

**IMPLEMENTING RULES AND REGULATIONS
LLDA – PEZA MEMORANDUM OF AGREEMENT (MOA)**

These Implementing Rules and Regulations (IRR) prescribe the procedures and guidelines for the operationalization of the Memorandum of Agreement (MOA) executed by and between the Laguna Lake Development Authority (LLDA) and the Philippine Economic Zone Authority (PEZA) on 12 December 2006. All concerned offices of the LLDA and PEZA shall be guided by these rules and abide by the following:

RULE I. Delineation of Applicability

Section 1. SCOPE

These rules shall apply to all applications for LLDA Clearance, Discharge Permit and related LLDA permits/clearances required of prospective and existing PEZA Proponents within the Laguna de Bay Region.

RULE II. Basic Policy and Objectives

Section 1. BASIC POLICY

The basic policy governing the Memorandum of Agreement (MOA) between the PEZA and LLDA and the formulation of this IRR is to ensure an integrated and simplified implementation of environmental laws, rules and regulations, resource conservation, compliance monitoring and development controls within the ecozones that are subject to the supervision of PEZA.

Section 2. POLICY OBJECTIVES

These rules are directed towards the attainment of the following policy objectives:

- A. To streamline the processing of LLDA Clearances and Discharge Permits within the PEZA ecozones.
- B. To coordinate the conduct of monitoring activities on the Proponents' compliance with pertinent LLDA Rules and Regulations.
- C. To strengthen PEZA's capability in environmental management of ecozones.

RULE III. Definition of Terms

The following words and terms shall have the meaning ascribed in this section:

- A. Compliance Monitoring – activities, usually inspection, sampling, or other means of evaluation, designed to gauge the level of compliance with conditions stipulated in the LLDA Clearance and Discharge Permit and other permits issued by other environmental statutory authorities.
- B. Discharge Permit – is a clearance or legal authorization granted by the LLDA to discharge liquid waste or wastewater of specified concentration and volume into any sewer system or any water body that directly or eventually drains into the Laguna de Bay for a specified period of time.

- C. Ecozones or Special Economic Zones – selected areas owned/administered by PEZA with highly developed or which have the potential to be developed into agro-industrial, industrial, tourist, recreational, commercial, banking, investment and financial centers, the boundaries of which are fixed or delimited by Presidential Proclamations. An Ecozone may contain any or all of the following: industrial estates (IEs), export processing zones (EPZs), free trade zones and tourist/recreational centers.
- D. Environmental Impacts – the probable effects or consequences of proposed projects or undertakings on the physical, biological and socio-economic environment that can be direct or indirect cumulative and positive or negative.
- E. Environmental Performance – adherence to sound operating practices which effectively prevent or minimize impacts to environment resulting to, among others, compliance (and beyond compliance) to environmental standards.
- F. Expansion of Ecozones – increase in land area (contiguous) for development, which may involve improvement and/or establishment of additional roads and bridges, drainage systems, utilities (power, water supply, wastewater treatment plant and other facilities).
- G. Expansion of Locators – involves increase in production capacity with or without process change, installation of additional utilities, and increase in land area (contiguous) for construction of additional facilities.
- H. Geographical Information Systems (GIS) – are essentially computerized graphical overlays and interacting data files. If environmental features are “mapped” systematically, information acquired on specific projects can be combined, and the GIS database becomes more detailed over time.
- I. Laguna Lake Development Authority (LLDA) – created under Republic Act No. 4850, otherwise known as Laguna Lake Development Authority Act of 1966. LLDA leads, promotes and accelerates the development and balance growth of the Laguna de Bay Region with due regard for environmental management and control.
- J. LLDA Clearance (LC) – a clearance secured from the LLDA before development activities, projects and installations can be constructed, maintained, expanded, modified or implemented by any government office/agency or government corporation or private person or enterprise.
- K. LLDA Clearance Exemption (LE) – a legal document exempting development activities, projects and installations from the above-stated requirements.
- L. Locator Firm – an industrial facility that locates or is sited within the geographic boundaries of an economic zone owned/administered by PEZA.
- M. Philippine Economic Zone Authority (PEZA) – created under Republic Act No. 7916 otherwise known as the Special Economic Zone Act of 1995, as amended. PEZA manages or supervises the operation of ecozones throughout the country. It is also responsible for the grant of fiscal incentives available under the Act to investors locating inside ecozones as well as to developers/operators of these ecozones.

N. Project – refers to activities and actions of an undertaking regardless of scale or magnitude, which may have significant impact on the environment.

O. Proponent – PEZA-registered Ecozone developers and locator firms.

RULE IV. Institutional Arrangements

Section 1. LLDA

The Environmental Impact Assessment Unit (EIAU) and the Pollution Control Division (PCD) of the Laguna Lake Development Authority (LLDA) shall be the lead implementing units in carrying out the roles and obligations of the LLDA as stipulated in the MOA.

Section 2. PEZA

The PEZA Environmental Safety Group (ESG) at the PEZA Central Office with Sub-Units in public ecozones shall lead the implementation of the roles and obligations of PEZA in this MOA.

RULE V. LLDA Clearance and Discharge Permit for Special Economic Zones

Section 1. LLDA REQUIREMENTS AND PROCESSING RESPONSIBILITY AND TIMEFRAMES

A. Responsibility of Processing Application for LLDA Clearance and Discharge Permit

The LLDA has the sole responsibility of issuing LLDA Clearance and Discharge Permit. PEZA shall assist LLDA in the processing of LLDA Clearance and Discharge Permit for proponents with PEZA-administered ecozones within the Laguna de Bay Region.

B. LLDA Requirements and Processing Timeframes.

With the assistance of the PEZA-ESG in the screening of documentary requirements for the processing of applications for LLDA Clearance and Discharge Permit, LLDA shall be assured of the completeness of such documents when the application is submitted to the LLDA. As such, streamlined processing timeframes shall be adopted for PEZA projects within the Laguna de Bay Region (refer to Annex 1 and Annex 2).

C. Projects exempted from securing LLDA Clearance

Projects that are classified as exempted under LLDA Board Resolution No. 223, Series of 2004, may proceed with project implementation without LLDA Clearance. A LLDA Clearance Exemption (LE) may be issued by the LLDA if requested by the proponent. The LLDA, however, may require such projects or undertakings to provide additional environmental safeguards, as it may deem necessary.

D. Projects exempted from securing Discharge Permit.

Projects that are classified as exempted under LLDA Board Resolution No. 33, Series of 1996 and LLDA Board Resolution No. 106, Series of 1997, may proceed with project implementation without Discharge Permit (DP). The LLDA, however, may require such projects or undertakings to provide additional environmental safeguards, as it may deem necessary.

Section 2. COMPLIANCE MONITORING

- A. Site Inspections – The PEZA-ESG shall conduct annual inspections, follow-up inspections, incident investigations and other types of inspections that may be required in monitoring the Proponents' compliance with environmental rules and regulations. In the implementation of such activities, the LLDA may assign inspectors to jointly undertake the said inspections with PEZA. When the LLDA is unable to assign its own inspectors, it may do either of the following:
1. adopt the report of the PEZA-ESG inspectors; or
 2. schedule a separate inspection, subject to the provision of the succeeding section.
- B. LLDA On-the-Spot Inspections – The PEZA-ESG upon notice from LLDA shall facilitate the entry of LLDA inspectors inside the ecozone for purposes of, but not limited, to scooping, risk assessment and monitoring of proponent's premises. The PEZA-ESG shall be provided copies of the results of such inspections, simultaneously with submission of findings to the PEZA developer/locator inspected.
- C. Issuance of Notices of Violation – The LLDA shall simultaneously furnish PEZA-ESG with copies of Notices of Violation and Order/Directive for imposition of fines issued to the proponents for having violated applicable environmental laws, rules and regulations.

RULE VI. Support Mechanisms

Section 1. DATABASE BUILD-UP

- A. The LLDA shall provide PEZA, through its ESG, with updated copies of all existing laws, rules, regulations, guidelines, programs, policies, references, journals and publications.
- B. The PEZA-ESG shall compile database from the LLDA including data from PEZA Environmental Sub-Units at the Public Ecozones and make available these materials for the use and access of all PEZA operating units and the LLDA.
- C. The LLDA shall assist PEZA in developing a directory or network of local, national and foreign/international environmental organizations and agencies, which may directly or indirectly, contribute to the effective implementation of PEZA's role in environmental protection.
- D. PEZA, with technical assistance from LLDA shall endeavor to establish Geographical Information System (GIS) in PEZA-declared ecozones which shall be the basis for ecozone ecological profiling. It is understood however that PEZA shall be responsible for the hardware and software requirements and technical personnel to run/operate the GIS.

Section 2. TRAINING.

- A. The LLDA shall assist in the training of PEZA staff on, but not limited to, the following concerns:
1. Pre-screening and evaluation of LC;

2. Pre-screening and evaluation of DP;
3. Technical review of LC and DP;
4. Wastewater effluent sampling; and
5. LC and DP compliance monitoring.


The conduct of adequate orientation/training for concerned personnel from PEZA and LLDA shall be undertaken immediately after these rules take effect.

- B. The PEZA shall provide budgetary allocation for the training of PEZA staff, whenever necessary.


Rule VII. Effectivity

Section 1. These implementing rules and regulations shall take effect immediately after conformance of both parties, and shall be published in a newspaper of general circulation in the Philippines which provides sufficiently wide circulation.

Section 2. Amendments to these Rules may be effected only in writing and upon mutual consent by both parties.


LILIA B. DE LIMA
Director General
PEZA


EDGARDO C. MANDA
General Manager
LLDA



16 January 2008
Date

**PROCESS FLOW FOR LLDA CLEARANCE/LLDA CLEARANCE EXEMPTION
APPLICATION OF ECONOMIC ZONE ENTERPRISES**

Proponent

1. Requests for information and clarifies requirements for application from PEZA-ESG.
2. Submits one (1) copy of documents to PEZA-ESG.

PEZA-ESG

3. Checks the documents for completeness.
4. Returns the application to the proponent for revision /completion, if incomplete.
5. Receives stamps and records the LLDA Clearance Application documents, if complete.
6. Evaluates project within ten (10) working days.
(Note: Timeframe excludes site validation and request for additional information. The proponent is given three (3) working days to submit the additional information, otherwise, failure to comply with which, the application shall be returned and considered-denied.)
7. Issues endorsement letter to the Laguna Lake Development Authority (LLDA) for further appropriate action.

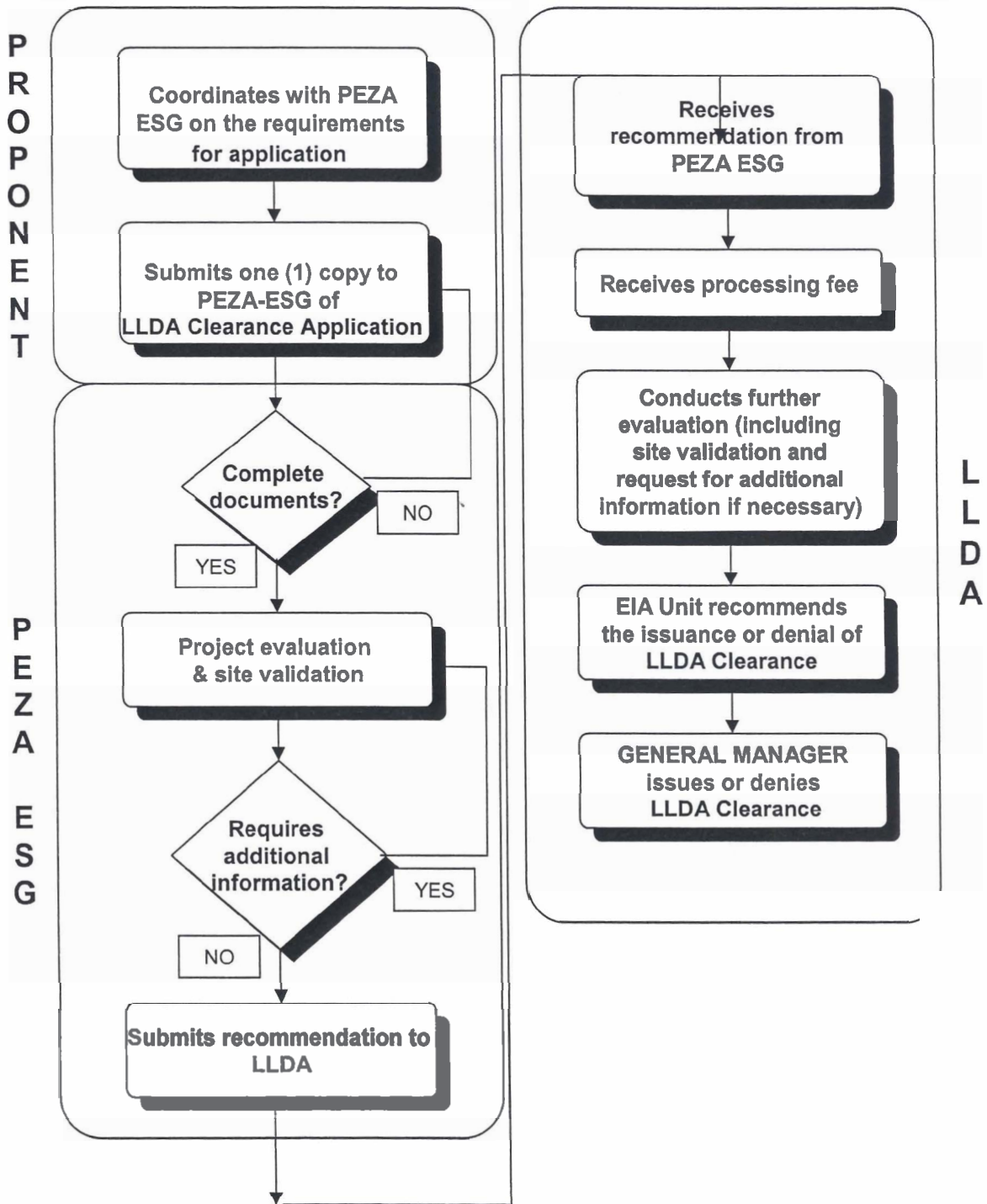
LLDA

8. Receives applications with PEZA's endorsement.
9. Receives the processing fee and regulatory fee from the proponent.
10. Evaluates the project within ten (10) working days
(Note: Timeline excludes further site verification and request for additional information whenever necessary. The proponent is given three (3) working days to submit the additional information, otherwise, failure to comply with which, the application shall be returned and considered denied.
11. EIA Unit recommends the issuance/denial of the LLDA Clearance/LLDA Clearance Exemption.
12. General Manager issues/denies the LLDA Clearance/LLDA Clearance Exemption.

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PROCESS FLOWCHART OF LLDA CLEARANCE APPLICATION



Processing Schedule*

	PEZA	LLDA
LLDA Clearance	Day 1-10	Day 11-20

*delays by the proponent caused by the requirement for additional information is not included in timeframe

268
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1