Industrial Wastewater Management in the Philippines

Focus on Incentive and Reward System

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The PEPP, pursuant to DENR ADMINISTRATIVE Order 2003-14 is a DENR Partnership Program with Industries, in cooperation with other environment-related agencies that aims to encourage and support establishments to adopt self-regulation for improved environmental performance through the provision of regulatory assistance and other incentives.
Program Categories Or Tracks under the Philippine Environmental Partnership Program (PEPP)

There are 2 tracks or categories of Companies participating in the PEPP. These are:

- **Track 1** – Large Companies with proven or demonstrated superior environmental performance that go beyond compliance and are driven by competitiveness, image, and supply chain requirements to improve performance. (i.e., large companies)

- **Track 2** – Companies that are currently unable to comply with regulations and are driven by survival needs (mostly small and medium business enterprise).
High profile recognition reward- rewarded by the DENR Official Seal of approval. This seal may be used in the packaging or advertising of the establishments symbolizing its environment-friendly operations. This seal shall be valid for one year.

Regulatory Assistance

- Relaxation of reportorial requirements as to the frequency of submission
- Simplified requirements for securing Environmental Compliance Certificate for an expansion project.
- Longer validity of permit

Access to financial assistance from PEPP partner financial institutions such as Development Bank of the Philippines (DBP), Land Bank of the Philippines subject to compliance with the standard requirements.

Fiscal incentives such as, but not limited to tax credit and or accelerated deductions.

The are 78 companies qualified for the program’s tract 1 classification and awarded with the DENR SEAL of APPROVAL.
Qualification Criteria for Establishments to Participate Under Track I

- No cases filed to the Pollution Adjudication Board (PAB) for three (3) years prior to the date of application
- Full compliance with all applicable environmental laws, rules and regulations
- Proven record of superior environmental performance as shown in an audit report of the EMS to be prepared by a third party auditor subject to review and validated by DENR-EMB.
Benefits of the Government from PEPP AWARDEES

• Provide technical assistance to the other industry partner, particularly in the preparation and implementation of the sectors Environmental Management Plan

• Assist the industry partner in raising awareness on environment concerns.

• Assist in the development of industry-specific effluent standards, if the need arises.

• Assist in developing a practicable technology that could be used by industry partners to comply with prescribed effluent levels.
Innovation of Awardees Under Track I on Environmental Management

Company 1

- **Nature of business**: Beer manufacturing industry
- **Environmental Program/Practices**:
  - Rain water harvesting
  - Energy Conservation Programs
  - Solid waste segregation
- **Awards /Recognitions/Certifications**:
  - Energy efficiency award (Hall of Fame)
  - ISO 14001 : 2004
  - Merit Citation from DENR
- **Corporate Social Responsibility Program**
  - Adopt- a- Hectare reforestation Project
  - Watershed Rehabilitation
  - Mangrove Rehabilitation Project
  - Adopt a River
  - Coastal Clean Up
  - Adopt-an-Island, and assistance to the conservation of Philippine Eagle
Innovation of Awardees Under Track I on Environmental Management

Company 2

- **Nature of Business:** Semi Conductor Industry
  - Environmental Programs/ Practices
  - Water Recycling
  - Mold Runner & Styrofoam Recycling
  - Lint Free Paper Reduction Program
  - Back Grind Waste Treatment Plant

- **Awards / Recognitions:**
  - Sony Green partner
  - Philippine Environmental Performance Award by PEZA
  - Mother Nature Award by PCAPI
  - Hall of Fame - Energy Management by DOE
  - LEED Award - Silver
  - Master Zero Basura Olympics Award

- **Corporate Social Responsibility Programs:**
  - Tree Planting Angat Bata Program
  - Community Fumigation Program
  - Community Clean-up
  - Medial Mission, Feeding Program
APPROACHES TO TRACK 2

Participation in Track 2 shall be either by establishment or an industry association.

Participating establishments shall enter into an environmental concern agreement with the DENR to achieve regulatory compliance pursuant to the terms and conditions of the ECONA.

ECONA – Environmental Consent Agreement entered between DENR and an Establishment under Track 2 after the Establishment or industry association expresses its intention to achieve improved environmental performance within the context of implementing an EMS.
QUALIFICATION

The qualification criteria for establishment to participate under Track 2.

- Explicit company policy to achieve superior environmental performance self reporting or self-discovered non-compliance with environmental regulations.
- Submission of all Track 2 documentary requirements.
Regulatory Assistance Provided for Establishments UnderTrack 2

- Phased timetable for attaining compliance to regulations ranging from 18 to 30 months within the context of implementing an EMS.
- Flexible payment schemes.
- Simplified requirements for securing an Environmental Compliance Certificate for an expansion project.
- For companies operating without an ECC and are covered by the EIS system the, EMB within the context of an EMS shall accept the ECC of the company, and a waiver or reduction of corresponding penalties.
Financial and Other Assistance

- Provided access to appropriate financial assistance from PEPP partner, banking institutions subject to compliance with their respective standard requirements for borrowing.

- Fiscal incentives such as tax credit and/or accelerated depreciation deductions shall also be provided.
ENVIRONMENTAL REPORTING AND AUDIT

Environmental Reporting

- Submission of quarterly report and annual;
- The report shall present the measures that have been taken in order to fulfill all relevant environmental requirements as well as the results;
- The annual environmental report which shall be submitted to the Environmental Agency concerned within the prescribed period, shall be audited and certified by an independent and accredited environmental auditor.
Self Regulation Management and Coordinating Unit (SRMCU)

Functions

- Review, evaluation and recommendation for Director’s approval of all submitted EMPs;
- Provision of assistance in setting up of EMS and preparation of EMPs and ECONAS;
- Coordination with PEPP partner institutions concerned in the implementation of EMPs;
- Maintenance of a program database;
- Review and evaluation of the efficiency and effectiveness of self-regulation policy;
- Preparation of the accomplishment report.
TRAINING OF ESTABLISHMENT

Training of DENR-EMB, EOs/PCO/CEO on self regulation, preparation of environmental management programs and preparation of reports.
EAs and partner institution shall conduct a massive information, education and communication campaign to ensure understanding and successful implementation.
PHASED IMPLEMENTATION

While this program shall be a nationwide application, the DENR-EMB may phase each implementation not to exceed 3 years in geographic or sectoral pilot areas.
IMPLEMENTATION REVIEW

The PEPP shall undergo periodic review and evaluation to enhance each implementation. DENR EMB/EAs may encourage the PEPP partners and the industries/industry associations in the review process.
CONFIDENTIALITY

The DENR-EMB/EAs shall ensure that all records on business and trade secrets of participating establishments shall be treated as confidential.
Industrial Eco watch was implemented as part of EMB’s compliance monitoring system created under DENR Department Administrative Order (DAO) 98-15 as amended by DAO No. 2003-26.
OBJECTIVES

- Promote self-monitoring and compliance with environmental standards;
- Encourage voluntary self-regulation among establishments for improved environmental performance;
- Encourage pollution reduction beyond compliance through public recognition and praise; and
- Build/enhance the capability of establishments and/or their associations in developing internal environmental management systems and promoting the use of international environmental standards such as the ISO 14000 series.
A public disclosure program where the industrial and commercial establishments are rated with corresponding color in accordance with their environmental performance.

Six color codes are used to rate the performance of various industries:
(Black, Red, Blue, Green, Silver and Gold)
Criteria of BLACK

- Failure to comply with effluent/emission standards;
- Discharges toxic and hazardous waste beyond allowable limits;
- Under a Cease and Desist Order (CDO);
- Willful manipulation of effluent discharge or air emissions/misrepresentation or falsification of report/s;
- Absence or lack of required pollution control device/s;
- Inaction to an existing and legitimate complaint; and
- Obstruction of inspection activities.
Criteria of RED

Failure to comply with effluent/emission standards despite presence of fully-operational pollution control devices.
Criteria of BLUE

• Pollution level of effluent/emission is within standards within the rating period of one year;

• Well-maintained pollution control facility/system;

• Self-monitoring report (SMR) complete and accurate;

• Shall submit within fifteen (15) calendar days after the end of each quarter

• Full compliance with ALL DENR regulatory requirements.
Criteria of GREEN

- Meets all DENR requirements;
- BLUE rating in the previous rating period;
- Effluents/emissions better than standards by 20%;
- Well-functioning monitoring equipment e.g. flowmeter/CEMS; and
- Easily accessible discharge/emission point/s.
Criteria for SILVER

• The firm meets all the DENR requirements;
• GREEN rating in the previous rating; and
• Clean technology, energy & water conservation program in use.
Criteria of GOLD

- SILVER rating for the past 2 years in all media;
- EMS or waste reduction program in place; and
- Community environmental outreach program in place.
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<thead>
<tr>
<th>Performance Indicator</th>
<th>Broad Category</th>
<th>Color Code</th>
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<tr>
<td>Efforts beyond legal requirements</td>
<td>Excellent</td>
<td>GOLD</td>
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<tr>
<td></td>
<td>Outstanding</td>
<td>SILVER</td>
</tr>
<tr>
<td>Effort level sufficient to comply</td>
<td>Very Good</td>
<td>GREEN</td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td>BLUE</td>
</tr>
<tr>
<td>Effort not sufficient for compliance</td>
<td>Bad</td>
<td>RED</td>
</tr>
<tr>
<td>No effort to comply</td>
<td>Very Bad</td>
<td>BLACK</td>
</tr>
<tr>
<td>Color Code</td>
<td>Incentives/Sanctions</td>
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| RED        | • Filing of appropriate case/s in the Pollution Adjudication Board (PAB) for violation/s of applicable guidelines on environmental standards;  
• For firms with accredited Pollution Control Officer (PCO), the investigation of responsibilities or culpabilities of the PCO concerned and the application of administrative sanctions upon conclusion of the investigation; and  
• For firms without accredited PCO, the filing of case/s in the PAB for violations of DAO 26. |
| BLACK      | |
| BLUE       | • Shall be allowed to submit its quarterly SMRs on a semi-annual basis; |
| GREEN      | • Shall be allowed to submit its quarterly SMRs on annual basis; and;  
• Regular permit renewal shall only be based on said SMR submission for two (2) consecutive years. |
<table>
<thead>
<tr>
<th>Color Code</th>
<th>Incentives/Sanctions</th>
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| **SILVER** | • Shall be allowed to submit its quarterly SMRs on an annual basis;  
• Regular permit renewal shall only be based on said SMR submission for three (3) consecutive years; and  
• When applicable, the DENR Official Seal of Approval (as provided for in Section 5.1.1 of Dao 2003-24) shall indicate the rating. |
| **GOLD**   | • Shall be allowed to submit its quarterly SMRs on annual basis;  
• Regular permit renewal shall only be based on said SMR submission for five (5) consecutive years; and  
• When applicable, the qualified firm may also avail of Regulatory assistance and Other assistance as provided for in Section 5.1.2 to 5.1.5 of DAO 2003-14 (PEPP). |
THANK YOU