

**Memorandum Order**

**No. 6**

**May 8, 1990**

**SUBJECT: Program for a Forest Based Economic Development Initiative for San Mariano, Isabela**

Because of a high incidence of illegal logging which became difficult to control, the DENR imposed a Logging Moratorium throughout the Municipality of San Mariano on February 16, 1989. This moratorium has thereafter caused a drastic stoppage of all forest based economic activities in the area, effectively eradicating the activities of illegal loggers and timber poachers. The drastic measure also resulted in a serious economic dislocation of the community that has traditionally been dependent on forest based livelihood activities.

Having suffered from economic difficulty, the community through its local government leaders represented by the Congressman, the Mayor, Vice Mayor and all members of the Sangguniang Bayan as well as informal leaders and representatives of NGOs in the area pleaded with DENR for relief and economic rehabilitation, promising in return to take full responsibility for the protection of the forest resources against illegal and destructive logging practices.

Believing in the sincerity of commitment of the community and the local government to protect the area against a recurrence of illegal logging activities, and pursuant to the Executive Order No. 370, series of 1989, establishing Program to Refocus Orientation for the POOR (PRO-POOR) and under the provisions of PD 705, as amended, to conserve, protect and wisely utilize our forest resources in San Mariano, Isabela, NOW THEREFORE, the DENR hereby authorize the implementation of a Program for a Forest-Based Economic Development Initiative in San Mariano, Isabela or San Mariano Development Initiative (SMDI).

The SMDI shall include the following programs and conditions:

1. The logging moratorium in San Mariano shall be, as it is hereby lifted. This lifting of the moratorium means that TLA holders in the area shall be allowed to operate logging sites within the Municipality of San Mariano, Isabela upon approval of their IAOP. Other legitimate permittees such as holders of rattan cutting permits and PLTPs shall likewise be allowed to operate within the provisions /guidelines of this program.

2. The community, through its local government, with the assistance of the PENRO and CENRO concerned shall solicit the support and cooperation of other government agencies such as DTI, DA, etc. for the broader implementation of this development initiative.
3. As a requirement for IAOP approval, TLAs shall submit aerial photography of their proposed logging sites in addition to the photo-inventory of the whole San Mariano the cost of which shall be shared by participating TLAs and sawmill operators.
4. TLAs and sawmill operators shall be required to register their conveyances, logging and processing equipment, including chainsaw to the CENRO of Ilagan, Isabela. Stickers with DENR logo shall be used to identify registered conveyances and equipment.
5. No logs are to exit from San Mariano unprocessed. All timber cut from San Mariano are to be processed into lumber and other finished products within the municipality.
6. Sawmilling of logs harvested from San Mariano shall be limited to legitimate sawmillers in the area with supply contract from the three (3) existing TLAs namely: PATECO, LUZMATIM and MONTE ALTO. All other processing plants in the municipality shall be closed and dismantled.
7. The Naguilian Junction GATEWAY shall be established and manned by an Inter-Agency Task Force from DENR, Military, LGU, NGO, TLA holders and sawmillers twenty-four (24) hours daily.
8. Traffic of logging equipment and forest products shall be done only through the Naguilian Junction GATEWAY road. The San Mariano-San Guillermo logging road shall be blasted and closed to traffic under the strict supervision of MONTE ALTO.
9. A three (3) stage monitoring system covering the three (3) major zones of operations, namely: TLA logponds, sawmill compound and GATEWAY shall be implemented. Radio and other communication facilities linking these three major zones of operation shall be installed and operated by the participating parties.

10. Monthly monitoring reports shall be submitted from each major zone and shall be consolidated and computerized at the PENRO. The PENRO shall submit final monthly reports to the region, furnishing a copy to the Office of the Assistant Secretary for Luzon operations.
11. Non-San Mariano based NGO shall be contracted to audit/evaluate the monitoring report on a periodic basis from the three major zones of operation.
12. Any violation of the above conditions shall result to confiscation of forest products, conveyances and equipment used by violators and these shall be forfeited in favor of the government. Criminal or administrative charges to be filed against violators and/or their cohorts as evidence may warrant.
13. Employment-generating activities shall be implemented in the form of:
  - 13.1 Community contracts of the concessionaire's owned reforestation projects, ISF, etc. in compliance to DENR requirements;
  - 13.2 Forest and Non-Forest based livelihood activities which may be funded by a San Mariano Development Capital Fund or other funds which may be made available to the PRO-POOR Program. A capital fund shall be established and managed by the TLAs and will provide credit extension to the poor upland dwellers and other residents of San Mariano. The amount shall be entrusted to a foundation and deposited in a reputable bank. The annual return to be earned from deposit interest shall finance livelihood programs such as ISF, Community-based processing, etc.
  - 13.3 Maximum processing of forest products into finished or semi-finished goods.

The SMDI shall be implemented under the direct supervision of the PENRO and CENRO concerned who shall report to the Assistant Secretary of Field Operations, LUZON. The ASEC Luzon is hereby authorized to implement this design of the SMDI and to issue additional guidelines for its strict or improved implementation.

This Order takes effect immediately.

**FULGENCIO S. FACTORAN, JR.**  
Secretary