



MEMORANDUM

FOR : **The Director**
Legal Affairs Service

The Bureau Directors
Biodiversity Management Bureau
Environmental Management Bureau
Forest Management Bureau
Land Management Bureau

The OIC Director
Mines and Geosciences Bureau

The Administrator
National Mapping and Resource Information Authority

FROM : **The Undersecretary**
Special Concerns and Legislative Affairs

SUBJECT : **REQUEST FOR COMMENTS TO DENR ADMINISTRATIVE ORDER (DAO) NO. 98-67 WITH THE SUBJECT GUIDELINES FOR THE IDENTIFICATION, DECLARATION AND AWARD OF AREAS SUITABLE FOR SALT PRODUCTION, AS AMENDED BY DAO NO. 2002-34**

DATE : 09 August 2023

In the interest of service, with an aim to gather the perspectives, concerns, and recommendations from the concerned offices, bureaus, and attached agencies, and in reference to the agreements entered into from the consultative meeting held on the same date, the Office of the undersigned, through the Legislative Liaison Office, is respectfully requesting your comments/recommendations to the above subject. Kindly submit your comments on or before 11 August 2023, 5:00 PM via email at denrlo@denr.gov.ph.

Attached herewith is a copy of the Department Administrative Order and amendment thereto for your reference.


IGNATIUS LOYOLA A. RODRIGUEZ

cc: Undersecretary for Integrated Environmental Science

**DENR Administrative Order
No. 98-67
December 09, 1998**

**SUBJECT : Guidelines For The Identification,
Declaration And Award Of Areas
Suitable For Salt Production**

Section I. Statement of Policy

Pursuant to Section 6, paragraph d of Republic Act No. 8172 otherwise known as ASIN Law and to ensure the sustainable production of salt. The following guidelines are hereby promulgated.

Section 2. Objectives

1. To provide criteria and guidelines for the identification, classification and awarding of areas suitable for salt production purposes.
2. To encourage salt production and support the food security program of the government.
3. To generate and develop job opportunities to help the low income earner in the countryside.
4. To provide procedures and mechanisms for monitoring and adoption of anti-pollution control measures by salt producers/manufacturers.
5. To register and enlist all salt producers or public land engaging in the production of salt in the country.

Section 2. Definition of Terms

For purposes of this Order, the following terms shall be defined as follows:

1. **Iodized Salt** -- contain small amount of iodine which is the most cost-effective way of preventing iodine deficiency that can cause goiter, mental retardation and congenital physical defects;
2. **Manufacturer/Producer**-- one who produces, imports, trades in, or distributes salt;
3. **Salt Iodization** -- the addition of iodine to salt intended for human or animal consumption in accordance with specifications as to form, fortificant, method, manner and composition as may be prescribed by the Bureau of Food and Drug Administration;
4. **Saltfarm** -- refers to any foreshore areas devoted/utilized for salt production.
5. **Salt Production Sharing Agreement (SPSA)** – is a contract entered into between the DENR and a person/corporation, association, or partnership for the use of public lands for salt production;
6. **Table salt** -- is a white crystalline substance consisting of sodium chloride that occurs abundantly in nature both in solid and liquid form.

Section 3. Areas Available for Salt Production

The areas available for salt production includes:

- a. Areas currently devoted to salt production and areas with natural salt deposits.
- b. Foreshore areas free from mangrove vegetation, corals and seagrass population.

Except, for the following areas;

- a. Foreshore areas delineated for bathing purposes,

- b. Areas designated as municipal fishery reserves and its equivalent, or areas designated as core and buffer zones of the Protected Area System and similar reservations.
- c. Areas designed as type SD of water classification pursuant to DAO 34's 1990
- d. Areas covered by existing and valid tenurial instruments.

Section 4. Criteria for Identification and Prioritization of Areas suitable for Salt Production

The criteria for identifying areas suitable and available for salt production are the following:

a. Topography

The area should be an extensive tidal flat, with good drainage (has ability to drained of water during normal low tide), situated at least 100 meters from any river mouth, and free from floods and storm surge. It should also have a generally flat or gently sloping peripheral terrain at least 1 kilometer from its boundaries.

b. Climatic Conditions

The area should preferably be situated within a climatic type I of Corona's classification, and exposed to the north-east and easterly winds and with a below normal precipitation level.

c. Water Quality

The salinity of water for salt production period should be at least parts per thousand (ppt.); the higher the better. The water quality of area should be free from contamination sewage and industrial and agricultural run-off/pollutants. The tidal fluctuations preferably should vary within a 1 meter range.

d. Soil Type and Characteristics

The soil characteristics should range from silty clay to clay loam, with pH value of slightly acidic or within the pH range of 6-7.

e. Other consideration for suitability

The proposed salt production area should be situated at most 4 kms. but not less than 2 kms. from settlements for manpower requirements. It should have source of freshwater (without competing with the local population), accessible all year through and have access to ready source of materials.

Section 5. Identification, and Declaration of Salt Production

1. Procedure for identification and declaration of potential Salt Production Area (SPA)

All CENROs shall identify areas suitable for existing salt production areas within public domain, and areas with natural/rock salt deposits. The report shall cover the following concerns.

1. Actual area used
2. Total leased area
3. Optimum production volume/year
4. Actual production volume
5. Direct beneficiaries
6. Tenurial Status
7. Awarding and expiry dates

The reports should be submitted to the Task Force Mangrove/Asin for compilation and publication.

2. Validation and Site Appraisal of Identified Potential Salt Production Areas (SPA)

For the first three (3) years, potential areas for salt production shall be validated by the Task Force Mangrove/Asin. The task force shall prioritize areas covering at least 100 hectares. The task force shall prepare a validation report to include the following, concerns:

1. Potential environmental risk.
2. Municipal Development Plan for the area and its immediate environment.
3. Assessment of the current use of the area and the impact of possible displacement.
4. Conduct a public dialogue with affected communities related to the classification of the area.

For areas covering less than 100 has., the regional offices shall dispatch a validation team composed of representatives from the Regional CEP Coordinator, EMPAS, ERDS, FMS and ORED which shall perform the aforementioned activities. Validation report shall be submitted to the Task Force. All reports concerning potential SPA shall be completed and endorsed by the task force for declaration of the Secretary.

3. Publication of Areas Available for Salt Production

The Secretary shall declare areas available for salt production purposes, which shall be published on newspaper of general circulation.

Section 6. Application procedure for Salt Production Sharing Agreement

1. Who are Qualified to Apply

- a. Any Filipino citizen of legal age;
- b. Any corporation, association or cooperative duly constituted under the laws of the Philippines, sixty percent 60% of the capital of which is owned by Filipino citizens.

Preference shall be given to applicants who are residents of the area, community based organizations, and those corporations which practice environmental conservation prior to application.

2. Application Requirements

The following documents are to be submitted;

- a) Letter of application
- b) Receipt of application fee
- c) Development plan
- d) Feasibility studies
- e) Endorsement letter from affected barangays and municipalities

For corporations, associations, cooperatives, additional requirements shall be as follows:

- a) Certificate of registration
- b) Letters of incorporation and by laws
- c) Directory of officers
- d) Track record
- e) Financial records for the past three (3) years

3. Processing of Applications

- a) The applicant shall secure and submit all the necessary document to the CENRO concerned.

- b) The CENRO shall evaluate the completeness of the documents and if the site is within a declared salt production area, within 15 working days of the submission of the documents.
- c) Application for SPSA within a declared SPA area shall be recommended by the team for approval and endorsed to the PENRO concerned for areas not more than 100 has. or to ORED for areas not more than 1,000 has.; or the OSEC for areas above 1,000 hectares for preparation and approval of SPSA.
- d) Development work shall only commence after the applicant has a valid SPSA and after complying with the requirements of DAO 96-37 and other pertinent rules and regulations.

4. Size of the SPSA areas

The following shall be the site limitation for SPSAs applied for:

- 1. Individual - not more than 5 has.
- 2. Association/Cooperative - not more than 100 has. or not exceeding the area of the political jurisdiction of the barangay where the association/cooperative is based.
- 3. Corporation, Foundation and other similar groups not more than 500 has. The site applied for should be contiguous.

Section 7. Monitoring and Reporting

The SPSA holder shall submit a semi-annual report to the CENRO concerned during the development/construction phase of salt production area and annually thereafter. The monitoring shall be conducted by Regional Office on a semi-annual period during the development plan phase and annually thereafter.

All reports shall be forwarded to Task Force Mangrove/Asin on a quarterly basis.

Section 8. Reversion

The SPSA holder shall complete the development of the whole site within 5 years. At least 80% should be fully developed by the third year. In case of violation, areas under developed shall be reverted for mangrove forest purposes. Agreed production volume should be attained on the seventh year otherwise the area shall be made available for other applicants.

Section 9. Expansion

The SPSA holder can apply for production area expansion but it shall not exceed the limits prescribed in Section 6 (4). Priority for expansion shall be given to the existing and adjacent SPSA holder.

Section 10. Priority for Processing SPSA Application

The DENR shall adopt a first come first serve policy, and shall prioritize financially stable corporation with previous record on salt production.

Section 11. Payment of Application Fee

Application fee shall be P 500.00 per application.

Section 12. Government share.

Government share shall be computed based on the following formula:

$$GS = GR -(CP + MPR)$$

where:

- GS -government share
- GR -gross revenue
- CP -cost of production
- MPR -margin for profit and risk (30% of the gross revenue)

Section 13. Term of a Saltwork Production Sharing Agreement

An SPSA shall remain in full force and effect for twenty five (25) years and be renewable for another twenty five (25) years, but is subject to suspension or cancellation if the SPSA holder violates the terms and conditions provided for under the agreement.

Section 14. Privileges of SPSA holder

The SPSA holder shall be entitled to the following incentives;

1. To occupy, possess, utilize and develop SPA areas and claim ownership on the introduced improvement therein.
2. To allocate to its members and enforce rights to use sustainably the SPA areas;
3. To be properly informed, consulted on all government projects to be implemented in the area.
4. To be given preferential access by the DENR to all available assistance in the development of the area and in the process of complying to the ECC.
5. To receive all income and proceeds from the salt production in excess of the amount set aside as government share;

Section 15. Responsibility of SPSA holder

1. Participate in boundary delineation of the SPA;

2. For existing corporation, organization of salt producer within the public land, submit the following documents:
 - a. SEP of the affected communities;
 - b. RRA; and
 - c. Map covering the SPA area and adjacent community and natural resources and land use.
3. Prepare and implement development plan, feasibility study, environmental protection and enhancement plan for the SPA
4. Comply with the ECC conditionality
5. Construct/develop structure or system that may be required for environmental/environment monitoring purposes.
6. Assist the government in protection and conservation of adjacent natural resources.
7. Prioritize employment of residents.
8. Assist the government on public education campaign for the nearby communities.
9. Submit Annual Comprehensive Report and other reports that maybe required by the DENR.

Section 16. Productivity

Salt ponds may be used as temporary fishponds during the wet season, provided that necessary adjustments for government share be complied with

Section 17. Environmental Monitoring Procedures

The monitoring procedures to be complied with for Salt Production Area monitoring shall be the following;

1. Monitoring teams shall conduct inspection and water quality testing every year
2. Mangroves and other resources shall be inventoried and mapped before the actual SPSA is awarded. This activity shall be conducted

with the SPSA applicant to establish baseline resource information as basis for future environmental monitoring.

3. Rapid Resources System appraisal shall be conducted during the 3rd year, 5th year and seventh year and every 5th year thereafter to determine the impact of site development activities and provide basis for adjustment of ECC conditionalities (whenever necessary).
4. Compliance to the Environmental Enhancement Plan shall also be monitored.
5. SPSA holder shall also be encouraged to participate in the DENR's effort on Coastal Environment Conservation and Protection.
6. Existing policies related to EIA, ECC and environmental quality monitoring shall be adhered to.

Section 18. Repealing Clause

All rules and regulations inconsistent with the provision of this Order are hereby repealed.

Section 19. Effectivity

This Order shall take effect 15 days after its official publication in a newspaper of national circulation.

(Sgd.) ANTONIO H. CERILLES
Secretary

Published at:

TODAY -- December 11, 1998



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City, 1100
Tel. Nos. (632) 929-66-26 to 29 * (632) 929-62-52
929-66-20 * 929-66-33 to 35
929-7041 to 43



ADMINISTRATIVE ORDER
No. 2002-34

DEC 03 2002

SUBJECT : Amendment of DAO 98-67 To Expand Its Section 7 To Include Reporting Of Salt Production, Sales And Employment

In order to ensure effective collection, processing, monitoring and publication of accurate statistics on salt production, sales, and employment to serve as inputs in the computation of Gross Domestic Product (GDP) as required by the National Statistical Coordination Board, DAO 98-67 is hereby amended to expand its Section 7 to read as follows (additional provisions in bold letters):

Section 7 - Monitoring and Reporting

- a) The SPSA holder shall submit a semi-annual report to the CENRO concerned during the development/construction phase of salt production area and annually thereafter. **Any incidental production and sales of salt by the SPSA holder during the initial development/construction phase shall be included in the semi-annual report to the CENRO.** The monitoring shall be conducted by the Regional Office on a semi-annual period during the development plan phase and annually thereafter. All report shall be forwarded to the Task Force Mangrove/ Asin on a quarterly basis.
- b) **During the production phase, the SPSA holder shall submit to the CENRO a quarterly report on the monthly (Salt Stat Form A) volume and value of salt production and sales from the subject area and the number employed within fifteen (15) days after each quarter. The CENRO shall compile and validate, if necessary, all quarterly reports by producer and by month of production in an appropriate summary table (Salt Stat Form B) including the reasons for increase or decrease in production and sales, thence submit it to the Office of the Regional Executive Director through the concerned PENRO;**
- c) **The Office of the Regional Executive Director shall prepare and submit a consolidated quarterly regional salt production, sales and employment statistical report (Salt Stat Form C) to the Secretary copy furnished the Mines and Geosciences Bureau's central and regional offices.**

This Order shall take effect fifteen (15) days after its complete publication in a newspaper of general circulation and fifteen (15) days after registration with the Office of the National Administrative Register.


HEHERSON T. ALVAREZ
Secretary

PUBLICATION :

PHIL. STAR - Dec. 11, 2002



Republic of the Philippines
 Department of Environment and Natural Resources
 COMMUNITY ENVIRONMENT AND NATURAL RESOURCES OFFICE
 Region _____

Salt Stat Form A

SPSA QUARTERLY REPORT ON SALT PRODUCTION, SALES AND EMPLOYMENT FOR THE _____ QUARTER OF YEAR

INSTRUCTIONS:

1. All holders of Salt Production Sharing Agreement (SPSA) are required to report the volume and value of their monthly production and sales and number employed using this form every quarter of the year.
2. All filled up forms should be submitted to the DENR-CENRO nearest your salt production area within 15 working days after the end of each quarter.
3. Do not leave any of the requirements unanswered. If a requirement does not apply, write NA (Not Applicable). If the question is applicable but you have no answer, write NONE.
4. For comments, suggestions or clarifications regarding this form please consult your nearest CENRO Office.

DEFINITION OF TERMS:

Employment refers to the actual number of directly hired male and/or female workers and staff involved in the production and sales of salt during the reporting period.
Months During The Quarter refers to the specific calendar month of the subject quarter during which salt was produced and/or sold from the SPSA area.
Number of Days In Operation refers to the actual number of days during which salt is produced during month.
Production Quantity refers to the total volume of salt extracted during the reporting period expressed in Metric Tons (MT)
Production Value refers to the actual market value of the salt produced from the SPSA area during the reporting period.
Sales Quantity refers to the total volume of salt sold during the reporting period expressed in Metric Tons (MT)
Sales Value refers to the actual market value of salt sold during the reporting period.

I. ADMINISTRATIVE DATA

NAME OF SPSA HOLDER - If name of person, please write surname first	SPSA NUMBER:	TAX IDENTIFICATION NO. (TIN)	TELEPHONE NO.	FAX NO.	E-MAIL ADDRESS (if any)
OFFICE ADDRESS OF SPSA HOLDER		SPSA AREA COVERAGE (Hm):	SALT PRODUCTION SITE: (State Barangay, Municipality, Province)		

II. PRODUCTION, SALES AND EMPLOYMENT DATA

MONTHS DURING THE QUARTER	PRODUCTION		NO. OF DAYS IN OPERATION	SALES		EMPLOYMENT	
	Production Quantity (M.T.)	Production Value (Pesos)		Sales Quantity (M.T.)	Sales Value (Pesos)	Number of Males	Number of Females
TOTAL							

III. REASONS FOR INCREASE OR DECREASE IN PRODUCTION/SALES DURING THE QUARTER COMPARED TO THE SAME QUARTER LAST YEAR: (Please check appropriate answer below)

Increase was due to: <input type="checkbox"/> 1. Increased price of salt <input type="checkbox"/> 2. Low supply <input type="checkbox"/> 3. Increased demand <input type="checkbox"/> 4. Expansion of production/sales <input type="checkbox"/> 5. More operating days during the quarter <input type="checkbox"/> 6. Others (pls specify) _____	Decrease was due to: 1. Lesser operating days because of: <input type="checkbox"/> 1.a Equipment breakdown (pls. specify) _____ <input type="checkbox"/> 1.b Unfavorable weather condition (state duration or other information) _____ <input type="checkbox"/> 1.c Labor or other strikes (state duration) _____ <input type="checkbox"/> 3. Others (pls. Specify) _____	2. Suspensions in operations because of: <input type="checkbox"/> 2.a Low price of the mineral commodity produced <input type="checkbox"/> 2.b Financial reasons (pls. specify) _____ <input type="checkbox"/> 2.c Force Majeure (pls. specify) _____ <input type="checkbox"/> 2.d Environmental Problems (pls. specify) _____ <input type="checkbox"/> 2.e Gov't preventive actions such as CDO (pls. specify) _____
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I hereby certify that all information in this report are complete, true and correct to the best of my knowledge and belief.

 SPSA HOLDER (Signature Over Printed Name)

 DATE

