

[DENR ADMINISTRATIVE ORDER NO. 2013-15, May 27, 2013]

GUIDELINES ON THE OPERATIONALIZATION OF THE AREA WATER QUALITY MANAGEMENT FUND (AWQMF) UNDER REPUBLIC ACT NO. 9275

Pursuant to Section 10 of Republic Act No. 9275, otherwise known as the Philippine Clean Water Act of 2004, DENR Administrative Order No. 2005-10 or the Implementing Rules and Regulations of RA 9275 and Executive Order No. 192 entitled "Reorganization Act of the Department of Environment and Natural Resources", the following guidelines on the operationalization of the Area Water Quality Management Fund (AWQMF) is hereby issued.

Section. 1. Basic Policy. It is the policy of the State to pursue economic growth in a manner consistent with the protection, preservation and revival of the country's fresh, brackish and marine waters, through the following:

- a. Streamlining of the processes and procedures in the prevention, control and abatement of pollution;
- b. Formulation of an integrated water quality management framework through proper delegation and effective coordination of functions and activities;
- c. Formulation and enforcement of a system of accountability for short and long-term adverse environmental impact of a project, program or activity;
- d. Designation of Water Quality Management Areas (WQMAs) for effective integrated management of physiographic units such as watersheds, river basins, or water resource regions; and
- e. Establishment of AWQMF to be used in accordance with Section 10 therein and its utilization for the most cost-effective strategies to achieve such objective.

Sec. 2. Objective. This Order shall set forth the procedures to be followed in the operationalization of the AWQMF designated for each WQMA.

Sec. 3. Scope and Coverage. This Order shall cover all the AWQMF to be designated in all WQMA to support the maintenance, management and protection of water bodies within the WQMA.

Sec. 4. Definition of Terms. As used in and for purposes of this Order, the following terms shall mean:

- a. Accrual – the act of coming into the possession of the fees and charges as an addition or increment.
- b. AWFP – targeted activities and programs with corresponding funds for the whole year.
- c. Eligible Entities – any of the following entities qualified to undertake projects under Section 7 (c) to (f) of this Order:
 - i. Duly registered People's Organizations (POs);
 - ii. Non-Government Organizations (NGOs);

- iii. Private sector; or
- iv. National government agency (NGA) or instrumentality of the State with a mandate of protecting the environment and prevention of water pollution, including but not limited to Local Government Units (LGUs), Protected Area Management Boards (PAWBs) of proclaimed and/or legislated Protected Areas (PAs), officially established fishery management councils, river protection councils and other formal bodies established under the law with clear management authority and public accountability.
- d. Fund Code – the specific account code assigned to the Special Account for the AWQMF.
- e. Goods – all items, supplies, materials and general support services, except consulting services and infrastructure projects, which may be needed in the pursuit of any of the undertaking under Section 7 of this Order, project or activity, whether in the nature of equipment, furniture, stationery, materials for construction, or personal property of any kind, including non-personal or contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, and related or analogous services, as well as procurement of materials and supplies provided by the WQMA for such services. The term “related” or “analogous services” shall include, but will not be limited to lease or purchase of office space, media advertisements, health maintenance services, and other services essential to the operation of the WQMA.
- f. Infrastructure Projects – projects undertaken by the WQMA GB in pursuit of activities under Section 7 of this Order which shall include, but will not be limited to the construction, improvement, rehabilitation, demolition, repair, restoration, or maintenance of projects, irrigation, flood control and drainage, water supply, sanitation, wastewater treatment systems, shore protection, energy/power and electrification facilities, and other related construction projects of the WQMA.
- g. Rural Areas – areas outside of component and highly urbanized cities defined under the Local Government Code.
- h. Sub-Fund Code – the account code designated and assigned by DENR Environmental Management Bureau Central Office (EMB-CO) to each AWQMF.
- i. Wastewater Charge (WWC) – the fee based on the net waste load and calculated based on the wastewater charge formula as required under Section 13 of RA No. 9275.

Sec. 5. Operational Establishment of the AWQMFs. The AWQMF is hereby made operational as illustrated by the following:

- a. The Department of Budget and Management (DBM) shall designate a Fund Code for the Special Account established in the Bureau of the Treasury, which shall be administered by EMB-CO. Once the Fund Code is designated, EMB-CO shall attribute a Sub-Fund Code for each WQMA
- b. The sub-Fund Code shall be provided to the corresponding DENR-EMB Regional Office’s (EMB-RO) WQMA for the remittance of the collections for the AWQMF.

Sec. 6. Administration, Management, and Operation of the AWQMF. The following procedures shall be observed:

- a. The AWQMF to be designated in each WQMA shall be administered by each WQMA Governing Board for the maintenance and upkeep of the water bodies. The WQMA Governing Board shall designate and create, from among its

members, a Fund Committee headed by the designated Chair of the WQMA GB.

- b. The Fund Committee shall comprise five (5) members of the WQMA Governing Board, including the Chair, and shall include one representative each from the LGUs, NGOs, other NGAs, and industries within the jurisdiction of the WQMA.
- c. The Fund Committee shall establish an Administrative and Finance Group (AFG), which shall be responsible for the day to day management of the AWQMF subject to requirements under RA No. 9275 and this Order. The use of and disbursement from the AWQMF shall be based on the respective WQMA's Annual Work and Financial Plan (AWFP) prepared pursuant hereto. This AFG shall be responsible for executing the following functions:
 - i. Planning and Budgeting;
 - ii. Accounting and Financial Reporting;
 - iii. Fund Management;
 - iv. Fund Raising Support; and
 - v. Administrative Services.
- d. This AFG shall work closely with EMB-RO Administrative and Finance Division (AFD) counterparts.

Sec. 7. Sources of and Accrual to the AWQMF. The following shall be the sources of funding the AWQMF:

- a. Fines incurred by establishments located in rural areas before the effectivity of RA No. 9275;
- b. Fees collected under the Wastewater Charge System established under Section 13 of RA No. 9275;
- c. Donations, endowments, and grants for the WQMA for the water quality management of the area; and
- d. Collections from loans granted to eligible entities.

Sec. 8. Collection of Fees under the Wastewater Charge (WWC) System and Other Dues for the AWQMF.

- a. Cashiers of EMB are hereby appointed as Special Collection Officers (SCO), responsible for the collection of WWCs and other receipts creditable to the specific AWQMF. In the absence of regular cashiers in the EMB-ROs, the officially designated EMB cashier shall assume the function of an SCO and shall, for this purpose, be accountable to the WQMA GB.
- b. The SCO shall collect the WWCs and other dues from sources named herein. He shall then issue official receipts as acknowledgement of collections. Receipts shall indicate to which AWQMF the collection shall accrue.
- c. All collections, income, including grants and donations received for the concerned AWQMF, shall be deposited with an Accredited Government Depository Bank (AGDB) for the Special Account in the National Treasury. All dues collected for the AWQMF each day shall be deposited intact on the same day or not later than the next banking day. The Accounting and Financial Reporting Unit shall cause the entry of all deposits into the AWQMF's books of account and ensure prompt reporting of collections and other receipts to the Chairman of the WQMA GB, who in turn shall furnish reports to the WQMA GB, DBM, and Congress.