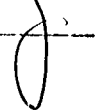


SEVENTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



16 JUL 19 AIO-21

SENATE
S.B. No. 428

RECEIVED BY: 

Introduced by **SENATOR LOREN LEGARDA**

AN ACT INSTITUTIONALIZING THE ENVIRONMENTAL AND NATURAL RESOURCES ACCOUNTING SYSTEM, DESIGNATING THE AGENCIES RESPONSIBLE FOR ITS IMPLEMENTATION, PROVIDING INSTITUTIONAL ARRANGEMENTS AMONG RESPONSIBLE AGENCIES AND APPROPRIATING FUNDS THEREOF AND FOR OTHER PURPOSES

Explanatory Note


This bill seeks to institutionalize a Philippine Economic Environmental and Natural Resources Accounting (PEENRA) System to reflect environmental inputs and outputs in the determination of national income accounts.

The national income accounts are important indicators for determining the level of development of a country. Conventional national income accounting systems measure economic performance by determining the value of goods and services produced in a country and aggregating them to come up with indicators of economic development such as the Gross National Product (GNP) and Gross Domestic Product (GDP). The goods and services that are included in this accounting system are those that have been "marketed," the prices of which have been the basis for estimating the value that are then included in computing economic indicators. This methodology thus reflects the goods and services produced, sold, and bought in the economy.

However, the conventional methodology for computing national income accounts has its shortcomings. In the process of producing marketed goods and services, the natural environment generates goods and services that are utilized but are not valued. Consumption benefits of amenities provided by the natural environment, waste disposal services and pollution are part of producing marketed commodities but are not valued (positively or negatively) and reflected in national income accounting.

Indicators and standards generated by the national income accounting system are considered vital information for economic management and policymaking. They serve as basis for socio economic planning, formulation of development programs, and policy analysis in aid of legislation, among others. Thus, it is important that the national income accounts reflect a more accurate state of development and economic performance of the country. It should incorporate both environmental and non-environmental economic inputs and outputs for policymakers to make responsive, relevant and effective laws, plans and programs necessary for national development.

In view of the foregoing, the urgent passage of this bill is earnestly sought.


LOREN LEGARDA
Senator

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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Title.** This Act shall be known as the "**Philippine Economic**
2 **Environmental and Natural Resources Accounting Act.**"
3

4 **Sec. 2. Statement of Policy.** It is hereby declared a policy of the State to:
5

- 6 (a) Develop a comprehensive information system and accounting
7 framework that will take into consideration the role of both natural
8 and environmental resources and their impact on the country's
9 economy;
10 (b) Include and institutionalize environmental and natural resources
11 accounting as part of the national income accounting system;
12 (c) Provide indicators to facilitate the integration of environmental and
13 economic concerns in national development planning and policy
14 making; and
15 (d) Establish and improve inter-agency coordination for the purpose of
16 linking economic and environmental information and efficient data
17 gathering among concerned agencies.
18

19 **Sec. 3. Philippine Economic Environmental and Natural Resources**
20 **Accounting (PEENRA) System.** A Philippine Economic Environmental and
21 Natural Resources Accounting (PEENRA) System is hereby institutionalized.
22 The PEENRA System shall be based on the existing environmental
23 accounting frameworks theoretically correct and accepted as evaluated by
24 international environmental accounting experts. Among others, the PEENRA
25 framework shall include accounting for environmental quality and waste
26 disposal services, depreciation of natural capital, and environmental
27 damages.
28

29 **Sec. 4. Objectives of the PEENRA System.** The PEENRA shall supplement
30 the current System of National Accounts and shall have the following major
31 functions:

- 32 a) To support economic-environmental policy development;
33 b) To generate environmentally-modified national income accounts; and

- 1 c) To serve as a comprehensive data framework in the generation of
2 economic-environmental statistics.
3

4 **Sec. 5. *Involvement of Government Agencies.*** The following agencies shall
5 be involved in the establishment and institutionalization of the PEENRA
6 System:

- 7 a) Department of Environment and Natural Resources (DENR);
8 b) National Statistical Coordination Board (NSCB);
9 c) National Economic and Development Authority (NEDA);
10 d) Department of Agriculture (DA);
11 e) Department of Energy (DOE);
12 f) Climate Change Commission (CCC); and
13 g) Other agencies, as necessary.
14

15 **Sec. 6. *Creation of PEENRA Units.*** PEENRA units shall be created within
16 the organizational structure of the DENR, the NSCB, the NEDA, the DOE,
17 and the DA. The functions of each of these units are provided in the
18 following sections. PEENRA units shall be created in other agencies as
19 necessary.
20

21 The Head of the PEENRA Units should at least be a Division Chief level or
22 higher. The Department Head shall designate personnel component for the
23 units and/or PEENRA Unit Head.
24

25 **Sec. 7. *Functions of the Department of Environment and Natural***
26 ***Resources PEENRA Unit.*** The PEENRA Unit at the DENR shall:

- 27 a) Develop and compile sectoral resource and environmental accounts and
28 study and formulate viable approaches and methodologies in
29 coordination with NSCB;
30 b) Conduct studies and research in support of policy development related
31 to PEENRA;
32 c) Ensure that environmental considerations are integrated in their policy,
33 project planning and implementation based on PEENRA results; and
34 d) Provide environmental and natural resources data and strengthen its
35 statistical capabilities for PEENRA.
36

37 **Sec. 8. *Functions of the National Statistical Coordination Board***
38 ***PEENRA Unit.*** The PEENRA Unit at the NSCB shall:

- 39 a) Compile the PEENRA accounts, and study and formulate viable
40 approaches and methodologies for the PEENRA;
41 b) Explore ways and means to modify and improve current environmental
42 and economic statistics, in coordination with the concerned data
43 producing agencies as well as data users;
44 c) Serve as repository of all PEENRA-related data and materials through
45 the National Statistical Information Center that the NSCB ha
46 established.
47

48 **Sec. 9. *Functions of the National Economic and Development***
49 ***Authority PEENRA Unit.*** The PENRA Unit at NEDA shall:

- 50 a) Coordinate the conduct of consultations, orientations, and training
51 seminars for the members of the Philippine Council for Sustainable
52 Development (PCSD) and other concerned institutions or units;
53 b) Coordinate the conduct of studies and research in support of policy
54 development related to PEENRA;

- 1 d) Formulate and update indicators on the economy-environment
- 2 interactions and sustainable development indices;
- 3 e) Provide technical and secretariat services to the inter-Agency Committee
- 4 and Task Forces which the PEENRA Steering Committee may create for
- 5 the coordinated functioning of the date-generating agencies; and
- 6 f) Act as the secretariat of the PEENRA Steering Committee.

7
8 **Sec. 10. Functions of the Department of Agriculture PEENRA Unit.** The
9 PEENRA Unit at DA shall:

- 10 a) Develop and apply resource account for the agriculture, livestock, and
- 11 fishery sectors and formulate viable data development approaches and
- 12 methodologies in coordination with the NSCB;
- 13 b) Conduct studies and research in support of policy development related
- 14 to PEENRA in its respective sectors; and
- 15 c) Ensure that environmental considerations are integrated in their policy,
- 16 project planning and implementation based on PEENRA results.

17
18 The above PEENRA Units shall closely coordinate to ensure
19 consistency/complementary of activities in support of PEENRA system.
20 Other agencies that will provide inputs to and adopt the PEENRA system
21 may establish their own PEENRA units as necessary.

22
23 **Sec. 11. Functions of the Department of Energy PEENRA Unit.** The
24 PEENRA Unit at the DOE shall:

- 25 a) Develop and compile resource accounts for the energy sector and study
- 26 and formulate viable approaches and methodologies in coordination with
- 27 NSCB;
- 28 b) Conduct studies and researches in support of policy development related
- 29 to PEENRA in its respective sectors; and
- 30 c) Ensure that governmental considerations are integrated in their policy,
- 31 project planning and implementation based on PEENRA results.

32
33 **Sec. 12. Data Support.** The NSCB, in coordination with the involved
34 agencies, shall designate the required environment and economic statistics
35 in the agencies/bureaus that shall be responsible for generating such data.

36
37 **Sec. 13. Creation of PEENRA Steering Committee (PEENRA-SC).** A
38 Steering Committee on PEENRA is hereby created which shall initially
39 include in addition to the agencies listed in Sec. 6, the following:

- 40 a) The National Statistics Office (NSO); and
- 41 b) The Department of Trade and Industry (DTI).

42
43 **Sec. 14. Functions and Compositions of the PEENRA-SC.** The PEENRA-
44 SC shall provide directions for the coordinated functioning of the PEENRA
45 Units. It shall create ad-hoc or a permanent inter-agency committees and
46 task forces who will support the data and technical requirements of the
47 PEENRA Units. Designated Undersecretary level officials shall represent the
48 member agencies for DENR, DTI, NSO, DA, and the NSCB. There will also be
49 representatives from the non-government sector to include one (1)
50 representative each from the academe, NGO/PO, business and labor
51 sectors; the Secretary of the Socio-Economic Planning and NEDA Director-
52 General, as the Chairman of the PCSD, shall act as the Chairman of the
53 PEENRA-SC.

54
55 **Sec. 15. Staffing Pattern for PEENRA Units.** The staffing pattern of each
56 PEENRA Unit shall conform to the existing position allocation and

1 classification system adopted by the Department of Budget and
2 Management. The agencies concerned shall as much as practicable utilize
3 existing qualified employees for their respective PEENRA Units. In case,
4 however, unavailability of qualified employees, the concerned agency shall
5 be allowed to hire new recruits in accordance with existing provisions of
6 laws.

7
8 **Sec. 16. Funding.** The funding PEENRA activities, including hiding of
9 personnel, shall be included in the budget preparation of each agency to be
10 incorporated in the annual general appropriations act under separate fund
11 items.

12
13 **Sec. 17. Implementing Rules.** The PEENRA-SC is hereby directed to
14 prepare and adopt guidelines to implement the specific provisions of this
15 Act.

16
17 **Sec. 18. Effectivity Clause.** This Act shall take effect fifteen (15) days after
18 its complete publication in the Official Gazette or in at least two (2) national
19 newspapers of general circulation, whichever comes earlier.

20
21
22 Approved,