

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

DATE : 15 JUL 2016

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# DENR

## IN THE NEWS

P.1

## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

LAND-RECLAMATION PROJECTS, LIKE MINING, FACE STRICT SCRUTINY

## Lopez also tightening screws on reclamations

BY JONATHAN MAYUGA @jonlmayuga

**J**UST like mining and coal-fired power projects, land-reclamation ventures will also have to go through the eye of a needle under the watch of Environment Secretary Regina Paz L. Lopez.

**8** The number of massive land-reclamation projects in the pipeline

In an interview with the BUSINESS-MIRROR, Lopez said she will consult with experts and environmental groups about development projects that involve urban expansion through

CONTINUED ON A2

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massive land reclamation.

"The PRA [Philippine Reclamation Authority] gave me a presentation on Tuesday. During the presentation, they told me that they don't do anything without addressing environmental issues. But maybe I should talk to the other side also," she said, referring to those who oppose land reclamation.

Lopez had started to tighten the screws on mining companies. Aside from a mining audit, Lopez had ordered a moratorium on the approval of new mining projects and wants the Philippine Mining Act amended to increase the government's and communities' share in mining profits. She also expressed her disapproval to the open-pit mining method, which is the preferred method of large-scale mining companies.

Massive land-reclamation projects are being strongly opposed by some quarters, particularly environmental groups, because—like mining—they cause massive environmental destruction. Aside from destroying coastal and marine ecosystems, land-reclamation projects, they say, also cause people, particularly fishermen, to suffer.

The PRA is an attached agency of the

Department of Environment and Natural Resources (DENR) that regulates land-reclamation projects.

As chief of the DENR, Lopez would also be making hard decisions on land reclamation that would eventually fall into her lap.

The PRA only flashes the green light for any land-reclamation project upon the approval or clearance from concerned government agencies, particularly the DENR's Environmental Management Bureau, which issues the environmental compliance certificate, as well as the DENR's Biodiversity Management Bureau and the Bureau of Fisheries and Aquatic Resources of the Department of Agriculture.

There are currently eight massive land-reclamation projects in the pipeline, some of which are being evaluated by the PRA, while others are awaiting final approval either by the Office of the President or the National Economic Development Authority.

Most of these land-reclamation projects are public-private partnership ventures involving vast tracts of coastal and marine areas, and would, most likely, happen within the next 10 years upon final approval.

In Cebu alone, a growth center in Central Philippines, land reclamation has been happening, threatening the integrity of marine ecosystem in the province, including the Tanon Strait Protected Seascape,

a major fishing ground and an important migratory pathway of marine wildlife, like whale sharks, locally called *butanding*; dolphins; and turtles, or *pawikan*.

Oceana Philippines, an international ocean-conservation advocacy group, has appealed to President Duterte to stop the "illegal" land-reclamation projects in the province.

According to Lopez, she will consult experts and environmental groups to get inputs before coming up with a policy pronouncement on land reclamation.

"I really have to find out why they don't like it [land reclamation], and then find out what the environmental [groups have to say]. I am not really yet through with all the facts. But I was assured by the PRA that they follow environmental rules. Let me find out," she said.

Clemente Bautista, national coordinator of the Kalikasan-People's Network for the Environment (Kalikasan-PNE), said Lopez can consult several groups that could help her on the issue of land reclamation.

These include the People's Network for the Integrity of Coastal Habitat and Ecosystems, or People's NICHE; Save Laguna Lake Movement; and Save Manila Bay Network.

"These groups have consistently and successfully protected our coastal ar-

eas, particularly Manila Bay and Laguna Bay, where the biggest reclamation projects are located," Bautista said in an interview.

"We are more than willing to help the DENR Secretary and the Duterte administration in [crafting] their policies and programs, as long as it work toward the protection of our water resources and ecosystems while respecting the rights of our people and communities," Bautista said.

Kalikasan-PNE believes that there is no need to reclaim coastal and lakeshore areas, noting that the country has more idle lands to develop if the intention is to establish mass housing, or new sites for commercial and industrial use.

"Reclamation is double-edge environmental tragedy. First, you need to devastate mountains or land areas to get landfill and reclamation materials and, second, devastate water ecosystem by filling them with soil," Bautista said.

For its part, the militant Pambansang Lakas ng Kilusang Mamamalakaya ng Pilipinas (Pamalakaya-Pilipinas) is urging Lopez to include the rural people, including the fishermen and farmers, in her planned public consultations on land and coastal reclamation.

Sought for reaction, Pamalakaya, through Salvador France, its vice chair-



15 JUL 2016

DATE

**BANNER STORY**  
PAGE

UPPER HALF

LOWER HALF

# BusinessMirror

P. 2

**STRATEGIC COMMUNICATION AND INITIATIVES SERVICE**

## Lopez also tightening screws on reclamations

man, said farmers and fishermen are the front-line casualties of land reclamation. The rural people are always at the receiving end of negative effects of environmental degradation.

"Land- and coastal-based reclamations jeopardize not only the environment, but primarily the lives of the fishers and farmers," France added.

He said land-reclamation projects always lead to displacement of fishers and farmers from their main source of livelihood.

"It fuels demolition of fishing and farming communities to give way to money-making businesses at the expense of rural people's tranquil lives," France said.

According to France, productive fishing and farming zones are turned into money-making hub by businesses pushing for land reclamation, benefiting only the rich.

"We want a pro people and genuine environmental protection that will promote sustainable livelihood and development to the people," he said.

The group reminded Lopez to prohibit not only wanton large-scale mining operations, but also other activities that destroy the environment and the lives of the people.

Kalikasan-PNE and Pamalakaya have been backing Lopez's environmental advocacy, particularly her tough stance against coal and mining.

15 JUL 2016

DATE

AP

PAGE

✓  
UPPER HALF

LOWER HALF

**STRATEGIC COMMUNICATION AND INITIATIVES SERVICE**

## DENR stops mining in ARMM for new audit

COTABATO CITY—The Department of Environment and Natural Resources (DENR) in the Autonomous Region in Muslim Mindanao (ARMM) has suspended all mining operations in the region.

The move came in the wake of an audit of all mining operations ordered by Environment Secretary Gina Lopez.

President Rodrigo Duterte has taken a tough stance against what he said was irresponsible mining that has destroyed the land but did not benefit the people.

The ARMM office of the DENR issued the order after Gov. Mujive Hataman, who won reelection, issued a policy statement on mining when he assumed office on June 30.

Hadji Kahal Kedtag, ARMM environment secretary, said the order to suspend mining in the region was released on July 12 after the DENR office in ARMM finished organizing a task group to conduct a performance audit of mining firms and review permits issued for mining operations.

Executive Order No. 79, issued by Hataman, outlines reforms in the mining sector and provides guidelines for environmental protection in mining operations.

The ARMM has been empowered by its charter and mining laws to issue mineral production sharing agreements (MPSAs).

Among the companies issued MPSAs by the ARMM government are Dasussalam Mining Co., Al Tawi-Tawi Nickel Group, Singcara Mining and Development Corp., Pax Libera Mining Inc., Chan C. Mining and Hikanjay Mining Inc. The companies operate in Tawi-Tawi province.

These, and other mining firms in ARMM, are required to prove compliance with laws governing environmental protection, relationship with communities affected by mining and rehabilitation of mined out areas.

Failure to do so, said Kedtag, would lead to the closure of the companies.

On orders of Hataman, the DENR office of ARMM sent members of the task group to Tawi-Tawi that include officials of the regional DENR office and representatives of civil society groups.

They would conduct a monthlong audit of mining firms' compliance with responsible mining requirements.

Lawyer Randolph Parcasio, a former consultant for the United Nations Development Program, leads the task group.

*Nash B. Maulana, Inquirer Mindanao*



15 JUL 2016

DATE

✓  
UPPER HALF

AC

PAGE

LOWER HALF

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

## No Gina, there are no mines in 10 poorest PH provinces

NONE of the 10 poorest provinces in the country hosts a mine, belying Environment Secretary Regina Lopez's claim that "the poorest areas in the Philippines are mining areas," according to the Chamber of Mines of the Philippines (COMP).

"We do not cause suffering in areas where we operate, contrary to Lopez's belief," COMP executive vice president

Nelia C. Halcon said in a statement.

"In fact, we ease these sufferings by complementing the government's delivery of social services and by implementing our environmental protection and enhancement programs," Halcon said.

The COMP cited data from the Philippine Statistics Authority's 2015 First Semester Poverty Statistics, which lists among the poorest

provinces Lanao del Sur, Sulu, Sarangani, Northern Samar, Maguindanao, Bukidnon, Sultan Kudarat, Zamboanga del Norte, Siquijor and Agusan del Sur.

In these provinces, poverty incidence were recorded at 74 percent in Lanao del Sur and 54 percent in Agusan del Sur.

"None of these provinces play host to mining firms," Halcon said.

"On the other

hand, the mining towns of Benguet in the Cordillera Administrative Region posted low poverty incidence according to the PSA report in 2012," she said.

Halcon said Ito-gon, which hosts Benguet Corp. and Philex Mining Corp., posted a poverty incidence of 4.8 percent.

She said poverty incidence in Mankayan, where Lepanto Consolidated Mining Co. operates, was pegged at 6.2 percent. This was also recorded at 4.6 percent Tuba, where Philex is present.

Halcon said the Caraga region benefited the most from mining taxes according to the December 2015 report of the Philippine Extractive Industries Transparency Initiative.

"Caraga was able to collect P106.9 million from the different extractive companies operation," she said. "But it was the province of Cebu that posted the highest in tax shares, collecting around P93 million."

**Ronnel W. Domingo**



# The Manila Times

15 JUL 2016

DATE

B - 2

PAGE

UPPER HALF

LOWER HALF

## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

### Mining lobby hits Lopez poverty remark

MINING lobby Chamber of Mines of the Philippines refuted the statement of Environment Secretary Regina Paz Lopez that "the poorest areas in the Philippines are mining areas."

"We do not cause suffering in areas where we operate, contrary to Lopez's belief. In fact, we ease these sufferings by complementing the government's delivery of social services and by implementing our environmental protection and enhancement programs," COMP executive vice president Nelia Halcon stressed.

Citing data from the Philippine Statistics Authority 2015 First Semester Poverty Statistics, Halcon said the 10 poorest provinces in the country are Lanao del Sur with 74.3 percent poverty rate; Sulu, 65.7 percent; Sarangani, 61.7 percent; Northern Samar, 61.6 percent; Maguindanao, 59.4 percent; Bukidnon, 58.7 percent; Sultan Kudarat, 56.2 percent; Zamboanga del Norte, 56.1 percent; Siquijor, 55.2 percent; and Agusan del Sur, 54.8 percent.

"None of these provinces play host to mining firms," Halcon said.

On the other hand, the mining towns of Benguet in the Cordillera Administrative Region (CAR) posted a low poverty incidence rate according to the PSA report in 2012.

Itogon, which hosts Benguet Corporation and Philex Mining Corporation, posted a poverty incidence rate of 4.8 percent; Mankayan, which hosts Lepanto Consolidated Mining Co., 6.2 percent; and Tuba, which hosts Philex Mining Corporation, posted a 4.6 percent poverty rate.

In CAR, the industry sector, including mining and quarrying, contributed most to the 2012 regional economy with P108.23 million compared to the agriculture sector's contribution of P21.8 million. The services sector contributed P74 million.

Updated figures of PSA-CAR show that in 2014 the industry sector contributed P25.3 million to the regional economy while agriculture contributed P25.3 million and services contributed P89.6 million.

Mining and quarrying is the second largest contributor to CAR's industry sector, she added.

Meanwhile, Caraga Region benefited the most from mining taxes according to the December 2015 report of the Philippine Extractive Industries Transparency Initiative Report. Caraga was able to collect P106.9 million from the different extractive companies operation in the region.

The other top four regions that benefited from mining revenues

are Regions VII, V, II and CAR.

But it was the Province of Cebu that posted the highest in tax shares, collecting around P93 million. Of this, Toledo City was able to collect P87.6 million while the remaining P5.3 million was collected by Mandaue City.

Carmen Copper Corporation, a fully-owned subsidiary of Atlas Mining, was the sole contributor to the mining shares collected by Toledo City.

In Region II, Oceanagold Philippines, Inc. contributed P29 million to the coffers of the Municipality of Kasibu, Nueva Vizcaya.

The municipalities of Bataraza, Claver, Siocon and Tuba are examples of 4th class towns which are now 1st class municipalities with the entry of mining firms into their communities, COMP said.

The tax revenues, public infrastructure, jobs and livelihood generated through mining are testament that the industry is the government's partner in social development, it said.

Majority of COMP members are already ISO 14001 certified and are also recipients of the Presidential Mineral Industry and Environmental Award for sustained responsible mining practices.

**JAMES KONSTANTIN GALVEZ**



# The Manila Times

15 JUL 2016

DATE

PAGE

B-3

UPPER HALF

LOWER HALF

## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

### Top Frontier may raise public float above 11.81%

TOP Frontier Investment Holdings Inc. intends to increase its public float beyond the present level of 11.81 percent.

"We are open to increase our public float," Iñigo Zobel, the company's chairman said during the firm's stockholders' meeting on Thursday.

Top Frontier is the majority shareholder of diversified conglomerate San Miguel Corp.

Zobel, who owns a chunk of Top Frontier's equity, did not elaborate.

The minimum public float as mandated by the law is 10 percent.

The company recently issued some P25.88 billion worth of perpetual preferred shares, convertible

to preferred shares, in favor of Bryce Canyon Investments Ltd., a British Virgin Islands firm.

Once the preferred shares are converted, it will increase Top Frontier's free float level, Ramon Ang, the company's president and chief executive officer, noted.

"We do not know right now how much will be the increase, but the intention is to make it as much as possible so it will be widely held by the public," Ang said.

Top Frontier owns 66.2 percent of SMC. It listed on the PSE by way of introduction in January 2014, which did not require the company sell shares.

In the first quarter of the year,

Top Frontier posted a net income of P14.6 billion or more than double the P6.13 billion it made a year earlier. Consolidated sales revenue hit P159.62 billion, marginally higher than in 2015.

Although most businesses posted revenue increases, these were offset by the lower revenue of Petron Corp.

The group's consolidated operating income reached P22 billion, a 40 percent jump year-on-year, mainly attributed.

Wholly-owned subsidiary Clariden Holdings Inc. holds several mining permits in the country, including mineral production sharing agreements for the Nonoc Nickel Project, Mt. Cadig Nickel Project,

and Lo-oc limestone project

Ang said he is not worried by recent pronouncement of Environment and Natural Resources Secretary Gina Lopez, a staunch anti-mining advocate, since most of the mines that the company owns are all old firms, and therefore have valid and existing permits.

"We still have valid MPSA [mineral production sharing agreement], so there's no problem. I think DENR [Department of Environment and Natural Resources] is strict on the issuance of new permits to new firms. But they are not shutting down the existing mining firms that are compliant," Ang said.

**KATRINA MENNEN A. VALDEZ**



THE EXPONENT OF PHILIPPINE PROGRESS  
SINCE 1900

# MANILA BULLETIN

THE NATION'S LEADING NEWSPAPER

15 JUL 2016

15 JUL 2016

JULY 15 2016

DATE

B-3

PAGE

UPPER HALF

LOWER HALF

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

## DENR, mining groups call for legal definition of 'responsible mining'

BY MADELAINE S. MIRAFLORES

While caught in contradicting positions about the moratorium on new mining projects, both the Department of Environment and Natural Resources (DENR) and Chamber of Mines of the Philippines (COMP) were challenged by a group to put a legal definition on "responsible mining".

Alyansa Tigil Mina (ATM) national coordinator Jaybee Garganera said the coalition believes that responsible mining will remain to be "a myth" until the government would put legal definition into it.

Then he "challenged" both COMP and the DENR to push for the proposed Alternative Minerals Resources Bill (AMMB) as a starting point to discuss the concept of responsible mining.

The proposed AMMB, otherwise known as the Philippine Mineral Resources Act (PMRA), is currently pending in Congress and was crafted to frame the legal and operational definition of responsible mining.

"We assert that responsible mining cannot be reduced to ISO certification, as earlier proposed by DENR-MGB

[Mines and Geosciences Bureau]," Garganera said.

He was referring to the ISO 14001 certification that all companies are supposed to get in order to keep their mining permits.

The ISO 14001 standard requires every mining contractor the highest, most acceptable level of efficiency in terms of extracting minerals, while at the same time ensuring that the environment is not compromise.

Upon taking over the DENR chief position, Gina Lopez, who was known for strongly advocating against mining, somehow cooled down and said she's no longer anti-mining but anti-suffering.

She even said firmly that if the companies are found not responsible — or if their operations are hurting the environment and affecting negatively the community surrounding their operations — they could lose their license to operate immediately.

Garganera also said that ATM supports the move of Lopez to immediately conduct an audit of all mining projects, keeping the moratorium on mining applications, and her personal position

against open-pit mining.

"Our alliance also believes that Secretary Lopez made the correct call in stating publicly that we need a new mining law," he further said.

However, he suggested Lopez to ensure that the audit is not limited to technical and operational matters of mining projects but would also look into social, economic, political, health and gender impacts of these mining projects to the host-communities.

"It is also critical that pending/live legal cases or complaints against the mining company and their operations are investigated as part of the audit," he added.

Then concluded that the the mining-affected communities, their support groups, and even local government units are more than willing to submit reports, evidence, affidavits, petitions, testimonies, case studies and other relevant information to push forward with Lopez' stance on mining.



15 JUL 2016

# Daily Tribune

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07/15/16

DATE

8

PAGE

✓  
UPPER HALF

LOWER HALF

**STRATEGIC COMMUNICATION AND INITIATIVES SERVICE**

## FNI secures ISO certification for Surigao mining operations

Global Ferronickel Holdings Inc. (FNI), the second largest nickel producer in the country and the largest single lateritic mine producer in the world, said yesterday it has obtained ISO Certification for its operations in Surigao del Norte.

"The ISO certification is testament to our commitment to preserve and protect the environment," said Dante Bravo, president of FNI.

The Environmental Management System of Platinum Group Metals Corporation, a wholly-owned subsidiary of FNI, has been assessed and registered by Intertek Philippines as conforming to the requirements of the International Organization for Standardization (ISO) 14001:2015.

The certification focuses on the management of the

environmental aspects related to the Management of Mining Operation of Nickeliferous Laterite Ore and Other Associated Minerals.

The purpose of this International Standard is to provide organizations with a framework to protect the environment and respond to changing environmental conditions in balance with socio-economic needs.

It specifies requirements that enable an organization to achieve the intended outcomes it sets in order to build success over the long term and create options for contributing to sustainable development.

FNI is one of the two listed nickel mining firms in Surigao del Norte aside from Nickel Asia. It currently operates in a 4,300-hectare mining area in Claver, Surigao del Norte.

**Ed Velasco**



15 JUL 2016

DATE	UPPER HALF
B3-1	✓
PAGE	LOWER HALF

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

# Philex awaits go-ahead to proceed with drilling in disputed waters

By Miguel R. Camus

PHILEX Mining Corp., which controls rights to explore oil and gas resources in disputed waters off Palawan, was waiting for guidance from the Philippine government on their next step after an international court denied China's claims to most of the West Philippine Sea.

Philex chair Manuel V. Pangilinan said the group would still need to study the decision of the Permanent Court of Arbitration in the Hague, adding that "we have to take our cue from the government."

The statement comes as diplomacy was urged between China, the Philippines and other regional neighbors with similar territorial claims, like Indonesia and Vietnam. Following the release of the decision early this week, China said it would ignore the ruling and vowed to protect its sovereignty over the West Philippine Sea, inter-

national reports showed.

"We don't want to move without the government guiding us what to do," Pangilinan told reporters on the sidelines of a Smart Communications event late Wednesday. Pangilinan is also chair and CEO of PLDT, the country's biggest telecommunications company, and owner of Smart.

Pangilinan said the news was nevertheless "positive" for the country.

Philex Mining controls Forum Energy Ltd., which has a 70-percent operating interest in SC 72 Recto Bank, also known as Reed Bank, that covers the Sampaguita natural gas discovery off West Palawan.

Forum is 67.19 percent owned by Philex Petroleum, which is controlled by Philex Mining.

The Sampaguita prospect is estimated to hold up to 20 trillion cubic feet of natural gas.

Moving forward, Pangilinan

said they may still need to engage a foreign partner, given the potential scale of the project.

"I think we would need a foreign partner, assuming there's gas there," he said.

Philex was in earlier talks with China's CNOOC for a possible joint venture.

Pangilinan said Wednesday there had been no further negotiations with CNOOC since the Philippines challenged China's claim in 2013, when it filed a motion for arbitration in a UN tribunal.

Forum suspended all exploration work at SC 72 last year with the government's consent due to the territorial dispute with China. Philex Petroleum said the so-called sub-phase of SC 72 had been put on hold "until further notice."

The terms of the second sub-phase and all subsequent sub-phases will be extended, Philex Petroleum's 2015 annual report showed.



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SINCE 1900

# MANILA BULLETIN

THE NATION'S LEADING NEWSPAPER

DATE

UPPER HALF

PAGE

LOWER HALF

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

## Mining crackdown lifts nickel prices

MANILA/LONDON (Reuters) – An environmental crackdown on Philippine mines, which helped drive nickel prices to eight-month highs, is likely to have only a muted impact on exports to China in the short term because the biggest mines have met guidelines, experts said.

The Philippines is the biggest exporter to top metals consumer China of nickel ore, used to make stainless steel.

A smattering of smaller mines are likely to be affected in coming months and new mines will probably face tough going in the future, but the review of the mining sector is not likely to result in a quick drop in shipments.

"The Chinese think the Philippines will continue exporting ore to China and only some small mines will be affected. They're not worried about the situation at the moment," said Peter Peng, ana-

lyst at CRU consultancy in Beijing.

The biggest Philippine producer, Nickel Asia Corp., which has already complied with international mining standards, accounted for close to 40 percent of Philippine nickel ore production last year, according to analyst David Wilson at Citi in London.

Three other major miners also say they have approvals, while small scale miners only accounted for about 11 percent of ore produced last year, he added.

"We therefore suspect that the impact of environmental license suspension may be more limited than initially feared, and believe the recent rally will run out of steam," Wilson said in a note.

Of the 40 operating mines, 21 have obtained their ISO 14001 certification, Ronald Recidoro of the Chamber of Mines of the Philippines told Reuters.



# The Manila Times

15 JUL 2016

DATE

PAGE

B-4

UPPER HALF

LOWER HALF

P-1

## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

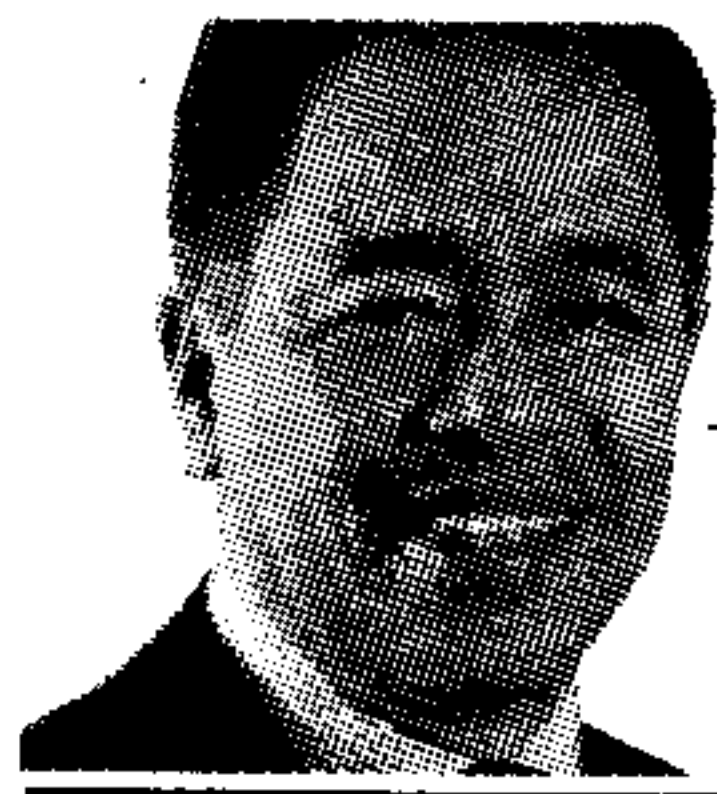
### Climate change finance readiness

**I**N his keynote address at the recent Asia LEDS Forum 2016 in Hanoi, Secretary Emmanuel De Guzman of the Climate Change Commission noted that "the financial resources needed by the world to avert a global catastrophe that could make our planet uninhabitable are staggering. But the costs of inadequate actions are even greater; they are, in fact, incalculable. Humanity's future hangs in the balance."

Here are some of the estimates.

The fifth Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) approximates the costs of adaptation in developing countries could be between \$70 billion and \$100 billion per year covering the period between 2010 and 2050. UNEP says that national and sector level studies show that adaptation costs in 2030 are likely to be in the range of \$140 billion to \$300 billion per annum. By 2050, total costs could be in the range of \$280 billion to \$500 billion.

These amounts are staggering. Given this significant gap, bilateral and multilateral institutions will play an important role, as external fund sources need to be raised to help developing countries. The



The C-Suite  
Corner

**BENEL D.  
LAGUA**

Green Climate Fund, for example, has received pledges of \$10.2 billion from the developed world. Even as this is a small sum, it is necessary to leverage this fund with capital from the private sector and from institutional investors in order to achieve a major scale-up.

Subsequently the matter of ensuring fund utilization by the countries in need must be addressed. Whatever is available from multilateral and bilateral must be translated into accounts on the ground by local firms engaged in climate adaptation or mitigation projects. The pledged amount must reach the intended beneficiaries in the domestic arena.

The challenge for developing countries like the Philippines is to figure out how it can actually access and make use of this resource. The country must develop the capacity to generate bankable projects that can be supported by climate finance resource. We

must strengthen our absorptive capacity and develop the delivery structure down to the field level, and strengthen the participating institutions in this network. For the Green Climate Fund, the country's National Designated Authority will play a critical role.

To move forward, we should develop an enabling environment for addressing gaps in execution. The country must be able to prepare and present climate finance projects that can tap into climate finance resources. The country

must take steps to identify opportunities on bankable projects, which can fit the requirements of climate finance providers.

The general view is that local proponents are unable to access these funds. Some of the barriers to finance are the following:

Lack of project proponents with evidence to demonstrate viability;

Lack of capacity and knowledge to develop and package project proposals;

Need to improve creditworthiness;

Limited awareness on financing source and instruments; and,

Lack of know-how on credit project assessment criteria and selection procedures.



# The Manila Times

15 JUL 2016

DATE

PAGE

UPPER HALF

LOWER HALF

## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

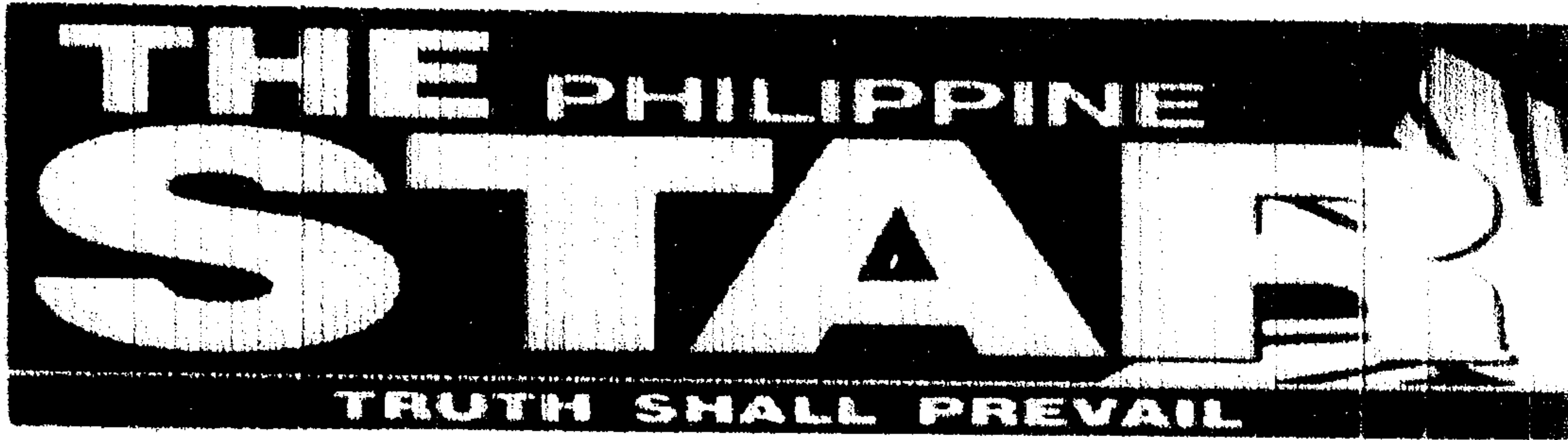
P-3

Climate change finance readiness

Thus the intervention must not be on the country level alone. We must enhance the capacity of development institutions to finance environmentally and climate friendly technology and improve their environment performance. This is a challenge that institutions like the Development Bank of the Philippines are trying to address. We are assessing our exposure to high capacity, climate vulnerable sectors and projects. We have to improve and enhance our protocols for effective climate risk management. We have to develop new programs that will finance energy efficiency projects and improve the capacity of our cadre of officers and staff involved in this effort. We have to strengthen our project management, environmental and social safeguards, including the parameters for measuring, reporting and verifying the impacts of investments.

Finally, we need to encourage project proponents who will embrace the challenge of taking risks in climate mitigation and adaptation projects. More ventures must be exploited in the following areas: solid waste management, watershed management, green buildings, sustainable construction, green jobs, eco-labeling projects, sustainable consumption, clean air and sustainable transports, and renewable energy like solar, wind, hydro, geothermal, biomass, among others.

*Benel D. Laguna is executive vice president at the Development Bank of the Philippines. He is an active FINEX member and a long time advocate of risk-based lending for SMEs. The views expressed herein are his own and does not necessarily reflect the opinion of his office as well as FINEX.*



15 JUL 2016

DATE

Page 1 Story

PAGE

UPPER HALF

LOWER HALF

P.1

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

## Court decision may spur more arbitration vs China

AMSTERDAM – China's resounding defeat in a legal battle with the Philippines over territorial claims in the South China Sea could embolden other states to file

lawsuits if Beijing refuses to compromise on access to the resource-rich region.

There are several avenues for litigation that countries could pursue rather than risk

any action at sea that would worsen military tensions, legal and security experts said.

The Permanent Court of Arbitration (PCA) in The Hague concluded that China

had violated the Philippines' economic and sovereign rights. Brunei, Indonesia, Malaysia, Taiwan and Vietnam also have unresolved, overlapping claims on parts

of the South China Sea.

A five-judge tribunal dismissed China's "nine-dash line" – a 69-year-old claim to roughly 85 percent of the

Turn to Page 8

### Court From Page 1

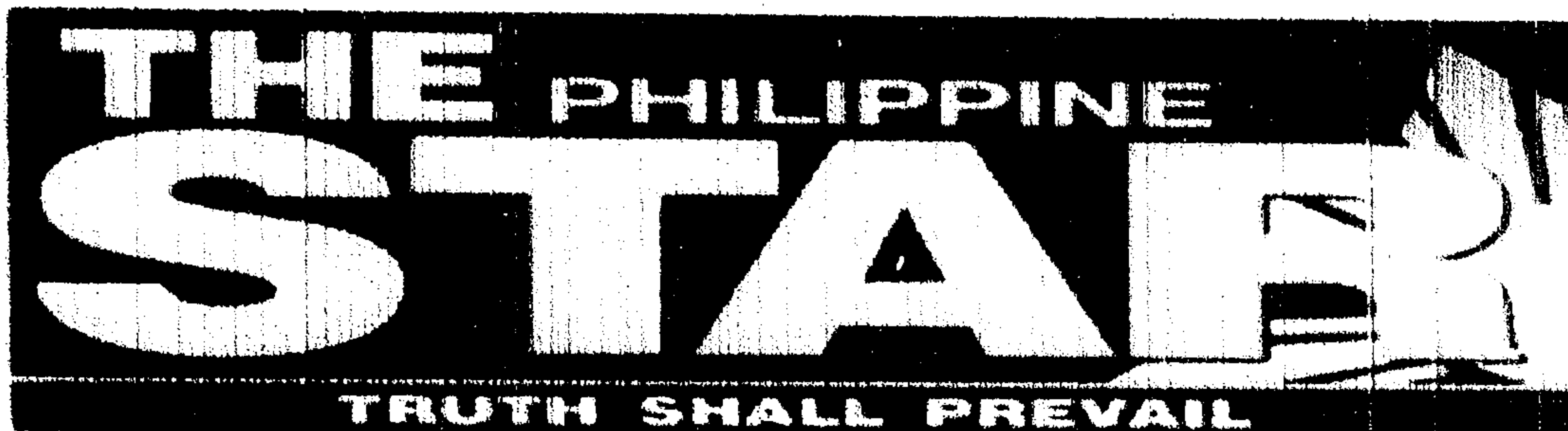
South China Sea – saying it was unlawful under the 1982 UN Convention on the Law of the Sea (UNCLOS).

The ruling is binding for Beijing and Manila, but it also set a legal precedent by determining that UNCLOS rules take precedence over China's

historic claims. That bolsters the treaty's standing in international law, experts said.

"It will have enormous impact on future jurisprudence and on the perceived legitimacy of other claims in the South China Sea and around the world," said Gregory Pol-





15 JUL 2016

DATE

Page 1 Story

PAGE

P.2

UPPER HALF

LOWER HALF

## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

*Court decision may spur more arbitration  
vs china*

ing, head of the Asia Maritime Transparency Initiative.

Although China rejected the Hague court, which has no enforcement powers, Poling said that the vast majority of international arbitration awards over the last century have eventually been respected. "Reputational damage matters to modern states," he said.

### Legal route open

The United States has launched a round of quiet diplomacy to persuade countries around the region not to move aggressively to capitalize on the ruling, several US administration officials said on Wednesday.

"This is a blanket call for quiet, not some attempt to rally the region against China, which would play into a false narrative that the US is leading a coalition to contain China," said one official, who spoke on condition of anonymity to describe private diplomatic messages.

Indonesia and Vietnam, which have overlapping claims to fishing rights and mineral reserves, will remain highly reluctant to confront Beijing, even though the ruling strengthened their legal position, diplomats and experts said.

"Vietnam must be very happy, Indonesia too and perhaps Malaysia less obviously," said Jerome Cohen of the Council on Foreign Relations, the New York-based foreign policy think tank.

"Vietnam and Indonesia can credibly threaten to launch their own arbitrations unless Beijing gives assur-

ances of better behavior and shows a willingness to compromise," he said.

In 2014, during a maritime dispute that caused the biggest breakdown in ties in decades, Vietnam said it was considering legal actions similar to the one the Philippines brought over the disputed Spratly and Paracel islands. It made a submission to the Philippines case and has not ruled out its own action.

Indonesia said it wants to send hundreds of fishermen to the contested Natuna Islands to assert its sovereignty.

"We are aware that if we don't do this there could be many claims that disrupt the integrity of Indonesian territory," Chief Maritime Minister Rizal Ramli told reporters on Wednesday.

Indonesia objects to China's inclusion of waters around Natuna being included within its nine-dash line, but has sought to remain neutral in the dispute.

There are multiple alternative legal venues available.

In addition to the ad-hoc PCA tribunal in The Hague, cases could be filed at the UN's highest court, the International Court of Justice, which deals with conflicts between states and regularly settles maritime boundary disputes.

Another possible venue is the Hamburg-based International Tribunal for the Law of the Sea, which oversees UNCLOS. It could not hear the Philippines' case because it is not mandated to do arbitration.

— Reuters



15 JUL 2016

DATE

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UPPER HALF

PAGE

LOWER HALF

**STRATEGIC COMMUNICATION AND INITIATIVES SERVICE**

# No Asean statement on sea row ruling

**By Estrella Torres  
and Leila B.  
Salaverria**

MEMBERS of the Association of Southeast Asian Nations (Asean) have failed to issue a joint statement on a landmark ruling by a UN-backed arbitral

tribunal upholding the Philippines' sovereign rights in the disputed South China Sea and invalidated China's so-called nine-dash-line.

Foreign Secretary Perfecto Yasay Jr. earlier said he expected the 10-nation

Asean to issue a joint statement supporting the implementation of the historic July 12 ruling, which China has rejected.

"We hope Asean will come up with a unified statement, I say this, in the context of the fact that it will be important

for Asean to have a unified statement [on the arbitration ruling]," Yasay had said ahead of his trip to attend the 11th Asia Europe Meeting (Asem) Summit in Mongolia's capital, Ulaanbataar, this week.

Communication Secretary Martin Andanar said President Duterte was skipping the two-day Asem summit beginning on Friday because he wanted to stay with Filipinos in the early days of his term.

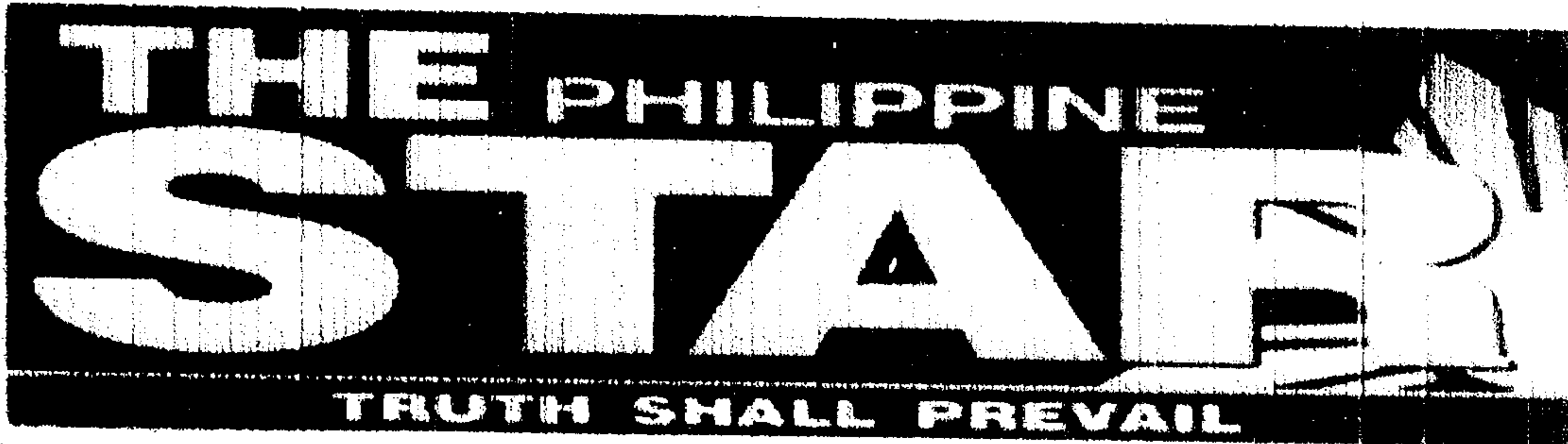
Instead, Yasay would represent the country in the event, the first international gathering where the country's new leader will miss the

chance to discuss the Philippines' fresh victory in the arbitration case that challenged Beijing's claim to the whole of the South China Sea.

President Duterte has yet to specify the country's next move, but his spokesperson has said he was consulting with experts and would issue a statement soon. He had earlier said he wanted to talk to China in case the Philippines won.

The Asem is an informal process of dialogue and cooperation that brings together European Union member states and the Europe with 21 Asian countries and the Asean Secretariat.





15 JUL 2016

DATE

17

PAGE

UPPER HALF

LOWER HALF

P.1

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

## Testing the rule of law in the South China Sea

*The New York Times* editorial

How China reacts to the sweeping legal defeat over its claims to the South China Sea will tell the world a lot about its approach to international law, the use — measured or otherwise — of its enormous power, and its global ambitions. So far, the signs are troubling. Beijing has defiantly rejected an international arbitration court's jurisdiction over a case brought by the Philippines and insisted it will not accept Tuesday's pathbreaking judgment.

The unanimous ruling, by a five-judge tribunal in The Hague, was more favorable toward the Philippines and broader in scope than experts had predicted. It said that under the United Nations Convention on the Law of the Sea, China had no legal basis to claim historic rights over most of the waterway, which is rich in resources and carries \$5 trillion in annual trade.

The panel also faulted China for its aggressive attempts to establish sovereignty by shipping tons of dirt to transform small reefs and rocks into artificial islands with airstrips and other military structures. China's neighbors fear that it intends to use these outposts to restrict navigation and the rights of others to fish and explore for oil and gas.

The Philippines filed the case in 2013 after China took control of a reef known as Scarborough Shoal. The case accused Beijing of interfering with fishing, endangering ships and failing to protect marine life. Manila also asked the tribunal to reject China's claims to sovereignty within a so-called nine-dash line that encompasses much of the South China Sea and appears on official

Chinese maps.

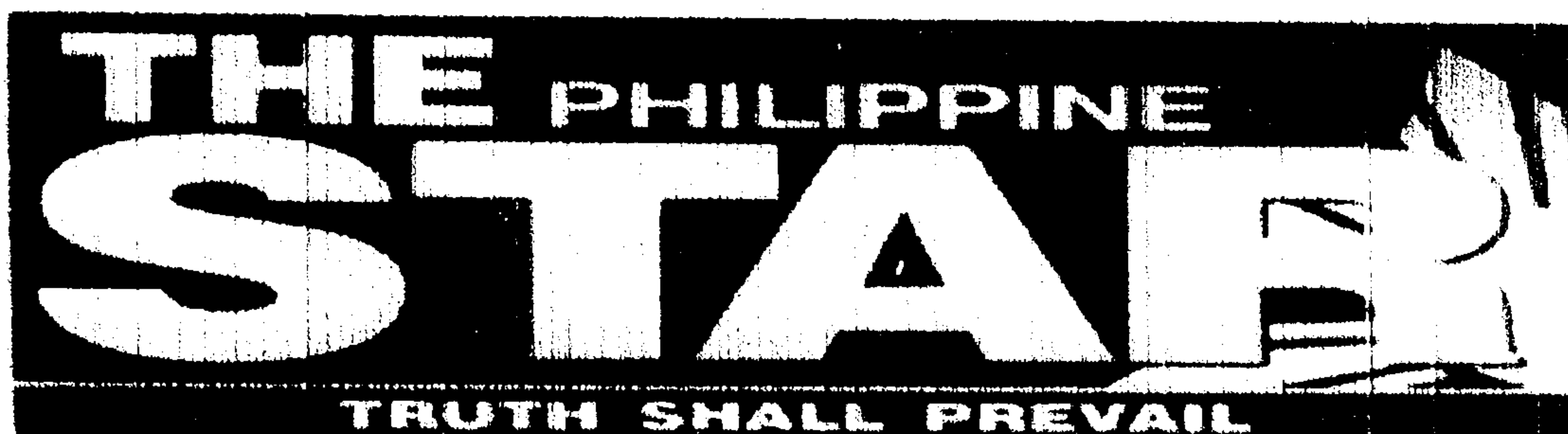
The judges ruled for the Philippines on most claims in its complaint: China had indeed violated international law by causing "irreparable harm" to the marine environment, endangering ships and interfering with Philippine fishing and oil exploration. Further, China had illegally built an artificial island on Mischief Reef, complete with a military airstrip, in waters belonging to the Philippines.

The Law of the Sea treaty sets rules for establishing zones of control over the oceans based on distances to coastlines. In addition to China and the Philippines, Malaysia, Vietnam, Brunei, Indonesia and Taiwan all claim parts of the South China Sea. The tribunal is authorized to deal with maritime disputes, not the underlying land claims to the islands, reefs and rocks that are also contested. The decision is the first international ruling on the disputed maritime issues in the South China Sea.

There are serious concerns about what will happen next. The tribunal has no authority to enforce its ruling, and China, which boycotted the legal process, threatens to use force to protect the maritime interests the court has now declared illegal.

What this means in practice is not clear. Given China's stake in peaceful trade with the rest of the world, it would be foolish for President Xi Jinping to take provocative actions that could inflame regional tensions and conceivably lead to a military confrontation with its neighbors or the United States.

Turn to p



15 Jul 2016

DATE

17

PAGE

UPPER HALF

LOWER HALF

P. 2

## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

### Testing... From page 17

Retaliatory measures — further island-building at Scarborough Shoal, for instance, or declaring an air defense zone over large portions of the South China Sea — would be risky.

In fact, the ruling offers a fresh opportunity to address maritime disputes in a peaceful manner. China's ambassador to the United States, Cui Tiankai, condemned Tuesday's ruling but said Beijing remains open to negotiations. Nations in the region have often gone wobbly in the face of pressure from Beijing. At this critical moment, despite competing interests of their own, they need to join the Philippines in endorsing

the tribunal decision and then proceed, if necessary, with their own arbitration cases.

The United States, which is neutral on the various claims, can help ensure a peaceful, lawful path forward. The Obama administration has said that disputes should be resolved according to international law, a position it now reaffirms. It has built closer security relations with Asian nations and responded to China's assertiveness in the South China Sea with increased naval patrols. This combination of diplomacy and pressure is sound, but the hard part is getting the balance right.



## Fishers shift attention to UN rights complaint

By Allan Macatuno  
*Inquirer Central Luzon*

SUBIC, Zambales—Fishermen here have shifted their attention to a complaint they had filed against China with the United Nations on the heels of a landmark decision by the Permanent Court of Arbitration (PCA) in The Hague that the Philippines has legitimate rights over disputed areas like the Panatag (Scarborough) Shoal.

Kabayan Rep. Harry Roque Jr. said the UN committee on economic, social and cultural rights (CESCR) was set to convene again in September to discuss the fishermen's appeal.

The fishermen asked the United Nations to address "the massive and gross human rights violations committed against them by the state agents of the People's Republic of China."

More than 50 fishermen from Zambales and Pangasinan provinces filed the complaint last year with the help of Roque and the Institute of International Legal Studies of the University of the Philippines Law Center.

The Panatag Shoal is a triangular chain of reefs and rocks surrounding a lagoon, that is 240 kilometers from the coastline of Zambales and western Pangasinan.

In its July 12 ruling, the PCA said there was no legal basis for China to claim historic rights to resources within the sea areas falling within the "nine-dash line."

It also pointed out that fishermen from the Philippines and China both had fishing rights around the disputed Panatag Shoal and that China had interfered by restricting access.

The fishermen appealed to the United Nations to "urgently intervene and investigate the human rights violations committed by China" against Filipinos fishing on the shoal.

The United Nations should also direct China to "cease and desist" from violating their human rights, including their right to livelihood and adequate food supply, according to the fishermen's petition.

Roque said the fishermen lost income in several instances when they were chased away by Chinese patrol boats, some dating back to 2012, for which they could be compensated if the UN should decide in their favor.

China seized the shoal after a two-month standoff between Chinese and Philippine coast guard vessels in 2012. Based on the fishermen's accounts, the Chinese patrols rammed their boats and attacked them with water cannons while fishing near the shoal.

Tirso Atiga, 44, a fisherman who joined the complaint against China, said he and other local fishermen had been waiting for feedback from the CESCR.



STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

Peaceful resolution of China dispute

BY DINDO MANHIT

President, Stratbase Albert Del Rosario Institute  
for Strategic and International Studies

NOW that the Permanent Court of Arbitration has released its decision on the case lodged by the Philippines against China, the Philippines should immediately set the tone of what is to follow.

In the days ahead, the country should continue to advocate that all states, including China, must abide by the terms of the ruling and that all claimants should avoid any activity that could worsen tensions in the region. It's good that many countries have already indicated their support for the arbitration process and for the peaceful resolution of the disputes.

The Philippines should persist in this message, which is key to maintaining our current level of support and gaining the open support of more states. Our strong commitment to upholding international law helped us achieve the support we have today: an abrupt about-face would weaken our message and have friends questioning our resolve. Ultimately, working with others makes us best placed to shape the decisions that all claimants make in the near future.

The Philippines has already cast a good net in getting support for the case and in rallying nations around the importance of upholding international law. In March, the European Union came out in support of the case, urging claimants to resolve disputes peacefully and to pursue their claims in accordance with international law, including UNCLOS and its arbitration procedures. In May, the Group of 7 (G7) nations comprised of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States released a statement stressing the importance of states "refraining from unilateral actions which could increase tensions and not using force or coercion in trying to drive their claims." In June, France said that even European Union nations should contribute to patrolling the South China Sea to the benefit of all, in the addition to the patrols already being conducted by Japan and by the United States in partnership with the Philippines. Closer to home, we have the support of Japan, Australia, and most ASEAN countries. Clearly, the Philippines is by no means alone in its efforts.

China has long declared that it will not abide by the ruling, which is in line with that country's decision not to formally participate in arbitration. Filipinos should expect demonstrations from China, including more construction work on Scarborough Shoal or raising an Air Defense Identification Zone over the whole of the South China Sea. Filipino sailors and fishermen could encounter greater harassment at sea. Having succeeded in the ruling, the Philippines is now in a position of strength. Above all, the government should not rush to capitulate, but instead remain firm in its commitment to defend Philippine territory and maritime rights in accordance with the Constitution. Remember that toward the end of June, the United States sent two aircraft carriers into the Philippine Sea to perform drills, in a move that the U.S. military has said is intended to deter other countries from destabilizing activity.

But the next few months could be tense. There is no getting away from the fact that this will be a period to navigate with extra care. One next step would be to discuss the situation at the upcoming Association of Southeast Asian Nations (ASEAN) Foreign Ministers' meeting at the end of July, and for the group to come up with a strong and unified stance highlighting the importance of countries abstaining from coercion. Similarly impactful could be for the Southeast Asian claimants to talk about possible paths to the final resolution of the disputes.

When it comes to the long term, a favorable outcome from the court will not be a silver bullet to the disputes in the South China Sea. If there are no violent retributions, the stage will be set for the Philippines and other claimants to talk more closely about how and when to enter negotiations. In the past, some have posited that China could balk from a negotiation process where it feels as though it will be ganged-up on by other states. Through diplomacy, the Philippines can reassure China that all countries will be treated as equal partners in the talks. The government can do this without simultaneously putting the Philippines in a damaging position.

In the long term, cultivating friendly but equal relations with China will be good for the country. Despite the usual uncertainty that occurs when a new government enters power, the Duterte administration is in a good place to continue the fruitful advocacies of the Aquino government while also working to re-establish mutual trust between the Philippines and China. For the benefit of the Philippines and for the Asia-Pacific region as a whole, such an effort should be supported.



## STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

# DOT chief set to reactivate interagency tourism council

By MA. STELLA F. ARNALDO • @Pulitika2010  
Special to the BUSINESSMIRROR

**THE** Department of Tourism (DOT) will be convening the interagency Tourism Coordinating Council (TCC) immediately to address urgent issues confronting the country's tourism industry.

In a press statement, Tourism Secretary Wanda Corazon T. Teo said there is increased concern for tourism security and inadequate infrastructure in many tourism destinations, which need to be addressed by the TCC. She said these concerns were expressed during a recent industry reception for tourism leaders and the new DOT officials.

The tourism secretary heads the TCC, which was established under the Tourism Act of 2009 (Republic Act 9593) "to serve as a coordinating body for na-

tional tourism development effort." Its members include the secretaries of other regular line agencies, like the Departments of Transportation and Communications, Public Works and Highways, Foreign Affairs, Environment and Natural Resources, Interior and Local Government, Labor and Employment, Education, along with the heads of the Philippine National Police (PNP), attached agencies of the DOT, Bureau of Immigration, National Historical Institute, National Commission for

Culture and the Arts, and Philippine Amusement and Gaming Corp.

Other members of the TCC include executive directors of the league of local government units and representatives from the Tourism Congress, accredited non-governmental organizations and peoples' organizations involved in ecotourism, and indigenous peoples' federation.

Teo, a tourism industry veteran, noted that the TCC has not convened for a year and a half despite rising alarm over the kidnapping of foreigners, as well as worries over poor access roads and the lack of direct flights to tourist destinations.

The DOT secretary said, during a recent Cabinet meeting, PNP Chief Director General Ronald dela Rosa assured that police personnel will be visible in tourist areas and tourist police units will be beefed up.

She added that Transportation Secretary Arthur P. Tugade, likewise, guaranteed improvements of airport facilities all over the country.

"Secretary Tugade said airport renovations are already ongoing

and new routes, as well as direct flights to Manila and Clark from abroad, [will be added]. They are also resolving the shortage of yellow taxicabs [at the passenger terminals]," Teo said.

Public Works Secretary Mark A. Villar has also promised to improve and build more "airport-to-paradise roads" in the country's tourist destinations.

The tourism secretary said she, likewise, reached out to Environment Secretary Regina Paz Lopez to enhance closer cooperation between the two agencies, especially in matters of protecting the environment in tourism destinations.

During an open forum between Teo's team and tourism industry leaders, the latter raised several issues with her, such as traffic con-

gestion, destruction of historical sites, the massive number of street people and "colorum" tour guides and taxi services.

"We cannot sweep these issues under the rug. It is the mandate of the Tourism Coordinating Council to resolve such issues," Teo stressed.



15 JUL 2016

DATE  
A14  
PAGE

UPPER HALF  
✓  
LOWER HALF

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

## Town that can't move

# Mayon moves people away from volcano

STO. DOMINGO, Albay—At least 269 families living on the slopes of Mt. Mayon in the village of Lidong in this town in Albay province have left their communities for new houses away from the volcano's 6-kilometer permanent danger zone.

The P169-million housing project in the village of San Andres was funded by the national government, through the Department of Social Welfare and Development, and the provincial government of Albay.

The roofs of the houses had been designed to serve as evacuation areas secured by steel railings and can be used by resi-

dents during heavy flooding.

Marites Pontejon, 45, said she is happy that her family is among the project's beneficiaries.

"We now have our own concrete house," she said.

Marilyn Abula, 38, said her family can now sleep soundly even during storms or when Mayon becomes restive.

Elsa Alamares, 40, likened owning a new house to winning a lottery jackpot.

"My big thanks to God because he gave us this house," said Alamares, mother of 10.

Ma. Salome Villanueva, chief of the Department of Social Welfare and Development in

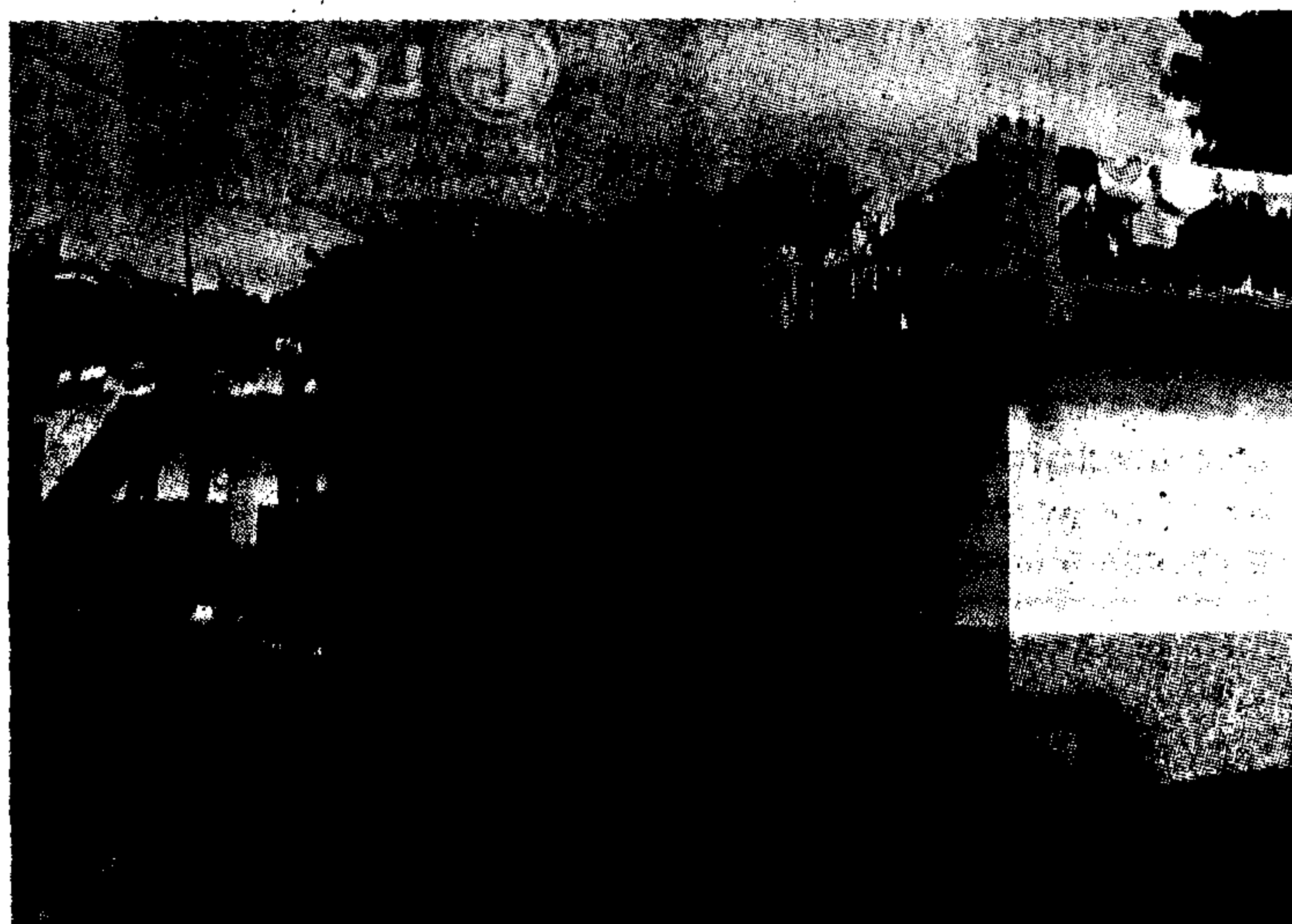
the town, said the families would be safe in the relocation area, describing the houses as "typhoon-proof."

"[I can say] 100 percent they are safe in the relocation site as it is situated in an elevated area," she said.

Mayor Herbie Aguas said the relocation of residents would result in savings for the local government because the town would not spend anymore on evacuation.

"We cannot move Mayon," said the mayor. "So every now and then (we should expect) abnormal activities," he said.

**Michael B. Jaucian, *Inquirer* Southern Luzon**



**SOME of the new houses built for residents of danger zones around Mayon Volcano.**

MICHAEL JAUCIAN/INQUIRER SOUTHERN LUZON



15 JUL 2016

DATE

PAGE

UPPER HALF

LOWER HALF

STRATEGIC COMMUNICATION AND INITIATIVES SERVICE

# TPB tours Occidental Mindoro with a purpose

THE TOURISM PROMOTIONS BOARD (TPB) VISITED Occidental Mindoro as part of its corporate social responsibility (CSR) program. Now on its second year, the program aims to inspire and encourage employees to take an active part in preserving and promoting the different wonderful destinations in the Philippines.

TPB employees started their "tour with a purpose" with an underwater clean-up of the port of the town of Sablayan and mangrove-planting at Barangay Poblacion in the same town.

They also attended lectures on solid waste management and upcycling as well as talks on tamaraws at the Tamaraw Gene Pool Farm at Mt. Iglit-Baco National Park. They also met the indigenous people of Mindoro through immersion and a feeding program at a Mangyan village.

Occidental Mindoro is located on the western part of the island of Mindoro. While agriculture is the main source of livelihood, its tourism industry is fast catching up with Oriental Mindoro, where the white sands of Puerto Galera have been on the global tourist map for decades.

In fact, Occidental Mindoro has more than its fair share of natural wonders to satisfy nature lovers as well as thrill-seekers.

Considered a marine wonderland, Occidental Mindoro boasts of numerous islets, white sand beaches, dive sites, as well as the world's second largest reef - Apo Reef. It is also home to the Mangyans who are the original inhabitants of Mindoro, and the critically-endangered tamaraw which is endemic to the island. Its latest attraction, the Sablayan zipline, is the world's longest island-to-island zipline.

"The country's biggest asset and best ambassadors are its people. With the CSR program, we are encouraging our employees to explore and discover for themselves the wonders and beauty of the Philippines," said TPB

head Domingo Ramon Enerio III. "And as employees and stakeholders, we need to take an active part in protecting and preserving our numerous tourist destinations," he added.

Aside from Occidental Mindoro, TPB held similar activities in Boracay, Bohol and Camiguin last year. By setting an example, TPB hopes to encourage each and every Filipino to help preserve the country's cultural heritage and natural assets in whatever way they can, however small, which makes giving back to the community more fun in the Philippines.



15 JUL 2016

DATE

E-4

PAGE

P.2

UPPER HALF

LOWER HALF

**STRATEGIC COMMUNICATION AND INITIATIVES SERVICE**



Mangrove identification and planting activity.



Tamaraw Conservation Program's Danilo Roca and Herold Castro with "Kalibasib" the only remaining tamaraw in captivity.



Underwater cleanup at Sablayan port.