

# Not much time, but not without options

A review of the Philippines' progress on achieving the MDG on environment sustainability

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## Summary

**O**nly five years remain before the deadline set to achieve the Millennium Development Goals (MDGs). What does this mean?

*Five years left to change a development path from one that disregards the carrying capacity of the environment to one that recognizes the need to address issues on the environment and natural resources especially in the face of climate change, an urgent national development issue. Five years left to arrest the continued deterioration of our ecosystems and increased pressure on our dwindling biodiversity. Five years left to make concrete steps to ensure environmental sustainability, beyond what MDG 7 prescribes.*



Unwittingly, the first ten years (2001-2010) of the MDGs fall within the former administration of Gloria Macapagal Arroyo. This period saw various national, regional and international conferences and commitments for the environment such as the UN millennium project and high-level conferences, United Nations Framework Convention on Climate Change (UNFCCC) conferences such as Conference of Parties (COP) 7 to COP 15, from Marrakesh to Copenhagen.

It was in these same ten years, however, that the country's vulnerability to extreme weather events was exposed. For the ten year period the Philippines experienced various natural disasters affecting more than 28 million people with damages amounting to more than US \$1.7 billion (see Table 1). It should be noted that these figures account for 83 percent of affected Filipinos and 60 percent in economic damages resulting from natural disasters in the last 20 years.

In a recent joint study conducted by the Philippine government, citizens' groups, private sector, multilateral and bilateral development partners, the two (2) storms that hit the country in 2009 (Ondoy and Pepeng) severely affected 9.3 million people while estimated economic damages and losses reached US\$ 4.38 billion.<sup>1</sup>

Poverty and environmental degradation are interconnected. Livelihoods are mainly dependent on the utilization of natural resources. Ironically, resource poor

fisherfolks, farmers, and indigenous communities, with marginal access to and control over resources, while at same time facing dwindling income due to depleted natural resources, are the very ones at the forefront of the vulnerable sectors as climate change, the biggest threat multiplier, looms.

While there are marked improvements in the specific targets related to MDG 7, the government must be careful in haphazardly concluding that the Philippines is well on track to achieving environmental sustainability. Especially considering that the MDGs are a set of minimalist goals and MDG 7 in particular is not informed of the grave effects of climate change. The Philippines is a middle-income country where 14 million Pinoy already have internet access, there is no reason why it should not achieve the MDG targets.

Beyond the numbers and statistics, which paint a supposedly rosy picture for the country's environment, there is a need for the government and other stakeholders to more objectively assess the impacts of our development track along with the policies and programs that were instituted as well as public financing for the environment sector in the past MDG decade.

In this way both the government and non-government development stakeholders will have a more objective basis in developing a low-carbon, climate-sensitive development path—a clearer path for environment sustainability.

**Table 1: Top 12 Storms from 2001 to 2010**  
(sorted by number of total affected people and by economic damage cost)

Storms	Date	No Total Affected	Damage (000 US\$)
Ondoy	28/09/2009	4,901,763	237,489
Frank	21/06/2008	4,785,460	284,694
Pepeng	2/10/2009	4,478,491	591,996
Milenyo	27/09/2006	3,842,406	113,000
Reming	30/11/2006	2,562,517	66,400
Florita	28/06/2002	2,278,386	10,437
Feria	07/2001	1,902,654	68,565
Cosme	18/05/2008	1,496,668	99,174
Nanang	8/11/2001	1,060,147	6,000
Marce	25/08/2004	1,058,849	3,342
Henry	2/8/2006	1,037,886	135,000
Winnie	29/11/2004	1,018,965	78,200

Sources: Top 10 List of Natural Disasters from "EM-DAT: The OFDA/CRED International Disaster Database [www.em-dat.net](http://www.em-dat.net) - Université Catholique de Louvain - Brussels - Belgium". Names of storms from the Philippine Atmospheric Geophysical and Astronomical Services Administration (PAGASA).

<sup>1</sup> Typhoons Ondoy and Pepeng: Post Disaster Needs Assessment; November 2009.

## Questions and more questions on the official indicators

The National Economic Development Authority (NEDA) is currently undertaking a review process that seeks to determine the Philippines' progress in terms of achieving the MDG's. Specific to MDG 7 and the four (4) targets within the goal (see Table 2), the draft

report is optimistic about the country's progress. This section of the paper presents results of the content analysis of the draft progress report as well as raises additional considerations that can help in more accurately understanding the state of our country's environment and our status in terms of achieving environment sustainability.

**Table 2: MDG 7 Targets and Official Indicators**

Targets	Indicators	Status (from 4th Progress Report)
7.A: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources		Since the right to a clean and healthy environment is enshrined in the 1987 Philippine Constitution, sustainable development would likely be achieved.
7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	Proportion of land area covered by forest	Official indicators state that the rate of deforestation has decreased and subsequently forest cover has increased. As of 2003, forest cover is at 7.2 million hectares or 24% of the total land area of the country
	Ratio of area protected to maintain biological diversity to surface area	From 2006 to 2007, protected areas increased by 4, with a 19,800 hectare-area increase.
	Energy use (kg oil equivalent) per \$1 GDP (PPP)	(no data from report)
	Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons)	As of 2007, annual consumption of CFCs dropped to 143 metric tons from 603 metric tons in 2006 or a drop of 76.3%.
	Proportion of population using solid fuels	(no data from report)
7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	Proportion of population with sustainable access to improved water source, urban and rural	<input type="checkbox"/> The proportion of population with clean and safe sources of water supply increased from 73.8% in 1991 to 81.5% in 2007 <input type="checkbox"/> The probability of attaining the 86.9% target is high.
	Proportion of urban population with access to improved sanitation	<input type="checkbox"/> The proportion of population with access to sanitary toilet facilities increased from 71.8% in 1991 to 87.9% in 2007 <input type="checkbox"/> The 85.9% target for access to sanitary toilet facilities has already been achieved.
7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	Proportion of households with access to secure tenure (owned or rented)	<input type="checkbox"/> Population living in slums with lack of access to sanitary toilet – 7.45% <input type="checkbox"/> Population living in slums with lack of access to safe water – 10.87% <input type="checkbox"/> Population living in makeshift housing – 1.94% <input type="checkbox"/> Informal settlers – 5.42%

Source: Draft 4th Philippine Progress Report

## Forestry

There is a need to harmonize varying methodologies, systems and definitions of forests and forest cover to objectively determine baseline forestry data. The DENR forest cover estimates are based on the Food and Agriculture Organization (FAO) definition of forests which includes primary and semi-natural forests, productive and protective plantations and production areas.<sup>2</sup> Consequently, official indicators used in the draft MDG progress report do not take into account forest utilization. It does not distinguish whether forest growth is for “core-reserve” forest, production areas or even plantation forests.

An alternative definition, one that is more reflective of the need to protect our forests, is presented by the Ad Hoc Technical Expert Group on Forest Biological Diversity (AHTEG) of the Convention on Bio-Diversity. Forests are defined as “a functional ecosystem unit which should be conserved, used sustainably, and the benefits derived from it should be shared equitably.”

Establishing a clear baseline is critical, considering that the overall Philippine Greenhouse Gas (GHG) inventory contained in the Philippines Second National Communication<sup>3</sup> (SNC) registered an astounding 81 percent decrease. This is, according to the SNC, mainly because of an equally fantastic ‘increase in the amount of emissions sequestered by the LUCF sector’, even offsetting combined increases in energy, agriculture and waste sectors. This comes as a surprise considering that the Philippines’ Initial National Communication in 1999 conservatively projected an increase in emissions from 100,738 ktons CO<sub>2</sub>-eq in 1994 to 195,091 ktons CO<sub>2</sub>-eq in 2008 or an annual growth rate of 4.8% over 14 years.

The much-touted newly forested areas really fall under the Mining Forest Program of the DENR-MGB, a permutation of the “Adopt-a-Mountain Program”. Mining companies, with permits from the government, are actually mandated to reforest under the Mining Act of 1995. These newly-forested areas are in fact produc-

tion areas where access and rights are exclusive to the mining companies.

According to Alyansa Tigil Mina (ATM),<sup>4</sup> the National Minerals Action Plan (NMAP) - part of the government’s mining industry revitalization program, lists priority mine sites for development that will encroach on almost 53 percent of ancestral domains of indigenous tribes and about 60 percent of protected areas. This means, that in effect, forest reserves within ancestral domains and protected areas are converted to production forests which will eventually be cut.

The shift in the nature of the country’s forest cover from core reserve forests to production forests is also reinforced by the tenurial instruments issued by government. Areas covered by Integrated Forest Management Agreements (IFMA) and Industrial Tree Plantation Lease Agreements (ITPLA) have increased from 615,000 hectares in 2001 to 833,000 hectares in 2007. Over 5 million hectares have been covered by IFMA’s/ITPLA’s from 2001 to 2007.<sup>5</sup> Community organizations and citizens’ groups have long criticized these forest tenurial instruments mainly because they tend to be permits directed for forest production activities instead of forest management and protection initiatives. Affected areas, mostly indigenous communities, have also raised questions on these instruments’ disregard for communal and ancestral domain rights. Furthermore, there is also a need to assess the extent of protected areas that were excluded or dis-established to give way for energy development projects such as biofuels.

There is a need to present data that disaggregates forest cover data across types of forest utilization. There are indications that while forest production areas are increasing our reserve forest areas are dwindling. In this case, the increase in forest cover will be short term since trees within production areas are meant to be ‘harvested’ eventually, and long term environmental sustainability is compromised since our reserve forests are not effectively protected.

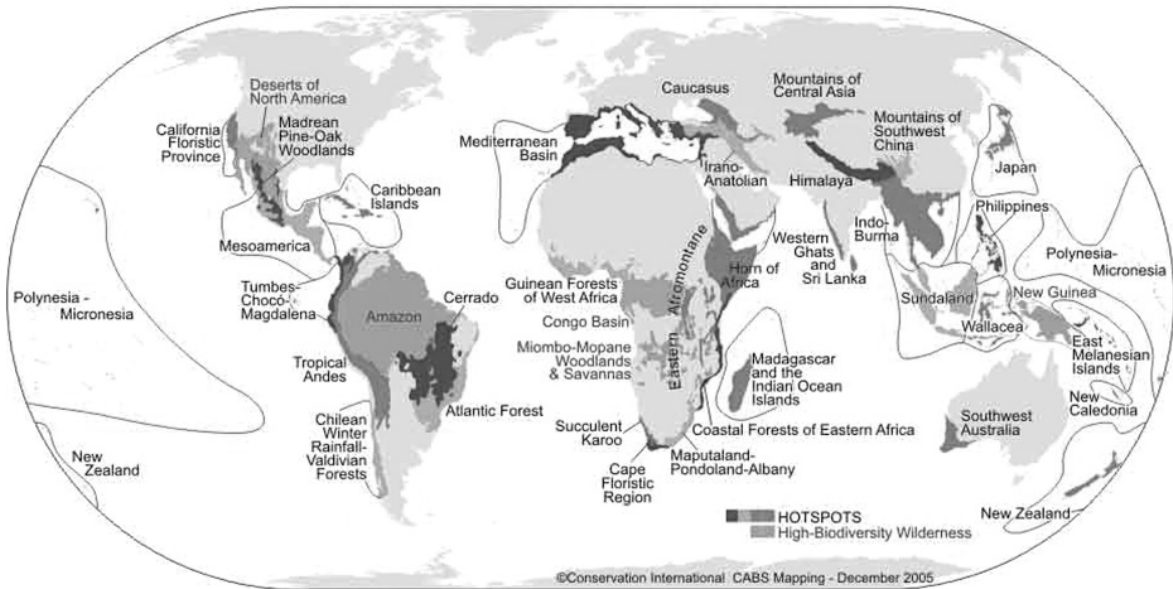
<sup>2</sup> Global Forest Resource Assessment Update 2005: Terms and Definitions, FAO, 2004.

<sup>3</sup> Enabling Activity for the Preparation of the Philippines’ Second National Communication on Climate Change to the UNFCCC. DENR, UNDP, GEF. 2009.

<sup>4</sup> The Alyansa Tigil Mina (ATM) is a coalition of organizations and groups who have decided to collectively challenge the aggressive promotion of large-scale mining in the Philippines. Composed of Non-Government Organizations, People’s Organizations, Church groups and academic institutions, the ATM is both an advocacy group and a people’s movement, working in solidarity to protect Filipino communities and natural resources that are threatened by large-scale mining operations.

<sup>5</sup> DENR-FMB Forestry Statistics – Integrated Forest Management Agreement/Industrial Tree Plantation Lease Agreement (IFMA/ITPLA), Tree Farm And Agroforestry Farm Leases: 1977-2007.

**Figure 1: Biodiversity Hotspots**



**Biodiversity**

As of 2005, the Philippines is still listed as one of the 25 biodiversity hotspots in the world according to Conservation International (see Figure 1).

According to the Philippine Clearing House Mechanism for Biodiversity, there are 234 protected areas (PA's) under the National Integrated Protected Areas System (NIPAS) covering a total area of about 5,234 million hectares as of 2008. The official indicators in the MDG progress report cite a 19,800 hectare increase in the PA's covered. It also reported a significant increase in plant species that are under the threatened species list of protected wildlife.

The two indicators cited in the progress report are actually inconsistent. If protected areas are increasing in coverage, why then are the number of threatened species increasing. The reason behind declaring protected areas is to arrest the massive deterioration of biodiversity within these areas. This inconsistency actually indicates that protected area coverage only occurs on paper and minimal actual or even effective protection happens.

The Protected Area Management Board (PAMB) is the mechanism where area management plans, protection programs and activities are developed and implemented. Functional and effective PAMB's determine the success of protection programs and activities within the protected areas. Data from the

DENR-PAWB show that a little over 150 PAMB's have been established.. Among those that have been established, many of the PAMB's are dysfunctional and are not convening largely due to non- allocation of and non- release of budgets from the Integrated Protected Area Fund.

A more accurate picture of the biodiversity situation in the country, therefore, should not rely on the declarations establishing protected areas. It is necessary to ascertain whether protection activities within the established protected areas are actually and effectively undertaken. Monitoring the performance of the PAMB's gives us a more precise indication of the country's situation in terms of biodiversity.

**Coastal resources**

According to the 2005 Environment Monitor of the World Bank that focused on the Philippine Coastal Resources, *“the present status of coastal ecosystems in the Philippines is a cause for alarm. Almost all Philippine coral reefs are at risk due to the impact of human activities, and only 4 to 5 percent remain in excellent condition. More than 70 percent of the nation's mangrove forests have been converted to aquaculture, logged, or reclaimed for other uses. Half of the seagrass beds have either been lost or severely degraded, and the rate of degradation is increasing. Beaches and foreshore areas are under increasing pressures from rapid population growth and uncontrolled develop-*

ment, which leads to erosion, sedimentation, and water quality problems.”

The report also detailed the impacts of declining fish stock on resource poor fisherfolks and communities that rely heavily on these resources for their livelihood. These communities remain at the margins of having access to and control over coastal resources. A poignant reality considering the key roles played by these communities on community-based coastal resource management initiatives.

### **Water and sanitation (WATSAN)**

Official data as of 2007 states that 82.9 percent of Philippine households are with access to safe drinking water while 88.4 percent are with sanitary toilets. According to the draft 4th Philippine Progress Report, *“the probability of attaining the 2015 MDG target to ensure that 86.9 percent of the population will have access to safe water is high. Furthermore, the 85.9 percent target for access to sanitary toilet facilities has already been achieved.”*

There are data gaps related to access to water that need clarification. In 2003, the DILG identified 189 waterless municipalities.<sup>6</sup> In 2009, the DILG Office of Project Development Services (OPDS) listed 273 waterless municipalities that have not yet been reached by former PGMA’s priority program on water. This shows an increasing number of municipalities in the country that do not have access to safe drinking water.

While the official numbers look good, the remaining 15.3 million Filipino households without access to safe drinking water and the 10.1 million Filipino households without access to sanitary toilets are, in fact, among the poorest of the poor who are supposedly the priority targets of the MDG’s.

The increase in water supply coverage is a result mostly of private sector initiatives with little or no government support. In this situation, areas that are considered not financially lucrative, where the poorest of the poor are located, get the least investment and are not targeted for priority coverage. Ideally, this should be an arena for government intervention which, however, has been limited since this is not a priority government program.

The indicators on water focus more on coverage (output) with little mention about initiatives at developing and improving availability of water at the source.

While the MDG’s only call for the expansion of coverage, initiatives at the source such as watershed management must also be taken into account. This is considering that as of 2009, only 5 out of the 596 water bodies are still with watershed areas, according to DENR’s Inventory of Classified Water Bodies. Also, the specific target and indicator on water only focus on the demand from households, bigger pressure in terms of water resource comes from the demands of agriculture and industries. These should also be taken into account.

### **Slum dwellers/Informal settlers**

Official indicators report a decreasing trend in the proportions of population lacking access to safe water, sanitary toilet facilities, and living in makeshift housing, from 1991 to 2006. There are counter indications, however, that threaten the achievements identified for this particular target in the MDG progress report.

The number of informal settlers is increasing. Also, the proportion of urban population living in slums is also expected to increase from 2007 to 2010. This is largely attributed to the displacement of families resulting from tropical storm Ondoy and typhoon Pepeng which devastated Metro Manila in 2009. As well as to the country’s rapid population growth of 2.04 percent, the highest average growth rate in South East Asia.

The growing inequity within urban areas and cities coupled with the apparent vulnerability of urban poor communities, especially women and children, to climate change are not reflected in the official indicators on access to water, sanitation and decent housing, which are in fact survival indicators.

Beyond these survival indicators, government must equally give importance to building sustainable cities based on the equal rights to the city framework as enshrined in the Habitat Agenda. This entails a) mapping the risks and vulnerabilities of cities to climatic and geologic events such as floods, sea level rise, landslides and earthquakes; b) providing sustainable livelihood and employment opportunities; and, c) providing accessible and green technology, infrastructure, transportation and communications.

The development pace of urban areas and cities must be slowed down. Business-as-usual urbanization must be reconsidered. This is a must if the government wants to deliver its commitments, not just on the

<sup>6</sup> Ronquillo, J.D. and Morala, R.O., P. 12, Environmental Insecurity: The Cost of Mis-Governance, 2007.

MDG's, but more importantly, on building sustainable human settlements within inclusive and greener cities.

### Air quality

Official indicators report that the consumption of Ozone Depleting Substances (ODS) has significantly decreased from 2000 to 2007. But this is expected since the Philippines is neither a major producer nor importer of ODS.

The more telling indicator on air quality deals with maintaining acceptable levels and the monitoring of Total Suspended Particulates (TSP).

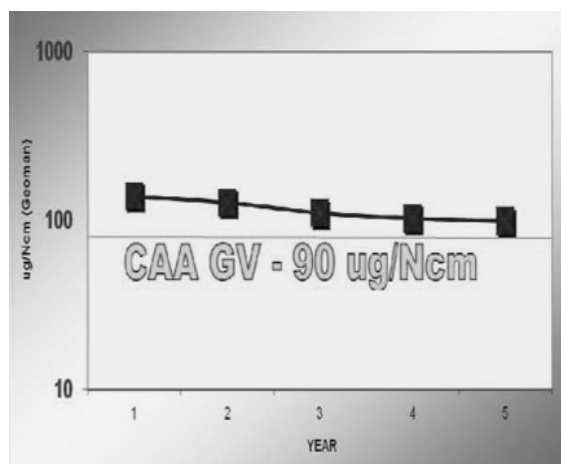
According to the DENR-EMB Report on the 10th Year anniversary of the Clean Air Act in 2009, the National TSP Ambient Air Quality (see Figure 2) has improved from 2004 to 2008 but is still above the annual guideline value which has been set at 90 ug/Ncm. The report also details the three major sources of air pollution (see Figure 3): 1) mobile sources (vehicle emissions) accounting for 65 percent; 2) stationary sources (factories and industries) accounting for 21 percent; and, 3) area sources (dumpsites and landfills) accounting for 14 percent.

Still, there is a need to review the data reported by the DENR-EMB. With the bulk of air pollution coming from vehicle emissions, there is a need to assess the enforcement and regulatory mechanisms of vehicle emission testing, given that there are reports on the prevalence of non-compliance, red tape and corruption. On stationary sources such as factories and other industries, the Continuous Environment Monitoring System (CEMS) has been adopted. However, compliance is hinged on the fair and accurate self-monitoring of industries. Checks implemented by the DENR are scheduled and announced.<sup>7</sup> These practices compromise the accuracy of the DENR-EMB report.

Another way to monitor the status of air quality in the country is by tracking the establishment of and performance of airshed governing boards. As part of the National Air Quality Improvement Framework and National Air Quality Control Action Plan, DENR has designated 18 airsheds (see Table 3) in the Philippines, 13 of which are located in key urban cities and 5 are regional geothermal airsheds.

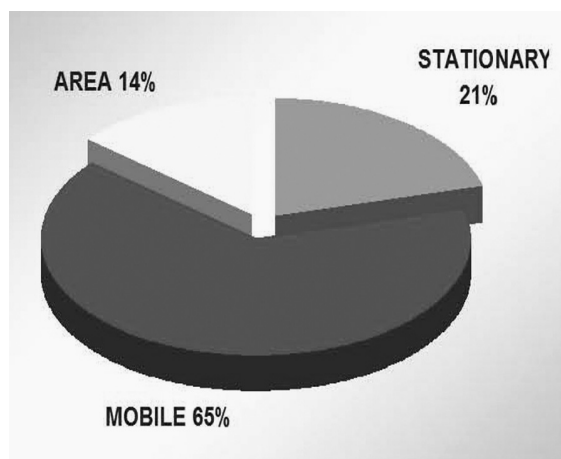
As stated in the Clean Air Act, to effectively govern and draw-up plans, a multi-sectoral Airshed Governing

**Figure 2: National TSP Ambient Air Quality Trend (2004-2008)**



Source: DENR-EMB Report on the Clean Air 10 Conference

**Figure 3: National Emission Inventory, 2006**



Source: DENR-EMB Report on the Clean Air 10 Conference

Board is supposed to be set-up in each of these airsheds convened by the Secretary of the DENR and composed of the Governor, Mayors, NGOs, POs and private sector representatives. However, there are difficulties in convening these boards because of lack of quorum and lack of budget, as the DENR-EMB Report on the Clean Air 10 Conference points out.

Such was the case of the Metro Cebu Airshed Board that started plans to convene as early as 2002 but was only able to actually convene last January 20, 2009, ten years after the passage of the Clean Air Act.

<sup>6</sup> Contained in DENR Administrative Order 2007-22.

**Table 3: Designated Airsheds**

Regular Airsheds	Geothermal Airsheds
1. Metro Manila Airshed (NCR, Regions III & IVA)	1. Southern Negros Geothermal (Region VI)
2. Northeastern Pangasinan (Region I)	2. Bacod-Manito Geothermal (Region VIII)
3. Metro Tuguegarao (Region II)	3. Leyte Geothermal (Region VIII)
4. Baco, Naujan, Calapan (Region IVB)	4. North Cotabato Geothermal (Region XII)
5. Naga City (Region V)	5. Makiling-Banahaw Geothermal (Region IVA)
6. Metro Iloilo (Region VI)	
7. Metro Cebu (Region VII)	
8. Zamboanga City (Region IX)	
9. Cagayan de Oro (Region X)	
10. Davao City (Region XI)	
11. Agusan del Norte-Butuan City (Region XII)	
12. South Cotabato (Region XIII)	
13. BLIST: Baguio, La Trinidad, Itogon, Sablan, Tuba (CAR)	

Source: DENR-EMB Report on the Clean Air 10 Conference

If Airshed Boards are not convened, air quality improvement and monitoring plans cannot be finalized and submitted for funding from the Air Quality Management Fund (AQMF), a special account in the National Treasury administered by the DENR for Air Quality improvement projects. According to the DENR, from 2002 to March 2009, the AQMF has reached Php 229,147,894.30 and that these funds were unused by the Airshed Boards.

**Lost decade for MDG 7**

Given the assessment points related to the official indicators presented in the MDG Progress report as discussed above, it is difficult to share the optimism presented in the 4th Philippine MDG Progress report particularly in terms of achieving the MDG targets on environmental sustainability. A broader and more substantial investigation of facts, and actual ‘on the ground’ realities, point to the more disquieting condition of our environment.

In a recent study by Germanwatch,<sup>8</sup> the Philippines was ranked eighth among all countries in terms of vulnerability to climate change. This fact alone exposes the flailing condition of our environment. Underlying the country’s vulnerability to extreme weather events is the reality that we have taken for granted the nurturing of our soils, forests, seas, coasts and urban communities.

What could have been a decade of restoring the health of our natural resources, of developing the re-

silient capacity of both our rural and urban communities, of climate proofing our environment was lost to non-prioritization, weak implementation of policies, and lack of support. The discussions below further elucidates on the fragile status of our environment resulting from environment related policies, programs and financing issues.

**Status and progress of the environment in terms of the 3 P’s: Policies, Programs and “Pondo” (Funds) On environmental policies and programs**

The Philippines is one of the most over-legislated countries, more so when it comes to environmental laws. There are legislations covering the green, brown and blue environments. To date, the Philippines has over 100 environment-related legislations, several of which were enacted under former PGMA’s term and include the following:

1. National Caves and Cave Resources Management and Protection Act of 2001;
2. Wildlife Resources Conservation and Protection Act of 2001;
3. Mt. Kanla-on Natural Park (MKNP) Act of 2001;
4. Philippine Plant Variety Protection Act of 2002;
5. Clean Water Act of 2004;
6. National Environmental Awareness and Education Act of 2008;
7. Climate Change Act of 2009;

<sup>8</sup> Harmeling, Sven. Global Climate Risk Index 2010. December 2009.



8. Organic Agriculture Act of 2010;
9. Disaster Risk Reduction and Management Act of 2010; and,
10. R.A. 10067 Establishing the Tubbataha Reefs as Protected Areas under the NIPAS.

The past 10 years were admittedly marked with landmark environment-related legislations. In addition, the former PGMA administration has also issued various Executive Orders, most recent of which were issuances on the adoption of integrated coastal management and the Coral Triangle initiative.

Still, policy-action inconsistencies and gaps remain.

### ***Maximizing mineral resources as drivers of growth***

Growth and pump priming of economic development were clearly the priorities set by the 2004-2010 MTPDP. It views the natural resources sector as under-utilized. A glaring inconsistency with the baseline being put forward by citizens groups that the exhaustion of the country's environment and natural resources has reached its peak carrying capacity, even as early as the Philippine Agenda 21 processes. While the 2004-2010 MTPDP recognized the relation of rural poverty and mismanagement of natural resources and prescribed directions for conservation efforts, the general tone of its policy and program directions are more inclined towards maximizing the potentials of our natural resource base as drivers for growth.

Concretely, this is expressed in the MTPDP's thrust to revitalize and put in full swing initiatives on mining. Increased employment opportunities and economic gains are hinged on the promise of heightened investments in mining. According to the DENR-MGB, the industry has employed a total of 996,000 persons and total investments amount to US\$ 2.8 billion from 2004-2010. According to former DENR Sec. Horacio Ramos, the contribution of the mining and quarrying sector to the country's gross domestic product (GDP) significantly increased to Php 100.5 billion or 1.30 percent of GDP in 2009, as compared with Php 21.6 billion or 0.6 percent of total GDP in 2000.

Big numbers, but the question on whether these promising numbers in fact contribute to the country's sustainable development, remains.

Habito<sup>9</sup> stated: "Forward linkages are likewise weak, with a forward linkage index of 0.82 indicating forward linkages are also well below the average across industries. This is no surprise, given that much of the industry's output is exported in primary form (e.g., as raw mineral ore), with little further processing within the country. Thus, even as mining advocates like to argue that the products of mining find their way into most products we use in our daily lives, these forward linkages are not occurring within the Philippines at this time. The direction for us is clear: We need to have more domestic processing and value-adding of mining output to widen the domestic linkages of the sector. Only then could growth in the sector be more inclusive. Until then, the fabulous wealth to be had from mining would line very few pockets."

The solid push to revitalize the mining industry is also evident in the various executive orders aimed at de-restricting foreign investments and ensuring executive prerogative in the industry, to the detriment of other promised 'green initiatives'. The so-called green jobs in fact refer to persons employed in the mining industry.

Green jobs must be on more sustainable programs such as forest wardens for reforestation within CBFM areas, bantay dagat (sea wardens) for CBCRM initiatives, and organic agriculture practitioners and farmers.

The former PGMA administration was undoubtedly effective in pushing for the revitalization of the mining industry. In fact, former Pres. Arroyo was conferred the first 'Ang Minero' Award by the Philippine Mine Safety and Environment Association (PMSEA) for her "unparalleled leadership and support in bringing enlightenment to government agencies and private companies to review and align their ways alongside the principles of sustainability and responsible mining, opening the door to equitable growth and enlightened investment." To illustrate the obvious inconsistency in former PGMA's pro-mining for environment sustainability policy stance, the 'Ang Minero' award was given to her at the Testimonial organized by the DENR for President Arroyo dubbed as 'Sustainable Development in Natural Resources: The Arroyo Administration Natural Resources Legacy.'

Equally alarming is the increasing small-scale mining activities. These are causing more damage to

<sup>9</sup> Habito, Cielito. Is Mining Growth Inclusive? Philippine Daily Inquirer. June 6, 2010.

the environment since small-scale mining activities happen under the radar because management, from granting of permits to monitoring environmental safety standards, are lodged with the Governor-led Provincial Mining Regulatory Board and not with the DENR. Investors, who are avoiding the prying eyes of environment advocates and cutting on red-tape start-up costs, are also increasing investments in small-scale mining. These activities undermine the original intent of the small-scale mining law that supposedly prescribes preferential rights and use and access by the immediate communities in a particular small-scale mine site.

Mining as an extractive industry has taken its toll on the environment with many areas even covering ancestral domain, watersheds and forest areas. The concept of sustainable mining is a myth, as shown by mining-related disasters such as the Marcopper Mine in Marinduque, Rapu-Rapu in Albay, Placer in Surigao del Norte, Masara in Compostela Valley and Itogon, Benguet among others.

### ***To permit and protect: DENR's mandate***

The dual role of DENR as the protector of our environment and natural resources and the granting of permits and licenses to exploit the same environment and natural resources has long been criticized. Unfortunately, the DENR has been more efficient in the latter.

This was most evident when an immediate past Secretary of DENR, Mike Defensor Chair of NiHao Mining and Geograce Mining Corp. inked a multi-million dollar mining deal that was witnessed by no less than former President Arroyo.

### ***Forest production versus forest protection***

These policy and program directions also rebound to the departments. The DENR has clearly been more focused on its mining revitalization program than its other programs. It has also been more active in granting forest tenurial instruments such as the IFMA and ITPLA, often criticized for being more inclined to forest production instead of protection activities, and reforestation programs including Community Based Forest Management (CBFM).

### ***Energy mix-up***

The DOE, while recognizing the country's potential for renewable energy (RE) in the Philippine Energy Plan, is still more inclined to implement programs based

on non-renewable energy. RE projects remain at pilot stages and only account for a small percentage in the Philippines energy mix. In contrast, non-renewable energy projects such as exploration and grant contracts for coal and oil are currently at full swing and remain the principal source of RP's energy.

### ***The promise of green revolution***

The DA is still biased on chemical intensive agricultural practices and still pushes for increased chemical fertilizer and pesticide use to increase agricultural productivity. While there are initiatives on organic agriculture, these remain at pilot stages and are in fact geared more towards balanced fertilization.

The DA's framework of simultaneously promoting biotechnology, genetic modification and engineering and sustainable agriculture is a myth of co-existence.

### ***Rent seeking in natural resources***

The most glaring form of rent seeking in the Philippines comes in the form of permits, licenses, contracts and other financially rewarding concessions. This is especially true when it comes to natural resources and projects related to it. It is also in this sector where the interplay and role of Philippine corporations as dummies are more vivid. This is aggravated by the perennial inefficient enforcement and corruption in implementing safeguards related to environmental protection. Supposed stringent requirements for permits and licenses can be 'expedited' at 'packaged rates' such as steps in securing Environmental Compliance Certificates (ECCs), Free, Prior and Informed Consent (FPICs) and other mandatory requirements.

### ***What's the score of our environment, really?***

Updating and filling-in the gaps of the baseline data of the Philippine environment has not been a priority for the past 10 years. Official data tends to be outdated and often based on modeling and interpolations. Allocations for research and baseline gathering remain low and are often foregone in favor of concerns that are more urgent and in-line with the current priorities of the government.

This puts to the fore the urgency of enacting the national land and water use plan bill. Updating and finishing the mapping and delineation of forests must also be prioritized. Government must also invest in baseline updating for disaster risk reduction such as the geo-hazard maps prepared by the Mines and Geo-

science Bureau (MGB) but funded by the Australian Government. In addition, these geo-hazard maps must be incorporated with existing geologic maps as input in determining priority sites for mining beyond economic viability.

Incoherent, inconsistent and plagued with policy action gaps are the characteristics of former PGMA's environment-related policy and program directions from 2001-2010. In the span of almost ten years, environment initiatives were 'business as usual' even in the face of climate change.

### *On financing for the environment*

From 2002 to 2010, financing for the environment has been consistent with the former PGMA administration's policy and program directions but inconsistent with the goal of ensuring environmental sustainability.

Since 2002, allocations to the environment and natural resources sector remained at 1 percent or less of the total General Appropriations Act (GAA) (see Table 4).

Funding allocation for the implementation of the Mining Act has been consistent since 2002. A total of almost Php 4.3 billion has been allocated to MGB where operations for the implementation of the Mining Act are lodged. This takes up an average of 6.7 percent of DENR's total annual budget (see Table 5).

In contrast, funding allocations for protected areas, biodiversity conservation, reforestation and implementation of environmental laws such as the Clean Air Act, Solid Waste Management Act among others, are either erratic, low or completely without allocations and continue to be a low priority since 2002. A total of only Php 2.3 billion has been allocated for protected areas and wildlife management under PAWB from 2002-2010.

**Table 4: Share of DENR Budget to GAA**

FY	Total DENR	Total GAA	% of DENR to GAA
2002	6,530,852,000	554,008,751,000	1.18
2003	4,972,931,000	561,907,000,000	0.89
2004*	4,972,931,000	561,907,000,000	0.89
2005	5,511,256,000	597,663,400,000	0.92
2006*	5,511,256,000	597,663,400,000	0.92
2007	7,110,820,000	819,162,469,000	0.87
2008	8,117,844,000	1,066,179,857,000	0.76
2009	12,391,130,000	1,170,318,753,000	1.06
2010	12,190,629,000	1,304,406,400,000	0.93

\*Reenacted Budget; Source: 2002-2010 GAA

**Table 5: Share of MGB to DENR Budget**

FY	Total MGB	Total DENR	% of MGB to DENR
2002	409,487,000	6,530,852,000	6.27
2003	389,617,000	4,972,931,000	7.83
2004*	389,617,000	4,972,931,000	7.83
2005	402,451,000	5,511,256,000	7.30
2006*	402,451,000	5,511,256,000	7.30
2007	542,353,000	7,110,820,000	7.63
2008	545,984,000	8,117,844,000	6.73
2009	630,077,000	12,391,130,000	5.08
2010	542,522,000	12,190,629,000	4.45

\*Reenacted Budget; Source: 2002-2010 GAA

**Table 6: Share of PAWB to DENR Budget**

FY	Total PAWB	Total DENR	% of PAWB to DENR
2002	183,306,000	6,530,852,000	2.81
2003	178,228,000	4,972,931,000	3.58
2004*	178,228,000	4,972,931,000	3.58
2005	204,646,000	5,511,256,000	3.71
2006*	204,646,000	5,511,256,000	3.71
2007	207,698,000	7,110,820,000	2.92
2008	240,027,000	8,117,844,000	2.96
2009	479,555,000	12,391,130,000	3.87
2010	474,795,000	12,190,629,000	3.89

\*Reenacted Budget; Source: 2002-2010 GAA

**Table 7: List of Impounded Funds in the 2009 GAA**

Particulars	Total Budget (GAA)	Amount Released	Variance Total Budget less Amount Released
Development and rehabilitation of the Mt. Apo National Park	15,000,000	992,000	14,008,000
Pawikan Conservation Project	20,000,000	2,115,000	17,885,000
Tamaraw Conservation Project	20,000,000	-	-
Development and Rehabilitation of Tubbataha Reef	20,000,000	-	-
Development and Rehabilitation of Apo Reef	20,000,000	-	-
Development and Rehabilitation of Mts. Banahaw and San Cristobal	15,000,000	-	-
Development and Rehabilitation of Mt. Kitanglad	10,000,000	-	-
Development and Rehabilitation of Northern Negros National Park	15,000,000	-	-
Development and Rehabilitation of Central Cebu National Park	15,000,000	-	-
<b>SUB-TOTAL</b>	150,000,000	3,107,000	146,893,000
Comprehensive Livelihood and Emergency Employment Program for Reforestation (CLEEP)	1,000,000,000	-	-
<b>TOTAL IMPOUNDED FUNDS</b>	<b>1,146,893,000</b>		

Source: La Liga ABI-ENVI Budget Tracking

This takes up only 3.4 percent of DENR's total annual budget (see Table 6).

To cap it all, allocations for much needed environmental initiatives such as protected areas, biodiversity conservation and reforestation that are included in the GAA are not released or impounded by the Office of

the President (see Table 7). For 2009 alone, impounded allocations totaled Php 1.1 billion.<sup>10</sup> The much touted Php 1 billion budget for reforestation dubbed by the government as the biggest single year allocation from the regular budget in the history of forestry was not released.

<sup>10</sup> La Liga Policy Institute, Financing Climate Change Actions: A Must for the 2010 Budget, 2009.

## **Problems and gaps**

### ***Incoherent and climate insensitive state policies on the environment***

The current MTPDP is the most glaring policy inconsistency with regard to ensuring environmental sustainability. It prescribes a business-as-usual attitude in environment and natural resources management. It is clearly uninformed of the realities and challenges of climate change. It views the state of natural resources as under-utilized and as such maximizes potentials particularly of mineral resources for growth, without regard to calls for a slow-down in mining operations or even to lessons from environment-related disasters.

The 10-year former PGMA administration has enacted landmark environmental legislations but follow-through actions were evidently lacking, most critical of which is ensuring budget allocations for these legislations.

If there is anything consistent with the former PGMA administration's policies, these are the marching orders given by the former President on her SONAs, they were all consistent with her push for growth but inconsistent with environmental sustainability.

### ***Growing policy-action gap***

Talk is cheap, but actions and inactions that contribute to environmental insecurity comes at a hefty price, lives lost, livelihoods threatened and communities and families displaced and impoverished.

The multitude of policies and the interlocking directorate of institutional arrangements and implementing mechanisms of government are not evident in the state of our environment and natural resources.

### ***Misplaced and climate insensitive financing priorities***

Since 2007, the Alternative Budget Initiative-Environment Cluster (ABI-ENVI) led by the La Liga Policy Institute has been advocating for a 'greener' General Appropriations Act (GAA). It noted that since 2001, allocations for the environment and natural resources sector remained at less than 1 percent of the total GAA, way below the levels allocated by our neighboring countries, way below what is expected to provide a minimum gain for environmental sustainability, and way below the priority list of government.

A closer look at the GAA from 2002 to 2010 reveals the low priority given to the environment and

natural resources sector particularly items on reforestation, protected areas and biodiversity conservation that receive minimal allocations. It also reveals the real priorities of government aimed at maximizing natural resources as drivers of growth given the consistent allocations given to activities to revitalize the mining industry.

In its 2009 and 2010 budget advocacy, the ABI-ENVI pushed for bigger budget allocations directed at climate change adaptation and mitigation initiatives around the following priorities:

1. Disaster response and risk reduction;
2. Renewable/sustainable energy systems;
3. Biodiversity, sustainable agriculture, fisheries and forestry;
4. Clean and green industrial technology; and,
5. Ecological waste management.

These priorities were aimed at establishing in-roads to make the GAA climate sensitive. While substantial alternative budget proposals were adopted in the GAA, much needs to be done in order to achieve a climate sensitive budget.

The issue of impounded funds is also of serious concern. The Php 1.1 billion impounded funds for 2009 alone, mostly covering alternative budget proposals adopted in the GAA, highlights the need for citizens groups such as the ABI-ENVI to track actual releases of allocated funds. It also highlights the need for government to improve spaces for engagement in the whole budget process, from department-level budgeting, to congressional proceedings up to tracking of disbursements of GAA budget items.

### ***Lack of reliable, updated and accessible state of the environment baseline***

Reliable, updated and accessible information on the condition of our environment is crucial for a sound policy, program and finance formulation and planning. If we are to effectively influence government to adopt a climate sensitive '3 Ps', we must have a well-grounded baseline to begin with.

This is most urgent in the face of climate change. Effective disaster risk reduction initiatives must be informed of the current state of our environment. While baseline information generated by the private sector is of big help, the government must take the lead in investing in building a comprehensive database on the environment, preferably using IT-based platforms that are already available.

### ***Untapped potentials and lack of support to LGU initiatives***

The top-down approach is still the prevalent character of initiatives on the environment and natural resources sector. National government agencies are given numerous other tasks that often relegate environment concerns to the bottom of their priority list. Consequently, resources and implementing mechanisms are tied-up at the national level and LGUs are treated as beneficiaries instead of partners.

LGUs are at the forefront of environment-related challenges such as climate-related disasters. Given the limited financial and technical support provided by the national government to LGUs, mostly at the reaction end such as the calamity fund, more and more LGUs are building their capacities for innovative local government approaches. These include mitigation and adaptation initiatives such as renewable energy, natural resources management, sustainable/organic agriculture and ecological waste management.

### **Conclusions and Recommendations**

#### ***Push for climate sensitive ‘3 Ps’: Policies, Programs and “Pondo”***

We must be able to effectively engage the incoming government in crafting a new MTPDP. For the next MTPDP to be climate sensitive, it must go beyond mere achievement of the MDG’s. It must be able to recognize climate change as an urgent national development issue that needs to be integrated in the overall government ‘3 Ps’.

Consequently, we must be able to effectively engage the national government agencies involved in the environment and natural resources sector in formulating their respective priority programs and budgets.

Finally, we must be able to influence the budget process by building on previous gains and creating more spaces for citizen participation.

#### ***Professionalize the enforcement, regulation and monitoring of policies on the environment***

Clearly, the Philippines is not wanting on environment policies. Effective enforcement, regulation and monitoring of such policies is severely lacking mainly due to the customary rent seeking culture that breeds in the system of securing permits, licenses and concessions to exploit our natural resources.

Professional management of these policies founded on fairness, transparency and accountability should be

the norm instead of political accommodation, patronage and transactional politics. If the government can be as effective in enforcing these policies as much as they have been in enacting them, substantial reforms for the environment will have a better chance.

#### ***Update the Philippine environment baseline***

Government must invest in a comprehensive updating of our baseline environment condition using current available technology. We need to know the up to date status of our ecosystems in order to make the necessary recommendations for the government’s “3Ps”. Apart from knowing the vulnerable areas, an updated baseline can provide key inputs for climate change adaptation and mitigation initiatives.

#### ***Increase support to LGU cluster approach to environment sustainability***

The national government must increase its support to LGU clusters. These are contiguous LGUs forming a cluster geared towards co-equally and collectively managing and formulating plans for their natural resources that in the end will benefit their respective constituencies.

LGU cluster initiatives have greater chances of success since check and balance is inherent among co-equal local chief executives. In addition, since ecosystems are contiguous, the scale of natural resources management will also have a greater impact than initiatives covering a single town. A campaign against illegal fishing for example, will have less of an impact if only 1 town will implement it while 4 of its nearby towns condone illegal fishing.

#### ***Pursue public-private partnerships***

Public-private partnerships have been effective in environment-related projects, especially in terms of providing much needed human, technical, financial, and research and development requirements. Partnership with the private sector, however, should not be limited to businesses but should include recognition of the role of non-government organizations, people’s and citizens’ organizations.

At the same time, there is a need to strike a balance between profit and service in these types of projects. This is where the roles of government and private partners must be clarified. In water projects for example, while private partners can be effective in terms of expanding coverage to potential profit areas, government

must be able to provide for non-profit areas where the poorest sectors are. Also, government must take the lead in sustainable management of resources such as watersheds in this case.

### ***Separate the protection from permit granting functions of the DENR***

Considering that the DENR has long been criticized for its dual function of protector and granter of permits for the environment and since it has been more effective in the latter, a separate agency or office must seriously be considered. Instead of an added bureaucracy, this step can be viewed as streamlining and rationalization of functions. In terms of additional costs, the government can employ the performance and outcome-based budgeting to rationalize costs.

### ***Make environmental pollution information public***

What is the status of our forests, rivers, seas and air? What pollutes or destroy our ecosystems? Who are the polluters in our country? Information on these questions must be made available to the public through the web. This of course presumes that the environment baseline data has already been updated and enforcement of policies has been professionalized.

Apart from contributing to public awareness on environment issues, making the information public can also exert pressure to non-complying polluters as well as erring public officials.

### ***Prosecute an iconic environmental criminal***

To set the tone and deliver the message that the next administration will mean business in taking the necessary steps for environmental sustainability, it must prosecute, using all available legal remedies including the recently approved 'writ of kalikasan', a well-known, well-entrenched individual or corporation that has blatantly violated environment policies.

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