

**DENR Administrative Order
No. 2001-09**

**Subject: General Guidelines for the Establishment and Management
of the EIA Review Support Fund**

Pursuant to Executive Order (E.O.) 192 (reorganizing the Department of Environment and Natural Resources (DENR), Presidential Decree No. 1586, the Philippine Environmental Impact Statement (EIS) System and DENR Administrative Order (DAO) No. 96-37. strengthening the implementation of EIS system as a planning, regulatory and management tool, the following implementing guidelines are hereby promulgated.

SECTION I – General Policy Statement

It is the policy of the DENR to attain and maintain a balance between socio-economic growth and environmental protection thru the renewal and conservation of the country's natural resources, including the protection and enhancement of the quality of the environment, not only for the present generation but for the future generation as well.

It is the DENR's objective therefore to a) ensure that environmental considerations are incorporated at the earliest possible stage of project development and b) further streamline the current procedures in the conduct of the Environmental Impact Assessment (EIA) in order to improve its effectiveness as planning, regulatory and management tool.

SECTION II – Institutional Arrangement

1. Under Section 2.0, Article VIII of DAO 96-37, it is stated that the proponent shall be responsible for the payment of all costs related to the review of its EIS/IEE, in the accordance with the guidelines in the Procedural Manual; such review support fund shall be handled by the third party, a Fund Manager in order to achieve greater transparency and objectivity of the EIS review process.
2. To fully implement the abovesited provision of DAO 96-37 on the mechanism of the transparent operationalization of the EIS Review Support Fund System, the Natural Resources Development Corporation (NRDC) in accordance with its corporate mandate under E.O. 786, has been commissioned by the DENR to act as Fund Manager of the EIS Review Support Fund and be entitled to a management fee equivalent to twenty percent (20 %) of the total estimated review cost.

SECTION III – Procedures on Fund Receipt and MOA Approval

- 1) The Environmental Management Bureau (EMB) shall officially notify the NRDC that the project proponent has submitted the EIS/IEE.
- 2) The EMB/ its concerned Regional Office in coordination with the proponent shall prepare the EIS Review Work and Financial Plan (RWFP). The RWFP shall specify a tentative schedule of the review activities and the estimated cost of such activities, including management fee, which is equivalent to twenty percent (20 %) of the estimated review cost. Refer to Annex "A" of the DAO.
- 3) Upon receipt of an official notification from the EMB/ its concerned Regional Office, the NRDC shall enter into Memorandum of Agreement (MOA) with every proponent for the purpose of establishing a funding facility to support the requirements of the EIS review process as specified in the approved EIS RWFP.
- 4) The proponent shall secure copy of MOA (prepared by the NRDC) for their review and comments if there is any. With the agreement of both parties, the MOA shall be finalized, signed and notarized. The proponent shall then deposit to NRDC the full amount representing the mutually agreed cost of the review and a management fee equivalent to twenty percent (20 %) of the estimated review cost as specified in the approved EIS RWFP.
- 5) NRDC shall receive the deposit and keep it as a Trust Fund in the EIA Review Trust Fund Account. Official receipt shall be issued by the NRDC's cashier or designated collecting officer.
- 6) The signed and duly notarized MOA shall be distributed as follows:

Proponent	- 1 copy
NRDC Records	- 1 copy
NRDC Special Projects	- 1 copy
EMB / concerned Regional Office	- 1 copy
Notarial File	- 1 copy

SECTION IV – Procedures on Fund Disbursement/Release

1. *Fund Coverage.* The "Review Fund" to be managed by NRDC shall cover the following:
 - a) Honoraria for EIS Review Committee and invited resource persons
 - b) Salaries and Wages for Support Staff
 - c) Travel Expenses of EIARC members, resource persons and support staff for conduct of field visits and public hearings
 - d) Logistical support staff such as but not limited to communication requirements (telephone, fax machine, etc.), office supplies, cost of production of pertinent meeting documentation and report preparation.

2. NRDC shall establish a separate EIA Review Trust Fund account for *each region* to record all transactions and expenditures in accordance with the approved EIS RWFP
3. The NRDC shall designate/assign a Special Disbursing Officer (SDO) for each region who shall facilitate transactions for addressing emergency purchases /disbursements, while the EMB shall designate EMB Review Fund Coordinator, as counterpart of NRDC Review Fund Coordinator.
4. NRDC shall disburse funds according to the approved EIS RWFP. However, NRDC may withhold disbursement until cash advances granted to pertinent technical review staff or SDO have been liquidated.
5. NRDC may reimburse expenditures that may be advanced by the EMB/its concerned Regional Office provided these expenses are in accordance with the EIS RWFP and supported by proper documents.
6. Accounting of the Review Support Fund shall follow the systems and procedures being practiced by Government Owned and Controlled Corporation (GOCC) and shall conform to general accounting and auditing rules and regulations.
7. As Fund Manager, the NRDC shall be entitled to a management fee equivalent to 20% of the estimated review cost 75% of which shall cover its overhead and administrative cost, and the remaining 25% shall be held in trust for the account of the EMB to be used for purposes related to the strengthening of the EIS review process.
8. Upon completion of the EIS/IEE review process, EMB shall notify the NRDC and issue a certificate of completion so that NRDC can prepare a financial disbursement report and refund to the proponent the entire amount in excess of the sum actually spent for the EIS/IEE review. Any expense not accounted for after the refund shall be the responsibility of EMB/its concerned regional office.

SECTION V – Reporting System

To ensure proper coordination and effective implementation of the EIS Review Fund Management, the EMB/its concerned Regional Office shall prepare a monthly report of collection and disbursement, copy furnished to EMB/its concerned Regional Office.

For consistency, the NRDC shall provide a format and design of the reports that will be used by the EMB/its concerned Regional Offices in the preparation of status monthly report.

SECTION VI – Creation of Review Fund Steering and Oversight Committee

The Review Fund Steering and Oversight Committee shall be created to oversee the implementation of the EIA Review Support Fund System. The Committee shall be composed of the following members, to wit:

	<u>Central Office</u>	<u>Regional Office</u>
<i>Chairman:</i>	<i>EMB Director</i>	<i>EMB-Regional Director</i>
<i>Co-Chairman:</i>	<i>NRDC President</i>	<i>Authorized Representative</i>
<i>Members:</i>	<i>NRDC Fund Manager</i>	<i>Chief, EIA Division (Regional Level)</i>
	<i>Chief, EIA Division</i>	<i>NRDC Regional Fund Coordinator</i>
	<i>EMB Fund Coordinator</i>	<i>EMB Regional Fund Coordinator</i>
	<i>Concerned Section Chief</i>	

The Steering and Oversight Committee shall have the following specific functions, to wit:

- a. Formulate basic policies/guidelines in the implementation and operationalization of the review fund;
- b. Review, evaluate and approve the EIS/IEE Review Work and Financial Plan;
- c. Review, evaluate and audit its disbursements report;
- d. Approve EIS Review Fund Final Financial reports for each project;
- e. The Chairman and members of the Steering and Oversight Committee and its designated Secretariat shall be entitled to honoraria.
- f. The Committee shall meet at least twice a month or as often as necessary as called for by the Chairman;
- g. Three (3) members of the Committee shall be considered as a quorum.

SECTION VII – Harnessing the Technical Resource Pool in the Review Process

The Technical Resource Pool (TRP) and the other technical experts from DENR shall be tapped to comprise the Review Committee (RevCom) for the EIS Review Process. In case the required expert for a specific project is not available from the TRP, other consultants or experts from outside may be invited and appointed as member of the RevCom.

SECTION VIII – Repealing and Amending Clause

All others, rules and regulations inconsistent with or contrary to the provisions of this DAO are hereby repealed or modified accordingly.

SECTION IX– Effectivity

These Implementing guidelines shall take effect fifteen days (15) following its complete publication in newspaper of general circulation.

ANTONIO H. CERILLES
Secretary