



MEMORANDUM

FOR/TO: Director, Legal Affairs Service (Vice - Chairperson, PTWG)
Assistant Director, Biodiversity Management Bureau
Assistant Director, Ecosystems Research and Development Bureau
Assistant Director, Environmental Management Bureau
Assistant Director, Forest Management Bureau
Assistant Director, Land Management Bureau
Assistant Director, Mines and Geosciences Bureau
Representative, Office of the Undersecretary for Legal and Administration
Representative, Office of the Undersecretary Policy, Planning and
International Affairs
Representative, Office of the Undersecretary for Field Operations (FO) -
Luzon, Visayas and Environment
Representative, Office of the Undersecretary for FO - Mindanao
Representative, Office of the Undersecretary for Special Concerns and
Legislative Affairs
Representative, Office of the Undersecretary for Integrated Environmental
Science
Representative, Office of the Assistant Secretary for Policy, Planning and
Foreign-Assisted and Special Projects
Representative, Office of the Assistant Secretary for Legal Affairs
Representative, Legal Affairs Services
Representative, Strategic Communication and Initiatives Service
Representative, Knowledge and Information Systems Service
Representative, National Water Resources Board
Representative, Water Resources Management Office
Representative, PPS- Program Monitoring and Evaluation Division

FROM : The Chairperson, and OIC Director Policy and Planning Service

SUBJECT : **HIGHLIGHTS OF PTWG MEETING NO. 2024-01 HELD ON 08
February 2024 | 9:30 AM**

DATE : **18 MAR 2024**

We are furnishing herewith the highlights of the above-cited meeting regarding the Draft DAO Re: Guidelines on the Development of Payment for Ecosystem Services (PES) for Water Use to Finance River Basin and Watershed Management.

FOR INFORMATION.

CHERYL LOISE T. LEAL

| SECTIONS | COMMENTS/ AGREEMENTS/ WAYS FORWARD |
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| Title Guidelines on the Development of Payments for Ecosystem Services (PES) for Water Use to Finance River Basin and Watershed Management | <ul style="list-style-type: none"> ● The title was adopted and seconded by the PTWG Members. |
| Prefatory Statement | <ul style="list-style-type: none"> ● On line number 11, Atty. Cabagbag of LAS suggested to include the year of the Philippine Constitution (1987) in the Section 2 of the Article 12 of the constitution ● On line numbers 26-27, For. Rola suggested to rearrange the phrase to “river basin and watershed management”, for consistency. ● On line numbers 31-34, For. Lanugan of FMB suggested deleting the policy descriptions, and retain only the title of the DAO. ● Merge the two paragraphs and arrange accordingly. ● The prefatory statement is hereby adopted, considering the comments of the PTWG members. |
| Section 1. Basic Policy | <ul style="list-style-type: none"> ● Adopted |
| Section 2. Objectives | <ul style="list-style-type: none"> ● On line number 57, under item a, include “river basins” before the word watersheds, for consistency. ● The Objectives were adopted, subject to the changes recommended by the PTWG. |
| Section 3. Scope and Coverage | <ul style="list-style-type: none"> ● On line number 68, make the master plan in plural form “Integrated River Basin Management and Development Master Plans”, since there are 18 major river basins with river basin management development master plan. ● It was clarified that the draft DAO covers both the surface and ground water. |
| | <ul style="list-style-type: none"> ● Ms. Gabo recommended, reviewing the IPRA Law re: concerns if A&D is to be covered by the draft policy. In this regard, Atty. Cabagbag counter |

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| | <p>explained that all lands of public domain are owned by the state and the Constitution will prevail. All Republic Acts (RAs) should fall under the legislative measures.</p> |
| | <ul style="list-style-type: none"> • Ms. Gabo recommends to include a provision that promotes inclusivity and rights of the IPs. This is in line with the ongoing efforts of the Bureau to amend the IRR of the Cave Act, wherein the Article 2. Section 22 of the Philippine Constitution was considered, which declares that the State recognizes the rights of IPs. |
| | <ul style="list-style-type: none"> • The Scope and Coverage is adopted, subject to the changes recommended by the PTWG. |
| <p>Section 4. Definition of Terms</p> | <ul style="list-style-type: none"> • On line numbers 103-106, item c- ES Sellers - RBCO shall validate the definition suggested by Ms. Gabo, per RA No. 11038. Likewise, the existing definition by adding the example of ES Sellers as suggested by Engr. Cabag-iran of NWRB. This is to be consistent with the definition of ES Buyers, which provides examples of water resource users. • The Definition of Terms is adopted, subject to the changes raised by BMB and NWRB. |
| <p>Section 5. Phases of PES for Water Use</p> | <ul style="list-style-type: none"> • On line number 164, item a. Phase 1: Prioritization of Watersheds for PES - For. Lanugan suggested inserting “, created pursuant to Section 8.2 of this Order” after the phrase <i>The Regional Technical Working Group (TWG)</i>. <p>On the second paragraph, regarding the attached Tool Kit, it was suggested to include a ranking or rating mechanism</p> <ul style="list-style-type: none"> • On line number 187, item c. Phase 3: Negotiation and Signing of PES Agreements or Ordinance, include “Annex B: Sample PES Ordinance Format/Template” in the list of attachment to be referred to with regards to written agreement or contract. |

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| | <ul style="list-style-type: none"> On line numbers 192-201, item d. Phase 4: Implementation of the PES Scheme - provide clear delineation of functions of who are the implementing units, intermediary units, and unit who will maintain the PES data base. <p>Moreover, Director Leal recommended to present the financial matters (collection and disbursement of funds, accounting systems, etc.) to the Financial and Management Service to clarify the flow of collection of fees and charges and how to establish the account.</p> |
| | <ul style="list-style-type: none"> On line numbers 203-210, item e. Phase 5: Monitoring, Reporting, and Knowledge Management, Mr. Pontillas of PPS-PMED asked the connection of the M&E activities on Section 10 (Monitoring, Evaluation and Reporting). For. Gorospe explained that Phase 5 is for every entity or the implementing unit while Section 10 activities are within the purview of the DENR. <p>Hence, the Chairperson recommended to clarify the provisions of the DAO, on who will do the monitoring and evaluation of the specific PES activities.</p> |
| <p>Section 6. PES Mechanism Development</p> | <ul style="list-style-type: none"> On line number 217, Atty. Cabagbag, recommended to use the term "highly enjoined" instead of <i>highly encouraged</i>. This is not to step over the autonomy of the DILG. <p>For. Gorospe agreed that they will consult the DILG and connect the activities and provisions of the policy to the Seal of Good Local Governance (SGLG).</p> <ul style="list-style-type: none"> Engr. Cabag-iran, recommended to include introductory statement before the enumerations of mechanism development. For. Galindon of LMB, and For. Lanugan Ms. Sevilla of the Office of the Undersecretary for Integrated |

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| | <p>Environmental Science/WRMO raised a point for discussion regarding the collection of fees for water use and where will it accrue, on Integrated Protected Area Fund or in the National Treasury.</p> <p>The proponent was requested by the members and by the Chairperson to clarify the process of collection of fees for water users, who shall be the collecting units, where to lodge the revenue collection and the fund utilization.</p> <ul style="list-style-type: none"> ● For. Gorospe highlighted the need for issuance of an Executive Order to address the concerns regarding water user's fee and the legality of collection. ● On item iii, Inter-Local Government Units Cooperation, Director Leal requested the proponent to attach a sample template of MOU intended for the Inter-LGU partnership. ● On item c- ring fencing – identify the specific activities for ring fencing and create a separate section for the said provisions. |
| <p>Section 7. Cost-recovery for Water Pricing</p> | <ul style="list-style-type: none"> ● Pending the discussion, considering the comments and revisions to be made on Sections 5 and 6. |
| <p>Section 8. Roles and Responsibilities of the DENR and other PES Actors</p> | <ul style="list-style-type: none"> ● Pending the discussion, considering the comments and revisions to be made on Sections 5 and 6. |
| <p>Section 9. Capacity Building and Communication, Education and Public Awareness (CEPA) Plan</p> | <ul style="list-style-type: none"> ● The Chair recommended to include the PES mechanism on the Capacity Building on Devolution Transition Plan. |
| <p>Section 10. Monitoring, Evaluation and Reporting</p> | <ul style="list-style-type: none"> ● Pending the discussion, considering the comments and revisions to be made on Sections 5 and 6. |
| <p>Section 11. PES Initiatives Database</p> | <ul style="list-style-type: none"> ● For. Galindon, also asked for clarifications regarding the task on knowledge management, however, there is no specific provision as to who will do the knowledge management and how will it be available/disseminated to the public. ● RBCO responded that on Section 11, |

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| | <p>database.</p> <ul style="list-style-type: none"> • The knowledge learned is also the responsibility of the entity. |
| Section 12. Funding | <ul style="list-style-type: none"> • Pending the discussion, considering the comments and revisions to be made on Sections 5 and 6. |
| Section 13. Separability Clause | Adopted |
| Section 14. Repealing Clause | Adopted |
| Section 15. Effectivity Clause | Adopted |
| Ways Forward | <ul style="list-style-type: none"> • Present the policy to Usec. CP David to seek concurrence on the provisions of the draft DAO. • The draft DAO needs further improvement, considering the comments of the PTWG Members. Thus, it was agreed to conduct another round of PTWG meeting after subjecting the policy to Stakeholder Consultation. |

The meeting adjourned at 12:15 PM

Prepared by the Secretariat

Noted by:



CHERYL LOISE T. LEAL
 OIC Director, Policy and Planning Service