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REPUBLIC OF THE PHILIPPINES )  
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Office of the Secretary

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SENATE

P.S. Res. No. 682

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Introduced by Senator Loren Legarda

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**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES AND COMMITTEE ON CLIMATE CHANGE TO LOOK INTO THE NECESSITY OF INSTITUTING A SYSTEM OF MANDATORY ENVIRONMENTAL INSURANCE COVERAGE IN LIGHT OF THE ENVIRONMENTAL DAMAGES GENERATED BY COMMERCIAL ACTIVITIES AND WORSENER BY THE IMPACT OF CLIMATE CHANGE**

**WHEREAS**, Article II, Section 16 of the Constitution provides that the State shall protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature;

**WHEREAS**, Article II, Section 20 provides that the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments;

**WHEREAS**, Presidential Decree (PD) No. 1586, also known as the Philippine Environment Impact Statement (EIS) System, directs the establishment of an Environmental Impact Statement System by all agencies and instrumentalities of the national government, including government-owned and controlled corporations, as well as private corporations, firms and entities, for every proposed project and undertaking which will significantly affect the quality of the environment;

**WHEREAS**, under DENR Administrative Order (AO) No. 1992- 21, further amended by DENR AO No. 2003 -30, an Environmental Guarantee Fund shall be established on a per project basis, which will be promptly disbursed and utilized for the immediate rehabilitation of areas affected by damages to the environment and the resulting deterioration of environmental quality as a direct consequence of the project's construction, operation or abandonment. Likewise, it will be used to compensate parties and communities affected by the negative impacts of the project, and to fund community-based environment related projects including, but not limited to, information and education and emergency preparedness programmes;

**WHEREAS**, the lack of resolution in the country's large-scale environmental disasters continues to cause undue suffering to our people and raises question on the adequacy of the Environmental Guarantee Fund in sufficiently funding the compensation, clean-up and rehabilitation requirements

of affected areas and communities. This was clearly manifested by the 1996 Marcopper mining tragedy in Marinduque where a discharge of 160,000 tonnes of mine tailings led to the biological death of the Boac and Makulapnit rivers—consequently destroying 823 hectares of farmland and displacing 20,000 families;

**WHEREAS**, in April 2005, the DENR, upon recognition that the current instrument in ensuring full environmental responsibility falls short, issued AO No. 2005-06 which requires the implementation of a Mandatory Environmental Insurance Coverage (MEIC) for all ongoing activities/projects and applications for an Environmental Compliance Certificate (ECC) and/or Certificate of Non-Coverage (CNC).

**WHEREAS**, in February 2006, the DENR, citing the need for public consultations among stakeholders, issued Memorandum Order No. 2006-01 which suspended indefinitely the implementation of a system of mandatory environmental insurance coverage in the country;

**WHEREAS**, even as these public consultations have yet to make clear changes in the DENR's policy on ensuring adequate compensation for communities affected by human-induced environmental disasters, environmental disputes continue to occur with no effective resolution in sight. In 2005 and 2007, more than 20,000 residents of Rapu-Rapu, Albay suffered from massive fish kills which were caused by cyanide spills in the course of mining operations by Lafayette, Philippines Inc. even as less serious fish kills are being reported up to now. In 2009, scientists discovered heavy mercury contamination caused by coal mining operations in the area;


**WHEREAS**, the reality of climate change threatens to magnify the losses which will be felt by these communities in the face of man-made environmental damages, thus highlighting the need that they be adequately compensated and rehabilitated after the occurrence of these disasters;

**WHEREAS**, protecting communities from possible environmental disasters will contribute to the government's objective of inclusive growth;

**WHEREAS**, it is incumbent upon Congress to ensure that Filipinos are freed from the trap of disasters and poverty by assuring that disaster-afflicted communities can quickly recover from their losses and break out from the vulnerability cycle;

**NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved, to direct the Senate Committee on Environment and Natural Resources and Committee on Climate Change to look into the necessity of instituting a system of Mandatory Environmental Insurance Coverage in light of the environmental damages generated by commercial activities and worsened by the impact of climate change.

Adopted,



**LOREN LEGARDA**  
Senator