Philippines Country Report 2022 Environment and Safety

Prepared by Philippines Iron and Steel Institute

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Overview of Environment & Safety

Climate Resiliency Actions to Prevent Disasters

- Department of Environment and Natural Resources (DENR) is shifting its efforts from the current disaster response and recovery to disaster prevention and building climate resiliency.
- Focus areas include the Cagayan River Basin, Marikina River Basin and the Bicol River Basin that were damaged by Typhoons Rolly and Ulysses in 2020, as well as Regions 6, 7, 8, 10, Caraga and MIMAROPA that were ravaged by Typhoon Odette in 2021.
- DENR oversaw the widening of the Cagayan River to address floodings in the province, clearing a total of 515,441 cubic meters and another 142,220.7 cubic meters were dredged.
- Marikina River chokepoints consisting of 67,425 cubic meters were likewise removed, resulting in the river's improved water flow at 3 meters per second (mps) from 2.3 mps. Its current flow rate is now close to its ideal flow rate of 4 mps

40 GW of Offshore Wind Power by 2050

- A new roadmap by the Department of Energy (DOE) and the World Bank Group (WBG) shows that the Philippines has potential to install 40 GW of offshore wind power with the right long-term vision, infrastructure development, investment, and policies.
- The Philippines Offshore Wind Roadmap charts out the potential for developing a robust offshore wind industry in the Philippines in two potential scenarios. Analysis of the low growth scenario suggests that the Philippines has potential to install 6 GW of offshore wind by 2050, making up 5 percent of the country's electricity supply. Analysis of the high growth scenario shows the potential to install 40 GW making up 45 percent of its supply.
- To achieve these scenarios, the roadmap provides guidance on actions that must be taken by the government in collaboration with the stakeholders, including putting in place a long-term plan for offshore wind until 2050 as part of a decarbonized energy mix; establishing offshore wind development zones through further marine spatial planning; investment in transmission, port and other energy infrastructure upgrades; increasing collaboration with industry and other relevant government agencies; among others.

First Green Energy Auction in the Philippines

- The Department of Energy (DOE), through the Green Energy Auction Bids Evaluation and Awards Committee (GEA-BEAC), conducted the first auction round of the Green Energy Auction Program (GEAP) in the Philippines on 17 June 2022.
- There were 24 Qualified Bidders who participated in the auction. They will be competing for the 2000 MW-capacity requirement that has been set for said auction round, which was done through an Electronic Bidding Platform. Of the 24 bidders, eight were from solar, another eight were from wind, seven were from run-of-river hydro, and one was from biomass.
- The success of this competitive process will set the benchmark for the future auction rounds, as the resulting Green Energy Tariff (GET) will reflect the value of electricity.
- Through the GEAP, the DOE paved the way for immediate and timely investments; supported the development of, and increased financing access for new or additional capacities under a competitive process; as well as implemented programs that promote environmental sustainability, which will aid the country's transition to renewable energy (RE)

Legislative & Policy Updates

Making Firms Responsible for Plastic Packaging

- Republic Act (RA) 11898 or the Extended Producer Responsibility (EPR) Act of 2022, mandating companies to establish EPR programs for their plastic packaging, lapsed into law on July 30, 2022.
- Under the new law, companies will have to establish EPR programs for plastic waste reduction, recovery and diversion based on internationally accepted principles on sustainable consumption and production, circular economy, and producers' full responsibility throughout the life cycle of products.
- Through EPR, "obliged enterprises," or through their Producer Responsibility Organizations, will have to recover or offset their generated plastic product footprint by 20 percent in 2023 to 80 percent by 2028.
- Among the plastic packaging covered by the EPR Law include single or multi-layered plastics such as sachets, rigid plastic packaging products like food and drink containers, single-use plastic bags, and polystyrene.
- Penalties for the non-compliance of EPR duties range from P5 million to P20 million, or "twice the cost of recovery and diversion of the footprint or its shortfall, whichever is higher."

Biodiversity Protection in Mining Operations

- Department of Environment and Natural Resources (DENR) Administrative Order (DAO) No. 2022-04 was issued to strengthen measures to preserve terrestrial and marine biodiversity in mining.
- DAO 2022-04 requires mining contractors, permit holders, and permittees to include biodiversity measures in their respective Environmental Work Program, Environmental Protection and Enhancement Program, and Final Mine Rehabilitation and/or Decommissioning Plan.
- These biodiversity measures will be integrated in all stages of mining operations, including exploration, development and utilization, closure, decommissioning, and rehabilitation.
- Meanwhile, the order also mandates the progressive rehabilitation, or temporary revegetation of disturbed areas, to be undertaken at every stage of mining operation to restore mined-out areas and allow regeneration of the biodiversity to preserve “ecosystem goods and services.”
- The order, published on April 21, also prompts mining companies to integrate biodiversity conservation and protection in their Social Development and Management Program (SDMP). SDMP is the five-year plan of mining contractors and permit holders, which contains plans to support the development and empowerment of host and neighboring communities.

Industry Activities for Environment & Safety

SteelAsia Selects Green Steel Technology

- SteelAsia Manufacturing Corporation, the flagship steel manufacturing company in the Philippines, recently inked a partnership for Consteel Evolution, a state-of-the-art low-impact technology for steel manufacturing. It will be the first of its kind in the country and will be employed in SteelAsia's new melt shop in Lemery, Batangas, in 2024.
- The new Consteel Evolution melt shop will recycle local scrap metal to produce high-grade billets for steel sections. The advanced Lemery facility will also be one of the cleanest steel plants in the world. It will generate the lowest carbon emission, providing Filipinos with top-quality steel sections produced with the most environmentally friendly technology.
- The Consteel Evolution technology saves energy, decarbonises steel production, and reduces environmental impacts through efficient energy recovery and pollution control innovations. Scrap metal is a vital national resource used in steel production with low carbon emission, and SteelAsia targets to increase its output by maximising the use of scrap metal.

Disaster Mitigation Preparedness and Response

- The Association of Structural Engineers of the Philippines (ASEP) is strengthening its Disaster Mitigation Preparedness and Response or DMPR advocacy group to make buildings and structures in the Philippines more resilient to the natural disasters faced by the country every year e.g. earthquakes, typhoons, floods, landslides and tsunamis.
- Trainings are held at all major cities in the country for structural engineers to be DMPR volunteers to contribute to the country by inspecting buildings and structures during pre and post-natural disaster.
- The earthquakes that recently shook the country have placed the structural integrity of buildings under the spotlight, putting urgency on the need for regular inspections by trained structural engineers.
- Newer buildings abide by the National Building Code or the National Structural Code, which lay down requirements on how to build earthquake-resistant structures. However, older buildings constructed with older materials should be checked, analyzed, and upgraded to comply with the present building code.

THANK YOU

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