



**MEMORANDUM**

**FOR/TO :** The Director, Legal Affairs Service (Vice- Chairperson, PTWG)  
Assistant Director, Biodiversity Management Bureau  
Assistant Director, Ecosystems Research and Development Bureau  
Assistant Director, Environmental Management Bureau  
Assistant Director, Forest Management Bureau  
Assistant Director, Land Management Bureau  
Assistant Director, Mines and Geosciences Bureau  
Representative, Office of the Undersecretary for Legal and Administration  
Representative, Office of the Undersecretary for Finance, Information Systems and Climate Change  
Representative, Office of the Undersecretary Policy, Planning and International Affairs  
Representative, Office of the Undersecretary for Field Operations (FO) - Luzon, Visayas and Environment  
Representative, Office of the Undersecretary for FO – Mindanao  
Representative, Office of the Undersecretary for Integrated Environmental Science  
Representative, Office of the Undersecretary for Special Concerns and Legislative Affairs  
Representative, Office of the Assistant Secretary for Policy, Planning and Foreign-Assisted and Special Projects  
Representative, Office of the Assistant Secretary for Legal Affairs  
Representative, Office of the Assistant Secretary for FO - Luzon and Visayas  
Representative, Office of the Assistant Secretary for FO - Eastern Mindanao  
Representative, Office of the Assistant Secretary for FO - Western Mindanao  
Representative, Legal Affairs Services  
Representative, Climate Change Service  
Representative, Foreign-Assisted and Special Projects Service  
Representative, Internal Audit Service  
Representative, Strategic Communication and Initiatives Service  
Representative, Geospatial Database Office

**FROM :** The OIC Director  
Policy and Planning Service

**SUBJECT: SUMMARY OF AGREEMENTS DURING POLICY TECHNICAL WORKING GROUP (PTWG) MEETING NO. 2024-08**

**DATE :** 06 AUG 2024

MEMO NO. 2024 - 698

We are furnishing herewith the summary of agreements (SOA) during the PTWG Meeting No. 2024-08 held on 18 July 2024, 9:30 AM at the Office of the Undersecretary for Legal and Administration (OULA) Conference Room, 6th Floor, DENR Central Office and via Zoom, which tackled the proposed policies from the Forest Management Bureau (FMB) and Mines and Geosciences Bureau (MGB).

Please be informed that the SOA has been circulated through email for further comments on 23 July 2024. The FMB's comment had been incorporated in the said SOA. Moreover, there are no other substantial inputs received by the deadline hence, the SOA is hereby considered as concurred by the PTWG members who attended the said meeting.

Further, as agreed upon, the proposed policies shall be circulated to the PTWG members for final vetting, once revised by the proponent.

For your information and consideration, please.



**CHERYL LOISE T. LEAL, EnP**



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



**MEMORANDUM**

**FOR** : The OIC, Assistant Secretary for Field Operations-Western Mindanao, and Director, in concurrent capacity  
Forest Management Bureau  
  
The OIC Director  
Mines and Geosciences Bureau

**FROM** : The OIC Director  
Policy and Planning Service

**SUBJECT** : **SUMMARY OF AGREEMENTS DURING POLICY TECHNICAL WORKING GROUP (PTWG) MEETING NO. 2024-08**

**DATE** : 06 AUG 2024

This refers to PTWG Meeting No. 2024-08 held on 18 July 2024, 9:30 AM at the Office of the Undersecretary for Legal and Administration (OULA) Conference Room, 6<sup>th</sup> Floor, DENR Central Office and via Zoom. The said meeting discussed the following proposed policies:

1. Draft DAO re: Guidelines on the Integration of Sustainable Development Goals on the Formulation and Implementation of the Social Development and Management Program; and
2. Draft DAO re: Guidelines In The Computation Of The Floor Prices For The Issuance Of Appropriation Management Arrangement Within Government-Funded Plantations

Relative thereto, attached is the summary of agreements, for your information and reference in the revision of your respective policy. Moreover, the proposed policies shall be revised by the proponent and submitted to this Office within a period of one (1) week, for recirculation to the PTWG members for final comment/vetting.

In this regard, kindly submit your revised draft policy not later than **09 August 2024**.

For your consideration, please.

  
CHERYL LOISE T. LEAL, EnP

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**Request for Comment/Concurrence on the Summary of Agreements for PTWG No. 2024-08**

1 message

PSD-PPS &lt;psddivision@gmail.com&gt;

Tue, Jul 23, 2024 at 11:43 AM

To: DENR FMB <fmb@denr.gov.ph>, FMB FPPKMD Policy <fppkmd.fps@fmb.denr.gov.ph>, "FPPKMD Forest Policy, Planning and Knowledge Management Division" <fppkmd@fmb.denr.gov.ph>, glaizabelrosario@gmail.com, MGB minesafety <minesafety@mgb.gov.ph>, mgb@denr.gov.ph, MGB <central@mgb.gov.ph>, "MGB - CO.Planning" <mgbcoplan@yahoo.com>, mgb.denr@gmail.com, MGB legal <legal@mgb.gov.ph>, "Dir. Norlito Eneran" <enerannor@gmail.com>, Norlito Eneran <nor\_eneran@yahoo.com>, DENR Legal Service Director <dirlegsrv@denr.gov.ph>, DENR Legal Service Director <legal.od@denr.gov.ph>, BMB - Planning 2 <bpmkd@bmb.gov.ph>, BMB - Planning <bmb@bmb.gov.ph>, Biodiversity Management Bureau <bmb@denr.gov.ph>, BMB <director@bmb.gov.ph>, Ecosystems Research and Development Bureau <erdb@denr.gov.ph>, butchbmarquez@gmail.com, Rachell Abenir <rachell.abenir@bmb.gov.ph>, erdb legaloffice <erdb.legal.office@gmail.com>, DENR-EMB <pppdd@emb.gov.ph>, EMB - Office of the Director <od@emb.gov.ph>, EMB <emb@denr.gov.ph>, EMB <emb@emb.gov.ph>, janus alpaño <janus\_alpano@emb.gov.ph>, Land Management Bureau <lmb@denr.gov.ph>, LMB - LPPD <lppdpolicy@gmail.com>, LMB LPPD-PDS <lppdpolicy2nd@gmail.com>, LMB OAD <lmb.oad@yahoo.com>, "Nicole Ortega (DENR-LMB)" <jortega@lmb.gov.ph>, MGB Panning <planning@mgb.gov.ph>, Climate Change Service <ccs@denr.gov.ph>, ccs.denr@gmail.com, Mel Fonollera-Matubis <meldiesfm@yahoo.com>, scis.denr@gmail.com, IAS Office of the Director <ias.od@denr.gov.ph>, DENR Internal Audit Service <ias@denr.gov.ph>, vbtuddaojr590@gmail.com, FASPS Office of the Director <fasps.od@denr.gov.ph>, "Conrado Bravante, Jr." <cabravantejr@denr.gov.ph>, Ispresbitero@denr.gov.ph, USEC CCSMC <USECCCSMC@denr.gov.ph>, Undersecretary for Organizational Transformation <ouot@denr.gov.ph>, usec.fiscc@denr.gov.ph, "Undersecretary for Policy, Planning and International Affairs" <ouppia@denr.gov.ph>, "Jeremy Christian Q. Rola" <jeremyrola@yahoo.com>, Maria Cristina Francisco <macgaf2017@gmail.com>, Undersecretary for Field Operations - Mindanao <usec.fom@denr.gov.ph>, "Usec Usec. Juan Miguel Cuna" <usecfieldopsluzon@denr.gov.ph>, Undersecretary for Special Concerns <usec.sc@denr.gov.ph>, Josefina Ocampo <josefinaocampo1@gmail.com>, Assistant Secretary for Legal <asec.legal@denr.gov.ph>, oasecfoem@gmail.com, "Assistant Secretary for Finance, Information Systems and Mining Concerns" <asec.fismc@denr.gov.ph>, Asec FOSL <asecfosl.denr@yahoo.com>, "Assistant Secretary for Policy, Planning and Foreign Assisted and Special Projects" <asec.planfasp@denr.gov.ph>, aseccoem@denr.gov.ph, aseccoem@gmail.com, aseccofwm.denr@gmail.com, Lolit Presbitero <lspresbitero@gmail.com>, OD LAS <las.denr@gmail.com>, agathabedi@gmail.com, cpdavid@denr.gov.ph, "glaquino66@gmail.com" <glaquino66@gmail.com>, "julieanneb@gmail.com" <julieanneb@gmail.com>, "siosonjhumar@gmail.com" <siosonjhumar@gmail.com>, "joancondeno26@gmail.com" <joancondeno26@gmail.com>, jlaldovino@denr.gov.ph, Nelgie Ann Belesario <nbelesario.denr@gmail.com>, kgnong@gmil.com, jlsr.rbco@gmail.com  
Bcc: "Hazel Jasmine P. Donato" <hjpdonato@denr.gov.ph>, Emma Liwliwa Baradi <emmabaradi@gmail.com>, hazeljasminepd@gmail.com

Dear Sir/ Ma'am,

In line with the conduct of **Policy Technical Working Group (PTWG) Meeting No. 2024-08** on 18 July 2024, 9:30 AM at the Office of the Undersecretary for Legal and Administration Conference Room and online via Zoom, may we respectfully request your comment/concurrence on the attached draft Summary of Agreements of the PTWG Meeting with the following agenda:

1. Draft DAO re: Guidelines on the Integration of Sustainable Development Goals in the Formulation and Implementation of the Social Development and Management Program  
(you may access the draft DAO through this link: <https://bit.ly/3WvoXa6>)
2. Draft DAO re: Guidelines in the Computation of the Floor Prices for the Issuance of Appropriate Management Arrangements within Government-Funded Plantations  
(you may access the draft DAO through this link: <https://bit.ly/4fpPXiO>)

We would appreciate receiving your comment/concurrence **on or before 26 July 2024 (Friday)**. If we do not receive any feedback/response from your respective Offices by the said deadline, we will interpret it as your endorsement of the revised draft policies reviewed during the meeting.


Thank you.

PTWG Secretariat



- ☎ 8925-1183 / VOIP: 1086
- ✉ psddivision@gmail.com  
policy@denr.gov.ph
- 📍 3rd flr. DENR Central Office  
Policy and Planning Service  
Visayas Avenue, Quezon City

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 SOA\_PTWG No.2024-08 (Rev).docx.pdf  
417K

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**Re: Request for Comment/Concurrence on the Summary of Agreements for PTWG No. 2024-08**

1 message

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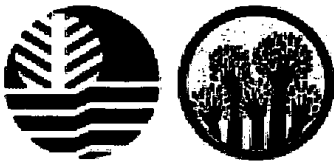
**FPPKMD-FPS Forest Policy Section** <fppkmd.fps@fmb.denr.gov.ph>  
To: PSD-PPS <psddivision@gmail.com>

Fri, Jul 26, 2024 at 12:15 PM

Dear PSD,

On Scope and coverage, please be informed that there is a separate policy will cover the "delisting" of NGP sites from the Book of Accounts. Moreover, the term "delisting computation" is not existing.

Thank you.

**Forest Policy Section**Forest Policy, Planning and Knowledge Management Division  
Forest Management Bureau

Phone : (63-2) 8926-2141

Email Address : fmb@denr.gov.ph



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On Tue, Jul 23, 2024 at 11:43 AM PSD-PPS <psddivision@gmail.com> wrote:

Dear Sir/ Ma'am,

In line with the conduct of **Policy Technical Working Group (PTWG) Meeting No. 2024-08** on 18 July 2024, 9:30 AM at the Office of the Undersecretary for Legal and Administration Conference Room and online via Zoom, may we respectfully request your comment/concurrence on the attached draft Summary of Agreements of the PTWG Meeting with the following agenda:

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We would appreciate receiving your comment/concurrence **on or before 26 July 2024 (Friday)**. If we do not receive any feedback/response from your respective Offices by the said deadline, we will interpret it as your endorsement of the revised draft policies reviewed during the meeting.

Thank you.

PTWG Secretariat

**PTWG Meeting No. 2024-08**  
**SUMMARY OF AGREEMENTS**

18 July 2024 | 9:30 AM | OULA Conference Room, 6/F DENR Bldg.

**I. Call to Order**

|  |   |
|--|---|
| <b>Chairperson:</b> Dir. Cheryl Loise T. Leal    |   |
| <b>Vice Chairperson:</b> Atty. Norlito A. Eneran |   |
| <b>Members:</b>                                  |   |
| Usec. Carlo Primo David - OUIES                  | For. Jeremy Q. Rola - OUPPIA            |
| Engr. Marcial H. Mateo - MGB                     | Ms. Encarmila B. Panganiban - OULA      |
| Engr. Gilbert Aquino - MGB                       | Ms. Nelgie Ann C. Belesario - OUFISCC   |
| Ms. Julie Anne R. Balanag - MGB                  | Ms. Krystyne Ong - OULA                 |
| Mr. Jhumar Sioson - OUFOLVE                      | Mr. Conrado A. Bravante Jr. - FASPS     |
| For. Josefina M. Ocampo - OASFOLV                | Ms. Jea Robelo - RBCO                   |
| Mr. Aries Matibag - OUFLVE                       | For. Glaiza Del Rosario - MGB           |
| For. Kenneth Tabliga - FMB                       | Atty. Eugene Julius L. Paranaque - ERDB |
| For. Claudett Endozo - FMB                       | Mr. Ariel Catindig - SDRMD              |
| For. Jeruz Pahilanga - OUFOM                     |   |
| Ms. Juanita C. Timola - OASECFOWM                |   |
| For. Jake Lorenz C. Aldovino - IAS               |   |
| <b>Secretariat:</b>                              |   |
| For. Llarina S. Mojica                           | Ms. Nim Hydee M. Eusebio                |
| For. Hazel Jasmine D. Chua                       | Ms. Zayrelle Ann U. Suello              |
| For. Emma Liwliwa S. Baradi-Medina               | Mr. Lanli Mark R. Macay                 |
| For. Raphael Celestino Y. Baskinas               | Mr. Nehemiah Leo Carlo Salvador         |
| Ms. Leila Dane P. Vega                           |   |

**Note:** Some DENR Regional and Field Offices were invited to observe and participate in the policy review. The PTWG 2024-08 was participated by representatives from DENR Regional Offices and MGB Regional Offices from Regions 3, 4A, and 13 (particularly from the LPDD and CDD).

**II. Adoption of the Provisional Agenda**

The meeting was called into order by the Chair, Director Cheryl Loise T. Leal, at 09:38 AM. The body approved the agenda to review MGB and FMB's draft proposed guidelines on integrating sustainable development goals in the formulation and implementation of the social development and management program and the computation of the floor prices for the issuance of appropriate management arrangements within government-funded plantations, respectively. Undersecretary Carlos Primo David then facilitated the meeting.

**III. Discussions on Proposed Policies**

**A. DRAFT DAO RE: "GUIDELINES ON THE INTEGRATION OF SUSTAINABLE DEVELOPMENT GOALS IN THE FORMULATION AND IMPLEMENTATION OF THE SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM"**

Engr. Marcial Mateo provided the background of the draft DAO. According to him, the Social Development and Management Program is a comprehensive five-year plan for the contractor/permit holder to achieve sustained improvement in the host's and neighboring communities' living standards. Engr. Mateo mentioned that one of the legal bases for adopting Sustainable Development Goals (SDGs) in the implementation of SDMP is provided in the United Nations Summit Report in New York on September 25-27, 2015. Moreover, he shared that the draft policy emanated due to the instructions of Undersecretary Carlos Primo David on May 8, 2023, to prepare guidelines on the adoption of the SDGs into the SDMP of mining companies.

| Provision                             | Comments/Agreements  |
|---------------------------------------|--|
| <p><b>Preliminary Discussions</b></p> | <ul style="list-style-type: none"> <li>• Dir. Norlito Eneran clarified whether the stakeholder consultation/workshop conducted by MGB involved the mining industry and local government units. Engr. Marcial Mateo answered that LGUs were not invited; however, as a way forward, participants should inform/re-echo to their respective LGUs the results of the consultation conducted together</li> </ul> |



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|                                | <p>with the issues/concerns discussed during the meeting. Engr. Gilbert Aquino mentioned that nationwide audits were conducted regularly, including discussions and consultations with LGUs. Moreover, he shared that a Department of Interior and Local Government (DILG) Memorandum Circular (MC) was circulated, requiring LGU officials to align their PPAs with the SDGs. Hence, it was agreed that the proponent will cascade the DAO, once signed, to LGUs and concerned stakeholders.</p> <ul style="list-style-type: none"> <li>• For. Josephina Ocampo pointed out that LGUs should be involved in the inception phase of the policy before its approval to align the SDMP with the existing development plans of LGUs.</li> </ul> |
| <b>Subject/Title</b>           | <b>ADOPTED</b>   |
| <b>Prefatory Statement</b>     | <ul style="list-style-type: none"> <li>• Dir. Cheryl Leal inquired about the existing guidelines for formulating Social Development and Management Plan (SDMP). Engr. Mateo replied that the guidelines are provided in DAO No. 2010-13.</li> <li>• For brevity and uniformity, Dir. Eneran suggested omitting the phrase "to the provisions" as well as the mention of "Section 135 of"</li> </ul>  |
| <b>SECTION 1. Basic Policy</b> | <ul style="list-style-type: none"> <li>• Dir. Eneran commented that the first paragraph was a general statement quoted from RA No. 7942. Hence, he proposed replacing it with a statement specific to SDGs.</li> <li>• For. Ocampo suggested replacing "are required to" with "shall" to impose a more robust command. She also suggested replacing "cover and" to "include."</li> <li>• Dir. Eneran observed that the second paragraph needs to be revised in the basic policy and transferred to a more appropriate section where contractors, operators/permit holders/mining patent holders must submit</li> </ul>   |

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|  | <p>pertinent documents. Hence, the body agreed to transfer the second paragraph in Section 5.</p> <ul style="list-style-type: none"> <li>• Usec. Carlos Primo David suggested inserting a statement such as “mining companies are directly responsible for attaining applicable SDGs in their host and neighboring communities” in the introductory part of the basic policy.</li> </ul>   |
| <b>SECTION 2.Objectives</b>  | <b>ADOPTED</b>   |
| <b>SECTION 3. Scope and Coverage</b>   | <ul style="list-style-type: none"> <li>• To be consistent with the policy title Lines 48 to 49 to be revised as: “Formulation and implementation,”.</li> </ul>   |
| <b>SECTION 4. Definition of Terms</b>  | <ul style="list-style-type: none"> <li>• On 4.1, For. Ocampo suggested spelling out FTAA as Financial or Technical Assistance Agreement.</li> <li>• Under the definition of host community/ies in 4.2, Dir. Eneran proposed incorporating the Indigenous People Communities and other applicable stakeholders to indicate they are part of the barangay/s where the project facilities are.</li> <li>• On 4.3, Dir. Eneran suggested using the word “adjacent” instead of “next level.”</li> <li>• On 4.4, Dir. Eneran suggested including “cities” aside from the municipalities where the mining project is located.</li> </ul>  |
| <b>SECTION 5. SDG Integration in the SDMP Formulation and Implementation</b> | <ul style="list-style-type: none"> <li>• For consistency, add “and implementation”</li> <li>• Dir. Eneran suggested listing in the draft DAO the specific tasking/ roles and responsibilities of stakeholders involved (e.g., LGU, IPs, barangay kapitan, etc.) in the formulation of SDMP.</li> <li>• For. Kenneth Tabliga commented that in Section 1, it is stated that the contractors/ permit holders/ mining patent holders and LGUs shall submit the SDMP in consultation with the host and neighboring communities. However, in Section 5 it is stated that SDMP shall be planned directly by the community/ies</li> </ul> |

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|  | <p>who will be affected by the mining operation. Moreover, she added that the guidelines of SDMP PPAs are provided in Section 136-A and not Section 135 of DAO No. 2010-21.</p> <ul style="list-style-type: none"> <li>• To be consistent with DAO No. 2010-21 and basic policy of the draft DAO, Dir. Leal suggested adopting and directly mentioning in the first paragraph that "contractors/ permit holders/ mining patent holders and LGUs shall submit the SDMP in consultation with the host and neighboring communities".</li> <li>• Reformulate this Section to incorporate the second paragraph of the basic policy.</li> </ul>   |
| <p><b>SECTION 6. Monitoring and Evaluation</b></p> | <p><b>ADOPTED</b></p>   |
| <p><b>SECTION 7. Reporting</b></p>                 | <ul style="list-style-type: none"> <li>• Dir. Eneran inquired about the role of MGB-RO aside from recommending the expansion of SDMP implementation to non-mining communities. To address this, Engr. Aquino stated that they would add a statement that "MGB-RO can instruct companies to focus on other SDGs that need attention based on the evaluation and assessment to be submitted by the contractor."</li> <li>• Dir. Eneran suggested specifying to which office the report would be submitted. Dir. Leal replied that the report should be forwarded to the Office of the Secretary through the Office of the Undersecretary for Policy, Planning, and International Affairs. For. Jeremy Rola added that reports should be coursed through the respective Supervising Undersecretaries for MGB prior to its submission to the Office of SENR.</li> <li>• Dir. Leal recommended creating a separate section for the roll-out and capacity-building since one of the recommendations during</li> </ul> |

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|   | their Integrated Regional Field Assessment and Validation System for ENR Management (I-RISE) assessment is to capacitate stakeholders on community related PPAs.            |
| <b>SECTION 8. Separability Clause</b>   | <b>ADOPTED</b>  |
| <b>SECTION 9. Repealing Clause</b>      | <b>ADOPTED</b>  |
| <b>SECTION 10. Transitory Provision</b> | <ul style="list-style-type: none"> <li>• Dir. Eneran suggested reformulating to specify when is the "next annual SDMP".</li> </ul>  |
| <b>SECTION 11. Effectivity.</b>         | <b>ADOPTED</b>  |
| <b>ANNEX 1</b>                          | <ul style="list-style-type: none"> <li>• Dir. Eneran suggested indicating that the listed PPAs are just a menu and other activities may be identified and added.</li> </ul> |
| <b>ANNEX 2</b>                          | <b>ADOPTED</b>  |

**B. DRAFT DAO RE: GUIDELINES IN THE COMPUTATION OF THE FLOOR PRICES FOR THE ISSUANCE OF APPROPRIATION MANAGEMENT ARRANGEMENT WITHIN GOVERNMENT-FUNDED PLANTATIONS**

For. Kenneth Tabliga of the Forest Management Bureau, the proponent bureau, had presented the rationale and salient features of the draft DAO. She explained that the draft policy aims to prescribe the standard formulas to be used in the computation of the Floor Price for the plantations established through government funds which shall be recouped in favor of the government. Below are the line by line discussion and agreements for the said draft policy during the PTWG meeting:

| <b>Provision</b>               | <b>Highlights</b>  |
|--------------------------------|--|
| <b>Preliminary Discussions</b> | There are 2,237,718 hectares of established plantations. Sixteen percent (16%) of the established plantations are placed under Tenure Instruments while 78% are untenured, and 88.67% are graduated NGP plantations. There are ongoing tenure applications for infrastructure purposes (Private and Government Projects) that will affect established plantations. Mr. Ariel Catindig inquired |

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|                                | <p>why the total of tenure and untenured is not 100%. FMB to review the total.</p>   |
| <b>Subject/Title</b>           | <ul style="list-style-type: none"> <li>• Dir. Eneran inquired why it is only proposed to compute the floor price of the minimum and not the maximum price for the National Greening Program (NGP) project. For. Tabliga explained that there has been a series of consultations for this policy and discussions on the terms to be used. The policy intends to recoup government investment, then the actual investment will be turnover and computed. It has been raised that in the Commission on Audit (COA), there is a term used (e.g. best used or utilization of property). If the plantation is not appraised properly this can be audited by COA.</li> <li>• <b>The FMB will review related guidelines/policies to look for a better term to use instead of "Floor price".</b></li> </ul> |
| <b>Prefatory Statement</b>     | <ul style="list-style-type: none"> <li>• There should be more appropriate basic policy included because the policy includes computation. There should be additional legal basis for stricter implementation. It is also suggested to indicate that the draft policy is in relation to the National Capital Accounting (NCA).</li> <li>• <b>FMB to include legal basis for stricter implementation and projects concerned and the total of existing guidelines on computations and additional policies related to COA Regulations.</b></li> </ul>   |
| <b>SECTION 1. Basic Policy</b> | <ul style="list-style-type: none"> <li>• Dir. Eneran remarked that this provision is not appropriate because the policy is socio economic, and suggested including the appropriate provision in the basic policy statement because the policy includes computation.</li> <li>• <b>FMB to look for a more appropriate basic policy that intends to capture the socio-economic aspect as the draft policy involves cutting of trees and recoupment of investments. The FMB could check PD No. 705 for basis.</b></li> </ul>  |
| <b>SECTION 2. Objectives</b>   | <ul style="list-style-type: none"> <li>• Dir. Eneran recommended revising the</li> </ul>   |

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|  | <p>Objectives to align in the comments under the subject.</p> <ul style="list-style-type: none"> <li>● <b>FMB to consider previous comment on use of "Floor price".</b></li> </ul>  |
| <p><b>SECTION 3. Scope and Coverage</b></p>  | <ul style="list-style-type: none"> <li>● For. Ocampo suggested separating the NGP and untenured instruments. For. Tabliga explained that the policy being discussed is on untenured plantations. Ms. Ocampo remarked that there is conflict with delisting computation. FMB informed that there is a separate policy that will cover the "delisting" of NGP sites from the Book of Accounts. Moreover, the term "delisting computation" does not exist.</li> <li>● Dir. Eneran suggested clarifying the situations including the Protected Areas (PAs). FMB clarified that all areas covered by the policy are under production zone and the PAs are not included.</li> <li>● Dir. Leal asked about the PAs that will be established. FMB replied that it will not be covered. There are projects in PAs but FMB clarified that PAs are not included.</li> <li>● Dir. Eneran remarked that in the valuation of areas under NGP in PAs, this policy can be a reference.</li> <li>● Dir. Leal clarified if the computation of the value of water is not yet included in the draft DAO. For. Tabliga affirmed.</li> <li>● Dir. Eneran mentioned that in crafting of Policies, there should be no silos.</li> <li>● <b>FMB to include a catch all phrase that will clarify that all NGP projects in PAs and PAs are not covered by the policy.</b></li> </ul> |
| <p><b>SECTION 4. Definition of Terms</b></p> | <ul style="list-style-type: none"> <li>● The FMB explained that "4.1 Floor price" is a definition being proposed for the policy, and the Items 4.2 to 4.7 are lifted from NGP guidelines. It was suggested that the FMB should consider the previous comments on "Floor price", thus, Dir. Eneran reminded the FMB of the omission of "Floor price".</li> <li>● <b>FMB to consider the comments on Item 4.1</b></li> </ul>  |

**SECTION 5. Recoup of Government Investments in Untenured Forestlands**

- Dir Eneran asked if the PENCAS on valuation of carbon stock can be used in the methodology to compute the carbon stock. The FMB explained that the Above Ground Biomass and Below Ground Biomass are included. There are available guidelines [publication] at ERDB.
- Dir. Eneran asked if the biodiversity area valuation and appraisal is included. FMB remarked that it is not included. It was raised that the comment/s of the Biodiversity Management Bureau (BMB) should be considered as the proposed policy should be consistent with the BMB services.
- Some Ecosystem Services (ES) cannot be accounted for through this draft DAO. Dir. Eneran suggested adding a provision/paragraph that will cover future computations of services - to have an option in the future to cater other ecosystem services. Likewise, Dir. Leal suggested adding phrases for future endeavors such as computation of other services.
- For. Ocampo cautioned that the cost that will be derived from the computation is just a minimal value or undervalued. Dir. Leal reiterated the inclusion of NCA in the prefatory statement.
- For. Bravante of FASPS asked if there be a corresponding adjustment in the formula to be used in the computation if the ES will be considered. For. Tabliga affirmed but explained that this will be done/conducted in the future as they are waiting for the data from forest accounting. FMB suggested including this as an Annex.
- Dir. Leal clarified if the policy is prescribing two formulas: 1) for plantations; and 2) other ES. She asked if this can be added in the body. FMB replied that they would lift the formulas in the draft DAO to be inserted in the Annex. The body agreed to just lift the formula then make it an annex.
- Dir. Eneran suggested citing that all tenurial

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|  | <p>instruments would be integrated/harmonized and revising the provision to be SFLMA-ready.</p> <ul style="list-style-type: none"> <li>● Dir. Leal suggested revisiting the “Floor price” section since this may be included in the Definition of Terms section per For. Ocampo’s suggestion.</li> <li>● <b>FMB to include a phrase or additional provision to cover future computation of other ecosystem services including other tools and methodologies (can be lifted from NCA). Include NCA in the Prefatory statement.</b></li> <li>● <b>It was agreed to lift the formulas from the policy body, and include them in an annex.</b></li> <li>● <b>FMB to provide diagram/flowchart (with tenure issuance)</b></li> </ul>  |
| <p><b>SECTION 6. Issuance of Tenurial Instruments or Appropriate Management Arrangements</b></p> | <p>FMB is amenable to Dir. Eneran’s suggestion to remove Section 6 due to its irrelevance to the proposed policy.</p>  |
| <p><b>SECTION 7. Floor Price</b></p>   | <ul style="list-style-type: none"> <li>● For. Ocampo suggested that the title is a reiteration. Dir Leal said that this section will be revisited and suggested to just incorporate it in the definition and not as another section.</li> <li>● <b>FMB to consider the comment to omit the section.</b></li> </ul>   |
| <p><b>SECTION 8. Determination of the Floor Price</b></p>  | <ul style="list-style-type: none"> <li>● In Subsection 8.1, Dir. Eneran asked on the rationale of the usage of the term “investors” instead of “applicant”. FMB explained that this is the term used by their Forest Investment Development Division (FIDD), since they [investors] will be investing in the tenure area.</li> <li>● It was raised that the term should be harmonized with the terms used in SFLMA. The FMB agreed to harmonize the term, hence, “applicants” will be used.</li> <li>● Ms. Belesario suggested removing the term “certificate” in Section 8.1, and replacing it with “purposes”. To be read as: “environmental compliances purposes”.</li> <li>● In Subsection 8.3, Dir. Eneran suggested reviewing/checking other land uses in the</li> </ul> |



|   |   |
|---|---|
|   | <p>SFLMA. Dir. Eneran clarified if the established plantation is not funded by the government. FMB to revise the paragraph for further clarification.</p> <ul style="list-style-type: none"> <li>● In Subsection 8.4, it was suggested to spell out CBFM and POs. For. Ocampo asked why there is no formula. FMB explained that the formula of 8.2 will be used.</li> <li>● The FMB explained that the area should not just be used in expansion thus, CBFMA can be included.</li> <li>● Dir. Eneran suggested revising the section consistent with the previous suggestion to lift the formulas and insert them as Annex.</li> <li>● Dir. Leal asked about other social services, housing, etc.. FMB replied that the listed projects are the only acceptable projects. Limited to infrastructure, energy and tourism projects</li> <li>● <b>FMB to review/consider suggested revisions on the use of terms and spelling of all acronyms</b></li> <li>● <b>FMB to revise the subsections (i.e subsection 8.4) in accordance with SFLMA.</b></li> <li>● <b>Section 8 to be expanded to include applicable provisions in Section 9 (last paragraph of Section 9).</b></li> </ul> |
| <p><b>SECTION 9. Standard Formulas for the Computation of Floor Price</b></p> | <p>FMB to revise the format in line with the proposal of PTWG members. Formulas can be lifted as an Annex and provide formulas for additional ES.</p>   |
| <p><b>SECTION 10. Payment</b></p>   | <ul style="list-style-type: none"> <li>● Dir. Eneran suggested mentioning the one fund policy that will go straight to the national treasury. To include "<i>..in accordance with One Fund Policy..</i>"</li> <li>● Dir. Eneran asked about the disadvantages of bidding. FMB mentioned that there are problems with COA when it comes to bidding citing FMB's experiences with Forestry Investment Portfolio Approach (FIPA)</li> <li>● Bidding is settled to settle the claims. The first payment policy might lead to corruption as explained by Dir. Eneran. FMB will review this. For. Ocampo suggested a time frame for payment. FMB to consider.</li> <li>● The PSD asked regarding the computation of</li> </ul>  |

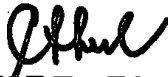
|   |  |
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|   | <p>the floor price. Section 5 will determine the cost of investment. FMB explained that the formula is standard for Regional Offices to compute. Moreover, there will be roll-out and capacitation.</p> <ul style="list-style-type: none"> <li>• Ms. Belesario asked why the payment is at PENRO and evaluation at Regional Office. FMB explained that the Regional Office will endorse it to the Central Office. But payment and collection will be at the PENRO.</li> <li>• It was agreed to include a flowchart to be inserted in Section 5 (with tenure issuance).</li> <li>• The DENR shall issue technical bulletins in a form of Memorandum to be signed by Undersecretary Leones for the updating of annex.</li> <li>• <b>FMB to review the inclusion of One Fund Policy and policies regarding bidding process, and to include/consider a turn around time for the payment</b></li> </ul> |
| <b>SECTION 11. Roll-out and Capacity Building</b> | <ul style="list-style-type: none"> <li>• Dir. Leal asked about the roll out/capacity frequency being done by the Bureau because there are some policies not being cascaded timely to the field offices. She asked for feedback on the roll-outs conducted. The FMB explained that roll-outs are part of the annual Forestry 101 wherein an instructional video can be accessed in FMB's youtube channel. They can use this platform as a medium of information dissemination.</li> <li>• Dir. Leal asked whether the policy has undergone Regulatory Impact Assessment (RIA) or there was pilot testing conducted. FMB informed that the policy underwent full blown RIA.</li> </ul>   |
| <b>SECTION 12. Transitory Provision</b>           | <b>ADOPTED</b>   |
| <b>SECTION 13. Separability Clause</b>            | <b>ADOPTED</b>   |
| <b>SECTION 14. Repealing Clause</b>               | <b>ADOPTED</b>   |
| <b>SECTION 15. Effectivity</b>                    | To change Registrar to "Register"  |

The proposed policy was moved for approval of the PTWG, subject to the revisions based on comments made during the discussion. Dir. Leal mentioned that PTWG Secretariat will share the revised version of the policy to the PTWG members for comments, and if no further comments are received by the set deadline, it is assumed that the policy is concurred with. The PPS will then endorse the policy to the ExeCom.

The PTWG meeting was adjourned at 2:40 PM.

Prepared by the Secretariat

Noted by:



**CHERYL LOISE T. LEAL, EnP**  
OIC Director, Policy and Planning Service





DENR ADMINISTRATIVE ORDER  
No. 2024 - \_\_\_\_\_

**SUBJECT: GUIDELINES ON THE INTEGRATION OF SUSTAINABLE DEVELOPMENT GOALS IN THE FORMULATION AND IMPLEMENTATION OF THE SOCIAL DEVELOPMENT AND MANAGEMENT PROGRAM (SDMP)**

Pursuant to the provisions of Republic Act No. 7942, otherwise known as the Philippine Mining Act of 1995, Section 435 of DENR Administrative Order (DAO) No. 2010-21 and other pertinent laws, rules, and regulations and consistent with the continuing efforts of the DENR to effectively implement the Social Development and Management Program (SDMP) of mining contractors/permit holders/mining patent holders and to align with and contribute to the mining industry efforts towards the achievement of the goals in Ambisyon Natin 2040, the 2030 Agenda for Sustainable Development and the Philippine Development Plan (PDP) 2023-2028, the following are hereby promulgated for the guidance and compliance of all concerned:

**SECTION 1. Basic Policy.** It is the policy of the State to promote the rational exploration, development, utilization and conservation of all mineral resources in the country in a manner that effectively safeguards the environment and protects the rights of affected communities.

All contractors/permit holders/mining patent holders ~~are required~~ shall submit an SDMP in consultation and partnership with the host and neighboring communities. The SDMP shall be actively promoted and shall ~~cover and include~~ all programs, projects, and activities (PPAs) towards enhancing the development of host and neighboring communities.

**SECTION 2. Objectives.** This Order is issued for the attainment of the following objectives:

- 2.1. To enhance the efficacy and impact of the SDMP, towards significant change and positive social impact, aligning closely with the Sustainable Development Goals (SDGs) within mining communities;
- 2.2. To develop a comprehensive framework of measurable indicators aligned with the most relevant SDGs for the mining sector; and
- 2.3. To implement the SDMP PPAs that are aligned ~~with~~ the SDGs.

**SECTION 3. Scope and Coverage.** This Order shall cover all mining contractors/permit holders/mining patent holders ~~from~~ for the formulation and implementation of the SDMP, which is a requirement for the Declaration of Mining Project Feasibility approval, through development/construction and the operating period.

Commented [1]: insert a statement such as "mining companies are directly responsible for attaining applicable SDGs in their host and neighboring communities"

Commented [2]: replace with a statement specific to SDGs

Commented [3]: transfer to Section 5

52 **SECTION 4. Definition of Terms.** As used in and for purposes of this Order,  
53 the following terms shall mean:  
54

- 55 **4.1. Contractor** – ~~means a~~ Qualified Person acting alone or in consortium  
56 who is a party to a Mineral Agreement or **Financial or Technical**  
57 **Assistance Agreement (FTAA).**
- 58
- 59 **4.2. Host community/ies** – The direct/primary stakeholders based on  
60 Presidential Decree (PD) No. 1586 or the Philippine Environmental  
61 Impact Statement System and DAO No. 2003-30, its Implementing  
62 Rules and Regulations. These are ~~barangays~~ located in the Direct  
63 Impact Area (DIA) or the area where project facilities are to be  
64 constructed/located and where all operations are to be undertaken.
- 65
- 66 **4.3. Neighboring community/ies** – The stakeholders of the Indirect  
67 Impact Area (IIA) based on PD No. 1586 and DAO No. 2003-30.  
68 These are barangay/s located in the IIA or those immediate to the  
69 DIA and those within the ~~adjacent~~ next level of local government unit  
70 where the project is to be sited.
- 71
- 72 **4.4. Non-mining community/ies** – The barangay/s outside the host and  
73 neighboring community/ies but within the same cities/municipalities  
74 where the mining project is located.
- 75
- 76 **4.5. Permit Holder** – a holder of any mining permit or ~~of~~ Mineral  
77 Processing Permit issued under DAO No. 2010-21 and its  
78 amendments, except permits that authorizes exploration activities  
79 only.
- 80
- 81 **4.6. Social Development and Management Program** – refers to the  
82 comprehensive five-year plan of the contractor/permit holder  
83 authorized to conduct actual mining and milling operations towards  
84 the sustained improvement in the living standards of the host and  
85 neighboring communities by creating responsible, self-reliant, and  
86 resource-based communities capable of developing, implementing  
87 and managing community development programs, projects and  
88 activities in a manner consistent with the principle of people  
89 empowerment.
- 90
- 91 **4.7. Sustainable Development Goals** – also known as the Global Goals,  
92 were adopted by the United Nations in 2015 as a universal call to  
93 action to end poverty, protect the planet, and ensure that by 2030, all  
94 people enjoy peace and prosperity. Seventeen (17) SDGs are urgent  
95 calls for action by all developed and developing countries in a global  
96 partnership.

Commented [4]: Insert other applicable stakeholders

97

98 **SECTION 5. SDG Integration in the SDMP Formulation and Implementation.**  
99 [The SDMP PPAs shall be planned directly by the community/ies who will be affected  
100 by the mining operation] It shall work on the community's varied needs on a short and  
101 long-term basis. The short and long-term, and strategic program objectives shall be  
102 aligned with the existing development plans of the local and national governments  
103 geared towards socio-economic gains.

Commented [5]: adopt the following statement: "contractors/ permit holders/ mining patent holders and LGUs shall submit the SDMP in consultation with the host and neighboring communities"

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The SDMP PPAs shall still be guided by Section 135 of DAO No. 2010-21. In addition, the formulation of the SDMP shall be aligned with the most relevant SDGs. The following are the identified SDGs for the mining industry:

- 5.1. Goal No. 1: No Poverty
- 5.2. Goal No. 2: Zero Hunger
- 5.3. Goal No. 3: Good Health and Well-being
- 5.4. Goal No. 4: Quality Education
- 5.5. Goal No. 5: Gender Equality
- 5.6. Goal No. 6: Clean Water and Sanitation
- 5.7. Goal No. 7: Affordable and Clean Energy
- 5.8. Goal No. 8: Decent Work and Economic Growth
- 5.9. Goal No. 9: Industry, Innovation, and Infrastructure
- 5.10. Goal No. 10: Reduced Inequalities
- 5.11. Goal No. 11: Sustainable Cities and Communities
- 5.12. Goal No. 13: Climate Action

The list of indicators for each SDG in Annex 1 shall serve as a guide in identifying the PPAs during the planning and formulation of the SDMP. All mining contractors/permit holders/mining patent holders, stakeholders concerned, and corresponding local government units (LGUs) shall contribute to achieving the SDG goals/targets.

For mining contractors/permit holders/mining patent holders that have the same host and neighboring community/ies, shared or collective programs, projects and activities may be implemented to promote greater impact and reduce redundant projects subject to the approval of MGB RO. The budget allocation shall be distributed based on the priority SDG goals that need to be achieved.

**SECTION 6. Monitoring and Evaluation.** The mining contractors/permit holders/mining patent holders shall conduct data gathering on the existing condition of the host and neighboring communities which will serve as a basis for assessing progress toward achieving the SDGs. In addition, the mining contractors/permit holders/mining patent holders shall allocate ~~fund~~ funds in the SDMP to conduct capacity building on SDGs for the community/ies/stakeholders. This is to ensure that the programs, projects and activities to be integrated in the SDMP formulation are guided by the identified SDGs for the mining industry.

The MGB RO shall ensure that SDMP PPAs are aligned with the SDGs in general as guided by the Philippine SDG indicators, as outlined in Annex 1. It shall also provide feedback to mining contractors/permit holders/mining patent holders on SDGs that need prioritization in the succeeding years.

**SECTION 7. Reporting.** The mining contractors/permit holders/mining patent holders shall include the assessment of the overall progress towards the SDGs in the annual SDMP accomplishment report and/or the Social Impact Assessment (SIA), specifying the SDG number and additional SDG indicators, as applicable. A copy of the annual accomplishment report shall also be submitted to the LGUs concerned in relation to the DILG-NEDA Joint Memorandum Circular No. 01 s.2018, "Guidelines on the Localization of the Philippine Development Plan Result Matrices and the SDGs."

Commented [6]: add a statement that "MGB-RO can instruct companies to focus on other SDGs that need attention based on the evaluation and assessment to be submitted by the contractor."

156 The MGB RO shall prepare and submit to the MGB Central Office (CO) the  
157 annual consolidated report on the contribution of the SDMPs in achieving the SDGs  
158 using the SDMP-SDG Accomplishment Form within 60 days after the end of each  
159 year (see Annex 2). Based on the said report, the MGB RO may recommend the  
160 expansion of SDMP implementation to non-mining communities.

161  
162 The MGB CO shall prepare and submit to the DENR, Office of the Secretary  
163 through the Office of the Undersecretary for Policy, Planning and International  
164 Affairs coursed through the respective Supervising Undersecretaries for MGB  
165 an annual report on the overall contribution of the SDMP towards the SDGs on or  
166 before the end of the first semester of the succeeding year using the same form as  
167 Annex 2.

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169 **SECTION 8. Conduct of Capacity Building.**

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171 **SECTION 9. Funding.**

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173 **SECTION 10. Separability Clause.** If any provision of this Order shall be held  
174 invalid or unconstitutional, the other portions or provisions that are not affected shall  
175 continue in full force and effect.

176  
177 **SECTION 11. Repealing Clause.** All Orders and other similar issuances  
178 inconsistent herewith are hereby revoked, amended or modified accordingly.

179  
180 **SECTION 12. Transitory Provision.** All mining contractors/permit  
181 holders/mining patent holders with approved SDMP shall incorporate compliance with  
182 this Order's pertinent provisions in the Annual SDMP, in the next annual SDMP  
183 planning cycle, and in the conduct of SIA.

Commented [7]: reformulate to be more specific

184  
185 **SECTION 13. Effectivity.** This Order shall take effect fifteen (15) days after its  
186 publication in a newspaper of general circulation and upon acknowledgment of the  
187 receipt of the copy thereof by the Office of the National Administrative Register.

191  
192 **MARIA ANTONIA YULO LOYZAGA**  
193 Secretary  
194  
195



DENR ADMINISTRATIVE ORDER  
No. 2024 \_\_\_\_\_

**SUBJECT: GUIDELINES IN THE COMPUTATION OF THE FLOOR PRICE FOR ISSUANCE OF APPROPRIATE MANAGEMENT ARRANGEMENTS WITHIN GOVERNMENT-FUNDED PLANTATIONS (FMB to use better legal term instead of "FLOOR PRICE")**

Commented [1]: FMB to use better legal term (acceptable to COA) to also include right appraisal of trees.

Pursuant to Presidential Decree No. 705, as amended (Revised Forestry Code of the Philippines), Executive Order (EO) No. 192 (Reorganization Act of the Department of Environment and Natural Resources), and DAO No. 2021-20 (Guidelines in Managing Untenured Forestlands with Plantations Established through Government Funds), the following guidelines are hereby issued to provide for the procedures in the recoup of investments in untenured forestlands with established plantations through government funds. **(Include legal basis for stricter implementation and projects concerned)**

Commented [2]: Include legal basis for stricter implementation and projects concerned.

**SECTION 1. Basic Policy.** It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. **(FMB to look for a more appropriate basic policy in the socio-economic side as the draft policy involves cutting of trees and recoupment of investments. \*check PD 705 as basis for socio-economic)**

Include total of existing guidelines on computations and additional policies related to COA Regulations.

Commented [3]: FMB to look for a more appropriate basic policy in the socio-economic side as the draft policy involves cutting of trees and recoupment of investments. (check PD 705 as basis for socio-economic)

**SECTION 2. Objectives.** The general objective of this Order is to prescribe the standard formulas to be used in the computation of the Floor Price for the plantations established through government funds which shall be recouped in favor of the government. **(to consider previous comment on Floor Price)**

Commented [4]: Consider previous comment on use of floor price

**SECTION 3. Scope and Coverage.** This Order shall cover all untenured forestlands with plantations established through government funds. The areas to be covered must have the following qualifications:

Commented [5]: PAs are not included: all in production zones

1. The area is within the production zone of forestland;
2. The plantation developed in the area is not under a co-management agreement with the local government unit; and
3. All plantations developed under the National Greening Program and other similar projects that were turned over to the Department of Environment and Natural Resources and are not yet covered by any appropriate tenure instrument or management arrangement;
4. **All NGP in PAs are not covered by the policy (Additional provision as #4)**

Commented [6]: All NGP in PAs are not covered by the policy (Additional provision as #4)



48  
49 **SECTION 4. Definition of Terms.** For the purposes of this Order, the following terms  
50 shall be defined as follows:  
51

52 **4.1. Floor Price** – the lowest price at which the government owned plantations can be  
53 disposed taken into consideration the cost of investments spent by the government for  
54 the seedling production, establishment, maintenance, and protection of the plantations  
55 and its assessed value taking into consideration its stumpage value, market price, and  
56 if applicable, social cost of carbon. (FMB to consider previous comments on Floor  
57 Price)  
58

Commented [7]: Consider previous comments

Commented [8]: Definition proposed by FMB

Commented [9]:

59 **4.2. Maintenance Cost** – the amount allotted by the DENR for carrying out  
60 maintenance and protection activities at the NGP site during the contract period, which  
61 is usually three years. Maintenance costs include activities such as ring weeding or strip  
62 brushing, fertilization, and production of seedlings for replanting, as well as some  
63 protection activities like patrolling and fireline establishment, among others, and are  
64 computed on a per hectare basis.  
65

Commented [10]: Section 4.2 onwards based on NGP Guidelines

66 **4.3. Plantation Establishment Cost** – the amount allotted by the DENR to execute  
67 plantation establishment, which includes site preparation, hole digging, staking,  
68 outplanting and other necessary plantation activities. Usually computed on a per  
69 hectare basis.  
70

71 **4.4. Plantations established through government funds** – shall refer to areas with  
72 government-funded reforestation projects and programs in the country.  
73

74 **4.5. Seedling Production Cost** – amount allotted by the DENR that encompasses all  
75 activities in producing planting materials. The amount is computed on a per seedling  
76 basis based on the cost of materials used, labor for nursery activities, water, and other  
77 utilities used.  
78

79 **4.6. Social Cost of Carbon** – is an estimate of the climate change global damages that  
80 would result from emitting one additional ton of carbon dioxide into the atmosphere that  
81 includes among things, changes in net agricultural productivity, human health, property  
82 damages from increased flood risk and changes in energy system costs.  
83

84 **4.7. Survey, Mapping, and Planning Cost** – amount incurred by the DENR in the  
85 identification and scoping of available areas for NGP implementation based on the  
86 qualifications and requirements provided for under E.O. 26 and 193 and its  
87 implementing rules and regulations. The cost includes other activities such as boundary  
88 delineation, coordination with local governments and implementing partners, and soil  
89 analysis. It is allocated on a per-hectare basis.  
90

91 **SECTION 5. Recoup of Government Investments in Untenured Forestlands.** The  
92 DENR Regional Offices shall determine the cost of investments spent by the  
93 government for the seedling production, establishment, maintenance, and protection of

Commented [11]: FMB to include a phrase or additional provision to cover future computation of other ecosystem services including other tools and methodologies (can be lifted from NCA). Include NCA in Prefatory statement

94 the plantations and its assessed value taking into consideration its stumpage value,  
95 market price, and if applicable, carbon stock.  
96 **Include a phrase or additional provision to cover future computation of other**  
97 **ecosystem services**

98  
99 **Include a flowchart/diagram for the Process of computation up to payment and**  
100 **validation. (To be inserted in Section 5)**

101  
102 ~~**SECTION 6. Issuance of Tenurial Instruments or Appropriate Management**~~  
103 ~~**Arrangements.**~~ The DENR shall prioritize the placement of all established plantations  
104 within untenured forestlands under appropriate management arrangement or any  
105 existing forestry tenurial instrument in accordance with existing laws, rules, and  
106 regulations.

107  
108 ~~**SECTION 7. Floor Price.**~~ The Floor Price shall be paid by qualified tenure applicants  
109 who are interested to adopt, manage, protect, and/or utilize the established plantations  
110 within the area being applied for tenure issuance.

111  
112 **SECTION 8. Determination of the Floor Price.** For the purposes of this Order, the  
113 following shall be applied to determine the Floor Price to be paid depending on the  
114 intended management for the established plantations: **(FMB to consider previous**  
115 **comments on use of "Floor Price")**

116  
117 **8.1. Adoption of Established Plantations.** If the applicant intends to continue  
118 the management and protection of the established plantations/ reforestation sites  
119 for Corporate Social Responsibility (CSR), Environmental, Social, and  
120 Governance (ESG), and Environmental Compliance Certificate (ECC) purposes,  
121 the Floor Price shall be determined using the formula in Section 9.1 Annex of  
122 this Order. **(\*Formula to be lifted as Annex)**

123  
124 **8.2. Established plantations for Sustainable Management Purposes.** In case  
125 that the established plantation is to be applied for an IFMA/SIFMA/plantation, the  
126 Floor Price shall be computed using the formula in Section 9.2 of this Order.  
127 **(\*Formula to be lifted as Annex)**

128  
129 **8.3. Established Plantations to be Affected by Development Projects.** In  
130 case that the established plantations are to be affected by development projects  
131 such as infrastructure projects, energy projects, and tourism-related projects, the  
132 Floor Price shall be determined using the formula in Section 9.3 of this Order.  
133 This is in consideration of the carbon stock and value of the above ground and  
134 below ground biomass of the existing trees in the plantation which will be  
135 harvested to allow uses of forestlands other than plantation purposes. Provided,  
136 that the trees cut/ removed shall be turned over to the government at the cost of  
137 the tenure holder. **(\*Formula to be lifted as Annex)**

138  
139 **8.4. Community-developed plantations.** In cases where Community Based  
140 Forest Management (CBFM) Peoples Organizations (POs) **CBFM POs intend to**

Commented [12]: Revise based on previous comments

Commented [13]: Revise as Annex \_

Commented [14]: Revise as Annex \_

Commented [15]: Revise as Annex \_

Commented [16]: FMB to spell out

141 apply for the expansion of their Community Based Forest Management  
142 Agreement (CBFMA) area to cover any plantation developed using government  
143 funds, payment of floor price shall be required. The CBFMA area expansion shall  
144 be in accordance with existing laws, rules, and regulations. (Spell out  
145 acronyms)  
146

147 ~~SECTION 9. Standard Formulas for the Computation of Floor Price.~~ In line with the  
148 intended management for the established plantations under Section 8 of this Order, the  
149 following formulas are hereby prescribed to be used in the computation of the Floor  
150 Price incurred by the government for the establishment, maintenance, and protection of  
151 plantations within untenured forestlands: (SECTION 9 or the Formulas will be lifted  
152 as Annex, as discussed)  
153

154 **9.1. For Adoption of Established Plantations (reforestation, management and  
155 protection)**

156  
157 
$$FP = \text{Investment Cost}$$

158  
159 
$$FP = IC$$

160  
161 Where:

FP = Floor Price of the Established Plantation  
IC = Investment Cost incurred by the Government, which shall be  
computed as:  
(Survey, Mapping, and Planning Cost + Plantation Establishment  
Cost + Seedling Production Cost + Maintenance Cost)

162  
163  
164 **9.2. For Sustainable Management of Established Plantations**

165  
166 
$$FP = (\text{Price} \times \text{Stumpage Value}) + \text{Investment Cost}$$

167  
168 
$$FP = [(P \times V) \times (SVF)] + (IC \times A)$$

169  
170 Where:

FP = Floor Price of Timber Plantation  
P = Price of commodity (Php/ cu.m.), approximated by the average of  
timber species in the area where the government-funded  
plantation site is located (Philippine Forestry Statistics Data)  
V = Total volume based on 100% actual inventory of the plantation  
being applied for  
SVF = Stumpage Value Factor based on distance of plantation to nearest  
road network/ river  
IC = Investment Cost incurred by the Government, which shall be  
computed as:  
(Survey, Mapping, and Planning Cost + Plantation Establishment  
Cost + Seedling Production Cost + Maintenance Cost)

Commented [17]: FMB to revise in accordance with SFLMA

Commented [18]: Formula for 8.2 will also be used for this subsection

Commented [19]: Formulas can be lifted as Annex and provide formula for additional ES. Expand Section 8 to include applicable provisions in Section 9.

The IC depends on the percentage area to be covered by the tenure application.

$A = \text{Area applied} / \text{Total plantation area}$

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**9.3. For Established Plantations to be Affected by Development Projects (with harvesting)**

$FPC = (\text{Price} \times \text{Stumpage Value}) + \text{Investment Cost} + \text{Cost of Carbon}$

$FPC = [(P \times V) \times (SVF)] + (IC \times A) + [(AGB+BGB) \times CF] \times SCC]$

Where:

- FPC = Floor Price of Timber Plantation (with carbon component)
- P = Price of commodity (Php/ cu.m.), approximated by the average of timber species in the area where the government-funded plantation site is located (Philippine Forestry Statistics Data)
- V = Total volume based on 100% actual inventory of the plantation being applied for
- SVF = Stumpage Value Factor based on distance of plantation to nearest road network/ pick up point for hauling activity
- IC = Investment Cost incurred by the Government, which shall be computed as:  
(Survey, Mapping, and Planning Cost + Plantation Establishment Cost + Seedling Production Cost + Maintenance Cost)  
The IC depends on the percentage area to be covered by the tenure application.
- A = Applied area / Total plantation area
- AGB = Above Ground Biomass is Volume multiplied by the Basic Wood Density (BWD), where  $AGB = V \times BWD$
- BGB = Below Ground Biomass is a fraction of AGB and can be derived by multiplying AGB by the sum of 1 and Root-Shoot Ratio (RS), where  $BGB = AGB (1+RS)$
- CF = Carbon Fraction is the fraction of carbon stored in tree biomass
- SCC = Social Cost of Carbon

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The DENR shall review the formulas, as deemed necessary, in consideration of current market prices, data availability, existing social cost of carbon, and policy directions. Attached as Annex A and B of this Order are the description of parameters and sample computations for each prescribed standard formula. The FMB DENR shall issue bulletins Memorandum Order to update the Annexes of this Order. (This paragraph to be moved to Section 8)

**SECTION 10. Payment.** Tenure applicants shall be required to pay the Floor Price of the established plantations. This is on top of other forestry-related fees required to be paid by the tenure applicant based on existing laws, rules and regulations of the respective tenurial instrument being applied for. The applicant will be notified to settle the Floor Price once all requirements have been satisfied and the agreement is already

Commented [20]: Issuance of TBs are still on hold. FMB to identify appropriate instrument for updating of Annexes. (Memorandum or amendment of the policy may be more applicable in this regard)

Commented [21]: To be included in Section 8 (based on previous comment)

194 for signature of the approving authority. Payment shall be settled at the concerned  
195 PENR Office. (FMB to include One Fund Policy)

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197 In cases where two (2) or more applicants are applying for the same government-  
198 funded plantation, the management arrangement/ tenorial instrument will be issued to  
199 whoever pays the floor price first. (FMB to include/consider policies regarding  
200 bidding process and turn around time for the payment )

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202 The DENR shall adopt and implement an online or electronic mechanism in  
203 collecting/accepting of payments from tenure applicants.

204 **SECTION 11. Roll-out and Capacity Building.** The DENR, through the Forest  
205 Management Bureau, shall provide capacity building to the DENR Field Offices to  
206 ensure proper implementation of this Order.  
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208 **SECTION 12. Transitory Provision.** All existing partners/ tenure holders, with issued  
209 management arrangement or tenorial instrument covering any plantation established  
210 through government funds, who have settled monetary compensation for the subject  
211 plantation shall not be required to provide additional monetary payment pursuant to this  
212 Order.  
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214 **SECTION 13. Separability Clause.** If any provision of this Order shall be held invalid  
215 or unconstitutional, the other portions or provisions hereof which are not affected shall  
216 continue in full force and effect.  
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218 **SECTION 14. Repealing Clause.** All other DENR circulars, orders, memoranda, and  
219 issuances inconsistent herewith shall be amended or repealed accordingly.  
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221 **SECTION 15. Effectivity.** This Order shall take effect in fifteen (15) days after  
222 publication in a newspaper of general circulation and upon submission to the Office of  
223 the National Administrative Register (ONAR) of the U.P. Law Center.  
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MARIA ANTONIA YULO LOYZAGA  
Secretary

Commented [22]: Include a flowchart/diagram for the Process of computation up to payment and validation. (To be inserted in Section 5)

Commented [23]: FMB to include/mention the One Fund Policy

Commented [24]: Bidding is more advantageous to the Government which may be more applicable in this Section. FMB to review this manifestation.

Commented [25]: Include a turn around time for the payment. For consideration of FMB