the support and maintenance of programs for effective water quality management.</p>
Ecological Solid Waste Management Act of 2009	Section 45 of Republic Act No. 9003	<p>Rewards, monetary or otherwise, shall be provided to individuals, private organizations and entities, including nongovernment organizations, that have undertaken outstanding and innovative projects, technologies, processes and techniques or activities in re-use, recycling and reduction.</p> <p>Fiscal and non-fiscal incentives shall also be afforded for the support and maintenance of the program for effective solid waste management.</p> <p>Other incentives such as the tax and duty exemptions of donations, a financial assistance program, and extensions of grants to LGUs shall also be provided for the support and maintenance of programs for effective water quality management.</p>
Guidelines on the Granting and Utilization of Financial Assistance for Biodiversity-Friendly Enterprise (BDFE) Under the Coastal And Marine Ecosystems Management Program (CMEMP)	DENR Administrative Order No. 2018-22	Financial assistance for potential and/or existing biodiversity-friendly enterprises under the Biodiversity-Friendly Social Enterprise component of CMEMP shall be provided.
Provision of Post-Titling Benefits to the Beneficiaries of Free, Homestead, and Sales Patents	DENR Administrative Order No. 2019-12	The Provincial Environment and Natural Resources Office (PENRO) shall provide information on packages and linkages to other institutions on sustainable use and land development technologies, access to credit, business and investment opportunities, among others.
Creating the Philippine Environment Partnership Program to Support Industry Self-Regulation Towards Improved Environmental Performance	DENR Administrative Order No. 2003-14	Qualified establishments governed by relevant environmental laws, rules, and regulations which have a track record of superior environmental performance shall be given public recognition and regulatory assistance, financial, and fiscal incentives.
Guidelines to Implement the 2017 Investment Priorities Plan	BOI Memorandum Circular No. 2017-004	<p>Industrial Waste Treatment shall be a preferred activity for investment which may qualify for incentives.</p> <p>Environment or Climate Change-Related Projects shall be preferred activities for investment which may qualify for incentives.</p>