

NEWS RELEASE:

DENR Chief Grants Host Country Approval to 7 CDM Projects

Environment and Natural Resources Secretary Angelo T. Reyes announced today that seven proposed Clean Development Mechanism (CDM) project activities were granted host country approval by the DENR as the Designated National Authority (DNA) for CDM on 30 June 2006. This adds up to a total of eight approvals since the first approval in mid December 2005 for a wind power project. Altogether, the 8 CDM projects will reduce an estimated 235,442 tons of carbon dioxide equivalent per year (tCO₂e/yr).

DENR was designated as the National Authority for CDM in the Philippines by virtue of Executive Order No. 320, on 25 June 2004. As the DNA, the DENR facilitates the development and approval of CDM project activities in the Philippines, pursuant to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol. The UNFCCC directs the stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous human interference with the climate system, lead to the transfer of environmentally safe and sound technology and know-how, contribute to the conservation of biological diversity and sustainable use of natural resources, comply with all other pertinent laws and regulations, and provide measures to alleviate poverty as part of their contribution to sustainable development. Based on its screening, evaluation and approval procedures, the Authority shall decide whether a CDM project activity contributes to achieving the country's sustainable development goals and authorize the voluntary participation of the Philippine project participants.

Six of the seven projects issued with Letters of Approval will reduce methane emissions from wastewater produced by five hog farms and one distillery through the use of the covered in-ground anaerobic reactor (CIGAR) and the thermophilic anaerobic digester technologies, respectively. The five methane recovery and electricity generation projects from hog farms were developed by the Philippine Bio-Sciences Company, Inc. in cooperation with the Eco-Securities and are owned by the Gaya Lim Farm, Incorporated; Gold Farm Livestocks Corporation; Joliza Farms, Incorporated; Paramount Integrated Corporation and Uni-Rich Agro-Industrial Corporation located in Region III, in the provinces of Bulacan, Tarlac and Nueva Ecija. The wastewater treatment at the ethanol plant of the Absolut Chemicals Incorporated, a subsidiary of the Tanduary Distillers, Incorporated, is situated in Lian, Batangas and is being developed in cooperation with the Mitsubishi Corporation, Mitsubishi UFJ Securities and the Kingsford Environmental Philippines, Incorporated. These project activities act as clean technology demonstration projects within the livestock and ethanol wastewater management sector resulting in improved waste management by reducing chemical oxygen demand, destroying biochemical oxygen demand, diminishing suspended solids and improving color quality of wastewater. The projects are highly valued by the local farmers, as the treated wastewater will be provided and applied as liquid fertilizer for free, thereby reducing farmers' reliance on chemical fertilizers, with both financial and environmental benefits. In addition, the projects also increase diversity and security of energy supply of the ethanol plant and the hog farms by using the biogas as fuel for electricity generation.

The seventh CDM project activity recently issued with a Letter of Approval by the DENR is the 20MW Nasulo geothermal power plant and switching station of the Philippine National Oil Company – Energy Development Corporation (PNOC-EDC) located in the Nasuji Area of the Southern Negros Geothermal Production Field in Valencia, Negros Oriental. This project is expected to contribute to emission reduction through the utilization of a clean energy source, displacing fossil fuels and the resultant carbon dioxide emissions. The geothermal power plant project also seeks to assist in the accelerated development and utilization of renewable energy thereby contributing to the country's energy self-sufficiency, generating energy savings, promoting technology transfer as well as providing economic opportunities specifically in the project area through employment, training support and livelihood projects.

The approval by the DNA of these eight projects and the subsequent request for registration by their respective project participants can potentially raise the country's status from zero to about 3.49% share of the total number of Registered CDM Projects worldwide (currently at 229 projects). At present, the top host countries with the highest number of registered CDM projects, mainly ranging across hydro, food processing, waste management, livestock and wind industries, are: a) India (71 projects or 31% of total); b) Brazil (48 projects or 20.96% of total); c) Mexico (17 projects or 7.42% of total); d) Chile (13 projects or 5.68% of total); e) China (11 projects or 4.80% of total); f) Honduras (9 projects or 3.93% of total); g) Korea and Malaysia (at 5 projects or 2.18% each of total) and h) Argentina (4 projects or 1.74% of total). For projects that are undergoing validation by accredited third-party quality assurance companies, known as the "Designated Operational Entities or DOEs," the Philippines ranks 4th with 22 projects being validated, just behind China, Brazil and India.

According to Secretary Reyes, the Philippines has enormous prospects and opportunities for hosting CDM project activities in the areas of solar and wind energy, mini and micro hydropower, energy efficiency, fuel switching, improved industrial processes, waste management, biofuel use, clean transport, afforestation and reforestation and even probable future project activities in the agricultural sector in relation to rice cultivation and improved fertilizer usage. Secretary Reyes further added that the recent host country approval of the seven proposed CDM projects, contributing a total of 183,587 tCO₂e annually, are expected to significantly expand and attract more foreign investments in greenhouse gas-reducing and sustainable development-compliant projects in the country.