



Republic of the Philippines

Department of Environment and Natural Resources

**MINES AND GEOSCIENCES BUREAU**

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**MEMORANDUM CIRCULAR**

No. 2020 - 004

JUN 03 2020

**SUBJECT : CLARIFICATORY GUIDELINES FOR THE ESTABLISHMENT OF THE CONTINGENT LIABILITY AND REHABILITATION FUND FOR DREDGING PROJECTS/ACTIVITIES PURSUANT TO THE DPWH-DENR-DILG-DOTR JOINT MEMORANDUM CIRCULAR NO. 1 SERIES OF 2019**

**WHEREAS**, Section 180 of Department of Environment and Natural Resources (DENR) Administrative Order (DAO) No. 2010-21 in re: "*Revised Implementing Rules and Regulations of Republic Act No. 7942, otherwise known as the Philippine Mining Act of 1995*" provides that the DENR through the Mines and Geosciences Bureau (MGB) shall institutionalize an environmental guarantee fund mechanism to be known as the Contingent Liability and Rehabilitation Fund (CLRF), to ensure just and timely compensation for damages and progressive and sustainable rehabilitation for any adverse effect a mining operation or activity may cause;

**WHEREAS**, Sections 9.1 and 9.3 of DAO No. 2003-30 in re: *Implementing Rules and Regulations (IRR) for the Philippine Environmental Impact Statement (EIS) System*" provides that an Environmental Monitoring Fund (EMF) and Environmental Guarantee Fund (EGF) shall be established for all co-located or single projects that have been determined by DENR to pose a significant public risk or where the project requires rehabilitation or restoration, to defray the cost of monitoring, compensation for damages, social development, progressive rehabilitation, and final mine rehabilitation/decommissioning;

**WHEREAS**, Section 8.5 of the Department of Public Works and Highways(DPWH)-DENR-Department of the Interior and Local Government (DILG)-Department of Transportation (DOTr) Joint Memorandum Circular (JMC) No. 1, Series of 2019 in re: *Guidelines on the Issuance of Clearance and/or Permit for Dredging within Waterways or Other Inland Bodies of Water* provides that all mining operations with dredging permits shall comply with Republic Act (RA) No. 7942, RA No. 7076 or the *People's Small-scale Mining Act of 1991*, and their implementing rules and regulations, and other applicable laws, rules and regulations;

**WHEREAS**, Article IV, Section 1 of DAO No. 2020-07 in re: *Rationalizing Dredging Activities in Heavily-Silted River Channels Pursuant to DENR-DPWH-DILG-DOTr Joint Memorandum Circular No. 1, Series of 2019*, provides that all holders of dredging clearance shall comply with pertinent laws, rules and regulations on environmental protection, the allocation of funds for environment-related expenditures, environmental impact assessment, and setting up of the contingent liability and rehabilitation fund among others;

**NOW THEREFORE**, for and in consideration of the foregoing premises, the following clarifications are hereby provided:

1. The CLRF shall be established for the following dredging projects/activities, and shall be managed and administered by the CLRF Steering Committee pursuant to Section 193 of DAO No. 2010-21:

**"MINING SHALL BE PRO-PEOPLE AND PRO-ENVIRONMENT  
IN SUSTAINING WEALTH CREATION AND IMPROVED QUALITY OF LIFE"**



Mines Geoscience Bureau Circular 004/2020 10:08 AM

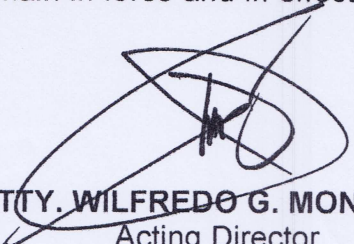




- a. Dredging with commercial utilization of dredged materials, as stipulated under Sections 5.1.2b and 5.1.2c of the JMC No. 1, Series of 2019, and with Special Mines Extraction Permit, as stipulated under Mines and Geosciences Bureau Memorandum Circular No. 2019-07 in re: *Clarificatory Guidelines on Section 5.1.2c of DPWH-DENR-DILG-DOTR JMC No. 2019-01*; and
  - b. DENR River Restoration through dredging activities, as stipulated under Section 5.4 of JMC No. 1 Series of 2019.
2. The EGF and EMF shall be established for Dredging with commercial utilization of dredged materials, with permits issued by the Provincial/City Mining Regulatory Board and LGU as stipulated under Section 5.1.2a of JMC No. 1 Series of 2019, and shall be managed and administered by the EGF Committee pursuant to Section 9.3 of DAO No. 2003-30.

All orders, circulars and other issuances or parts thereof inconsistent with or contrary to the provisions of this Circular are hereby repealed and/or modified accordingly.

This Circular shall take effect immediately and shall remain in force and in effect unless revoked/repealed in writing by this Office.

  
ATTY. WILFREDO G. MONCANO  
Acting Director



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