

**Administrative Order**

**No. 16**

**April 19, 1991**

**SUBJECT: Promulgating the Guidelines Implementing the DENR-PNOC Memorandum of Agreement Dated May 17, 1990 on the Management of Geothermal Reservations**

Pursuant to the Memorandum of Agreement between the Department of Environment and Natural Resources (DENR) and Philippine National Oil Company (PNOC) dated May 17, 1990, the guidelines implementing the said memorandum of agreement were agreed upon by the President of PNOC and the Secretary of DENR on March 20, 1991. The Guidelines Implementing the DENR-PNOC Memorandum of Agreement is hereby promulgated to prescribe the delineation of responsibilities as well as areas of coordination and cooperation between DENR and PNOC in the management of geothermal reservations. The Guidelines are attached herein is for the information and guidance of all concerned.

This order takes effect immediately and amends/revokes or modifies all other Administrative Order, Memoranda or Circulars inconsistent herewith.

**FULGENCIO S. FACTORAN, JR.**  
Secretary

## **Guidelines Implementing DENR-PNOC Memo of Agreement Dated May, 17, 1990 on the Management of Geothermal Reservation**

These Guidelines are issued jointly by Department of Environment and Natural Resources (DENR) and the Philippine National Oil Company (PNOC) for the information and guidance of all concerned:

Pursuant to PD 705/PD 1586, DENR is mandated with the conservation, management and development of the country's natural resources and overall protection of the environment. However, pursuant to EO No. 223/PD 1749/PD 1515, the government has declared some watershed areas and reservations supporting geothermal projects under the jurisdiction of PNOC.

In a Memorandum of Agreement between PNOC and DENR executed on May 17, 1990, delineation of responsibilities as well as areas of coordination and cooperation between the two agencies were identified. The said Memorandum of Agreement shall be implemented subject to the following guidelines:

### **Section 1.0 Forestry Law Enforcement**

PNOC shall confiscate or seize forest products illegally acquired, cut or removed and all implements or instruments used therefore, and initiate and prosecute appropriate criminal, administrative and civil cases in line with EO 223/MOE-WMU Admin Order No. 84-11-12-005 and shall release to the custody of DENR the seized forest products and instruments in line with EO 277/DENR Memo Order No. 36, Series of 1988. In brief, below are the general procedures and attached is the flow chart of the forestry law enforcement operations (Annex I):

#### **1.1 Mission Planning and Evaluation**

PNOC shall prepare the mission plans considering the following details:

- a. Personnel requirements/composition;
- b. Deployment/location;
- c. Timetable;
- d. Specific activities;
- e. Rescue options; and
- f. Logistics support

The mission plans shall be reviewed jointly by the PNOC Security Officer and by the DENR Forest Protection Officer in case of joint patrols.

## **1.2 Patrol Operations/Arrest of Violators**

A PNOC-DENR Task Force shall be created for the following:

- a. Hot pursuit cases;
- b. Lumberyard audit within reservations; and
- c. Violations along reservation boundaries

The PNOC Forest Protection Team shall proceed with the patrol following the approved mission plans. If violation is committed/detected, the following activities shall be undertaken:

- a. Assess security situation;
- b. Effect arrest;
- c. Gather the following evidence;
  - Photos of origin of lumber or the evidence (forest products and implements)
  - Sketch of affected area on LC/topo map
  - Data on violation (date, time, suspect's name and address)
  - Affidavit of witness
  - Affidavit of suspect's admission of offense (if possible)
- d. Confiscations may be impounded in any of the PNOC, PC, DENR or DLG compound; and
- e. The protection of PNOC project roads shall be prioritized. In addition to patrols, as much as possible, joint PNOC-DENR checkpoints shall be established along the major exit points from the forest at the boundary of the reservation.

## **1.3 Filing of Cases in Court**

Cases shall be filed by PNOC with the proper court. In addition to the evidence listed in Item 1.2 of this document, the following shall be submitted to the court:

- a. Complaint document;
- b. Seizure receipts; and
- c. Inventory of confiscation

#### **1.4 Disposition of Forest Products and other Confiscations**

All confiscations must be turned over to DENR in line with EO 277 for disposition except for the following, based on Provision 5 of DENR Memo Order 36 series of 1988 dated May 6, 1988:

- a. Cases under judicial proceedings which will require clearance from the court; and
- b. For donation to other agencies and institutions.

#### **1.5 Forestry Extension and Education**

Complementary activities on info education and communication on watershed protection and conservation shall be undertaken by PNOC and DENR. Whenever feasible, collaborative efforts with other agencies and NGOs shall be pursued. Special attention shall be given to areas occupied by tribal communities.

### **Section 2.0 Social Forestry**

Joint planning between PNOC and DENR shall be undertaken for social forestry programs within the geothermal reservation. This is to ensure that reconciliation of policies and exchange of relevant technologies.

### **Section 3.0 Permit Processing and Monitoring**

#### **3.1 Allowable Activities in the Geothermal Reservations**

The regulation of forest resources shall be the primary function of DENR. The PNOC as administrator of the geothermal reservation shall assist DENR in carrying out this task. The following shall guide both agencies in the regulatory function.

The allowable land-use/activities, the corresponding permit requirements, prescribed processing period, and approving authorities are indicated in Annex II. These permit types are limited by Ministry Circular No. 84-02-18 Series of 1984 (which provides for the rules governing MOE 83-01-13, the implementing guidelines of PD 1515/1749 and EO 223 reserving the area as a geothermal reservation).

For the activities related to geothermal exploration and development, the DENR-PNOC Memo of Agreement of March 20, 1989 shall prevail (Annex III). In line with PD 1586, EIA requirements shall be complied with in addition to the various forestry permits prescribed in the said MOA.

### **3.2 Permit Applications**

Permit application documents may be submitted to the nearest DENR Office or formally through PNOC. All applications received by PNOC in the field shall be submitted to the nearest DENR office. Likewise, DENR shall inform PNOC on a monthly basis of all applications received by said office within the geothermal reservation. For monitoring of permit terms, DENR shall provide PNOC with the issued permits. Attached is the prescribed information sheet to be adopted by both agencies (Annex IV).

As a requisite for processing, a certification from PNOC that the area being applied for is not in conflict with energy and watershed plans for the geothermal reservation must be secured.

### **3.3 Joint Inspection**

A joint inspection shall be conducted by DENR and PNOC to serve as basis for the assessment of the permit request. Method of survey and related activities shall be determined by the respective field offices.

### **3.4 PNOC Review**

All applications for permit/license within the geothermal reservation shall be referred by DENR to PNOC for evaluation, review and recommendation.

### **3.5 Permit Issuance**

DENR shall be responsible for the issuance of permits/licenses for the gathering, utilization, and transporting (if necessary) of forest resources, upon prior recommendation by PNOC. Consistent with its permit issuance authority, DENR has the prerogative to disapprove applications recommended by PNOC based on the prevailing DENR regulations. For the geothermal reservations, the harvesting of standing/living trees as well as salvageable products are strictly regulated.

Likewise, all forest resources utilization except for planted trees shall be subject to permit issuance. The DENR shall promulgate/issue the appropriate mandatory admin order exempting the geothermal reservations from DENR Admin Order No. 78 Series of 1987 and DENR Admin Order No. 26 Series of 1990.

### **3.6 Permit Monitoring**

Monitoring of the compliance with the terms and conditions of the permit shall be undertaken by PNOC within the reservation and by DENR if forest products shall be transported outside the reservation. For major projects however, joint monitoring can be undertaken based on the agreement by both agencies.

For monitoring purposes, the following measures shall be adopted:

- a. Color coding of permits (pink form for utilization, green form for transport, yellow form for certificate of origin and white form for charges);
- b. Use of DENR dry seal;
- c. Counterchecking by forest guards during forest product loading;
- d. Limitation of transport to one day during office hours with advanced information of consignee, destination, and vehicle unit to be used; and
- e. Retrieval of permit documents after utilization.

### **3.7 Permit Cancellation**

Only DENR can cancel a permit or license within the reservation. Any permit/license due for cancellation shall be referred by DENR to PNOC for further review and recommendation. Also, PNOC upon confirmation of violation, may recommend permit cancellation.

## **Section 4.0 Environmental Requirements and Monitoring**

To ensure the maintenance of a sound environmental quality within the geothermal reservation, geothermal exploration and development activities as well as other projects by other government agencies and private groups with potential environmental effects shall be subject to PD 1586. PNOC shall submit an Environmental Impact Statement (EIS) and shall secure an Environmental Compliance Certificate (ECC) from DENR-Environmental Management Bureau (EMB). Further, this project shall be subject to tripartite monitoring.

The responsibility of the Task Force is to ensure that timely, adequate and acceptable measures are adopted by the project proponent to minimize damage to the environment as a result of the project.

#### **4.1 Membership**

A Task Force for the monitoring of geothermal projects shall be created with DENR, PNOC, Local Government Unit (LGU) and a local non-government organization (NGO), as core members. In cases where there are several NGOs, only a representative group shall be selected. In case there is no NGO in the area, a staff from an LGU may represent the community. Whenever applicable, representatives from other agencies may be tasked to assist in the activity depending on their expertise. There shall only be one representation per sector per monitoring mission. DENR shall maintain a list of accredited NGOs.

#### **4.2 Scope**

Monitoring shall be based on any or combination of the following parameters which may be impacted upon by the projects undertaken within the geothermal reservation and any other condition set in the Environmental Compliance Certificate (ECC):

- a. Settlement;
- b. Agricultural areas;
- c. Forest (flora and fauna);
- d. Air quality;
- e. Water quality;
- f. Marine environment; and
- g. Aesthetics and Amenities

#### **4.3 Mechanics**

- a. The project proponent shall submit to DENR its work program for an agreed period. This will include the disclosure of monitoring stations and other information which may be requested by the Task Force for a better appreciation of the operation.
- b. Monitoring shall be conducted as provided by the ECC or as often as needed. Monitoring shall be done on control and impact stations.
- c. The location of stations and the parameters for monitoring shall be determined by DENR or as identified in the EIS.

- d. Replicate samples shall be collected to be analyzed separately by DENR and the project proponent. In case of conflict, another sample shall be collected for analysis by an outside DENR - accredited laboratory. PNOC and DENR shall set up the procedures on the validation of results. Cost of analysis shall be shouldered by the project proponent and the level of reasonable cost shall be agreed upon between the DENR and the project proponent.

4.4 The Task Force shall prepare and submit a monitoring report to DENR-EMB copy furnished the PNOC/DENR regional offices and the PNOC-DENR Working Committee within a month after the conduct of the monitoring activity.

### **Section 5.0 Reforestation**

Reforestation plans in the area by either PNOC or DENR shall be jointly agreed upon by both parties. Reforestation areas must not be in conflict with energy or watershed plans of the reservation. PNOC shall issue a certification for areas which can be made available for reforestation by DENR and other groups based on the plans for the reservations.

### **Section 6.0 Working Committee**

A Working Committee composed of DENR and PNOC representatives under a joint Special Order No. 706 Series of 1990 has the following functions:

- a. Formulate the implementing guidelines of the DENR-PNOC MOA of May 17, 1990;
- b. Ensure that all agreements entered into by both agencies are harmoniously and expeditiously implemented;
- c. Evaluate and resolve problems that may arise in the implementation of the guidelines;
- d. Serve as a clearing house;
- e. Conduct regular consultation and review of the agreements and guidelines as the need arises; and
- f. Submit regular reports to DENR, copy furnished PNOC.



**Section 7.0 Effectivity**

These joint admin order guidelines shall take effect immediately.

**APPROVED BY:**

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Department of Environment  
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**NOTE:** Annexes omitted