
THE IMPACT OF DRIVING FORCES ON ENVIRONMENTAL COMPLIANCE AND ENFORCEMENT PROGRAMS — THE PHILIPPINE EXPERIENCE

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1 INTRODUCTION

The Philippines is known to have more than enough environmental regulations but only lacks the resources and “political will” to implement them. These have been shown by the data gathered on the number of Environmental Compliance Certificates issued and the number of Cease and Desist Orders served and executed.

There are about 11,000 manufacturing firms in the country. About 50% of the industries are located in Metro Manila. The main manufacturing industries are textiles, pulp and paper, sugar, alcohol and distilleries, desiccated coconut, food manufacturing, plastics and consumer goods, whose processing cause the most pressing pollution and solid waste problems. The major urban centers, other than the National Capital Region, are also beset with slum proliferation with the accompanying pollution and solid waste problems arising from inadequate infrastructure systems unable to cope with rapidly growing populations. In Metro Manila, for example, a commissioned study showed that 38% of river pollution loads come from industrial sources, 40% from domestic liquid wastes and 22% from uncollected solid waste and reaching waterways during rain periods. Metro Manila also has set up a solid waste management system to handle the domestic solid waste generated throughout the National Capital Region. Similarly in other urban centers, such as Cebu, Davao, Baguio, Cagayan de Oro City, local governments have provided some form of solid waste collection and disposal systems. But in rural areas, there are hardly any systematic approaches to the solid waste management problem.

Thus, the major environmental problems include treatment and disposal of wastewater (both domestic and industrial), solid waste (domestic and industrial), and hazardous waste. We have only two sanitary landfills, which accommodate both domestic and hazardous waste.

2 DRIVING FORCES

2.1 Environmental laws

The concept of environmental protection is promised under one basic law which is Presidential Decree No. 1151, known as the Philippine Environmental Policy, which declared a continuing policy of the state (a) to create, develop, maintain and improve conditions under which man and nature can thrive in productive and enjoyable harmony with each other; (b) to fulfill the social, economical and other requirements of present and future generations of Filipinos; and (c) to ensure the attainment of an Environmental quality that is conducive to life of dignity and well-being.

A major piece of legislation concerning the environment is Presidential Decree 1586. This law established the Environmental Impact Statement system which requires all agencies and instrumentalities of the national government, including government-owned or controlled corporations, as well as private corporations, firms and entities to prepare, file and include in every action, project or undertaking which significantly affects the quality of the environment the following:

- The environmental impact of the proposed action, project or undertaking including any adverse environmental effect which cannot be avoided should the proposal be implemented.
- The mitigating measures to minimize adverse environmental effects.
- Alternatives to the proposed action.
- A determination that the short-term uses of the resources of the government are consistent with the maintenance and enhancement of the long-term productivity of the same.
- Whenever a proposal involves the use of depletable or nonrenewable resources, a study must be indicated that such use and commitment are warranted.

In short, the proponent of any project which is a potential source of environmental pollution/ degradation is required to secure an Environmental Compliance Certificate from the Department of Environment and Natural Resources/Environmental Management Bureau by submitting an Environmental Impact Statement. This law provides sanctions for noncompliance with the Environmental Impact Assessment requirement.

The enactment of another environmental law, Republic Act 6969 (Toxic substances, Hazardous and Nuclear Waste Control Act of 1990) further mandated the Department of Environment and Natural Resources to regulate hazardous and nuclear wastes as well as toxic substances in the Philippines.

Republic Act 6969 declared it a policy of the state to regulate, restrict or prohibit the importation, manufacture, processing, sale, distribution, use and disposal of chemical substances and mixtures that present unreasonable risk and/or injury to health or the environment; to prohibit the entry, even in transit, of hazardous and nuclear waste and their disposal into Philippine territorial limits for whatever purpose; and to provide advancement and facilities research and studies on toxic chemicals and hazardous and nuclear wastes.

The system's scope was also delimited to "environmentally critical projects or projects to be located in environmentally critical areas" (identified in Presidential Proclamation No. 2146). Presidential Decree 1586, however, become operational only in 1982.

Prior to this, the system underwent transition from a decentralized process to a centralized one, starting December 23, 1979 by virtue of a National Environmental Protection Council Special Memorandum. The National Environmental Protection Council was the agency responsible for implementing Presidential Decree 1586. From the lead agencies, processing of Environmental Impact Statement documents and issuance of Environmental Compliance Certificates for projects which have satisfactorily complied with the Environmental Impact Assessment requirement, was centralized in the National Environmental Protection Council.

For the past decade, government exerted efforts to implement provisions of Presidential Decree No. 1152 or the Philippine Environment Code. Such efforts were on concerns like waste management, air and water quality management, environmental education, environmental research and tax incentives, among others. While these efforts were limited they, nevertheless, laid down the groundwork for subsequent environmental management undertakings in the nineties.

Republic Act 3931 was subsequently amended in 1976 by Presidential Decree 984 which abolished National Water and Air Pollution Control Commission and created, in its stead, the National Pollution Control Commission. The National Pollution Control Commission was vested with greater powers, among which are as follows:

- The power to impose an ex-parte Cease and Desist Order on two grounds: a) when there is immediate threat to life, public health, safety or welfare, or to animal or plant life; or b) when the wastes or discharge exceeds the allowable standards set by the Commission.
- The expressed power to order closure of a firm for nonpayment of fines.
- The decision of the National Pollution Control Commission is considered final and may be appealed only to the Court of Appeals on questions both of facts and law, or to the Supreme Court on questions of law.

At present, House Bill No. 4 which is “an Act to Revise the Philippine Environmental Code, defining its scope and integrating all other laws relative thereto” is being deliberated in both Senate and the House of Representatives of Congress. This act will be referred to as the “Revised Philippine Environment Code of 1996” the salient features of which are the following:

The major legislation governing pollution control is Republic Act No. 3931 which created the National Pollution Control Commission. The law declared it a national agricultural, industrial, etc., utilization. This mandate provided for the establishment of reasonable standards for air, water and noise. Presidential Decree 984 was then amended by Executive Order No. 192 merging the National Pollution Control Commission, National Environmental Protection Council and Environmental Center of the Philippines into the Environmental Management Bureau and placing this Bureau under the Department of Environment and Natural Resources. The Pollution Adjudication Board was likewise created under the Office of the Department of Environment and Natural Resources Secretary.

2.2 Permits and licenses issued by Department of Natural Resources regional offices

2.2.1 Environmental compliance certificate

Permitting is the most fundamental regulatory element within any command-and-control system. It controls the discharges from pollution sources. As a matter of practice in the Philippines, it is routine to include the permitted discharge limits in the Environmental Compliance Certificate that is pursuant to the Environmental Impact Assessment process. Thus instead of using the Environmental Impact Statement System as a planning tool, this has become a regulatory tool. This practice may result from the permit language of Presidential Decree 984 itself where emphasis is usually placed on the “permit to construct” or the “permit to operate”, as distinguished from the “discharges” from the facility. These practices encourage enforcement of the permit through both the Environmental Compliance Certificate as well as Presidential Decree 984. This is an inefficient process that tends to put the Environmental Impact Assessment process at the center of all environmental management in the Philippines. While this may be appropriate at the front end of the development process in the Philippines, it will be wastefully duplicative of resources as the national development program matures.

Permit management functions ordinarily include the establishment of discharge limits pursuant to a standard, and monitoring the permit holder’s compliance therewith. These functions are presently performed by the Department of Environment and Natural Resources regional offices for those industries that fall outside the Environmental Impact Statement prescriptive list of ECPs and (theoretically) for those industries that pre-existed the Environmental Impact Statement system (before 1982).

2.2.2 Permit to operate and authority to construct

The regulatory power exercised by the Department of Environment and Natural Resources Regional Offices, particularly the Environmental Management and Protected Areas Sector, consists of the power to issue permits as stated in 2nd paragraph, Sec. 8, Presidential Decree 984, to wit:

“No person shall perform any of the following activities without first securing a permit from the Commission for the discharge of all industrial wastes and other wastes which could cause pollution: 1) the construction, installation, modification or operation of any sewerage works or any extension or addition thereto; 2) increase in volume or strength of any wastes in excess of the permissive discharge specified under any existing permit; and, 3) the construction, installation or operation of any industrial or commercial establishment or any extension or modification thereof or addition thereto, the operation of which would cause an increase in the discharge of wastes directly into the water, air and/or land resources of the Philippines or would otherwise alter their physical, chemical or biological properties in any manner not already lawfully authorized.”

In practice, the Regional Offices issue two kinds of permits. One is the Authority to Construct, which is issued once before the construction of the antipollution device and after the plans and specifications are approved. The other is the Permit to Operate which is issued yearly to authorize the continued use of the air and water pollution control device and air pollution source. Water pollution sources are not subject to annual re-issuance of the Permit to Operate. The annual permit review and re-issuance of Permit to Operate is not mandated by Presidential Decree 984, thus, permit life is a matter of internal guidance by the Department of Environment and Natural Resources.

There are 3 requirements for the issuance of the Permit to Operate:

- Prior issuance of the Authority to Construct.
- Inspection which shows that the conditions imposed in the Authority to Construct are complied with (i.e., the antipollution device is properly maintained and still sufficient).
- The antipollution device passed the test for efficiency.

Should any of the requirements be absent, a temporary permit, which is effective only for six (6) months, may be issued. Usually, the failure to complete the requirement is caused by the inability of the Regional Office to conduct the necessary inspection or test because of lack of transportation, budget for travel, testing equipment, laboratory, and trained personnel.

2.3 Monitoring, compliance and enforcement

2.3.1 Environmental compliance certificate conditionalities

For development projects, compliance to the conditionalities set forth in the Environmental Compliance Certificates is being monitored by the Environmental Management Bureau and the Department of Environment and Natural Resources Regional Offices.

2.3.2 Environmental quality standards

Compliance to the standards on air and water quality set forth in the Implementing Rules and Regulations of Presidential Decree 984 is being monitored by the Department of Environment and Natural Resources Regional Offices. This is usually done once a year prior to the issuance of the annual Permit to Operate.

2.3.3 Republic Act 6969

Compliance to the requirements set forth in the guidelines of the Republic Act is being monitored by the Environmental Management Bureau.

Monitoring as to compliance to the conditionalities of the Environmental Compliance Certificates and to the air and water quality standards is very ineffective.

3 IMPACTS OF DRIVING FORCES

3.1 Environmental laws

3.1.1 The Philippine environmental policy and the Philippine environment code

Unfortunately these twin laws failed to truly integrate environmental quality protection and natural resources management with the result that policy conflicts between these two fields often arise. While comprehensive statutory policies were enunciated in Presidential Decree 1151 and 1152, specific legal rights, for which specific remedies in law can be invoked, were not provided. Further legislation was necessary to translate these policies into substantive, actionable rights and provide specific environment for governance. Nevertheless, these laws provide an excellent frame of reference upon which subsequent environmental laws can be analyzed. Presidential Decree 1152, in particular, is considered the touchstone to determine the comprehensives of other enabling legislation and administrative promulgations.

3.1.2 Environmental impact statement

The number of Environmental Impact Documents submitted and processed from June 1978 to December 1979, is quite difficult due to the decentralized nature of the Environmental Impact Statement system then and the erratic reporting procedure of the lead agencies. December, 1979 to December 1980 was still a transition period during which some agencies were still processing Environmental Impact Statement documents although the authority to process and review such was already lodged with the National Environmental Protection Council.

From January 1981 to December 1989, a total of 5,231 environmental impact documents were submitted to the implementing agency. Of these, 4,366 or 83% constituted sand and gravel projects, which were reviewed based on the cumulative impact and existing guidelines on sand and gravel extraction drawn up by the National Environmental Protection Council and the Bureau of Mines and Geosciences (BMG). Table 4 provides the number of environmental impact documents processed from 1981-1989, excluding sand and gravel projects. Of the 865 Environmental Impact Documents, 840 were issued Environmental Compliance Certificates. A breakdown of Environmental Impact Documents submitted to the Environmental Management Bureau by project type for the same period is given in Table 5. Nonmetallic mining had the highest number of applications, followed by subdivision and metallic mining. From 1990 to 1995, there were 1349 Environmental Compliance Certificates issued by the Environmental Management Bureau.

3.1.3 Presidential Decree No. 984

Despite the creation of a powerful body, the National Pollution Control Commission failed to make a dent on the pollution control efforts of the government. This is partly due to the fact that it was not provided with the financial and personnel resources necessary to carry out its mandate. Moreover, an interview with a former National Pollution Control Commission official has revealed that the industries were then very supportive of the Marcos government, and in turn, whatever Cease and Desist Orders or closure orders the National Pollution Control Commission may have planned to issue had to be “cleared with “Malacañang,” which gives the industries “very strong support”. Evidently, the National Pollution Control Commission did not have the political backing of the President, from whom all powers of the government at that time, including legislative and judicial, emanated.

The Pollution Adjudication Board assumed the powers and functions of the Commissioners of the National Pollution Control Commission with respect to the adjudication of pollution cases under Republic Act No. 3932 and Presidential Decree No. 984. As of 1989, a total of the 160 cases were filed with the body. Of these, it had deliberated on 57 cases. Fourteen (14) respondents were fined while twenty-three (23) had their Cease and Desist Orders temporarily lifted.

This power to issue permits is generally perceived by the field officers to be a useful regulatory tool. Some of the observations/recommendations on the existing permitting requirements are:

- The requirement for annual renewal ensures that the Regional office staffs don't lose contact with the industrial establishment even when these lack in the necessary logistics to conduct regular inspections. Industries come to the Department of Environment and Natural Resources with the information required of them. This is especially useful in monitoring the activities of small and medium-scale industries which the Department of Environment and Natural Resources usually see only once a year during the period for renewals of the Permit to Operate. At present, the Department of Environment and Natural Resources has issued more temporary permits, with six month effectivity, than regular permits. The constraint is on the Department of Environment and Natural Resource's part, on their inability to conduct timely inspection and testing.
- There is the need to study whether the Permit to Operate should be renewed on a yearly basis. This function makes the Department of Environment and Natural Resources mainly an industry-regulating office when resources should be devoted rather to initiating, supporting, and implementing environmental protection programs. It is also consuming too much of the industry's time and effort when the burden of monitoring should be on the Department of Environment and Natural Resources. It is better to simply require the industry to install a self-monitoring device and to regularly submit reports together with the result of the indicators in their analyzer or monitoring equipment. The Regional Office can then just perform spot-checking instead of inspecting all the industrial plants in the region yearly.
- The Regional Office devotes most of its time conducting routine inspections related to issuance of permits. Authority to Construct is a meaningful regulatory mechanism because the Department of Environment and Natural Resources can already put in place, at the construction phase, the company's pollution control scheme. The

Department of Environment and Natural Resources gets the chance to examine the plans and specifications for the antipollution device to determine its sufficiency and appropriateness.

- One weakness in the Department of Environment and Natural Resources' permitting regulation is the lack of power of the Regional Office to stop the industry from constructing and operating the antipollution device or undertaking activities that cause pollution. The Department of Environment and Natural Resources should have this power. Right now, the Department of Environment and Natural Resources can only impose a "compromise penalty" of P1,000.00 (US \$26,192) pursuant to an National Pollution Control Commission Memorandum, Series of 1986 in case of failure to secure Authority to Construct.

A perusal of Presidential Decree 984 will readily show that the present practice does not satisfy the mandate of the law. The permitting regulation practice at present is confined to the proper construction and maintenance of the pollution control device. In contrast, the law authorizes the licensing of increases in volume or strength of any wastes discharged and the construction, installation or operation of any industrial or commercial establishments which would cause an increase in the discharge of wastes. This means permitting regulations should cover the volume and concentration of discharges (the implication being some limitation on cumulative effects), and the construction/installation of all pollution sources, not just those affecting air. Thus, in this instance, regulatory practice needs to catch up to the breadth of the statutory mandate. In addition, further thought should be given to increasing permit life to, say, five years and then concentrating on compliance monitoring with regular reports on emissions sent to the Regions by industry.

3.1.4 Republic Act 6969

Implementation of this law only involves the issuance of importation clearances for importation of toxic chemicals and recyclable materials. Implementing guidelines have just been drafted and we are starting the implementation now.

3.2 Social acceptability/public participation

The continuing development and refinement of the Environmental Impact Assessment process brought into focus public participation and social acceptability concerns in environmental assessment and monitoring. Several major projects were shelved due to non-issuance of Environmental Compliance Certificates because of public opposition.

The Department of Environment and Natural Resources Administrative Order No. 21, Series of 1992 (DAO 21, s. 1992) reflects this new perspective not only to provide the mechanism for Environmental Impact Assessment monitoring but to recognize the importance of public participation in development activities. Public participation should start right in the scoping phase, in the conduct of the Environmental Impact Assessment and until the conduct of the public hearing.

3.3 Philippine Council on Sustainable Development

The Philippine Council on Sustainable Development is a post-United Nations Conference for Environment and Development national council established by President Fidel V. Ramos through Executive Order No. 15 dated September 1, 1992. The primary task of the Philippine Council on Sustainable Development is embodied, in broad terms, from the following words of President Ramos:

“To ensure that the commitments made at Rio de Janeiro, and the implications of the Earth Summit to the Philippines are implemented, periodically monitored and coordinated at the global level...” (Speech delivered during the conference entitled: The Philippine Agenda 21: Reaffirming our Commitments to the Earth Summit, September 1992)

The Philippine Council on Sustainable Development has the following mandates:

- Review and ensure the implementation of the Philippine commitments to sustainable development principles made at the United Nations Conference for Environment and Development.
- Establish guidelines and mechanisms to concretize and operationalize the sustainable development principles embodied in the Rio Declaration, United Nations Conference for Environment and Development, National Conservation Strategy, and the Philippine Agenda 21, and incorporate them in the preparation of the Medium Term Philippine Development Plan at both the national and local levels.
- Provide directions in the form of policy reforms, program and new legislations to address continuing and emergent issues and to chart future actions related to environment and development.
- Act as a coordinating mechanism, in cooperation with the Department of Foreign Affairs — Office of the United Nations and other International Organizations, the United Nations Commission on Sustainable Development and other international organizations, on the provision of assistance and cooperation towards the fulfillment of Philippine commitments to the United Nations Conference for Environment and Development.
- Formally adopt a Philippine Agenda 21 and develop national sustainability plans.

The Council is reportedly the first body in Asia to be established in connection with the creation of the United Nations Commission on Sustainable Development to monitor and report on the level of compliance of countries to commitments made in Rio. As the national mechanism for monitoring implementation of Philippine commitments made in Rio, the Council will report to the United Nations Commission on Sustainable Development in this regard.

The Council is expected to take an active role in advocating for the effective implementation on new environmental policies adopted under the current administration.

It is one of the few government bodies that has adopted the principles of counterparting and consensus-building in its structure. This distinction is highlighted in the following words of President Ramos:

“The Council has also reminded us how fruitful it is for both government and the private sector to join hands. The Council has given new meaning to the concept of counterparting —the government secretariat works harmoniously with its counterpart Non-Government Organizations/Private Organizations secretariat. This is a work technique worth emulating in the other endeavors of government.”

3.4 Philippine strategy for sustainable development

Government took cognizance of the need for a National Conservation Strategy specifically through Section 16 (h) of Executive Order No. 192. Pursuant to this mandate, the Environmental Management Bureau initiated a series of consultations with the different sectors of society. On

May 23-24, 1988, the Environmental Management Bureau convened a multi-sectorial national workshop, the participants of which issued a formal resolution urging the President and Congress of the Republic of the Philippines to adopt and implement a Philippine Strategy for Sustainable Development. The Workshop also generated the first draft of a conceptual framework for the Philippine Strategy For Sustainable Development. Subsequent consultations, such as the Symposium held on June 6, 1988, the Senior Officials' Consultative Forum on February 17, 1989, and regional multi-sectorial consultations, served to further crystallize and refine the framework. In its Resolution No. 37, dated November 29, 1989, the Cabinet approved the Conceptual Framework of the Philippine Strategy for Sustainable Development.

The Philippine Strategy For Sustainable Development is basically the country's response to the worldwide call for undertaking development without destruction and "meeting the needs of the citizens of today without limiting the options of future generations to fulfill their needs". Specifically, "it aims to achieve and maintain economic growth without depleting the stock of natural resources and degrading environmental quality."

At its core are ten major strategies aimed at resolving and reconciling the diverse and sometimes conflicting environmental, demographic, economic and natural resources use issues. These strategies are:

3.4.1 Integration of environmental consideration in decision-making

This will involve a fundamental realignment of development planning objectives to enable the merger of environmental and economic considerations in decision-making. Analytical tools and methodologies such as natural resource accounting, environmental impact assessment and land use planning will be utilized.

3.4.2 Proper pricing of natural resources

A price reform strategy will be employed which will take into consideration pricing of environmental resources which have heretofore been considered free (air and water); proper pricing of grossly underpriced resources such as timber and minerals; and payment for damages to the environment, among others.

3.4.3 Property rights reform

At the heart of the strategy is security of tenure for small-holder farmers and forest occupants over primary resources. This is envisioned to result in self-regulation by the concerned community or individual in the exploitation of natural resources. The Strategy would involve utilization of such instruments and schemes as stewardship contracts, small holder timber concessions, artificial reef licenses, community forests, community fishing grounds and mining cooperatives.

3.4.4 Conservation of biodiversity

This is simply an explicit recognition of the importance of preserving the country's wild species and genetic diversity through the establishment of protected areas. It is seen as a means to increase the country's capacity to deal with future questions on survival and development.

3.4.5 Rehabilitation of degraded ecosystems

Deliberate rehabilitation efforts are deemed necessary in view of the massive destruction of the country's ecosystems. A concerted action is planned involving massive reforestation of denuded watersheds, mangrove re-plantation, cleanup and control of pollution and revival of biologically dead rivers.

3.4.6 Strengthening of residuals management

The Strategy, rather than merely concentrating on “end-of-pipe” control systems, will be primarily concerned with the introduction of recent innovations in industrial process design aimed at reducing waste streams. It will also entail resource recovery through recycling and utilization of economic incentives to encourage installation of pollution control facilities by industry.

3.4.7 Control of population growth and human resources development

The planned population control program will not only be limited to controlling numbers but will include health, education and rural development projects which will be implemented at the regional and community levels.

3.4.8 Inducing growth in the rural areas

Premised on the notion that economic recovery and long-term stability depend on increasing incomes and employment in the rural areas where the majority of the country's population reside, the seven-pronged strategy will basically involve: a) empowerment of the rural poor through participation in policy-making and project implementation; b) accelerated implementation of land reform; c) grant of equitable access to the rural poor to natural resource use and benefits; d) removal of economic and public investment biases against the rural sector; e) provision of infrastructure and support services; f) establishment and reinforcement of “growth centers”; and, g) strengthening of social services such as education, health and nutrition.

3.4.9 Promotion of environmental education

Environmental education is envisioned to enable citizens to understand and appreciate the complex nature of the environment and its role in economic development, as well as, to develop social values which will create the commitment and political will to deal with difficult environmental and social issues.

3.4.10 Strengthening of citizen participation

Nongovernmental organizations will be employed to mobilize the citizenry and make them active participants to environmental management. The specific strategy to be employed is the formation of a network among nongovernment organizations and government organizations, to organize communities, conduct public information campaigns, conduct research/situation assessments, undertake environmental surveillance and monitoring and other similar activities.

3.5 Waste minimization

Instead of attacking pollution problems by the traditional “end-of-pipe” approach, pollution reduction or waste minimization have been the government's main thrust. One of the government's programs, the Industrial Environmental Management Project conducted Pollution Management Appraisals for industries. This resulted in the production of success stories showing company's savings in water power, raw materials, etc.

3.6 Monitoring and enforcement

Routine monitoring for Environmental Compliance Certificate compliance is a mandated function of Environmental Management Bureau and Department of Environment and Natural Resources Regional Offices. The same mandate allows these agencies to initiate participatory monitoring, which will be determined by project type, scale and impact. The main difference

between these two forms of monitoring is that participatory monitoring involves in the introduction of multidisciplinary and multisectorial group representing various interests but working toward a common objective.

In participatory monitoring, stakeholders and interest groups collaborate in gathering, processing and evaluation environmental information.

Participatory monitoring is primarily aimed at determining whether the project proponent is complying with the terms and conditions of the Environmental Compliance Certificates. At the same time, participatory monitoring is directed towards establishing the actual environmental impacts of the project. And upon comparison with the predicted impacts reported, it provides a quality measure indicating areas for improvement of the Environmental Impact Assessment conducted for similar projects or areas.

3.7 Devolution of functions to local government units

Several environmental functions have been devolved to the local government units including the issuance of Environmental Compliance Certificates for Kalakalan 20 projects and sand and gravel and the execution of Cease and Desist Order.

3.8 Incentives

Considered by industry to be one of the more positive programs of government, the Tax Incentives Program authorized under Section 56 of the Code, granted the exemptions, credits or deductions for the procurement, installation, utilization and manufacture of pollution control equipment, devices, spare parts and accessories. Incentives ranged from fifty percent to tariff duties and compensating tax to fifty percent of expenses actually incurred of research projects undertaken to develop technologies for manufacture of pollution control equipment. The Program was administered by the National Environmental Protection Council in 1980 but was terminated in 1985 when the prescription period for the incentives lapsed. Efforts were made to extend the effect of the incentives but the legislative branch of government has not come up with the laws of this effect. Only a little more than twenty (20) industrial firms were able to avail themselves of tax incentives under the program. Among these were San Miguel Corporation, Kimberly Clark Philippines, La Tondena, Inc., Franklin Baker Corporation, etc.

4 CONCLUSIONS

Thus, the government has initiated the following programs to address these impacts:

- A study on the possibility of issuing Authority to Construct and Permit to Operate instead of an annual basis to a duration of three or five years.
- Continuous monitoring devices are being required to industries and submission of data/reports to the Department of Environment and Natural Resources on a regular (quarterly) basis.
- Work-out with the Department of Trade and Industry to provide incentives to industries setting up these pollution control devices and waste treatment facilities.
- A shift towards market-based instruments (pollution charge) combining with the traditional command and control.
- Strict enforcement of all environmental laws.
- Cooperating with nongovernment organization and private sector in the compliance monitoring program.