

## EXECUTIVE ORDER NO. 278

### PRESCRIBING THE INTERIM PROCEDURES IN THE PROCESSING AND APPROVAL OF APPLICATION FOR THE DEVELOPMENT OR UTILIZATION OF FORESTLANDS AND/OR FOREST RESOURCES

**WHEREAS**, the 1987 Constitution places the development or utilization of our forestlands and/or forest resources under the full control and supervision of the State and allows the State to enter into co-production, joint-venture, or production-sharing agreements with Filipino citizens, or corporations, or associations, at least sixty per centum (60%) of whose capital is owned by such citizens;

**WHEREAS**, there are presently issued forest permits, licenses, leases or grants, in relation to which the grantees have already made huge investments in terms of money and equipment;

**WHEREAS**, there are presently pending applications for such forest permits, licenses or leases, which ought to be given immediate consideration; and

**WHEREAS**, the forest-based industry is a major contributor to the national economy, and therefore, the development or utilization of the country's forestlands and/or forest resources is necessary to accelerate economic recovery;

**NOW, THEREFORE, I, CORAZON C. AQUINO**, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

**Section 1.** Applications for the development or utilization of forestlands and/or forest resources may be accepted and processed, provided that application for timber licenses for commercial purposes shall be governed by Section 4 hereof.

**Section 2.** The processing, evaluation and approval of all applications provided for under Section 1 shall be governed by Presidential Decree No. 705 as amended, other existing forestry laws, orders and issuances, and their implementing rules and regulations: Provided, however, that the privileges granted, as well as the terms and conditions thereof, shall be subject to any and all modifications or alterations which Congress may adopt, pursuant to Section 2, Article XII of the 1978 Constitution.

**Section 3.** Unless Congress provides otherwise, existing and currently recognized forest permits, licenses and leases issued by the Department of Environment and Natural Resources, shall continue and remain in full force and effect, subject to the same terms and conditions as originally granted and/or approved.

**Section 4.** Until Congress otherwise provides, the Secretary of the Department of Environment and Natural Resources is hereby authorized to negotiate and enter into, for and in behalf of the Government, joint venture, co-production, or production-sharing agreements for the development or utilization of forestlands and/or forest resources with any Filipino citizen, or corporation, or association, at least sixty per centum (60%) of whose capital is owned by Filipino citizens. Such agreements may be for a period not exceeding twenty-five years, renewable for not more than twenty-five years, and shall conform with and include the minimum terms and conditions prescribed in Section 5 hereof.

**Section 5.** Unless Congress otherwise provides, the following minimum terms and conditions shall be incorporated in the co-production, joint venture, or production-sharing agreement:

- (a) A provision that the agreement-holder shall furnish the necessary management, technology and financial services required, as determined by the Secretary of Environment and Natural Resources;
- (b) A stipulated share of revenues and the manner of payment thereof;
- (c) Provision on consultation and arbitration with respect to the interpretation of the agreement;
- (d) A provision for anti-pollution and environmental protection measures;
- (e) A provision for the restoration and protection of the forest;
- (f) A provision for an effective monitoring scheme to be implemented by the Department which shall include, but shall not be limited to the periodic inspection of all records and books of account of the agreement-holder;
- (g) A commitment to community development, and
- (f) The submission of a management and development plan to be approved by the Secretary of Environment and Natural Resources.

**Section 6.** The Secretary of the Department of Environment and Natural Resources shall promulgate the rules and regulations necessary to implement effectively the provisions of this Executive Order.

**Section 7.** If any provision of this Executive Order is held unconstitutional, the other provisions shall not be affected.

**Section 8.** All laws, decrees, orders and other issuances or parts thereof inconsistent with this Executive Order are hereby repealed or modified accordingly.

**Section 9.** This Executive Order shall take effect immediately.

DONE in the City of Manila, this 25th day of July, in the year of Our Lord, nineteen hundred and eighty-seven.

**CORAZON C. AQUINO**

By the President:

**JOKER P. ARROYO**  
Executive Secretary