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MEMORANDUM

TO : **THE BUREAU DIRECTORS**
- Biodiversity Management Bureau
- Forest Management Bureau
- Land Management Bureau

THE REGIONAL EXECUTIVE DIRECTOR
DENR – Cordillera Administrative Region
DENR Compound, Gibraltar, Baguio City

FROM : **THE UNDESECRETARY**
Field Operations Luzon, Visayas and Environment

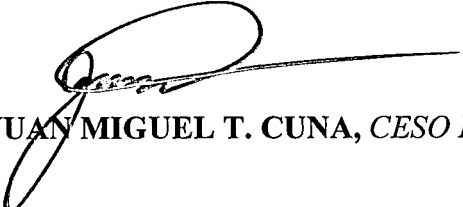
SUBJECT : **DRAFTING OF POSITION PAPERS FOR DENR PRIORITY LEGISLATIVE MEASURES**

DATE : **SEP 13 2022**

With reference to the Memorandum dated 12 September 2022 from the Director, Legislative Liaison Service regarding the abovementioned subject seeking the DENR's official position on our DENR Priority Legislative Measures. (*see attached*).

Relative thereto, you are hereby instructed to provide inputs to the matrix submitted by the DENR through this link <https://bit.ly/3AW8SOz> on or before 13 September 2022.

For compliance.


ATTY. JUAN MIGUEL T. CUNA, CESO I



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MEMORANDUM

FOR : All Undersecretaries

The Director
Climate Change Service

FROM : The Director
Legislative Liaison Office

SUBJECT : **DRAFTING OF POSITION PAPERS FOR DENR PRIORITY
LEGISLATIVE MEASURES**

DATE : 12 September 2022

The Committee on Natural Resources of the House of Representatives during its Committee Meeting on 31 August 2022 has required the Department to submit its official position on the presented DENR Priority Legislative Measures. In reference to the consultative meeting to draft the position papers conducted on 8 September 2022, it was agreed upon that all concerned Bureaus, Attached Agencies, and Offices shall provide inputs to the matrix presented by our Office. However, to further provide an in-depth analysis of the bills, it is requested that the above addressees provide their inputs as well.

In this regard, you may access the matrix through this link <https://bit.ly/3AW8SOz>. For the Office to be able to control the editors of the information contained in the matrix, and to be able to track the changes made, it is **required to request for access to edit the file**, which shall be given immediately.

The Office will **accept inputs only until 13 September 2022, 5PM** to allow us to integrate the comments and prepare for the consolidated inputs as well as to identify conflicting views for discussion in the next consultative meeting. **The file will be locked for changes once the deadline has lapsed and any blank information shall be deemed supportive to the provision/section it corresponds.**

For information and compliance, please.

ROMIROSE B. PADIN

A. Philippine Ecosystem and Natural Capital Accounting System (PENCAS)

| House Bill | Concerned DENR Bureaus/ Attached Agencies | Summary | Comments and Recommendations from DENR Bureaus and Attached Agencies |
|---|--|--|---|
| <p><u>HBN 73</u> An Act Institutionalizing The Philippine Ecosystem And Natural Capital Accounting System (PENCAS), Mandating Its Use In Policy And Decision-Making, Designating The Agencies Responsible For Its Implementation, Providing Institutional Arrangements Among Responsible Agencies, Appropriating Funds Therefore And For Other Purposes</p> <p>Author/s: Rep. Jose Francisco “Kiko” B. Benitez, PhD.</p> | <p>BMB, FMB, MGB</p> | <ul style="list-style-type: none"> • The PENCAS shall supplement the current System of National Accounts and shall perform the functions of (1) guiding the collection, generation, analysis and presentation of environmental statistics; (2) informing economic-environmental policy development and decision-making; (3) generating the Philippine counterpart of the UN SEEA satellite accounts covering both the Central Framework and the Ecosystem Accounts; (4) contributing to efforts to protect, conserve and restore ecosystems and habitats, especially the ones in critical danger. • The following departments and offices shall be involved in the establishment of PENCAS: NEDA, DENR, DOST, DA, DOE, DOTr, DTL, DOT, DPWH, DHSUD, DOH, DILG, PSA, and other agencies as necessary. A creation of PENCAS unit shall be created with PENCAS head no lower than a division chief. • The following offices shall contribute to the collection, generation, analysis and | <p><u>Forest Management Bureau:</u></p> <p>The FMB supports the intention of the House Bills, but has the following recommendations:</p> <ol style="list-style-type: none"> 1. It was stated that the DILG shall assist LGUs in capacity building and perform the functions of Natural Capital Units in order to build local PENCAS accounts, however, the Bureau believes that the development of separate accounts per LGUs is not necessary and may cause data inconsistencies when compared to National accounts. LGUs may just utilize the national accounts to access data within their respective jurisdiction. Hence, it is suggested that the function of DILG in the proposed PENCAS should only revolve on building capacities of LGUs in terms of using national accounts as a tool in comprehensive land use planning; 2. Considering the similar functions of the PSA and the proposed Presidential Commission on Natural Capital Accounting as stipulated in the House Bills, it is recommended to not pursue the creation of the Commission, and instead, strengthen the capacity of PSA in the exercise of its functions on |

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| | | <p>presentation of statistics and data requirements of the PENCAS: All DENR Bureaus, NAMRIA, NWRB, BFAR, BSWM, NREB, DOST, PCA, PFDA, PRRI, NIA, PAGASA, PhilVolcS.</p> <ul style="list-style-type: none"> • LGUs shall endeavor to create PENCAS accounts, according to the templates and guidelines provided for by the PSA and DILG. • Each PENCAS unit shall institute mechanisms for the widest dissemination of the principles and concept of PENCAS • Nothing in the bill shall be construed to mean that nature has no intrinsic value separate and distinct from its economic value or that it loses pricelessness through such valuation | <p>natural capital accounting on both manpower and funding; and</p> <p>3. It is recommended for the integration of the subject House Bills into one House Bill considering that they have the same primary intention.</p> <p><u>Climate Change Service:</u></p> <p>The Department of Environment and Natural Resources (DENR) fully supports the proposed house bill as it will strengthen the implementation of the <u>Roadmap</u> to Institutionalize Natural Capital Accounting (NCA) in the Philippines, developed by the National Economic and Development Authority (NEDA) together with the Philippine Statistics Authority (PSA) and the DENR.</p> <p>The bill will address the issues and challenges on the National Capital Accounts implementation considering that it faces major bottlenecks related to data (limited data infrastructure and fragmented data sharing platform); human resources and capacity development; standards (linking to national accounts); and the local application of international frameworks.</p> <p>The bill also called for DBM to allocate funds for government agencies for establishment and improvement of the Natural Capital Units.</p> <p><u>Undersecretary Annaliza Rebuelta-Teh:</u></p> <p>1. Executive Order (EO) 406 was issued by then President Fidel V. Ramos. EO 406 institutionalizes the PEENRA System and mandates the DENR, NEDA and NSCB to create units to support the environment and natural</p> |
| <p><u>HBN 2604</u> An Act Institutionalizing The Philippine Ecosystem and Natural Capital Accounting System (PENCAS), Mandating Its Use In Policy And Decision-Making, Designating The Agencies Responsible For Its Implementation, Providing Institutional Arrangements Among Responsible Agencies, Appropriating</p> | <p>BMB, FMB, MGB</p> | <ul style="list-style-type: none"> • A System of Environmental-Economic Accounting is hereby institutionalized within the government bureaucracy. It shall be based on the existing environmental accounting frameworks that are covered by the UN SEEA and are theoretically correct and accepted as evaluated based on international standards. • The following departments and offices shall be involved in the establishment of PENCAS: NEDA, DENR, DOST, DA, DOE, DOTr, DTI, DOT, DPWH, DHSUD, DOH, DILG, PSA, NWRB and other agencies as necessary. | |

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| <p>Funds Therefor And For Other Purposes</p> <p>Author/s: Rep. Antonio "AA" B. Legarda</p> | | <ul style="list-style-type: none"> • The following Bureaus shall have special mandates for natural capital accounting: BFAR, BSWM, All DENR Bureaus, NAMRIA, NWRB, NREB, DOST, PCA, PhilRice, NIA, PAGASA, PhilVolcS • Natural Capital Units shall be created within DENR, DA, PSA, NEDA, DOE, DOT, DOTr, DPWH, DTI, DOH, DILG, DOST, DHSUD, utilizing existing qualified employees. Agencies are allowed to include new plantilla positions if they lack qualified employees. • Creation of the Presidential Commission on Natural Capital Accounting to ensure the fulfilments of the law, composed of: <ol style="list-style-type: none"> 1. President or his appointee as Chair 2. Economic Statistician 3. Environment and Natural Resources Economist 4. Terrestrial ecologist who shall also cover freshwater ecosystems 5. Marine ecologist who shall cover coastal and marine ecosystems 6. Environmental lawyer • In all government planning, considerations of PENCAS shall be included. In the Environmental Impact Assessment System, the DENR shall ensure that the natural environment, ecosystem services, and natural capital are framed as opportunities, benefits or | <p>resources accounting system within their organizational structures. It is important that the bill establishes said unit for the creation of certain positions or rationalization of the concerned departments but with due consideration to rightsizing direction of the government.</p> |
| | | | <ol style="list-style-type: none"> 2. Creation of the Presidential Commission under HB 2604 may be reconsidered. It is proposed that existing organizational mechanism within DENR, NEDA, and NSCB be sufficiently strengthened in terms of financing, human resources, capacity building, and technology support. <p>Under the current setup, the PSA Board, being chaired by NEDA and DENR is a member, provides the strategic direction and guidance. The PSA has the overall responsibility for institutionalizing NCA monitoring and coordination, in terms of:</p> <ol style="list-style-type: none"> A. Compilation of national and subnational asset and ecosystem accounts; estimation of natural capital-adjusted macroeconomic indicators B. Technical support to other government agencies on data systems, including standards and harmonization <ol style="list-style-type: none"> 3. Limited data infrastructure and fragmented data sharing platforms are some of the lessons learned in the initial implementation of environmental |

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| | | <p>assets as opposed to being merely a constraint or backdrop.</p> <ul style="list-style-type: none"> • Nothing in this bill shall be construed to mean that nature has no intrinsic value separate and distinct from its economic value, or that it loses interdependencies and pricelessness by such valuation. • Any citizen shall have the right to information on any accounts generated under this Act. • The creation and initial funding of the Commission shall be P200M to be sourced from excesses in funds, such as, the funds under RA 9147, RA 8749 and similar special accounts, especially the ones that have remained dormant. | <p>accounting. These should be specifically addressed in the proposed bills.</p> <p>4. Another key element of the proposed bills should be in mandating the mainstreaming of NCA in national planning and policies. This will improve financial sustainability for example, of protected areas and landscapes in the country, by mainstreaming the values of biodiversity and natural capital in government planning, especially for ecotourism development.</p> |
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B. Specific Forest Limits

| House Bill | Concerned DENR Bureaus/ Attached Agencies | Summary | Comments and Recommendations from DENR Bureaus and Attached Agencies |
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| <p><u>HBN 2596</u> An Act Providing For The Delineation Of The Specific Forest Limits Of The Public Domain And For Other Purposes</p> <p>Author/s: Rep. Jose Manuel F. Alba</p> | FMB | <ul style="list-style-type: none"> • Provided for guidelines and procedures in determining the specific limits of forestlands. • Creation of National Review and Evaluation Committee with DENR Secretary as Chairperson; Secretary of Socioeconomic Planning and Director-General of NEDA as Vice Chairperson; | <p><u>Forest Management Bureau:</u></p> <p>The FMB supports the intention of the house bills which seek to determine by law the specific limits of forest lands and national parks, which is also in consonance with the Section 4, Article XII of the 1987 Philippine Constitution.</p> |

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| | | <p>Secretaries of DILG, DA, DAR, HUDCC as members.</p> <ul style="list-style-type: none"> • Permanent forestland established shall not be diminished nor reduced except by an act of Congress. | <p>Defining the specific forest limits shall enhance the development, administration, and protection of forestlands.</p> <p>FMB would like to suggest the integration of House Bill No. 2596, 3707 and 1162 into one House Bill considering that they have the same primary intention.</p> |
| | | <ul style="list-style-type: none"> • Subclassification of permanent forestlands: <ul style="list-style-type: none"> a) protection forests b) production forests • Recognition of the rights of indigenous cultural communities/ indigenous peoples and tenured migrant communities. • Monitoring, evaluation, and reporting system shall be adopted by the Secretary of the DENR. • Appropriation- initial funding shall be charged against the current year's appropriation of the DENR. | <p><u>Climate Change Service:</u></p> <p>The DENR fully supports the creation of the National Review and Evaluation Committee (NREC) composed of government agencies to review, assess and validate the existing boundaries. The validation will avoid overlap in the issuance of tenurial instruments.</p> |
| <p><u>HBN 3707</u> Act Providing For The Delineation Of The Specific Forest Limits Of The Public Domain And For Other Purposes</p> <p>Author/s: Rep. Ralph G. Recto</p> | FMB | <ul style="list-style-type: none"> • Provided for guidelines and procedures in determining the specific limits of forestlands. • Creation of National Review and Evaluation Committee with DENR Secretary as Chairperson; Secretary of Socioeconomic Planning and Director-General of NEDA as Vice Chairperson; Secretaries of DILG, DA, DHSUD, NCIP and President of the League of Provinces of the Philippines as members. • Creation of the Adjudication Board to Resolve Controversies on Land Classification Conflicts composed of DOJ as Chairperson, Administrator of the LRA, Representative from IBP, Representative from reputable College of Forestry, and | <p><u>Undersecretary Annaliza Rebuelta-Teh:</u></p> <ol style="list-style-type: none"> 1. The Bill should specify that the DENR (FMB, NAMRIA) shall be equipped to utilize a technology-based approach for preparing a digital database of forest lands to identify an actual situation on the ground (ex. identifying the encroachment areas) along with physical demarcation of forest pillars with more positional accuracy. 2. The Bill should provide that resources will be allocated for establishing a national digital/geospatial database of the forest lands. 3. On the creation of the NREC, the bill should clarify that its review, assessment, and validation of existing boundaries of forest lands should adopt science-based criteria, parameters, and |

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| | | Representative from private sector as members. | metrics. Such assessment and validation should be anchored on the national policy regarding environmental protection, risks and threats due to climate change, and sustainable development as food security, urban development, and other priorities are defined. |
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C. Forest Land Cadastral Bill

| House Bill | Concerned DENR Bureaus/ Attached Agencies | Summary | Comments and Recommendations from DENR Bureaus and Attached Agencies |
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| <p><u>HBN 1162</u> An Act To Establish The Forest Cadastre, Providing For Its Procedures And For Other Purposes</p> <p>Author/s: Rep. Jose Sarte Salceda</p> | <p>LMB, FMB</p> | <ul style="list-style-type: none"> • The delineation of forest lands as completed by the DENR and submitted to Congress is adopted. • The DENR shall develop, install, maintain and update regularly as system of mapping of all forest tenurial instruments and agreements issued by the DENR in all forest lands. • The DENR shall divide the identified forest lands, protected area and national parks, and mineral lands into forest blocks for a more efficient resource management. The size of forest compartments shall be determined by the DENR | <p><u>Forest Management Bureau:</u> FMB would like to suggest the integration of House Bill No. 2596, 3707 and 1162 into one House Bill considering that they have the same primary intention.</p> <p><u>Climate Change Service:</u> It is proposed that since there will be an NREC to be created, a Land Classification Adjudication Board be dispensed with.</p> <p>The recommendation of the NREC, should be approved by the President, upon recommendation of the DENR,</p> |

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| | | <ul style="list-style-type: none"> • All protected areas and national parks in non-agricultural or inalienable lands shall be included in the cadastre. • All mineral lands in non-agricultural or inalienable lands shall be included in the cadastre. | <p>consistent with the provisions of CA 141 or Public Land Act and PD 705 or the Revised Forestry Code.</p> |
| | | <ul style="list-style-type: none"> • All existing proclamations and reservations within forest lands that are not included in the NIPAS Act of 1992, E-NIPAS Act of 2017, People's Small-scale Mining Act of 1991, and the Philippine Mining Act of 1995 shall be included in the cadastre. • All surveys covering areas under the Indigenous People's Rights Act of 1997 shall be included in the forest cadastre and shall be reflected in the maps. • The DENR may order the geodetic engineers employed by the Department or contract out to duly licensed geodetic engineers. • It shall be lawful for duly licensed geodetic engineers and other employees of the DENR to enter forest lands whenever necessary for the surveying and establishment of monuments. • Punishment is provided for any person who shall interfere with the conduct of surveys • Approved surveys and all other accompanying information on forest lands shall be integrated into the existing cadastral system. • The DENR shall share and provide access to all available forest land | |

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| | | <p>information to other government agencies, LGUs and the transacting public.</p> <ul style="list-style-type: none"> • The DENR shall ensure the integrity of forest land information through continuous updating of data, system maintenance and cleansing of forest land records of inconsistencies, duplications, errors, and fraud. | |
| | | <ul style="list-style-type: none"> • At all DENR sites, there will be appropriate security arrangements on access to the network and database. • Initial funds shall be sourced from savings of the DENR for the current year and thereafter shall be included in yearly in the GAA. | |
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D. For Review of Technical Description

| House Bill | Concerned DENR Bureaus/ Attached Agencies | Summary | Comments and Recommendations from DENR Bureaus and Attached Agencies |
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| <p><u>HBN 2841</u> An Act Reclassifying Certain Public Lands Within the Strip of Land Five (5) Kilometers from either side of the Aspiras Highway, from the Municipality of Agoo,</p> | <p>LMB, FMB, Region I, CAR</p> | <ul style="list-style-type: none"> • Certain agricultural public lands identified by the DENR within the strip of five (5) km from either side of the Aspiras Highway from the Municipality of Agoo, Province of La Union to the Municipality of Tuba, | <p><u>DENR Region I:</u> The DENR Region I expresses their support to this legislative measure but has following recommendations:</p> <ul style="list-style-type: none"> • There must be a rapid land inventory of the current uses of the subject strip of land only those parcels that are actually being utilized for agricultural, residential, and commercial uses should be released as A and D. Those |

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| <p>Province of La Union to the Municipality of Tuba, Province of Benguet covered by Proclamation No. 1754 as Alienable and Disposable Lands</p> | | <p>Province of Benguet are reclassified as alienable and disposable lands.</p> <ul style="list-style-type: none"> The bill does not affect the land classification of proclaimed national parks, protected areas, mineral lands, the status of civil reservations, military reservations, and other reservations for public and quasi-public uses within the affected area. | <p>areas that are thickly forested and where there are ongoing forestry projects/tenure should be retained</p> <ul style="list-style-type: none"> Said areas should be properly delineated through an actual ground survey. There must be a description (metes and bounds; area) of the extent of the geographical area to be released as A and D. A geohazard assessment should be conducted by MGB to determine areas that are suitable for settlement. The PASA results recommended the modification of the boundary of MHFWR to retain areas with a high level of biodiversity in the Municipalities of Pugo and Tubao (Region 1 side). This consequently reverts the excluded areas to their original classification composed of alienable and disposable (A&D) lands and forestlands. The PASSA report has been endorsed to the Biodiversity Management Bureau (BMB) and now undergoing review. The bill should take into consideration the findings of the PASA such that the legislation of the MHFWR be pursued and the proposed reclassification be reviewed vis-a-vis said proposed protected area |
| <p>Author/s: Rep. Dante S. Garcia</p> | | | <p><u>Climate Change Service:</u></p> <p>RA 6657 (Comprehensive Agrarian Reform Law) provides under Sec. 4 - Scope that no reclassification of forest or mineral lands to agricultural lands shall be undertaken after the approval of this Act until Congress, taking into account ecological, developmental and equity considerations, shall have determined by law, the specific limits of the public domain.</p> <p>It is DENR's position that the Law on Forest Boundary Delimitation should first be passed.</p> |