

**DENR Administrative Order  
No. 98-67  
December 09, 1998**

**SUBJECT : Guidelines For The Identification,  
Declaration And Award Of Areas  
Suitable For Salt Production**

**Section I. Statement of Policy**

Pursuant to Section 6, paragraph d of Republic Act No. 8172 otherwise known as ASIN Law and to ensure the sustainable production of salt. The following guidelines are hereby promulgated.

**Section 2. Objectives**

1. To provide criteria and guidelines for the identification, classification and awarding of areas suitable for salt production purposes.
2. To encourage salt production and support the food security program of the government.
3. To generate and develop job opportunities to help the low income earner in the countryside.
4. To provide procedures and mechanisms for monitoring and adoption of anti-pollution control measures by salt producers/manufacturers.
5. To register and enlist all salt producers or public land engaging in the production of salt in the country.

**Section 2. Definition of Terms**

For purposes of this Order, the following terms shall be defined as follows:

1. **Iodized Salt** -- contain small amount of iodine which is the most cost-effective way of preventing iodine deficiency that can cause goiter, mental retardation and congenital physical defects;
2. **Manufacturer/Producer**-- one who produces, imports, trades in, or distributes salt;
3. **Salt Iodization** -- the addition of iodine to salt intended for human or animal consumption in accordance with specifications as to form, fortificant, method, manner and composition as may be prescribed by the Bureau of Food and Drug Administration;
4. **Saltfarm** -- refers to any foreshore areas devoted/utilized for salt production.
5. **Salt Production Sharing Agreement (SPSA)** – is a contract entered into between the DENR and a person/corporation, association, or partnership for the use of public lands for salt production;
6. **Table salt** -- is a white crystalline substance consisting of sodium chloride that occurs abundantly in nature both in solid and liquid form.

### **Section 3. Areas Available for Salt Production**

The areas available for salt production includes:

- a. Areas currently devoted to salt production and areas with natural salt deposits.
- b. Foreshore areas free from mangrove vegetation, corals and seagrass population.

Except, for the following areas;

- a. Foreshore areas delineated for bathing purposes,

- b. Areas designated as municipal fishery reserves and its equivalent, or areas designated as core and buffer zones of the Protected Area System and similar reservations.
- c. Areas designed as type SD of water classification pursuant to DAO 34's 1990
- d. Areas covered by existing and valid tenurial instruments.

#### **Section 4. Criteria for Identification and Prioritization of Areas suitable for Salt Production**

The criteria for identifying areas suitable and available for salt production are the following:

##### **a. Topography**

The area should be an extensive tidal flat, with good drainage (has ability to drained of water during normal low tide), situated at least 100 meters from any river mouth, and free from floods and storm surge. It should also have a generally flat or gently sloping peripheral terrain at least 1 kilometer from its boundaries.

##### **b. Climatic Conditions**

The area should preferably be situated within a climatic type I of Corona's classification, and exposed to the north-east and easterly winds and with a below normal precipitation level.

##### **c. Water Quality**

The salinity of water for salt production period should be at least parts per thousand (ppt.); the higher the better. The water quality of area should be free from contamination sewage and industrial and agricultural run-off/pollutants. The tidal fluctuations preferably should vary within a 1 meter range.

**d. Soil Type and Characteristics**

The soil characteristics should range from silty clay to clay loam, with pH value of slightly acidic or within the pH range of 6-7.

**e. Other consideration for suitability**

The proposed salt production area should be situated at most 4 kms. but not less than 2 kms. from settlements for manpower requirements. It should have source of freshwater (without competing with the local population), accessible all year through and have access to ready source of materials.

**Section 5. Identification, and Declaration of Salt Production**

**1. Procedure for identification and declaration of potential Salt Production Area (SPA)**

All CENROs shall identify areas suitable for existing salt production areas within public domain, and areas with natural/rock salt deposits. The report shall cover the following concerns.

1. Actual area used
2. Total leased area
3. Optimum production volume/year
4. Actual production volume
5. Direct beneficiaries
6. Tenorial Status
7. Awarding and expiry dates

The reports should be submitted to the Task Force Mangrove/Asin for compilation and publication.

**2. Validation and Site Appraisal of Identified Potential Salt Production Areas (SPA)**

For the first three (3) years, potential areas for salt production shall be validated by the Task Force Mangrove/Asin. The task force shall prioritize areas covering at least 100 hectares. The task force shall prepare a validation report to include the following, concerns:

1. Potential environmental risk.
2. Municipal Development Plan for the area and its immediate environment.
3. Assessment of the current use of the area and the impact of possible displacement.
4. Conduct a public dialogue with affected communities related to the classification of the area.

For areas covering less than 100 has., the regional offices shall dispatch a validation team composed of representatives from the Regional CEP Coordinator, EMPAS, ERDS, FMS and ORED which shall perform the aforementioned activities. Validation report shall be submitted to the Task Force. All reports concerning potential SPA shall be completed and endorsed by the task force for declaration of the Secretary.

### **3. Publication of Areas Available for Salt Production**

The Secretary shall declare areas available for salt production purposes, which shall be published on newspaper of general circulation.

## **Section 6. Application procedure for Salt Production Sharing Agreement**

### **1. Who are Qualified to Apply**

- a. Any Filipino citizen of legal age;
- b. Any corporation, association or cooperative duly constituted under the laws of the Philippines, sixty percent 60% of the capital of which is owned by Filipino citizens.

Preference shall be given to applicants who are residents of the area, community based organizations, and those corporations which practice environmental conservation prior to application.

## **2. Application Requirements**

The following documents are to be submitted;

- a) Letter of application
- b) Receipt of application fee
- c) Development plan
- d) Feasibility studies
- e) Endorsement letter from affected barangays and municipalities

For corporations, associations, cooperatives, additional requirements shall be as follows:

- a) Certificate of registration
- b) Letters of incorporation and by laws
- c) Directory of officers
- d) Track record
- e) Financial records for the past three (3) years

## **3. Processing of Applications**

- a) The applicant shall secure and submit all the necessary document to the CENRO concerned.

- b) The CENRO shall evaluate the completeness of the documents and if the site is within a declared salt production area, within 15 working days of the submission of the documents.
- c) Application for SPSA within a declared SPA area shall be recommended by the team for approval and endorsed to the PENRO concerned for areas not more than 100 has. or to ORED for areas not more than 1,000 has.; or the OSEC for areas above 1,000 hectares for preparation and approval of SPSA.
- d) Development work shall only commence after the applicant has a valid SPSA and after complying with the requirements of DAO 96-37 and other pertinent rules and regulations.

#### **4. Size of the SPSA areas**

The following shall be the site limitation for SPSAs applied for:

- 1. Individual - not more than 5 has.
- 2. Association/Cooperative - not more than 100 has. or not exceeding the area of the political jurisdiction of the barangay where the association/cooperative is based.
- 3. Corporation, Foundation and other similar groups not more than 500 has. The site applied for should be contiguous.

#### **Section 7. Monitoring and Reporting**

The SPSA holder shall submit a semi-annual report to the CENRO concerned during the development/construction phase of salt production area and annually thereafter. The monitoring shall be conducted by Regional Office on a semi-annual period during the development plan phase and annually thereafter.

All reports shall be forwarded to Task Force Mangrove/Asin on a quarterly basis.

### **Section 8. Reversion**

The SPSA holder shall complete the development of the whole site within 5 years. At least 80% should be fully developed by the third year. In case of violation, areas under developed shall be reverted for mangrove forest purposes. Agreed production volume should be attained on the seventh year otherwise the area shall be made available for other applicants.

### **Section 9. Expansion**

The SPSA holder can apply for production area expansion but it shall not exceed the limits prescribed in Section 6 (4). Priority for expansion shall be given to the existing and adjacent SPSA holder.

### **Section 10. Priority for Processing SPSA Application**

The DENR shall adopt a first come first serve policy, and shall prioritize financially stable corporation with previous record on salt production.

### **Section 11. Payment of Application Fee**

Application fee shall be P 500.00 per application.

### **Section 12. Government share.**

Government share shall be computed based on the following formula:

$$GS = GR -(CP + MPR)$$

where:

- GS -government share
- GR -gross revenue
- CP -cost of production
- MPR -margin for profit and risk (30% of the gross revenue)

### **Section 13. Term of a Saltwork Production Sharing Agreement**

An SPSA shall remain in full force and effect for twenty five (25) years and be renewable for another twenty five (25) years, but is subject to suspension or cancellation if the SPSA holder violates the terms and conditions provided for under the agreement.

### **Section 14. Privileges of SPSA holder**

The SPSA holder shall be entitled to the following incentives;

1. To occupy, possess, utilize and develop SPA areas and claim ownership on the introduced improvement therein.
2. To allocate to its members and enforce rights to use sustainably the SPA areas;
3. To be properly informed, consulted on all government projects to be implemented in the area.
4. To be given preferential access by the DENR to all available assistance in the development of the area and in the process of complying to the ECC.
5. To receive all income and proceeds from the salt production in excess of the amount set aside as government share;

### **Section 15. Responsibility of SPSA holder**

1. Participate in boundary delineation of the SPA;

2. For existing corporation, organization of salt producer within the public land, submit the following documents:
  - a. SEP of the affected communities;
  - b. RRA; and
  - c. Map covering the SPA area and adjacent community and natural resources and land use.
3. Prepare and implement development plan, feasibility study, environmental protection and enhancement plan for the SPA
4. Comply with the ECC conditionality
5. Construct/develop structure or system that may be required for environmental/environment monitoring purposes.
6. Assist the government in protection and conservation of adjacent natural resources.
7. Prioritize employment of residents.
8. Assist the government on public education campaign for the nearby communities.
9. Submit Annual Comprehensive Report and other reports that maybe required by the DENR.

## **Section 16. Productivity**

Salt ponds may be used as temporary fishponds during the wet season, provided that necessary adjustments for government share be complied with

## **Section 17. Environmental Monitoring Procedures**

The monitoring procedures to be complied with for Salt Production Area monitoring shall be the following;

1. Monitoring teams shall conduct inspection and water quality testing every year
2. Mangroves and other resources shall be inventoried and mapped before the actual SPSA is awarded. This activity shall be conducted

with the SPSA applicant to establish baseline resource information as basis for future environmental monitoring.

3. Rapid Resources System appraisal shall be conducted during the 3<sup>rd</sup> year, 5<sup>th</sup> year and seventh year and every 5<sup>th</sup> year thereafter to determine the impact of site development activities and provide basis for adjustment of ECC conditionalities (whenever necessary).
4. Compliance to the Environmental Enhancement Plan shall also be monitored.
5. SPSA holder shall also be encouraged to participate in the DENR's effort on Coastal Environment Conservation and Protection.
6. Existing policies related to EIA, ECC and environmental quality monitoring shall be adhered to.

#### **Section 18. Repealing Clause**

All rules and regulations inconsistent with the provision of this Order are hereby repealed.

#### **Section 19. Effectivity**

This Order shall take effect 15 days after its official publication in a newspaper of national circulation.

**(Sgd.) ANTONIO H. CERILLES**  
Secretary

Published at:

TODAY -- December 11, 1998