

**Executive Order
No. 406
May 21, 1997]**

SUBJECT : Institutionalizing the Philippine Economic-Environmental and Natural Resources Accounting (PEENRA) System and Creating Units Within the Organizational Structure of the Department of Environment and Natural Resources (DENR), National Economic and Development Authority (NEDA), and National Statistical Coordination Board (NSCB)

WHEREAS, The Philippines has established a firm resolve to pursue sustainable development as contained in the Medium-Term Philippine Development Plan 1993-1998 and the Philippine Agenda 21. Towards this end, there is a need for integrated socio-economic and environmental plans, programs and policies;

WHEREAS, the Philippine System of National Accounts (PSNA), the basis for the formulation of medium and long-term development plans, does not yet capture the role of the environment as a source of natural capital and as sink for the wastes generated by production and other human activities;

WHEREAS, there is a need to establish a PEENRA System as a satellite account to the PSNA to generate macro-indicators that shall reflect the relationships and interactions between the natural environment and the economy;

WHEREAS, the Philippine Agenda 21 includes as one of its targets the initial institutionalization of Environment and Natural

Resources Accounting (ENRA) to develop comprehensive indicator of sustainable development and to improve current efforts to consider and adequately value natural capital or ecosystem services in socio-economic decisions and to establish a reliable database on social valuation estimates of environmental services;

WHEREAS, the APEC Senior Officials and Ministries Meetings on Sustainable Development held in the Philippines in May and July 1996, respectively, recommended the introduction and adoption of Environment and Natural Resources Accounting;

WHEREAS, the NSCB as the agency mandated to develop and maintain the PSNA, and the DENR and NEDA are currently performing functions in support of environment and natural resources accounting.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SECTION 1 PEENRA and Other Units – PEENRA Units shall be created within the organizational structures of the NSCB and the DENR. A unit at NEDA shall be designated to coordinate ENRA activities and NEDA’s present personnel shall be augmented to assume such functions.

The PEENRA Unit at the NSCB shall:

- a. Compile the environmental accounts, and study and formulate viable approaches and methodologies for the PEENRA;
- b. Explore ways and means to modify and improve current environmental and economic statistics, in coordination with the concerned data producing agencies as well as data users;

- c. Serve as repository of all PEENRA-related data materials through the National Statistical Information Center which the NSCB has established;
- d. Provide technical and secretariat services to the Inter-Agency Committee and Task Forces when the PEENRA Steering Committee may create for the coordinated functioning of the data generating agencies; and
- e. Act as the secretariat of the PEENRA Steering Committee.

The designated Unit at NEDA shall:

- a. Coordinate the conduct of consultations, orientations and training-seminars for the members of the Philippine Council for Sustainable Development (PCSD) and other concerned institutions or units;
- b. Coordinate the conduct of studies and research in support of policy development related to PEENRA; and
- c. Establish mechanisms for the integration of environmental considerations in planning, policy, project development and implementation based on PEENRA results.

The PEENRA Unit at DENR shall:

- a. Compile sectoral resource accounts, and study and formulate viable approaches and methodologies in coordination with NSCB;
- b. Conduct studies and research in support of policy development related to PEENRA;

- c. Ensure that environmental considerations are integrated in their policy, project planning and implementation based on PEENRA results; and
- d. Provide environmental and natural resources data and strengthen its statistical capabilities for PEENRA.

The above PEENRA units shall closely coordinate to ensure consistency/complementarity of activities in support of PEENRA system.

Other agencies which will provide inputs to and adopt PEENRA system may establish their own PEENRA units as necessary.

Sec. 2 Data Support – The NSCB shall designate the required environment and economic statistics and the agencies/bureaus which shall be responsible for generating such data.

Sec. 3 Creation of PEENRA Steering Committee (PEENRA-SC). A Steering Committee on PEENRA is hereby created which shall initially include the NSCB, DENR, NEDA, NSO, DTI and DA. The PEENRA-SC shall provide direction for the coordinated functioning of the PEENRA Units. It shall create ad-hoc or permanent inter-agency committees and task forces which will support the data and technical requirements of the PEENRA. The member agencies shall be represented by designated Undersecretary level officials for DENR, DTI, NSO, and DA and the NSCB. There will also be representatives from non-government sector to include one(1) representative each from the academe, NGO/PO, business and labor sectors. The Secretary of Socio-Economic Planning and NEDA Director General, as the chairman of the PCSD, shall act as the Chairman of the PEENRA-SC.

Sec. 4. Funding. The PEENRA-SC shall submit a budget proposal, for approval of the President, to be sourced from the participating agencies' savings and such other sources as may be identified for initial funding. Subsequent funding shall be included in the budget preparation of each agency to be incorporated in the Annual General Appropriation Bill.

Sec. 5 Implementing Rules – The PEENRA-SC is hereby directed to prepare and adopt guidelines to implement the specific provisions of this Executive Order.

Sec. 5 Effectivity. This Order shall take effect immediately.

Done in the City of Manila, this 21st day of May in the year of our Lord, Nineteen Hundred and Ninety-Seven.

(Sgd.) FIDEL V. RAMOS
President

By the President:

(Sgd) RUBEN D. TORRES
Executive Secretary