

NATURAL RESOURCE MANAGEMENT and FEDERALISM: MUCH ADO ABOUT NOTHING?

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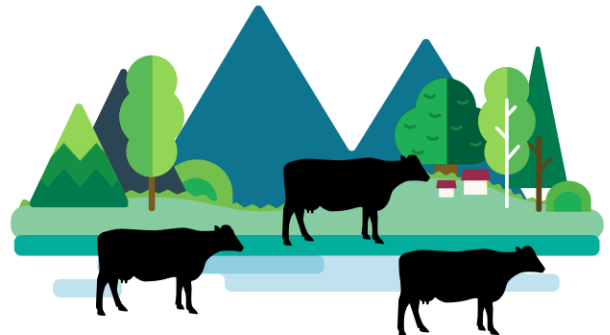


1 NATURAL RESOURCE MANAGEMENT

- Fundamental to economic activities
- Who controls and manages?
- Efficiency OR equity?
- Property Rights

2 "NATURE" OF NATURAL RESOURCES

- Who has jurisdiction over the resources?
- How can “non-owners” be prevented from using the resource?
- Avoiding Tragedy of Commons



3

PHILIPPINE REPORT CARD



58% of groundwater is contaminated (ADB)



Only 30% of the country's river systems is suitable for water supply (ADB)



Forest cover has dropped from 70% to 20%. Only 3.2% of the total rainforest has been left as of the late 1990s.



The country has been losing valuable ecosystem services due to the growing demand on the environment and natural resources, and poor management.

4 PUBLIC POLICY to MANAGE NATURAL RESOURCES

 "One-size-fits-all" Policy



Renewable vs. Non-renewable resources

Point source vs. Non-point source pollution

Endangered vs. non-endangered

Presence (or non-presence) of indigenous people

Fragility of natural resource

Locational context and issues

Stakeholders

Multiple Jurisdictions

5

KEY ISSUES



WHO DECIDES?



WHO WILL BEAR THE COST?



WHO SHOULD ENJOY THE BENEFITS?



HOW WILL ECONOMIC BENEFITS BE DISTRIBUTED?

FEDERALISM vs RETROFITTING THE LOCAL GOVERNMENT CODE

LGC



VS



FEDERAL

Can the current LGC respond adequately to the issues presented? If not, what are the gaps?

Is shift to Federalism the cost-efficient response to the inadequacies of the LGC? Or will it create new costs and tension that could make resource management more cumbersome and complicated?



Comparing Policy Responses to a Natural Resource Problem: Case of Mining and Energy

1 LOCAL GOVERNMENT REGULATION

Anti-Mining Ordinances in 40 provinces:

- Protection of Environment
- Primacy of national law over anti-mining ordinances
- No law that prevents local governments from imposing additional strictures to safeguard the environment





2 SHARE IN NATIONAL WEALTH

Economy

By Keith Richard D. Mariano

Local gov'ts struggle to collect share of oil, gas, mining taxes

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Posted on **March 14, 2016**

LOCAL GOVERNMENT units (LGUs) have raised concerns over the delayed release of their share in state revenue from mining, oil and gas companies.

Palace, Palawan face off over Malampaya's \$10 billion

Jesus F. Llanto, Newsbreak

Posted at Sep 01 2009 12:25 PM | Updated as of Sep 01 2009 08:29 PM



To deprive the province of its share, the national gov't tries varying territorial definitions



3

FISCAL AUTONOMY

Aquino slashes real property taxes on facilities of power producers contracted by GOCCs



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06:36 PM October 31st, 2014

Vizcaya wants P2.3-b taxes from power, irrigation firms

posted December 07, 2015 at 12:01 am by **Brenda Jocson**



BAYOMBONG, Nueva Vizcaya—The provincial government has issued a final demand notice to pressure an American power and irrigation firm and a Filipino-owned power transmission concessionaire to pay their real property tax delinquencies amounting to more than P2.3 billion.

The final demand notice shows that the California Energy-Casacnan Water and Energy Co., which operates the Casacnan Multi-Purpose Irrigation and Power Project in Alfonso Castañeda town, owes the province some P2.2 billion in RPT.

On the other hand, the National Grid Corporation of the Philippines, which operates, maintains and develops the country's power grid and holds the 25-year concession contract to operate the country's power transmission network, owes the province some P157 million in RPT.

"Their tax obligations in the province have long been overdue. This has necessitated the issuance of the final demand notice by the provincial treasurer's office to collect their RPT delinquencies," Gov. Ruth Padilla said.



4 JOINT OWNERSHIP/ BOUNDARY DISPUTE

Tampakan project still faces 'open-pit mining' ban in S.Cotabato

By Coco Alcuz, ABS-CBN News Channel

Posted at Feb 20 2013 09:37 AM | Updated as of Feb 20 2013 05:40 PM

MANILA, Philippines - The \$6-billion Tampakan copper-gold project is one step closer to starting in Sarangani, Sultan Kudarat and Davao del Sur but remains stalled in its main location South Cotabato.

DENR Secretary Ramon Paje said an environment clearance certificate given to the project on Tuesday means one less requirement for the project t three provinces.

OceanaGold avows payment of taxes

(The Philippine Star) | Updated January 14, 2015 - 12:00am

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MANILA, Philippines - OceanaGold pays dutifully and in full its tax obligations to the province of Nueva Vizcaya, and to all other government entities it is obligated to do likewise or, in case of technical issues, as it may be directed by the court.

This affirmation was made by Bradley Norman, OceanaGold country director, to correct reports that OceanaGold has an unsettled tax obligation with the province of Nueva Vizcaya.

"The misimpression that OceanaGold is remiss in the payment of real property taxes arises from the fact that the issue of where to pay them is currently uncertain and is yet to be decided by the court. Neighbors Nueva Vizcaya and Quirino province have both sent OceanaGold real property tax assessments, to which of them should OceanaGold pay the tax is our dilemma," Norman said.



PROPERTY RIGHTS: OWNERSHIP AND CONTROL

Article XII of the Constitution provides:
SECTION 2. All lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources are owned by the State.

The exploration, development, and utilization of natural resources shall be under the full control and supervision of the State.



PROPERTY RIGHTS: OWNERSHIP AND CONTROL

The Cariño Doctrine

Ancestral domains are not part of the public domain. Under Philippine law, they are private lands.

The right of ownership by indigenous peoples under Section 7 (a) of IPRA does not cover “waters, minerals, coal, petroleum and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna and all other natural resources.”



PROPERTY RIGHTS: OWNERSHIP AND CONTROL

State ownership of resources, however, does not empower the national government to simply take these resources.

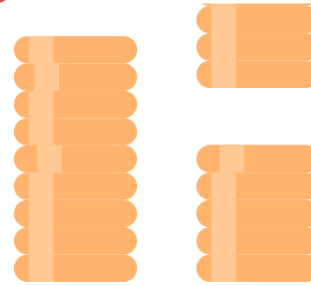
The Local Government Code of 1991 requires the national government to consult stakeholders and secure the consent of local councils concerned before it can proceed with any project

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KEY ISSUES: OWNERSHIP and PROPERTY RIGHTS



FISCAL AUTONOMY



SHARING



FUND MANAGEMENT



ENVI COST AND BENEFIT



EQUITY and REDISTRIBUTION

5

KEY ISSUES: CONTROL



Regulation
(Decentralization vs.
Cooperative Federalism vs.
Federal Control
Capacity)



Capacity



NATURAL RESOURCE MANAGEMENT and FEDERALISM: MUCH ADO ABOUT ANYTHING?

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