



IP Clears PWPA IFMA

The Kanawan Ayta Indigenous Cultural Community (KAICC) granted to the Philippine Wood Producers Association (PWPA) its free and prior informed consent (FPIC) through a memorandum of agreement (MOA) signed by the two parties and the National Commission on Indigenous Peoples (NCIP) last July 30, 2008 at the compound of Bataan Technology Park, Inc., in Sabang, Morong, Bataan.

The MOA was based on obligations and responsibilities of the parties earlier reached during the KAICC's decision meeting on July 2, 2008 at Dinalupihan, Bataan that

Atty. Jeanette Florita of NCIP Manila reviewed and clarified with them before the MOA was signed.

All the tribal leaders present, led by chieftain Josefina Alejo, signed the MOA and the enabling Resolution therefor in the presence of NCIP composed of Atty. Florita of Manila head office, Dr. Cresencio Patnaan of the regional office in Pampanga and Mr. Pacito Laborio, the Bataan provincial head and his staff and the PWPA represented by chair Fernando Lu, president Antonio Olizon, executive director L. D. Angeles and forestry & environment coordinator Maila Vasquez. After the *en banc* meeting of

(Continued on page 2)



Partners in Development. The tribal leaders of Kanawan Ayta Indigenous Cultural Community led by chieftain Josefina Alejo (seated, 4th from left) sign the Memorandum of Agreement as Philippine Wood Producers Association president Antonio Olizon (second row, 3rd from right) and the National Commission on Indigenous Peoples Atty. Jeanette Florita (second row, 3rd from left) of the Manila Office witness.

DENR Launches Natural Resources-based Enterprises

The Department of Environment and Natural Resources (DENR) with the New Zealand (NZ) government and the Food and Agriculture Organization (FAO) launched last July 23, 2008 the project on Natural Resources Management through Enterprise Development.

DENR undersecretary Mary Anne Lucille Sering, NZ Ambassador to the Philippines David Pine and FAO representative to the Philippines Kazuyuki Tsurumi signed the document to signal the start of the project. Representatives from other national government agencies, local government units (LGUs), peoples' organizations (POs), non-government organizations (NGOs), and the private sector, including the Philippine Wood Producers Association (PWPA) led by chair Fernando Lu and president Antonio Olizon, witnessed the launching of the project held at the DENR Social Hall at Diliman, Quezon City.

Forest Management Bureau (FMB) director Romeo Acosta thanked the NZ and the FAO for the funding support to the project. Foreign-assisted and special project assistant



Enterprises from Natural Resources. (Seated L-R) FAO representative Kazuyuki Tsurumi, DENR undersecretary Mary Ann Lucille Sering and NZ ambassador David Pine sign the document pertaining to the project.

secretary Analiza Teh and FMB assistant director Neria Andin elaborated on the rationale and overview of the project that will be implemented in thematic areas, viz mangrove, watershed and upland forestland.

The project is aimed at assisting the DENR capaci-

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NCIP Returns to Malacañang

President Gloria Macapagal-Arroyo temporarily transferred the National Commission on Indigenous Peoples (NCIP) back to her supervision to allow her to directly address the pressing concerns of indigenous cultural communities (ICCs)/indigenous peoples (IPs).

In Executive Order (EO) 746 issued on August 1, Mrs. Arroyo had the NCIP returned to the Office of the President (OP), for at least six months, from the Department of Environment and Natural Resources.

“There is a continuing need to remain vigilant in protecting the rights and guaranteeing the respect for the cultural integrity of indigenous cultural communities and indigenous peoples, and ensuring that

all members of the indigenous cultural communities and indigenous peoples benefit on an equal footing from the rights and opportunities which national laws and regulations grant to other members of the population,” she stated in her EO.

“Recent developments require the priority attention of the highest government authorities in making sure that the needs and aspirations of indigenous cultural communities and indigenous peoples are met,” she added therein.

Chief Presidential Legal Counsel Sergio Apostol said it was the NCIP and IP groups that requested the transfer since they felt the President could directly and immediately handle most of their concerns and their need for basic services, such as education and housing.

DENR Launches...

(Continued from page 1)

tates the Community-based Forest Management POs and LGUs, possibly with the assistance of NGOs and the private sector, in developing and managing financially viable, ecologically sound and socially-culturally appropriate community enterprises using the natural resources. It is expected that viable community enterprises would be the drivers for the sustainable development and protection of the natural resources.

Ambassador Pine, who will be soon leaving for a home assignment, said the project was the fruit of the state visit of President Gloria Macapagal-Arroyo last May 2007 as he looks forward to more cooperation between the two nations. Mr. Tsurumi said the participatory approach has been a successful strategy for upland development the Philippines has excellently pioneered in that other developing countries are endeavoring to emulate or implement.

DENR secretary Jose Atienza, Jr., in his message read by undersecretary Sering, expressed his gratitude to the NZ government and to the FAO for their support to jumpstart the project that would enable local communities to develop viable community enterprises thus, preventing them from doing activities detrimental to the natural resources and the environment.

IP Clears ...

(Continued from page 1)

his commissioners, NCIP chair Eugenio Insigne will sign the MOA.

Under the MOA, the PWPA agrees to train and hire qualified IPs to help to develop and protect the Project area. A 5% share in the net income shall be given to the community under a trust fund, when the project has begun to produce a stream of revenues. Also, the PWPA will help to fund the construction of a multi-purpose hall in, and to maintain the hanging bridge of, the barangay.

The wants of the community for farm animals like carabaos, cows, goats and pigs; irrigation; school building and scholarships; and housing would be coordinated at best effort by the PWPA with the proper government agencies, such as Department of Agriculture, National Irrigation Administration, Department of Education and Housing and Urban Development Coordi-

nating Council, as the case maybe.

President Olizon assured the KAICC leaders that the community will be the primary beneficiary of the fruits of the Project as he was forthright in saying to them the money to develop the Project will have yet be raised by PWPA as it, being a non-stock, non-profit organization, does not have that much funds for it.

Chair Lu, by way of a reminder, said the Project's primary purpose is not profit for PWPA, but for it to develop a model demonstration project wherefrom the community and other communities could learn sustainable productivity and self-reliance; that the Project is an expression of the corporate social responsibility of PWPA, partly in return to the benefits its members have received from the proper management and use of the forest resources in places where they operate.

<p>WoodStock Bi-monthly publication of the Philippine Wood Producers Association</p>	<p>EDITORIAL BOARD Fernando A. Lu, Chairman of the Board Antonio C. Olizon, President L.D. Angeles, Managing Editor M. R. Vasquez, Newsletter Editor</p>	<p>E-mail us at : info@pwpa.org.ph or philwood@globelines.com.ph for your comments, feedback or letters to the Editor</p>
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BIR Levies Advance VAT on Timber

Owners or sellers of naturally grown and planted timber are now liable to pay the advance value-added tax (VAT) before they could transport it out from its place of origin.

This was announced by Atty. Conrado Soriano of the Office of Deputy Commissioner for Operations of the Bureau of Internal Revenue (BIR) at the Forest Management Bureau (FMB) conference on July 19, 2008 in Quezon City.

BIR Regulations No. 13-2007, the order on the advance VAT payment on timber, has been in effect fifteen days after its publication on December 7, 2007, he said. Twelve percent (12%) of the forest charges on the timber is the equivalent payment of the advance VAT, he added.

The Certificate of Advance VAT Payment (CAVP) is issued upon payment of the advance VAT to the BIR through its authorized agent banks or to its revenue collection officer or to the deputized city or municipal treasurer in places where there are no authorized agent banks. The CAVP, like the Certificate of Timber Origin (CTO) the DENR issues, is necessary to be able to transport the timber or logs to places of their disposition.

However, an owner of the timber, who can present a Certificate of Registration showing he is subject only to the percentage tax of 3%, shall be exempt from the payment of the advance VAT but he must pay in advance the said percentage tax as required in BIR Regulations No. 13-2007; provided the aggregate value of the timber to be transported does not exceed P1.5 million.

The amount of advance VAT payment shall be allowed as credits against the owner's or seller's output VAT on the actual gross selling price of the timber.

During the FMB conference that mainly tackled the DENR-BIR proposed MOA on coordinating activities of their field offices in implementing the said Regulations, the PWWA has proposed that the BIR shall authorize the DENR, who now collects the forest charges, to accept payment of the advance VAT and to issue the CAVP in order to expedite and to facilitate the flow of business activities. The proposal will be studied by BIR.

GMA Launches SWITCH

President Gloria Macapagal-Arroyo on July 16, 2008 pushed the ceremonial switch marking the country's shift from the use of incandescent bulbs to compact fluorescent lamps (CFL).

Joining her on stage at the PICC in Pasay City to do their own switching were 17 LGUs in Metro Manila and representatives from the eight co-organizing groups: the Presidential Task Force on Climate Change, Global Environment Facility, United Nations Development Program, US Agency for International Development, Green Army Foundation, World Wildlife Fund, Asian Development Bank, WinRock International, Philippine Lighting Industry Association, Alliance for Mindanao Off Grid energy Program and Renewable Energy Coalition.

Simultaneously with the switching ceremonies, the municipal/city offices and selected schools and public markets in Metro Manila also made the switch.

President Arroyo said she is happy with the new program on the wise use of electricity being started in Metro Manila but it will be implemented also in the whole country.

She said that with the continuous rise of oil prices, the Philippines was shielded by the value-added tax which is now the source of funding the programs for the poor and for infrastructure projects. She said that the movement shall also be provided with P500 million to fund the procurement of CFLs.

She gave assurance the government shall harness all resources at hand to help ordinary Filipinos, now pressured by increasing prices and damaging natural calamities, to switch to CFLs. As models to all sectors, government agencies have to reduce their energy bills by 10%, she said.

A nationwide social mobilization campaign spearheaded by the Department of Energy (DOE), the Switch movement seeks to demonstrate how ordinary Filipinos, local communities and certain sectors of the society can contribute substantially to the massive effort at addressing skyrocketing oil prices and climate change by merely switching from inefficient lighting systems like the

incandescent bulbs to a more efficient lighting technologies like CFLs.

DOE secretary Angelo Reyes said that with the continuous increase in oil prices, the Philippines should strengthen its resolve to end its dependence fossil fuel and start to control its destiny in terms of energy by joining the SWITCH movement.

The immense strategic effect of the simple switch is estimated to have savings equivalent to at least 50 MW in power generation if a million 60-watt incandescent bulb will be replaced with 13-watt CFLs.

CFLs worth \$1.5 million can forgo the installation of a power station worth \$50 million, excluding savings effected in homes, offices, factories, schools, etc. and the significant reduction in greenhouse gas emissions.

SWITCH is designed to: a) accelerate and/or scale up the adoption of best energy practices that are simple but strategic; and b) lay the institutional framework to sustain best energy practices on the ground.

The movement took off from the social mobilization plans and activities crafted during the Energy Summit held last January - February 2008 under a single "umbrella" campaign in order to maximize impact.

The initial phase of the SWITCH campaign will focus first on switching from inefficient to efficient energy practices - starting with lighting - in workplaces, buildings, homes and public places.

It will be followed by the switch from a) petroleum-based fuels to alternative fuels and cleaner technologies in the transport sector; b) kerosene to renewable energy sources for lighting and basic electricity in remote rural areas; and c) fossil-based technologies to renewable energy technologies in power generation, where feasible at the local level. (See related story on p. 8)

Participants representing Metro Manila government units, government agencies, NGOs and religious, international development banks, education, lighting and transport, youth and private sectors attended the event. Chair Fernando Lu led the PWWA group.

FPRDI to Change its Name?

A concerned multi-sectoral group has urged the officials of the Forest Products Research and Development Institute (FPRDI) of the Department of Science and Technology not even to consider changing the name of their agency just because of an alleged pressure coming from outside it.

As contained in the FPRDI Resolution No. 001, s. of 2008, a lawmaker and a segment of the environmental movement claim the words "Forest Products" in the name of the Institute are associated with indiscriminate logging and shifting cultivation that the FPRDI seems to tolerate; thus, they want to change its name to something else.

The alternative names to FPRDI, as suggested in the said Resolution were:

- Biocomposites Research & Development Institute
- Dendro Products Research and Development Institute
- Institute of Sylvatech and Industries Development

The resource persons who attended the focus group discussion on July 3, 2008 at Los Baños, Laguna, coincident with the Institute's 51st founding anniversary, were unanimous in their sentiment for the retention of the present name of the Institute.

They could not find a good justification to change it when the law creating it mandates it shall conduct specific research and development on forest products.

With the change of name, will there be a change of mandate, vision, mission and programs, they asked. Besides the name FPRDI is world-renown, world-class and well-respected by its clients, particularly by the private sector who avails of its excellent services, they contended.

A resolution for the retention of the name Forest Products Research and Development Institute, was agreed upon by the resource persons to be formulated, signed by stakeholders concerned and sent to proper authorities.

The resource persons came from the Department of Environment and Natural Resources, Forest Management Bureau, Chamber of Furniture Industries of the Philippines, Philippine Chamber Handicrafts Industries, Technology Association of Pulp and Paper of the Philippines, Pallet Business Association of the Philippines, Philippine Wood Producers Association, Community of Crafts Association of the Philippines, Philippine Council for Agriculture, Forestry and Natural Resources Research and Development, UPLB College of Forestry and Natural Resources, the Society of Filipino Foresters, the Forest Research Society of the Philippines and a group of private forestry consultants.

Wood to Cost More Next Quarter

WOOD MANUFACTURERS are eyeing a 15%-20% increase in retail prices of lumber, plywood and other wood products by next quarter, the Philippine Wood Producers Association (PWPA) said yesterday.

The price increase is intended to cover rising cost of production inputs like logs, fuel and glue, PWPA president Antonio C. Olizon said in an interview.

Competing demand from consumer economies like China and South Korea had jacked up the prices of imported logs, Mr. Olizon noted, though he did not cite specific figures.

"Also, glue prices rose 10%-15% more," he added.

Common construction lumber currently costs P44-P46 while 5-millimeter, four by eight feet plywood panel costs about P300 at the third level or retail market, Mr. Olizon said. The said price hike will mean that lumber will cost P6-P9 more, while plywood prices may see an increase of P45-P60.

Retail prices of construction materials in Metro Manila had risen 7.1% last April, data from the National Statistics Office show.

The PWPA, however, fears that the impending price hike for wood products will dampen consumption, as buyers may choose substitutes such as plaster-boards and other synthetic goods.

Already, PWPA observed that domestic demand for wood products waned in May and June as the construction industry put off or has scaled down projects.

Exports of Philippine wood to the United States and Japan also declined in the first half as their economies weakened and the peso strengthened, Mr. Olizon said.

"I know of one Philippine mahogany product exporter who saw a 50% decrease in exports [in the first half]," he said.

For 2009, wood producers hope to increase production and export sales, but are hesitant to do so unless there is long-term stability in the policy on logging, Mr. Olizon said.

"We need better guarantees that we will harvest what we plant," he explained.

Leonardo D. Angeles, executive director of PWPA, cited government-red tape as a primary constraint to business. "It takes a long time for the government not only to identify areas we can plant on but it takes too long to process licenses," he said.

"There is no appreciation from the administration of the importance of our industry," he added.

PWPA also noted that their members are preparing for the inevitable lowering of tariffs on imported wood products by re-tooling plants and exploring innovative wood products to become more competitive.

Data from the National Statistical Coordination Board show that wood and cork products composed less than 1%, at P749 billion, of the P88.658-trillion gross value added to the manufacturing industry at the end of 2007.

Source: Article by Jessica Anne Hermosa for The Economy, Business World, August 27, 2008.

Downstream Wood Industries Air Problems

Key representatives of the Cebu Furniture Industry Foundation, the Chamber of Furniture Industry of the Philippines, the Chamber of Handicraft Industries of the Philippines and the Philippine Exporters Conference expressed to the Forest Management Bureau (FMB), Department of Environment and Natural Resources (DENR), a number of issues hampering their businesses.

Among the issues raised during the July 25, 2008 meeting in Quezon City pertained to: 1) the condition to register with the Philippine Wood Producers Association (PWPA) for securing authority to import wood from the DENR under DAO 99-46; 2) the quality of local wood; and 3) the tariff on imported wood.

The FMB and the PWPA clarified that the said Order has been amended by DAO 2000-20 that allows registration with the association the importer belongs to.

As to the quality of wood, the PWPA emphasized that its wood manufacturer-members only make do with the usually available logs (much of them from tree plantations) as they orient their manufacturing of wood products to the general market,

such as the construction and housing. However, matching between a manufacturer and an end-user of a specific quality wood products, like lumber, could be arranged under certain mutually agreed terms and conditions as has been done before.

Furniture makers said they need quality wood they claim local manufacturers could not supply them with that foreign countries could. They wanted the tariff lines on fiberboard, particleboard and plywood to be removed. They were informed, however, the tariff lines they wanted to be withdrawn were already made zero except for two lines by the issuance of EO 574, s. 2006 and EO 627, s. 2007 in re: AFTA-CEPT.

It was explained to them that there is an official process in petitioning for modifying the tariff rates, beginning at the Tariff Commission. Additionally, our government usually acquiesces with the collective position of the ASEAN.

The representatives of the said associations were notified by PWPA that its members operate on the theory of business, like them, but always keeping in their mind the greater good for the greater number of consumers of the country.

DENR to Rehabilitate C. Mindanao Forest Reserve

KORONADAL CITY – Environment officials have given priority to the rehabilitation of the 102,350-hectare Allah Valley watershed forest reserve to prevent flooding and landslides in Central Mindanao and the Autonomous Region in Muslim Mindanao.

Jim Sampulna, Central Mindanao executive director of the Department of Environment and Natural Resources (DENR), said the move to rehabilitate the Allah Valley watershed forest reserve is in line with the government's long-term plan to minimize, if not to stop, flooding and landslides in the two regions.

There are at least 25 identified watershed forest reserves in Central Mindanao with a combined area of 753,700 hectares.

The Allah Valley watershed forest reserve covers a total of 102,350 hectares spanning the towns of Lake Sebu, Surallah and T'boli in South Cotabato and Bagumbayan in Sultan Kudarat.

The areas are protected under Presidential Proclamation No. 2455 that was promulgated on Sept. 24, 1985. It is

being managed by the Allah Valley Landscape Development Alliance.

Assisting the DENR in carrying out the forest reserve's rehabilitation are the provincial governments of South Cotabato and Sultan Kudarat.

"We have prioritized Allah Valley because it is believed that 60 to 80 percent of the silt deposited in Rio Grande de Mindanao comes from Allah River. We know that the siltation of rivers and other water channels is one of the causes of widespread flooding and other water-related calamities in the area," Sampulna told The STAR in a cell phone interview.

Last month, various parts of Central Mindanao were hit by flash floods due to heavy rainfall spawned by typhoon Frank. The typhoon left more than P2 billion in damage to government infrastructure and agricultural losses, aside from displacing thousands of villagers.

Sampulna said they have requested DENR Secretary Jose Atienza for funds to do a feasibility study on the rehabilitation plan.

Source: Article by Ramil Bajo. Nation, The Philippine Star, August 22, 2008

A US Landmark Law Against Illegal Logging

Washington, US. A legislation to address the global illegal logging crisis has been passed in the US Congress.

This makes it the first country in the world to prohibit the import, sale or trade of illegally harvested wood and wood products.

The law passed by the House of Representatives, amends a long-standing wildlife trafficking statute, the Lacey Act, to include timber, wood products and other plants. It has been championed by Democratic Congressman Earl Blumenauer and Senator Ron Wyden. It has also received bipartisan support in both Houses of Congress.

It is hoped the US legislation will create a 'tipping point' and spur the EU and UK to follow suit with similar laws.

"After more than a year of work with an unprecedented coalition of industry, environmental and union groups, today we passed legislation that will help bring an end to the egregious practice of illegal logging," said congressman Blumenauer.

"Not only does illegal logging threaten the world's richest and most vulnerable forests, but it leads to serious human rights violations. It also costs the US forest industry over US\$1 billion every year, including US\$150 million to my home State of Oregon, he added.

"This is a great achievement that will protect the environment, help honest busi-

nesses, and prevent rampant corruption both here and abroad," Senator Wyden said.

The Environmental Investigation Agency (EIA) of the US is a leading environmental organisation providing expertise to policy makers on illegal logging and associated international trade. It estimates that 10 percent of annual wood product imports into the US - worth some US\$3.8 billion dollars, are derived from illegally logged timber.

"Governments, timber companies and traders around the world are taking note as the largest consumer of wood products, the US, becomes the first country to ban the import and sale of illegal wood," said Alexander von Bismarck, Executive Director of EIA.

Source: FDM Asia, Industry News, July 2008

National Forestry Certification Centre To Open

The China National Forestry Certification Centre is expected to open in 2008 and will provide national certification to the China forest and wood production industry, according to ITTO.

The centre will promote a national scheme called China Forestry Certification, which will set a forest management standard and a chain of custody standard.

The certification standards were drafted by the Chinese Academy Of Forestry (CAF) and draws from other international systems such as the Forest Stewardship Council (FSC), the Pan-European Forest Certification and others.

Mr Xu, the director of the Research & Promotion Centre of Forest Certification in the CAF said the costs of the Chinese certification system are lower than FSC's, but the difficulty the system would face is it was not yet recognised in international markets.

Slowdown In Imports

China customs have released data on its imports and exports during the first quarter of 2008.

According to statistics issued by Chinese customs, 8.51M cubic m of logs were imported into China during the first quarter of this year, valued at about US\$1.4 billion, down 11.53 percent in volume and up 8.15 percent in value from the same period in 2007. Of the total log

imports, softwood imports were 5.25 million cubic m, valued at US\$631.4 million, accounting for 61.7 percent and 45.1 percent, respectively.

Hardwood imports were 3.26 million cubic m and valued at US\$768.6 million, amounting to 38.3 percent and 54.9 percent, respectively. During the same period, tropical log imports accounted for 1.04 million cubic m, making up 12.17 percent of total imports.

Russia remained the largest supplier of logs to China with a total of 5.88 million cubic m of logs were imported, which accounted for 69 percent of the total imports.

Source: FDM Asia, Industry News, July 2008

Average Plywood and Substitute Prices Survey in NCR

	Before (June 17, 2008)	Now (Aug. 19, 2008)		Before (June 17, 2008)	Now (Aug. 19, 2008)
	(in Pesos/piece)			(in Pesos/piece)	
3mm (1/8) plywood	224	222	18 mm (3/4) plyboard	750	833
4 mm (3/16) plywood	276	292	1/8 lawanit	169	225
5 mm (1/4) plywood ordinary	293	324	3/16 lawanit	210	262
5 mm (1/4) plywood marine	335	381	1/4 Hardiflex	371	377
10 mm (1/2) plywood	518	592			
18 mm (3/4) plywood ordinary	840	919			

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

*Of Green Material, Carbon Trading and Prices**by Tony Olizon*

Hear it From the Experts. Wood as construction material helps fight climate change - this was asserted by Dr. Florentino Tesoro, former undersecretary of the Department of Science and Technology (DOST) and Dr. Rico Cabangon, head of the Engineered Products Section of forest Products Research and Development Institute (FPRDI) in a recent seminar held at the DOST- FPRDI.

Quoting the experts, they said, "Wood is the greenest among the construction materials available in the market."

"The reasons are: 1) wood is renewable and recyclable; 2) it stores carbon; and 3) producing lumber and other wood products emits carbon dioxide 8 to 13 times less than producing cement or steel," they added.

According to Dr. Tesoro, the culprit behind climate change is the excessive amount of carbon dioxide in the atmosphere. Trees and wood make up what we call huge carbon sink, trapping carbon in their system hence fighting climate change. Growing trees can absorb one kilogram of carbon dioxide from the atmosphere for every cubic meter of growth and such carbon is locked away for the life of the trees and the life of the wood and wood products coming from it.

To harvest timber, convert this into products [which will continue to store the carbon], and replant more trees are the best way to use the plantations as carbon sink, said the forest scientists.

They stated that it is important to plant trees and to use wood products coming from plantations and concluded that promoting the use of properly-sourced wood helps to expand forest plantations worldwide, and enlarges the carbon sink.

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Excerpts from Business World. Wood manufacturers are eyeing a 15%-20% increase in retail prices of lumber, plywood and other wood products by next quarter to cover rising cost of production inputs like logs, fuel and glue, this writer said in an interview with Business World

China and South Korea had jacked up the prices of imported logs, glue prices rose by 10%-15%, and common construction lumber currently costs P44-P46 while a 5-millimeter plywood measuring four by eight feet costs about P300 in the retail market.

Impending price hike may reduce consumption as PWPA observed domestic demand for wood products waned in May and June as construction groups put off or scaled down projects. Exports of Philippine wood to the United States and Japan also declined in the first half as their economies weakened and the peso strengthened.

For 2009, wood producers hope to increase production and export sales, but are hesitant to do so unless there is long-term stability in the policy on logging, this writer said as he explained that there is a need for better guarantees that what they can harvest what they planted.

PWPA also noted that its members are preparing for the possible lowering of tariffs on imported wood products by re-tooling plants and exploring innovative wood products to become more competitive.

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Japanese Y10 billion!! The Development Bank of the Philippines (DBP) has been given access to a Japanese Y10-billion (P4.535 billion) facility from the Japan Bank for International Cooperation (JBIC) to implement the

Clean Development Mechanism (CDM) projects.

The facility will be made available to both private and public enterprises at competitive terms through the retail and wholesale lending windows of DBP especially those CDM projects that contribute to the reduction of global greenhouse emissions, and interest investors to monetary incentives through CDM participation.

It finances the acquisition of fixed assets, machinery and equipment; building and plant construction; rehabilitation or expansion of existing facilities; civil works; and working capital requirements of environment projects. To qualify for it, the project should be eligible as a CDM project or have direct or indirect business relations with Japanese enterprises and markets.

The CDM is an arrangement under the Kyoto Protocol which allows industrialized countries with a greenhouse gas reduction commitment like Japan to invest in initiatives that lessen emissions in developing countries as an alternative to more costly emissions reduction measures.

We hope the PWPA could sponsor a forum with the DBP on this bank facility.

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KUDOS to Governor Padaca... We salute the serious and tireless efforts of Isabela Governor Grace Padaca in saving the Sierra Madre Mountain. What was previously said as impossible to achieve, Gov. Padaca disproved. Yes, illegal logging can be stopped if the local leaders are really that serious and dedicated to the cause. The good governor with the cooperation of Sec. Atienza, have resolved to save from illegal poachers the vast Sierra Madre National Park. We offer our prayers for their success in their mission.

Incidentally, PWPA sent a congratulatory letter to Gov. Padaca for her crusade. Our association also offered our assistance, in any way possible, to the good Governor.

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Appeal to Lawmakers/Finance Officials. We should appeal to our lawmakers; executive branches of our government on the effective distribution of the forest charges collected from our members.

The local government code on the sharing of the forest charges collected should be implemented to the fullest. The code gives the local government 40% share on the forest charges collected with the 60% going to the National Treasury.

The 40% local government share is further distributed as follows: the host province gets 20%; the municipality gets 45% and the barangay unit gets 35%.

The local government should automatically retain its share so that it will not be at the mercy of the central government and for the local government to immediately utilize the funds for its local projects.

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PWPA Annual General Assembly. We have set November 7 as our annual general membership meeting. We request all our members to attend and hear the announcements of our guest speaker, the Honorable Secretary Lito Atienza. Details of our meeting will be announced later.

'It Takes a Village': Strategy for a Green Zone

by PDG Sonny Coloma

Golf cars for shuttle transport in Ayala Alabang? Why not, indeed, if this move can save fuel, reduce carbon emissions, and sustain a greener environment in our village?

On a broader scale, global climate change has reached the top of the agenda of the family of nations. Some analysts go as far as saying that this is the new Y2K. Remember how people from all over the world scrambled to place or reengineer computer systems at the turn of the millennium on January 1, 2000. A palpable sense of urgency was the main driver of this global effort that apparently averted what could have been a major catastrophe involving airline travel, and large-scale data bases affecting banks and financial institutions.

A community-based approach to energy conservation and a reversal of global climate change may yet be decisive driver for significant progress in building an alternative future. This is suggested in an article by renowned author Peter Senge and colleagues who point out that "the next industrial imperative" is one in which "business people can apply their skills in management, entrepreneurship and economic acumen to galvanize a collective shift" to a greener environment.

They cite the sterling example set by Swedish entrepreneur Per Carstedt who began what is now a broad-based crusade right in his own turf: a large Ford dealership in Northern Sweden that was founded by his father. Mr Carstedt lived for several years in Brazil, during which he attended the 1992 Rio Earth Summit and came to terms with several big-picture questions:

"How long could the Industrial Revolution, driven by access to cheap energy, be maintained? What can one person (like me) do?" he asked as he pondered on the scope and scale of changes that were necessary.

Let's review what Mr. Carstedt's crusade has accomplished since then.

"Of all industrial countries," report Mr. Senge and his co-authors, "Sweden is probably farthest along in weaning itself from fossil fuels. Today, the country depends on oil for only 30 percent of its energy, down from 77 percent in

1970. Fifteen percent of all cars sold in Sweden in 2007 can run on ethanol, up from 2 percent in 2000. A car running on ethanol made from sugar cane or cellulose is estimated to emit 85 to 90 percent less greenhouse gases than gasoline-powered car. All the major Swedish motor vehicle manufacturers including Scania, the largest truck manufacturer in Europe, now offer flexible-fuel cars or trucks, which run either ethanol, conventional gasoline, or a blend.

Sweden is not resting easy on the major strides that have been made. In 2005, the Swedish government announced its goal of making Sweden "the world's first oil-free economy" starting with an existing Bio-fuel Region, an area covering 22 municipalities along the Golf of Bothnia, about 320 kilometers north of Stockholm. In this region, lower-emission ethanol is readily available at prices that are as economical as ordinary gasoline.

Using is entrepreneurial instincts, Mr. Carstedt found an ally in Ford headquarters in Detroit. The person in charge of Ford's small flexible-fuel vehicle program helped him buy three cars in 1995. (This man's wife had been an exchange student in Sweden). Despite initial apathy, Mr. Carstedt and a colleague from the Swedish Ethanol Development Foundation (later called the Bioalcohol Fuel Foundation) devoted the next four years campaigning for the use of alternative fuel --- until they eventually formed a buyer's consortium of 50 municipalities, companies, and individuals committed to buying 3,000 cars.

The next step was to ensure that the buyers of these cars will have access to enough filling stations. By the time the Foundation had imported 50 flexible-fuel vehicles, there were only two fillings stations that were ready to install ethanol pumps. "The first 100 stations, took 10 years to develop. Nowadays, we add 100 stations every three months," narrates Mr. Carstedt. By August 2007, there were 1,000 stations with ethanol pumps (or 25 percent of the nation's total).

Yet another step forward for Mr. Carstedt and his colleagues was to find a major auto manufacturer to help develop the next generation of ethanol-based automobiles for Sweden. He found an ally in Saab's vice president for

marketing who saw the promise of ethanol as a way of differentiating the company and enhancing its brand equity. This new-found Saab ally was able to persuade his peers in the technical field to use money redirected from the marketing budget to produce a small number of ethanol cars to test in the Swedish market. The essential lesson he learned was this: "Companies are made up of individuals, and if you are lucky enough to find those who are like-minded, you work with them and support them --- that's how to get things moving."

All these fresh initiatives helped create a new fuel industry in Sweden. Yet, as Mr. Carstedt realized, greenhouse gas emissions account for only a quarter of all emissions. So he embarked immediately on transforming his newly-established Ford dealership in northern Sweden as a "green building". Working with architect Anders Nyquist, he decided to build the "most environmentally friendly car dealership in world".

Later on, he and Mr. Nyquist eventually succeeded in building not just a green building but a "Green Zone" that would work like a natural system: recycling wastewater, conserving heat, and being optimally energy-efficient. They convinced other business, including among others, a McDonald's restaurant, a gas station and Mr. Carstedt's own car dealership to create a model of industrial ecology.

Overall energy use in the Green Zone is now only 20 percent of that used by other retail blocks of comparative scale.

This initiative attracted scores of researchers and entrepreneurs until the idea of a Green Zone expanded into the Biofuel Region. Presently, Mr. Carstedt is leading a 25 million Euro (almost US \$40 million) project, involving 10 other regions in Sweden that are poised to emulate and replicated the Biofuel Region of Northern Sweden.

Imagine a few enlightened people within our own village tapping into their network of corporate executives and local government leaders --- and we may yet be able to create our own Green Zone in Ayala Alabang Village. The proverbial journey of a thousand miles starts with the first step.

Article from the Rotary Club of Alabang Scoresheet

On the Bill: Sustainable Forest Management Act

House's Appropriations Committee Approves SFM Bill

The House of Representatives' Committee on Appropriations, during its public hearing held on August 6, 2008 at the Batasan Complex, Quezon City, approved the chapters on the appropriations of the Sustainable Forest Management (SFM) Act without any amendments from its members and from concerned stakeholders attending it.

Committee chair congressman Edcel Lagman, at the start of the hearing, informed all present that his Committee is concerned only on the appropriations part of the bill, how it is written and whether it needs fresh or new funds.

Congressman Rufus Rodriguez, the author and sponsor of the bill, said the bill has the full support of the Department of Environment and Natural Resources, the UP at Los Baños and the Philippine Wood Producers Association as he thanked the Committee for approving the SFM bill.

[A consolidated joint report of the Committees on Natural Resources, Ways and Means and Appropriations could now be prepared and submitted to the Committee on Rules chaired by Majority Floor Leader for calendaring it for the 2nd (period of debate and amendments) and the 3rd (period of approval) readings. Ed.]

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Senate's Joint TWG Speeds-Up SFM Bill

The Senate's joint technical working group (TWG) continued last July 31 and August 14, 2008 its work at refining the bill on the Sustainable Forest Management (SFM) Act.

The chair of the TWG, Atty. Karen Sarinas of the office of Senator Pia Cayetano who is the chair of the Committee on Environment and Natural Resources, and Committee secretary Redia Atienza, led the discussion of the resource persons from DENR Forest Management Bureau (FMB) led by director Romeo Acosta; DENR Parks and Wildlife Bureau (PAWB), by director Mundita Lim; National Mapping and Resource Information Authority, by director Jose Cabanayan Jr.; Haribon Foundation; World Wildlife Fund; Philippine Business for Environment; League of Cities of the Philippines; UPLB Forest Development Center (FDC); and the Philippine Wood Producers Association (PWPA), by executive director L. D. Angeles.

Agreements reached:

- To create a sustainable fund facility office at the FMB whose responsibility, among others, is to generate funds from the public/private and local/international sources to support the program of the government of sustainably managing, conserving and developing forest resources.
- To adopt definitions of the terms listed in the Philippine Official Reference for Forest-Related Terms and Definitions and those in pertinent existing laws;
- To maintain the 50% and above slopes in production forestland as protection forest; and
- To delete the 1,000-meter and above elevations asl limitation to

enable the development of forestland in Caraballo and Cordillera highlands, for example.

Issues for further resolution.

- The threshold of 60% or more as vegetative cover over an area to be considered as a forest.

The Haribon Foundation and other NGOs batted for this threshold. The DENR/FMB, FDC and PWPA, however, insisted for the retention of a 10% threshold as a forest is a dynamic system that can grow; but the threshold of 60% could lead open the forestland below such threshold to uses other than to forest; thus, further reducing the forest.

- Close natural forest in both production and protection forestlands shall not be cut but exclusively protected.

PAWB made this proposal, but FMB and PWPA opposed it if it would include production forestland.

- To create a SFM Council that will assist the DENR secretary in the review of license applications.

Haribon Foundation proposed it. FDC and PWPA objected to it on three grounds: 1) usurpation of the functions of the staff and line bureaus like FMB and PAWB; 2) multi-sectoral forest protection committees that monitors compliance with environmental laws and regulations already exist at various level; and 3) another bottleneck/red tape in governance.

When inquired by PWPA as to the timeline the Senate committees concerned would approve the SFM bill - in relation to remaining "life" of the 14th Congress, Atty. Sarinas said the TWG will have one more meeting in August after which the joint committees report will be finalized.

On DENR-NCR WPP Rationalization Plan

The Department of Environment and Natural Resources - National Capital Region (DENR-NCR) held an orientation last July 11, 2008 on its Wood Processing Plant (WPP) rationalization plan it already submitted to the office of the DENR secretary.

DENR-NCR regional technical director for forestry Ali Bari said that the plan considered the previous comments and recommendations of the Philippine Wood Producers Association (PWPA) and Philippine Lumber Merchant Association (PLMA), among which were:

- Maintain the minimum of 70% wood recovery from logs to include good wood products and waste usages;
- Continue the mill study of plants of existing permit holders and of new applicants;
- Conduct monitoring by the DENR-NCR and the associations concerned; and
- Contribute a counterpart fund by stakeholders concerned of at most 30% of the annual budget required to implement the plan.

PWPA director Ramon Uy said that since the private sector will contribute a counterpart fund, it shall have to regularly participate in DENR's monitoring and validation activities. He requested the DENR-NCR to furnish the associations with a list of lumber dealers operating in the NCR.

The North, South and West team leaders of the DENR-NCR reported they don't have any problem monitoring even with small-scale dealers who display their lumber for sale but they are having difficulty with those who conduct direct buying and selling but have no lumberyards.

The team leaders said the PWPA membership fee is also becoming a problem to small-scale or apartment type lumber dealers. Director Uy said the PWPA will study categorizing them into small, medium or large-scale dealers to make equitable the membership fee.

Attending the orientation with the representatives from the PWPA and the PLMA were the unaffiliated WPP permit holders.

On the PWPA Green Philippines Program



Cugman-Umalag Watershed Development Project. Congressman Rufus Rodriguez initiated the planting of Giant Bamboo seedlings along the riverbank stretches of the Umalag and Cugman Rivers in Cagayan de Oro City last July 18, 2008. Under the MOA together with the DENR and PO-KIMBP, the PWPA donated an initial 8,000 bamboo seedlings for the activity.



Upper Photo (l-r) Cong. Rodriguez explains his project with DENR 10 RED Maximo Dichoso, PWPA representatives Johnny Huan, general manager of Union Plywood Corp. and Rev. Prudencio Plaza, Jr., managing director of CATIMCO and RTD Cora Galinato. Lower photo (l-r): GM Huan, Cong. Rodriguez and RED Dichoso pose for souvenir photo.

Tree Planting in Parañaque City. The PWPA donated seedlings and joined the tree planting of the Subd. and Businesses (along) President Avenue (SUBPRES) Association in Tahanan Village, Parañaque City .

Right Photo. Brgy. Captain Marquez (center), under the rain, plants mahogany seedling while members of SUBPRES and representatives from PWPA look on.



Tree Planting in Quezon City. The Council of Brgy. Paligsahan, Roces Avenue, Quezon City initiated a tree planting activity last August 30, 2008. Tree seedlings of various species used came from the Bureau of Corrections, the DENR and the PWPA and National Housing Authority nursery in Muntinlupa City.

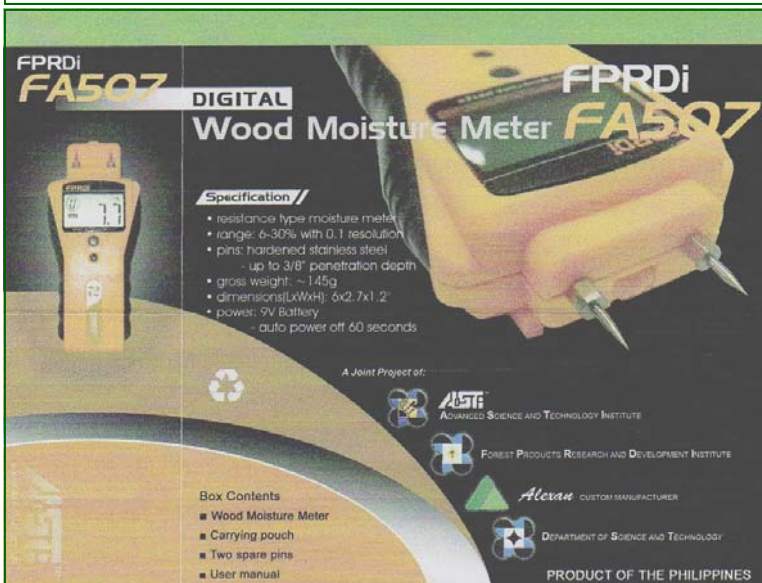
Left Photo. Kapitana Che-che Tiamson (2nd from the left, wife of Brgy. captain Leo and eldest daughter of PWPA manager Reggie Serafico), plants a fire tree seedling.

Photo News



Congressman Rufus Rodriguez met the officers of the Philippine Wood Producers Association to update them on the status of the Sustainable forest Management Bill he authored and now being heard in the 14th Congress and also on his project in Cagayan de Oro being undertaken in partnership with the DENR and PWPA. Above photo. Cong. Rodriguez (center) briefs (l-r) directors Alfonso Keh, Jr., Robert Kua and Evaristo Narvaez, Jr., chair Fernando Lu, president Antonio Olizon, director Aristeo Puyat, adviser Jose Lorenzo, director Ramon Uy and executive director L. D. Angeles at a breakfast meeting in Quezon City.

FPRDI's Digital Wood Moisture Meter



Digital Wood Moisture Meter (left photo), developed by the Forest Research and Development Institute (FPRDI) in collaboration with the Department of Science and Technology, is calibrated to local species commonly used by our local wood-based industry.

The meter is an improved version of the analog resistance type meter developed by FPRDI in 2001. It measures wood moisture content (MC) within 6-30%, automatically displays the actual MC reading, easier to operate, more handy and low cost.

It is being sold at an introductory price of P5,500.00. For further inquiries and orders, you may contact FPRDI director Felix Tamolang at telephone numbers (049) 536 2367/2586, fax at (049) 536 3630 or email at fprdi@laguna.net.

PWPA in Events


Date	Meetings/Events	PWPA Representatives
July 2	Decision Meeting with IP Community re: PWPA IFMA in Bataan Municipal Office Compound, Dinalupihan, Bataan	Chair Fernando A. Lu, President Antonio C. Olizon, FEC Mailla Vasquez & SA Floren A. Andres
3	FPRDI Focus Group Discussion re: Change of Name FPRDI, Los Baños, Laguna	ED Angeles
7-11	Forestry Stakeholders' Meeting re: ASEAN Peer Consultation Framework DENR Social Hall, Quezon City	ED Angeles and FEC Vasquez
11	Stakeholders' Orientation on DENR-NCR WPP Rationalization Plan North Avenue, Quezon City	VP-director Ramon Y. Uy, director Alex P. Ong, FEC Vasquez
16	Ceremonial Launching of SWITCH Movement PICC, Pasay City	President Lu, ED Angeles, FEC Vasquez
19	Meeting on BIR Regulations No. 13-2007 re: Advance VAT Payment on Timber, FMB Conference Room, Quezon City	ED Angeles

Date	Meetings/Events	PWPA Representatives
23	Launching of "Enhancing Natural Resources Management through Enterprise Development in the Philippines Project, DENR Social Hall, Quezon City	President Olizon, Chair Lu, ED Angeles, FEC Vasquez
30	MOA Review & Signing with KAICC & NCIP, BTPI, Morong Bataan	President Olizon, Chair Lu, ED Angeles, FEC Vasquez
31	Senate's 3 rd Technical Working Group Meeting on SFM Senate of the Philippines, Pasay City	ED Angeles, FEC Vasquez
<i>August 2</i>	Tree Planting by SUBPRES in Parañaque City PCARRD, Los Baños, Laguna	ED Angeles, Manager Regino M. Serafico
5	Breakfast Meeting with Cong. Rufus Rodriguez re: SFM Dulcinea, Tomas Morato, Quezon City	President Olizon, Chair Lu, EVP Keh, Jr., VP-directors Robert W. Kua, Evaristo M. Narvaez, Jr., and Uy, director Aristeo G. Puyat, ED Angeles, FEA Jose Lorenzo, FEC Vasquez
6	House Committee of Appropriations' Meeting on SFM Andaya Hall, Batasan Complex, Quezon City	FEC Vasquez
14	Senate's 4 th Technical Working Group Meeting on SFM Senate of the Philippines, Pasay City	ED Angeles, FEC Vasquez
26	Interview of Business World	Chair Olizon, ED Angeles, FEC Vasquez

Note: EVP – Executive VP; VP – Vice President; ED – Executive Director; FEC – Forestry & Environment Coordinator; IC – Industry Coordinator; FEA – Forestry & Environment Adviser; SA – Systems Analyst; KAICC – Kanawan Ayta Indigenous Cultural Community; NCIP– National Commission on Indigenous Peoples; SFM – Sustainable Forest Management

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