

[EXECUTIVE ORDER NO. 406, March 21, 1997]

INSTITUTIONALIZING THE PHILIPPINE ECONOMIC-ENVIRONMENTAL AND NATURAL RESOURCES ACCOUNTING (PEENRA) SYSTEM AND CREATING UNITS WITHIN THE ORGANIZATIONAL STRUCTURE OF THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR), NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA), AND NATIONAL STATISTICAL COORDINATION BOARD (NSCB)

WHEREAS , the Philippines has established a firm resolve to pursue sustainable development as contained in the Medium-Term Philippine Development Plan 1993–1998 and the Philippine Agenda 21. Towards this end, there is a need for integrated socio-economic and environmental plans, programs and policies;

WHEREAS , the Philippine System of National Accounts (PSNA), the basis for the formulation of medium- and long-term development plans, does not yet capture the role of the environment as a source of natural capital and as sink for the wastes generated by production and other human activities;

WHEREAS , there is a need to establish a PEENRA System as a satellite account to the PSNA to generate macro-indicators that shall reflect the relationships and interactions between the natural environment and the economy;

WHEREAS , the Philippine Agenda 21 includes as one of its targets the initial institutionalization of Environment and Natural Resources Accounting (ENRA) to develop a comprehensive indicator of sustainable development and to improve current efforts to consider and adequately value natural capital or ecosystem services in socio-economic decisions and establish a reliable database on social valuation estimates of environmental services;

WHEREAS , the APEC Senior Officials and Ministerial Meetings on Sustainable Development held in the Philippines in May and July 1996, respectively, recommended the introduction and adoption of Environmental and Natural Resources Accounting;

WHEREAS , the NSCB as the agency mandated to develop and maintain the PSNA, and the DENR and NEDA are currently performing functions in support of environment and natural resources accounting.

NOW, THEREFORE, I, FIDEL V. RAMOS , President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SECTION 1. *PEENRA and Other Units.* – PEENRA Units shall be created within the organizational structures of the NSCB and the DENR. A unit at NEDA shall be designated to coordinate ENRA activities and NEDA's present personnel shall be augmented to assume such functions.