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**MEMORANDUM CIRCULAR # 21**

Series of 2003

**TO :** All DENR Regional Executive Directors  
All EMB Regional Directors  
All Heads of EIA Divisions  
All Regional Public Affairs Office

**FROM :** The Secretary

**SUBJECT :** Guidelines on the Availment of the Reduction of Penalties for Projects Found Operating Without Environmental Compliance Certificate in Violation of the Philippine EIS System (P.D. 1586)

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Consistent with the DENR's thrust of encouraging establishments and project proponents to adopt good environmental management practices; enlisting into the EIA system those establishments operating without environmental compliance certificate (ECC) and providing administrative relief to the micro and small and medium enterprises (M & SME) that encounter problems in complying with environmental laws and regulations, the following guidelines for reduction of penalties for projects that have commenced or are completed/operational without an Environmental Compliance Certificate (ECC) shall be observed:

**SCOPE OF VIOLATIONS**

A. For projects classified as Environmentally Critical Project (ECP)

Proponents whose projects are classified as Environmentally Critical Project as defined in Proclamation No. 2146, P.D. No. 1586, Administrative Order No. 42, Series of 2002 and its IRR shall register with the Central Office of the Environmental Management Bureau (EMB) by submitting a brief project description of the production and waste generation processes, including the project location or a vicinity map and status of the project not later than 31 March 2004, to avail of the Six-Thousand Peso (Php 6,000.00) administrative relief penalty (ARP) under P.D. No. 1586 and shall submit their ECC application within six (6) months from the date of registration.

B. For projects located in Environmentally Critical Areas (ECAs)

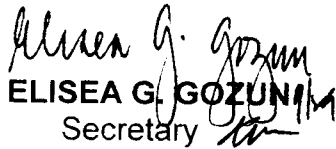
Proponents whose projects are located in Environmentally Critical Areas (ECA) shall register with the EMB Regional Office concerned by submitting a brief project description of the production and waste generation processes, including the project location or a vicinity map and status of the project, within six (6) months from the effectivity of this Memorandum, to avail of the One Thousand Peso (Php 1,000.00) ARP.

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However, for projects classified as micro and small and medium enterprises (M&SMEs) under existing Philippine laws and are covered by the EIS System, only a Five Hundred Pesos (Php 500.00) ARP shall be imposed. The ECC application shall be submitted within three (3) months from the date of registration.

The reduced ARP shall be implemented without prejudice to issuance of Cease and Desist Order (CDO) if such project/s is/are determined to pose risks to life and property. Proponents that shall not avail of the said incentives within the aforesaid timeframes shall be subjected to the regular fines and penalties provided under existing rules and regulations implementing P.D. 1586.

The EMB Central and Regional Offices shall exert effort to disseminate widely this Memorandum Circular to ensure that its objectives are achieved. This Memorandum Circular shall take effect fifteen (15) days after publication in a newspaper of general circulation.

  
ELISEA G. GOZUM  
Secretary

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