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Department of Environment and Natural Resources
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NOTICE OF MEETING

MAR 23 2023

FOR/TO : **All Members**
Technical Committee on Statistical Concerns and Coordination

Biodiversity Management Bureau
Environmental Management Bureau
Ecosystems Research Development Bureau
Forest Management Bureau
Land Management Bureau
Mines and Geosciences Bureau
Laguna Lake Development Authority
National Mapping and Resource Information Authority
National Water Resources Board
Foreign Assisted and Special Projects Service
River Basin Control Office
Manila Bay Coordinating Office
Palawan Council for Sustainable Development Staff
Climate Change Service
Financial and Management Service (Budget Division)
Policy and Planning Services (PPD, PSD, and PMED)
Knowledge and Information Systems Service (ISD, NIMD, and SDRMD)

FROM : **The Director**
Knowledge and Information Systems Service

DATE/TIME : March 30, 2023, Thursday, 9:00 AM onwards

VENUE : 3/F OUFOLVE Conference Room, DENR Main Building

PROVISIONAL AGENDA

1. Highlights of the Previous Meeting
2. Update on PSS/PSA Requirements
 - a. Compendium for Philippine ENR Statistics Submission
 - b. Philippine Statistical Development Program
 - c. PSS Statistical Budget Proposal FY 2024
 - d. Sustainable Development Goals Indicators
3. Discussion on the Draft Policy on NCA
4. Draft Action Plan on the SRS Recommendations
5. Update on the Regional ENR Statistical Profile
6. Other Matters

Your attendance is highly requested.


MARIA ELENA A. MORALLOS MANILA



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DENR ADMINISTRATIVE ORDER
NO. 2023 - _____

SUBJECT : ADOPTION, USE AND ESTABLISHMENT OF NATURAL CAPITAL ACCOUNTING IN THE DENR

Pursuant to Executive Order No. 406 s. 1997 or "Institutionalizing the Philippine Economic-Environmental and Natural Resources Accounting (PEENRA) System and Creating Units Within the Organizational Structure of the Department of Environment and Natural Resources (DENR), National Economic and Development Authority (NEDA), and National Statistical Coordination Board (NSCB)," Resolution No. 01 s. 2022 adopting the "Roadmap to Institutionalize Natural Capital Accounting in the Philippines," of the Inter-Agency Committee on Environment and Natural Resources Statistics, and consistent with the Philippine Development Plan 2023-2028 and the 2021-2040 Environment and Natural Resources Framework Plan, this Order on the adoption, use and establishment of NCA in the DENR is hereby issued for the guidance of all concerned.

SECTION 1. Basic Policy. It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology, in accord with the rhythm and harmony of nature. It is also the policy of the state to institutionalize Natural Capital Accounting to develop a comprehensive indicator of sustainable development and to improve current efforts to consider the value of natural capital or ecosystem services in socio-economic decisions.

SECTION 2. Objectives. This Order aims to:

- 2.1 Provide guidelines for the adoption and use of NCA;
- 2.2 Incorporate NCA and its outputs in the decision-making, policy development and planning processes;
- 2.3 Identify the roles and responsibilities of various offices on NCA; and
- 2.4 Establish flow of information within the DENR and to other relevant Government Agencies.

SECTION 3. Scope and Coverage. This Order shall provide guidance on the adoption of NCA as a policy tool and establishment of NCA within the DENR and its attached agencies using the United Nations System of Environmental-Economic Accounting Ecosystem Accounting (UN SEEA) Framework.

SECTION 4. Definition of Terms. As used in this Order, the following terms shall be defined as:

- 4.1 Account Compiler – refers to the offices within DENR that shall develop site-specific and area-based ecosystem accounts, particularly in their priority ecosystem sites.
- 4.2 Compile – refers to the entire process of collecting the data inputs, organizing them into the accounts structure, and estimating the accounts;
- 4.3 Consolidate – refers to the collection and storage of the compiled accounts into a database;
- 4.4 Data Producers – refers to offices of the DENR and its attached agencies that produce relevant data to develop natural capital accounts and are

expected to 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. Data producers continuously discuss standards and classifications of statistical information to facilitate timely compilation of accounts.

- 4.5 Ecosystem Accounts – describe the environment in terms of sets of mutually exclusive (i.e. non-overlapping) Ecosystem Assets. These assets can be classified by different Ecosystem Types (ET) such as forests, wetlands, cropland etc¹.
- 4.6 Ecosystem Assets – are the primary spatial units for ecosystem accounting. Ecosystem Assets are contiguous spaces of a specific ecosystem type characterized by a distinct set of biotic and abiotic components and their interactions.²;
- 4.7 Ecosystem Valuation – an economic process which assigns a value (either monetary, biophysical, or other) to an ecosystem and/or its ecosystem services;
- 4.8 Natural Capital Accounting – Natural Capital Accounting is an umbrella term covering efforts to use an accounting framework to provide a systematic way to measure and report on stocks and flows of natural capital. NCA covers accounting for individual environmental assets or resources, both biotic and abiotic (such as water, minerals, energy, timber, fish), as well as accounting for ecosystem assets (e.g. forests; wetlands), biodiversity, and ecosystem services.³
- 4.9 Regulatory Impact Assessment - is a process that helps government agencies evaluate the quality of existing and proposed government regulations or policy options. The assessment should consider all the benefits and costs of enacting regulations and ultimately identify the policy option that would deliver the greatest net benefit⁴;
- 4.10 NCA Roadmap – refers to the Roadmap to Institutionalize Natural Capital Accounting in the Philippines adopted by the Interagency Committee on Environment and Natural Resources Statistics (IACENRS) through Resolution No. 01 Series of 2022.
- 4.11 Think Tank – refers to an institute, corporation, or group organized to study a particular subject (such as a policy issue or a scientific problem) and provide information, ideas, and advice;
- 4.12 United Nations System of Environmental and Economic Accounting (UNSEEA) - This framework contains the internationally agreed standard concepts, definitions, classifications, accounting rules and tables for producing internationally comparable statistics and accounts. The UN SEEA consist of two parts: The UN SEEA Central Framework (SEEACF) which includes accounting of "environmental assets", such as water resources, energy resources, forests, fisheries, and others and their use in the economy and its returns to the environment in the form of waste, air and water emissions; and, the UN SEEA Ecosystem Accounting (SEEA EA) which complements the Central Framework by taking the perspective of ecosystems and the interaction of individual environmental assets, and includes guidelines for developing physical and monetary ecosystem accounts.

SECTION 5. Applications of NCA. NCA can be used to support policies in a number of contexts. The list below provides a guide to policymakers and other decision makers on how the information generated from NCA can be used within the DENR:

¹ <https://seea.un.org/Introduction-to-Ecosystem-Accounting>

² Roadmap to Institutionalize Natural Capital Accounting in the Philippines 2022-2040

³ Roadmap to Institutionalize Natural Capital Accounting in the Philippines 2022-2040

⁴ Regulatory Impact Assessment Manual, Anti-Red Tape Authority

- 5.1 Planning, Target-setting, Monitoring and Evaluation;
- 5.2 As input to issuing permits or clearances for extractive activities;
- 5.3 As input to Environmental Impact Assessment;
- 5.4 As input to Regulatory Impact Assessment;
- 5.5 As basis for Ecosystem Valuation (e.g. Lands, Water Resources, Forests, Coastal areas, Marine, and Wildlife) and payments for ecosystem services;
- 5.6 As basis for Environmental Damages/Fines/Penalties, fees and charges of tenurial instruments, and other economic instruments;
- 5.7 Input to decision-making for establishment of Protected Areas, Environmentally Critical Areas, Buffer Zones, Critical Habitats, and Other Effective Area-Based Conservation Measures;
- 5.8 Carbon accounting;
- 5.9 Basis of Quasi-Judicial Bodies in monitoring of permits and imposing penalties.
- 5.10 Loss and Damage Reporting
Other uses to be identified
- 5.11 ~~Other uses to be identified.~~

SECTION 6. NCA Steering Committee. There is hereby created an NCA Steering Committee, which shall be composed of the following members:

- | | |
|----------|---|
| Chair: | Supervising Undersecretary for Policy and Planning |
| Co-Chair | Supervising Undersecretary for Information Systems
<u>Sec for Integrated Environmental Science</u> |
| Members | Supervising Undersecretary for Field Operations
Administrator, National Mapping and Resource Information Authority
General Manager, Laguna Lake Development Authority
Executive Director, Palawan Council for Sustainable Development
Staff
Executive Director, National Water Resources Board
Supervising Assistant Secretary for Policy and Planning
Supervising Assistant Secretary for Information Systems
Director, Policy and Planning Service
Director, Knowledge and Information Systems Service
Director, Foreign Assisted and Special Projects Service
Director, Climate Change Service
Director, Human Resource Development Service
Director, Strategic Communications and Initiatives Service
Director, Biodiversity Management Bureau
Director, Environmental Management Bureau
Director, Ecosystems Research and Development Bureau
Director, Forest Management Bureau
Director, Land Management Bureau
Director, Mines and Geosciences Bureau
Executive Director, River Basin Control Office |

6.1 Roles and Responsibilities of the NCA Steering Committee

- 6.1.1 Set priority Environmental Asset and Ecosystem Accounts to be developed including identification of Ecosystem Services for policy work and management decisions;
- 6.1.2 Provide guidance and recommend supporting policy issuances for the institutionalization and operationalization of NCA in the DENR;
- 6.1.3 Review and approve proposed NCA Projects and priority sites for development of accounts;

- 6.1.4 Oversee and be responsible for the implementation of the NCA Roadmap within the DENR; and
- 6.1.5 Supervise the drafting of the manual on Natural Capital Accounting, as prescribed by Section 11 of this Order.

6.2 Secretariat

- 6.2.1 The Policy and Planning Service, together with the Knowledge and Information Systems Service shall serve as the Secretariat of the NCA Steering Committee.

SECTION 7. Roles and Responsibilities of Concerned Offices. The concerned offices/committees shall have the following roles and responsibilities:

7.1 Policy and Planning Service (PPS)

- 7.1.1 Coordinate the implementation of NCA activities of DENR and its attached agencies, bureaus and field offices;
- 7.1.2 Collaborate with NEDA in the implementation of the NCA Roadmap;
- 7.1.3 Coordinate with DENR units in developing priority Ecosystem Accounts to supplement the Environmental Asset accounts development by the Philippine Statistics Authority (PSA) following the guidelines of the UN SEEA Framework;
- 7.1.4 Lead in the identification of emerging policy issues relevant to NCA;
- 7.1.5 Collaborate with DENR Bureaus, other government agencies and independent think tanks and knowledge providers in integrating findings and harmonizing policy recommendations based on the data generated by the ecosystem accounts
- 7.1.6 Develop policy notes and policy briefs from the outputs of NCA to support the development of policies and decisions in the Department; and
- 7.1.7 Provide directions on the inclusion of NCA activities in the regular Work Plans of DENR offices.

7.2 Knowledge and Information Systems Service (KISS)

- 7.2.1 Coordinate with data producers, consolidate and provide data needed by the Philippine Statistics Authority (PSA) for the compilation of environmental asset and ecosystem accounts;
- 7.2.2 Support DENR Field Units (i.e. Regional Office, PENRO and CENROs), bureaus, and attached agencies on development of tools for data generation and data compilation for the NCA, in coordination with PSA;
- 7.2.3 Establish and maintain ENR database on NCA with options for online access and updating;
- 7.2.4 Facilitate the improvement of data system on environmental statistics; and
- 7.2.5 Provide technical advice on statistical matters such as data definitions, coverage, classifications, and analysis, in collaboration with PSA.
- 7.2.6 KISS to Provide Technical Standards on Statistics
- 7.2.7 Kiss to do integration and analysis on Macro-level (To be discussed)

7.3 Foreign Assisted and Special Projects Service (FASPS)

- 7.3.1 Facilitate the development of projects and mobilize resources to support NCA and its applications in policy and decision-making at the national and sub-national level; and
- 7.3.2 Document and disseminate or share the outputs of NCA-related projects.

7.4 Strategic Communications and Initiatives Service (SCIS)

- 7.4.1 Create and Implement Strategic Communication Plan for NCA Implementation – Education and Public Awareness Program to disseminate key insights derived from NCA-related projects and research; and
- 7.4.2 Publication/Popularize ~~of~~ NCA research results to DENR e-library and other avenues.

7.5 Human Resources and Development Service (HRDS)

- 7.5.1 Develop and implement training module–programs on NCA and Valuation;
- 7.5.2 Incorporate NCA and Valuation as a ~~specialized~~ specialized course under the Environment and Natural Resources Academy;
- 7.5.3 Provide capacity building on the ~~collection of data for development of the~~ accounts and utilization of data; and
- 7.5.4 Collaborate with Support DENR and its Field Units in collaborating with academic institutions towards capacity building and development of the accounts.

7.6 Climate Change Service

- 7.6.1 Develop policy notes and policy briefs from NCA to support the development of policies and decisions on climate change, its impacts, and disaster risk.
- 7.6.2 Loss and Damage and Climate Impact
- 7.6.3

7.7 River Basin Control Office

- 7.7.1 Assist in the development of accounts;
- 7.7.2 Compile ecosystem accounts for river basin; and
- 7.7.3 Provide support to DENR Field Offices in data collection and data collection processes.

7.8 Biodiversity Management Bureau

- 7.8.1 Develop and Compile Ecosystem Accounts and priority Protected Area Accounts;
- 7.8.2 Provide data and inputs to KISS for the environmental asset accounts;
- 7.8.3 Harmonize existing data collection tools in collaboration with DENR-KISS and integration of various PA data for the development of Asset and Ecosystem Accounts in PAs; and
- 7.8.4 Develop policy notes and policy briefs from NCA to support the development of policies and decisions in PAs and Biodiversity.

7.9 Forest Management Bureau

- 7.9.1 Develop and Compile forest ecosystem accounts for forestry programs and projects;
- 7.9.2 Provide data and inputs to KISS for the ~~environmental~~ forest asset accounts;
- 7.9.3 Harmonize existing data collection tools in collaboration with DENR-KISS and integration of various forestland data for the development of Forest Environmental Asset and Forest Ecosystem Accounts in forestlands; and
- 7.9.4 Develop policy notes and policy briefs from NCA to support the development of policies and decisions in forestlands.

7.10 Ecosystems Research and Development Bureau

- 7.10.1 Provide technical assistance in the development of compilation of ecosystem accounts;
- 7.10.2 Conduct research to improve effective and efficient use of NCA tools, and in integrating existing data and data collection tools and systems developed by DENR bureaus and its attached agencies;
- 7.10.3 Collaborate with DENR, bureaus and attached agencies in developing NCA tools that are applicable to ecosystems, river basins, landscapes, seascapes, and protected areas; and
- 7.10.4 Develop policy notes and policy briefs from NCA to support the development of policies and decisions.

7.11 Land Management Bureau

- 7.11.1 Develop and Compile Ecosystem Accounts for the lands sector;
- 7.11.2 Provide data and inputs to KISS for the land asset accounts;
- 7.11.3 Develop, digitize and maintain databases on public land assets held by the DENR, in collaboration with NAMRIA;
- 7.11.4 Construct data bases on private land values of these assets, including methods of land appraisal used for such estimation;
- 7.11.5 Develop extent and condition accounts of these lands including ownership status and track changes periodically; and
- 7.11.6 Develop policy notes and policy briefs from NCA to support the development of policies and decisions in land management.

7.12 Mines and Geosciences Bureau

- 7.12.1 ~~Development and compile mineral asset of ecosystem accounts in large scale metallic, and quarry operations with mining operations tenements in collaboration with other bureaus and attached agencies;~~
- ~~7.12.2 Compile mineral asset accounts for the mines sector; and~~
- 7.12.3 Provide data and inputs to KISS for the mineral asset accounts;
- 7.12.4 Develop policy notes and policy briefs from NCA to support the development of policies and decisions in mining.

7.13 Environmental Management Bureau

- 7.13.1 Provide data such as water quality and streamflow necessary for the ecosystem accounts;
- 7.13.2 Develop policy notes and policy briefs from NCA to support the development of policies and decisions in the environment sector.

7.14 National Mapping and Resource Information Authority (NAMRIA)

- 7.14.1 Provide updated geospatial information to support development of environmental asset and ecosystem accounts by various DENR bureaus and field offices;
- 7.14.2 Support in the development of geospatial tools in developing environmental and ecosystem asset accounts; and
- 7.14.3 Provide support to DENR bureaus in developing environmental asset and ecosystem extent and condition accounts.

7.15 Palawan Council for Sustainable Development Staff (PCSDS)

- 7.15.1 Update existing accounts, such as the outputs from the Philippine Wealth Accounting and Valuation of Ecosystem Services (PhilWAVES) regularly in coordination with relevant government agencies and institutions;
- 7.15.2 Provide access to relevant data available to DENR, PSA, and other government agencies in need of such in the delivery of their roles and responsibilities, provided that protocols are followed;

- 7.15.3 Develop other natural capital and ecosystem accounts as deemed relevant under the mandate of RA 7611, in close coordination with lead agencies such as the PSA, NEDA, DENR, among others;
- 7.15.4 Collaborate with the Palawan Knowledge Platform members regarding NCA Accounts compilation and development; and
- 7.15.5 Develop policy notes or policy briefs from the NCA report to support the development of policies and decisions; in valuation of ecosystem goods and services as basis or reference for environmental damages or compensation and in promoting sustainable development in the province of Palawan.

7.16 Laguna Lake Development Authority (LLDA)

- 7.16.1 Generate data needed for the updating and development of ecosystem accounts;
- 7.16.2 Update ecosystem accounts developed under PhilWAVES;
- 7.16.3 Develop new accounts on the Laguna de Bay Basin;
- 7.16.4 Develop policy notes and policy briefs to support the development of policies and implementation of programs within the Laguna de Bay Basin;
- 7.16.5 Coordinate with DENR and other attached agencies on NCA activities;
- 7.16.6 Publish updated ecosystem accounts; and
- 7.16.7 Conduct Dissemination activities to create awareness on the ecosystem accounts.

7.17 National Water Resources Board (NWRB)

- 7.17.1 Develop geospatial information and database on water-related data/information;
- 7.17.2 Develop policies and decisions related to surface water and groundwater management supporting water resource allocation; and
- 7.17.3 Regularly update and cleanse NWRB water permit database.
- 7.17.4 Develop policy notes and policy briefs from NCA to support the development of policies and decisions in water resources management.
- 7.17.5

7.18 DENR Regional Offices

- 7.18.1 Generate data needed for Ecosystem Accounts; and
- 7.18.2 Consolidate and analyze regional data, and submit the same to the appropriate bureaus/office.

7.19 DENR PENROs, CENROs, and Protected Area Management Office

- 7.19.1 Generate data needed for Ecosystem Accounts.
- 7.19.2 Develop Ecosystem Accounts for priority sites under their jurisdiction.

7.20 Technical Committee on Statistical Concerns and Coordinations - Review

- 7.20.1 Determine the data requirements for the development of Ecosystem Accounts and provide advice on statistical matters, in collaboration with the Philippine Statistics Authority
- 7.20.2 Harmonize the compiled account prepared by KISS for account generation and endorse the same to the NCA Steering Committee and provide a copy to the PPS

SECTION 8. Registry of a Pool of Experts in the DENR. The Training and Development Division shall keep a record of key personnel in the DENR who:

- 8.1 Have undergone extensive training on NCA, UN SEEA, Valuation and the like;
- 8.2 Possess valuable skills and knowledge related to NCA, UN SEEA, Valuation and the like; or
- 8.3 Have had experience in the implementation of NCA projects and activities.

The aforesaid personnel may be considered as the DENR's experts on topics related to NCA and included in the DENR Pool of Experts. They shall be prioritized for further training and capacity development, or they may be tapped as resource persons, depending on their level of expertise and specializations.

SECTION 9. Additional Manpower Complement. The NCA Steering Committee shall identify the additional manpower complement needed for the effective implementation of Natural Capital Accounting in the Department.

SECTION 10. Process Flow. The flowchart for the compilation of the Ecosystem Accounts is contained in Annex A. The process flow for the compilation of ecosystem accounts is as follows:

- 10.1 Cognizant of the priorities and needs of the Department, the NCA Steering Committee will determine the priority ecosystem accounts to be developed, which shall then be endorsed to the Technical Committee on Statistical Concerns (TechCommStat), reconstituted under Special Order No. 2022-666.
- 10.2 The TechCommStat will then determine the data requirements for the development of Ecosystem Accounts and provide advice on statistical matters, in collaboration with the Philippine Statistics Authority.
- 10.3 Upon determination of the data requirements, PPS will do planning and programming of the ecosystem accounts and simultaneously, the concerned account compiler will establish the metadata and data structure;
- 10.4 The data producers shall then gather the necessary data as identified, and once complete shall provide to the account compiler;
- 10.5 The concerned Account Compiler shall conduct validation of data generated by data producers, develop the ecosystem accounts, do compilation and analysis. They shall then endorse the said accounts to KISS.
- 10.6 For the national/sub-national environment asset accounts, KISS will consolidate the data/statistics provided by the DENR data producers and submit the same to the PSA to compile the national/sub-national environment asset accounts.
- 10.7 For the site-specific ecosystem accounts, KISS will consolidate the compiled ecosystem accounts and submit the same to the TechCommStat. The TechCommStat will harmonize the compiled account. Copies of the compiled ecosystem accounts will be provided to the PPS for analysis of the implications on national policies, plans and

programs and the NCA Steering Committee for endorsement to the Secretary and subsequent dissemination to the PSA and NEDA.

SECTION 11. Issuance of Manual of Procedures. Separate manuals on data generation, protocols and procedures, shall be developed by the NCA Steering Committee within two (2) years upon effectivity of this Order.

Include connection between NCA Steering Comm and NCA TWG – to be discussed

SECTION 12. Funding. The DENR shall allocate funds for the implementation of this Order. Concerned offices herein shall include NCA activities in their regular budget proposals, as needed.

SECTION 13. Separability Clause. If any provision of this Order shall be held invalid or unconstitutional, the other portions hereof which are not affected shall continue in full force and effect.

SECTION 14. Repealing Clause. All other orders, circulars, memoranda and other issuances, or parts thereof, inconsistent with the provisions of this Order are hereby repealed, amended or modified accordingly.

SECTION 15. Effectivity Clause. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and upon acknowledgment of receipt of a copy thereof by the Office of the National Administration Registrar, University of the Philippines Law Center.

MARIA ANTONIA YULO LOYZAGA
Secretary

PROCESS FLOW OF ECOSYSTEM ACCOUNTS COMPILATION

