



After 8 long months

Four Companies Resume Harvesting Operations

DENR's selective lifting of logging suspension

gives wood industry new glimmer of hope

The long wait is almost over. The Department of Environment and Natural Resources (DENR) finally ordered on August 17 the lifting of suspension of timber harvesting operations of four companies, namely Furniture Group, Inc. (FGI), Star Veneer Manufacturing Corporation (SVMC), Luzon Mahogany Timber Industries, Inc. (LMTII) and Industries Development Corporation (IDC), based on a memorandum sent by DENR secretary Michael T. Defensor to the Department's regional executive directors (REDs).

The decision came after a careful review and validation of per-

formance reports made by DENR-NGO (non-government organizations) composite teams.

The NGOs included Lingkod Tao, Tanggol Kalikasan, Haribon Foundation, CODE-NGO, Philippine Foundation for Environmental Concern, ESSC based in Ateneo de Manila University, and the Legal Rights Center based in UP Diliman.

The NGOs did not only review the reports of the REDs; they also studied important documents pertaining to these companies' TLAs and IFMAs, and conducted field evaluations together with the Forest Manage-

ment Bureau's technical officers. They likewise reviewed their status on peace and order, labor, community service, and environmental compliance.

Notwithstanding the satisfactory performance of the above-mentioned companies to merit the lifting of suspension of timber harvesting operations, the approval of their actual timber harvesting operations is still on hold until their respective annual operations plans (IAOPs) have been recast to put more emphasis on their forest protection and reforestation programs which the office of the undersecretary for Environment and Forestry shall evaluate for conformance.



READY FOR THE CHALLENGE. At the 54th PWPA meeting (l-r): PWPA VP Evaristo M. Narvaez, Jr.; Federation of Philippine Industries chairman Meneleo J. Carlos, Jr.; PWPA president Antonio C. Olizon; DENR undersecretary Ramon J.P. Paje; PWPA chairman of the Board Fernando A. Lu; PWPA chairman emeritus Antonio G. Bernas and PWPA EVP Alfonso C. Keh, Jr.

2005-2006 Board Elected in PWPA's 54TH Annual Meeting

Following the highly-successful Philippine Forestry Development Forum held June 2 and 3 at the Manila Polo Club, Forbes Park, Makati City.

Taking stock of the industry's precarious situation—ushered in by the nationwide logging suspension--- the assembly conducted its rather simple and austere yet highly productive 54th Annual Meeting on July 29, 2005 at the

mapped out the industry's immediate strategies and actions to ensure its long-term growth and sustainability.

More than 300 Forest Management Contracts to be Cancelled

The Department of Environment and Natural Resources (DENR) recently reported that more than 300 Industrial Forest Management Agreements (IFMAs) will be cancelled due to their holders' inability to adhere to responsible timber management.

"Over the past 11 months, we have conducted a series of evaluations of our forestry instrument holders such as the timber license agreements, industrial forest management agreements, community-based forest management agreements, and socialized IFMAs. Of these, more than 300 have been slated for cancellation," said DENR secretary Michael Defensor.

The trimming down of IFMA holders, said Defensor, coincides with the DENR's move to limit logging activities and preserve the country's remaining forest covers.

Earlier, the Philippine Tropical Forest Conservation Foundation (PTFCF), which called for an honest-to-goodness reforestation program, warned against the country's dwindling forest cover.

PTFCF administers the debt-for-forest swap fund which would put up a P453 million reforestation fund---nearly nine times bigger than the P56 million DENR allocation for reforestation. But according to Defensor, the DENR is not resting on its task to rehabilitate the country's forests.

"A total of 15,670 hectares have been planted with trees as of end of July this year despite limited resources," he said, adding that more budget and resources will be allocated in the coming years and upon the instruction of the president of the Philippines.

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Four Companies Resume Harvesting Operations

This situation is unlike that in the Caraga and Davao regions whose operators' logging operations were simply allowed to resume without changes in their IAOPs.

FGI (holder of TLA No. 134-1) and SVMC (holder of IFMA No. 2002-1) are both located in Apayao province; LMTII (holder of IFMA No. 2001-2) operates in Isabela province; and IDC (holder of IFMA Nos. 014 and 2001-08) does business in Aurora province.

The Philippine Wood Producers Association

(PWPA) continues to work for the lifting of suspension of timber harvesting operations for its other TLA/IFMA-holder members.

The transport ban on logs of Vicmar Development Corp. (VICMAR) was also lifted on August 17 upon recommendation of the DENR ARMM-NGO composite team. VICMAR (holder of IFMA No. 02) operates in Lanao del Sur, a part of the Autonomous Region for Muslim Mindanao (ARMM).

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2005-2006 Board Elected in PWPA'S 54th Annual Meeting

Department of Environment and Natural Resources (DENR) Undersecretary for Environment and Forestry, Dr. Ramon J.P. Paje was the event's guest speaker. Other important guests were Meneleo J. Carlos, Jr. Chairman of the Federation of Philippine Industries and Philippine Product Quality and Standard Foundation, Inc.; and OIC-Director Marcial C. Amaro, Jr. of the Forest Management Bureau.

The PWPA members also elected the association's new board. Reelected were Fernando A. Lu, Antonio C. Olizon, Alfonso C. Keh, Jr.,

Stanley Q. Tan, Evaristo M. Narvaez, Jr., Ramon Y. Uy, Alex P. Ong, Wellington C. Yao, Florio M. Buñag, Robert W. Kua, and Edith I. Alcantara. The new board members are Charlie H. Liu, Manuel A. Ng and Victor A. Consunji.

Based on PWPA's by-laws, the Board of Directors shall elect, from among themselves, the chairman, president, executive vice president, vice presidents and the treasurer during its first meeting in the month immediately following their election as directors.

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DENR Bureau Develops Coppicing Technology for Gmelina

Los Baños, Laguna--A government bureau here has developed a technology which can triple the income of people growing gmelina, a furniture species, in plantations.

The coppicing gmelina technology— a brainchild of DENR's Ecosystem Research and Development Bureau based at the University of the Philippines Los Baños-College of Forestry and Natural Resources (UPLB-CFNR), is a cost-saving technique which not only considerably increases the income of tree growers but also results in bigger trees that can efficiently sequester or capture carbon dioxide from the atmosphere.

Results of ERDB's study showed a 71.7 per cent higher wood production net return of three-year old second coppices versus the original planted yemane stump. Income after applying the technology increased because coppicing induced faster and higher height and diameter growth. The quantity of wood produced from the coppices is 66.8 per cent higher than planted gmelina trees.

Coppicing is the cutting of trees and shrubs at the base to allow vigorous regrowth and sustainability of timber supply for future generations. ERDB pointed out that not all trees are suitable for coppicing but that gmelina has shown positive response to the technique. However, ERDB stressed that for timber production, only the biggest, most straight, vigorous and defect-free stems should be left growing with the rest of the coppices to attain big stem diameter.

Based on a study done by the Department of Science and Technology's Forest Products Research and Development Institute (DOST-FPRDI), gmelina wood grown by coppicing is comparable to that of mayapis, almon, igem, tiaong, anabiong, and dita.

"Coppicing gmelina is not only economically beneficial," said ERDB Director Diaz. "It can also help improve environmental conditions through carbon dioxide sequestration. More carbon dioxide in the air results in atmospheric warming. Coppices trees can capture a higher amount of carbon dioxide from the atmosphere since they grow faster and accumulate higher biomass which stores carbon, thus, making the environment cooler."

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Key DENR Officials Reassigned

In its continuing effort toward efficient governance and organizational strengthening, Department of Environment and Natural Resources secretary Michael T. Defensor recently implemented a major DENR organizational revamp highlighted by the appointment of nine officials.

Defensor's Special Order No. 2005-542 appointed Western Visayas Regional Executive Director (RED) Vicente S. Paragas as assistant secretary for Field Operations, replacing Assistant Secretary Jeremias Dolino, who in turn was recently designated as head of the Mines and

Geosciences Bureau (MGB), vice Horacio C. Ramos, now RED for Eastern Visayas.

Special Order No. 2005-551, on the other hand, designated Samuel R. Peñafiel as RED for the Cordillera Administrative Region (CAR); Julian Amador as RED for Central Visayas; Clarence Baguilat as officer-in-charge (OIC) for Cagayan Valley; Ernesto D. Adobo, Jr., OIC for Western Mindanao; and Celso V. Loriega, Jr., OIC, Western Visayas.

DENR Orders Retrieval of Trees Uprooted in Aurora and Quezon

Tightening the noose on disaster preparedness

City of San Fernando – Environment officials in Aurora and Quezon mapped out plans to retrieve more than 100,000 cubic meters of uprooted trees so that future heavy rains would not loosen them and trigger flash floods and landslides in about 100 villages in the Sierra Madre mountain ranges.

The retrieval operation, to be completed in two months, was ordered by DENR secretary Michael T. Defensor following an appeal by Sen. Richard Gordon to save communities at risk.

Defensor's Aug. 2 memorandum outlined DENR's measures and procedures for disaster preparedness. His memorandum also shot down speculations from some sectors that the retrieval operation was a cover to the resumption of logging which was banned late last year following flash floods and landslides in Aurora and Quezon. He ordered the retrieval operation, he said, to avoid a repeat of the [2004] disaster which killed more than 1,000 people in the two provinces last November and December. Local officials and residents dubbed it as the worst disaster to hit Central Luzon and Southern Tagalog in the last 56 years.

The retrieval, the second undertaken since January, focuses on the towns of Dingalan, Ma. Aurora and San Luis in Aurora; and Real, Infanta, Polilio and Balisin islands in Quezon, according to DENR Central Luzon director Regidor de Leon. In a July 7 memorandum, De Leon proposed the recovery of the logs, citing the risks these posed on communities.

Past retrieval operations, slowed down by conflicts in claims and local government controversies, gathered only 5,571.85 cubic meters in Dingalan and Infanta.

GREEN THUMBS. Officers and members of the Philippine Wood Producers Association (PWPA) and volunteers in the 2nd PWPA-La Union Tree Planting event: (l-r) PWPA national office representative Regino Serafico; DMMMSU Hort Soc adviser, Dr. Marina R. Sabado; PWPA La Union chapter president Christopher Chan; OIC CENR officer Raquel Abedania-Lopez; and San Fernando City DENR staff--- with mango, chico, calamansi and golden coconut seedlings in the background.

PWPA La Union Spearheads Tree Planting

Philippine Wood Producers Association (PWPA) – La Union Chapter President Christopher Chan mobilized the province's PWPA members for its 2nd tree planting activity held on August 5, 2005 at the Don Mariano Marcos Memorial State University (DMMMSU) Institute of Agriculture in Barangay Nagtagaan, Rosario, La Union. The project was undertaken in cooperation with the Society of Filipino Foresters, Inc. (R-I Council).

It was part of an envisioned partnership between PWPA LU Chapter and DMMMSU for a sustained environmental protection drive in light of alarming incidents of environmental degradation and ecological imbalance. This annual undertaking of these two sectors aims to conserve, protect and develop the environment.

Dr. Marina R. Sabado of DMMMSU stressed the importance of the tree planting activity for members of the Horticultural Society which she also heads. It is the Society's first activity since its founding recently. Members of the Society committed to take care of and manage the plants. OIC CENR Officer, Raquel R. Abedania-Lopez and her staff also attended the event. Also present were Forester members--- Gregorio Adriatico, Alfredo R. Racoma, Jr., Salome S. Serra, Henry Foronda, Constante Sadumiano and Joel Ayodoc. Makati based-PWPA national office representatives were Regino M. Serafico and Benjamin G. Bereña.



DENR Harmonizes “Forest” with International Standard

DENR Secretary Michael T. Defensor says the word “forest” has elicited disagreements among stakeholders in the forestry sector, prompting his agency to come up with an official definition consistent with an internationally accepted definition and to also clarify other forestry terminologies.

DENR’s Memorandum Circular 2005-005 defines “forest” as an area of at least half a hectare (5,000 square meters), with a ten per cent “stocking level,” meaning that at least 500 square meters are occupied by trees with a minimum height of five meters.

Likewise, public tree and private land plantations with less than the minimum 10-per cent tree cover and 5-meter height standard are already considered as “forest” under the order, which says that “all plantations established for forestry purposes--- yet to reach a crown density of more than 10 percent or tree height of five meters--- are included under forest.”

Tree plantations stocked with rubber trees and bamboos are also included under this category aside from

the usual fast-growing timber species that can be harvested in seven to ten years like gmelina and exotic mahogany. The order, however, does not include areas stocked with coconut trees and oil palm trees.

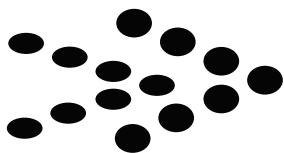
Under the new definition, forests are classified into two major types--- “natural” or “plantation.”

“Natural forests” are those composed of naturally-growing indigenous trees not planted by man. Plantation forests are those established by planting either to rehabilitate a deforested area through reforestation or convert an open area into a forest site through a process called “afforestation.”

Seven sub-types of natural forests are identified in the order--- broadleaved, coniferous, mixed, bamboo/palm formation, mossy forest, mangrove, and beach forest.

A study prepared last year by the Forest Management Bureau (FMB) noted that the lack of standard terms and definitions used by various agencies involved in forestry-based programs had spawned “discrepancies in land cover statistics creating confusion among its users.”

**Take
Note!**



PWPA’s new e-mail address:

pwpa@greendot.com.ph

- Or contact us through PWPA’s other e-mail address: info@pwpa.org.ph
- Existing email address: philwood@itextron.com will no longer be used starting November 2005
- Website: www.pwpa.org.ph

PWPA CO-HOSTS CARBON FORESTRY FORUM

Exploring the prospects of developing clean development mechanism (CDM) forestry carbon sequestration projects in the Philippines was the objective of the recently-held Carbon Forestry Forum at the Walter Hogan conference Room, Social Development Complex, Ateneo de Manila University in Quezon City.

The Capacity Development for the Clean Development Mechanism (CD4CDM) Project of Klima-Climate Change Center and the Inter-Agency Committee on Climate Change (IACCC) organized the event in coordination with the Forest Management Bureau (FMB), Forestry Development Center (FDC), Philippine Wood Producers Association (PWPA), and the Society of Filipino Foresters, Inc. (SFFI).

More than 100 participants representing different government, industry, academic, finance and NGO sectors attended the forum. Among PWPA's representatives were PWPA chairman Fernando A. Lu, president Antonio C.

Olizon, EVP Alfonso C. Keh, Jr., directors-vice presidents Florio M. Buñag, Evaristo M. Narvaez, Jr. and executive director Leonardo D. Angeles.

Carbon credits is an emerging environmental and financial asset, like carbon credits projects on renewable energy, fuel switching, energy efficiency, waste management, forestry, and industrial.

Forestry experts and participants discussed the prospects of forestry initiatives such as tree plantations as CDM Projects. In the case of forestry, carbon credits may be in the form of planting trees where significant amounts of carbon dioxide is removed from the atmosphere, through photosynthesis, and stored in the biomass.

CDM forestry prospects look promising in a country with critical watersheds, forest reserves and the IPAS sites. Proponents project savings of US\$ 62.5 M if the government sets aside 100,000 hectares for this purpose, ac-

ording to Dr. Rodel Lasco, World Agroforestry Center country coordinator.

Dr. Lasco said that forestry as a CDM project could have social and ecological benefits. It could also promote long-term environmental security. There are threats, however, such as overemphasis on plantations using exotics over indigenous species, and loss of opportunity to develop industrial forests. He said that CDM forestry projects may not solve the problem in forestry but could provide additional income to the farmers.

Representatives from financing institutions, like the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP), and World Bank discussed the various windows for financing forestry projects.

Discussants during the panel discussion portion unanimously agreed that one of the barriers in developing effective CDM projects in the country is the government's unstable policy and security of tenure.

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THANK GOD THE LOGGING SUSPENSION IS PARTIALLY LIFTED

Some encouraging news... Aside from ALSONS, some plywood plants have started to export plywood, though in small volumes. We hope this volume will increase so that the industry can be pulled out of its doldrums and help the economy become robust again.

Watch for it in the next issue. Due to persistent clamor, our EVP-Plywood Council chairman Jun Keh will contribute his thoughts on the plywood sector.

We thank USEC Ramon Paje for accepting our invitation to be the guest speaker at our annual membership meeting. Here's hoping he will favorably act on the concerns presented by our members.

Enlightening and encouraging. That's our verdict as we ended the DENR-FMB pre-departure conference with NGOs going to our IFMA-TLA members. The DENR and NGOs, as well as the PWPA, fleshed out-- to a certain extent-- the parameters for a joint evaluation of the real state of current IFMA and TLA holders. These NGOs--- Haribon, Legal Rights Center, Tanggol Kalikasan, Philippine Federation for Environmental Concern, CODENGO, Lingkod Tao Kalikasan, and Environmental Science for Social Concern--- amplified their positions on environmental protection.

The current DENR leadership considers it prudent to have our members evaluated by NGOs. The question is, are we also allowed to evaluate the activities of these NGOs. For our country's welfare, transparency must be exercised on all fronts.

THANK GOD THE LOGGING SUSPENSION IS PARTIALLY LIFTED

But we're still waiting for more good news so let's continue to be vigilant

By Tony Olizon

Let's welcome PWPA's new directors--- Victor Consunji, Charlie Liu and Manuel Ng. Their experience and expertise will surely contribute to the betterment of our association.

DENR has finally lifted the suspension of logging operations of some of our members in Luzon. We thank the DENR secretary for this long-overdue decision. Eight months of having these businesses on a standstill was certainly a long and painful wait.

We realize the difficulties endured by our members, their employees and their families. However, we are still waiting for decisions on the IFMA operations of Ferdie Lu's Pacific Timber Company (PATECO), and Victor Consunji's M&S, Sirawai Timber and group. Ferdie is now PWPA's president, Vic its incoming director. So there's no truth to the perception that DENR looks more kindly on the officers of PWPA.

But here's the irony: Several DENR secretaries and undersecretaries --- including its current officials, several cabinet secretaries and other government officials, religious leaders represented by bishops and priests, members of the mass media, and the academe have visited Vic's IFMA areas. All of them came out impressed and enlightened about this particular IFMA's honest-to-goodness efforts at protecting and developing our forests. They saw for themselves, especially from the air--- as most of them were privileged to have experienced--- the stark difference between bald, kaingin, and well-managed plantations. And they were profuse with admiration and praise. But why the delay in lifting the suspension of their operations?

They saw for themselves, especially from the air--- as most of them were privileged to have experienced--- the stark difference between bald, kaingin, and well-managed plantations. And they were profuse with admiration and praise. But why the delay in lifting the suspension of their operations?

Now, fly over Ferdie's operations in Northern Aurora and Isabela. You wouldn't think this place is even involved in logging. The forest is lush and thick. This company's logging practices have been so impressive and commendable that it had to do its reforestation obligations outside its own TLA area.

We hope Ferdie and Vic will soon receive THE long-awaited good news. Incidentally, the DENR has not yet responded to Vic's appeal to allow his company to, in the meantime, harvest/cut and transport the mature planted trees in his IFMA area. Again, this inaction sends the wrong signal to potential industrial plantation investors who are willing to bring in their resources and capability to upgrade the condition of our natural patrimony.

It has been 90 days since we held the Philippine Forestry Development Forum. To date, we are still waiting for actions on the forum resolutions presented by its convenors--- DENR, PWPA, ADB, UPLB, the Society of Filipino Foresters, and various individual participants. But we have not lost hope. As we write, various individuals and groups are persistently following up the key decision makers. We will keep the promise we made during the forum to continue to present our issues to the government until we get them to act.

Some of our members or their dealers have been hit hard by the sudden "disappearance" of three big hardware store owners. Reports say that these by-now ghost hardware stores owe their suppliers roughly P800 million. One of them had been in business for more than 25 years. It must really be that bad.

By James Sterba*

To Save Forest, Backers Suggest Cutting

(Continued from last issue)

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 images of a devastated landscape of tree stump, says Harlan 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 forests change.

But it's touch and go. Anti-tree-cutting sentiment is so high in some places that people who want to "manage" woods don't bother for fear of invoking local wrath. Projects can get tied up in protests and litigation for years.

That's what happened at the 4,300-acre McLean Game Refuge in northern Connecticut five years ago. The refuge was left to a public trust by U.S. Sen. George P. McLean, who died in 1932.

The refuge forest had grown untouched since then. The trouble is, as forests mature, they turn into bad habitats for some plants and wildlife, which dwindle or disappear. After paying for seven studies over more than two decades on how to restore bird habitat, the refuge's trustees announced pilot projects on 157 acres which involved cutting down some mature trees to create clearings for younger ones. The cut trees were to be sold as timber to help pay for the project.

Protesters put up tables in front of the Giessler's supermarket in nearby Granby, Conn., collecting signatures under a banner that read "Save McLean: Stop the Logging." The refuge spent tens of thousands of dollars on legal and consultant fees. After a delay of nearly two years, a probate judge decreed in 2001 that the project could go ahead.

William Schuster, executive director of the nonprofit 3,785-acre Black Rock Forest preserve 50 miles north of New York City, says students who go there bring an almost universal abhorrence of logging. In forest-management classes, when he discusses options, he says students almost always say, "Don't cut the trees."

Then he asks where they will get the wood products they need. Only then do they start to become receptive to the idea of harvesting local trees, he says. He also explains the preserve's forest has been cut for lumber several times in history, only to regenerate.

In a 2002 study, "The Illusion of Preservation," Harvard Forest scien-

tists reported that because of tree growth in the Northeast, "We now have the opportunity to cut trees locally, in a heavily forested and ecologically resilient landscape, in order to reduce the impact on often more fragile and globally threatened forests."

The problem, it said, was anti-logging attitudes. "A majority of people believes that logging is worse than non-management for the environment and favor increased protectionism." Yet many ignore "the reality that using wood means cutting trees--- somewhere," the report said, as well as the facts that wood is a renewable resource less costly or environmentally damaging to produce than construction materials such as steel, concrete and aluminum.

Massachusetts forests contain more wood than they've had in 200 years and could supply 50 per cent of the state's wood-products consumption, instead of the current 2 per cent, say Harvard Forest scientists. "Judiciously increased harvest levels, combined with reduced consumption could be done without environmental damage and without reducing overall forest acreage in the long term, they say.

Americans consume 2.5 times as much wood and paper than Europeans, according to United Nations statistics. Since 1970, average family size in the U.S. has decreased by 16 per cent, while average new-home size has increased 48 percent, Douglas W. MacCleery, a U.S. Forest Service senior analyst, wrote.

The problem... was anti-logging attitudes... Majority believes that logging is worse than non-management for the environment and favor increased protectionism. Yet many ignore the reality that using wood means cutting trees--- somewhere.

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

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DENR Undersecretary Paje Keynotes 54th Annual Meeting

"In good times and in bad times, in sickness and in health, come hell or high waters, our institutions will be together. Wherever we go, whatever we do, whatever the outcome, we will bear with each other." This summed up the message of DENR undersecretary Ramon J.P. Paje as he keynoted PWPA's recent 54th Annual Meeting.

He also emphasized the need for the country to revisit its development objectives and determine its competitive advantage, "since it is our natural resources that will liberate the country from poverty."

He said that one of these resources is land. By just developing five to six million hectares of denuded, degraded and undeveloped forestlands, revenues amounting to P1 million per hectare could be generated after ten years. He said that opportunity would be lost if development of these areas is delayed or unallowed.

He also noted the importance of our water resources, especially sea

water, and that we need to implement the United Nations Conventions on the Law of the Sea where the country will have 240 M hectare of territorial waters (because of the 200 miles exclusive economic zone) and water regularly received by 30 M hectare lands from rains. The vast area of water with continental shelves under it presents opportunities to find ten or more of Malampaya natural gas fields that will enable the country to export natural gas.

He added that we can also benefit from freshwater, stating that in the next 5 years, water fueling cars will be out in the market, and with the country producing 900 M to 1 B m³--- and we consume only 600 m³--- there will be enough to fuel all cars in the country.

"We will still continue to benefit and be liberated by the traditional industries of natural resources. That is the reason why we must continue to strengthen the wood industry, continue to strengthen the PWPA, and of course stabilize policies," he said.

He stressed the need to call the attention of Congress to pass the Sustainable Forest Management (SFM) bill into law and thus stabilize natural resource policies, especially forestry. He also said that the government is also pushing the charter change to improve the tenurial security of natural resources in the country, from 25-year lease to perhaps 100-year lease; and that the DENR endorsed to Congress a policy called power industry environmental trust account (PIETA) which can be included in the SFM bill, or a separate law enjoining power producers to pay for forest use so that funds for rehabilitation and revitalization of forestlands would be made available.

He appealed to Congress, he said, not to give anymore funding for projects but to just pass the law to allow the forest to earn its keep and generate its own income and rehabilitate itself.

DENR FACT SHEET

Environmental Compliance Certificates (ECC) Issuance and the Log Ban Issue

(A response to the news report, “*Defensor’s DENR top hindrance – traders,*” published in The Daily Tribune, August 16, 2005)

1. That DENR failed to cut the long red tape in getting environmental compliance certificates (ECCs) and even exemptions;

- DENR is continually streamlining the processing of ECC applications and approval process. In fact, we are finalizing a Department Administrative Order further streamlining the process and reducing the requirements for project proponents;
- Issuance of Memorandum Circulars No. 1, series of 2004, (April 23, 2004), on non-requirement of barangay and/or local government unit endorsements and locational clearance for CNC (certificate of non-coverage) applications;
- We are closely monitoring the status of ECC applications at the EMB Regional Offices and EMB Central Office by the DENR OSEC and also thru EMB web to ensure speedy processing; and
- We have put our Project Screening and CNC Application System on line to make it accessible to the public.

2. That DENR failed to delegate to the regional offices the issuance of ECCS;

- This is inaccurate. We have downloaded the ECC signatory to the EMB Regional Directors. In fact, only the ECCs of environmentally critical projects (ECPs) are signed by the DENR Secretary.

3. That DENR failed to expand the list of exempted enterprises, particularly the non-polluting small and medium

businesses as well as reactivate the one-stop processing of exemption papers;

- We have forged a Memorandum of Agreement with the Philippine Exporters Confederation, Inc. and the Philippine Chamber of Commerce and Industry on the implementation of the Phil. EIS System, specifically with regard to the updating of the list of projects that are not covered by the EIS System and technical assistance to the SMEs;
- We have issued Memorandum Circular No. 2 Series of 2004 (Aug. 30, 2004) stating that all Barangay Microbusiness Enterprises (BMBEs) are not covered by the EIS System to address the concerns of small marginalized entrepreneurs and in support to the PGMA 10 Point Agenda;
- We have implemented the Procedural Manual for DENR Administrative Order 30, Series of 2003, “Implementing Rules and Regulations for Phil. EIS System”, which provides additional list of projects that are not covered by the Philippine EIS System;
- We have issued the Implementing Rules and Regulations of the Memorandum of Agreement between PEZA and DENR to ensure an integrated and simplified implementation of environmental laws, rules and regulations, resource conservation, compliance monitoring and development controls within the ecozones that are subject to the supervision of PEZA. The MOA also emphasizes on further reduction of processing time for ECC applications of prospective locators within the ecozone.



4. That DENR failed to come up with an incentive system for the purchase of equipment and processes that insure that businesses comply with the Clean Water Act of 2004;

- This refers to Section 26 of R.A. 9275 (Philippine Clean Water of 2004). The process of implementing the incentives scheme under the said Act is part of the on-going development of a capacity development project on water quality management currently being worked out with the Japan International Cooperation Agency (JICA) by the DENR-EMB. The said project is expected to commence by January 2006. This project will involve coordination with relevant government agencies to operationalize the incentives and rewards scheme in order to complement the establishment and utilization of the water quality management fund;
- The incentive schemes under the said Act are presently implemented by concerned government agencies and we made constant coordination with government financial institutions to operationalize this provision;
- The Board of Investments, in its letter to Secretary Defensor dated 28 September 2004 (attached for reference), has signified its adherence to the provisions of RA 9275 particularly on the availment of "Tax and Duty Exemption on Imported Capital Equipment" by qualified enterprises;
- The Development Bank of the Philippines is likewise supporting investments in projects that contribute to the improvement of the quality of the environment.

5. That DENR failed to resolve the logging ban issue up to today.

- The DENR has not failed to resolve the logging ban issue, contrary to what was reported in the newspaper. In fact, on March 7, 2005, after careful review/evaluation of existing forest management policies, the suspension of timber harvesting in Region 11 and Region 13 was lifted.

At present, a series of Performance Validation of tenurial instruments issued by the DENR is being undertaken, with the participation of different NGOs, in order to determine the compliance of holders of these tenurial instruments with the terms and conditions of their licenses, and which shall serve as basis in the further review/evaluation on the lifting of logging ban in other areas.

The DENR Secretary also issued Memorandum Order Nos. 01-2005 and 02-2005, both dated January 13, 2005, for the Special Recovery Authority for Drifted Tops and Branches for Charcoal Making in Quezon and Aurora, and Special Recovery Authority for Stumps of Drifted Logs and Uprooted Trees in Quezon and Aurora, respectively.

Moreover, in recognition of the need to ensure the continuous supply of non-timber forest products for various forest-based communities and industries, the DENR Secretary in his memorandum, dated March 21, 2005, clarified that the harvesting/gathering/ disposition/ utilization of non-timber forest products (NTFP) by existing permittees shall continue to be allowed under existing regulations.

Recently, on August 2, 2005, the DENR Secretary issued a memorandum to the Regional Executive Directors for DENR Regions 3 and 4, allowing the disposition and transport of wood products from Aurora and Quezon Provinces within sixty (60) days. The REDs concerned shall coordinate with concerned agencies, LGUs, holders of forest tenurial instruments and the civil society to cause the immediate retrieval and disposition of all inventoried drifted logs and fallen/uprooted trees, particularly those located in the upstream and impeding the waterways, which pose serious danger to the communities in the occurrence of flash floods.

...in recognition of the need to ensure the continuous supply of non-timber forest products for various forest-based communities and industries, the DENR Secretary... clarified that the harvesting/gathering/ disposition/utilization of non-timber forest products (NTFP) by existing permittees shall continue to be allowed under existing regulations."

Calendar of Events

05 July 2005

12th Meeting of the Joint Committee on ASEAN Cooperation in Agriculture and Forest Promotion Production Scheme
Dusit Hotel, Makati City

15 July 2005

Free Trade Agreement (FTA)

8:30 am -11:30 pm

AVR Penthouse, Board of Investment

385 Sen. Gil J. Puyat Avenue, Makati City

20 July 2005

Carbon Forestry Forum

Sponsored by Klima, PWPA, FMB & FDC

8:00-5:00 Ateneo de Manila

Ateneo de Manila University, Katipunan Road,

Loyola Heights, Quezon City

29 July 2005

PWPA 54TH Annual General Membership Meeting

11:00 am – 5:00 pm

Manila Polo Club, Forbes Park, Makati City

05 August 2005

PWPA La Union 2nd Tree Planting
Don Mariano Marcos Memorial State University
Nagtagaan Road, Rosario La Union

09 August 2005

Regular Meeting of Plywood Council

12:30 PM Good Earth Cuisine

The Fort, Fort Bonifacio

Host: Mt. Banahaw Wood Ind., Inc.

17 August 2005

First Regular & Organizational Meeting of the Board of Directors

12:00 noon PWPA Office, Makati City

25 August 2005

304TH PCARRD Governing Council Meeting

Bar Conf. Room, 2ND Floor ATI Bldg. Elliptical Road

Diliman, Quezon City

26 August 2005

ECO GOV2 Conference

Re: Review of the draft (IRR) of Muslim Mindanao Autonomy Act
Unit 2401, Prestige Tower, F. Ortigas Jr. Rd, Ortigas Center, Pasig City



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

Stamp



Manufacturer of:

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