

**[ DOLE DEPARTMENT ORDER NO. 100-10, March 01, 2010 ]**

**IMPLEMENTING RULES AND REGULATIONS OF THE SOCIAL AMELIORATION AND WELFARE PROGRAM IN THE BIOFUEL INDUSTRY UTILIZING SUGARCANE AS FEEDSTOCK**

Pursuant to the Sections 11(e) and 17 of Republic Act No. 9367, otherwise known as the Biofuels Act of 2006, and per authority granted by the National Biofuels Board (NBB) to the Department of Labor and Employment (DOLE), the DOLE shall establish a mechanism similar to that provided under Republic Act 6982, otherwise known as the Sugar Amelioration Act of 1991 for the benefit of the biofuel workers. Section 17 further provides that the Act shall not in any way result in the forfeiture or diminution of the existing benefits enjoyed by the sugar workers as prescribed under R.A. 6982 in case sugarcane shall be used as feedstock. In compliance thereto, the following guidelines on the implementation of the Social Amelioration and Welfare Program (SAWP) in the biofuel industry utilizing sugarcane as feedstock, are hereby issued for the guidance of all concerned:

**RULE I**  
**General Provisions**

*SECTION 1. Title.* This Department Order shall be known as the Implementing Rules and Regulations on the Social Amelioration And Welfare Program (SAWP) in the Biofuel Industry Utilizing Sugarcane as Feedstock hereinafter referred to as the "Implementing Rules and Regulations" or IRR.

*SECTION 2. Objectives.* The SAWP under the Act as provided in these IRR shall aim to improve the socio-economic well-being of workers and their families thru augmentation of their income and access to productive resources, social protection coverage and provision of livelihood and employment opportunities.

*SECTION 3. Scope.*

- a) The IRR shall include the sectoral coverage, consultative mechanism, implementing agencies/bodies, programs and projects, administration, management of lien, program monitoring and penal provisions.
- b) It defines the roles of stakeholders and duty holders.

*SECTION 4. Definition of Terms.* For purposes of this IRR, the following definitions shall apply:

- a) *Act* – refers to Republic Act No. 9367, otherwise known as the Biofuels Act of 2006;
- b) *Adjunct Plant* – refers to a bioethanol plant which is integrated to a sugar mill;
- c) *Affiliated Planter* – refers to one who is a member of or is affiliated with a planters association or cooperative recognized by the bioethanol producing plant;
- c) *Bioethanol* – refers to ethanol (C<sub>2</sub>H<sub>5</sub>OH) produced from sugarcane;
- d) *Bioethanol Fuel* – refers to hydrous or anhydrous bioethanol suitably denatured for use as motor fuel, with quality specifications in accordance with the Philippine National Standards (PNS);
- e) *Bioethanol Plant* – refers to the facility where the processing of biomass, particularly sugarcane, to produce bioethanol fuel takes place. It may be a stand alone or adjunct facility as defined under items (b) and (dd);
- f) *Bioethanol Producer* – refers to any person or entity engaged in the production of bioethanol fuel;
- g) *Bioethanol Worker* – refers to a bioethanol plant worker or field worker as defined under items (q) and (y) of this Section.
- h) *Biofuel* – refers to bioethanol and biodiesel and other fuels made from biomass and primarily used for motive, thermal and power generation with quality specifications in accordance with the PNS;
- i) *Bureau* – refers to the Bureau of Workers with Special Concerns (BWSC) created under the DOLE Rationalization Program in compliance to Executive Order No. 366 (series of 2004) providing for the Program on Rationalizing and Improving Public Service Delivery, which is a consolidation of the Bureau of Rural Workers and Bureau of Women and Young Workers;
- j) *Cash Bonus Fund or CBF* – refers to the eighty percent (80%) share of the lien given as social amelioration bonus to the covered bioethanol workers, including any and all incomes or interests derived therefrom;
- k) *Crop Year* – refers to the 12-month operating period declared by the bioethanol producer;
- l) *Delivery Receipt* – refers to the document that evidences the quantity of sugarcane delivered to the bioethanol plant as feedstock in the production of bioethanol fuel;
- m) *Distribution* – refers to the actual delivery to and receipt of the cash bonus by the covered bioethanol workers as evidenced by a cash bonus special payroll;

- n) *DOE* – refers to the Department of Energy;
- o) *DOLE* – refers to the Department of Labor and Employment;
- p) *Feedstock* – refers to organic source or biomass, particularly sugarcane used in the production of bioethanol fuel;
- q) *Field Worker* – refers to one who is employed in a sugarcane plantation or farm wherein the sugarcane produced is utilized for bioethanol fuel production. He is also called plantation or farm worker;
- r) *Forfeited Amount* – refers to the portion of the unclaimed/undistributed cash bonuses of covered bioethanol workers which, having been unclaimed during the three-year prescriptive period, is forfeited in favor of the socio-economic projects and programs for the bioethanol workers;
- s) *Lien* – refers to the levy collected from the production of bioethanol fuel utilizing sugarcane as feedstock, to support the Social Amelioration and Welfare Program for bioethanol workers;
- t) *Liter Ethanol or LE* – refers to the volume of bioethanol fuel produced from sugarcane;
- u) *Lkg* – refers to a unit of measurement which is equivalent to 50 kilograms;
- v) *Managerial Employee* – refers to one who is vested with powers or prerogatives to lay down and execute management policies and/or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees, pursuant to Rule 1, Book V of the Implementing Rules and Regulations of the Labor Code, as amended;
- w) *Planter* – refers to a sugarcane plantation/farm owner, lessee or operator who produces sugarcane for bioethanol fuel production;
- x) *Planters' Association/Cooperative* – refers to the organization of sugarcane planters;
- y) *Plant Worker* – refers to one who is employed by a bioethanol producer and who is involved in the production of sugarcane for bioethanol fuel;
- z) *PNS* – refers to the Philippine National Standards consistent with Section 26 of R.A.No. 8749 otherwise known as the "Philippine Clean Air Act of 1999";
- aa) *Regional Office* – refers to the Regional Office of the DOLE including its Field, Provincial and other extension offices;
- bb) *Socio-Economic Program-Related Funds* – refers to the twenty

percent (20%) share of the lien allocated for socio-economic programs, including any and all incomes or interests derived therefrom;

cc) *SRA* – refers to the Sugar Regulatory Administration;

dd) *Stand-alone Bioethanol Plant* – refers to a bioethanol plant which is not integrated to a sugar mill;

ee) *Ton Cane or TC* – refers to the weight of sugarcane equivalent to a metric ton;

ff) *Trust Receipt Agreement or TRA* – refers to the instrument executed by and between the DOLE and the bioethanol producer and the planters' association, by and between the bioethanol producer and unaffiliated planters, as well as by and between the planters' association and the planter-members to evidence transfer and acceptance of cash bonus collection for distribution to workers who are entitled thereto;

gg) *Unaffiliated Planter* – refers to one who is not a member of or affiliated with a planters' association or cooperative which is recognized by a bioethanol plant. He is also called an "independent planter" or "non affiliated planter".

## **RULE II Coverage**

### *SECTION 1. Employers Covered*

- a) All bioethanol producers who own or operate bioethanol plant that utilizes sugarcane as feedstock, and
- b) All planters, affiliated or not, who deliver sugarcane directly or through a sugarcane supplier, trader or consolidator for bioethanol fuel production.

### *SECTION 2. Workers or Employees Covered*

- a) All plant workers involved in the production of bioethanol fuel, and
- b) All field workers, migratory workers or sacadas employed by the covered planters.

Excluded are managerial employees, and workers/employees who are working in the bioethanol plant and sugarcane farms under an agency or contractor with a legitimate job contracting or sub-contracting service agreement with the plant or farm.

### **RULE III**

#### **Consultative Mechanism**

*SECTION 1. Creation of a Consultative Council.* The Secretary of Labor and Employment shall create a Tripartite Consultative Council (TCC) of SAWP for biofuel industry utilizing sugarcane as feedstock which shall serve as the advisory body of the DOLE in policy-making, program implementation and monitoring the SAWP implementation.

*SECTION 2. Composition.* The TCC shall have eleven (11) members composed of the following:

a) Government Sector

Secretary of DOLE or his duly authorized representative as ex-officio Chairperson;  
One (1) representative from SRA (ex-officio); and  
One (1) representative from DOE (ex-officio).

b) Labor Sector

Two (2) representatives from the Plant Workers' Sector; and  
Two (2) representatives from Field Workers' Sector.

c) Management

Two (2) Representatives from the Producers' Sector; and  
Two (2) Representatives from the Planters' Sector.

The representatives from the Labor and Management Sectors shall be appointed by the Secretary from among the nominees of the sectoral organizations duly recognized by concerned government agencies. The Secretary may increase or decrease the composition of the Council as necessary.

In case where there is no nomination from the sector or no duly recognized organization exists, the DOLE Secretary may appoint a representative to the TCC as she/he may deem fit to represent the sector.

*SECTION 3. Power and Functions.* The Council shall:

a) Serve as the advisory body to the Department relative to the effective implementation of SAWP for biofuel industry utilizing sugarcane as feedstock;

b) Evaluate and recommend to the Secretary any necessary adjustment in the amount of lien and in the formula used in determining the amount of lien for the implementation of the SAWP;

c) Recommend to the Secretary policies and programs that will ensure the effective and efficient utilization of the twenty percent (20%) share of the lien allocated for socio-economic programs and any and all its incomes or interests;