

Headline: Taxes eyed from firms exploiting forests, water

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BAGUIO CITY—Climate change experts have convinced the Aquino administration to conduct “a full economic valuation” of the country’s forests, watersheds and river systems to determine their true monetary value and to see whether industries like mining are paying the right taxes for using public water or forest lumber.

Secretary Mary Lucille Sering, vice chair of the Philippine National Climate Change Commission, said the country must address how its water resources are consumed, as unpredictable weather would lead to longer dry seasons with decreased rainfall and wet seasons beset by torrential rains.

Sering attended the First Philippine City Councilors Summit on Climate Change here.

Under a climate of extreme weather conditions, enterprises that consume the most amount of water would inevitably compete for the resource unless government plans ahead, Sering said.

She said the government is studying industries engaged in agriculture and mining, which have used substantial amounts of water in the course of their operations.

She said even manufacturers of plastic bags and other items have been consulted, and are now being evaluated. Plastic has been used extensively as an alternative to paper bags and other lumber-derived commodities, but determining the true monetary value of forests would help government determine if plastics do more harm than good to the environment, she said.

When asked, Sering said “we need a [definitive] mining policy,” that could be defined by how much investments mine operators can introduce to sustain the resources they can consume.

These investments could be in the form of taxes, or in infrastructure projects that help in the upkeep of rivers or forests where mines operate, she said.

Benefit, not burden

In 2008, the Cordillera Administrative Region coordinated an interregional water and resources initiative with Ilocos and Cagayan Valley to see whether lowland communities would be receptive to a watershed tax, once they agree on the true value of the regions’ watersheds.

The rivers irrigating the farms and providing potable water to the north Luzon provinces emanate from the mountain communities, and a watershed tax would ensure that the forests surrounding the mouths of these rivers are protected and nurtured, according to the interregional water and resources summit report.

But the Aquino administration prefers to introduce new systems of “monetizing the protection of resources,” which would be perceived as a benefit to the public instead of a burden, Sering said.

Inspired by its conditional cash transfer (CCT) program, the government is considering adopting a mechanism that would provide “payments for ecosystem services” to communities that are proven to have kept natural resources like forests intact, she said.

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The mechanism would be piloted by a component city, three urban cities and a number of fourth to fifth class towns. After a six-month trial run, the mechanism could be adopted throughout the country, Sering said.