



## Reyes New DENR Secretary

**GENERAL ANGELO TOMAS REYES** (Ret) has taken a new turn in his career as he shifts from his post as Department of Interior and Local Government Secretary to that of Department of Environment and Natural Resources Secretary---succeeding recently-appointed chief of presidential staff Michael T. Defensor.

Appointed by President Gloria Macapagal-Arroyo last February 5, Reyes officially assumed his appointment in turnover rites at the DENR a few days after.

DENR officials and its 25,000 employees welcome the appointment of Reyes---seen as a concrete step to reinforce the government's various programs on environmental protection.

DENR officials said that Reyes' rapport with local government officials will enable him to gain local government units' (LGUs') cooperation in stopping and prosecuting syndicates engaged in illegal logging and illicit mining, the DENR's most pernicious problems.

Born March 17, 1945 in San Miguel, Manila, to Pablo Reyes of Binangonan, Rizal, and Purificacion Tomas of Malate, Manila, Reyes spent most of his childhood days in San Miguel, Manila. He graduated in 1960 as Cubao High School's valedictorian. He graduated as one of the top ten of class 1966, Philippine Military Academy, Baguio City.

Armed with two masteral degrees --- Master in Business Administration from the Asian Institute of Management (1973) and Master in Public Administration from Harvard University (1991), he also took up International Defense Management in Monterey, California (1983). He graduated at the



head of his class in Trust Operations Management (1987), conducted by the Trust Institutes Foundation of the Philippines, Ateneo Business School, which eventually earned him a scholarship to the Northwestern University in Chicago, Illinois.

Reyes served the Armed Forces of the Philippines (AFP), becoming its chief of staff. After his retirement from the military, he joined the President Arroyo administration as Department of National Defense (DND) Secretary. The AFP modernization program started during his term.

His transfer to the DILG saw Reyes waging war against high-profile crimes such as kidnapping and bank robberies. He concurrently served as chairman of the National Police Commission (Napolcom).

As head of the Presidential Anti-Smuggling Task Force, Reyes cracked down on smuggling syndicates. The various industry and trade associations commended Reyes for his drive against lawlessness.

Throughout his career, Reyes received various awards and decorations from military and civilian institutions, among them the Philippine Legion of Honor, AFP Distinguished Service Star, and Military Merit distinctions; and recognized as the Most Outstanding Project Chairman by the Philippine Jaycees for "The Youth Speaks."

Reyes exemplifies the values of education, leadership, dedication, service, resolve, and concern for the common good.

Reyes is married to Teresita P. Reyes with whom he has five sons, Pablo, Angelito, Marc, Carlo and Judd.

### PWPA Officers Brief New DENR Secretary

PWPA officers met with new DENR Secretary Angelo T. Reyes last March 4 to brief him about the Association, the concerns of the wood industry, and its recommendations to resolve industry issues.

The dialogue also tackled projects which can be immediately tackled to protect and increase the country's

forest cover --- one of his priority inter-ests.

Reyes said he looked forward to convergent efforts of public and private sectors, with the latter establishing industrial tree plantations and promoting tree farms, and the former involved in reforestation. He said he needs the ideas, talents, experiences and resources of the private sector to help the government initiate and push successful reforestation, including the opening of communal fuel wood plantations which would involve the active participation of

communities and LGUs. The partnership between the DENR and PWPA could begin with model projects so that the image of pro-environment could be immediately projected by the Association, he added.

He expressed interest in the tree plantation models mentioned by PWPA --- Chile and New Zealand, and locally, the PICOP's LEAF and the RP-New Zealand Bukidnon Forest.

**He assured the PWPA officers that the DENR will attend to the concerns/issues raised during the briefing.**

Present in the meeting were PWPA officers Antonio G. Bernas, Chairman Emeritus; Antonio C. Olizon, Chairman; Fernando A. Lu, President; Anfonso C. Keh, Jr., EVP; Evaristo M. Narvaez, Jr., Aristeo G. Puyat and Victor A. Consunji, Directors; and Leonardo D. Angeles, Executive Director; plus DENR Undersecretary Tessam Castillo and Mr. Ruben Tangco.



**PWPA BRIEFING OF SEC. REYES.** (l-r) PWPA chair emeritus Antonio Bernas; PWPA directors Victor Consunji, and Aristeo Puyat; PWPA EVP Alfonso Keh, Jr.; PWPA Director-VP Evaristo Narvaez, Jr.; PWPA Exec. Dir. L. D. Angeles; Mr. Ruben Tangco; DENR Undersecretary Tessam Castillo PWPA chair Antonio Olizon; DENR Secretary Angelo Reyes and PWPA president Fernando Lu.

### Forum Resolution Finally Endorsed

The Resolution adopted by participants of the Philippine Forestry Development Forum (June 2-3, 2005, Asian Development Bank) finally got off the ground recently with the organizers-convenors signing and endorsing it to the offices of the President of the Philippines, the Senate President and the Speaker of the House of Representatives.

The endorsement urges the government's key officials to adopt and implement the Resolution recommendations with the active participation of the forestry sector and other concerned stakeholders to

**The endorsement urges... to adopt and implement ... with the active participation of all concerned stakeholders to ensure sustainable development and management ... and the overall protection of the environment**

ensure a holistic and sustainable approach to development, management of forest resources, and overall protection of the environment.

With its theme "Sustainable Forest Management: A Holistic Path to National Development," the Forum aimed to create a high level of awareness among concerned sectors on the socio-economic importance of the forest and the forestry sector. More than 360 delegates from the academe and scientific community, government, business/industry sectors and civil society attended the Forum.

<p><b>WoodStock</b></p> <p>Bi-monthly publication of the <b>Philippine Wood Producers Association</b></p>	<p><b>EDITORIAL BOARD</b></p> <p>Antonio C. Olizon, Chairman of the Board</p> <p>Fernando A. Lu, President</p> <p>L.D. Angeles, Managing Editor</p>	<p><b>E-mail us at :</b></p> <p><a href="mailto:pwpa@greendot.com.ph">pwpa@greendot.com.ph</a></p> <p>for your comments, feedback or letters to the Editor</p>
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## Defensor: Cancel Forest Contracts in 8 Regions

In separate orders last January 25, Defensor directed his regional directors in Regions 1, 4, 5, 6, 7, 8, 9 and CARAGA to immediately issue orders canceling all existing Industrial Forest Management Agreements (SIFMA) and Community-based Forest Management Agreements (CBFMA) in their respective regions, except those whose suspension of timber harvesting operations have been lifted, including those that have passed the validation.

*...Defensor directed his regional directors ... to issue orders canceling all IFMAs, ITPLAs, SIFMAs and CBFMAs...*

(IFMA), Industrial Tree Plantation Lease Agreements (ITPLA), Socialized Industrial Forest Management Agreements

It will be recalled that in December last year, Defensor cancelled 276 various forestry contracts. Of these, 233 were CBFMAs, the rest were TLAs, IFMAs and ITPLAs. Since then, however, the suspension has been lifted for a number of TLAs and IFMAs in the entire Region 11 (Davao Province) and Region 13 (CARAGA) as well as in Region 9 (Zamboanga Peninsula) CAR, Region 2 and Region 3.

## Reyes Suspends Mandatory Environmental Insurance Policy

DENR Secretary Angelo T. Reyes suspended on March 3 the implementation of the Mandatory Environmental Insurance Coverage (MEIC) imposed by the DENR last year. According to him, more consultations on the viability of MEIC will be arranged with key stakeholders.

"I have already instructed the Environmental Management Bureau and its

regional officials to issue ECCs without requiring companies to avail of the mandatory insurance policy," he said.

Under the system, companies were required to avail of an insurance fund that would cover environ-

*...consultations on the viability of MEIC will be arranged with key stakeholders.*

## Reyes To Review Cancellation Order of CBFMA

DENR Secretary Angelo T. Reyes guaranteed the review of the Department's decision to cancel all Community-based Forest Management Agreements (CBFMAs) for the sake of national interest.

In a meeting with officers of the National CBFM People's Organizations Federation of the Philippines, the federation officers claimed that the cancellation will leave 1.6 million hectares of forestland vulnerable to timber poaching and other destructive interests.

They added that it

would also dislocate some 275,000 households, or 1.3 million persons nationwide who committed to help in forest protection.

The federation committed the establishment of a system to regulate their members and recommend actions on violations. It also explained that members have "performed their obligations and established a partnership with the DENR in 10 years of trust and capacity-building."

Secretary Reyes assured the group that he would carefully study the matter and decide on the basis of national interest.

The national CBFM POs body has 141 regional and 71 provincial federations, and 1,691 people's organizations representing upland dwellers nationwide.

"additional burden" to their operations.

It will be recalled that MEIC drew objections from various sectors since there had been an existing mechanism for such compensation known as the Environmental Guarantee Fund.

*...cancellation will leave 1.6 M ha ... vulnerable to timber poaching and other destructive interests ... also dislocate some 275,000 households, or 1.3 M persons nationwide...*

## Butuan City Public Hearing Clarifies Issues

The Committee on Natural Resources tackled mining, logging and pollution issues faced by Surigao del Sur in a public hearing held February 16-17 at the Almond Inland Convention Center in Butuan City).

The specific issues tackled: **House Resolution No. 1057** (lumber smuggling using containerized vans of Sulpicio Lines, Inc.); **House Bill No. 442** entitled "An Act Fixing the Specific Limits of Forestlands Within Agusan del Norte and Butuan City;" **Logging** (Sammilia-CBFM and SUDECOR Operations); and **The Pollution Caused by PICOP Resources, Inc. (PRI) Pulp and Paper Mill.**

On House Resolution 1057, all involved parties, particularly Sulpicio

Lines, were thoroughly questioned by the Committee which noted that the smuggling of lumber and fitches could be traced to the operation system of renting, moving, opening and closing, and loading of containerized vans with very minimal involvement of concerned government agencies such as DENR, PPA and BOC. The body also emphasized the abuse in the privilege of operating containerized vans; also the "recycling" of bills of lading supposedly of other goods aside from wood products being perpetuated by shipping lines as common carriers.

The Committee informed the body of the approval of House Bill No. 442 at its level, with the Report to be submitted to the plenary for

2<sup>nd</sup> reading.

On the logging issue: The Committee noted that Sammilia-CBFM, former TLA area of Lianga Bay Logging Corp. (LBLC) in Lianga, Surigao del Sur, is run by a so-called favored cooperative. The cooperative of former LBLC workers and other lately organized cooperatives who were left out in the logging operations, have complained about the alleged illegal logging of said cooperative. An investigation group formed by the Committee, and headed by Cong. Manuel 'Way Kurat' Zamora immediately left Butuan for Lianga to investigate complaints. On the other hand, Congressmen Leovigildo Banaag and Antonio Cerilles (former DENR

*(Continued on page 5)*

## Forester Rueda: Goal-Oriented Agencies Needed

"Reinventing the Philippine Forestry Agencies in the Department of Environment and Natural Resources: A Case Study," was recently presented by Forester Renato A. de Rueda, former DENR Undersecretary for Operations, to a multi-sectoral and multi-disciplinary body prior the paper's presentation in the upcoming back-to-back workshops of the UN/FAO.

De Rueda, now a consultant, traced the historical background and evolving functions of succeeding forest agencies, from pre-Spanish times to the present. His paper also related the conditions and laws that gave rise to changing roles or functions and structures of these agencies.

The paper concluded that the following needs must be fulfilled by goal-oriented, time-relevant and functionally dynamic any forest agencies: The need for comprehensive forest management laws and adequate funding; the need to attune the operational structure with the rapidly changing environment; the need for changed mindsets of people in organizations; and the need to institutionalize production and protection forests, etc., with corresponding management plans.

Representatives from DENR-FMB, DENR-ERDB, UPLB-CFNR, ECOGOV, NPC, DZMM and PWPA attended the affair.

## Use Better Seeds for Agroforestry

The World Agroforestry Centre (ICRAF-Philippines), in cooperation with the Forest Management Bureau (FMB) and the Ecosystems Research and Development Bureau (ERDB), sponsored a policy forum cum workshop (January 27, Sulo Hotel, Quezon City) attended by more than 50 participants from the academe, government, private sector and non-government organizations. concentrated on: Better trees in agroforestry farms and plantations in the Philippines through use of high quality seeds; role of forest tree seed sub sector in procurement of high quality germplasm for tree planting program in Indonesia; seed production areas--- a community livelihood option; and policy initiatives and programs on the use of high quality seeds in agroforestry and tree plantations in the Philippines.

The forum sought to increase awareness and discuss issues relating to current seed sources and seed handling practices to formulate policy recommendations.

The main papers read during the plenary session

The workshop tried to answer questions related to: The implementation, operationalization and sustainability of a tree improvement program; the establishment of market-

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**Butuan City Public Hearing ...**

(Continued from page 4)  
 Secretary) praised the logging operations of SUDECOR which they said practice sustainable forest management. Dr. J. A. Revilla, Jr., former dean of UPLB CFNR summarized the findings of an ITTO-funded study conducted in SUDECOR. It revealed the compatibility of logging operations and biodiversity conservation, winning international acclaim for SUDECOR.

On the pollution caused by PICOP Resources, Inc. (PRI) pulp and paper mill, Father Falcon provided a document on the alleged harmful effects of said mill's operations on the health PRI's neighboring communities. He also cited documented alleging PRI's poor logging practices, including its non-payment of forest charges, which are obviously in violation of existing forestry regulations. He appealed, on behalf of the people in Bislig City, for the closure of the PRI

operations. To address the complaints of Father Falcon, the Committee formed an *ad hoc* Committee headed by Congressman Nereus Acosta to investigate and recommend measures on the matter.

The dislocation of IPs in certain areas being declared as NIPAS where the Committee assured the IPs that there shall be no dislocation and application for various mining permits in Caraga and impact of mining on the environment and people were also discussed.

Also present at the hearing were other members of the Natural Resources Committee--- Congressmen Eduardo Veloso, Harlin Abayon, Danny Laybas, and Ace Barbers; DENR representatives headed by RED Benjamin Tumaliwan; POs/Church represented by the Bishop of Tandag Odchemar; Governor Edibong Plaza for the LGUs (local government units); other government agencies; and Antonio Olizon for PWPA.

**Average Plywood and Substitute Prices Survey in NCR**

**Piñol Appointed Research Bureau Head**



Regional Technical Director (RTD) Agustin A. Piñol recently received from DENR Secretary Michael T. Defensor his appointment as officer-in-charge director of the Ecosystems and Research Development Bureau (ERDB).

DENR Special Order No. 2006-20 dated January 12, announced Piñol's new role vice ERDB director Celso P. Diaz who retired from government service.

Prior to this position, Piñol was the Regional Technical Director for Research in DENR Region 9. Piñol holds a BS degree

in Forestry (1976) from Mindanao State University, Marawi City; and Master of Science (1983) and PhD (1992) in Forestry specializing on Production Management/Logging Planning and Operation and Forest Resources Management/Social Forestry/ Silviculture, respectively, from the University of the Philippines in Los Baños, Laguna.

A Career Service Executive eligible and registered professional forester, Piñol counts 28 years of continuous government service.

**Use of Better Seeds ...**

(Continued from page 4)  
 based farmers seed orchards and capacitating them in producing high quality seeds; and the passage of a seed act/law. Majority of the participants recommended the following: Creation of a self-sustaining national tree improvement center; Capacitation of farmers

in the production of high quality seeds in market-based orchards; and passage of the seed act/law.

Attending for PWPA were adviser Jose A. Lorenzo, forestry and environment coordinator Maila R. Vasquez and PATECO representative Denis Mendoza.

	<b>Before</b> (Jan. 9, 2006)	<b>Now</b> (Feb. 6, 2006)		<b>Before</b> (Jan. 9, 2006)	<b>Now</b> (Feb. 6, 2006)
	(in Pesos/piece)			(in Pesos)	
3mm (1/8) plywood	240	221	18 mm (3/4) plyboard	665	713
4 mm (3/16) plywood	263	259	1/8 lawanit	163	156
5 mm (1/4) plywood ordinary	284	289	3/16 lawanit	225	220
5 mm (1/4) plywood marine	333	350	1/4 Hardiflex	338	346
10 mm (1/2) plywood	487	496			
18 mm (3/4) plywood ordinary	761	799			

Note: all pick-up prices inclusive of VAT retail prices

## **Of Illegal Logging, Landslide and Congressional Hearing**

**By Ferdie Lu**

Secretary Angelo T. Reyes formally assumed office last February 15 as the 10th DENR Secretary (since the reinstatement of democracy during Cory Aquino's term) vice Secretary Michael T. Defensor who earlier went on leave to become Presidential Chief of Staff. Secretary Reyes, a decorated former military officer, brings with him a sterling record of experiences and accomplishments from various military and civilian posts. The DENR and wood industry will surely benefit from his effective leadership, demonstrated when he headed both the National Anti-Kidnapping Task Force (NAKTF) and the National Anti-Smuggling Task Force (NASTF).

Barely a week after his assumption into office, the Philippine Daily Inquirer (PDI) reported that the PENRO of Quezon admitted the resumption of unlawful cutting of trees in the province after the Task Force Sierra Madre-Infanta (TFSM-I) presented video footages of freshly-cut hardwood trees found in the mountain. The video coverage was said to have captured the sound of chainsaws cutting trees. The PWPA has been complaining to the government that its members, selling at P 30-32 per boardfoot, cannot compete with vendors peddling illicit lumber at only P 16-18 per boardfoot.

RED Antonio Principe of Region IV accused the TFSM-I of involvement in illegal logging activities in the Sierra Madre mountain ranges. Fr. Pete Montallana, chair of an NGO dismissed the accusation as absurd and in turn incriminated DENR officials of connivance with the illegal loggers.

The PDI also reported that a group of DENR personnel and policemen armed with a search warrant raided the Church's Social Action Center (SAC) in Infanta and confiscated six newly-made fishing boats. The team arrested the SAC fishery project officer saying that the logs used in making the boats were not documented. Allegedly, the SAC helped document illegal logging in the area.

Known for being a man of action, Secretary Reyes immediately ordered DENR officials to stop logging in Quezon and other parts of the Sierra Madre, instructing his men to submit a "well-validated report" within 72 hours. He also asked them to work with the NGOs.

We commend the fast response of Secretary Reyes. We hope that the same dedication will help him find the right solution to address the issues confronting the wood industry.

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We are greatly saddened by the recent tragedy that befell Southern Leyte. The PWPA deeply sympathizes

with the victims. The massive mudslide on February 17 in Barangay Guinsaugon, Municipality of St. Bernard, nearly wiped out the entire barangay and totally altered the landscape. The event happened just a couple of days after PAGASA weather forecasters warned about the onset of the La Niña phenomenon. Continuous rain in the preceding two weeks eroded a portion of Mt. Canabag's slope, causing a mudslide which in seconds covered 90 percent of the village. Government scientists said the continued heavy rains produced a rainfall level of over 500 millimeters from February 1 to February 16. The area's rainfall averaged only 120 milliliters in the last 30 years. A similar massive landslide reportedly occurred in the area more than 200 years ago.

After weeks of rescue operations conducted by multinational teams, less than 20 people were saved, with only about a hundred bodies recovered. To date, more than a thousand people are still missing and feared dead. Five other villages in the Southern Leyte towns of Liloan and San Francisco also seem to be threatened by slides. Residents have reported wide cracks appearing on mountain slopes. Some 3,000 people have since been evacuated from the threatened areas. In December 2003, landslides occurred in Liloan, San Francisco and San Ricardo where over 200 people died.

Von Hernandez, campaigns director of the local environmental NGO Greenpeace, claims that the combined threats of destructive logging and climate change have aggravated the deadly mudslide in Saint Bernard, Southern Leyte. Strangely, this is the only NGO that issued a statement blaming logging for the tragedy. The more credible NGOs seem to be better informed.

The website of the National Census and Statistics Office describes the geology of Southern Leyte as follows:

"It has a common geologic feature with Leyte province, with four broad lithologic classification namely: a schist body, and igneous complex with serpentinized facies of probable Cretaceous to Oligocene age, the sedimentary sequence equivalent to that of Samar Island during early Miocene to Pleistocene epochs and quaternary volcanic. Its rock units are classified into three: the Miocene & Older Systems, the Plio-Pleistocene Series and Recent Deposits (Holocene Series).

It is located within the Philippine Rift Zone. Major fault lines traverse the municipalities of Sogod, Libagon, St. Bernard, and San Juan to Panaon Island. Based on

## Of Illegal Logging, Landslide and Congressional Hearing

*(Continued from page 6)*

MGB Region 8 data, these areas experienced strong earthquakes in 1907, 1948 (M=6.9) and on July 5, 1984 (M=6.4)."

The geological jargon states clearly that many parts of Leyte are landslide high risk areas. Geologists from the Mines and Geosciences Bureau have also identified many other geologically hazardous areas throughout the country that are highly prone to landslides and flooding. The list includes Dingalan in Southern Aurora wherein a devastating landslide in December 2004 caused a knee-jerk reaction from the President to issue a nationwide logging moratorium. People living in these hazardous locations must be relocated to safer grounds to avoid future disasters.

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Senator Pimentel urged newly installed DENR Secretary Angelo Reyes to embark on a massive reforestation campaign to avoid what happened in Southern Leyte. Even while government authorities stated that the mountains in St. Bernard have been planted to coconut since the early 20<sup>th</sup> century, the suggestion of Senator Pimentel to launch a nationwide reforestation project is certainly a good idea.

The PWPA has been proposing the establishment of plantations nationwide to cater to our countrymen's basic need for wood. By modest estimates, firewood consumption is more than ten times the amount of lumber used in construction. With the price of LPG and electricity continuously rising, more people have shifted back to

utilizing wood or charcoal for their cooking needs. The country has also been spending more than 300 thousand dollars annually to import wood products.

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Last February 16 and 17, the Congressional Committee on Natural Resources headed by Congressman Leovigildo "Boy" Banaag held a hearing in Butuan City. Main subjects were the investigation of incidents of lumber smuggling in container vans on board vessels of Sulpicio Lines and the delimitation of forestlands and A & D lands within Agusan del Norte and Butuan City. Other members of the committee who attended were Congressmen Harlin Abayon, Tony Cerilles, Ed Veloso, Nerius Acosta, Manuel "Way Kurat" Zamora and Nonoy Lagbas.

Chairman Tony Olizon led PWPA representatives who attended the hearing upon invitation of the committee. Two Bishops were also present with some members of the clergy including Fr. Florio S. Falcon who appealed for the closure of PICOP's logging operations. It was clarified in the meeting that PICOP Resources Inc. has ceased to be a member of PWPA. There were also some participants who complained about the operations of SAMMILLA CBFM in Lianga, Surigao del Sur.

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Finally, the officers of PWPA wish Congressman Ed Veloso, 3<sup>rd</sup> District-Leyte good health, prosperity and happiness on the occasion of his birthday last February 24. Congressman Veloso served as Chair of the House Committee on Natural Resources last 12th Congress.

## Senators Push Probe of Southern Leyte Landslide

Senators Miriam Defensor Santiago and Jamby Madrigal filed separate resolutions to investigate the Leyte landslide.

According to Santiago, "there is an apparent lack of a coordinated government effort to prevent the landslide tragedy in Southern Leyte considering that concerned government agencies, especially the Department of Environment and Natural Resources (DENR), already knew it is prone to landslides, that deadly landslides have ravaged that province repeatedly in previous years; that heavy rains four times

the average received by the area have besieged Southern Leyte continually in the past two weeks, measures could have been put into place to prepare for contingencies."

"Now is the time for the institutionalization of appropriate government programs to

**...Now is the time for the institutionalization of appropriate government programs to prepare for and mitigate the adverse effects of natural disasters in the country...**

prepare for and mitigate the adverse effects of natural disasters in the country," Santiago added.

Madrigal, chairman of the Senate Committees on Youth, Women and Children, on the other hand, wants to investigate and determine whether

*(Continued on page 10)*

## The Vietnam Model

### Does Legal Wood Cost More?

Legal wood often **does** cost more because all taxes and royalties have been paid in accordance with a nation's laws. Exactly how much more it costs is difficult to say but it can vary widely depending on how much bribes and 'fees' had to be paid by the illegal wood trader to secure the stock. The rule of thumb? Between 10% and 15%.

Companies that suddenly find out their use of illegal wood worry about taking action (to exclude it) for fear of increase in their finished product's price, making them uncompetitive against competitors that still use illegal wood. These fears are often unjustified because cost reductions are possible--- even with good quality wood--- through proper wood handling procedures and more efficient processing facilities. Illegal wood often sits in the forest for many months, even years, so its quality may have deteriorated by the time it reaches processing facilities. The table below exemplifies recovery differences in Vietnam's wood processing facilities using fresh cut legal logs. Legal logs cost **US\$15/m<sup>3</sup> or 8%** more than illegal logs. But their recovery was higher because of better quality, so sawn timber costs amounted to **US\$62.50/m<sup>3</sup> or 16%** lower. These are very real and highly significant cost reductions, yet many fail to see

these benefits and worry instead about why they should go legal.

Chain of Custody (COC) systems make processing facilities more efficient because they demand a smooth flow of materials through the processing line where previously this may not have existed. In practice, COC systems generally mean a cleaner and safer work environment and greater focus on recoveries and efficiencies. COC systems tell companies how much wood they lose to waste--- and the figures can be quite dramatic. COC systems often therefore lead to more careful raw material usage and--- combined with more efficient production systems and happier, safer workers--- yield significant production cost reductions.

Regardless of cost reductions, the forces demanding legality have increased and soon, whole sectors will need to prove legality to meet regulatory requirements as much as to secure a 'social' license to trade. Secure the cost reductions now to compensate for increased raw materials costs and your business will be in good shape in the future regulatory and corporate social responsibility environment. *Source: Good Wood Good Business, a Tropical Forest Trust Publication, 2005*

#### Vietnam Situation

ILLEGAL LOG			LEGAL LOG			Price/Cost Difference %
Log price (US\$/m <sup>3</sup> )	Recovery%	Sawn timber equivalent cost (US\$/m <sup>3</sup> )	Log price (US\$/m <sup>3</sup> )	Recovery%	Sawn timber equivalent cost (US\$/m <sup>3</sup> )	
185	40	462	200	50	400	+8/-16

*Source: Good Wood Good Business, a Tropical Forest Trust Publication*

#### Philippine Situation

Species	ILLEGAL LOG			LEGAL LOG			Price/Cost Difference %
	Log price (P/m <sup>3</sup> )	Recovery% <sup>1</sup>	Sawn timber equivalent cost (P/m <sup>3</sup> )	Log price (P/m <sup>3</sup> )	Recovery%	Sawn timber equivalent cost (P/m <sup>3</sup> )	
Bagras/Gmelina	2,500	40	4,500	3,500	60 - 70	7,000	+28/35
Lauan Group	5,300	50	7,200	7,500	60	9,000	+29/20

*Source: Forester Elias R. Seraspi, former DENR RED R-II and R-XIII, now consultant*

<sup>1</sup>Mostly shorter length logs because produced using small equipment/chainsaw/manpower.



## Adaptive Management: Key to Forest Landscape Restoration

by Don Gilmour

Forest landscape restoration practitioners must consider the adaptive management approach to respond to the dynamics of natural and socioeconomic systems. Forest landscape restoration (FLR) initiatives typically have:

- multiple stakeholders with multiple interests (local, regional and national),
- complex ecological systems across a large landscape, with a variety of land-uses,
- interface between large-scale natural systems and social systems, and high level of uncertainty and many unknown factors.

Given the diversity of the FLR context, and the generally high level of uncertainty, FLR practitioners should employ adaptive management--- the management of complex systems based on incremental, experiential learning and decision-making, supported by ongoing monitoring of and feedback from the effects of decisions. It may have elements of trial and error, but it is much more than this, because it incorporates explicit learning as part of a process of building social capital among multiple stakeholders. This involves elements of:

- collaboration and learning,
- combining the learning and action taking place in a group of people (capturing both knowledge generation and the application of this knowledge in action), and
- knowledge-sharing among group members.

### **Benefits of adaptive management:**

- Averts crises in conditions of uncertainty and surprise by increasing the societal capacity to

'roll with the punches'

- Offers a social steering instrument which can complement market, fiscal, regulatory and other measures to strengthen broad-based, multi-stakeholder engagement in the evolution of more sustainable relations between people and their environment; and
- Offers a way through which scientific-based technologies--- alongside an understanding of people's perspectives, values and meanings--- can contribute to collective learning and the motivation for action

### **Key components of adaptive management**

Adaptive management as a series of interrelated processes:

- **understanding the social and biophysical context** at multiple levels--- involves identifying stakeholders and dealing with multiple (and sometimes conflicting) interests,
- **negotiating objectives and outcomes** for different levels,
- **applying action-learning** (plan, act, observe and reflect) to facilitate implementation, and
- **monitoring and impact assessment.**

These should not be thought of as sequential steps to complete one management task before moving on to the next. They should rather be treated as interrelated and overlapping. For example, collecting and updating information to understand the context should continue throughout the life of an initiative. Likewise, monitoring and impact assessment should not be just one-off activities at the end of the initiative; they should be ongoing

practices that feed constantly into the action-learning cycle.

### **Key components of adaptive management:**

#### **1. Understanding the context**

An FLR initiative should take into account the social and biophysical conditions of a place. Everything about context may not be totally (since this changes over time) but it is important to note that knowing enough is a good start. Improved understanding of the context will improve as the initiative progresses.

#### **2. Negotiating objectives and outcomes**

An FLR initiative objective will vary depending on the agenda of the group promoting it. A forest department, for example, might want to restore an area of degraded forestland primarily to improve timber production, while a conservation agency or NGO might want to improve habitat for wildlife or restore an endangered biotype. Hence, the primary objective of the group initiating the rehabilitation or restoration activity may create different responses from different stakeholders. So start with identifying the interests of the various stakeholder groups before negotiations. Initial objectives may be modified to consider other stakeholders' interests. This process inevitably involves trade-offs and compromises to achieve socially-acceptable and sustainable outcomes.

#### **3. Applying action-learning**

This means that a group of people with shared issues or concerns collaborate and systematically and deliberately plan, implement and

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**Adapting to Change**

*(Continued from page 9)*

evaluate actions--- a process of learning through experience so that actions become more effective a well-suited for particular situations, especially those faced with uncertainty and risk.

**4. Treating the process as ongoing rather than a one-off event.**

Participants should continuously go through the cycle, with each iteration improved by the knowledge and learning obtained in the previous cycles.

**5. Monitoring and impact assessment**

Monitoring and impact assessment should be continuous--- essential to adaptive management because it enables stakeholders to build their social capital by sharing the learning that comes from such assessments. The next action-learning cycle of planning/ acting/ observing/ reflecting must be updated by realistic information, for maximum adaptability and flexibility.

Adaptive management should be applied as a series of action-learning loops rather than a straight line from planning to the achievement of planned outcomes. Managers should feel free to adapt and modify the approach based on new learnings.

*Reference:* Kemmis, S. & McTaggart, R. (eds) 1988. The action research planner (3rd edition). Deakin University Press, Geelong, Australia.

(Source: ITTO Tropical Forest Update 15 /2 2005)

*(Continued from page 7)*

the government is prepared for environmental disasters and rapid climate changes such as La Niña.

In a press statement, the

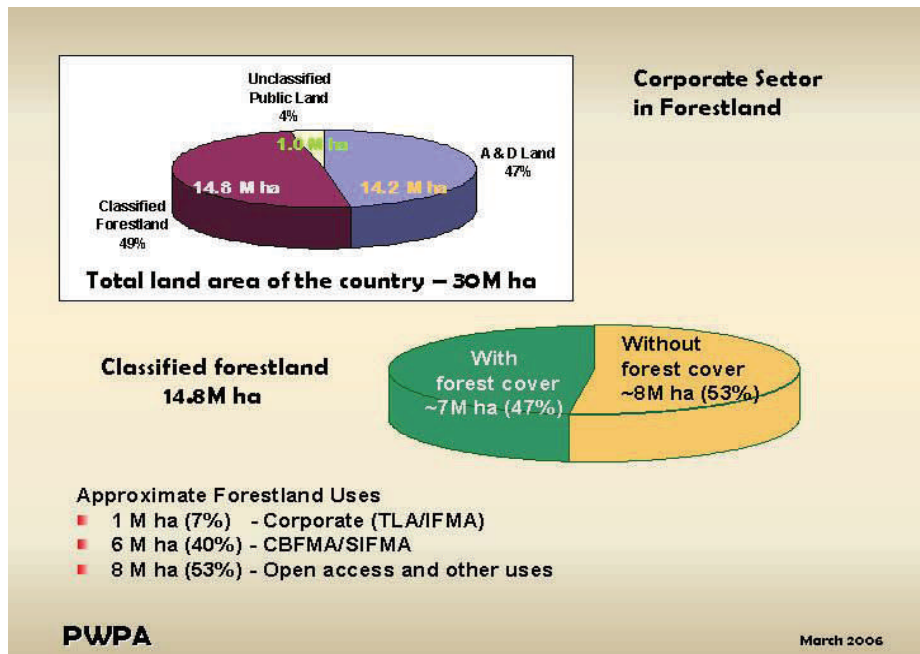
**PWPA... OUR CORE PURPOSE**

**THE PHILIPPINE WOOD PRODUCERS ASSOCIATION IS COMMITTED TO THE SUSTAINABLE MANAGEMENT AND DEVELOPMENT OF THE FOREST - THE CRADLE OF LIFE AND THE LIFEBLOOD OF THE WOOD INDUSTRY.**

- ❖ Recognize the basic need for wood
- ❖ Ensure that the forest shall continue to provide the wood requirements for the present and future generations of Filipinos
- ❖ Consistent with the protection and preservation of a healthy environment

**PWPA**

March 2006



**Senators Push Probe...**

DENR said that landslide was Ginsaugon, St. Bernard in aggravated by excessive rainfall Southern Leyte, to coordinate with that plagued the area continuously the LGUs in assessing other for two weeks. Secretary Angelo T. unsafe areas like Brgy. Ginsaugon Reyes dispatched a team of and in identifying areas for geologists from MGB to Brgy. possible relocation.

**PWPA Members Invited to CITEM's Web Promo Efforts**

The Center for International Expositions and Missions (CITEM) recently offered to help export-ready PWPA members establish linkage with international buyers through "catalogonline," a listing of Philippine exporters and export-ready enterprises which promotes Philippine export products to those searching in the web.

CITEM representatives Elvie A. Borje, Nelia Balmores and Jessice Genova visited PWPA during its recent monthly meeting. They briefed the members about CITEM and its services and encouraged PWPA to regularly feed CITEM with information about the wood industry.

These information, they

said, will help them refer export-capable members to international buyers. CITEM has already forwarded inquiries from interested Japanese importers to some local plywood mills.

With increased restrictions on timber supply from Asean countries, the international market for plywood has become tight, so inquiries from Asian plywood importers are expected to rise. PWPA regards CITEM's initiative as very timely and most welcome.

Check out for yourselves *catalogonline* ([www.citem.gov.ph/catalogonline](http://www.citem.gov.ph/catalogonline)) or CITEM at [www.citem.com.ph](http://www.citem.com.ph). (Please contact Ms. Borje at [eborje@citem.com.ph](mailto:eborje@citem.com.ph)).

**Political Science Studes Visit PWPA**

University of Santo Tomas Political Science students recently interviewed PWPA executive director L. D. Angeles on the Association's participation in country's reforestation programs.

The interview was in connection with their thesis: "Conflict and Consensus in Environmental Politics", by getting views of the Forest Management Bureau (FMB), Haribon Foundation and Philippine Wood Producers Association (PWPA) on reforestation.

Angeles emphasized PWPA's concern on refor-

estation, particularly industrial tree plantation is "much more than other stakeholders' concern;" because wood from the forests and plantations is the lifeblood of the industry; and sustainably developing and managing them become essential.

He also informed the students that though PWPA's members are spread nationwide and are involved in various forestry, plantation, reforestation and manufacturing activities, only in few provinces are logging operations in natural forest are allowed by the Government.

**Ilocos Norte Chapter Holds General Meeting**

The PWPA Ilocos Norte chapter held its general membership meeting last February 19 at the Golden Cow Restaurant in Laoag City. Chapter President Jaime Kho facilitated the meeting, discussing, among others, the need for timely submission of requirements to operate as a lumber dealer, a refresher on rules lumber dealers need to follow to comply with DENR requirements (such as monthly and stock inventory report as well as renewal of lumber and resaw permits). He informed the members of PENRO Special Order No. 06-A series of 2006 (issued February 14, 2006) on the composition of the provincial task force which

will conduct validity checks of lumber dealers and wood processing plant permit holders. He also informed them of the deadline for the submission of requirements for the issuance of permit on February 28, 2006, indicating that a penalty shall be charged for late submission of documents. Eighteen members attended the meeting.

The members also elected its officers for the year 2006-2007, with Rita Alcid of Laoag Kambal Corporation becoming the new chapter president.

PWPA manager Regino Serafico and coordinator Benjamin Bereña represented the Association in the meeting.

**Passage: Happy Birthdays!**

In its first 2006 board meeting, PWPA feted Emeritus Antonio G. Bernas who celebrated his 72nd birthday January 16. The Directors and staff presented him with a birthday cake and wished him more birthdays to come.

VP-Director Ramon Y. Uy also celebrated his birthday with the members of the Board in its February 8 meeting, seven days shy of his Valentine's day birthdate.

**Condolences**

*PWPA Directors, Officers and Staff express deepest sympathies to PWPA Director*

*Edith Alcantara whose mother, Mrs. Ladislawa J. Alcantara, 92, passed away last January 15.*



**10 January 2006**

Regular meeting of Plywood Council  
Gloria Maris Rest., Greenhills, San Juan, Metro Manila  
Host: Rep. Wooden Com. Manufacturing Corp.

**12 January 2006**

Consultation-meeting between PWPA and DENR-NCR  
re: monitoring of lumber purchases and sales of lumber dealers  
DENR NCR RTD Office, North Ave., Quezon City

**18 January 2006**

Regular monthly meeting of the Board of Directors  
PWPA Office, Makati City

**27 January 2006**

Policy forum on the Use of Better Seeds for Agroforestry and Plan-  
tation in the Philippines by World Agroforestry Centre, ERDB/  
DENR and FMB/DENR, Sulo Hotel, Quezon City

**30 January-1 February 2006**

DTI & PWPA Workshop on Negotiating Free Trade Agreements  
sponsored by the AusAid and DTI  
BOI Bldg., Sen. Gil Puyat Ave., Makati City

**07 February 2006**

Regular meeting of Plywood Council  
Annapolis Seafood Rest., Greenhills, San Juan  
Host: Industrial Timber Corp.

**08 February 2006**

Regular monthly meeting of the Board of Directors  
PWPA Office, Makati City

**16-17 February 2006**

Public hearing by Committee on Natural Resources, Lower House  
of Congress on timber smuggling/illegal logging and pollution in  
Caraga Region, Almond Inland Convention Center in Butuan City

**17 February 2006**

Welcome Dinner for ASEAN-Business Advisory Council  
organized by PCCI with President Gloria Macapagal-Arroyo as  
Guest of Honor held Ceremonial Hall, Malacañan Palace

**24 February 2006**

3<sup>rd</sup> meeting of the Project Steering Committee on the ITTO-funded  
Project: Criteria and Indicators for Sustainable Forest Management  
Rembrandt Hotel, Quezon City



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