

SMALL ISLAND MANAGEMENT AGREEMENT
SIMA No. _____

of

Name of the SIMA Holder

Location and Size of the Area

WHEREAS, this Agreement made and entered into by and between the SECRETARY of the DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES with postal address at Visayas Avenue, Diliman, Quezon City for and in behalf of the Republic of the Philippines, and _____ with postal address at _____ herein referred as the SIMA HOLDER:

WHEREAS, pursuant to PD 705 as amended, CA 141 as amended, E.O 192, RA 7942, RA 7586, DENR Administrative Order No. 2000-83 and other related existing laws, rules and regulations place the sustainable management and development of the country's natural resources under the full control and supervision of the State or allow the State to enter into co-production, joint venture or production sharing agreements with Filipino citizens or corporations;

WHEREAS, the management of the small island in a sustainable basis is encouraged as a government policy to ensure that environmental considerations are incorporated in all developmental activities within the small islands, to achieve equitable distribution of opportunities, income and wealth and to

encourage the communities, NGOs and other governmental agencies to participate in the rehabilitation, improvement and sustainable use of the natural resources within the small islands;

WHEREAS, the SECRETARY and the SIMA holder desire to enter into this Small Island Management Agreement, hereinafter referred to as SIMA;

NOW THEREFORE, This Agreement made and entered on the ____ day of _____ by and between the Secretary of the Department of Environment and Natural Resources and the SIMA Holder hereby agree to the following and terms and conditions provided herein below:

WITNESSETH:

1. That the SIMA shall have a term of twenty-five (25) years, renewable for another twenty-five years and subject to the approval of the Secretary.
2. That the SIMA holder shall within _____ from the date of this Agreement is entered into and under the supervision of the authorized representative of the Secretary, delineate and mark on the ground the perimeter boundaries of the SIMA area based on the land classification survey standard and established control points using Philippine Reference System (PRS) 92 on the ground. The boundaries of the SIMA area shall not be altered nor modified, except when public interest demands or upon mutual agreement by both parties.
3. That the SIMA holder shall within six (6) months from the date of this Agreement is entered into, submit to the DENR, a Small Island Management Plan (SIMP) covering the area applied for consistent with the approved Island Physical Framework Plan (IPFP). The SIMP shall contain the appropriate land uses allowed within this small island; the management, improvement, protection, and utilization of natural resources therein; environmental protection,

infrastructure development and community development arrangements with local communities and dependents within the SIMA area, if there are any. The SIMP shall be reviewed by the PENRO/CENRO concerned and approved by the RED.

4. That the SIMA holder shall manage and protect the production residual natural forest, if there is any, in accordance with laws and regulations governing forestlands. In the same manner, protection forests found therein shall not be subject to any form of utilization as prescribed under the IPFP. Moreover, mangroves and coral reefs shall in no way be allowed to be utilized.
5. That the sharing of profits shall be scheduled according to the following uses;
 - a. The sharing of profit arising from the utilization of established plantation by the SIMA holder shall be negotiated between the said holder and the DENR prior to cutting which shall not be less than the 5% of the gross sale and subject for review every five (5) years.
 - b. For recreational areas, settlements, bathing establishments, foreshores and other special forestland uses, the SIMA holder shall be charged an annual user fee/rental fee for the land not less than 5% of the appraised value of the land and 1% of the appraised value of the improvements and shall be subject for review every five (5) years.
 - c. For ecological destination, the amount of user/rental fee shall be based on the target market (capacity and willingness to pay), the type of destination (ecological uniqueness), the area to be developed and the extent of investment required which shall be determined by the assessment team created for this purpose, in accordance with existing rules and regulations on ecological destination.

6. That the SIMA holder shall pay the rental/user fee, due without the necessity of notification, on or before the 7th day of January of the following year and every year thereafter. For failure to pay the annual rental/user fee on the date due, the SIMA holder shall be penalized by additional charges to be fixed by the Secretary of DENR. Failure to pay without justifiable cause, the charges and surcharges within one year after the regular rental/user fee had become due and payable shall be sufficient reason for the cancellation of the agreement. However, for ecological destination, the payment for the rental/user fee shall be made within three (3) months after the assessment has been conducted.
7. No refund shall be made for the annual rentals paid for the use of the area covered by this SIMA due to its cancellation, before its expiration through the request of the SIMA holder or for violation of any terms and conditions of this SIMA or of any existing laws, rules and regulations.
8. Upon the expiration of this Agreement, all permanent improvements introduced, including forest crops, shall remain in the SIMA area, but the SIMA holder shall be entitled to fair compensation for such improvements with due consideration to the government share. The SIMA holder may remove any temporary or semi-permanent structures unless the Secretary opts to retain the same and pay the SIMA holder on the amount mutually agreed upon.
9. Fair compensation of any improvements, whether due to the government or to the SIMA holder, shall be determined by a committee composed of one representative of both the Secretary and the SIMA holder, and a qualified independent appraiser whose appointment shall be mutually agreed upon by the Secretary and the SIMA holder. The SIMA holder and Secretary shall bear equally the cost of the appraisal.
10. That in case of death of the SIMA holder, the Agreement is deemed terminated. All permanent improvements, including

plantations, shall become the property of the estate of the SIMA holder. If the heir/s are qualified to hold the SIMA, a new agreement between the Secretary and the surviving heirs of the SIMA holder maybe executed for the remaining period of the SIMA, in accordance with the requirements provided under existing regulations, *provided* that the heir/s file an application within three (3) months after the death of the SIMA holder. If the heirs are not qualified or elect not to enter into a new agreement, the estate shall be entitled for compensation for all the permanent improvements thereon, with due consideration to the government share, payment of which shall be borne by the party entering into a new agreement.

11. In the event of the cancellation of the agreement due to the fault of the SIMA holder, all improvements existing within the area shall be forfeited in favor of the government. If a new Agreement is executed by and between the Secretary and another party, such improvements shall be appraised and the new SIMA holder shall compensate the government within ninety (90) days upon execution of the said agreement.
12. That this agreement may be renewed for ANOTHER TWENTY FIVE (25) YEARS upon the filing of an application for renewal at least sixty (60) days prior to its expiration; *Provided*, that if no application for renewal is filed within the said reglementary period, the area is considered vacant and its disposition shall be governed by the regulations current at the time.
13. That the SIMA holder shall not sublet the area or any part thereof, including improvements therein, assign such agreement or encumber the rights hereunder without prior written permission from the Secretary.
14. That in case the said holder shall be permitted to sublet the whole or any part of the improvements on the land, the government and the SIMA holder shall be entitled to a share of

fifty per centum (50%) each of the sublease rental in excess of 10% of the assessed value of the improvements subleased.

15. That this Agreement may only be amended upon mutual consent by the parties herein and executed in a written instrument.
16. The Secretary or his duly authorized representative/s shall exercise visitorial power to ensure faithful compliance of the terms and conditions of this Agreement and extend necessary technical assistance as identified in the SIMP.
17. That the SIMA application filed and the SIMP on which the granting of this agreement is predicated, shall be considered as part of this agreement and any omission or misrepresentation in, or violation of the statements in the said documents shall give the right to the DENR to rescind this agreement to recover the land and to forfeit all amounts already paid and the improvements made or existing thereon.
18. That this agreement shall remain in effect until _____ unless sooner terminated under the provisions thereof, and that no presumption of renewal or continuance beyond the day can arise for the SIMA holder hereby waiving all rights in this respect conferred by the pertinent provisions of the Civil Code.
19. That this Agreement may be terminated for failure to comply with any of the terms and conditions provided for in paragraph 1 to 18 hereof and other pertinent laws, rules and regulations.

IN WITNESS WHEREOF, the said parties have hereunto set their hands.

DENR Secretary

SIMA Holder

SIGNED IN THE PRESENCE OF:

REPUBLIC OF THE PHILIPPINES)

:S.S

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On this _____ day of _____, before me a notary public personally appeared _____ and _____, Secretary, DENR, with Residence Certificate Nos. _____ and _____ issued at _____ and _____ on _____ and _____, respectively to me known to be the same persons who signed the foregoing document and acknowledged to me that on behalf of the Republic of the Philippines have executed the same as their free and voluntary act.

The within contract, conveying one (1) parcel of land, and consisting of five (5) pages, including those on which this acknowledgment and the technical description of the land are written, has been signed by them and their two (2) witnesses on the left margin of each and every page thereof.

Each and every page of the contract is sealed with my notarial seal.

NOTARY PUBLIC

My Commission expires on

_____, 20____

Doc. No. _____;

Page No. _____;

Book No. _____;

Series of _____;

SERIAL No. _____

Republic of the Philippines
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
SMALL ISLAND MANAGEMENT AGREEMENT APPLICATION

Regional Office No. ____ PENR Office _____ CENR Office _____

I. I hereby file this application for (check appropriate box/es)

- | | |
|--|---|
| <input type="checkbox"/> Ecodestination | <input type="checkbox"/> Other Special Forestland
Uses (specify) _____ |
| <input type="checkbox"/> Plantation Establishment | <input type="checkbox"/> Mixed Use |
| <input type="checkbox"/> Recreation Use/Settlements/
Bathing/Establishments/
Foreshores/Hotels/Ports/Piers | <input type="checkbox"/> Others (specify) _____ |

II. The land applied for is more particularly described in the IPFP as follows:

Lot No. _____ Survey No. _____ Area (ha/sq/m/) _____
Location (Barangay, Municipality/City) _____
Province of _____

III. My personal circumstances are as follows:

Name of Applicant: _____
Address: _____
Age: _____ Place of Birth: _____ Civil Status: _____
(if married, state name of spouse, birthplace, citizenship, residence address
and attach his/her marital consent)

If application is filed in the name of heirs of a deceased claimant, indicate
the name of predecessor in interest below:

Name: _____ Address: _____
Age: _____ Date of Birth: _____ Place of Birth: _____
Citizenship: _____ Civil Status: _____
Name of Spouse: _____

IV. Questions which must be answered by the applicant: (check appropriate box/es):

1. Is the land applied for claimed by any other person or subject of any case/dispute involving ownership?

Yes

No

2. Is the land applied for claimed by any other person or subject of any case/dispute involving ownership?

Yes

No

I agree to all conditions, terms, restrictions, prohibitions imposed on this application and to observe the liens, encumbrances, easements and servitudes provided by laws, rules and regulations and declare that I have met all the qualifications and none of the disqualifications required for this application as provided by the pertinent laws.

I understand that if I willfully and knowingly submit false statement and apply for SIMA despite not being qualified to do so, my application shall be rejected or cancelled, and all amounts paid on account thereof shall be forfeited in favor of the government and I shall no longer be entitled to apply for any SIMA in the Philippines.

I have read and thoroughly understood this application and I affirmed that this was translated to the dialect that I understand and that all the statements therein are true and correct to my knowledge and belief.

Applicant

SUBSCRIBED AND SWORN to before me, this ____day of _____ 20____, at _____ applicant exhibiting his/her Community Tax Certificate No. _____ issued at _____ on _____ 20_____.

Notary Public

Officer Authorized to Administer Oath

Doc. No. _____

Page No. _____

Book No. _____

Series of _____

IMPORTANT NOTE: This application is to be submitted in quadruplicate and must comply with all the Requirements, otherwise, it will not be accepted. A checklist of requirements for each kind of application form is attached to this document.