



Philippine Forestry Development Forum

Various Sectors Agree: Sustainable Forest Development a Must for Our Country's Growth

The need for comprehensive forestry laws, categorization of forest lands into specific production and protection areas, delineation of forest boundaries and complete demarcation of forest lines.

These topics, together with the urgent need to lift the total logging suspension, hogged the limelight as well as formed part of the resolutions in the recent Philippine Forestry Development Forum held at the Asian Development Bank in Mandaluyong City.

The Philippine Wood Producers Association (PWPA) together with the Department of Environment and Natural Resources (DENR), Asian Development Bank (ADB) the UPLB College of Forestry and Natural Resources, and the Society

of Filipino Foresters, Inc., organized this landmark gathering of a broad cross-section of private, government-- both national and local government officials, scientists and the academe, as well as non-government organizations and special interest groups. Participants came from as far as Kalinga, Apayao in the north, and Davao, Zamboanga and Cotabato in the south. Foreign dignitaries, legislators and even the World Bank and local government bank executives also made it to the summit which was attended by 360 delegates.

"Sustainable Forest Management: A Holistic Path to National Development," the forum theme, set the tone for an objective and scientifically-based discussion of issues affecting the forestry sec-



MEETING OF MINDS. Philippine Forestry Development Forum convenors and guests (front row, l-r): PWPA president Antonio Olizon, former DENR undersecretary Reneto de Rueda, SFF president Ricardo Umali, congressman Leovigildo Banaag, DENR secretary Michael Defensor, Mother Earth Phils. director Odette Alcantara; ADB director Muhammad Mannan; UPLBCFNR dean Ramon Razal; (back row, l-r) PWPA EVP Alfonso Keh, Jr., PWPA chairman Fernando A. Lu, FAO/UN Forestry officer Patrick Durst, ADB specialist Tetsuro Miyazato, Nature Foundation president Antonio Oposa, Jr., PWPA director-VP Robert Kua, PWPA director-VP Evaristo Narvaez, and ADB specialist Bobur Alimov.

tor. It also emphasized the importance of the forestry sector in national development. "Sustainable forest management continues to be a key program in the country's journey to protect its precious natural resources. While helping alleviate poverty and generate employment in far-flung rural areas, it is also a new way of looking at how business may participate in commercial forestry without compromising the environment," said Department of Environment and Natural Resources (DENR) secretary Michael T.

Defensor in his message to the participants. Defensor had scheduled to attend the forum's second day sessions only but came on the first day anyway because, he said "of the urgings of (PWPA president) Antonio Olizon."

"Forestry remains a vital component in our blueprint for national development... playing a significant role in our road to economic recovery," keyed Executive Secretary Eduardo Ermita during the opening plenary.

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- Highlights and Breaking News
- Resolutions, Synopses of Papers, and More!

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Sustainable Forestry Management Bill OK'd by House Committee

“An Act Providing for Sustainable Forest Management (SFM),” authored by representatives Nereus Acosta, Eduardo Veloso, Orlando Fua, Jr., Leovigildo Banaag and Rolando Andaya, Jr., recently passed the House of Representatives’ Natural Resources Committee hearing. PWPA executive director L. D. Angeles and PWPA Forestry adviser Jose A. Lorenzo represented the wood industry in the hearing.

The SFM bill consolidates other proposed similar bills separately authored by Acosta, Veloso and Fua. Banaag chairs the Committee on Natural Resources while Andaya heads the Appropriations Committee.

It will be recalled that a similar bill was approved by the House of Representatives on third and final reading in the 11th and 12th Congress, however, the Senate failed to pass its counterpart bill, preventing the passage of a long-awaited law which could have replaced the old Forestry Reform Code of 1975 (PD No. 705).

The omnibus SFM bill prescribes, among others, the sustainable management and development of forests categorized into production and protection types forests; bans commercial logging in protection forests but allows subsisting tenurial instruments to continue until their expiry or before their expiry, and these may be converted into any authorized mode of access; and guarantees the security of tenure of stakeholders undertaking allowed and legitimate activities inside forestlands.

Meanwhile, the Senate’s Committee on Environment and Natural Resources chaired by senator Pia Cayetano, has already conducted several public hearings on its own version of the SFM bill authored by senator Sergio Osmeña III. The Committee has yet to approve the bill and to prepare the Committee Report for plenary deliberation of the Senate.

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Various Sectors Agree: Sustainable Forest Development a Must for Our Country’s Growth

Interesting and educational scientific, research and best practices papers dominated the two-day conference. Dr. Manoel Sobral Filho, executive director of the prestigious International Tropical Timber Organization (ITTO) based in Yokohama, Japan, presented “Timber Trade and Sustainable Forest Management.” Patrick Durst, senior forestry officer of the United Nation’s Food and Agriculture Organization (FAO) Regional Office for Asia and Pacific, discussed “The Impact and Effectiveness of Logging Bans in Natural Forests in Asia Pacific.”

Dr. Rex Victor Cruz, University of the Philippines College of Forestry and Natural Resources professor, presented studies conducted at Tignoan and Agos watersheds in northern Quezon and Dingalan watershed in Aurora to explain the occurrence of the flood and landslide in these provinces. Dr. Priscila Dolom, Forestry Development Center OIC-director, tackled “The Economic Contribution of the Wood Industry to Sustainable Development.”

Former DENR Undersecretary Ricardo Umali, now president and CEO of Sustainable Ecosystems Interna-

tional Corp., and of the Society of Filipino Foresters, Inc., presented “Best Practices in Forest Management: The Experience of Surigao Development Corporation (SUDECOR).” SUDECOR is a TLA-holder.

Former Management Bureau (FMB) director Romeo T. Acosta updated the participants on the latest assessment of Philippine forest resources, while former Science and Technology Undersecretary Florentine Tesoro talked about “The Urgent Need for a Road Map to Forest Management and Renewal.”

WoodStock

Bi-monthly publication of the
Philippine Wood Producers Association

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Wood Sector to Government: *Lift Total Log Ban*

Delegates to the Philippine Forestry Development Forum appealed for the lifting the total log ban--- imposed after flashfloods buried communities in Quezon and Aurora late last year, saying log bans are not enough to protect forests, and that they are even counterproductive especially when imposed as a stand-alone policy.

Food and Agriculture Office senior forestry officer Patrick B. Durst led the discussion on the impact and effectiveness of logging bans in the natural forests of Asia Pacific.

Log ban is decidedly the most controversial issue in the government's current efforts to implement sustainable measures to revive Philippine forest cover. For many years, governments of various countries have imposed total or partial log bans to drastically arrest the decline in their respective natural forests.

Durst presented the results of a study which monitored the experiences of six countries implementing log bans. These were New Zealand, People's Republic of China, Sri Lanka, Thailand, Vietnam and the Philippines.

He noted that log bans and other harvesting restrictions had been the quick solutions of many governments to support forest protection--- often as a form of crisis management, yet their experience demonstrated that conserving forests was not as easy as simply banning logging.

"The immediate problem is that people still need wood," Durst said, "and that a ban in one country can easily result in exporting the problem to neighboring countries."

Romulo T. Aggangan, Ph. D., director of the Forestry and Environment Research Division at the Philippine Council for Agriculture, Forestry and Natural Resources Research, was more explicit when he commented that the logging ban cancelled the licenses of large and responsible logging companies only to open the forests to illegal loggers.

Aggangan also cited a study conducted by the Forestry Development Center, UP Los Baños, pointing to faster rates of forest destruction in areas where Timber License Agreements had been cancelled.

He said that the government should impose a total log ban only in selected areas such as critical watersheds, high ecological risk areas and other protected resources, but not in areas that practice sustainable harvesting operations.

Omnibus Forest Policy Disclosed in Forum

The Arroyo administration has finally heeded the call of the wood and furniture industries to address the log ban issue. This was announced by Executive Secretary Eduardo Ermita in the recent Philippine Forestry Development Forum. He said that the government, through the Department of Environment and Natural Resources, "is drafting an omnibus forestry policy aimed at compiling existing forestry policies and eventually producing a relevant single enhanced policy."

Its pertinent points, he said, would include forest boundary delineation, identification of production and protection forests, identification of areas for industrial tree plantations, and provision of a positive investment climate. Ermita explained that forest boundary delineation is important because incomplete demarcation of the forest line presents difficulties in land titling, land use planning and forest land protection. He confirmed that delineation and demarcation of forest boundary line covering an estimated 76,291 kilometers is already being planned and will be carried out in the next two years.

"Identifying production and protection forests is part of managing the forest in a sustainable manner. Identifying areas for industrial tree plantation is also a must to meet future wood demand," Ermita added. DENR has zeroed in on 684,000 hectares in the Caraga Region for development into timber corridors. He also noted that government is studying a package of incentives to encourage private investments in endeavors like industrial tree plantations. Wood industry stalwarts, however, believe that incentives already abound, and the need is for consistent policies, security of tenure and the government's recognition that the wood industry is a significant component of economy.

DENR secretary Michael Defensor disclosed in the same forum the formation of a Timber Coordinating Council and Board comprised of the forestry sector's key stakeholders. This body will help develop programs to optimize and develop the country's wood resources.

UPLB College of Forestry and Natural Resources dean Dr. Ramon A. Razal, commented that if forest protection is among the highest priorities of government, then it should allocate more funds to address the sector's pressing needs, pass the long-delayed forest management bill, implement land zoning, and suspend the freeze on hiring competent government personnel with technical and management skills for forestry development.

Comprehensive Forestry Law, Consistent Government Policies Urged

The government's unstable and inconsistent forestry policies, the lack of a comprehensive forestry law, and the short 25-year tenure given to forest management holders are the biggest issues plaguing the forestry sector, emphasized Dr. Prescila Dolom of the Forest Development Center, in her presentation during the recent Philippine Forestry Development Forum.

Frequent suspensions, declarations of moratorium on utilization permits, and logging bans have greatly affected the operations of forest-based industries, Dr. Dolom added, "creating ... uncertainty among tenurial holders, processing plant operators and related industries because their operations can be stopped anytime the national government deems it."

"Investors are also unsure their tenurial instrument will be renewed after 25 years given new laws with burdensome requirements (e.g., ECC, social acceptability by indigenous and local communities within or adjacent to the protected area, etc.) and unstable decision-making policies of government. On the other hand, the 25-year tenure given to forest concessionaires discourages the planting of long-gestation dipterocarps and other premium species, and instead promotes use of fast-growing species which can be harvested within the contract period. The government and industry have to jointly address the issues confronting the forestry sector." Dr. Dolom suggested enacting a National Sustainable Forestry law to lessen room for politically-influenced policy changes.

Chamber of Furniture Industries of the Philippines chairman Nicolaas K. de Lange pointed out the need for government to adopt short and long-term policies to ensure sustainability of raw material supply for the furniture industry. De Lange noted that in the interim, tariffs on imported wood and wood products used by furniture makers must be reduced. Among others, he asked, "remove red tape in import processing, establish a certification system of local forest products, and improve the grading and dyeing process."

The 1987 Philippine Constitution's new laws--- particularly those dealing with the issuance and renewal of tenurial contracts and permits--- superseded many regulations under the 1975 Forestry Code of the Philippines. New laws--- such as the National Integrated Protected Areas System (NIPAS) Act, the Environmental Impact Assessment (EIA) Law, the Indigenous Peoples Rights Act, and forestry stewardships' devolution to local government units--- had spawned conflicting views on how the country's forest resources should be managed.

PASS FORESTRY LAWS, WOOD SECTOR PLEADS

Categorize forest lands into specific production and protection areas. This was one of the wood sector's most urgent appeals--- contained in a resolution sent to president Gloria Macapagal Arroyo, Senate president Franklin Drilon and House of Representatives speaker Jose de Venecia--- to government in the recently concluded Philippine Forestry Development Forum.

Section 4 Article XII of the Philippine Constitution requires the enactment of a law specifying limits of forest lands.

The forum convenors underscored the need to delineate forest boundaries and complete demarcation of lands considered as national parks and watershed areas against those reserved for wood production.

The resolution stressed that identifying and allocating forest lands appropriate for establishing industrial tree plantations would benefit the country in the long run--- making us self sufficient in timber and not dependent on costly wood imports.

Along this line, the forum urged Congress to pass into law pending bills, Sustainable Forest Management and National Land-Use Code, "to ensure growth of forest-based sectors in providing economic and environmental benefits to society as well as promoting effective forest protection and governance." Failure to enact these bills into laws has stunted the development of the wood industry. The obsolete 30-year old Revised Forestry Code is currently being followed.

The forum convenors also urged that the omnibus forest policy be finalized, and the implementing rules and regulations of EO 318 be completed while waiting for passage of the Sustainable Forest Management Act.

The forum also proposed the creation of a Forest Industry Development Board to prepare the roadmap for the long-term development of forest-based industries, wood being a renewable resource.

The resolution emphasized the need to create a favorable investment climate to attract local and foreign capital in the rehabilitation, development and management of the country's forest resources and biological diversity, for their various products and services, including ecotourism and climate change mitigation.

Forum participants also emphasized the need to adopt and enforce measures to resolve logging suspension issues as well as geographical hazard assessment and mapping in tightly critical and highly vulnerable areas.

Excerpts from Forum Messages and Addresses

Message: President of the Philippines

Her Excellency Gloria Macapagal-Arroyo

“Our environment and natural resources, including our forests, continue to be a major concern of my government. For this reason, the initiative of the Philippine Wood Producers Association, together with the Department of Environment and Natural Resources, the Asian Development Bank, the University of the Philippines Los Baños College of Forestry and Natural Resources, and the Society of Filipino Foresters, Inc. to host the first Philippine Forestry Development Forum, is most welcome.”

Message: DENR Secretary

Secretary Michael T. Defensor

“The theme “Sustainable Forest Management: A Holistic Path to National Development” is very apt especially now that the government is exerting all-out efforts to curb illegal logging and to correct irresponsible logging practices. Sustainable forest management continues to be a key program in the country’s journey to protect its precious natural resources. While helping alleviate poverty and generate employment in far-flung rural areas, it is also a new way of looking at how business may participate in commercial forestry without compromising the integrity of our environment. Congratulations to the organizers and participants of this forum. Let us continue our united effort to ensure that our forest continues to create wealth for the Philippines for the present and future generations.”

Message: Forum Convenor

PWPA President Antonio C. Olizon

“The sustainability of our forests is of great concern to many in our society--- from indigenous peoples to scientists to economists to business leaders. We all have a stake in the future of our forests. This forum hopes to bring into proper perspective the need for sustainable forest development and highlight the importance of collaboration in developing concrete and feasible ideas because our country deserves nothing less than a responsive and genuinely sustainable forest development policy. Let this meeting of minds drive us closer toward this objective— and inspire more undertakings that will form the building blocks for sustained nationwide efforts to nurture our forests and keep them productive for future generations of Filipinos.”

Address: Executive Secretary

Executive Secretary Eduardo Ermita

“Let me say that forestry remains a vital component in our blueprint for national development. The forestry sector’s contribution to the economy might have declined but we still believe that forestry plays a significant role in our road to economic recovery. We both share the belief that a long-term forestry policy is necessary to provide stability and encourage investments. We need responsible wood producers who subscribe and practice sustainable forest management.”

Address: ADB Director-General

Dr. Shamshad Akhtar, Director-General SE Asia Department, ADB

“We all know that the Philippine economy faces an enormous challenge to maintain and preserve its natural resources, including forest resources that play a vital role in sustaining the ecosystem and livelihoods. The Presidential Executive Order (No. 318) issued in June 2004 gives forest management in the country a new face that hinges on sustainability, particularly in devolution and decentralization among stakeholders. The strong support and active participation of the private sector, which this Forum successfully seeks to facilitate, is critical to realizing this long-term goal of the government for sustainable forest management. We are indeed pleased to be associated with this public-private interaction for policy-making which we value the most.

We look forward to benefiting from this Forum, with the recommendations for improvements— in policy environment, private sector participation, institutional arrangements and legislative agenda— reverse this very unfortunate trend, ensure the country’s sustainable forest management, and restore the profitability of the forestry industry.

In a humble way, we (ADB) stand ready and willing to assist in this noble cause of promoting sustainable forest and other natural resources management.”

Best Practices in Forest Management: The SUDECOR Experience

Forester Ricardo M. Umali

Surigao Development Corp. (SUDECOR), known as "Managers of Permanent Forests," operates in more than 75,000 hectares in Surigao del Sur, in the northeastern coast of Mindanao. Its forest concession has been managed as a permanent forest for more than 40 years since start of operations in 1959. SUDECOR's Timber Licensing Agreement is one of the few concession holders properly implementing sound forest management and development practices in its assigned areas, having been successively cited for programs that strive for economic viability/sustainability of forest resources, ecological sustainability of forest ecosystem; and sustainable forest-dependent communities.

Best Practices in Forest Management: The Sultan Kudarat and Sirawai Experience ***Antonio P. Avelino***

The business models pursued by Sirawai Plywood and Lumber Corp. in the Zamboanga Peninsula, and by M and S Co., Inc. and Silvicultural Industries, Inc. in Sultan Kudarat demonstrate an environmentally sustainable and financially viable approach to integrated forestry management. SPLC has shown that it can directly address poverty alleviation, contribute to job creation, as well as preserve and develop the forest. SPLC's tenurial holdings in the Zamboanga Peninsula is a mix of natural forests, reforestation species planted purely for their wood value and those planted for combined crop and wood yields. Its 34,000 hectares of forest land represents today the biggest solid patch of forest in the Peninsula.

Best Practices in Forest Management Through Co-Management: The Case of Nueva Vizcaya ***Congressman Rodolfo Q. Agbayani***

The province of Nueva Vizcaya was able to demonstrate that co-management initiatives in the protection and utilization of natural resources is helping address the issue of forest resource degradation, flash floods, drying of springs and creeks, and damages to property and livestock. By combining expertise of the DENR in resource management with local government units' capability in the delivery of basic services and skills in people management, "privatizing management" of local natural resources is a strategic alternative to outright devolution.

Philippine Forest Resources Assessment

Director Romeo T. Acosta

The presentation focuses on salient information from land satellite images gathered by the National Mapping and Resource Information Authority and the National Forest Assessment Project by the Forest Management Bureau with the UN Food and Agriculture Organization on the state of Philippine forest resources from 2002 to 2004. Results of both studies were compared to a 1989 inventory. By establishing regenerative or degenerative patterns, a set of recommendations have been formulated, particularly geared towards focused management of natural forests, taking initiatives on protected area management, concentration on production forestry, and emphasizing plantation forests development, as well as zeroing in on community-based forest management.

An Urgent Need for a Road Map to Forest Management and Renewal

Dr. Florentine O. Tesoro

The paper provides a comprehensive look at the issues and concerns currently facing Philippine forestry. It offers a long and detailed list of recommendations derived basically from a review of three recent major reports: Revised Master Plan for Forestry Development (2004) by the Department of the Environment and Natural Resources with Food and Agriculture Organization funding; the Governance or Natural Resources in the Philippines (Lessons from the Past, Direction for the Future) by the World Bank (2003), and Natural Resources Governance Way Forward Action Plan, also funded by the World Bank. The issues and concerns are broadly segregated into two categories: on policies, which refer to decision instruments to facilitate governance; and about institutions, meaning the instruments or infrastructures for implementing policies.

Timber Trade and Sustainable Forest Management

Dr. Manoel Sobral Filho

Timber trade continues to be among the most debated issues in the discussion on sustainable forestry management. The paper discusses both sides of the debate. One side argues that trade has a lesser impact on the state of the world's forests in view of existing data that points to other causes of deforestation and degradation. On the other hand, opponents argue of a continuing decline in world forests because of the growing production

and trade in timber and forest producers arising from unsustainable consumption of timber and timber products especially in new industrializing economies.

The paper points out the need for a mechanism by which trade and sustainable forestry management can be reconciled and integrated to generate synergies in support of sustainable development.

Impact and Effectiveness of Logging Bans in Natural Forests in Asia Pacific

Mr. Patrick B. Durst

Ever since the United Nations' Food and Agriculture Organization published its study on impacts and effectiveness of logging bans in natural forests in Asia-Pacific in 2001, it has continued monitoring the experiences of six countries--- New Zealand, People's Republic of China, Philippines, Sri Lanka, Thailand, and Viet Nam--- implementing logging bans.

The country case studies were selected to represent examples of major efforts to apply logging bans comprehensively to natural forests outside established protected areas in diverse circumstances. A coherent summary of regional experiences with logging bans guides policy development, as well as enables understanding their impact on conservation and production in natural forests, including implications and strategies for timber supply.

Could Forests Stop Floods? The Case of Tignoan, Agos and Dingalan Watersheds

Professor Rex Victor Cruz, Ph.D.

An evaluation was undertaken to explore the likely cause of large-scale flooding that hit several provinces of Luzon last November and December after a series of major typhoons. Rainfall and topography, as well as pertinent data on land use patterns, were considered in establishing the cause of the resultant widespread disaster and damages. The study also focused on the condition of the watersheds of Tignoan, Agos and Dingalan--- all in the Sierra Mountain range--- and their possible roles in mitigating the

floods that affected major portions of Real, Infanta; General Nakar, Quezon; and Dingalan, Aurora.

The study's results are expected to provide a better understanding on why the disaster happened so that appropriate measures could be formulated to reduce communities' and households' vulnerability to similar flood events in the future, as well as minimize the occurrence of and damages arising from these disasters.

Economic Contribution of the Wood Industry to Sustainable Development

Dr. Prescila Dolom

Forestry has been one of the major forces in the growth of Philippine economy for many decades. This paper enumerates the contribution of forest-based industries according to economic, social, and environmental pillars of sustainable development, a testimony to the importance of industries related to the utilization of Philippine forests.

However, much more needs to be done. The paper also discusses issues and problems, as well as recommendations, that will ensure the sustainability of our forests so that future generations of Filipinos may still benefit from and enjoy them.

A Landmark Meeting of the Best Minds in

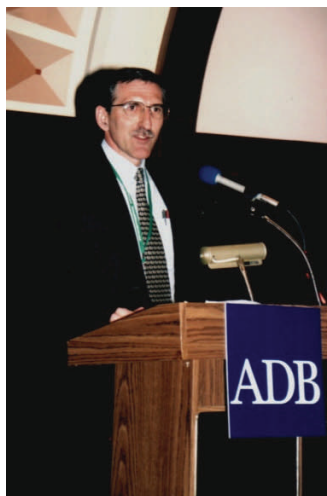


WELCOMING VIP GUESTS. (l-r) Keynote speaker executive secretary Eduardo Ermita with PWPA chairman Ferdie Lu; DENR secretary Michael Defensor with PWPA president Tony Olizon; and secretary Defensor with ADB director Muhammad Mannan and director general Shamshad Akhtar.

IMPRESSIVE ATTENDANCE. Part of the Forum's overflow crowd in one of the plenary sessions and during coffee break



VALUABLE INSIGHTS. Forum speakers (bottom photos, l-r) Senator Pia Companera Cayetano, ITTO executive director Manoel Sobral Filho, UN-FAO's Patrick Durst,, and Congressman Leovigildo Banaag



Development and Natural Resources Sustainability



(Left photo) Conveners at the Philippine Forestry Development Forum press conference. (Right photo) Past DENR secretaries grace the Forum with executive secretary Ermita and DENR secretary Michael Defensor, (fourth and third from right respectively): (l-r) Ricardo Umali, Angel Alcalá, Heherson Alvarez, Victor Ramos, Bibet Gozun, Fulgencio Factoran, Jr., and Antonio Cerilles.



(Left photo) Secretary Mike Defensor with the forum's VIP guests and organizers. (Right photo) Forum convenors with DENR Secretary Defensor (center) : (l-r) Ramon Razal, UPLBCFNR dean; Ricardo Umali, Society of Filipino Foresters president; Antonio Olizon, PWPA president; and Muhammad Mannan, ADB director.



(Extreme left photos) Federation of Philippine Industries chairman Meneleo Carlos, Jr., and Bohol governor Erico Aumentado, League of Provincial Provinces of the Philippines president; Secretary Defensor speaking on DENR's policy directions; and PWPA chairman Ferdie Lu, Treasurer Stanley Tan, EVP Jun Keh, VP Mon Uy and VP Robert Kua with Forum staffers.

RESOLUTIONS:

Philippine Forestry Development Forum 2005

Affirming our commitment to the guiding principles of EO 318 promoting Sustainable Forest Management in the Philippines...

Recalling the Resolution adopted during the Philippine Forestry Forum of February 2000;

Recognizing that our environment and natural resources, particularly forests, are a major concern of the Philippine government, civil society, and the public as a whole;

The sustainability of our forests is a great challenge to many in our society—from indigenous peoples to scientists to environmentalists to economists to business leaders—but such concern has been compromised by the need for a long-term forestry policy.

Emphasizing that our forests are an indispensable life-support system for our communities; rivers, lakes and water sources; hydroelectric dams and irrigation facilities; agriculture and inland fisheries; ecotourism; housing programs; and wood and furniture industries;

Recognizing that our forests continue to be a vital resource that needs to be harnessed in a sustainable manner to make them contribute to the economic, social and environmental health and well being of the country;

Expressing concern on the perception that the repeated occurrence of floods, droughts, landslides, and other such calamities, including declines in rice and other agricultural harvests, can be traced only to the

destruction of forests;

Further

recognizing that the forestry sector has shown diligence in improving the Sustainable Forest Management strategy as an acceptable, comprehensive and enduring policy framework for all the country's forestry programs, projects, and activities; and

Re-empha-

sizing the critical need for Sustainable Forest Management to be institutionalized as an omnibus forestry policy and a key program in the Philippines' continuing march to socio-economic development and conservation of its environment and natural resources...

Now, therefore, the FORUM **decides and agrees** to seek the intercession of

proper authorities, enjoin the collaboration of concerned sectors, and pray for guidance in order to achieve the following in support of realizing Sustainable Forest Management in the Philippines:

Our forests continue to be a vital resource that needs to be harnessed in a sustainable manner to make them contribute to the economic, social and environmental health and well being of the country .

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Resolution: The categorization of forestlands into specific production and protection (national parks and watersheds) forests for sustainable development, management and conservation within the framework of watershed-based integrated forest management.

- The establishment by law of the specific limits of forestlands, in accordance with Section 4, Article XII of the Philippine Constitution;
- The categorization of forestlands into specific production and protection (national parks and watersheds) forests for sustainable development, management and conservation within the framework of watershed-based integrated forest management;
- The delineation of forest boundaries and complete demarcation of forest line on the ground;
- The identification and allocation or release of forest lands appropriate for the establishment of industrial tree plantations that would make the country, in due time, self-sufficient in timber and do away with its costly importation;
- The creation of an investment climate that would attract local and foreign capital in the rehabilitation, development and management of the country's forest resources and biological diversity, for their various products and services, including ecotourism and climate change mitigation;
- The creation of a Forest Industry Development Board that would prepare the roadmap for the long-term development of forest-based industries;
- The promotion of synergistic efforts through mobilization of regional and international cooperation/collaboration on SFM;
- The urgent passage into law of the Sustainable Forest Management bill and National Land-Use bill now both pending in Congress, with high level political commitment and support to ensure the growth of the forest-based sector in providing economic and environmental benefits to society as well as promoting effective forest protection and governance; and
- The promotion of science-based planning, policy formulation, and Information Education & Communication (IEC) for SFM; the adoption of Criteria and Indicators (C&I) and appropriate monitoring, assessment and reporting systems for SFM; the adoption and enforcement of measures to resolve the logging ban issues; geo-hazard assessment and mapping in the highly critical and highly vulnerable areas; finalization of the omnibus forest policy; and completion of the implementing rules and regulations of EO 318 while awaiting passage of the SFM Act.

The FORUM further decides and agrees that copies of this resolution be forwarded to Her Excellency Gloria Macapagal-Arroyo, President of the Republic of the Philippines; Honorable Franklin Drilon, Senate President; and Honorable Jose de Venecia, Speaker of the House of Representatives.

Done at the Asian Development Bank Auditorium, Mandaluyong City, Philippines, this 3rd day of June 2005.

Resolution: The urgent passage into law of the Sustainable Forest Management bill and National Land-Use bill now both pending in Congress, with high level political commitment and support to ensure the growth of the forest-based sector in providing economic and environmental benefits to society as well as promoting effective forest protection and governance.

PWPA ALARMED BY PROLIFERATION OF NEW WOOD MILLS

The Philippine Wood Producers Association (PWPA) again called DENR's attention on the relative ease with which new wood processing plants, particularly veneer and plywood mills, have sprouted in spite of a government policy that new wood processing plant permits would not be issued by the DENR until the wood industry is rationalized.

In its letter of June 17, 2005, the PWPA reminded the DENR of various DENR-issued memoranda and administrative orders, all of which disallow the installation and operation of new wood processing plants, especially veneer and plywood mills. These orders were DENR's response to the industry's clamor to rationalize the forestry sector for it to become globally competitive. Several rationalization studies were started in the past but frequent changes in the Department's administration have somehow delayed the program.

Memorandum Circular No. 2003-14 recognizes the need for a temporary moratorium on the establishment of new wood processing plants because of the proliferation of new small and medium-scale plants in spite of domestic wood raw material scarcity and the unfilled capacities of existing processing facilities. The July 22, 2003 Memorandum stipulates a moratorium on the setting up of new wood processing plants throughout the country. It instructed the Forest Management Bureau to complete the wood industry rationalization study within 45 days from its issuance.

DENR Administrative Order No. 2003-53 mandated that only the DENR Secretary had the right to issue permits for new wood processing plants to control proliferation of said plants.

The DENR Secretary's Memorandum of January 20, 2005 instructed all regional executive directors to revoke all wood processing permits without identified sources of logs or log/wood supply contracts and to immediately submit compliance reports, not later than February 10, 2005, indicating closed, suspended and operating wood processing plants.

In spite of these administrative fiats, wood processing mills continue to sprout, allegedly with the knowledge of DENR field officers. PWPA has received reports that quite a number of new veneer and plywood mills are now operating, particularly in Region XI.

Fact-finding missions--ascertaining the causes of the southern Aurora and northern Quezon floodings and landslides, reported alarming numbers of unlicensed mini sawmills operating in those areas.

Defensor Confirmed by Commission on Appointments

The Commission on Appointments recently confirmed the appointment of Environment and Natural Resources secretary Michael Defensor, after a slight delay caused by opposition from some sectors.

A former legislator and Housing and Urban Development Coordinating Council (HUDCC) czar, Defensor took the helm as DENR secretary vice Elisea G. Gozun, after his appointment by President Gloria Macapagal-Arroyo mid-2004.

Defensor, who started his political career when he was 23 years old, is the youngest of the DENR secretaries. He was also the youngest member of the 10th Philippine Congress, representing Quezon City's third district in the 1995 elections. He became Assistant Minority Floor Leader of the 11th Congress. Defensor started his political career in 1992 when he became the youngest councilor of Quezon City.

The DENR secretary comes from a prominent political family. His grandfather, Matias Defensor, Sr., served as vice-mayor, then became acting mayor of Quezon City. His father, Matias Defensor, Jr., currently represents the third district of Quezon City in the Lower House of Congress, while his sister, Ma. Theresa, served in the 2001-2004 Congress.

Defensor took his A.B. (History) and Master in Public Administration courses at the University of the Philippines where he also spent his elementary school years; high school at Miles McKinley High in Ohio, U.S.A.

This confirmation, say wood industry leaders, will enable Defensor to be more focused on DENR's development track

PWPA's position on disallowing new wood processing plants, not only considers competitiveness concerns, but also notes the country's lack of legitimately-sourced timber to support new plants' wood requirements. Timber for new plants is mainly sourced illegally from untenured forests, protection forest included. Legitimate tenurial instrument holders and wood processors usually get the blame for illegal logging operations.

Amaro Is New Forestry Bureau Head

Provincial Environment and Natural Resources officer (PENRO) Marcial C. Amaro, Jr., has been concurrently designated by DENR secretary Michael T. Defensor as officer-in-charge director of the Forest Management Bureau (FMB).

DENR Special Order No. 2005-360 dated May 3, 2005, announced Amaro's new role vice FMB director Romeo Acosta who was appointed officer-in-charge head of the Policy and Planning Service, Office of the Undersecretary for Policy, Planning, Research and Legislature Affairs.

Between 2000-2004, Amaro performed various tasks: head of the Policy Technical Working Group and chief-of-staff, Office of the Undersecretary for Policy and Planning; director of the policy studies service in the same office; and director of the Philippine Environmental Governance (ECOGOV) Program. He was PENRO in Cotabato (1996) and Iloilo (1997).

Amaro holds a BS degree in Forestry (1981) from UP Los Baños; graduate diploma in Agricultural Economics (1989) from the University of New England, Australia; and Master in Public Management with honors (1999) from the Development Academy of the Philippines. He trained on Remote Sensing at the Asian Institute of Technology in Thailand (1983); Change Management at the Asian Management Institute, also in Thailand (2003); and cleaner technologies and practices in various institutes and companies in Sweden (2003).

Amaro received DENR's Distinguished Service Award in 1997. He placed 2nd in the 1981 Foresters Board Examination and in the Career Executive Board Management Aptitude Test Battery in 1997. A registered professional forester, Amaro counts 24 years of continuous government service.

ITTO GEARS FOR PLY-WOOD CONFERENCE

Interested parties still have time to sign up for the International Conference on Tropical Plywood (September 26-28, 2005, Beijing, China). The summit is part of the International Tropical Timber Organization's (ITTO) thrust to study and promote policies and other measures to increase tropical timber industry competitiveness.

ITTO closely collaborates with the private sector, national and regional plywood associations and relevant international organizations in assessing: markets and market share for tropical plywood; processing productivity and profitability of tropical plywood manufacturing; marketing knowledge, trade efficiency and transparency in tropical plywood trade; and awareness of the tropical plywood sector of environmental and social responsibilities.

The conference will tackle these issues in four sessions relating to opportunities and challenges of tropical plywood markets, manufacturing, raw-material supply and corporate social and environmental responsibilities.

Interested parties may register, free of charge. Visit the ITTO website: www.itto.or.jp

Due to space limitations, Antonio Olizon's column

Wood for Thought

will not appear in this issue. Watch out for more insights on environment, forestry and related issues in the next WoodStock.

From page 14 WOOD PRODUCT TARIFF UPDATE

were made by the Philippine Government under the GATT/WTO Agreement in 1994. However, issued in August and December 1995 were Executive Order Nos. 264 and 287, respectively, adopting a new tariff reduction program under the MFN scheme. For plywood for example, from the 50% to 30% in 1997; 30% to 25% in 1998; 30% to 20 in 1999, 2000 and 2001; 20% to 15% in 2002, 2003, 2004, until the present level of 15%.

-With AFTA-CEPT, tariff reduction started in 2000. Plywood tariff reductions: From 20% to 15% in 2001; 15% to

10% in 2002; 10% to 5% in 2003 until 2005.

-Re the Comprehensive Tariff Review on MFN rates conducted by the Tariff Commission on March 31, 2005, PWPA requested for an increase in the MFN tariff rates from the present 15% to 20% for year 2006 and thereafter, for plywood products falling under Tariff Heading No. 44.12; and if not granted, to maintain the present rate of 15%.

For more information, please contact Ricardo M. Patawaran at the Philippine Wood Producers Association office. Telephone numbers 8176751/8121760.

PWPA and KLIMA Co-sponsor Carbon Forestry Forum

The Capacity Development for the Clean Development Mechanism (CD4CDM) Project of Klima-Climate Change Center and the Inter-Agency Committee on Climate Change (IACCC), in coordination with the Forest Management Bureau, Forestry Development Center, Philippine Wood Producers Association and The Society of Filipino Foresters will hold the "Carbon Forestry Forum" on July 20, Wednesday (8-5pm) at the Walter Horgan Building, Social Development Complex, Ateneo de Manila University in Quezon City.

The workshop will explore the prospects of developing Clean Development Mechanism (CDM) forestry carbon sequestration projects in the Philippines.

Some 100 attendees are expected. They represent stakeholders involved in the

forestry sector development— holders of tenurial instruments awarded by the Department of Environment and Natural Resources (DENR) such as timber license agreements (TLAs), integrated forest management agreements (IFMAs) and community-based forestry management agreements (CBFMAs); government agencies such as the DENR, Laguna Lake Development Authority (LLDA), Philippine Coconut Administration and NEDA; government banking or financial institutions such as DBP, LBP and World Bank; fund and service providers such as JICA and WINROCK International; the research and academic community; and non-governmental organizations.

PWPA president Antonio C. Olizon will give the welcome remarks with DENR undersecretary for Environment and Forestry Ramon Paje delivering the keynote address.

Olizon, together with Forest Management Bureau director Marcial Amaro, Jr., Society of Filipino Foresters president Ricardo Umali, UPLBCFNR Forestry Development Center director Eleno Peralta and UPLB professor Rodel Lasco will lead the discussion on ways of overcoming barriers in developing forestry projects in the Philippines.

Important topics are: Overview of Clean Development Mechanism (CDM) Forestry Carbon Sequestration by Dr. Roberto Yap of Klima-(Climate Change Center); Prospects of Forestry Projects as CDM Projects by Dr. Juan Pulhin of UPLB; Commercial Tree Plantations by Forester Oscar Gendrano of Far East Wood Consultants Corp.; and Financing For Forestry Projects by Aurora Maghirang of DBP, Noemi Dela Paz of LBP and Josefo Tuyor of World Bank.

Wood Product Tariff Update

(Based on Executive Order No. 164 issued December 30, 2003 {implemented January 25, 2004} in effect until December 31, 2005. Covers importations from the U.S., Japan, China, European Countries {MFN} or countries other than ASEAN {AFTA-CEPT}.)

Type of Wood	Before (2004)		Now (2005)	
	<u>MFN</u>	<u>CEPT</u>	<u>MFN</u>	<u>CEPT</u>
Logs	0%	0%	0%	0%
Lumber				
Tropical	7%	3%	7%	3%
Coniferous	3%	3%	3%	3%
Veneer				
Tropical	7%	3%	7%	3%
Conif/Jelutong	3%	0%	3%	0%
Particleboard	15%	5%	15%	5%
Fiberboard	15%	5%	15%	5%
Plywood	15%	5%	15%	5%

Notes: -Under the general tariff reform program which culminated with the passage of Executive Order No. 470 in 1991, tariff duty on plywood among others, reduced from 70% to 50%. This level continued to apply even after commitments

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To Save Forest, Backers Suggest Cutting

by James P. Sterba*

To understand the latest threat to one of the largest naturally reforested regions on the planet--- the Northeastern U.S., it would help to drop in on a "volunteer day" in the town forests of Weston, a wealthy community outside of Boston, Massachusetts.

A local tree surgeon gives chain-saw lessons. Brian Donahue, a college professor, offers log-splitting tips. Volunteers stack split wood to dry. The logs come from a handsome black oak, perhaps 70 years old, dismembered with a chain-saw two days earlier while a class of Weston High School seniors watched. Each year, the town downs about 200 trees in its 680-hectare forest and sells them, mostly for firewood, but occasionally for lumber.

No, this isn't the threat. Just the opposite. Weston's token logging effort was designed to teach children and their parents that it is OK, even wise, to cut down local trees and use them.

That is a tough message to sell in exurbia, the semirural areas where affluent Americans are moving in growing numbers. Most of these newcomers abhor tree-cutting, foresters say. But Donahue, a 49 year-old environmental historian at Brandeis University, has been selling this message for 25 years in Weston: The best way to save forest and farm land from developers is to get local residents to value it by using it in a hands-on way. They become part of a "working landscape" like farmers of old, he says.

Donahue is one of nine authors of a paper released last week by the Harvard Forest, a research unit of Harvard University, outlining the same approach for protecting the forests of Massachusetts, and the rest of the Northeast, from exurban sprawl.

Environmentalists in the 1970s advocated saving forests by getting people out of them. That was naive, Donahue says. It is easier on the planet for people to make more and better use of local resources--- from vegetables to trees--- than importing them from afar, where ecological safeguards may be minimal, he says.

Most exurbanites are two or more generations removed from hands-on rural life, Donahue says. Many grew up hearing logging is bad for redwoods, spotted owls and the climate. "They don't have a clue where their wood comes from--- but consumes it in record amounts," Donahue says.

Many residents of the Northeast don't know they

live in one of the greatest natural reforestation success stories of modern times. Not since the collapse of Mayan civilization in Central America more than a thousand years ago has such a vast landscape reforested itself, says David R. Foster, director of the Harvard Forest unit near Petersham, Massachusetts, and lead author of its new report.

Because fights over logging have occurred in the West, Americans tend to think that is where the trees are. In fact, originally, an estimated 75% of the forests in what became the U.S. were in the eastern one-third of the country, says the U.S. Forest Service. European settlers cut or burned trees to clear land for pasture and crops. But in the 19th century, as richer, flatter, less-rocky land in the Midwest opened up, farms in the East were abandoned. Over the past 150 years, much of that forest grew back. In some states, such as New York, it is still growing, at a rate of thousands of hectares a year.

In the 12 states of the Northeast, an estimated 72% of the land that was forested in 1630 was reforested by 1997, according to the forest service.

The proposal says "high-quality timber" could be harvested "in planned and sustainable fashion using low-impact logging methods that do not damage remaining trees, lower the future timber value of the stand, degrade wetlands and streams or leave an unsightly mess." Low-impact logging means avoiding clear-cutting and so-called high-grading--- cutting the best trees and leaving the rest. Instead, it means selectively harvesting trees with the long-term health of the forest in mind.

Still, the idea of helping the forest by cutting some trees runs counter to widely perceived environmental wisdom. That is because logging has been done so badly in the past that the very word conjures up images of a devastated landscape of tree stump, says Harland C. Clifford, who grew up tapping maple trees for syrup in the Weston forest. He is now editor of Orion, an environmental and cultural magazine.

Clifford thinks environmental arguments in the 1960s and 1970s for getting man out of the forest and leaving nature to itself were a response to ruined forests. Now, he says, people are more receptive to "re-integrating ourselves into nature," as ideas about forest change.

(To be continued)

* Abridged from the article of same title authored by James P. Sterba, Wall Street Journal, May 10, 2005.

Calendar of Events

3-6 May 2005
Wood Trade Mission to Myanmar
Headed by DENR Sec. M. T. Defensor

10 May 2005
Regular meeting of Plywood Council
12:30 PM China Place Restaurant
Pan Pacific, Manila
Host: RICHMOND PLYWOOD

25 May 2005
Regular monthly meeting of the Board of Directors
12:00 noon PWPA Office,
Makati City

30 May 2005
ECOGOV re: IRR SFM-ARMM
Unit 2401 Prestige Tower,
F. Ortigas Jr. Road
Ortigas Center, Pasig City

1 June 2005
Public Hearing on the Committee on Natural Resources House of Representatives re: An Act Providing for Sustainable Forest Management
Batasang Pambansa, Quezon City

2-3 June 2005
Philippine Forestry Development Forum
Asian Development Bank Auditorium, Mandaluyong City

08 June 2005
PCARRD Workshop
8:00 PM Traders Hotel, Roxas Boulevard

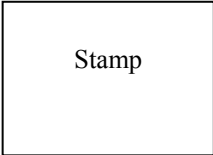
20 June 2005
Annual Philippine Regulation Commission Awards
5:00 PM, Fiesta Pavilion, Manila Hotel


22 June 2005
Regular monthly meeting of the Board of Directors
12:00 noon PWPA Office, Makati City

28-29 June 2005
2nd ASEAN Consultative Committee for Standards and Quality (ACCSQ)
Product Working Group on Wood-based Products
Kuala Lumpur, Malaysia



The Philippine Wood Producers Association
3/F LTA Condominium Building
118 Perea Street, Legaspi Village, Makati City 1229
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