

# ENVIRONMENT AND WATER ADVOCACY PAPER 2021



## ABOUT ECCP

The **European Chamber of Commerce of the Philippines (ECCP)** is a service-oriented organization whose main goal is to foster close economic ties and business relations between the Philippines and Europe. The ECCP does this by providing a wide range of consultancy services and by creating linkages between companies, organizations, and individuals with existing or potential business interests in Europe and the Philippines. It is also at the forefront of pro-business, pro-growth advocacy in the Philippines, representing European business interests for increased market access and trade facilitation, at the highest level of Philippine political discussions.

The ECCP sees itself as the stepping stone for Europeans into the Philippine market and for Filipinos into the European market.



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*Positions expressed in the advocacy papers are the result of the activities of the Sector Committees working under the ECCP.*

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We would also like to acknowledge the support of our committee members.

## METHODOLOGY

The 2021 edition of the ECCP Advocacy Papers features issues and recommendations formed after extensive discussions between members of the ECCP sector committees, dialogues and meetings with representatives from the Philippine Government, and other stakeholders. The ECCP has also taken into consideration the information gathered from organizing different events, participating in numerous hearings and committee meetings in both chambers of the Philippine Congress, as well as in private sector consultations held by several government agencies.

Further, the recommendations provided in each paper were primarily based on the discussions during the quarterly sector committee meetings. In close cooperation with the sector committee leaders and members, the ECCP Advocacy Team thoroughly analyzed every issue and advocacy recommendation to ensure that they are in line with European business interests and priorities. Once the Advocacy Team has finalized the first draft of each sector paper, it was then circulated to the Committee members and other stakeholders for consultation and subsequently, gathered inputs to be included in the final draft of the papers.

The assessment of the status of each recommendation included in 2019 Advocacy Papers were examined under the following criteria:

**Completed/Substantial Progress:** Recommended action has either been completed or there has been significant progress towards the realization of the recommendation.

**Some Progress:** Movement towards realizing the recommendation has been made, but substantial work still needs to be done to fully achieve and complete the proposed measure.

**No Progress/Retrogression:** Minimal progress or no movement towards attaining the recommended reforms were done, or the status of the issue has worsened and has evolved to an even bigger bottleneck for European businesses.

## MESSAGE FROM THE ECCP PRESIDENT

On behalf of the European Chamber of Commerce of the Philippines (ECCP), I am pleased to present the 2021 ECCP Advocacy Papers. This year's edition features an overview of the current business regulatory landscape in the Philippines as well as industry-specific challenges of the 22 sector committees of the Chamber. More importantly, the paper puts forward constructive policy recommendations for strengthening European-Philippine economic relations and opening up a new decade of growth opportunities as the theme of this year's Summit suggests.

Indeed, the past year has been a period unlike any other with the ongoing health crisis testing the resilience of most organizations and redefining the way we do business. Our advocacy work has also stepped up in organizing virtual discussions and actively engaging key stakeholders including policymakers to raise awareness on issues that matter the most to our members as well as push for reforms that will support our community during this period of uncertainty.

Understandably, the past 20 months have seen a shift of policy priorities from the Philippine government by focusing more on pandemic response and providing social safety nets to the affected and vulnerable. Nevertheless, we have witnessed promising developments on the economic front that will help restore business confidence and boost the country's position as a competitive destination for trade and investments including those from Europe. Among these include the signing of the landmark Corporate Recovery and Tax Incentives for Enterprises Act, the Financial Institutions Strategic Transfer Act, and the inking of the world's largest trade bloc known as the Regional Comprehensive Economic Partnership, of which the Philippines is a party. In addition, the Philippines' improved ranking of 90th in 2020 from 124th in 2019 of the World Bank's Doing Business report demonstrates the global community's relative trust in the country's business environment.

We at the Chamber strive to make the most of these exciting developments in the years to come. The 2021 ECCP Advocacy Papers is our contribution to addressing some of the remaining challenges to helpfully realize the potential of our bilateral ties and economic prospects. I would like to thank our Committee leaders, member companies, and the team behind our flagship publication. Moreover, the European business community continues to stand at the forefront of these crucial issues, which when addressed, will further support our shared goals towards inclusive and sustainable recovery. As such, we remain committed to working with the Philippines in navigating this new decade of growth opportunities.

**Mr. Lars Wittig**  
ECCP President



## MESSAGE FROM THE EU AMBASSADOR

I congratulate the European Chamber of Commerce of the Philippines (ECCP) for the 2021 edition of their Advocacy Papers.

These papers offer useful food for thought and action at a crucial time.

At present, the global economy is poised to show its most robust post-recession recovery. In the EU, recovery is underway following a massive vaccination campaign and an ambitious recovery plan decided collectively by EU leaders in 2020. In the EU, today, more than 70% of adults are vaccinated, resulting in improved business and consumer confidence.

Vaccination is the way to pull through collectively from a health crisis of this proportion. It should not stop there. At present, the EU is first and most urgent priority is to speed up global vaccination to ensure that access to vaccines becomes equitable worldwide.

While the European Union has focused on tempering the spread of the virus and its impact on lives and the economy, the EU has remained crucial in the global effort to strengthen the multilateral trading system, fight protectionism and ensure that global trade remains unhampered.

This strategy has reaped fruits. It is anticipated that 19 EU Member States will revert to pre-pandemic growth levels in 2021 and the remainder will follow in 2022. In the last quarter, growth in the Euro area outpaced both the US and China.

Next Generation EU and the seven years multi-annual budget will invest in both short-term recovery and long-term prosperity. It will support innovative policies and will set Europe on a path to a sustainable resilient recovery. One-third of this €1800 billion budget will finance the European Green Deal, which will be the EU's lifeline out of the COVID 19 crisis. This Green Deal will transform the EU into a modern, resource-efficient competitive economy.

The EU and the Philippines have established a relationship characterized by a shared goal of peace and prosperity for our peoples. In terms of commercial relations, we have seen steady growth in the bilateral trade in goods between the EU and the Philippines over the last years. However, EU-PH trade today is far from its full potential. Likewise, the Philippines needs to attract a greater portion of EU investments in ASEAN.

Let us continue to work together to achieve a sustainable and resilient recovery for our economies. I welcome these advocacy papers as a useful contribution in our pursuit of creating a level playing field and opportunities for industries and sectors to be able to participate; provide more choices to our consumers, and promote a sustainable approach to trade.

**H.E. Luc Véron**  
Ambassador  
Delegation of the European Union to the Philippines



# MESSAGE FROM THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

My warmest greetings to the **European Chamber of Commerce of the Philippines (ECCP)** as it organizes the **2021 European-Philippine Business Summit**.

This event is an opportune time to explore and pursue various programs and strategies that will enable the business community to overcome the adverse effects of the COVID-19 pandemic on our economy.

The government is one with you in this goal as it has shown in its commitment to advance free trade and to restore confidence in the Philippine economy through our landmark Tax Reform Law and the ratification of the Regional Comprehensive Economic Partnership, of which the Philippines is a party.

I hope that you will remain steadfast in promoting and attracting trade and investments to the country, especially from Europe. Together, let us revitalize our industries and boost our productivity under the new normal.

May you have a successful summit.

**Rodrigo Roa Duterte**

President of The Republic of the Philippines



# MESSAGE FROM THE DEPARTMENT OF TRADE AND INDUSTRY

The presence of the European Chamber of Commerce in the Philippines (ECCP) in the country is a testament to the relationship between our economies evident in the current levels of trade and investments. In 2020, Europe ranked as the Philippines' 5th trading partner, with total bilateral trade amounting to US\$13.06 billion. And as we secure the collective development of both our nations, the Department of Trade and Industry (DTI) continues to rely on the steadfast efforts of ECCP in facilitating market access and in creating a level playing field for both European and Filipino companies

Together with the holding of the **2021 European-Philippine Business Summit (EPBS)**, the launch of the **2021 ECCP Advocacy Papers** not only reflects the continued partnership of both nations that has flourished and strengthened throughout the years, but is also the fruit of the hard work and commitment of the men and women behind the successes of your organization.

Despite the challenges of the pandemic, the Philippines remains a conducive place to do business and is still considered an emerging economy for investment. This can be attributed to our strong economic fundamentals and is a result of landmark policies and programs of the Duterte administration to create an enabling business environment in the country.

Among these initiatives is the consistent pursuit of game-changing reforms such as the **Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act** and the **Financial Institutions Strategic Transfer (FIST) Act**, which are expected to bring in more investments and ensure the stability of our financial system to accelerate the country's quick and sustainable economic recovery. The Philippines is also part of the **Regional Comprehensive Economic Partnership (RCEP) Agreement**, which is intended to strengthen regional economic integration and increase economic resiliency through enhancing market access for goods, services, and investment. All of these, together with the review of other economic restrictions, have the common goal of attracting more investments that will create more jobs in the country.

As the Philippine economic situation continues to improve, this year's theme, **Amidst the Crisis: A New Decade of Growth Opportunities**, sets the tone for our continued partnership. We are counting on the private sector to harness the potential of our revitalization as we embark on pursuits that will ensure the inclusive and sustainable development of our nations. Ultimately, our goal is to make your investments in the country as profitable as possible, which will secure the development of our economies, provide better opportunities for employment, and empower our citizens to become productive members of society as we take on the greater effort of nation-building to create a better quality of life for all Filipinos.

Congratulations and *mabuhay po kayo!*

**Hon. Ramon Lopez**

Secretary

Department of Trade And Industry



## MESSAGE FROM THE HOUSE OF REPRESENTATIVES

Our warmest felicitations to the European Chamber of Commerce of the Philippines, ECCP President Lars Wittig, ECCP Vice Presidents Amal Makhoulfi and Kavita Hans, distinguished officers and members, on the launching of the 2021 edition of ECCP Advocacy Papers.

They say that the darkest nights produce the brightest stars. We convene today at a time of great uncertainty brought about by a global pandemic. As Speaker of the House of Representatives of the Philippines, I would like to express my deep appreciation to the European Chamber of Commerce in the Philippines and the ECCP Advocacy Committees in producing the 2021 ECCP Advocacy Papers, covering the most significant areas in development policy, from agriculture, the environment and water, to education, health care, and human capital, and of recent import, defense and disaster response, and renewable and energy efficiency. These papers are vital inputs to policy formulation, can serve to enhance Philippine development road maps, and be our springboard for continued discussion and engagement between the ECCP and our government in forging sustainable means of collaboration.



On the part of the House of Representatives, we intend to move towards a more resilient, more inclusive, and more sustainable post-pandemic economy with reforms which seek the following: one, to liberalize foreign investments into the country; two, to promote greater competition in key industries; three, to enhance governance in key infrastructure agencies; and four, to remove restrictions on foreign equity, thereby making economic policies more attuned to the realities in both local and international landscapes.

The opportunity to build a better economy is before us and should indeed, be seized. Through cooperation and collaboration, let us together bring into fulfillment a decade of renewal and growth.

Thank you.

**Lord Allan Jay Q. Velasco**  
House Speaker District Representative Marinduque



# WHERE ARE WE NOW?

## THE PHILIPPINES

The Philippines prides itself in its dynamic and robust economy, transforming into one of the region's top economic performers and attracting companies to invest and expand their operations. In the last decade, the country was able to sustain an average annual growth of 6.4% between 2010-2019 from an average of 4.5% between 2000-2009.<sup>1</sup> Among its neighboring countries in the Association of Southeast Asian Nations (ASEAN), the Philippines was ranked 4th in terms of Gross Domestic Product (GDP) growth rate with 6.1% in 2019 (Table 1).

**Table 1. ASEAN GDP Year-on-Year Growth Rates, 2019 and 2020 (% per year)**

Country	2019	2019 ranking	2020	2020 ranking
Brunei Darussalam	3.9	8th	1.2	3rd
Cambodia	7.1	1st	-3.1	6th
Indonesia	5.0	5th	-2.1	5th
Lao People's Dem. Rep.	4.7	6th	-0.5	4th
Malaysia	4.3	7th	-5.6	8th
Myanmar	6.8	3rd	3.3	1st
<b>Philippines</b>	<b>6.1</b>	<b>4th</b>	<b>-9.6</b>	<b>10th</b>
Singapore	1.3	10th	-5.4	7th
Thailand	2.3	9th	-6.1	9th
Vietnam	7.0	2nd	2.9	2nd

Asian Development Bank. *Asian Development Outlook 2021*<sup>2</sup>

However, the onset of the unprecedented COVID-19 pandemic has resulted in a drastic decline of economic activity around the world. In the Philippines, like in many other countries, the government had to implement huge fiscal support programs and impose strict quarantine measures to mitigate the spread of the virus, which in return restricted economic activity. Specifically in the Philippines, the recessionary impacts of the pandemic contracted the GDP growth rate by 9.6% for the year 2020 (Table 1). The Philippine Statistics Authority (PSA), which has been collecting annual data since 1947, records this decline as the first annual contraction since the Asian Financial Crisis seen in 1998. It also surpassed the prior record of 7.0% contraction in 1984.<sup>3</sup>

The annual preliminary figures from the PSA show that the unemployment rate rose to 10.3% in 2020, accounting for 4.5 million unemployed Filipinos in the labor force, which is significantly higher compared to the previous year's 5.1% rate. Likewise, the country's employment rate dropped from 94.9% in 2019 to 89.7% in 2020, with the Services sector accounting for 56.9% share, followed by the Agriculture sector with 24.8%, and the Industry sector with 18.3%.<sup>4</sup>

Currently, unemployment rate for July 2021 is estimated at 6.9%, the lowest recorded rate since in April 2020. The country also recorded a significant increase in terms of employment rate at 93.1% for the same month.<sup>5</sup>

On the other hand, headline inflation rose further to 3.5% in December 2020, from 3.3% in November 2020, primarily due to the increase in the inflation of heavily-weighted food and non-alcoholic beverages at 4.8% during the month. Additionally, annual increments were higher in terms of health (2.6%); transport (8.3%); and restaurant and miscellaneous goods and services (2.5%).<sup>6</sup> The Bangko Sentral ng Pilipinas (BSP) posted a slight increase in the average headline inflation for 2020 at 2.6%, but remained well within the government's target range of 2-4% for the year.<sup>7</sup> Subsequently, the PSA recorded a 4.9% headline inflation rate for August 2021, from 4.0% of the previous month, which is the highest inflation recorded since January 2019. The uptrend was mainly brought about by the higher annual increment in the index of the heavily-weighted food and non-alcoholic beverages at 6.5% during the month, from 4.9% in July 2021.<sup>8</sup>

In the 2021 World Competitiveness Ranking compiled by the Institute for Management Development (IMD), the Philippines ranked 52nd out of 64 countries, slipping down seven spots from the previous ranking. Specifically, the report noted the country's rankings dropping in three of the factors with Economic Performance falling 13 places to 57th; Government Efficiency slipping three spots to 45th; and Business Efficiency dropping from 33rd to 37th. Meanwhile, the Infrastructure category retained its ranking at 59th.<sup>9</sup>

In terms of the country's Foreign Direct Investments (FDI), the BSP officially recorded USD 6.5 billion net inflows for 2020, which is a 24.6% contraction from the USD 8.7 billion net inflows in 2019. The contraction was primarily driven by the fluctuation of supply chains and business outlooks that had affected investor decisions. Majority of the equity capital placement came from Japan, the Netherlands, United States of America (USA) and Singapore wherein these capital were channeled to manufacturing, real estate and the financial and insurance industries.<sup>10</sup>

On the other hand, total FDI net inflows from January to June 2021 registered at USD 4.3 billion. Specifically, the top source country is Singapore with USD 519.88 million, followed by Japan with USD 259.85 million and USA with USD 69.87 million. Investments were channeled mainly to manufacturing, financial and insurance, and electricity, gas, steam, and air-conditioning industries.<sup>11</sup>



1 World Bank. (07 April 2021). Philippines: Overview. Retrieved from <https://www.worldbank.org/en/country/philippines/overview>  
 2 Asian Development Bank. (April 2021). Asian Development Outlook 2021. Retrieved from <https://data.adb.org/dataset/gdp-growth-asia-and-pacific-asian-development-outlook>  
 3 Nikkei Asia. (28 January 2021). Philippines GDP shrinks 9.5% in 2020, worst since 1947. Retrieved from <https://asia.nikkei.com/Economy/Philippines-GDP-shrinks-9.5-in-2020-worst-since-1947>  
 4 Philippine Statistics Authority. (08 March 2021). 2020 Annual Preliminary Estimates of Labor Force Survey. Retrieved from <https://psa.gov.ph/content/2020-annual-preliminary-estimates-labor-force-survey-lfs>

5 Philippine Statistics Authority. (07 September 2021). Unemployment Rate in July 2021 is Estimated at 6.9 percent. Retrieved from <https://psa.gov.ph/content/unemployment-rate-july-2021-estimated-69-percent>  
 6 Philippine Statistics Authority. (05 January 2021). Summary Inflation Report Consumer Price Index (2012=100): December 2020. Retrieved from <https://psa.gov.ph/statistics/survey/price/summary-inflation-report-consumer-price-index-2012100-december-2020>  
 7 Bangko Sentral ng Pilipinas. (2020). BSP Inflation Rate Report. Retrieved from <https://www.bsp.gov.ph/SitePages/MediaAndResearch/Inflation%20Report.aspx>  
 8 Philippine Statistics Authority. (07 September 2021). Summary Inflation Report Consumer Price Index (2012=100): August 2021. Retrieved from <https://psa.gov.ph/statistics/survey/price/summary-inflation-report-consumer-price-index-2012100-august-2021>  
 9 IMD World Competitiveness Center. (2021). World Competitiveness Ranking. Retrieved from <https://www.imd.org/centers/world-competitiveness-center/rankings/world-competitiveness/>  
 10 Bangko Sentral ng Pilipinas. (10 March 2021). FDI Registers US\$509 Million Net Inflows in December 2020; Full-Year Level Reaches US\$6.5 Billion. Retrieved from <https://iro.ph/article/details.php?articleid=3547&catid=4>  
 11 Bangko Sentral ng Pilipinas. (10 September 2021). FDI Net Inflows Up by 60.4 Percent YoY in June 2021; H1 2021 Level Reaches US\$4.3 Billion. Retrieved from <https://iro.ph/article/details.php?articleid=3547&catid=4>

At the European level, FDI net inflows registered at USD 38.42 million with Germany accounting for USD 29.02 million, followed by the United Kingdom (USD 4.52 million), Sweden (USD 3.88 million), France (USD 1.99 million), and Luxembourg (USD 1.66 million).<sup>12</sup>

The total external trade of the country in terms of goods was recorded at USD 155.03 billion in the year 2020, which is lower by 15.1% compared to the USD 182.52 billion recorded during 2019. Among the major trading partners are the People's Republic of China, Japan, and the USA.<sup>13</sup> The European Union (EU) followed as the fourth largest trading partner, accounting for 8.4% of the country's total trade in 2020. Meanwhile, as for the Philippines' bilateral trade with the EU member countries, Germany ranked as the top trading partner.<sup>14</sup> Likewise, in 2019, Germany ranked as the highest trading partner with a total trade of USD 5.55 billion or 31.5 percent of EU's total trade, followed by the Netherlands, France, the United Kingdom, and Italy.<sup>15</sup>

Over the past years, the Philippines was able to maintain its credit ranking at 'BBB' with a stable outlook from various agencies. However, the recent negative outlook from Fitch reflects the increasing risks to the credit profile from the impact of the pandemic and its aftermath.<sup>16</sup> The table below shows the latest ratings from various agencies:

**Table 2. Philippine Credit Ratings**

Date	Agency	Rating
July 2020	Moody's	Baa2 Stable
May 2021	Standard & Poor	BBB Positive
July 2021	Fitch	BBB Negative

Source: Moody's, Standard and Poor, Fitch

Without a doubt, the adverse impacts of the global crisis hampered the country's long-term notable gains. However, recent reports also show a promising growth forecast for the country as global recovery sustains its momentum. Particularly, the country posted a strong rebound in the second quarter of 2021 with a GDP growth of 11.8% compared to the -16.9% rate of the same period last year. Categorically, the main contributors are manufacturing (22.3%); construction (25.7%); and wholesale and retail trade; repair of motor vehicles and motorcycles (5.4%). Among the major economic sectors, Industry and Services posted positive growths of 20.8% and 9.6%, respectively.<sup>17</sup> GDP growth is also expected to increase at 4.5% in 2021 and 5.5% in 2022; while inflation rates are forecasted at 4.1% in 2021 and 3.5% in 2022.<sup>18</sup> However, the country continues to be vulnerable given the emergence of new variants of the virus and hiccups on the vaccine rollout. With this, substantial reforms on key economic policies, ease of doing business, investment on digital infrastructure, and strengthening the public health system have a pivotal role for the country to address the adverse impacts caused by the pandemic as well as boost economic recovery and competitiveness.

Billion. Retrieved from <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=5926>

<sup>12</sup> Bangko Sentral ng Pilipinas. (n.d.) Net Foreign Investment Flows. Retrieved from <https://www.bsp.gov.ph/statistics/external/Table%2010.pdf>

<sup>13</sup> Philippine Statistics Authority. (August 2021). 2020 Foreign Trade Statistics of the Philippines. Retrieved from [https://psa.gov.ph/sites/default/files/2020%20FTS%20Publication\\_signed-compressed.pdf](https://psa.gov.ph/sites/default/files/2020%20FTS%20Publication_signed-compressed.pdf)

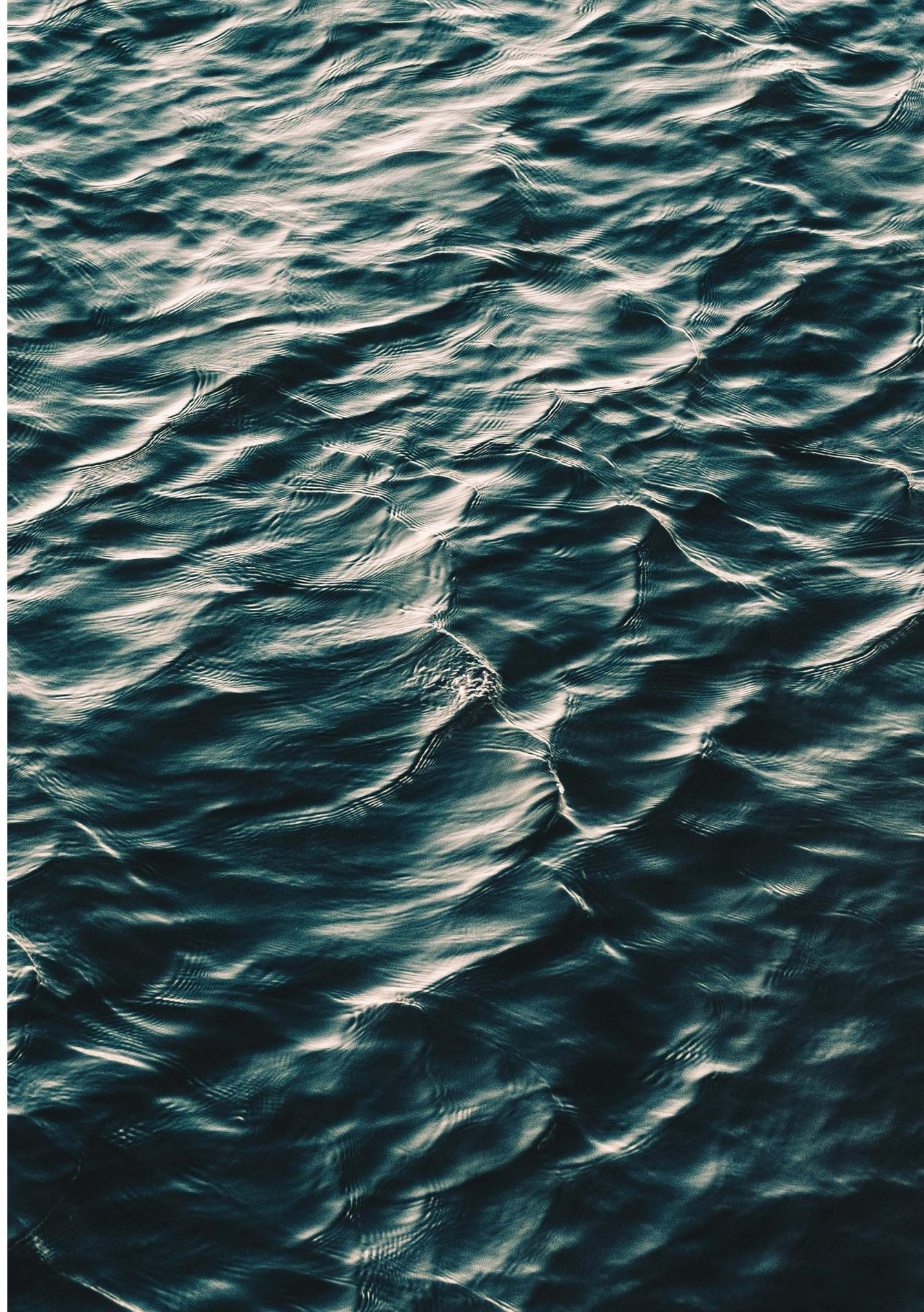
<sup>14</sup> European Commission. (2021). Countries and Regions: The Philippines. Retrieved from <https://ec.europa.eu/trade/policy/countries-and-regions/countries/philippines/>

<sup>15</sup> Philippine Statistics Authority. (28 April 2020). Highlights of the 2019 Annual Report on International Merchandise Trade Statistics of the Philippines. Retrieved from <https://psa.gov.ph/content/highlights-2019-annual-report-international-merchandise-trade-statistics-philippines>

<sup>16</sup> FitchRatings. (12 July 2021). Fitch Revises Philippines' Outlook to Negative; Affirms at 'BBB'. Retrieved from <https://www.fitchratings.com/research/sovereigns/fitch-revises-philippines-outlook-to-negative-affirms-at-bbb-12-07-2021>

<sup>17</sup> Philippine Statistics Authority. (10 August 2021). GDP posted double digit growth of 11.8 percent in the second quarter of 2021, the highest since fourth quarter of 1988. Retrieved from <https://psa.gov.ph/national-accounts>

<sup>18</sup> Asian Development Bank. (n.d.). Economic indicators for the Philippines. Retrieved from <https://www.adb.org/countries/philippines/economy>



# ENVIRONMENT AND WATER ADVOCACY PAPER 2021

## ON WATER

### INTRODUCTION

Water scarcity has increasingly become a worldwide problem, affecting more than 40% of the global population with water resources depleting at an alarming rate due to rapid population growth coupled with the impacts of climate change.<sup>1</sup> Figures from the Asian Development Bank (ADB) also show that global water demand projections are estimated to increase by nearly 55% with the population increasing to almost 10 billion by 2050.<sup>2</sup>

Despite the aforesaid challenges, the Philippines has shown improvements as the Asian Development Bank's Water Development Outlook 2020 publication reported improvements in terms of the country's water security as the Philippines received a score of 3 or "capable" out of 5 in its national water security index.<sup>3</sup> The ADB used five metrics to determine the situation of water security in countries namely, environmental water security, rural household water security; economic water security; urban water security; and water-related disaster security. The Philippines posted a cumulative score of 67.9 which is a slight improvement from the previous rates of 67 in 2016 and 59 in 2013.<sup>4</sup> While this is a welcome development, there is still much work to be done to achieve water security.

At present, water security continues to be a major concern particularly in light of the ongoing COVID-19 pandemic which has further heightened the need to have access to water for the purposes of sanitation and hygiene to help contain the spread of the virus.



<sup>1</sup> World Bank. Water Resources Management. Retrieved from [https://www.worldbank.org/en/topic/waterresourcesmanagement#:~:text=Water%20Resources%20Management%20\(WRM\)%20is, support%20and%20guide%20water%20management](https://www.worldbank.org/en/topic/waterresourcesmanagement#:~:text=Water%20Resources%20Management%20(WRM)%20is, support%20and%20guide%20water%20management)

<sup>2</sup> Asian Development Bank. Asian Development Water Outlook: 2016. Retrieved from <https://www.adb.org/sites/default/files/publication/189411/awdo-2016.pdf>

<sup>3</sup> Asian Development Bank. (2020). Asian Water Development Outlook 2020. Retrieved from <https://www.adb.org/sites/default/files/publication/663931/awdo-2020.pdf>

<sup>4</sup> Ibid.

# RECENT REFORMS AND INDUSTRY DEVELOPMENTS

Last 16<sup>th</sup> September 2021, the National Economic Development Agency (NEDA) unveiled the **Philippine Water Supply and Sanitation Master Plan for the planning, implementation, and funding of the water supply and sanitation sector**.<sup>5</sup> This features eight (8) key reform agenda (see table below), and promotes the Integrated Water Resources Management (IWRM) principle for a comprehensive and integrated approach in addressing the sector's gaps as well as ultimately achieving the Philippines' water-related targets and commitments.

Key Reform Agenda	Focus
<b>KRA 1:</b> Establishing Effective WSS Sector Institutions	Addressing the fragmented WSS sector.
<b>KRA 2:</b> Strengthening the Regulatory Environment	Regulating and managing water resources and WSPs, including water tariffs.
<b>KRA 3:</b> Creating and Ensuring Effective WSS Services	Ensuring appropriate and sustainable operations of WSS service providers.
<b>KRA 4:</b> Balancing Water Supply and Demand	Managing and maximizing finite water resources with end-users.
<b>KRA 5:</b> Building Climate Resiliency	Adapting to climate change.
<b>KRA 6:</b> Enabling Access to Funding and Financing	Improving availability and acquisition of funds / financing for WSS data.
<b>KRA 7:</b> Managing Data and Information	Ensuring the availability and accessibility of reliable WSS data.
<b>KRA 8:</b> Driving Research and Development	Investing on research and innovations.

Source: NEDA

The Philippines will require PHP 1.1 trillion in investments to meet the Sustainable Development Goal (SDG) on water supply and sanitation.<sup>6</sup>

NEDA also echoed the need for the **establishment of an apex and centralized body for water sector governance**. This will allow for the creation of clearer policies and a unified framework which will further encourage further investors and address financing gaps. President Duterte previously mentioned in a State of the Nation Address the urgent need to have both Department of Water Resources and Water Regulatory Commission. On a similar note, the House recently filed House Bill No. 9948 or the National Water Act. This measure aims to establish a national framework for water resource management and **create the Department of Water Resources and the Water Regulatory Commission**. This defines the mandates, powers, and functions and appropriates funds in the sector. As of writing, HBN 9948 is in the period of sponsorship.

In terms of **general effluent stands and water quality guidelines**, the DENR released the **Department Administrative Order 2016-08**, otherwise known as the Water Quality Guidelines (WQG) and General Effluent Standards (GES) of 2016, which establishes a set of guidelines for water quality and effluent standards in line with the Philippine Clean Water Act of 2004 or Republic Act No. 9275.<sup>7</sup> The 2016 DAO,

5 Philippine News Agency (17 September 2021). NEDA launches PH water supply, sanitation master plan. Retrieved from <https://www.pna.gov.ph/articles/1153731>

6 Ibid.

7 Department of Environment and Natural Resources. (2016). Department Administrative Order 2016-08. Retrieved from [https://emb.gov.ph/wp-content/uploads/2019/04/DAO-2016-08\\_WATER-QUALITY-GUIDELINES-AND-GENERAL-EFFLUENT-STANDARDS.pdf](https://emb.gov.ph/wp-content/uploads/2019/04/DAO-2016-08_WATER-QUALITY-GUIDELINES-AND-GENERAL-EFFLUENT-STANDARDS.pdf)

in comparison to the superseded DAO 34 and 35 Series of 1990, has been observed to have stricter provisions on water quality and effluent standards in the country.

More recently, in June 2021, the DENR issued the **Department Administrative Order No. 2021-19** on "Updated Water Quality Guidelines and General Effluent Standards for Selected Parameters". This partially amends DENR Administrative Order No. 2016-08, updating water quality guidelines and/or general effluent standards for the following parameters: ammonia, boron, copper as dissolved copper, fecal coliform, phosphate as phosphorus, and sulfate. The new DAO also stipulates the obligation to submit data on influent values of biological oxygen demand (BOD) for establishments with influent BOD equal to or greater than 3000 mg/L. All other parameters not mentioned in DAO 2021-19 will be covered by the requirements of DAO 2016-08.

## ECCP ADVOCACIES

### Creation of the Department of Water Resources and the Water Regulatory Commission

The governance of the Philippine water sector has been fragmented and uncoordinated with over 30 government entities involved in diverse roles and jurisdictions. This has unnecessarily created bottlenecks and confusion for potential and existing investors in the sector. Furthermore, the sector's lack of clarity in leadership and strategic direction is often identified as a key factor affecting the Philippines' poor state of water resources. It is then imperative to approach water resource planning using **Integrated Water Resource Management (IWRM)** which is also being promoted in House Bill No. 9948. The IWRM<sup>8</sup> is an internationally recognized framework that is used to guide countries on their journey to water security. It is based on the idea that water issues should not be approached in isolation but rather in a more holistic manner due to the interdependence of the uses of finite water resources.<sup>9</sup>

Considering the foregoing, the ECCP welcomes the government's proposals to **establish an overseeing, apex body mandated to formulate policies for the water sector and manage the usage of water resources**. Creating a Department to oversee the Philippine Water Sector, at the very least, will ensure that issues and concerns in the sector are being handled by a line agency led by a member of the Cabinet of the President of the Philippines. This will allow for a better venue for the resolution of the same issues and concerns which are critical to the sector that provides both a social and economic good.

Another important element in the water sector reform is the **establishment of a Water Regulatory Commission**. This shall streamline and rationalize the economic regulation of water and sanitation service providers. With the goal of achieving universal access to water and sanitation for all Filipinos, it provides clear targets which water and sanitation service providers are expected to fulfil while also taking into consideration consumer interests. It shall also provide a clearer set of guidelines for service providers, encouraging much-needed private sector investments which will support our overall water access targets by 2030.

### Temporary suspension of the implementation of the DENR Administrative Order 2016-08

### Extend for another three (3) years the 5-year grace period provided for in the 2004 Philippine Clean Water Act, provided further that the same shall only be granted in cases of national emergencies.

The ECCP shares the goal of the Philippine government of attaining higher water quality standards.

8 IWRM is defined by the Global Water Partnership as "a process which promotes the coordinated development and management of water, land and related resources, to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems".

9 White, C. (2013). Integrated Water Resources Management: What is it and why is it used?. Retrieved from <https://globalwaterforum.org/2013/06/10/integrated-water-resources-management-what-is-it-and-why-is-it-used/>

However, we wish to note that the provisions and deadlines set in the aforementioned DAO are impractical and onerous especially in the context of the ongoing pandemic. While some degree of 'regulatory relief' has been provided through DAO 2021-19, **the ECCP respectfully requests an extension of three (3) years to the 5-year grace period provided for in the 2004 Philippine Clean Water Act, provided further that the same shall only be granted in cases of national emergencies.**

In its previous position papers and representations, the ECCP has commented that the grace period initially provided by the DENR Administrative Order No. 2016-08 is not sufficient for the private sector and the government to upgrade their facilities, adopt new technologies and educate and train the labor force, which are all essential to meet the new standards and be compliant with these guidelines.

More recently, last January 2021, the DENR issued EMB Memorandum Circular No. 2021-01 which sought to clarify the implementation of its DAO No. 2016-08. Until before the issuance of said Memorandum Circular, it was understood by industry that the grace period to comply with the new general effluent standards contained in DAO No. 2016-08 would be until 31 December 2022. This understanding was based on the very explicit wording contained in EMB Memorandum Circular No. 2019-001 that stated the same so long as a Compliance Action Plan was approved by the concerned EMB Regional Office not later than 31 December 2019. As the grace period was previously extended to 31 December 2022, companies have prepared for their compliance to the higher DAO No. 2016-08 on a timeline that assumed a 1 January 2023 lifting of the grace period.

Furthermore, with recent developments, the European business community has been encumbered by a number of challenges, and wishes to raise the following concerns:

- The COVID-19 pandemic has made it extremely difficult to stick to the timelines in the original Compliance Action Plans submitted to and approved by EMB due to **movement restrictions and imposition of minimum public health standards in workplaces.**
- The need for faster **retrofitting of wastewater infrastructure adds financial burden** to a business sector still dealing with the economic challenges brought about by the current pandemic.
- **Notices of Violations, fines and penalties** due to non-compliance adds even more salt to the economic injury discussed in the previous point.

Furthermore, as *Bayanihan 3* is an attempt to provide policy and fiscal interventions to help the country deal with the economic fallout brought about by COVID-19, the extension of the grace period to comply with DAO No. 2016-08 would not only provide relief to businesses who would have to spend more to try to meet the deadline and stringent requirements, but also help them avoid unnecessary costs in the form of fees and penalties. We thus hope that Congress will see the wisdom in adopting this policy provision in *Bayanihan 3* to at least retain the original grace period of DAO No. 2016-08 until December 31, 2022. However, we also hope that Congress may consider extending the grace period **for three (3) years from 18 June 2021, for regulatory relief until economic recovery has been achieved or when the quarantine is lifted, whichever is longer.**

**With the foregoing considered, the ECCP respectfully appeals for an extension of 3 years to the 5-year grace period provided for in the 2004 Philippine Clean Water Act, provided further that the same shall only be granted in cases of national emergencies.** The requested temporary suspension will help the country deal with the economic fallout brought about by COVID-19, provide regulatory relief to businesses who would have to spend more to try to meet the new deadline which is virtually impossible for many, and help companies avoid unnecessary costs in the form of fees and penalties.

We fully support the objectives of DAO No. 2016-08 to ensure the sustainability and quality of our water bodies and waterways, but this needs to be balanced with the realities we face during the COVID pandemic.

# ON PLASTIC WASTE MANAGEMENT

## INTRODUCTION

Globally, 4.8 to 12.7 million tons of plastic leak into the waters every year. Asia has been reported to contribute more than 80% of global marine litter, with the Philippines already accounting for about 0.75 million tons of said waste. Apart from the negative environmental consequences, the World Bank also estimates an annual opportunity cost of approximately USD 80-120 billion for the global economy due to the lack of recycling and sub-optimal value generation with only 9% recycled.<sup>10 11</sup>

Clearly, the widely used linear economy model of "take-make-dispose" approach is unsustainable. This will ultimately result in resource depletion, excessive waste, and environmental degradation.<sup>12</sup> Over the years, there has been an increased focus on changing the narrative and processes to a 'regenerative and restorative' one – converting waste into productive inputs, reducing pollution and greenhouse gas emissions, and their adverse health and environmental consequences. In the Philippines, waste management and improving recovery rates of materials have become a priority area for the circular economy.

## RECENT REFORMS AND INDUSTRY DEVELOPMENTS

On the **executive level**, NEDA released the Philippine Action Plan for Sustainable Consumption and Production (PAP4SCP) in 2019 to further improve waste management and plastic circularity. Additionally, to the National Plan of Action on Marine Litter is currently being finalized by the World Bank and the Department of Environment and Natural Resources (DENR) with assistance of the United Nations Development Programme Philippines. This has also been listed as priority by the Climate Change Commission.

In terms of **legislation**, last 28 July 2021, the House of Representatives approved House Bill No. 9147 or the "Single-Use Plastic Products Regulation" Bill, which seeks to regulate and phase-out single-use plastics. In the Senate, three bills have been filed: SBN 2262 or An Act Regulating the Production, Importation, Sale, Distribution, Provision, Use, Recovery, Collection, Recycling, and Disposal of Single-Use Plastic and Single Use; Styrofoam Products (Filed by Sen. Manny Pacquiao); SBN 1331 "Extended Producers Responsibility Act of 2020" (filed by Sen Cynthia Villar); SBN 2285 "Extended Producers Responsibility Act of 2020" (filed by Sen Bong Revilla).

On commendable **industry initiatives**, the Philippine Alliance for Recycling and Materials Sustainability (PARMS), together with other stakeholders, has launched **Zero Waste to Nature (ZWTN) 2030**. This signifies its commitment to initiate and support waste management efforts consistent with Ambition 2030. The group advocates for the adoption of science-based and practical solutions to reduce, collect, and recycle waste as well as to support its members' shift to 100% sustainable packaging by 2025.

<sup>10</sup> "World Bank Group. 2021. Market Study for the Philippines : Plastics Circularity Opportunities and Barriers. East Asia and Pacific Region Marine Plastics Series;. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/35295> License: CC BY 3.0 IGO."

<sup>11</sup> IRP (2019). Global Resources Outlook 2019: Natural Resources for the Future We Want. Oberle, B., Bringezu, S., Hatfield-Dodds, S., Hellweg, S., Schandl, H., Clement, J., and Cabernard, L., Che, N., Chen, D., Droz-Georget, H., Ekins, P., Fischer-Kowalski, M., Flörke, M., Frank, S., Froemelt, A., Geschke, A., Haupt, M., Havlik, P., Hüfner, R., Lenzen, M., Lieber, M., Liu, B., Lu, Y., Lutter, S., Mehr, J., Miatto, A., Newth, D., Oberschelp, C., Obersteiner, M., Pfister, S., Piccoli, E., Schaldach, R., Schüngel, J., Sonderegger, T., Sudheshwar, A., Tanikawa, H., van der Voet, E., Walker, C., West, J., Wang, Z., Zhu, B. A Report of the International Resource Panel. United Nations Environment Programme. Nairobi, Kenya.

<sup>12</sup> P. Schroeder (2020). ADB-NEDA Circular Economy Report Philippines. Retrieved from [https://www.adb.org/sites/default/files/project-documents/50158/50158-001-tacr-en\\_0.pdf](https://www.adb.org/sites/default/files/project-documents/50158/50158-001-tacr-en_0.pdf). ENVIRONMENT AND WATER

# ECCP ADVOCACIES

## Effective Plastic Waste Management through the implementation of an Extended Producers' Responsibility (EPR)

Over recent years, plastic pollution has been a global concern and has therefore received increased attention. In 2018, the European Parliament voted to reduce marine litter through the ban of specific single-use plastics. It is important to note that the current said regulation, Directive (EU), 2019/904 on the reduction of the impact of certain plastic products on the environment, only prohibits specific types of single-use plastics (i.e., cutlery, plates, stirrers, straws, and cotton bud sticks) which already have existing affordable alternatives; recycled materials such as wooden stirrers and straws are not banned. Otherwise, several approaches as defined by the European Parliament were mandated to member states such as product redesign, extended producer responsibility (EPR), awareness raising, among others.

### Banning necessitates affordable and appropriate alternatives.

Banning single-use plastics necessitates the existence of affordable, viable alternatives. Otherwise, this can put consumers at a disadvantage and worsen the problem at hand. We believe that the plastic waste issue goes beyond an outright ban of plastics, and a tax will ultimately burden the consumers who will have to bear the costs of price increases. We should not ban products without clear alternatives that are proven to have better environmental, economic and social impact, especially if research has shown that replacing plastics with available alternatives would have significant negative environmental impact. In partnership with the DOST, industry can help develop sound, data-based or researched-based programs, solutions, regulations and legislation. This will create better environmental and economic outcomes instead of unintended consequences that will promote the use of less recoverable/recyclable/reusable, unstudied alternatives.

The alternatives must meet (1) the desired quality, (2) minimum specifications; and (3) circumstances for the use; (4) supply of materials; (5) policy side; and (6) competitive cost. Plastics are widely used given their versatile properties including the following: (1) moisture-resistant, providing a barrier against moisture and oxygen, preventing immediate the contamination of a product; (2) widely available and inexpensive; (3) malleable, easily be shaped in different forms (4) lightweight but highly durable, making it an excellent packaging material; (5) protection of product when transported, and transferred from one transport mode to another; and (6) resistant to corrosion and chemicals.

Any alternative material that fails to meet the aforementioned criteria could do more harm than good. It is feared that hastily banning plastics without an appropriate alternative will lead to proliferation of untested substitutes. This could ultimately compromise consumers' health and safety as products could potentially get contaminated or spoiled. Also, currently, apart from the health safety reason mentioned earlier, there are no commercially viable large-scale alternatives to sachets and multi-layer packaging.

For plastics which do not have affordable and viable alternatives for now, we are in support of the establishment of producers' responsibility scheme to manage and prevent plastic wastes ending up in the environment. There are also other measures which could be undertaken such as packaging and product redesign; converting wastes into materials of value; waste-to-energy; waste-to-fuel (e.g., cement kiln co processing); waste diversion; waste/recycling credit schemes; and other disposal methods allowed under existing laws, rules and regulations.

### Implement an Extended Producers Responsibility (EPR) scheme that is realistic, inclusive, phased and target-based.

The ECCP supports the implementation of an Extended Producers Responsibility (EPR) scheme in the country. An EPR scheme requires significant public and private sector investment towards the establishment of a sustainable waste management infrastructure involving many players that will

divert, reuse, reduce, and recycle waste. We also wish to note that the viability of an EPR system will depend on the availability of feedstock for diversion, reuse and recycling. If sachets, multi-layer packaging, and other SUP are banned, a significant portion of the feedstock for an EPR system will be lost which affects the viability of said scheme.

### On the definition of EPR and scope

The ECCP proposes that the coverage of the Extended Producers Responsibility shall be **limited to plastic packaging waste of finished goods**. Furthermore, for the first five (5) years, we recommend that the EPR scheme shall be imposed on the **producers and importers with an annual turnover of more than PHP 100,000,000**. Thereafter, all producers and importers shall be covered by the scheme. We propose the insertion of a coverage provision to read as follows:

**SECTION XX. SCOPE AND COVERAGE. – WITHIN THE FIRST FIVE (5) YEARS FROM THE EFFECTIVITY OF THIS ACT, THE EXTENDED PRODUCERS RESPONSIBILITY (EPR) SCHEME, AS DEFINED IN THIS ACT, SHALL BE LIMITED TO PLASTIC PACKAGING WASTE, AND SHALL IMPOSE THE RESPONSIBILITY ON THE PRODUCERS AND IMPORTERS WITH AN ANNUAL TURNOVER OF MORE THAN PHP 100MILLION. THEREAFTER, ALL PRODUCERS AND IMPORTERS SHALL BE COVERED BY THE SCHEME.**

Furthermore, in Senate Bill No. 1331, EPR is defined to have the objective of reducing waste generation by redesigning packaging "to make it biodegradable and of improving recyclability or reusability of packaging waste". As much as it would be desirable for packaging materials to biodegrade, we are of the opinion that more research is needed to assess viability of biodegradable packaging especially for food. Additionally, there are currently not a lot of industrial composting facilities that are in place to take in biodegradable waste. Though biodegradability is certainly a tool with retaining in the arsenal of waste management, we would proffer to instead align this phrase with the hierarchy of waste and circular economy concepts.

### On EPR structure

The ECCP appreciates the **flexibility** given in terms of EPR structure as it aims to give the companies the freedom to determine and strategize their own EPR programs suitable for their business operations. The ECCP also sees some merits in the **establishment of a single Producer Responsibility Organization (PRO)** which we recommend to be defined as follows "a legal entity incorporated by obliged companies in accordance with RA11232. They shall develop and implement the system, mechanisms, standards and guidelines for the effective and efficient recovery or take back of the required volume of packaging wastes they put into the market that guarantees it does not leak into the environment."

We understand, however, that the establishment of a PRO may take some time. Should the direction be towards the establishment of a single PRO, we propose that the first year of implementation, obliged companies may comply with the EPR on its own and afterwards, the implementation will be done through a single PRO for ease of monitoring and compliance. Furthermore, the EPR scheme should ensure that every producer and importer shall pay a fee to the PRO. The fee shall be a negotiated amount between producers and importers, and the PRO, to cover collection and disposal of the plastic packaging waste.

### On EPR programs and addressing consumer habits

We wish to clarify if the programs, activities and strategies enumerated in Senate Bill No. 1331 are prospective as many ECCP member companies have already started to embark on sustainability initiatives. We wish to inquire if these existing programs can be considered as part of the company's EPR plan once the bill will be enacted into law. We would also like to clarify if the consideration of a company's shift to sustainability practices as part of the EPR strategy or program is just for a single instance or if the obliged parties be able to continually use these strategies as a deduction from the target that obliged parties are supposed to achieve for every year of implementation.

We would also like to wish to **expand the definition of 'cooperation with other stakeholders'** to include distributors, retailers, grocery and store owners, local government units, social enterprises, junk shop operators, and individuals in informal sector involved in waste management.

Furthermore, the Philippine economy is rooted in the strong consumer demand thru sari-sari stores, groceries, or supermarkets. There are over 1.3 million sari-sari stores which hold a significant portion of the domestic retail market in the Philippines. Practically and on a regular basis, almost every Filipino prefers to buy/consume products in smaller sizes at lower prices. The need for a paradigm shift in the buying habits of Filipino consumers is an important facet that should first be acknowledged and addressed.

**Hence, we reiterate our advocacy on the enhancement of environmental education in the formal curriculum.** Education undoubtedly plays a crucial role in shaping and motivating positive behavior change. Looking into the Philippines' environmental education model, Section 3 of the Environmental Awareness and Education Act of 2008 (RA 9512) currently provides for the introduction of environmental education in school curricula across the board. Furthermore, the Law covers both theoretical and practicum modules comprising activities, projects, programs including, but not limited to, tree planting; waste minimization, segregation, recycling and composting; freshwater and marine conservation; forest management and conservation; relevant livelihood opportunities and economic benefits and other such programs and undertakings to aid the implementation of the different environmental protection law.<sup>13</sup> The ECCP also appreciates the inclusion of waste minimization education in the K-12 Program. However, the curriculum only introduces the said subject starting Fourth Grade.

While this is a commendable undertaking, environmental education must be intensified and introduced at an earlier stage. New Zealand offers introductory waste minimization courses as early as pre-school.<sup>14</sup> In Asia, good practices can also be learnt from Japan. Since 2000s, schools in Japan have developed diverse approaches to environmental education and have incorporated this into each subject, special activity, and even its moral education. The textbooks on Japanese language and moral education also featured literary works on environmental conservation and protection of nature.<sup>15</sup>

It is also worth noting that RA 9003 (Solid Waste Management Act) and RA 9512 (Environmental Education) both provide for the policies and guidelines on environmental awareness and education. This responsibility, however, should not be imposed on businesses especially at the onset, so that it can focus its efforts on the huge task of **recovering plastic waste that has been sold in the market and before it gets to the landfills and our waters.**

#### **On diversion rate targets**

The ECCP suggests that each obliged party shall recover or off-set and divert into value chains and value-adding useful products, whenever possible, **at least twenty percent (20%) of their plastic packaging product footprint, two (2) years after the effectivity of the Act. Alternatively, on a voluntary basis, obliged parties may opt to recover at least 10% after one year from the effectivity date** provided that the Department of Environment and Natural Resources, upon review and recommendation of the National Solid Waste Management Commission (NSWMC), shall gradually increase the percentage until it reaches one hundred percent (100%) recovery or offsetting of their plastic packaging product footprint by 2030.

#### **On the submission of the EPR plan**

The members of the ECCP wish to echo their concern on the additional requirement of the submission of an EPR plan as this will create another layer of administrative work on top of the other reportorial

<sup>13</sup> Department of Natural Resources (2017). The National Environmental Education Action Plan 2018-2040 (Version 1). Retrieved from [https://www.switch-asia.eu/fileadmin/user\\_upload/Publications/2017/PSC\\_Philippines/National\\_Environmental\\_Education\\_Action\\_Plan\\_NEEAP\\_.pdf](https://www.switch-asia.eu/fileadmin/user_upload/Publications/2017/PSC_Philippines/National_Environmental_Education_Action_Plan_NEEAP_.pdf)

<sup>14</sup> Zero Waste Education Program (n.d.). Retrieved from <https://www.zerowasteeducation.co.nz/howitworks>

<sup>15</sup> Kodama (2017). Environmental Education in Formal Education in Japan. Retrieved from <https://www.eubios.info/EJ94/ej94i.htm>

requirements. If such a plan will be required, we would like to request that the period submission **be extended to at least one (1) year** to provide for sufficient lead time to create a comprehensive EPR plan which adequately considers all types of plastic packaging.

#### **On incentives, fines and penalties**

The ECCP proposes that the **expenses incurred in complying with the EPR can be considered a taxable deduction from income tax.** We propose the coverage of the following expenses including, but not limited to, the importation of machinery, equipment, vehicles and spare parts used for collection, transportation, segregation, recycling, re-use, and composting of solid wastes, as well as other activities considered as part of an EPR program.

On the other hand, we are of the opinion that the proposed penalties -- two (2%) of the annual gross turnover for non-submission of the Plan and 3% for misdeclaration are too steep. We urge the authorities to impose **penalties and fines that are fair and commensurate with the rate of failure to meet the targets**, as specified in the Act. In this context, we suggest that the responsible party, unable to meet its target, shall **pay the fine equivalent to twice the average cost of recovering the target or the remainder of the target, as may be determined by the PRO and verified by the DENR through NSWMC.**

#### **On conducting a national waste inventory**

Before any move to approve the subject bill is considered, it is essential to come up with a national inventory of wastes that will provide proper quantitative data in order to identify priority waste streams and sources, main risks, main players, and service and investment needs. The United Nations Environment Programme, through the Basel Convention, has come up with a methodological guide for the development of inventories of hazardous wastes and other wastes. As signatory to this Convention, the Philippines has the obligation to report information concerning measures they have taken towards its implementation and other information on the status of generation, transboundary movements, and management of hazardous wastes and other wastes in the country.<sup>16</sup>

This guide can be locally implemented by data gathering government agencies and instrumentalities. This waste inventory system, when developed, can also be used as a compliance monitoring system for producers and manufacturers subject to the legislative measure. Data gathering should first be the priority to correctly target the evil that the legislative measure seeks to eradicate.

#### **On creating a market for recycling and providing financial and non-financial incentives for the same.**

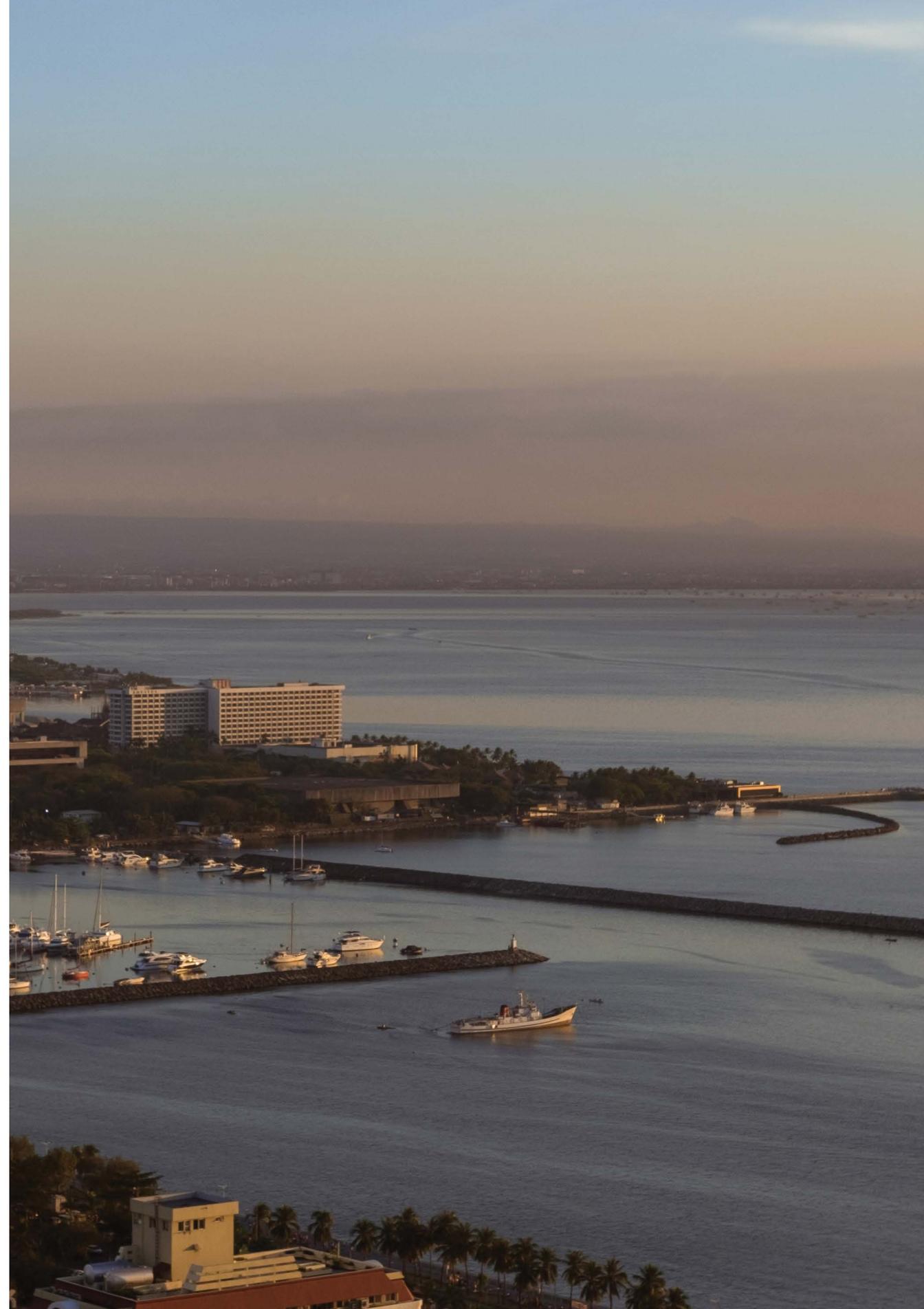
In order to create waste-to-value, it is imperative that market-based collection system, wasteto-value facilities, and markets be established in order to maximize the potential value of the said wastes. Moreover, the Philippine government is encouraged to create policies and programmes for the provision of incentives (financial and non-financial) to promote recycling industries.

Potential areas for financial incentives may include: 1) energy and electricity; 2) collection and transportation of domestic recyclable materials; 3) waste-to-value facilities promoting coprocessing of alternative fuels to cement kilns, and other high-value products such as biofuels, biochar, compost, among others; 4) quantity/quality assurance of recyclable materials; 5) domestic procurement of recyclable materials; and 6) environmental financing. Non-financial incentives may include the following: government initiative on procurement of recycled products (Green Purchasing Initiative; 2) environmental labeling (Green Choice); and 3) Guidelines for Selecting Recycled Products (Green Consumer Initiative).

<sup>16</sup> Basel Convention, Methodological Guide for the Development of Inventories of Hazardous Wastes and Other Wastes under the Basel Convention.

## SUMMARY

We propose that an EPR scheme be implemented instead and in substitution of an outright ban of sachets and multi-layered packaging. We advocate for the establishment of an **EPR system that is inclusive, target-based, phased, achievable and implementable**. When done right, this will help increase collection and recycling rates as well as enable obliged companies to share in the financial responsibility for waste management. Furthermore, it sets more realistic milestones and targets for collection of plastic waste without losing sight of the ultimate goal of achieving “plastic neutrality,” or when all plastic manufactured and sold is collected and does not end up in the landfills or in the bodies of water.



# ASSESSMENT OF 2019 RECOMMENDATIONS

ADVOCACY	COMPLETED/ SUBSTANTIAL PROGRESS	SOME PROGRESS	NO PROGRESS/ RETROGRESSION
<p><b>The Creation of the Department of Water</b></p>		<p>Last 16<sup>th</sup> September 2021, the National Economic Development Agency (NEDA) unveiled the <b>Philippine Water Supply and Sanitation Master Plan for the planning, implementation, and funding of the water supply and sanitation sector</b>. This plan emphasized the urgency of creating an apex, centralized body for water sector governance.</p> <p>On a similar note, the House recently filed House Bill No. 9948 or the National Water Act. This measure aims to establish a national framework for water resource management and <b>create the Department of Water Resources and the Water Regulatory Commission</b>. This further defines the mandates, powers, and functions and appropriates funds. As of writing, HBN 9948 is in the period of sponsorship.</p>	
<p><b>Phased implementation of DENR Administrative Order Water Quality and Effluent Standards Guidelines</b></p>		<p>In June 2021, the DENR issued the <b>Department Administrative Order No. 2021-19</b> on “Updated Water Quality Guidelines and General Effluent Standards for Selected Parameters”. This partially amends DENR Administrative Order No. 2016-08, updating water quality guidelines and/or general effluent standards for the following parameters: ammonia, boron, copper as dissolved copper, fecal coliform, phosphate as phosphorus, and sulfate. The new DAO also stipulates the obligation to submit data on influent values of biological oxygen demand (BOD) for establishments with influent BOD equal to or greater than 3000 mg/L. All other parameters not mentioned in DAO 2021-19 will be covered by the requirements of DAO 2016-08.</p>	
<p><b>Plastic Waste Management</b></p>		<p>In terms of <b>legislation</b>, the House of Representatives approved last 28 July 2021 the House Bill No. 9147 or the “Single-Use Plastic Products Regulation” Bill, which seeks to regulate and phase-out single-use plastics. In the Senate, three bills have been filed: SBN 2262 or An Act Regulating the Production, Importation, Sale, Distribution, Provision, Use, Recovery, Collection, Recycling, and Disposal of Single-Use Plastic and Single Use; Styrofoam Products (Filed by Sen. Manny Pacquiao); SBN 1331 “Extended Producers Responsibility Act of 2020” (filed by Sen Cynthia Villar); SBN 2285 “Extended Producers Responsibility Act of 2020” (filed by Sen Bong Revilla). This has also been listed as priority by the Climate Change Commission.</p>	



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