



Republic of the Philippines
Department of Environment and Natural Resources

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MEMORANDUM ORDER
NO. 202-11

SEP 16 2002

SUBJECT: GUIDELINES IN THE COLLECTION AND ALLOCATION OF SHARE OF THE NATURAL RESOURCES DEVELOPMENT CORPORATION AND SERVICE FEE OF SERVICE CONTRACTORS IN CONNECTION WITH THE DIWALWAL DIRECT STATE DEVELOPMENT PROJECT

Pursuant to the pertinent provisions of DENR Administrative Order (DAO) No. 2002-18 in re: *Declaring an Emergency Situation in the Diwalwal Gold Rush Area and Providing for Interim Guidelines to Address the Critical Environmental and Social Consequence Therein*, the following guidelines pertinent to the subject are hereby promulgated for the guidance of all concerned:

1. The fifteen per cent (15%) share of the DENR/Natural Resources Development Corporation (NRDC) from the gold ore produced from the Diwalwal Direct State Development Project and as provided under the pertinent service contracts between the DENR and the various groups of subsistence mine workers shall be allocated as follows:

PERCENTAGE	OBJECT	PARTICULARS
2	Excise Tax	Pertains to the Excise Tax for mineral products as provided for under the Revised National Internal Revenue Code.
1	Royalty to Indigenous Peoples concerned	Represents royalty payments for the rightful Indigenous Peoples/ Indigenous Cultural Community(ies) pursuant to the pertinent provisions of Republic Act No. 8371, to be held in escrow/trust until such time that the Certificates of Ancestral Land/Domain Title is/are issued.
5	Management Fee	Payment for NRDC's/DENR's services as implementor of the Diwalwal mine management plan.
1	LGU Environmental User's Fee	Pertains to the Environmental User's Fee imposed by the Local Government Unit(s).
5	Social Development and Environmental Protection Fund	To be utilized in the implementation of social development and management programs; environmental protection and rehabilitation activities, including repayment of loans for the Mabatas Tailings Dam facility.
1	Royalty for any vested rights	Represents royalty payments that may be due to any claimants who may later establish their vested rights in the area, the amount collected to be held in escrow/trust.

2. The service contractor for mineral processing/ball millers shall pay NRDC five per cent (5%) of the former's total income derived from charges made for the processing of ores: Provided, That in the case of Carbon-In-Pulp (CIP) plants in Diwalwal, each plant shall have a maximum capacity of fifteen (15) tons of gold ore per day and shall be equipped with desilting/settling pond(s). The TWG shall seek the assistance of the Philippine National Police (PNP) in ensuring that no CIP plant with a capacity of more than fifteen (15) tons per day shall operate in Diwalwal.

3. Consistent with the provisions of DENR Memorandum Order 2002-10 in re: *Authorization of Certain Department Personnel To Undertake Specific Functions In Connection With The Diwalwal Direct State Development Project*, in particular Item No. 1 thereof, the following DENR and NRDC personnel are hereby authorized to undertake the following functions:

<p>1. Engr. Juanito A. Juntilla, Jr. (DENR/MGB/TWG) and Mr. Raul C. Novilla (NRDC)</p>	<p>Collect, secure/stockpile and cause the processing of gold ores representing the share of Government;</p> <p>Document daily production and other movements of gold ores;</p> <p>Hire/engage the services of qualified technical personnel to monitor the full collection of Government's share.</p>
<p>2. OIC-RD Ma. Luisa L. Jacinto (DENR/MGB) and Mrs. Imelda V. Juson (NRDC)</p>	<p>Take custody of the Government's share of processed gold and deliver the same to the Bangko Sentral ng Pilipinas (BSP);</p> <p>Receive payment from the BSP for the sale of gold representing the Government's share and deposit such payment to the designated depository bank/NRDC account in Davao City;</p> <p>Enter into contract with legitimate mineral processors equipped with appropriate tailings disposal system for the processing of ores representing the Government's share.</p>

4. All financial transactions shall be in accordance with government accounting and auditing requirements.

This Order shall take effect immediately.


HEHERSON T. ALVAREZ
 Secretary

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