



PGMA Signs Climate Change Act of 2009



Pioneering Landmark Law. President Gloria Macapagal-Arroyo signs the Philippine Climate Change Act of 2009, the ASEAN's and perhaps Asia's first, to combat global warming or climate change.

President Gloria Macapagal-Arroyo signed today (October 23, 2009) in Malacañang, into law a bill that institutionalizes response to climate change.

The Climate Change Act of 2009 or Republic Act No. 9729 makes it a government policy to formulate and establish a strategy and program to deal with the effects of typhoons and other weather disturbances, which have increased in frequency and intensity as a result of changes in the climatic pattern.

The new law calls for the establishment of a National Framework Strategy and Program on Climate Change, which will focus on mitigation and adaptation – the two instruments to battle climate change.

Under the law, an autonomous policy-making body, known as Climate Change Commission, is set up to coordinate, monitor, and evaluate

action plans to mitigate the effects of climate change and to integrate climate change in the formulation of government policies.

The Climate Change Commission will have 3 commissioners to be appointed by the President and serve for 6 years and an advisory body of department secretaries and the presidents of the League of Provinces, League of Cities, League of Municipalities, and the Liga ng mga Barangay, as well as representatives from the academe, business and NGOs.

With its creation, the President Task Force on Climate Change and the Inter-Agency Committee on Climate Change are abolished and their functions absorbed by the Commission.

Within 6 months, the Commission
(Continued on page 2)

PWPA Joins Philippine Business Climate Summit

The Philippine Wood Producers Association joined the Philippine Business Climate Summit and Launch of the Corporate Imperative on Climate Change held last October 8, 2009 at the Rockwell Club, Makati City.

The summit aimed to draw a “road map” to sustainability and propose a private sector-led environment agenda that might form the basis of a national plan of action for the country to respond decisively to the inescapable consequences of global warming.

It is expected that the “roadmap” will complement to the efforts of the national government and intend also to translate it into a regional action

plans to address key climate change concerns. **Champion of the Environment, Prof. JR Nereus Acosta, Ph.D.**

The Summit sought to raise awareness about the impacts of climate change, especially its implications on business; stress the urgency for adaptation measures; and to develop partnership among key stakeholders in mitigating climate change through the preparation of a roadmap to sustainability and an agenda of response to climate change.

The Summit had two parts: the CEO breakfast Assembly and the Business Summit on Climate Change: “Developing Industry Consensus for the Road Map towards Climate Change Solutions.”

During the CEO Breakfast Assembly, AIM Professor Nereus Acosta, chief author of the Clean Air Act, Clean Water Act and Ecological Solid Waste Management Act and a TPI co-convenor, made an overview of the Climate Summit; a paper on Specific Impacts of Climate Change and the Implications on Business was read by Fr. Jose Villarin, a technical expert on climate change and also a TPI co-



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PWPA Schedules 58th Annual General Assembly of Members

EVP Keh, Jr. Chairs Steering Committee

The Philippine Wood Producers Association (PWPA) will be holding its 58th Annual General Assembly of Members on November 20, 2009 at the Turf Room of the Manila Polo Club, Makati City, Metro Manila.

The directors of the Board agreed to have a low key membership assembly in view of the recent widespread calamities being faced by the country.

With the theme, "The Wood Industry: An Agent versus Climate Change," PWPA invited former Congressman, Dr. JR Nereus Acosta, a champion of the Environment and an advocate for mitigating climate change, to be its guest of honor and speaker.

PWPA, RI Chemical, Inc. and the CTNi are presenters

of the General Assembly as they did the previous year.

This year's Steering Committee of the General Assembly is chaired by Director and Executive Vice President Alfonso Keh, Jr. with Directors Jhonny Young and Ramon Uy as co-chairpersons.

The programme will consist of three parts: the Business Meeting cum elections of new board of directors; a briefing on Clonal Forest Plantation for Climate Adaptation by CTNi Forest Geneticist Cesar Nuevo, Ph.D., and the main dinner-program.



EVP Alfonso Keh, Jr. chairs the Steering Committee of the 58th Annual General Assembly of PWPA Members

Climate Change Act...

will formulate a framework strategy on climate change, a roadmap to combating the advance of climate change.

After a year, it will map out a national climate action plan in synergy with disaster risk reduction.

Immediately after the signing, the President ordered Secretary Heherson Alvarez, presidential adviser on Global Warming and Climate Change, to ask developed nations to reduce global carbon emissions under the Kyoto Protocol, which is scheduled for a renegotiation when it expires in 2012.

Sen. Loren Legarda, the law's principal author, said the signing is very timely in the aftermath of destructive typhoons Ondoy and "Pepeng."

"This pioneering landmark bill is the first in ASEAN (Association of South East Asian Nations) and probably in Asia," Legarda said.

Apart from Alvarez and Legarda, the signing was witnessed by Executive Secretary Eduardo Ermita, Environment and Natural Resources Secretary Jose Atienza, and Senate President Juan Ponce Enrile.

Also present were members of the Congress, local government executives, the diplomatic corps, environmental organizations, and the religious and business sectors, including the Philippine Wood Producers Association.

Source: www.gov.ph

PWPA Joins...

(Continued from page 1)

convenor; and Mr. Howard Belton, a TPI co-convenor and PBE officer, presented the draft Business Climate Covenant which was signed by CEOs present as their commitments.

On the Business Summit on Climate Change Program, papers were presented on actions being undertaken by some companies/industries on adapting to climate change, such as: mining and manufacturing of cement by Mr. Ian Thackwray, COO, Holcim; fishery and aquaculture by Mr. Ramon Macaraig, Head, Technical Services, Alsons Aquaculture Group; energy and power, esp. renewables by Mr. Piki Lopez, CEO, First Gen; and LGU-Business partnership by Mayor Mel Sarmiento of Calbayog City and Sec-Gen, League of Cities of the Philippines.

After the open forum presided by Mr. Lorie Tan, TPI co-convenor and officer of WWF, breakout workshops on Shaping a Business Climate Roadmap by Geographic Areas were held.

The Summit was organized by The Philippine Imperative on Climate Change (TPI) in cooperation with the Philippine Business for the Environment. The PWPA was represented in the Summit by President Antonio Olizon and Executive Director Leonardo Angeles.

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Asian ministers forge Manila Declaration on Green Industry

Asian trade and environment ministers on September 9, 2009 at the Philippine International Convention Center in Manila signed and adopted the Manila Declaration on Resource Efficient and Green Industry at the International Conference on Green Industry in Asia, setting a clear framework for better Asian cooperation to encourage industries adopt low-carbon business systems and operations.

Environment and Natural Resources Secretary Jose Atienza, Jr. said the Manila Declaration is Asia's first unified sustainable development initiative efforts among different countries.

The conference themed, "Managing the Transition to Resource-efficient and Low-carbon Industry," was jointly organized by the Philippine Government through the Department of Environment and Natural Resources, the UN Industrial Development Organization (UNIDO), UN Environment Programme (UNEP) and the UN Economic and Social Commission for Asia and the Pacific (UN ESCAP).

Atienza said the declaration may be labeled as the successor of the Kyoto and Montreal Protocols. Montreal Protocol addresses the phasing out of ozone-depleting chemicals while the Kyoto Protocol implements firmer sanctions for the emission of GHGs (greenhouse gases) into the atmosphere. All these seek to minimize the effects of climate change.

The declaration also emphasizes that government trade and industry ministries need to work with private industries, the

academe, non-government organizations as well as research and development institutions to be able to adopt the green development measures outlined in the declaration.

It further states that the adoption of green growth strategies is a non-negotiable move for Asian nations and, as such, concrete steps towards it must be undertaken. These range from installing better regulatory policies to encouraging individuals to adopt eco-friendly lifestyles.

Asia is a region with billions of people still living in poverty despite its exponential economic growth. Rapid urbanization and industrialization has depleted much of the region's resources, further degrading its ecosystems.

The Manila Declaration is the region's commitment to mitigate the effects on climate change. It seeks to effectively manage the region's water, land and mineral resources while bolstering its economic growth. The policies it will enforce is in line with next year's 2nd Asia-Pacific Water Summit set on June in Singapore.

It is also Asia's preparation for the Copenhagen Conference set later this year. The UN Climate Change Conference expects 192 UN member states to "seal the deal on climate change" in December. The conference will be setting an international climate agreement which is expected to be the benchmark for environmental management beyond 2012 after the present Kyoto Protocol expired.

Source: www.dennr.gov.ph

PWPA in Executive Briefing on Green Economy

The Executive Briefing on Green Economy: Challenges and Opportunities, conducted by National Ecolabelling Programme – Green Choice Philippines Board, the Philippine Center for Environmental Protection and Sustainable Development (PCEPSD) and the Philippine Product Safety and Quality Foundation, Inc. last October 1, 2009 at the Mandarin Oriental Hotel, Makati City was attended by the Department of Trade and Industry officials and the business sector, including the Philippine Wood Producers Association.

The briefing aimed at providing the business community with the current trend on global economy wherein environmental issues such as climate change could directly affect the local businesses and also to encourage business leaders to commit themselves to start green initiatives

Former DENR Secretary and chair of PCEPSD Bebet Gozun welcomed the participants as she said that climate change is real as demonstrated by the recent natural-caused disasters. She said that as sustainable production is being pushed through, it is also important to educate the market/consumers on sustainable consumption so that they will demand for products that are environmentally sound.

Former Congressman Nereus Acosta, the main speaker, made a simulation presentation of the effects of climate change to the sea rise whereby many of the municipalities

and cities of the country will be flooded if actions to mitigate or adapt to climate change will not be undertaken.

Acosta said one way of mitigation is to have eco-effective and -efficient products that can be re-used or recycled and not toxic to the environment. He also said the ecolabelling as well as green design/architecture/value chain programs aim to do just that.

The Philippines is the 4th most vulnerable country in the world, yet it has the lowest adaptive capacity to climate change; thus, Acosta said the environment should be considered in everything that we undertake.

In reaction, DENR undersecretary Demetrio Ignacio, FPI chairman Meneleo Carlos, Jr., FCCP executive director Petteri Makitalo, and CEMEX Phils. Ceo Sergio Menendez, agreed that climate change is a big challenge and that the Philippines should mitigate and adapt to it through: 1) educating consumers on eco-efficient and effective products; 2) best manufacturing policy practices; and 3) consider the integrity of the environment in all activities and actions to be undertaken, including possibly the measurement of carbon footprints.

Former DENR Secretary Victor Ramos closed the program by enjoining everyone to do their share in protecting the environment.

Convenor's Orientation on Green Purchasing

The Philippine Center for Environmental Protection and Sustainable Development (PCEPSD) organized the Green Purchasing Alliance Movement (GPAM) that aims to contribute in promoting sustainable consumption patterns through the creation of demand for environmentally preferable products from institutional consumers thereby encouraging suppliers to manufacture such products.

Representatives from government agencies, NGOs and the private sector including the Philippine Wood Producers Association (PWPA) attended the GPAM Convenors' Orientation and Planning Meeting held On October 15, 2009 at the Makati Stock Exchange Building, Makati City.

It aimed to come up with a unified action plan among industries committed to practice "Green Business", in response to synergize institutional efforts for the Green Consumerism Agenda.

Dr. Ning Yu, board member of the International Green Purchasing Network introduced what is Green Purchasing. She said it is getting goods and services that consider the quality, cost, delivery and the environment. It is on the premise of the

principles of necessity, life cycle of the product, supplier's effort and environmental information.

She also said the government should be the big spender in the society. To become successful, she said there should be: commitment from the top level, enough green products to choose from, information dissemination and promotion of green purchasing.

Mr. June Alvarez, executive director of PCEPSD introduced the ecolabelling program. He said ecolabel identifies overall environmental preference of a product or service within a particular product/service category based on the life cycle consideration. It is awarded by an impartial third party to products and services which are found to meet established environmental leadership criteria.

He also said there are only few products in the Philippines that are ecolabelled; hence, buyers may be deceived of buying products that claimed they are eco-friendly.

As defined by the International Organization for Standardization (ISO), ecolabelling or type I (ISO 14020) is only one type of environmental performance labeling. Other types are: type II (ISO

14021) – self declaration claims and type III (ISO 14025)– environmental declarations.

Mr. Renato Pineda, Jr., board member of the National Ecolabelling Programme-Green Choice Philippines, said green products may cost higher but considering the environmental cost, their counterparts may cost higher.

Environment Management Bureau (EMB) Director Julian Amador said the efforts of the government on green procurement is contained in Executive Order 301 – a Policy Initiative on Green Procurement signed by the President on March 29, 2004. The EMB implements a Green Procurement Program but full implementation in all government agencies is yet to be observed.

Most recommendations given by the workshop were to beef up awareness campaign and to give manufacturers leverage so eco-friendly products can become competitive

A draft GPAM Council 2009 Declaration of Commitment and Call to Action was also distributed for further study and comments of the participants.

RP Scientists Study Socioeconomics of Climate Change

LOS BAÑOS, Laguna, Philippines – A research project that focuses on the socioeconomics of climate change in the Philippines is on.

The study titled "State of the Art on the Socioeconomics of Climate Change in the Philippines: Expert Synthesis and Benchmarking," is being undertaken by the Southeast Asian Ministers of Education Organization-Regional Center for Graduate Study and Research in Agriculture (SEAMEO SEARCA) and the Department of Science and Technology-Philippine Council for Agriculture, Forestry and Natural Resources Research and Development (DOST-PCARRD), both Los Baños-based.

SEARCA is one of the 15 "centers of excellence" of SEAMEO, an inter-government-treaty organization founded in 1965 to foster cooperation among SEA nations in the fields of education, science,

and culture. PCARRD is DOST's sectoral council that coordinates, evaluates, and monitors agriculture, forestry, and natural resources research in the country.

SEARCA, through its director, Dr. Gil C. Saguiguit Jr., and PCARRD, through its executive director, Dr. Patricio S. Faylon, signed the memorandum of agreement for the implementation of the project.

The project is expected to provide science-based information to assist the Philippines in policy formulation related to climate change.

It will consolidate existing literature to identify research gaps on the socio-economic implications of climate change as well as the benefits of mitigation measures. It will also benchmark Philippine research on climate change vis-à-vis those of neighboring SEA countries.

Dr. Saguiguit noted that the impacts of climate change on the way people live are already felt and have been discussed

in various activities. However, he averred, climate change also affects the way we do development. This project will hopefully shape the future direction of development policies and research.

Dr. Faylon also pointed out that the collaboration between SEARCA and PCARRD will benefit not only the Philippines but Southeast Asia as well. Moreover, the results of the project will be useful not only to researchers, development planners, and policymakers but also farmers who are greatly affected by climate change.

Summing up, SEARCA and PCARRD stressed: "Looking at the socioeconomics of climate change gives a human development perspective to this phenomenon as a global problem. It will demonstrate how critical climate change is in addressing development goals."

Source: Article by Rudy A. Fernandez
The Philippine Star, October 16, 2009

Implications of Climate Change for Tropical Forests and the Contribution of Tropical Forests to the Mitigation of the Effects of Climate Change

In 2008, the Council continued to monitor the implications of climate change for tropical forests and organized an international experts Meeting on addressing climate change through sustainable management of tropical forests in Yokohama from 30 April – 2 May 2008.

Participants at the meeting discussed existing and possible schemes for reduced emissions from deforestation and forest degradation (REDD), reviewed other mitigation options in the forest sector, and examined the need to assist the forest sector to adapt to climate change.

The meeting generated recommendations for ITTO, national governments, and members of the Collaborative Partnership on Forests (CPF) and other relevant organizations. Some of the recommendations were:

Recommendations for ITTO:

- Study the implications of climate change for sustainable forest management in the tropics;
- Develop guidelines for climate change mitigation and adaptation options in tropical forests and for accounting for carbon in forest management plans and ITTO projects;
- Update the ITTO Criteria and Indicators of Sustainable Forest Management in Tropical Forests to reflect the current state of knowledge on climate change;
- Analyze the possibility of introducing the concept of forest restoration to the post-2012 climate change negotiation process within the UNFCCC.

Recommendations for national governments:

- Increase awareness among all stakeholders, including policy-makers, of the importance of forest-based mitigation

and adaptation options in national responses to climate change;

- Promote community-based forest enterprises as a flexible strategy for assisting local people to adapt to climate change;
- Support the involvement of civil society, communities and other relevant stakeholders in national policies and actions on forest-based climate change mitigation and adaptation;
- Develop public awareness programmes on the important and dynamic relationship between forests and climate change;
- Develop policies and guidelines to promote sustainable wood-based biofuels in a way that does not jeopardize food security and is consistent with the principles of sustainable forest management.

Source: ITTO Sustaining Tropical Forest Annual Report 2008

Climate rallies worldwide mark no. 350

NEW YORK—From Asia to the Americas, Europe and Middle East, activists on Saturday rallied to mobilize public opinion against global warming 50 days ahead of a crucial UN climate summit.

The activists held events marking the number that the world needs to reach to prevent disastrous climate change: 350.

The number represents 350 parts per million of carbon dioxide emissions that the atmosphere can bear to avoid runaway global warming. The atmosphere currently reaches the safe upper limit of 390 ppm of carbon dioxide, according to research by NASA climate scientist James Hansen cited by 350.org.

In southern Philippines, some 1,000 students, soldiers and activists in Iligan City formed a human chain in the shape of number 350.

In Sydney, thousands of people assembled on the steps of the Opera House waving placards bearing the logo 350.

In New York's Times Square, a crowd of demonstrators gathered around giant screens beaming images of the coordinated mass actions that organizers said

were taking place in "more than 180 countries" at 5,200 events.

"It was ordinary people rallying around a scientific data point," said 350.org founder Bill McKibben. "Nothing like that has ever happened before."

McKibben, an environmentalist and author of "The End of Nature," said the day was unique because it emphasized the science behind a politically complicated topic.

In Venezuela, volunteers formed a human chain marking the number zero on the beach at Catia La Mar, north of Caracas, to mark the spot where they said the ocean would reach if global warming is not stopped.

McKibben said volunteers also sent in photos of separate groups forming the number 350 around the Dead Sea, in Jordan, Israel and Palestinian territory.

Copenhagen meeting

Many of the events referred to the Copenhagen conference scheduled in December that will seek to reach a new global climate change treaty to replace the 1997 Kyoto Protocol on carbon dioxide emissions.

The Copenhagen summit has been billed as a last chance in avoiding a global catastrophe that could be felt for generations.

Protesters, who met on a central square in Paris, set their alarm clocks and mobile phones to ring at 12:18 p.m. (1018 GMT) in reference to the closing date of the UN summit in Copenhagen scheduled on Dec. 7-18.

Environmentalists are hoping that world leaders shall be able to thresh out a new treaty curbing greenhouse gas emissions in place of the Kyoto Protocol, which expires in 2012.

Talks may fail

But senior officials from the United States and China, the world's two largest polluters, have warned the December talks may fail.

There is growing concern that a treaty deal in Copenhagen could be hampered by issues that include US domestic politics and the problems of securing agreement between developed and developing countries.

Reports from Richel Umel, Inquirer Mindanao, Agence France-Presse and Associated Press

Market promoters see more carbon trading in Asia

SINGAPORE – While intensifying weather disturbances due to climate change hound various parts of Asia, carbon market promoters here see escalated carbon trading in the region to boost global undertaking to reduce carbon emissions.

Organizers of this year's Carbon Forum Asia (CFA) took note of the rise in the number of partakers to the activity as reflection of such aspiration.

CFA 2009 managed to gather more than 100 industry experts and close to 60 project developers. It intends to establish a regional platform for dialog on new trends and perspectives for the Asian and Global Carbon Market on issues related to emission trading, carbon finance, and climate change.

China's pledge to curb its carbon emissions and India's commitment to step up national climate action are positive examples of Asia's readiness to act and combat climate change.

Globally, the carbon market,

accordingly, is growing fast. The total value reached \$125 billion in 2008 from the recorded \$60 billion in 2007.

And in this setting, it is believed that Asia has a major role "in this dynamic new market," which is "set to increase" even as the structure of global supply and demand is changing.

The landscape of carbon markets, which enable funding increases, encourages additional investment and financial flows to meet challenges of climate change in Asia, is "thriving."

As the world gathers to agree on a possible climate change pact, what is clear to many observers is that the Clean Development Mechanism (CDM) has succeeded in speeding up sustainable developments in emerging economies.

A showcase of notable players

This year's CFA offers a comprehensive showcase of notable players in the regional and international carbon market scene, including companies, projects, and new technologies from over 27 countries.

Among the innovative sustainable projects featured this year were bio-mass-biogas combined heat and power generation, conversion of waste coal gas to energy, methane avoidance and worldwide recycling.

In the Philippines, the Department of Environment and Natural Resources (DENR) said the country has now around 30 projects endorsed and registered with the CDM Executive Board of the United Nations Framework Convention on Climate Change.

This makes the Philippines No. 7 in the world in terms of the number of CDM projects under the Kyoto Protocol.

DENR Secretary Lito Atienza said the CDM projects are expected to prevent the emission of 1.36 million tons of carbon dioxide in the atmosphere every year.

Source: Condensed from the article by Katherine Adraneda with Christina Mendez for The Philippine Star, October 27, 2009.

Lucio Tan firm, Mitsubishi tie up for P100-M environment project

Absolut Chemicals Inc., the alcohol company of taipan Lucio C. Tan, has partnered up with Mitsubishi Corp. of Japan for a Clean Development Mechanism (CDM) project at Absolut's plant in Lian, Batangas.

Constructed in accordance with the 1997 Kyoto Protocol, the Absolut plant has been cited as a model for environmental responsibility.

The project is the Philippines' first and largest CDM undertaking in the private sector and in the manufacturing industry.

The CDM plant complements Absolut's existing biological waste and water treatment facilities.

CDM is an arrangement under the Kyoto Protocol whereby industrialized countries with greenhouse gas reduction commitments are allowed to invest in projects that reduce emissions in developing nations as an alternative to more expensive emission reductions in their own countries.

Mitsubishi committed \$2 million for

Absolut's CDM project with assistance from other contractors and environment groups. The project will help both Mitsubishi and Absolut reduce their emissions in compliance with United Nations' standards.

The inauguration was attended by Tan, Department of Environment and Natural Resources (DENR) officials led by Undersecretary Demetrio Ignacio, Mitsubishi executives represented by Ichiro Keida, Japanese diplomats, and local government officials led by Lian Mayor Osita Vergara.

Ignacio called the project a model for environmental responsibility as it aims to halt the emission of polluting wastes, convert these wastes into energy and help put a stop to global warming.

Ignacio said the Absolut-Mitsubishi partnership to reduce emissions proves that the Philippines has a great potential for CDM projects.

Tan said he is glad that his company is contributing its share to save the Earth from environmental degradation caused by toxic waste emissions.

Tan revealed that even before the launching of the CDM project with Mitsubishi, Absolut already had existing biological waste treatment facilities in its plant, as well as equipment that converts wastes into biogas, which is used instead of bunker fuel.

Among the plant's existing waste treatment facilities are the sedimentation pond, anaerobic digester, mixing tank, post-gassing lagoon, facultative lagoons, and sequencing batch reactor, which treat effluents and reduce their organic load, and the pilot reed bed system, a treatment process which polishes and reduces the color of the treated effluent.

The biogas produced in these facilities has saved the company at least 70 percent of bunker fuel usage.

The CDM project will not only enhance the use of these facilities but also put up other apparatus for emission reductions.

Source: Article by Marianne Go The Philippine Star, September 1, 2009

Senators seek total log ban to prevent floods, landslides

Senators are reviving proposals for a total log ban to preserve what is left of the country's forests and prevent an ecological disaster more destructive than of tropical storm "Ondoy" and typhoon "Pepeng."

Senate Minority Leader Aquilino Pimentel Jr., Senate Majority Leader Juan Miguel Zubiri, Senators Loren Legarda and Jamby Madrigal filed separate bills seeking to stop the unabated denudation of our forests, which aggravated the floods that submerged Metro Manila and several provinces in Luzon and triggered landslides that caused widespread loss of lives and property.

Pimentel challenged his colleagues in Congress to muster the resolve to approve the bill imposing a total ban on commercial logging.

Pimentel, Legarda and Madrigal are seeking a 25-year log ban while Zubiri is pushing for 35 years.

"The total ban on logging should have been implemented a long time ago because there is no question that the denudation of the forests contributed heavily to the rushing of excess water from the mountaintops to the low-lying areas," Pimentel said.

He also dared President Arroyo and

Environment and Natural Resources Secretary Lito Atienza to implement a ban or moratorium on logging, especially in areas where there is grave degradation of the environment.

He said although public sentiment has favored a total log ban, it would still be a tall order to have such legislation approved by Congress because of the powerful logging lobby.

"However, it would be an unforgivable offense on the part of the legislators to allow themselves to be used in advancing the interest of loggers at the expense of the welfare and survival of their constituents," Pimentel said.

Critical state of forests

He said the critical state of the country's forests was graphically illustrated in the heavy flashfloods during typhoon, soil erosion and landslides, siltation and drying up of rivers and other inland waterways, depletion of ground water resources and shrinking wildlife.

The forests, he stressed, should have a respite from logging for at least 25 years – the length of time it would take for hardwood trees to mature and for the country to regain its lost forest cover.

Of the country's 15 million hectares of

forest at the start of the 20th century, less than seven million hectares are left, including 800,000 hectares of virgin forests. About 200,000 hectares of forests are destroyed annually through legal and illegal logging and slash-and-burn farming, according to the Department of Environment and Natural Resources.

Zubiri said despite catastrophic flash-floods like the ones in Ormoc, Leyte, Mindoro and Davao, intensified logging continued.

Legarda noted that deforestation accounts for 18 percent of the carbon dioxide produced each year, causing global warming and posing risks to forests via increased fires and the spread of pests.

"There is an urgent need to stop deforestation in the country, which from 1990 until 2000 was at the rate of 1.4 percent, the highest among Southeast Asian nations, together with Myanmar with the same rate. The benefits of ensuring the sustainable growth and development of our forest resource and the richness of our biodiversity are boundless and cannot be compensated by commercial progress," Legarda said.

Source: Article by Aurea Calica
The Philippine Star, October 13, 2009

Gov't awards 87 renewable energy contracts

The Department of Energy (DOE) on Friday awarded 87 service contracts to 18 companies for the development of renewable energy sources, with investments expected to reach P90.4 billion.

At the signing ceremonies yesterday, Energy Secretary Angelo T. Reyes said the contracts involved five conversions of existing service contracts and agreements on geothermal and 17 on hydropower into renewable energy contracts.

New renewable energy projects comprised the remaining 65 contracts that were awarded.

Documents from the DOE showed that the approved projects were expected to generate a total of 4,042 megawatts (MW) of electricity.

The DOE awarded new service contracts for wind power projects to Trans-Asia Renewable Energy Corp., Constellation Energy Corp., Alternenergy Philippine Holdings Corp. and DOST-Industrial Technology Development Institute.

Service contracts for geothermal and ocean power projects were awarded to AP Renewables Inc. and Deep Ocean Power Philippines Inc., respectively, while biomass contracts were granted to Lucky PPH International Inc. and Unisan Biogen Corp.

Hydropower contracts were also conferred to Mindanao Energy Systems Inc., First Gen Mindanao Hydro Power Corp., Century Peak Energy Corp., AV Garcia Power Systems Corp., Benguet Electric Cooperative Inc. and PNOC-Renewables Corp.

The DOE also converted existing agreements of Energy Development Corp. (for geothermal resources); and Hedcor Inc., First Gen Bukidnon Power Corp. and Luzon Hydro Corp. (hydropower) into renewable energy contracts.

Meanwhile, conversions from existing geothermal agreements with foreign contractor Chevron Geothermal Philippine Holdings Inc. were also initiated and endorsed to the Office of the

President for approval.

Just last month, the DOE awarded seven contracts to six renewable energy project developers, with investments expected to reach close to \$1 billion. These projects are expected to generate 379 MW.

As for the biofuels sector, Cavite Biofuels has been granted certificate of registration with notice to proceed for its bioethanol project in Magallanes, Cavite.

Cavite Biofuels' capacity is expected to bring the country's total annual bioethanol capacity to 73.3 million liters once its ethanol production facility becomes operational.

San Carlos Bioenergy Inc. was the first to be registered under the Renewable Energy law, while Chemrez Technologies Inc., Golden Asian Oil International Inc. and Leyte Agri Corp. were issued full accreditation later.

Source: Article by Amy R. Remo
The Philippine Daily Inquirer, October 24, 2009

Business and Ecosystems

The Issue at a Glance

Over the past 50 years human activity has altered ecosystems faster and more extensively than ever before in human history: the main finding of the Millennium Ecosystem Assessment¹ (MA), a four-year, international, scientific appraisal of the condition and trends in the Earth's ecosystems.

The MA classified ecosystem services, the benefits people and businesses obtain from ecosystems, into four categories:

- Provisioning – goods such as food, water and fiber;
- Regulating – biophysical processes controlling natural processes;
- Cultural – providing recreational, aesthetic or spiritual values;
- Supporting – underlying processes such as soil formation, photosynthesis and nutrient cycling.

The MA assessed 24 ecosystem services and found the majority to be degraded (see balance sheet).

The MA also identified six interconnected challenges that are of particular concern for business as these further affect the integrity of ecosystems and their capacity to provide services:

- Water scarcity
- Climate change

- Habitat change
- Biodiversity loss and invasive species
- Overexploitation of oceans
- Nutrient overloading.

This Issue Brief explores the six challenges, discusses their implications for businesses and provides examples of corporate responses.

The business case

Business and ecosystem services are inextricably linked. Corporations not only affect ecosystem services but also *rely* upon them. For instance, the pharmaceutical industry benefits from nature's providing genetic resources; agribusiness depends on nature's pollination, pest control and erosion regulation services; while tourism builds on cultural services. Because of these inter-relationships, the trends and six challenges identified by the MA pose significant risks to companies (as well as to their suppliers, customers and investors) including:

- Operational – increased scarcity and cost of raw materials such as freshwater, disruptions to business operations caused by natural hazards, and higher insurance costs for disasters such as flooding;
- Regulatory – emergence of new government policies such as taxes and moratoria on extractive activities;

- Reputational – damage to corporate reputation from media and nongovernmental organization (NGO) campaigns, shareholder resolutions and changing customer preferences;
- Access to capital – restrictions as the financial community adopts more rigorous investment and lending policies.

At the same time, these trends and challenges can create new business opportunities including:

- New technologies and products – that will serve as substitutes, reduce degradation, restore ecosystems or increase efficiency of ecosystem service use;
- New markets – such as water quality trading, certified sustainable products, wetland banking and threatened species banking;
- New businesses – such as ecosystem restoration and environmental asset finance or brokerage;
- New revenue streams – for assets currently unrealized, such as wetlands and forests, but for which new markets or payments for ecosystem services could emerge.
- However, most companies routinely fail to recognize the link between healthy ecosystems.

Balance sheet: Ecosystem services

Provisioning services		Regulating services		Cultural services		
Food	crops	T	Air quality regulation	L	Spiritual and religious values	
	livestock	T	Climate regulation – global	T	Aesthetic values	
	capture fisheries	L	Climate regulation – regional and local	L	Recreation and ecotourism	
	aquaculture	T	Water regulation	+/-	The MA evaluated the global status of provisioning, regulating and cultural services. An upwards arrow indicates that the condition of the service globally has been enhanced and a downwards arrow that it has been degraded in the recent past.	
	wild foods	L	Erosion regulation	L		
	Fiber timber	+/-	Water purification and waste treatment	L		
	cotton, silk	+/-	Disease regulation	+/-		
	wood fuel	L	Pest regulation	L		
	Genetic resources	L	Pollination	L		
	Biochemicals, medicines	L	Natural hazard regulation	L		
Water	freshwater	L				
		T	globally enhanced	L		globally degraded

Source: Millennium Ecosystems Assessment, 2005

GOD SPEED ODETTE!

Paying a Tribute to a True Environmentalist

By: Tony Olizon

(Editor's Note: Odette Alcantara, founder of the Mother Earth Philippines an outspoken environmentalist and friend of PWPA passed away last September 22, 2009. This article is our humble tribute to her.)

Odette Alcantara, environmentalist *par excellence*, you will be missed. You who demonstrated a passion for the truth and for what is right—instead of what's convenient or easy. And such passion rubbed off on many, both the simple, the influential and powerful.

We have been together through so many events—from the Earth Day Celebration at Smokey Mountain, visit at the BASECO Compound in Tondo, Manila, to the Climate Change Forum in Legaspi City and Angat Dam; as well your joining us on many other simple occasions like visiting the PWPA Nursery at the National Bilibid Prison in Muntinlupa City—where we witnessed your sarcasm yet down right honest and fearless dig at a prison inmate who happened to be both rich and powerful.

Thank you for coming to our PWPA-ADB-DENR-SFF Philippine Forestry Development Forum at the Asian Development Bank in Mandaluyong City where your convictions pierced through every participant's psyche.

And you got our association involved in a lot of your environmental projects, not only in planting trees but even in waste disposal/management and climate change issues. You were always the perfect host, warmly welcoming us to your Blueridge abode on many occasions. Who else could pull what you did—bringing four cabinet secretaries (of which 2 are not really the best of friends) in one occasion?

When you invited the President of the country to environmental events, she came— even if the place was not as imposing as the PICC or the Cultural Center. PGMA was right there with us at Smokey Mountain! You were a mover and a shaker with direct access to those whose opinions mattered much like Cardinal Rosales.

The PWPA family—especially my colleagues Ferdie (Lu) and your favorite Ramon (Uy), Ding Angeles, Maila Vasquez and Regie Serafico—will surely miss you.

It would have been ideal if you didn't leave so early, especially during these critical times for the environment. No worries, though. You left behind a dedicated group. The list of names is so long I dare not put it in writing because some may be missed.

Maybe, just maybe, heaven is green and our big BOSS, the CREATOR of the original lovely earth we used to know, wanted you in that beautiful place earlier than most of us—your bonus for having been so dedicated and passionate about His creation.

Many more things must be said about you and the environment but I will stop here.

You may have gone ahead but surely you left a legacy. Among the many things you taught us, your passion for the environment will continue to be aflame within us. For now, we find bliss in the assurance that you're forever enjoying that perfect place where you now rest in His bosom.



The Making of a Marine Plywood-Made Rescue & Relief Boat

A half-day heavy downpour, equivalent to a month's, brought in by Typhoon Ondoy on September 26, 2009 suddenly flooded eastern Metro Manila and the low-lying lake-bordering provinces of Laguna and Rizal, washing away or submerging houses and stranding families and communities apart from killing people.

The inundation prevented urgent rescue and relief operations as roads and bridges were deep under water

and rescue boats were few and slow in coming.

Good-minded persons from the Philippine Wood Producers Association (PWPA), the Chamber of Furniture Industry of the Philippines (CFIP) and a group of boat enthusiasts built a model of a rescue and relief boat entirely made of marine plywood (the same material being used in making boats by fisherfolk and commercial fishers). Tested for safety, handling and adaptability to such flood situation, the model boat was soon duplicated several times over - with the marine

plywood supplied by PWPA and CFIP-member Design Ligna, Inc. building the boats with the help of volunteers - that were donated to several yet flooded communities.

On October 20, 2009, PWPA President Antonio Olizon and EVP Alfonso Keh, Jr. turned over a boat to Muntinlupa City Administrator Roberto Bunye .

The photos below show the designing, building, testing and donation of the marine plywood-made rescue and relief boats.



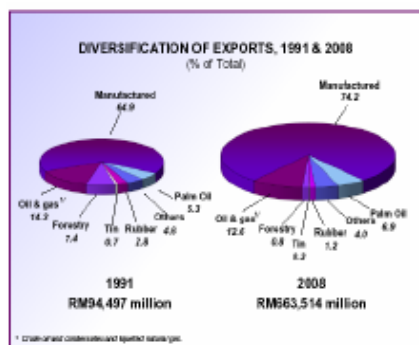
Average Plywood and Substitute Prices Survey in NCR

	Before (Sept. 17, 2009)	Now (Oct. 21, 2009)		Before (Sept. 17, 2009)	Now (Oct. 21, 2009)
	(in Pesos/piece)			(in Pesos/piece)	
3mm (1/8) plywood	193	195	18 mm (3/4) plyboard	714	722
4 mm (3/16) plywood	253	259	1/8 lawanit	183	188
5 mm (1/4) plywood ordinary	273	278	3/16 lawanit	244	255
5 mm (1/4) plywood marine	307	312	1/4 Hardiflex	384	403
10 mm (1/2) plywood	487	488	Gypsum Board	325	317
18 mm (3/4) plywood ordinary	813	812			

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

Snapshot of the Tropical Timber Market

Malaysia exports

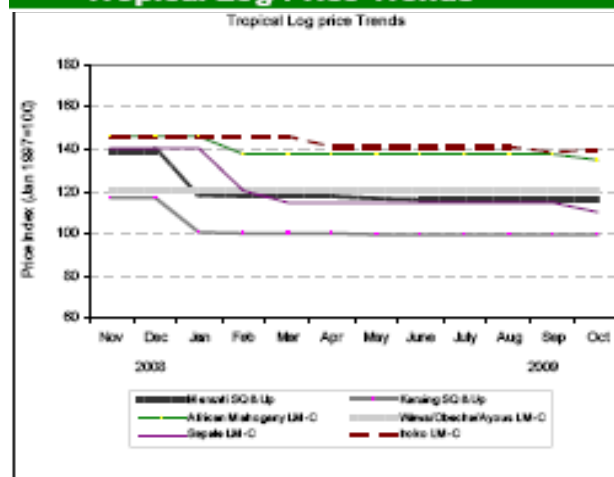


Malaysia has progressed into a nation that has diversified successfully to rise as an exporter of manufactured goods. Other exports are palm oil and rubber, in which Malaysia is among the top producers, as well as crude petroleum and liquefied natural

gas. Malaysia is considered a major producer of cocoa and pepper, with significant exports of timber and wood products.

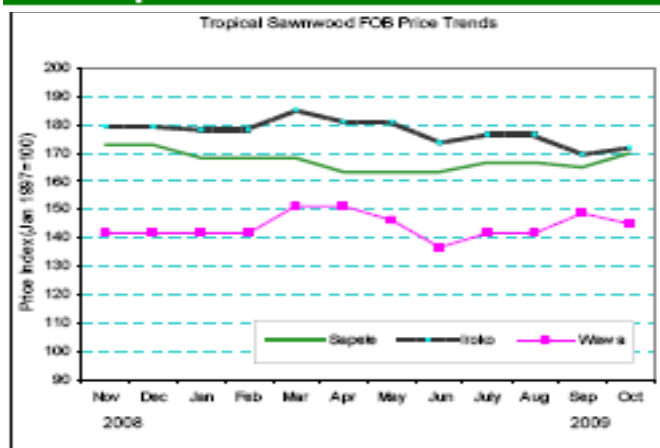
Source EPA Malaysia

Tropical Log Price Trends

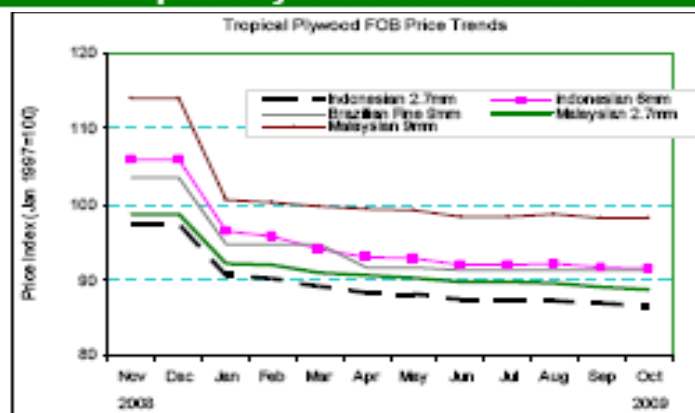


More price trends in Appendix 4, ITTO's Annual Review <http://www.itto.or.jp/live/PageDisplayHandler?pageid=199>

Tropical Sawwood Price Trends



Tropical Plywood Price Trends



Source: Tropical Timber Market Report
Volume 14, Number 20, October 16-31, 2009

PWPA in Events

Date	Meetings/Events	PWPA Representatives
Sept. 3	Meeting on the Proposed IFC Project to IMF on Energy Efficiency and Power/Cogeneration in the Wood Industry, Makati City	ED Leonardo Angeles and FEC Maila Vasquez
9	International Conference on Green Industry, PICC, Pasay City	Chair Fernando Lu
	PWPA Board Meeting, Benjarong Thai Restaurant, Dusit Thani Hotel, Makati City	PWPA directors and officers
10	Meeting with Senate Committee Secretary on Environment & Natural Resources, Pasay City	ED Angeles and FEC Vasquez
15	Meeting of PWPA IFMA <i>ad hoc</i> Committee with Boundary Survey & Timber Inventory Team Leaders, PWPA Boardroom, Makati City	President Antonio Olizon, Directors Alfonso Keh, Jr. and Jhonny Young, ED Angeles, FEC Vasquez and FEA Jose Lorenzo
	Courtesy Call of the Korean Trade Center, Manila, PWPA Boardroom, Makati City	As above.

Date	Meetings/Events	PWPA Representatives
Oct. 1	Executive Briefing on Green Business, Mandarin Oriental Hotel, Makati City	FEC Vasquez
7-9	Woodmach Asia Exhibit, SMX Mall of Asia, Pasay City	President Olizon, Director Ramon Uy and Mgr. Regino Serafico
8	Business Summit on Climate Change, Rockwell Club, Makati City	President Olizon and ED Angeles
14	PWPA Board Meeting, PWPA Boardroom, Makati City	PWPA directors and officers
15	Forum on Green Purchasing Alliance Movement, Makati Stock Exchange, Makati City	FEC Vasquez
20	Turn-over of boats to Muntinlupa City, City Hall, Muntinlupa City	President Olizon and Director Keh, Jr.
23	Signing of the Climate Change Act of 2009 Ceremonial Hall, Malacañang Palace, Manila	FEC Vasquez
	EDNP Convenors Meeting, Casino Español, Ermita, Manila	President Olizon
	Meeting with Banco de Oro on Wood Manufacturing Study PWPA Boardroom, Makati City	Director Keh, Jr., ED Angeles and FEC Vasquez

Note: EVP – Executive VP; VP – Vice President; ED – Executive Director; Mgr.– Manager; FEC – Forestry & Environment Coordinator; IC – Industry Coordinator; FEA – Forestry & Environment Adviser; SA – Systems Analyst; PC - Plywood Council; SC - Steering Committee

The Philippine Wood Producers Association
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