

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 320

**DESIGNATING THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AS THE NATIONAL AUTHORITY FOR CLEAN DEVELOPMENT MECHANISM**

**WHEREAS**, climate change is a growing global concern that is causing damages to the ecosystems and resulting in natural calamities such as El Nino and La Nina, especially for low-lying vulnerable countries with fragile ecosystems like the Philippines;

**WHEREAS**, the United Nations Framework Convention on Climate Changes (UNFCCC) and the Kyoto Protocol, both signed and ratified by the Philippines with the Department of Environment and Natural Resources as the focal agency, provide for the reduction in the emission of harmful gases in the atmosphere like carbon dioxide and methane, known as "greenhouse gases";

**WHEREAS**, the Kyoto Protocol created the Clean Development Mechanism (CDM), whereby projects that will prevent or absorb greenhouse gases may be established in developing countries like reforestation, use of renewable energy, etc., with the carbon emission to be prevented or sequestered to be purchased by developed countries in compliance with the provisions of UNFCCC and Kyoto Protocol;

**WHEREAS**, participation by the Philippines in the CDM will provide numerous benefits in terms of foreign investments in CDM projects, employment and income opportunities, establishment of ecologically-friendly projects that will contribute to a healthier environment, technology transfer and income from carbon purchases by the developed countries; and

**WHEREAS**, the Marrakesh Accord, adopted in Marrakesh, Morocco in November 2001, provides for the setting up of a National Authority for CDM in participating countries that will act as the focal point for CDM matters and approving authority for CDM projects.

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby designate the Department of Environment and Natural Resources (DENR) as the National Authority for Clean Development Mechanism (CDM).

**SECTION 1. Powers and Functions.** The National Authority for Clean Development Mechanism shall have the following powers and functions:



- a. Formulate and develop a national Clean Development Mechanism policy.
- b. Develop the criteria, indicators, standards, systems and procedures, and evaluation tools for the review of CDM projects.
- c. Undertake the assessment and approval of CDM projects that will be submitted to the UNFCCC and Kyoto Protocol.
- d. Monitor the implementation of CDM projects, and
- e. Perform other functions that are related to and in pursuance of the development of CDM.

**SEC. 2. *Creation of Technical Evaluation Committees.*** The National Authority is hereby authorized to create Technical Evaluation Committees necessary for the efficient and effective implementation of its functions. The Department of Energy shall take the lead role in the evaluation of energy-related projects. All Departments, agencies and instrumentalities of Government are hereby directed to provide the necessary support and assistance to the National Authority.

**SEC. 3. *Promulgation of Rules and Regulations.*** The National Authority shall, within one hundred and twenty (120) days from the issuance of this Order, promulgate the necessary rules and regulations to effectively carry out its functions provided herein. In the interim, the existing procedure for the approval of CDM project proposals shall continue to be enforced.

**SEC. 4. *Repealing Clause.*** All orders, rules and regulations and issuances or parts thereof which are inconsistent with this Executive Order are hereby repealed, amended or modified accordingly.

**SEC. 5. *Effectivity.*** This Executive Order shall take effect immediately, and upon filing with the University of the Philippines Law Center of the Rules and Regulations issued pursuant to Section 3 hereof.

**DONE**, in the City of Manila this 25<sup>th</sup> day of June in the year of Our Lord, Two Thousand Four.

*Glenn Arago*



By the President:

*Alberto G. Romulo*

**ALBERTO G. ROMULO**  
Executive Secretary

  
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DIRECTOR IV

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