

projects which have potential to cause significant adverse impact on the environment.

Those considered as CPs are:

- (a) heavy industries;
- (b) major manufacturing industries;
- (c) major resource extractive industries;
- (d) major infrastructure projects; and
- (e) other similar projects.

The bill proposes governance by the local government over micro-, small- and medium-scale projects, which shall incorporate environmental safeguards in local permitting systems and complementary environmental assessment policies.

The measure also provides for programmatic EIA for a cluster of projects co-located in an area such as industrial estates, export processing zones, small scale mining, livestock, aquaculture and mariculture projects, or series of projects subdivided into several phases or stages, or projects consisting of several components.

With the Build, Better, More agenda, the increase in infrastructure projects in the Philippines will continue to increase. Policies, plans, programs, and projects for roads and bridges, airports, railways, bus rapid transits, seaports, energy facilities, irrigation systems, flood control facilities, sewerage systems, among others, will be developed. We must ensure that these undertakings will not compromise environmental integrity and endanger the future of our children.

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



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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

20th Congress
First Regular Session

House Bill No. 6376

Introduced by Rep. Maria Vanessa C. Aumentado

AN ACT
ESTABLISHING THE PHILIPPINE ENVIRONMENTAL
ASSESSMENT SYSTEM

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

TITLE I
GENERAL POLICIES

Chapter 1
Basic Policies

SECTION 1. Short Title. - This Act shall be known as the "Philippine Environmental Assessment System Act".

SEC. 2. Declaration of Policy. - The State shall adhere to the principles of sustainable development to guarantee a better life for present and future generations. To this end, the State shall ensure the balanced consideration of environmental protection, human health, and socio-economic developments through the assessment of significant environmental impacts of policies, plans, programs and projects, and the prescription of appropriate protection and control measures therefor. The implementation of this State policy shall be guided by the following principles:

- (a) A proactive approach of integrating environmental considerations into strategic decision making, consistent with sustainable development principles;

- (b) A systems-oriented and integrated approach in analyzing and solving environmental concerns vis-à-vis development programs;
- (c) Conservation of biological diversity and the sustainable use of its components in all phases of development activity, especially in the context of community welfare, climate change mitigation, global responsibility, and disaster risk reduction and resilience;
- (d) Promotion of transparency and public participation in the system for environmental assessment;
- (e) Strengthening environmental monitoring and evaluation mechanisms; and
- (f) Establishment of mechanisms to sustain the said environmental system.

Chapter 2

Definition of Terms

SEC. 3. Definition of Terms. - As used in this Act:

- (a) *Agency* refers to the relevant government department, bureau or office, at all levels, including government-owned and controlled corporations, with mandate over the preparation, evaluation, approval, implementation, or monitoring of a policy, plan, program or project;
- (b) *Co-located projects* refer to projects, or series of projects or a project subdivided into several phases or stages, and located in a contiguous area;
- (c) *Critical project* refers to a project or activity that, by its nature or location, has the potential for significant adverse environmental impact, as determined by the Department of Environment and Natural Resources in accordance with the provisions of this Act;
- (d) *Cumulative effects* refer to the effects on the environment which result from the incremental effect of an activity or a set of activities in combination with the effects of other activities in the area, regardless of the person or agency that undertakes such other activities;
- (e) *Department* refers to the Department of Environment and Natural Resources

- (f) *Economic zone* refers to selected areas with highly developed or which have the potential to be developed into agri-industrial, industrial, tourist, recreational, commercial, banking, investment, financial and information technology centers or parks, whose metes and bounds are fixed or delimited by Presidential Proclamations or charter. The term shall also cover special economic zones, free trade or free port zones, export processing zones, and such similar areas specially identified by law for economic activities;
- (g) *Environmental assessment* refers to a process of systematic assessment, analysis, evaluation and management of the potential environmental effects of a policy, plan, program or project before a decision on the same is made. The term includes both processes for Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA);
- (h) *Environmental impact* refers to any change that a policy, plan, program or project may cause in the environment, including the effect of any such change on health and socio-economic conditions;
- (i) *Environmental impact assessment* refers to the process of predicting and evaluating the likely impacts of a project, including cumulative impacts, on the environment and on human health, during construction, commissioning, operation, and abandonment. It also includes designing appropriate preventive, mitigating, and enhancement measures addressing these consequences to protect the environment;
- (j) *EIA report* refers to the document of studies on the environmental impacts of a project, including the discussions on direct and indirect consequences upon ecological and environmental integrity. The EIA Report may vary from project to project but shall contain in every case all relevant information and details about the proposed project, including the appropriate mitigating and enhancement measures to address the identified environmental impacts;
- (k) *Environmental management plan* refers to the details of the preventive, mitigating, and enhancement measures of a proposed project, including monitoring and evaluation thereof, and shall form part of the EIA Report;
- (l) *Policy, plan or program* refers to new or modified framework or courses of action, strategies, guidelines or measures proposed by a concerned agency or local government unit (LGU) to define or implement its mandate under relevant laws. The term includes those

financed or co-financed by international organizations and proposed to the head of an agency or LGU;

- (m) *Proponent* refers to any person seeking to implement a relevant policy, plan, program or project. This includes government agencies, government-owned and controlled corporations, LGUs, and private entities; and
- (n) *Strategic environmental assessment* refers to the management or planning tool for a systematic evaluation of the environmental consequences of a proposed policy, plan or program in order to ensure that these consequences are fully considered and appropriately addressed at the earliest stage of decision-making.

TITLE II ENVIRONMENTAL ASSESSMENT SYSTEM

Chapter 1 General Provisions

SEC. 4. Environmental Assessment System (EAS). – The EAS is hereby established to ensure that environmental considerations are integrated in any development strategy prior to its implementation.

The EAS shall serve as the framework for the identification, analysis, evaluation, and management of the direct and indirect impacts of a policy, plan, program or project on the environment, health, and socio-economic issues or conditions, and the assurance that these impacts are addressed by appropriate environmental protection and control measures. It shall help identify the most practicable alternatives, and adhere to internationally-accepted principles for achieving positive outcomes and minimizing potentially adverse effects on the environment of policies, plans, programs, and projects.

SEC. 5. Coverage of the EAS. - Any policy, plan, program or project which has the potential for significant adverse impact on the environment shall be covered by the EAS. For this purpose, the EAS shall encompass both SEA and EIA as provided under this Act.

Chapter 2 Strategic Environmental Assessment

SEC. 6. Applicability of the Strategic Environmental Assessment. - The SEA shall be required for a proposed policy, plan or program when all of the following conditions exist:

- (a) The proposal relates to agriculture, forestry, fisheries, energy, health, resource extraction, infrastructure, transport, waste management, water management, tourism, coastal zone management, national, regional, provincial and municipal or city development planning or land use; and
- (b) Implementation of the proposal may result in significant adverse environmental impact, including health and socio-economic impact: *Provided*, That SEA shall not be required for policy, plan or program for proposals involving national security, as declared by the President of the Philippines: *Provided, further*, That within five (5) years from the date of effectivity of this Act, SEA shall apply to the following:
 - (1) National development plans, policies, and programs, such as the Philippine Development Plan;
 - (2) Sectoral plans, policies, and programs, such as those relating to agriculture livestock, environment and natural resources, energy, infrastructure, and industries;
 - (3) Sub-national development plans and programs, such as regional, provincial and local development and land use plans, including those formulated by the Metro Manila Development Authority, Mindanao Development Authority, Palawan Council for Sustainable Development, and other similar bodies;
 - (4) Policies involving biosafety, genetically modified organism, and bioprospecting; and
 - (5) Indigenous peoples' development plans.

SEC. 7. Undertaking SEA. - The proponent shall conduct the SEA as an integral part of the formulation of the policy, plan or program for the purpose of identifying the most practicable alternatives for achieving positive outcomes and minimizing potentially adverse effects of the policy, plan or program. SEA may be carried out corresponding to the stages of policy, plan or program formulation and may involve sequential assessments of various components of the policy, plan or program.

The SEA to be undertaken shall specify, among others, the following information:

- (a) Description of the policy, program, or plan in summary, and process of organization to implement SEA;

- (b) Scope of the SEA study and the main environmental issues related to the policy, program, or plan, specifying environmental impacts and cumulative effects to be considered, including past environmental issues and relevant trends in the state of the environment;
- (c) Assessment of the policy, program, or plan *vis-a-vis* environmental and sustainable development considerations; and
- (d) Recommended options to prevent or mitigate any significant adverse environmental impacts resulting from the implementation of the policy, plan, or program, including the focus of any subsequent EIAs, and measures for monitoring environmental aspects of its implementation.

SEC. 8. Inter-agency Committee on SEA. - There is hereby created an Inter-agency Committee on Strategic Environment Assessment (IAC-SEA), that shall oversee the undertaking of SEA pursuant to this Act. The IAC-SEA shall be composed of sixteen (16) members from the government sector and three (3) from the private sector.

The government sector shall be represented by the heads of the following agencies or bodies, in their *ex-officio* capacity:

- (a) Department of Environment and Natural Resources with its Secretary as Chairperson;
- (b) Department of the Interior and Local Government (DILG);
- (c) National Economic and Development Authority;
- (d) Department of Science and Technology;
- (e) Department of Agriculture;
- (f) Department of Budget and Management;
- (g) Department of Public Works and Highways;
- (h) Department of Energy;
- (i) Department of Transportation;
- (j) Department of Health;
- (k) Department of Tourism
- (l) Department of Human Settlements and Urban Development;
- (m) Department of Trade and Industry;
- (n) National Commission on Indigenous Peoples;
- (o) Climate Change Commission; and
- (p) Union of Local Authorities of the Philippines.

Only the *ex officio* members of the IAC-SEA may appoint a qualified permanent representative who shall hold a rank of no less than an Undersecretary, or its equivalent.

The private sector shall be comprised of one representative each from the following:

- (a) Environmental non-government organizations (NGOs);
- (b) Academe; and
- (c) Business.

Representatives from the private sector shall be appointed by the President for a term of three (3) years. In the event that the representative does not finish the term on account of incapacity or resignation, the new appointee shall serve only for the unexpired term of the predecessor.

SEC. 9. Powers and Functions of the IAC-SEA. - The IAC-SEA shall have the following powers and functions:

- (a) Ensure the mainstreaming of SEA into the appropriate policies, plans and programs;
 - (b) Formulate implementing rules and regulations on SEA pursuant to this Act, including the provisions for the progressive implementation of SEA in accordance with Section 6 of this Act;
 - (c) Exercise policy and information coordination to ensure the attainment of the goals and objectives set in this Act;
 - (d) Approve, within a reasonable time, the SEA for policies, plans, and programs that are covered under Section 6 of this Act;
 - (e) Recommend legislation, policies, strategies, programs on and appropriations for SEA and other related activities;
 - (f) Create an enabling environment that shall promote broader multi-stakeholder participation;
 - (g) Formulate and update guidelines for determining and facilitating the provision of technical assistance for their implementation and monitoring;
 - (h) Ensure compliance of all concerned agencies with this Act;
 - (i) Facilitate capacity building for SEA implementation and monitoring;
- and
- (j) Oversee the dissemination of information on SEA.

SEC. 10. SEA Secretariat. - The Department shall serve as the secretariat of the IAC-SEA. It shall primarily provide technical and administrative support and facilitation for the SEA process. Its functions shall also include:

- (a) Conduct of initial screening of the SEA report to ensure its completeness and validity;
- (b) Consolidation of its findings on the SEA Report, and the presentation of its recommendations to the IAC-SEA;
- (c) Coordination of IAC-SEA Meetings; and
- (d) Preparation and keeping of official deliberation records.

Chapter 3

Environmental Impact Assessment For Specific Projects

SEC. 11. Applicability of the Environmental Impact Assessment (EIA).

– Critical projects, as determined by the Department in accordance with this Act, shall undergo an EIA for specific projects. These critical projects are presumed to have the potential for significant adverse impact on the environment.

For purposes of determining critical projects, the Department shall consider the nature of the project or its location, and the potential of the project to cause such environmental impacts. Projects deemed critical by its nature shall include heavy industries, major manufacturing industries, major resource-extractive industries, major resource-intensive projects, major infrastructure projects, and other similar projects. Developments within environmentally critical areas may be determined by the Department as critical projects.

Existing projects, deemed critical under this Act, but operating without an Environmental Compliance Certificate (ECC) required under Sec. 4 of Presidential Decree (PD) No. 1586, or the Environmental Impact Statement System, shall have one (1) year from the date of effectivity of this Act within which to comply with its provisions on specific projects. Existing projects with ECC shall be re-evaluated within a reasonable time, to determine its compliance with the provisions of this Act, and the rules and regulations issued therefore by the Department.

SEC. 12. Review of EIA. - The EIA Report shall be reviewed by a multi-disciplinary team of independent experts convened for this purpose by the Department, through the Environmental Management Bureau. Within a reasonable timeframe, the team shall make a report of its findings and recommendation on the issuance or non-issuance of the Certificate of Proponent's Environmental Commitment, which certificate shall accordingly replace the ECC being issued pursuant to PD 1586. The cost of such a review shall be financed by the proponent through a fund manager, whether government or private.

SEC. 13. Certification of Proponent's Environmental Commitment (CPEC). - After a review of the EIA Report and the recommendations of the EIA Review Team, the Department may issue a CPEC. The CPEC shall certify that:

- (a) The proposed project has integrated environmental considerations into the overall project design and management, including its construction, operation, and decommissioning phases;
- (b) The assessment is technically sound at the feasibility study stage;
- (c) The proposed preventive, mitigating, and enhancement measures are appropriate; and
- (d) The proponent has demonstrated the commitment to implement on schedule, as so stated in the approved Environmental Management Plan (EMP), its proposed project as planned, and the corresponding monitoring and evaluation requirements.

The CPEC shall be limited to the results of the assessment of the environmental impacts of the proposed project. It shall not, in any manner, exempt the proponent from securing other government permits and clearance required under other laws, nor shall it be construed as resolving issues within the mandate of other government agencies, such as those relating to land ownership or possession rights.

All concerned national government agencies and LGUs shall consider the CPEC and relevant EIA documents in their decision-making process.

A proposed project within an economic zone with an approved programmatic CPEC, shall be governed under the permitting and monitoring system established pursuant to this Act by the registered administrator of the said estate or zone, whether administered by the government or a private entity.

SEC. 14. Environmental Safeguards for non-Critical Projects. - Proponents of projects that are not covered pursuant to the preceding sections may be required by the Department to implement environmental safeguards. The Department shall establish an evaluation system therefor.

SEC. 15. EIA for Co-located Projects. - The Department shall require programmatic EIA for projects or series of projects subdivided into several phases or stages, or consisting of several components, or a cluster of projects co-located in an area, such as economic zones, small-scale mining, livestock, aquaculture, and mariculture projects: *Provided, however,* That no economic zone shall operate without programmatic EIA approved by the Department: *Provided, further,* That existing economic zones shall prepare and implement approved programmatic EIA within two (2) years following the effectivity of this Act: *Provided, finally,* That

economic zones which are practically fully covered with EIA under PD 1586, as determined by the Department, shall submit appropriate minimum requirements for their programmatic EIA in order to avoid duplication of the requirements under PD 1586.

The EIA requirements and conditions for co-located projects under the EAS shall be guided by an assessment of the cumulative impacts and carrying capacity as may be determined from ecological profiles of the area.

The programmatic CPEC under this provision shall be issued by the Department.

SEC. 16. Financial Guarantee Mechanism. - As part of the CPEC requirements under Section 13 of this Act, project proponents shall put up a financial guarantee mechanism, which shall be readily accessible and disbursable, to respond to the need for immediate clean-up or rehabilitation of areas that may be damaged, whether directly or indirectly, or through occurrences, anthropogenic or otherwise, by a project, during and after its operation or abandonment.

Provisions for financial liability shall ensure just and timely compensation for any adverse effects or damages which project implementation may directly or indirectly cause on the environment and the community.

The instruments acceptable for compliance with this provision are trust funds, environmental insurance, cash funds, or financial test mechanisms. Self-insurance and other guarantee instruments may be applied. The choice of guarantee mechanisms, or of combinations thereof, shall depend primarily on:

- (a) The probability and magnitude of the risks involved, as culled from new and existing information and determined through environmental and health risk assessment; and
- (b) The financial capability of the proponent.

The proponent shall show proof of compliance with the requirement for contingent liability by furnishing the Department with evidence of availment of such mechanism.

SEC. 17. Accreditation of Preparers and Reviewers. - The Department shall establish a system of accreditation for preparers and reviewers of EIA, which shall take into consideration their competence, expertise, track record, integrity and independence. The Department may delegate the accreditation process to a third government or private party.

No employee of the Department shall, in any manner whatsoever, directly or indirectly, participate in the preparation of the EIA.

SEC. 18. Non-Liability to the Authenticity of EIA Documents. - The documents that may be required by the Department for the conduct of an EIA shall be used solely to determine the scope and potential impacts of proposed programs and projects on the environment. The Department shall exercise due diligence to ensure the veracity or authenticity of the documents submitted by the proponent. Any issue or dispute that may arise regarding the veracity or authenticity of such documents shall be resolved in the appropriate forums, courts or tribunals.

SEC. 19. Consultation and Public Participation in the EIA. - All proponents of critical projects shall, at the earliest stage of the EIA process, inform and consult, the key stakeholders that will be affected by the proposed project, through a comprehensive public participation process, to ensure that environmentally relevant concerns are taken into consideration in the EIA study and in the formulation of the EMP.

SEC. 20. Multi-partite Monitoring Team and Environmental Monitoring Fund. - Multi-partite monitoring teams (MMTs) shall be organized to encourage public participation, promote greater stakeholder vigilance, and provide appropriate check and balance mechanisms in the monitoring of project implementation.

The MMTs shall be composed of representatives of the relevant national agencies, LGUs, NGOs, and other stakeholders in the affected communities. Appropriate guidelines for the organization of the MMTs shall be established by the Department.

MMTs can be project-based or clustered by province or municipality or by sector. Such clustering shall be accomplished upon the recommendation of any of the members of the MMTs comprising the cluster and shall be convened with the assistance of the Department and the concerned LGU. Cluster members shall agree on a manual of operations, a fund manager, and scheme for shared monitoring.

MMT reports shall be made accessible to the public, pursuant to Section 24 of this Act.

The proponent shall establish an Environmental Monitoring Fund (EMF) to support the activities of the MMT. The Department shall promulgate the rules for the administration and management of the EMF: *Provided*, That in no case shall such fund be used other than for the purpose that it was established.

TITLE III MISCELLANEOUS PROVISIONS

Chapter 1 Fines and Penalties

SEC. 21. Sanctions for Violations. - Any critical project which shall operate without the required CPEC shall face closure, suspension of development or construction, or cessation of operations until such time that proper environmental safeguards are put in place and the necessary CPEC has been issued: *Provided*, That the person implementing the project without CPEC shall be fined an amount not less than Five million pesos (P 5,000,000.00) but not more than Twenty million pesos (P 20,000,000.00) depending on the magnitude of the environmental risks and upon the final decision of the Department: *Provided, further*, That the offender, or the president, chief operating officer or executive officer of a juridical person, shall be held criminally liable and shall be imprisoned for a period not less than two (2) years but not more than ten (10) years, at the discretion of the Court.

Any project proponent found in violation of the EMP and any of the conditions under the CPEC shall be imposed a fine in the amount of not less than One hundred thousand pesos (P 100,000.00) but not more than Ten million pesos (P 10,000,000.00) per violation, depending on the impact of the violation on the environment, plus cost of damages, at the discretion of the Department: *Provided*, That the Department may order the closure, suspension of development or construction, or cessations of operations if the violation of the EMP is continued.

Chapter 2 Institutional Arrangement

(e) **SEC. 22. Agencies Responsible for the Implementation of the Act.** - Unless otherwise provided by this Act, the Department shall serve as the primary agency responsible for the implementation of the EAS. It may secure the assistance of environmental units of other government agencies, academic and research institutions, and environment professionals in undertaking its responsibilities under this Act.

(f)

(g) For this purpose, an environmental unit shall be established or strengthened in each concerned government agency. Furthermore, it shall be the responsibility of all concerned government agencies to share information or data necessary to effectively evaluate reports required pursuant to this Act.

Concerned government agencies shall establish appropriate permanent organizational structures and systems to address the requirements of the EAS.

SEC. 23. Local Capacity-Building in Environmental Assessment System. - The Department shall, in coordination with the DILG, lead the development and implementation of a national capacity building program in environmental assessment. It shall, within two (2) years from the effectivity of this Act, provide technical assistance to LGUs and entities in acquiring capacity and expertise for the effective local implementation of the EAS or its components. Each LGU shall establish its Environment and Natural Resources Office within one (1) year following the effectivity of this Act.

SEC. 24. Knowledge Management System. - The Department shall establish a database management system for purposes of gathering, keeping, disseminating and updating all information relative to the implementation of the EAS. As part of the database management system, the Department shall create an online database, permitting, and monitoring systems for all plans, policies, programs, and projects covered under this Act.

The executive summary of the SEA, EIA, EMP, and CPEC, and the status of the proponents' application thereto, shall likewise be accessible to the public through this system.

Chapter 3 Actions

SEC. 25. Administrative Action. - Without prejudice to the right of any affected person to file an administrative action, the Department shall, on its own instance or upon verified complaint by any person, institute administrative proceedings against any person who violates the provisions of this Act and the orders, rules and regulations promulgated pursuant thereto.

SEC. 26. Citizen Suits. - For purposes of enforcing the provisions of this Act or its implementing rules and regulations, any citizen may file an appropriate civil or criminal action in the proper courts against:

- a) Any person who violates or fails to comply with the provisions of this Act, its implementing rules and regulations, or orders issued pursuant thereto;
- b) The Department or other implementing agencies with respect to orders, rules and regulations issued inconsistent with this Act; and
- c) Any public officer who willfully or grossly neglects the performance of an act specifically enjoined as a duty by this Act or its implementing rules and regulations; or abuses his authority in the performance of his duty; or, in any manner, improperly performs his duties under this Act or its implementing rules and regulations.

Provided, however, That no citizen suit can be filed until after a thirty (30)-day notice has been taken thereon.

The court shall exempt such action from the payment of filing fees, and shall likewise, upon *prima facie* showing of the non-enforcement or violation complained of, exempt the plaintiff from the filing of an injunction bond for the issuance of a preliminary injunction.

Within thirty (30) days, the court shall make a determination if the complaint herein is malicious or baseless, and shall accordingly dismiss the action and award attorney's fees and damages.

SEC. 27. Independence of Action. - The filing of an administrative suit against such person or entity does not preclude the right of any other person to file any criminal or civil action. Such civil action shall proceed independently.

SEC. 28. Suits and Strategic Legal Actions Against Public Participation and the Enforcement of This Act. - Where a suit is brought against a person who filed an action as provided in Section 25 of this Act, or against any person, institution or government agency that implements this Act, it shall be the duty of the investigating prosecutor or the court, as the case may be, to immediately make a determination not exceeding thirty (30) days whether said legal action has been filed to harass, vex, exert undue pressure or stifle such legal recourses of the person complaining of or enforcing the provisions of this Act. Upon determination thereof, evidence warranting the same, the court shall dismiss the case and award attorney's fees and double damages.

This provision shall also apply and benefit public officers who are sued for acts committed in their official capacity, there being no grave abuse of authority, and done in the course of enforcing this Act.

Chapter 4

Final Provisions

SEC. 29. Environmental Revolving Fund. - The Environmental Revolving Fund (ERF) created under PD 1586 shall remain to be operational. It shall be used primarily for defraying administrative expenses, equipment purchases or leases and other program costs directly incurred in the review, assessment and monitoring of the EAS.

The ERF may be sourced from donations, endowments and grants in the form of contributions. Such endowments shall be exempt from income or gift taxes and all other taxes, charges or fees imposed by the government or any political

subdivision, instrumentality or agency. It shall also include funds to be provided by proponents for the review of specific projects. All income likewise generated from fees, fines and penalties directly related to the implementation of the EAS shall accrue to the ERF and may be utilized directly by the Department for the above purposes.

All fund transactions shall, however, be subject to the usual auditing procedures in accordance with existing laws.

The Department is authorized to receive donations, contributions, grants, bequests, or gifts in cash or in kind, to be used exclusively for all ERF transactions in accordance with existing budgeting, accounting, auditing and other pertinent laws, rules, and regulations.

SEC. 30. Appropriations. The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the DENR–Environmental Management Bureau. Thereafter, the amount necessary for the implementation of this act shall be included in the annual General Appropriations Act.

SEC. 31. Tax Exemption and Subsidy. – Gifts and donations of real and personal properties of all kinds, contributions, grants, and bequests to the department shall be exempt from donor's tax, and the same shall be considered as allowable deductions from gross income for purposes of computing the taxable income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

Except for withholding taxes, all tax obligations of ERF shall be chargeable to the tax expenditure fund administered by the Fiscal Incentives Review Board (FIRB) pursuant to Section 297 of the National Internal Revenue Code of 1997, as amended, and the annual General Appropriations Act.

SEC. 32. Transitory Provision. - Non-Highly Urbanized Cities and Third, Fourth, Fifth, and Sixth Class Municipalities shall have a five (5)-year grace period within which to comply with the provisions of this Act on SEA.

SEC. 33. Implementing Rules and Regulations. - Unless otherwise provided in this Act, the Department shall, in coordination with other concerned agencies, promulgate the rules and regulations of this Act, within one (1) year after its effectivity.

The Department and the IAC-SEA shall, in coordination with other concerned government agencies, undertake such review and updating of the implementing guidelines of the EAS every two (2) years thereafter.

SEC. 34. Joint Congressional Oversight Committee. - There is hereby created a Joint Congressional Oversight Committee to monitor the implementation of the provisions of this Act. The Committee shall be composed of five (5) Senators and five (5) Representatives to be appointed by the Senate President and the Speaker of the House of Representatives, respectively. The Oversight Committee shall be co-chaired by the Chairpersons of the Senate Committee on Environment and House Committee on Ecology.

SEC. 35. Separability Clause. - Should any provision herein be subsequently declared unconstitutional, the same shall not affect the validity or legality of the other provisions of this Act.

SEC. 36. Repealing Clause. - PD 1586, Presidential Proclamation No. 2146, Executive Order No. 803, and Office of the President Administrative Order No. 42, series of 2002 are hereby repealed. All laws, orders, rules and regulations or any part thereof which are inconsistent with the provisions of this Act are hereby amended or modified accordingly.

SEC. 37. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,