

Institutionalizing Inclusive Growth Thru PSFMA

Joy-Nostalg Hotel & Suites, Ortigas Center, Pasig City

15 November 2018

Coverage

- Pressing Forestry Concerns
- Forestry Goals
- Why the PSFMA?
- Way Forward

Pressing Forestry Concerns

Pressing Forestry Concerns



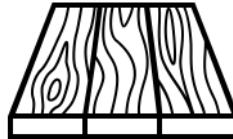
Unproductive Forest Lands



Upland Poverty



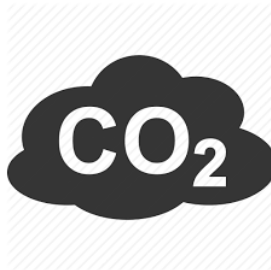
Decreasing Fresh Water Supply



Wood Insufficiency

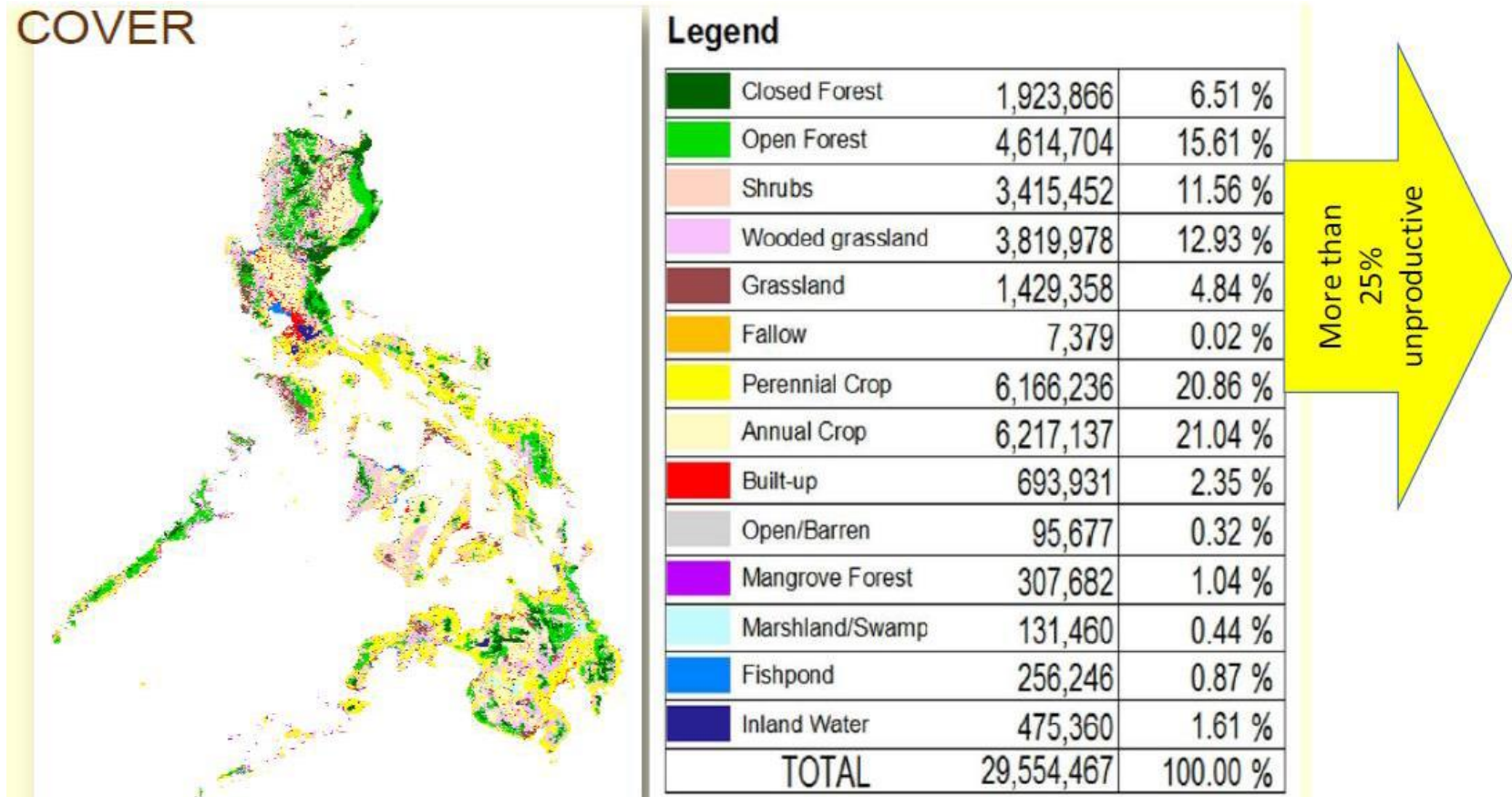


Negative Economic Contribution



Carbon-attributed Climate Change

Unproductive Forest Lands



25%

of the country's forest lands are unproductive (8.6M+ hectares)
(Dr. Ernie Guiang, USAID)

Upland Poverty



24%

of the country's population of 106 million have been languishing in poverty (UN estimate as of 2018)

34%


of farmers are considered poor (PSA, 2015), may be more than double in the case of those living in forest lands

Decreasing fresh water supply



40%	Deficit between demand and supply by 2030 (Conservation International)
126	Billion cubic meters are sourced from the country's watersheds via run-off (NWRB, 1998)
20	Billion cubic meters are source from Philippines aquifers

Wood Insufficiency



25%

of people depend on forest for subsistence

43.4

million cubic meters are needed by construction and fuelwood industries

Negative economic contribution

Table 8.2 Plan Targets to Expand Economic Opportunities in Agriculture, Fisheries, and Forestry, 2017-2022

NEDA/PDP 2017-2022

INDICATORS	BASELINE		END OF PLAN TARGET
	YEAR	VALUE	2022
Sector Outcome A: Economic opportunities in AFF expanded			
Growth of GVA in Agriculture, Forestry and Fisheries Increased (year-on-year at constant 2000 prices, in percent)	2015	0.1%	2.5%-3.5%
a. Crops	2015	-1.8%	2.0%-3.0%
b. Livestock	2015	3.8%	3.0%-4.0%
c. Poultry	2015	5.7%	5.0%-4.0%
d. Forestry	2015	-26.7%	2.0%-3.0%
Growth in Value of Production of Fisheries Increased (year-on-year at constant 2000 prices, in percent)			
a. Commercial	2015	-3.3%	2.5%
b. Municipal	2015	-2.2%	1.0%
c. Aquaculture	2015	0.8%	5.0%
Growth in the Value of Agriculture and Fishery Exports Increased (year-on-year, FOB value, in percent)	2015	-21.6%	9.0%
Sector Outcome B: Access to economic opportunities by small farmers and fisherfolk increased			
Growth in Labor Productivity of Farmers and Fisherfolk Increased (year-on-year at constant 2000 prices, in percent)	2015	4.6%	5.0-6.0%

-26.7%
to 2-3%

-26.7%

Is the forestry sector's total value to the national economy, meaning that we are spending more rather than earning

Carbon-attributed Climate Change



95.4

million metric tons of carbon emission is attributed to the 106 million Filipinos based on a World Bank study

70%

Carbon emission reduction commitment of the Philippines to the United Nations by year 2030

11%

Of human-caused green house gas emissions are caused by deforestation

5

Sectors where commitment targets will be taken from including energy, transport, waste, forestry, and industry

Forestry Goals

Forestry Goals

✓ PSFMA enactment

Lobby for the enactment of the “Philippine Sustainable Forest Management Act” for FMU-based development of the 15.8 M hectares of forest land

✓ Meet national wood demand

Produce at least 40 million m³ for fuelwood and 3.4 million cubic meters for lumber annually

✓ Alleviate upland poverty

Alleviate upland poverty beyond the the poverty threshold of PhP 9,140 via sustainable livelihood and enterprises

✓ Water harvesting

Rehabilitate watersheds to recharge fresh water aquifers via “protection areas” and manage outflows to support irrigation, power generation, and domestic needs

✓ Increase Forestry Contribution to GDP

Reverse Forestry performance from the current -26.7% to 3% (PDP target in 2022)

✓ Reduce carbon emission

The Philippines committed to reduce carbon emission by 70% by 2030 thru both carbon sequestration and stocking

Why the PSEMA?

Why the PSFMA?

- **Updates the antiquated PD 705**

The Forestry Reform Code of the Philippines enacted on May 19, 1975 assumes resource-rich forest lands which is the opposite of today's forest lands (forestry as an element of development vs foundation for sustainable development)

- **Inclusive access**

Promotes public-private-community partnerships (PPCP) and creates forest management units (FMUs) that open to both upland communities and investors

- **Consensus-driven**

Proposed bill "Philippine Sustainable Forest Management Act" incorporates and addresses various concerns in forestry

- **Science-based**

PSFMA utilizes science that promotes watershed-based planning and ecological succession

- **Ease of harvesting & transport**

Limits human intervention to facilitate "ease of doing business"

- **Reinforces capitals assets**

These includes natural (tenure), financial (loans & grants), human (skills), social (networks) and physical (road, water systems, nurseries)

Way Forward

Way Forward

1. Establishment of “forest product corridors”

- ✓ Established preferably within economic zones
- ✓ Compliant tenure holders can be organized with provision for security of tenure, technical support, de-regulation of timber harvesting and transport, and other fiscal incentives
- ✓ Promotes Sustainable Development Plan (SDP)-based plantation development and management
- ✓ Requires plantation developers to plant their respective areas within three (3) years from the commencement of their development plan
- ✓ Smooth marketing and transport of timber and non-timber products

Table. Shows target wood production areas in million hectares

Tenure	2018	2022	2026	2030
IFMA	0.6	1.0 (67%)	1.1 (10%)	1.2 (10%)
CBFMA*	0.8	1.6 (100%)	2.0 (25%)	2.5 (25%)

* Half of total tenurial area

- Wood industry needs 10 million cubic meters annually; This can be addressed by harnessing and expanding IFMA and CBFMA.

Way Forward

2. Promote Biomass production

- ✓ Incentivizes wood biomass production to support demand for renewable energy
- ✓ Reinforces national climate change-related efforts
- ✓ Supports utilization of indigenous tree species with high calorific value
- ✓ Create incentives to biomass energy plantation developers thru DENR & DOE agreement

Table. Shows target wood biomass production areas in million hectares

Tenure	2018	2022	2026	2030
IFMA	0.6	1.0	1.1	1.2
CBFMA*	0.8	1.6	2.0	2.5

* Half of total tenurial area

- Assuming 30% wood recovery by freehand chainsaw, 50% biomass and 20% wastage; with 150 m³ harvestable volume (round log)
- Biomass (for energy) then yields 105 million m³ (by 2026)
- Assuming one m³ of biomass is equivalent to 0.5 ton, and one ton sells for PhP2,000, then 1.4 million hectares may yield PhP105 billion income for biomass

Way Forward

3. Strengthening CBFMA holders

- ✓ Public-private-community partnership (PPCP)
- ✓ Empowers CBFMA to productively engage investors
- ✓ Private investors will bring in the finance, technology and product market/s
- ✓ Promotes compliance thru sustainable livelihood and enterprises (SLE)
- ✓ Looks at basic capital assets namely natural, physical, financial, human, and social
- ✓ Harnesses indigenous knowledge, systems and practices (IKSP)

4. Creating a Sustainable Forestry Development Fund (SFDF)

- ✓ Supports FMB's forest investment roadmap (FIRM)
- ✓ Available on loan-equity basis to potential investors exclusively for SFM initiatives namely timber production, forest-based enterprises, fuelwood/biomass production, and ecosystem-based tourism, among others
- ✓ Extends concessional financing while preserving capital
- ✓ Managed by a competent and appropriate entity (i.e. DBP, LBP)
- ✓ Interest earnings may be allocated for forest protection and infrastructure

Way Forward

5. Establish a National Forest Certification System

- ✓ A third party audit system
- ✓ Promotes forest protection and sustainable forest management
- ✓ Provides for sustainable forest product production and management
- ✓ Enables commodity tracking via chain of custody (CoC)
- ✓ Curbs illegal timber extraction, and ensures supply of legal timber

6. Forest Resource Valuation

- ✓ Appreciate the total value of forests in nation-building
- ✓ Accounts for total value of ecosystem services using scientific valuation methods
- ✓ Secures investment for clean air, fresh water, sustainable supply of legal wood, diverse gene pool, plant-based pharma- and nutraceuticals
- ✓ Findings used to craft policies compensating and sustaining ecosystem benefits

Way Forward

7. Pursue digital forestry

- ✓ Forestry should be “information age” oriented
- ✓ Effective forestry data gathering and information reporting aids easier monitoring and effective management
- ✓ FMB and NAMRIA plays core
- ✓ Sufficient and highly-competent personnel, SFM-aligned goals and ample funding are crucial

8. Enhancing professionalism in Forestry

- ✓ Strengthening DENR field offices
- ✓ Restore & enhance forestry positions in the field level
- ✓ Download personnel from the central office to the field offices
- ✓ Adopt cost-effective processes in implementing FIRM and SFM
- ✓ Forest entrepreneurship and forest ecosystem valuation must be basic courses in the forestry curriculum

"Forest is Life"

AVP Campaign

Audio-Video Production



Let's Serve
The COUNTRY
Through FORESTRY

THANK YOU.