

**Administrative Order**  
**No. 05**  
**January 28, 1993**

**SUBJECT : Adopting Selected ISF Model Sites and other Community Based Project as Center for People's Empowerment in the Uplands (CPEU).**

Consistent with the policy of the government to promote the involvement of upland communities and encourage their active participation in upland development thru people's empowerment and capacity building for the rehabilitation and conservation of denuded forest lands and convert them into viable economic and sustainable production units, the following advanced community-based projects are hereby declared as provincial training centers and shall be referred to as Center for People's Empowerment in the Uplands (CPEUs).

**Cordillera Administrative Region**

<b>Province</b>	<b>Location</b>
Abra	Tangileb, Nagtipunan
Benguet	Anteg-in, Itogon
Kalinga Apayao	Sisim, Rizal
Mountain Province	Capintan, Sabangon
Ifugao	Lota, Lagawe

**REGION I**

Ilocos Norte	Dadaor, Bangui
Ilocos Sur	Sevilla, Casilagan, Sta. Cruz
La Union	Bail, Fernando, Pongpong
	Sto. Tomas
Pangasinan	Laoag, Aguilar

**REGION II**

Batanes	San Juan, Radiwan
Cagayan	Gosi, Tuguegarao
Isabela	Salindingan, Ilagan
	Taleb, Dallao
Nueva Vizcaya	Baletc, Sta. Fe

Quirino

Magalsing, Aglipay,  
Diffun

### REGION III

Bataan  
Zambales  
Tarlac

Alcon Batangas, Mariveles  
Lucapoh South, Sta. Cruz  
Calayaan, San Agustin  
& Mabini, Gerona

Bulacan

So. Sapang Bulak, Carunzo  
Camachile (FSA IIA & IIB)

Nueva Ecija  
Pampanga

Sto. Nino 3rd, San Jose City  
Arayat

### REGION IV

Aurora  
Batangas

So. Baguislao, Brgy. Bayanihan  
Brgy. Dianawan, Sapangan,  
San Juan

Cavite

Kaykandong and Mapaluka,  
Pinagsanhan, Maragondon

Laguna

Matikiw, Pakil, Laguna  
& Brgy. Minayutan Famy Laguna

Marinduque  
Occidental Mindoro

Tungib, Lipata & Dampulan

Oriental Mindoro  
Palawan

So. Himamara, Ibarrasan  
& Tigue, Brgy. Mapaya

Quezon

Brgy. Lantuyan, Baco  
San Isidro, Calategas Narra

Brgy. San Isidro, Roxas  
Brgy. Sta Catalina &

Malicboy, Atimonan &  
Pagbilao, Quezon

Brgy. Ilayang Bagumbayan  
Pagbilao, Quezon

Rizal

Kilingan, San Jose,  
Antipolo

Romblon

Cawayan, San Agustin

## REGION V

Catanduanes	Progreso, Paraiso, Summit P. Vera, San Miguel, Viga and Gigmoto
Camarines Norte	San Pascual, Basud
Camarines Sur	ISF Model Site La Victoria, Bula
Masbate	Mariposa, Aroroy, Mobo
Albay	Manaet, Bacacay
Sorsogon	Cagbalo, Magallanes

## REGION VI

Aklan	Brgy. Julita, Libacao, Kalibo
Antique	Brgy. Patlabangon, Patnongon
Capiz	Brgy. Agcagay, Jamindan
Iloilo	Brgy. Nazuni, Dingle, Barotac Nuevo
Negros Occidental	Brgy. Talacdan, Cauayan

## REGION VII

Bohol	Brgy. Taytay and Bangwalog
Cebu City	Obo, Dalaguete
Negros Oriental	Sab-ahan, Bais City
Siquijor	Bogo Maria

## REGION VIII

Northern Leyte	Brgy. Santol, San Miguel
Southern Leyte	Anahaw, Bontoc
Northern Samar	So. Omogis, Calipapa, Caprasan, Brgy. Cabadiangan
Eastern Samar	Binalay, Mac Arthur
Western Samar	Mapaso, Calbiga

## REGION IX

Zamboanga del Sur  
Zamboanga del Norte  
Basilan

Sicade  
Daniel Maing  
Sto. Nino/Camp Barnes  
Isabela (extension)

## REGION X

Agusan del Sur  
Agusan del Norte  
Misamis Oriental

Misamis Occidental  
Surigao del Norte

Bukidnon

Camiguin

Sta. Irene, Prosperidad  
San Isidro, Santiago  
Nahulugan, Biniigwagan  
Malanang, Opol  
Mapit-os Mocabon, Aloran  
Bukas Grande Atoyay,  
Sering, Socorro  
Pulog Hill and Pulog Kitamis,  
San Miguel  
Dolorosa, Danggagan, Bukidnon  
So. Campana/Pamahawan  
Pandán, Mambajao

## REGION XI

Davao Oriental

Davao del Sur  
Davao del Norte

Surigao del Sur  
South Cotabato

So. Bactinan & So. Bitanangan,  
Don Mariano Marcos, Lupon  
Upper Kibalang, Marilog  
Upper & Lower Magangit;  
Nabunturan  
Kandayaga, Adlay, Carrascal  
El-Ulit Tantagan, Bukay  
Pait, Glan

## REGION XII

Lanao del Norte  
Cotabato

Sultan Kudarat

San Isidro, Tagoloan  
So. Mahayag, Greenhills  
Pres. Roxas  
Sto. Nino, Brgy. Masiag  
Bagunbayan

As Centers, the activities to be carried out will focus more on training and community organization/cooperative development including the establishment/development of livelihood opportunities in coordination with the Local Government Units (LGUs) and other Government and Non Government Organizations (NGOs) including People Organizations (PO).

To oversee the day-to-day operation of the CPEU, the Regional Office shall designate a Project Leader per site through a Regional Special Order copy furnish the Social Forestry Division of the Forest Management Bureau.

The Centers shall be under the administrative supervision and control of the DENR in coordination with other agencies and organization.

The budgetary requirements of the Centers shall be included in the regular appropriations of DENR.

In the process of implementing its various activities the Center may generate additional resources from external donors to supplement the regularly appropriated funds.

This Order shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommending Approval:**

**ROLANDO L. METIN**  
Assistant Secretary  
for Management Services and  
ISFP National Coordinator

**Administrative Order**  
**No. 06**  
**February 23, 1993**

**SUBJECT : Declaring a Portion of the Malaybalay Reforestation Project (Bukidnon Forest Inc.) located in Sumpung, Malaybalay, Bukidnon as Experimental Forest Station of DENR, ERDS.**

Pursuant to Section 13 PD 705, as amended a portion of Malaybalay Reforestation Project (Bukidnon Forest Inc.) located at Sumpung, Malaybalay Bukidnon is hereby declared as Experimental Forest Station of DENR, ERDS as shown in the attached map with the following description:

Beginning at point 1 on the map, being  $S32^{\circ}46'E$ , 35.84m. to corner 2, point on old P.S. monument;

**(technical description omitted)**

thence  $S40^{\circ}53'W$ , 272.41 m. to corner 1; the point of beginning containing an area of 46.5497 hectares. The experimental area will have full administration and management by ERDS and this will include all the existing infrastructure and development in the area such as Office building, seeds and soils laboratory, guest house, bunkhouses, cottages, garage, greenhouse, nursery sheds, recreational park, water system and rattan plantation.

ERDS will clearly mark the corners and boundaries of the experimental forest and protect the area from all illegal entry, forest fire and other forms of forest destruction in close coordination with BFI, CENRO Malaybalay, the local government and community surrounding the area.

This Order takes effect immediately and supersedes all previous orders inconsistent herewith.

**ANGEL C. ALCALA**  
**Secretary**

**Recommending Approval:**

**CIRILO B. SERNA**  
**Director**

**Administrative Order  
No. 10  
February 19, 1993**

**SUBJECT : Further amendment to DENR  
Administrative Order No. 19 Series of  
1989 as amended by DENR Administrative  
Order No. 5 Series of 1990 regarding  
Lumber Export Ban.**

In order to encourage the processing of high value wood products, and to augment the supply of lumber in the local market as well as to discourage technical manipulation in the implementation of lumber export ban, Section 2 of DENR Administrative Order No. 19, Series of 1989, as amended by DENR Administrative Order No. 5, Series of 1990, is hereby further amended to read as follows:

**"Section 2. Exemption to the Export Ban.**

Lumber products, wood manufacturers and other finished wood products which are further manufactured from lumber or wood including, but not limited to wooden furniture and toys, packing cases and parquet floors, doors and other builder woodworks, picture frames, tool handles, decorative articles, wooden shoes, toothpicks, chopsticks, etc. produced from local or imported logs, shall be exempted from the ban.

Exportation of lumber and boules produced from imported logs shall be totally banned. Likewise, imported lumber shall also be covered by the ban except when they are manufactured into finished wood products."

All other provisions of DENR Administrative Order No. 19, Series of 1989 as amended remain the same.

This Order takes effect immediately.

**ANGEL C. ALCALA  
Secretary**

**Administrative Order  
No. 11  
March 02, 1993**

**SUBJECT : Guidelines for the Imposition of Application and Licensee Fees covering Minor Forest Products which are Exempted from Payment of Forest Charges Pursuant to R.A. 7161.**

Pursuant to the provisions of Section 64 of P.D. No. 705, and Memorandum Circular No. 121 dated 02 November 1990 issued by the President, the following guidelines on the imposition of application and license fees covering forest products which are exempted from payment of forest charges pursuant to R.A. No. 7161, are hereby issued:

1. In determining the amount of application fee, the new rate shall be P20.00/100 units but not less than P250.00
2. In the computation of license fee, the following formula shall be used:

$$L = 0.5\% \times P \times AC$$

where:

L = License fee  
P = average regional FOB market price  
AC = allowable cut

This Order takes effect immediately and supersedes all orders, circulars and instructions which are inconsistent herewith.

**ANGEL C. ALCALA  
Secretary**



**Administrative Order**

**No. 15**

**March 31, 1993**

**SUBJECT : Evaluation and Monitoring of the Assessment Collection of Forest Charges and other Administrative Fees**

Pursuant to Republic Act 7161, and to pertinent provisions of Executive Order 192, and in order to attain efficiency in the collection of taxes and revenues in the utilization and development of forest resources, the following guidelines are hereby issued for the proper guidance of all concerned:

**Section 1.** For purposes of this Order, the terms Forest Charge and Administrative Fees shall be defined as follows:

1.1 **Forest Charge** refers to a levy being imposed by the government on each cubic meter of timber cut in forestland by the TLA and/or TPSA holder the amount of which was specified under R.A. 7161 to be twenty five (25%) of the actual FOB market price of said timber per cubic meter.

1.2 **Administrative fees** refer to payment being made for the services and operational expenses of the government in the processing, monitoring and managing the licenses/permits being issued by DENR. These fees are as follows:

1.2.1 Application fee

1.2.2 License/Permit fee

1.2.3 Performance bond

1.2.4 Service fee

1.2.5 Rental

1.2.6 Others e.g. Oath fee, Appeal fee, and authentication fees.

**Section 2.** The Regional Disbursing Officer (DO's) and Special Disbursing Officers (SDO's) shall provide separate entry ledgers for forest charges and for specific administrative fees being collected by them which must be consistent with the production reports. In case of forest charges, date of payment as well as date of log production shall both be indicated in the collection report.

**Section 3.** The Office of the Secretary (OSEC) shall conduct a quarterly evaluation of the assessment and collection of forest charges and other administrative fees at the regional, provincial, and community offices. For this purpose, a committee is hereby created to be composed of representatives from Finance Service-DENR as Chairman, Planning Service-DENR, Forest Economics, Administrative and Legal Divisions of FMB.

**Section 4.** The Committee shall review and evaluate all records of timber and non-timber production of TLA holders and other forest products licensees/permittees and check the assessment and collection of forest charges and other fees and surcharges being collected by the DENR field offices.

**Section 5.** All Regional Offices, PENROs, and CENROs shall see to it that all records on production, assessment and remittances are properly filed in their respective offices on a monthly and quarterly basis for audit and evaluation purposes. These reports shall include, among others, the following:

1. Original scale sheets of log production by TLA and production reports of non-timber forest products by permittee/licensee.
2. Duplicate copies of assessment and receipts of payment of forest charges made by these TLAs.
3. Banks deposit/remittance receipts if money were deposited/remitted to the national treasury.
4. Duplicate copies of receipts for other fees and charges collected by the concerned field offices.

**Section 6.** The REDs, PENROs and CENROs concerned shall review the qualifications of all Disbursing Officers (DOs)/ Special Disbursing Officers (SDOs) in all offices under their jurisdiction. The following qualifications shall be strictly observed in designating DOs and SDOs.

- 6.1 He/She must be a permanent employee.
- 6.2 He/She must be bonded.
- 6.3 He/She has not been charged administratively for any offense.

The RED shall replace all DO's/SDO's who do not meet the above qualifications in consultation with RTDs, PENROs and CENROs.

**Section 7.** The RED shall also review the performance of all scalers within his region and shall conduct spot check of log scaling being undertaken by them. The RED, RTD for Forestry, PENROs and CENROs shall be held liable for the erroneous scaling and assessment reports of their personnel.

**Section 8.** The RED, RTD for Forestry, PENROs and CENROs shall see to it that no log transport shall be allowed unless the corresponding forest charges are paid. For those TLA/TPSA holders who have arrears in the payment of forest charges for more than one month, the RED shall immediately order the suspension of log transport and shall be lifted only after full payment of said arrears.

**Section 9.** The proper assessment and collection of forest fees, charges and surcharges and other fines shall be included in the KRAs of field offices.

**Section 10.** This Order takes effect immediately and supersedes all orders or instructions which are inconsistent herewith.

**ANGEL C. ALCALA**  
**Secretary**

**Administrative Order**

**No. 16**

**April 02, 1993**

**SUBJECT : Guidelines on the Implementation of the Forestry Sector Project**

In the interest of the service and in order to effectively implement the Forestry Sector Project, the following guidelines are hereby promulgated.

The Forestry Sector Project shall utilize a sector approach to maximize its impact on upland and coastal resource development. Henceforth, activities to be implemented shall be in coordination with and in complementation to existing development strategies under the forestry projects of the DENR.

**Section 1. Basic Policy**

It shall be the policy of the DENR to use the community-based forest management as a development approach already incorporating the experiences generated and learned in the Forestry Sector Program and in the initiatives of other donor agencies to ensure sustainable resource management and so that investment activities in the future are driven by the meaningful participation of local communities and non-government organizations.

**Section 2. Objectives**

The Forestry Sector Project aims to:

- a) reverse the process of upland and mangrove forest degradation;
- b) ensure the long-term sustainability of activities begun under the sectoral investment component by the building of strong community capability in the management of natural resource-based enterprises and community development in general;
- c) improve the material well-being of rural communities by integrating several sustainable resource utilization activities into a solid economic base that provides improved family income.

### **Section 3. Definition of Terms**

Whenever used in this Administrative Order, unless the context otherwise requires, the terms have the following meanings:

- a) **"FLMA"** means a Forest Land Management Agreement between DENR and one or more project participants, or the name of the instrument designed to make the joint venture binding. Per DAO 71, series of 1990, the qualified communities awarded with an FLMA are granted the sole and exclusive privilege to develop and manage the area covered by the FLMA for 25 years but in exchange, are obliged to pay during harvest time a production share to the government equivalent to the cost invested in reforestation such area.
- b) **"FLM"** or the Forestland Manager is the family/community awarded with an FLMA who shall develop, protect, maintain and utilize the trees and perennials that have been established in the plantations covered with an FLMA.
- c) **"CFMA"** means a Community Forest Management Agreement between DENR and one or more project participants in the Community Forestry Program, or the instrument or agreement designed to make the joint venture binding.
- d) **"CSC"** means a Certificate of Stewardship Contract, or the instrument or agreement designed to make the joint venture binding.
- e) **"DENR Regulations"** means the various administrative orders, rules, regulations, circulars, memoranda and guidelines including those pertaining to CFMA, FLMA and CSC issued by DENR and which are necessary for implementation of the project.
- f) **"MPFD"** means the Philippine Master Plan for Forestry Development.
- g) **"NFDO"** means the National Forestation Development Office.
- h) **"NGOs"** mean non-government organizations involved in the forestry sector.
- i) **"NPCO"** means the National Program Coordinating Office created in 1988 to act as secretariat of the Forestry Sector Program.
- j) **"Program Loan"** means the aggregate of the loans provided by the Asian Development Bank (Loan Nos. 889 and 890 PHI: Forestry Sector Program) and the Overseas Economic Cooperation Fund of Japan (Loan No. PHC 11).

- k) **"Project Area"** means forest and logged-over areas in the country where subprojects shall be implemented.
- l) **"Project Participants"** mean individuals, rural communities and community organizations living in or around the Subprojects sites who shall be involved as participants and beneficiaries of the watershed rehabilitation, reforestation and community-based forest management activities to be undertaken under the Project.
- m) **"Subproject"** means a site development already approved or still to be approved for financing out of the proceeds of the Forestry Sector Project loan.

## **Section 4. Project Components**

### **4.1 Community-based Forest Protection and Management**

Targeted for development under this component are different classes of forest lands gradually brought under community management through discrete subprojects as well as measures designed to protect, directly and indirectly, the remaining old-growth forests of the country.

Each subproject will be managed as a single administrative unit and will be supported by a plan based on DENR's survey, mapping and planning (SMP) procedures. The subprojects are described as follows:

- 4.1.1 Reforestation would stress on the development of production forests with the direct and active involvement of the local communities/families under the FLMA. The subprojects shall become a part of integrated site development that will include agroforestry farm development and regeneration forests on steep slopes.
- 4.1.2 Critical Watersheds would include areas to be managed primarily for sustained water yields to supply the needs and promote the socio-economic development of the people living within the watersheds. The area may or may not be declared as critical watersheds in the legal sense, with protection forest development as the primary activity and where agroforestry farm development is appropriate.
- 4.1.3 Upland Forest Management would stress the sustainable management of natural forests and the development of the participating community into a productive enterprise, capable of managing forest resources. The 33 CFP sites established under the Program Loan and the 19 additional

sites being established under the Natural Resources Management Program would be the focus of attention, initially.

- 4.1.4 Mangrove Forest Management would concentrate on the rehabilitation and management of existing mangrove forests as a part of larger coastal resource management activities that would include the control of destructive fishing methods, sea farming and development of sustainable marine life harvest as well as mangrove wood product harvest.

Aside from the above-mentioned investment components, the following are also included:

- 4.1.5 Demarcation of old growth forests shall cover the entire area of the remaining old-growth forest.
- 4.1.6 Development of buffer zones which will focus on the subproject components of the CBFM; and
- 4.1.7 Surveillance and monitoring to check field data, detect forest encroachments, and identify illegal activities.

#### 4.2 **Policy and Institutional Reform Component**

The policy measures to be undertaken under the Project have been grouped into:

- 4.2.1 Prerequisites for the successful implementation of the investment components. This includes DENR regulations on contract reforestation including post planting management; community-based management of residual forests; development and pilot testing of one tenorial instrument in support of community-based management of forest lands; management of critical watersheds; and protection of virgin forests, control of illegal logging and enforcement of regulations.
- 4.2.2 Broader policy agenda which include a New Forestry Code; financial sustainability of forest management; participation of NGOs in DENR programs; incentives for forestry in private lands; and setting of clear responsibility areas for watershed management and protection.

#### **4.3 Technical Support**

Consultancy services will be required in the preparation of subprojects following the criteria established for the purpose.

The Technical Assistance grants for the Forestry Sector Project namely: (i) Establishment of Small Scale Community-based Wood and Non-wood Forest Product Industries; and (ii) Monitoring and Evaluation of Sector Investment Activities shall be under the supervision of the NFMC.

#### **Section 5. Priorities for the selection of Investment Sites**

Proposed sites for subproject implementation shall be prioritized at the regional and subsequently at the national level based on the following parameters:

1. Deforestation Index
2. Open/Cultivated/Grassland areas (hectares)
3. Poverty Index
4. Upland Population Density
5. Regional Timber Product Requirement (10 years)
6. Presence of other Foreign Assisted Projects
7. Involvement and presence of Indigenous Cultural Communities (ICCs)

#### **Section 6. Selection, Appraisal and Approval of Sub-projects**

After priority areas for sub-project implementation shall have been identified, the following procedures shall be observed in the selection, appraisal, and approval of subprojects.

##### **6.1 Selection of Sub-projects**

The NFDO shall select subprojects on a preliminary basis with the assistance of DENR Regional and field offices. Such selection shall be made in accordance with the following criteria:

- a. existence of at least one competent NGO or other community organizations at the subproject site;
- b. evidence of a common desire among the project participants to manage and improve the forest resources at the subproject site;



- c. delineation of the subproject site on the ground and on an appropriately detailed map prior to implementation;
- d. ability of the project participants to satisfy and fulfill applicable DENR regulations;
- e. accessibility of the project site and contiguity to old growth forests;
- f. identification, delineation and reservation for agricultural purposes, of land suitable for agriculture and not covered with forests; and
- g. development of the site shall cause little or no adverse environmental impact.

## **6.2 Appraisal of Sub-Projects**

NFDO shall carry out, with the assistance of concerned Project Consultants, detailed appraisal of subprojects for implementation under the Project in accordance with procedures agreed upon between DENR and the Asian Development Bank.

A Subproject should:

- (a) yield a minimum financial internal rate of return (FIRR) of eleven percent (11%);
- (b) yield a minimum economic internal rate of return (EIRR) of fourteen percent (14%); and
- (c) not cost more than the maximum investment costs indicated in DAO 31, Series of 1991.

## **6.3 Approval of Sub-Projects**

DENR shall submit to the Bank the subproject appraisal reports together with the IEEs for the Bank's approval. These reports shall contain, among others;

- (a) estimates of (indirect and direct) foreign and local currency expenditures;
- (b) estimated amounts to be financed by the Asian Development Bank and other funding institutions;
- (c) a projected disbursement schedule.

Upon approval by the Bank of each subproject, DENR shall enter into a suitable reforestation or community-based forest management agreement (FLMA/CFMA) with the concerned project participants. DENR shall then furnish the Bank copies of Certificate of Stewardship Contracts (CSCs), FLMAs and CFMAs showing that the subproject sites are managed by concerned families/communities under appropriately concluded land tenure agreements.

## **Section 7. Project Management**

A project organization is hereby established to make it more responsive to the demands of the Project. (Annex 1)

### **7.1 The Foreign-assisted and Special Projects Coordinating Board (FASPCB)**

The Foreign-Assisted and Special Projects Coordinating Board created under DENR Special Order No. 114, Series of 1993, which is chaired by the Secretary, shall provide overall direction to all foreign-assisted and special projects which include the Forestry Sector Project.

The Board shall have the following as members:

1. all DENR Undersecretaries
2. all DENR Assistant Secretaries
3. all Bureau Directors
4. the NAMRIA Administrator

### **7.2 The National Forestation Management Committee (NFMC)**

The National Forestation Management Committee (NFMC) shall be created to provide overall guidance in planning and policy formulation.

It shall be composed of the following DENR officials:

1. Undersecretary for Field Operations as Chairman
2. Undersecretary for Natural Resources Management as Co-Chairman
3. Undersecretary for Environment and Research
4. Assistant Secretary for Management Services
5. Assistant Secretary for Policy and Planning
6. The Director of the Forest Management Bureau (FMB)

7. The Officer in Charge of the Foreign-assisted and Special Projects Office (FASPO)
8. The Deputy Administrator for Remote Sensing, Resource Data Analysis and Information Management of NAMRIA
9. The Directors of the Ecosystems Research and Development Bureau (ERDB), Protected Areas and Wildlife Bureau (PAWB) and the Environmental Management Bureau (EMB).
10. Director of Planning and Policy Services
11. Head Executive Assistant

Representatives from the Departments of Finance, Agriculture, Agrarian Reform and National Economic and Development Authority and other oversight agencies as well as the Regional Executive Directors can be invited to meetings when necessary.

### 7.3 **The Project Management Committee (PMC)**

The Project Management Committee shall be created to:

1. recommend the issuance of Department Administrative Orders, memorandum circulars, special orders and other similar issuances needed in NFP implementation;
2. approve the annual work program, targets and budgets; and
3. provide project management and assistance to NFDO and monitor project implementation.

The members of the PMC who shall backstop the NFDO Project Director who shall sit as Chairman shall be multi-sectoral in nature and shall be composed of the following:

1. The Assistant Director of FMB, Vice Chairman
2. The Chief of the Social Forestry Division of FMB
3. The Chief of the Social Economics Division of FMB
4. The Chief of the Natural Forest Management Division of FMB
5. The Chief of the Reforestation Division of FMB
6. The Program Coordinator of the Community Forestry Program
7. The Program Coordinator of the Coastal Resource Management Committee
8. The Director of Remote Sensing, Resource Data Analysis Department of NAMRIA

9. Representatives from FASPO, EMB, ERDB, PAWB, Budget and Accounting of DENR
10. The two NFDO Assistant Project Directors

#### 7.4 The National Forestation Development Office (NFDO)

The National Forestation Development Office (NFDO) shall be created and be directly under the NFMC.

Its functions shall be the following:

1. act as the project office coordinating the implementation of forestry projects until such time that its functions have not yet been institutionalized at FMB;
2. manage the residual activities of the Forestry Sector Loan Program;
3. select, formulate and appraise sub-projects;

7.4.1 The Project Director - The NFDO shall be headed by a Project Director appointed by the Secretary, in consultation with the Asian Development Bank.

He shall have the following responsibilities:

1. overall implementation and supervision of the projects including procurement, disbursement and monitoring and evaluation;
2. supervision of the monitoring and documentation of remaining projects funded under the Forestry Sector Program loan;
3. coordinate with the Community Forestry Program (CFP) and Coastal Resource Management secretariat on the matter of site selection to enhance project implementation;
4. act as Chairman of the Project Management Committee (PMC);

7.4.2 The Assistant Project Directors - To assist the Project Director, two (2) assistant project directors (APDs) shall be designated to supervise the technical and support units of the NFDO. The technical units in their respective areas of concern shall:

1. coordinate the implementation of all community-based forestry management sub-projects such as forestland management, community forest management, and watershed rehabilitation;
2. coordinate the forest project protection activities, particularly the demarcation of old-growth forests;
3. handle the coordination of all other related special projects such as research and feasibility studies; and,
4. perform other related tasks as may be directed by higher authorities.

## 7.5 **The Regional Forestation Development Office (RFDO)**

At the regional level, the RFDO shall be created and headed by the Regional Executive Directors (REDs).

### 7.5.1 The Regional Management Committee (RMC)

To backstop the RFDO, a Regional Management Committee shall be created with the following members:

1. The Regional Forestation Development Action Officer or the RTD for Forestry
2. The Regional Technical Director for the Environment and Research
3. Chief of the Forest Resource Development Division
4. Chief of the Forest Resource Conservation Division
5. Provincial Environment and Natural Resources Officers
6. Community Environment and Natural Resources Officers

The Committee shall have the following responsibilities:

1. approve Administrative Orders, circulars, memoranda, special orders, and other similar issuances, in consonance with national policies;

2. endorse subprojects for funding;
3. regularly monitor project implementation;
4. assign selected regular staff of the regional Forest Management Sector to the RFDO;
5. approve the awarding of agreements; and
6. perform other related tasks as may be assigned by higher authorities.

#### 7.5.2 The Regional Forestation Development Office (RFDO)

This office shall be headed by an action officer in the person of the RTD for Forestry. He shall be supported by a technical, financial and administrative staff to facilitate the monitoring, evaluation and documentation related to the reimbursement of project expenses.

The NPCO Regional Liaison Officers (RLOs), the Assistant Regional Liaison Officers (ARLOs), and the Project Evaluation Officers (PEOs) of NPCO shall be given priority in the manning of the technical, financial and administrative staff in view of the need to monitor and document projects funded by the Forestry Sector Program Loan.

Selected regular staff from the region's Forest Management Sector (FMS) shall be detailed to the RFDO.

RFDO shall have the following functions:

1. conduct pre-appraisal of project sites which include site prioritization, in coordination with the PENROs and CENROs;
2. award contracts for the preparation of feasibility studies (SMP/FIRR, EIRR and costings), subject to delegated authority;
3. assist in NGO accreditation, especially of those who will undertake community organizing, in coordination with regional NGO Desks;

4. recommend to the RMC the awarding of agreements, subject to delegated authority;
5. provide technical assistance to community organizers and local communities;
6. evaluate reports for billing purposes, in coordination with the PENROs and CENROs;
7. monitor and evaluate performance of contracted NGOs;
8. conduct Information, Education and Communications for community-based forest protection and management;
9. continue the monitoring and evaluation of projects established under the Forestry Sector Program, in coordination with the PENROs and CENROs;
10. initiate the preparation of vouchers, in coordination with the regional financial units;
11. provide financial and administrative support to program implementation;
12. document projects as a requirement for the reimbursement of expenses;
13. provide periodic reports on the status of project implementation; and
14. perform other tasks as may be assigned.

#### 7.6 The Site Coordinators

Since it is the community who are the actual project managers, site coordinators shall have the following responsibilities:

1. provide technical assistance to the community and NGO contractors in project implementation;

2. facilitate the documentation of projects for billing purposes;
3. link DENR with the organized local communities in the sub-project sites;
4. assist the NGOs in training the community for capability building;
5. provide RFDO with periodic reports on the status of project implementation, copy furnished to the PENROs and CENROs; and
6. perform other related tasks as may be assigned from time to time.

Existing project managers, contract reforestation supervisors, forestry supervisors, regional liaison officers, assistant regional liaison officers, project evaluation officers and forest rangers as well as other DENR personnel who have good performance in their respective fields which are related to Community-based Forest Management and who are willing to work on a full time basis, shall be considered for the designation as Site Coordinators.

Site Coordinators shall be recommended by the RED to the USEC for Field Operations, for the issuance of the corresponding special orders for their detail.

#### **Section 8. Institutionalization of the NFDO**

To sustain the project, NFDO shall eventually be absorbed by the FMB at an appropriate time determined by the NFMC, in consultation with Asian Development Bank. (Annex 2)

In the regions, the functions of the RFDO shall likewise be absorbed by concerned regional offices subject to the review and evaluation by the RMC.

#### **Section 9. Authority of the NFMC**

The NFMC is hereby authorized to issue additional instructions and guidelines as may be necessary for the effective implementation of this order. For consistency, these guidelines may be adopted for other CBFM projects.



**Section 10. Repealing Clause**

The National Forestation Program (NFP) Advisory Board, NFP Steering Committee and the NPCO, upon effectivity of this Order, shall cease to exist. All personnel, records, documents, assets and liabilities of the NPCO shall be transferred to and be the responsibility of the NFDO, subject to the existing rules and regulations.

All other circulars and administrative orders whose provisions are inconsistent herewith are hereby repealed or amended accordingly.

**Section 11. Effectivity**

This order takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Administrative Order**  
**No. 18**  
**April 20, 1993**

**SUBJECT : Prescribing the Revised Schedule of Forestry Administrative Fees.**

Pursuant to the provision of Section 64 of P.D. 705, and Memorandum Circular No. 121 dated 02 November 1990 issued by the President, the following revised schedule of fees pertinent to forestry leases, licenses and permits are hereby prescribed:

**A. APPLICATION FEE FOR:**

- |     |  |  |
|-----|--|--|
| 1.  | Non-timber forest products except rattan, gums and resins, beeswax, gutta-percha, almaciga resin, and bamboo | P0.20/unit of product measurement but not less than P250 |
| 2.  | Forest Products Processing and Utilization   |  |
| i   | Inspection of Forest Products  | P300.00/application                                      |
| ii  | Certificate of Registration as poles, piles, log and limber dealers  | P500.00/application                                      |
| iii | Wood Processing Plants   | P500.00/application                                      |
| iv  | Rattan manufacturing/processing plant  | P500.00/application                                      |
| 3.  | Grazing land   | P5.00/ha or fraction thereof but not less than P500.00   |
| 4.  | Special use of forest land   | P300.00/application                                      |
| 5.  | Mining prospecting   | P1.00/ha or fraction thereof but not less                |

than P500.00

6. ITP and TF P0.50/ha or fraction thereof but not less than P100.00

**B. LICENSE/PERMIT FEE FOR:**

1. Forest Products Processing and Utilization

i	Certificate of registration as poles and piles, log and lumber dealers	P400.00
ii	Wood Processing Plant Permit to operate regular sawmill and mini-sawmill and resawmill	
	<u>Daily Rated Capacity</u>	
	Below 24 m3	P750.00
	24 m3 47 m3	P900.00
	above 47 m3	P1,000.00
iii	Veneer/Plywood Plants and other wood-based panel plants	
	Annual Log Requirement	
	Below 4,000 cu.m.	P1,400.00
	4,000 - 7,999 cu.m.	1,800.00
	8,000 - 11,999 cu.m	2,500.00
	12,000 - 15,999 cu.m.	2,800.00
	16,000 - 19,999 cu.m	3,400.00
	20,000 - 29,999 cu.m.	3,950.00
	30,000 - 39,999 cu.m	4,500.00
	40,000 - 49,999 cu.m.	5,650.00
	50,000 - 99,999 cu.m	7,000.00
	100,000 cu.m. and above	8,500.00

iv	Wood treating plants operated as independent units	P3,000.00
v	Rattan manufacturing/ processing plant	P50.00 for every 10,000 authorized capitalization

**C. PERFORMANCE BONDS (Cash)**

1.	Timber license agreement including pulpwood	20% of the total forest charges based on AAC granted but not less than P10,000.00 plus reforestation deposit
2.	Private Land Timber Permit/License, Special Permits	P1.00/cu.m based on AAC granted but not less than P1,000.00
3.	Other Forest Products Licenses/Permits	
	i Firewood, charcoal and daluru	20% of the forest charges based on AAC but not less than P1,000.00
	ii Rattan poles and splits	Twice the value of the forest charges for rattan provided the amount of bond shall not be less than P10,000.00
	iii Other non-timber forest products	20% of the market value but not less than P1,000.00
4.	Wood Processing Plants	P600.00/cu.m. based on daily rated capacity but not

- less than P10,000.00
5. Rattan manufacturing/  
processing plants P3.00 for every  
1,000 linear meters but  
not less than P5,000.00
  6. Grazing Land P20.00/ha or a fraction  
thereof but not less than  
P3,000.00
  7. Gathering and utilization  
of logging wastes P100.00/cu.m but not  
less than P10,000.00. In  
case the required cash bond  
exceeds P1,000.00, a  
surety bond may be posted  
in lieu thereof, provided  
that the surety bond shall  
be at least 25% more than  
the amount of cash bond.

**D. SERVICE FEE**

1. Survey (delimitation of  
boundary) fees on forest  
lands subject of application  
for timber or non-timber,  
forest products license. P50.00/ha but not  
less than P2,000.00  
plus the actual  
transport cost of  
the survey team from  
official station to site
2. Timber Inventory
 

5%	Intensity	P15.00/ha
10%	Intensity	25.00/ha
20%	Intensity	40.00/ha
100%	Intensity	200.00/ha

Plus the actual transport  
cost of the Inventory team  
from official station to site
3. Identification and  
tallying of railroad ties P0.25/tie but not  
less than P300.00

- |    |  |  |
|----|--|--|
| 4. | Grading and identification of lumber   | P13.50/cu.m or fraction thereof but not less than P300.00  |
| 5. | Tallying of lumber   | P5.00/cu.m. but not less than P300.00                      |
| 6. | Grading, Identification and Scaling of logs  | P10.00/cu.m. or fraction thereof but not less than P300.00 |
| 7. | Inspection and survey fees for grazing lands, agro-industrial estates and for all special forest land uses | P50.00/ha but not less than P2,000.00                      |

**E. RENTAL**

- |    |  |   |
|----|--|---|
| 1. | Annual rental for special forest land uses except grazing lands                | 1 ha. or less -<br>P70.00/ha.<br>over 1 ha. to 5 ha. -<br>P150.00/ha.<br>over 5 ha. - P250.00/ha. |
| 2. | Annual rental per hectare or fraction thereof, for grazing lands               | Climatic Type 1 -<br>P15.00/ha<br>Climatic type 2,3,4 -<br>P20.00/ha.                             |
| 3. | Annual rental for Industrial Tree Plantation, Tree Farm and Rattan plantations |   |
|    | 1st - 5th year   | no rental   |
|    | 6th - 10th year  | P0.50 ha.   |
|    | 11th year and thereafter   | P1.00/ha.   |

**F. SILVICULTURAL FEE**

- |   |   |
|---|---|
| (Regulatory fines on damaged residual trees | Four (4) times the amount of forest charges |
|---|---|

**G. OTHERS**

- |    |   |   |
|----|---|---|
| 1. | Oath Fee  | P30.00/application                          |
| 2. | Appeal Fee  |   |
|    | a. Grazing  | P3,000.00/case                              |
|    | b. TLA's  | P5,000.00/case                              |
|    | c. Other land users   | P1,500.00/case                              |
| 3. | Authentication (certified true copy of documents)             | P30.00/sheet plus P3.00 documentary stamps. |
| 4. | Sale of FMB publication (c.g. Philippine Forestry Statistics) | at cost                                     |

If any provision of this Order is declared void or illegal, the remaining provisions thereof which are not affected thereby shall remain in full force and effect.

This Order amend MAO No. 5, Series of 1980, BFD AO No. 2, Series of 1985, MAO NO. 50, Series of 1986, FAO No. 1, Series of 1984, DAO No. 4, Series of 1989 and all other related orders, issuances and other rules and regulations which are inconsistent herewith.

This Order shall take effect after fifteen (15) days following its publication in any newspaper of general circulations.

**ANGEL C. ALCALA**  
Secretary

**Administrative Order**

**No. 19**

**April 22, 1993**

**SUBJECT : Establishing the Coastal Environment Program (CEP) and Providing Funds Thereof**

In the interest of the service and pursuant to Executive Order No. 192 and Republic Act 7586 which mandate the Department of Environment and Natural Resources (DENR) to implement programs and projects on conservation and management of Philippine environments, a Coastal Environment Program (CEP) is hereby established.

**Section 1. Rationale.** Coastal environments provide production and livelihood opportunities to marginal families in the Philippines. They provide food, particularly protein, to majority of the country's population. Coastal environments encompass different ecosystems including shorelands, mangroves, seagrass beds and coral reefs, and are among the most productive and biologically diverse landscapes known to humans. In an archipelagic country like the Philippines and where over 80% of major settlements are located within ten to twenty kilometers from shorelines, coastal environments are critical and often dominant ecological presuppositions of economic, social and cultural life. The protection and proper management of coastal environments are an important concern of the State and explicitly mandated so by the Philippine Constitution.

**Section 2. Basic Policy.** It is the policy of the Department to exert maximum effort to implement the spirit and letter of the constitution and of other laws defining its mandate, along and within the objectives, provisions, scoping and principles of the Philippine Strategy for Sustainable Development (PSSD), the Philippine Medium Term Development Plan (MTDP), and of the actions or agreements adopted by the Philippine Council for Sustainable Development (PCSD) related to pursuing the objectives of Agenda 21 of the United Nations Council for Environment and Development (UNCED) and of such other international protocols and treaties to which the Philippines has committed to abide.

The Department shall endeavor to enter into partnership with all sectors of the Philippine society to protect, conserve, and manage on a sustainable basis, coastal environments throughout the territorial jurisdiction of the country.

The integrity of coastal ecosystems and their productivity and biodiversity shall be maximized subject to some areas being designated for protection (exclusion of human exploitation) and others for sustainable use.



Equitability of access to and utilization of resources and the substantive involvement of local communities and stakeholders shall be basic concerns and objectives of programs, initiatives and arrangements that the Department might adopt and institute to protect and manage coastal environments.

**Section 3. Definition of Terms.** For the purposes of this Order, coastal environments shall be defined as those areas where, at any given time, socio-economic interactions among and between humans and land-based and sea-based natural resources occur, extending to no more than one (1) linear kilometer from the highest tide point landward and to 100 fathom isobath or fifteen linear kilometers (whichever is farther) seaward.

Coastal resources refer to all objects, events and processes of nature which are of value to humans, grouped primarily as follows:

1. **Shorelands:** strips of land extending one linear kilometer from the highest tide level of the nearest body of water, including minerals, nutrients and life forms found under, on or above the land;
2. **Coastal forests:** mangroves and other beach vegetation whose structures and forms are consistent with the definitions of forests contained in Presidential Decree 705 and the Forestry Master Plan of the Philippines.
3. **Fishery and wildlife resources:** vertebrates, invertebrates and floral formations in aquatic ecosystems, inhabiting or deriving sustenance from coastal environments;
4. **Minerals:** solids, gasses and other liquids useful to humans found on or under submerged land forms.

**Section 4. Scope and Objectives.** The CEP shall include all programs, projects and initiatives of the DENR related to or involving coastal environments; these include those which the Department is conducting jointly with or in support of other government units and agencies, people's and non-government organizations, and international entities or instrumentalities. CEP encompasses all Department concerns over the habitat and ecological support systems of coastal communities and fisheries specifically pertaining to their productivity, biodiversity, integrity, sustainability and equitability of access and use. CEP shall include activities related to protecting, conserving and rejuvenating the population of endangered species, and such other activities, including research, to mediate, ameliorate or mitigate threats to coastal resource systems.

The CEP shall aim to:

1. Coordinate, to minimize overlaps and to improve the efficiency and effectiveness of the implementation of DENR activities on resource and environmental management of coastal ecosystems in the Philippines;
2. Integrate the strategies, thrusts and directions of DENR activities in coastal environments by way of:
  - 2.1 Using community organizing as primary means of intervention to protect and improve the level of sustainable use of coastal resources;
  - 2.2 Involving communities and immediate stakeholders of coastal resources as principal partners of the DENR to protect and manage coastal ecosystems;
  - 2.3 Mobilizing as many of the other coastal activities of the Department and their associated financial and administrative resources, to support program thrusts in different locales in the country; and
  - 2.4 Utilizing the total systems approach to identify resource issues, institutional problems and local opportunities for human welfare, in each coastal activity of the DENR;
3. Attain higher levels of productivity, biodiversity, sustainability, stability and ecological integrity of coastal resource systems through promotion of environment friendly technologies;
4. Improve cultural, socio-economic and generational equity in access to and use of coastal resources, mainly by (a) expanding livelihood opportunities, and (b) democratizing control of ecological support systems, in coastal environments;
5. Expand sectoral participation in protecting and managing coastal environments;
6. Upgrade the capability of Department personnel in both field and support offices, to undertake community-based protection and management of coastal environments and resource systems; and
7. Develop and implement policies to augment community participation and control of access to and use of coastal resource systems and to promote and

improve the productivity, biodiversity, sustainability and equity of human benefits and utilization of coastal environments and ecosystems.

**Section 5. Implementing Guidelines.** The CEP shall be implemented using principles and strategies of equitable and sustainable resource use as stipulated and defined by the Constitution, PSSD, MTDP and PCSD.

The implementation of CEP shall have to be consistent with all commitments and agreements entered into by the Philippines, including but not limited to Agenda 21 of UNCED, Montreal Protocol, Basel Convention, and the charters of the Association of Southeast Asian Nations (ASEAN), United Nations Environment Programme (UNEP) and the International Maritime Organization (IMO).

CEP activities shall, to all extent possible, involve local communities and sectoral organizations (POs, NGOs, LGUs), in planning, implementing, monitoring and evaluating the activity. Earnest effort shall be exerted to ensure that the leadership in CEP activities shall be reposed on, or at the least shared by DENR with, local leaders and community members.

All activities included in CEP shall to the extent possible and practical, involve three general phases of work:

- Phase 1. Information, education and communication (IEC) campaign cum community organizing, to achieve higher levels of participation of local communities in the activity.
- Phase 2. Introduction of intended interventions (or package of developmental activities) for eventual adoption by partner communities and sectors; and
- Phase 3. Monitoring and evaluation of the activity to seek options and opportunities for follow-up and institutionalization.

Each phase may overlap to the extent deemed needed by implementors to ensure success of the activity.

**Section 6. Program Organization.** The CEP shall be organized as follows: existing Department programs, projects and other activities related to coastal environments shall be grouped (and coordinated as such) into initially five categories comprising the organic components of the CEP; viz.,

1. **Coastal Habitats and Biodiversity.** Activities within this component would be concerned mainly with the conservation and management of coastal areas in which humans and other floral and faunal populations inhabit and find sustenance. This component aims to enhance the biodiversity of floral and faunal populations in coastal areas. Included in this component would be activities related to the implementation of the National Integrated Protected Areas Systems (NIPAS) in coastal zones and the rehabilitation and improvement of mangroves, sea grasses, and coral reefs in designated coastal environments.
2. **Endangered Species.** This component would focus on the conservation, protection and propagation of endangered species and on the protection and management of their habitats. Existing Department activities on marine turtles, crocodiles, sea snakes, shore birds, whales, sea cows, porpoises and others, shall be included in this component.
3. **Coastal Industries and Pollution.** Included in this component would be activities related to understanding and regulating industrial activities and water pollution in coastal areas. A key concern of this component would be the study of the impact on coastal environments of industrial activities and draw down pollution, to identify and implement developmental and regulatory options to mitigate negative effects; also to be included in this component are activities to improve the institutional arrangements with which the Department shall coordinate coastal pollution control with other agencies of the government.
4. **Resource Inventory and Assessment.** This component includes activities to identify and estimate existing and future stocks of ecologically-important coastal species and to evaluate the state of critical ecosystems in coastal environments. This component would include activities to understand how human and non-human populations interact to determine the character and productive potentials of coastal resource systems.
5. **Research and Special Projects.** Included in this component are activities relating to developing, testing and applying methodologies to understand coastal environments and their associated resource systems. Likewise included would be activities to provide precedents for future larger scale Department initiatives on coastal systems, including those, because of their unique scoping or funding specifications, might not be assigned to the other four components of CEP (e.g. livelihood projects).

Other activities as may be later organized in the Department shall be assigned to either of the five components of CEP. The assignment of activities to any of the five components of CEP shall be done by the DENR CEP Steering Committee as provided for below in this Order.

**Section 7. Program Management.** Over-all direction and management of CEP shall be reposed on the Secretary who shall chair and derive advice from a national steering committee to be known as "DENR Coastal Environment Program Steering Committee" (DCSC); the DCSC shall assist the Secretary formulate the policies and implementation guidelines for CEP. The DCSC shall be composed of the same officers and personnel of DENR who have been earlier constituted as "Coastal Resource Management Steering Committee" in Department Special Order No. 161 and \_\_\_ both Series of 1993.

The Secretary may, upon his discretion, act en consulta for and on behalf of the committee for whatever purposes he may deem necessary, provided that such act is announced and opened for discussion in the next meeting of the DCSC. Likewise, the Secretary may act as he deems fit, to engage the DCSC or any officer and personnel of the Department to: (1) discharge specific functions related to the management and implementation of CEP, and (2) provide supervision and oversight of CEP-related activities nationwide, provided that such actions are consistent with existing laws and regulations of the State. All appointments in CEP shall be made only by the Secretary or by other who are specifically designated by him or as provided for in this Order.

Orders, policies, guidelines and actions of the Secretary or the DCSC shall be implemented by the Undersecretary for Field Operations with the assistance of a National Coastal Environment Program Coordinator (NCC).

The NCC shall direct an administrative and technical staff as may be formed by the Secretary, to formulate actions that the Undersecretary for Field Operations may adopt to implement the CEP. The NCC may undertake field activities as might be directed by either the Secretary or Undersecretary for Field Operations, for and on behalf of either official. All communications to other officers and personnel of the Department which the NCC might from time to time make on the expressed instructions of either the Secretary or Undersecretary for Field Operations should include the notation "For the Secretary" or "For the Undersecretary for Field Operations" as might be the case.

Regional Executive Directors may designate any officer of either RTD or PENRO or equivalent position to be the Regional Coastal Environment Program Coordinator (RCC) subject to the approval of their designation as such by the Secretary. The RCC shall assist the Regional Executive Director in the implementation of CEP

activities in the region and to this effect he shall coordinate efforts with the RTDs, PENROs and CENROs in the region as might be appropriate.

Heads, leaders, managers or directors of DENR activities included in CEP shall be subject to the appointment (in the case of new activities) or confirmation (in the case of existing activities) by the Secretary; non-action by the Secretary to confirm heads, leaders, managers or directors of existing and current CEP-related activities within thirty (30) calendar days after the effectivity of this Order, shall be construed as valid confirmation of the person's designation.

**Section 8. Funding.** The funds to implement this Order shall be obtained from appropriate or designated items in the Annual General Appropriations for DENR or from such other sources both local and foreign as are or have been obtained for each activity in any of the components of CEP.

**Section 9. Repealing Clause.** All orders, circulars, official instructions or parts thereof inconsistent with the provisions of this Order are hereby repealed.

**Section 10. Effectivity.** This Order shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommended by:**

**RICARDO C. UMALI**  
Undersecretary  
Field Operations and  
Natural Resources Management

**BEN S. MALAYANG III**  
Undersecretary  
Environment and Research

**MANUEL B. GONZALES, JR.**  
Assistant Secretary  
Management

**CIRILO B. SERNA**  
Assistant Secretary  
Planning and Policy

**ROMULO D. SAN-JUAN**  
Assistant Secretary  
Legal Affairs

**Administrative Order**

**No. 21**

**April 27, 1993**

**SUBJECT : Amending DENR Administrative Order No. 5, Series of 1993 re: Adopting selected ISF Model Sites and other Community Based Projects as Center for Peoples Empowerment in the Uplands (CPEU)**

To better promote the involvement of upland communities in forest development and conservation, two (2) ISF Model Sites are hereby declared as provincial training centers and referred to as CPEUs in lieu of the sites previously declared, as follows:

<b>REGION</b>	<b>PROVINCE</b>	<b>LOCATION</b>
3	Zambales	Anonang, Cabangan in lieu of Lucapon South, Sta. Cruz
4	Aurora	Brgy. Dianawan, Maria Aurora replacing Brgy. Bayanihan

All the provisions of DENR Administrative Order No. 05, Series of 1993 shall remain the same.

This Order shall take effect immediately.

**ANGEL C. ALCALA**  
**Secretary**

**Administrative Order**  
**No. 22**  
**April 27, 1993**

**SUBJECT : Revised Guidelines for Community Forestry Program**

Consistent with the policy of the state to ensure sustainable development of all public forest lands and in response to the lessons learned in the implementation of the Community Forestry Program (CFP), the guidelines for CFP are hereby revised as follows:

**GENERAL PROVISION**

**Section 1. Basic Policy.** The Department of Environment and Natural Resources (DENR) shall promote the protection management and sustainable development of natural resources within secondary/residual and old growth forests and the rehabilitation of open and degraded forest lands through proper management and sustainable development and at the same time improve the socio-economic condition of poor upland and coastal communities.

**Section 2. Objectives.** The Community Forestry Program shall:

- a. initiate community-based forest development management and utilization of natural resources within second growth upland forests and residual mangrove forest to promote social equity and prevent further degradation of natural resources.
- b. protect the remaining primary forests with the help of the community:
- c. enhance institutional capacity of the DENR, Local Government Units (LGUs), educational institutions and non-government organizations (NGOs) in catalyzing community-based forest management;

**Section 3. Definition of Terms.** As used in this Guidelines the terms enumerated below shall be defined as follows:

**Assisting Organization or AO** - refers to an organization contracted by DENR to assist in training and organizing local communities during the preparatory phase.

**ANR** - Assisted Natural Regeneration



**ARC** - Assistant Regional CFP Coordinator

**CENRO** - a Community Environment and Natural Resources Office/Officer of the DENR

**CFP-AO- Services Contract** - refers to the three-year contract awarded to an AO during the preparatory phase

**Community** - refers to persons/individuals residing within and/or adjacent to the CFP site

**Community Forestry Program (CFP)** - a forest management program launched by the DENR pursuant to this Order, which is geared towards developing organized communities that has the capability to sustainably managed natural resources.

**Community Participants** - refers to members of the community who are directly involved in CFP activities.

**CRMDP** - Community Resources Management and Development Plan

**CREF** - Contract Reforestation

**DENR** - the Department of Environment and Natural Resources

**HRDS** - Human Resources and Development Service

**ISFP** - Integrated Social Forestry Program

**MDC** - Municipal Development Council

**PENRO** - a Provincial Environment and Natural Resources Office/Officer of the DENR

**PMO** - Project Management Officer

**Project** - refers to areas developed under the CFP

**Regional Executive Director or RED** - a DENR Regional Executive Director

**Residual forests/Secondary forests** - logged-over areas

**RTD** - a Regional Technical Director for Forestry of DENR

**Secretary or OSEC** - the Secretary of DENR

**TSI** - Timber Stand Improvement

**Undersecretary of USEC** - the DENR Undersecretary for Field Operations

**Section 4. Principal Features of the Program.** Under this Program, organized community members residing within or adjacent to a second growth/residual forests, shall be awarded 25 years community forestry management agreement (CFMA) renewable for another 25 years. The CFMA provides the necessary long term security for utilization of natural resources that would motivate participating communities to develop and manage the natural resources on a sustainable basis. The CFP shall be implemented in three (3) phases: pre-implementation phase, preparatory phase and the community management phase.

- 4.1 **Pre-implementation phase.** Activities in this phase include information dissemination, site selection, census of forest occupants, selection of assisting organizations and orientation training. These shall be undertaken by DENR with active participation of LGUs and local communities.
- 4.2 **Preparatory phase.** This phase shall be geared towards developing the capabilities of participating communities to take on their new responsibilities as natural resources managers. Assisting organizations (AO) and the DENR will provide assistance to participating communities in the following areas: (a) establishing community organizations; (b) issuance of CFMA; (c) on-the-job training in forest management planning and conservation (i.e. resource inventory, surveying, preparation of management and development plan); (d) developing alternative livelihood opportunities; (e) preparation of Community Resources and Management Plan and (f) organizational development.
- 4.3 **Community management phase.** At this stage, the AO phases-out and the management responsibilities and utilization privileges shall be handled by the organized community participants with DENR assistance. In this stage, the community organization shall manage natural resources and other livelihood projects.

## PRE-IMPLEMENTATION PHASE

**Section 5. Information Dissemination.** All CENROs shall conduct information dissemination about the CFP to all communities in potential CFP sites explaining the main features of the program, its objectives, benefits and responsibilities of participating communities and the DENR. For this purpose, the Regional Distillation Groups created under DENR Special Order No. 1161, Series of 1992 shall organize a CFP orientation workshop among CENROs and PENROs in their respective region. The regional offices may use existing regional fund allocations for the production of information materials on CFP.

**Section 6. Coverage of the Program.** CFP sites must offer sufficient livelihood opportunities to encourage and sustain community participation. These opportunities may include backyard industries, contract reforestation, agroforestry, timber stand improvement (TSI), fishing and mangrove rehabilitation and others. The community forestry program may be implemented on all upland and coastal lands of public domain areas except the following:

- a. established critical watersheds covered by proclamations, legislation and specific administrative issuances;
- b. civil, military and other government reservations where forest products utilization is forbidden by law, decree, proclamation or administrative issuances; and
- c. areas covered by existing permits, leases and/or contracts except in cases where the permittee/lessee/contractee shall execute an appropriate waiver.

**Section 7. Site Identification.** Concerned PENROs and CENROs shall identify all potential sites for CFP development.

7.1 All sites for CFP shall have the following mandatory criteria:

- a. not within a prohibited area per Section 6 (above);
- b. presence of communities inside or nearby the project area who are willing to implement CFP;
- c. there is a potential to develop sources of livelihood that are not necessarily dependent on forest products extraction (e.g. contract reforestation, food processing);

- d. The area is endorsed by the Municipal Development Council for CFP development.

7.2 In addition to the mandatory criteria set forth in Section 7.1 priority shall be given to sites with the following features (i.e., preferable/optional criteria):

- a. the site is located no further than five (5) kms. from an existing road that provides market access;
- b. there is an ISF project within or adjacent to the forest, provided that if such project is already devolved to the Local Government Units, a waiver should be issued by the LGU in favor of DENR for CFP development;
- c. the site is part of an expired, abandoned or cancelled timber license agreement (TLA);
- d. approximately fifty percent (50%) of the site is forested;
- e. community organization work has previously been carried out by government or an NGO;
- f. there is an AO already operating within or nearby the site;
- g. near protection forest or protected areas and wilderness, provided that such areas shall form part of the protection area of the CFP project;
- h. the local government is perceived to be receptive to the PROJECT and no serious problems of negative political intervention are anticipated;  
and
- i. areas adjacent to existing CFP projects and reforestation projects established under the ADB Program Loan.

**Section 8. Area.** The initial area covered by a PROJECT shall not exceed five thousand hectares (5,000 ha.). However, this area may be increased in the future if the community demonstrates adequate managerial capability.

**Section 9. Site Selection.** Site selection under the program shall be in collaboration with the DENR Field Offices. Further, for sites considered for funding

under the Project Loan of DENR from ADB, site selection and approval of sites shall be in accordance with DENR Administrative Order No. 16, Series of 1993.

- 9.1 **Site verification.** Upon recommendation of the concerned CENROs and PENROs, the RED, in close coordination with the CFP National Secretariat/USEC, shall form team(s) to verify identified sites based on Sections 6 and 7 of this Order.
- 9.2 **Prioritization of verified sites.** The RED shall prioritize the verified sites and endorse the same to the USEC through the CFP National Secretariat.
- 9.3 **Approval of Sites.** The CFP National Secretariat shall process the documents for the approval of the USEC.

#### **Section 10. Selection of Assisting Organization and Award of CFP-AO Services Contract.**

- 10.1 **General Considerations.** No project shall be approved for implementation unless (i) a competent and credible Assisting Organization (AO) has signified its commitment to assist in project implementation; and (ii) the recognized leaders of the community have signified their acceptance of the AO.
  - 10.1.1 The CENRO in coordination with the PENRO and the RED, shall help recognized community leaders such as the barangay captain, parish priest or community elders verify the commitment of Assisting Organization. Preferably, the AO should be a local organization with its headquarters in the same region as the PROJECT.
  - 10.1.2 The AO shall provide assistance in community organization, resources inventory, preparation of the management/development plan, training, marketing and consultation with the community. It shall provide from its staff, or hire under contract, one (1) or more foresters and agriculturists to assist in resource inventory, preparation of the management/development plan, reforestation, agroforestry and other technical features of the PROJECT.
  - 10.1.3 The AO shall also take the lead in support activities beneficial to the community such as, but not limited to, sourcing of social service (e.g., medical services), initiating new livelihood opportunities (e.g., processing) and establishing credit and marketing linkages.

- 10.2 **CFP-AO Services Contract.** DENR shall contract the services of the AO approved by the community and pay for such services. However, the costs of the services of the AO shall be recovered pursuant to section 23 of this Order. CFP AO services contracts shall also be signed by authorized representative of the community.
- 10.2.1 The DENR signatory to contract with AO shall be the CENRO, PENRO, RTD or RED, depending on the amount of the contract and the authorized ceilings for contract approval by the signatory. The duties and responsibilities of the AO and the community shall be clearly defined in the contract.
- 10.2.2 In general, the duration of a contract shall be three (3) years. However, there shall be provision for early termination in case of non-performance or for other valid reasons. In case of default on the part of the AO, judicial remedies, civil or criminal, shall be taken by DENR if necessary.
- 10.3 **Creation of CFP - AO Selection Committee.** The Regional Executive Directors shall create a CFP-AO selection committee in their respective regions to be composed of the RTD for Forestry as Chairman, the CFP Regional Coordinator as vice chairman and the following as members:
- Chief, of Forest Resources Development Division
  - Chief, of Forest Resources Conservation Division
  - concerned PENRO
  - concerned CENRO
  - Chief, People-Oriented Forestry Division
  - Regional NGO Desk Officer
  - concerned barangay captains
  - representative from the Municipal Mayor's Office
- 10.3.1 Representatives from the CFP National Secretariat may also be invited to participate during selection of assisting organizations. Other natural leaders (i.e. parish priests) may likewise be invited by DENR.
- 10.3.2 The CFP-AO Selection Committee shall strictly observe a criteria to be finalized within 90 days from the date of this order. The Committee shall further conduct the selection of AOs in the following manner.
- a. **Information Drive.** The Committee shall conduct an intensive information drive regarding the selection of AOs that

shall be contracted to assist the community in the approved sites. Interested AOs shall be invited for an orientation. Where possible, the invitation shall be published in a newspaper of general circulation within the region or announced through radio.

- b. **Orientation for AOs.** An Orientation on CFP shall be conducted by the Regional CFP Coordinator for the benefit of the invited AOs. The Terms of Reference (TOR) of the AOs shall be discussed during the orientation meeting. The RED shall issue certification that an AO has attended the orientation.
- c. **Submission of Proposals.** All interested AOs shall be required to submit their respective letters of intent and proposals based on the orientation conducted
- d. **Panel Interview.** The Committee shall conduct a panel interview of AOs that have submitted their letters of intents and proposals. Top three (3) to five (5) AOS shall be selected by the Committee following the set of criteria stated in Attachment 2.
- e. **Site Visit.** The selected top AOs shall be advised to conduct site visit to the respective sites and shall be introduced by the Assistant CFP Regional Coordinator and the Regional CFP Coordinator to the community.
- f. **Final Selection of AO.** Upon site visit, top AOs shall present their proposal to the Community in the presence of the Committee. The community, through their authorized representatives, shall rank the AOs accordingly to select the AO to assist the CFP development.
- g. **Cost Negotiation.** The RED, in coordination with the CFP National Secretariat, shall conduct cost negotiation with the selected AO to determine the cost of CFP-AO Services Contract. If the selected NGO could not meet the agreement with DENR in the negotiation, the next in rank AO shall be considered for cost negotiation.

**Section 11. Census of Forest Occupants.** A complete census of forest occupants shall be undertaken by the CENROs in selected AO to determine the cost of the CFP-AO Services Contract. If the selected NGO could not meet the agreement with DENR in the negotiation, the next in rank AO shall be considered for cost negotiation.

## **PREPARATORY PHASE**

**Section 12. CFP Orientation Training.** Prior to implementation of the preparatory phase, the CFP regional Coordinator shall conduct a CFP orientation training among the key leaders of participant community, the assisting organization, the PMOs, CENROs, PENROs and representatives of the LGUs for the purpose of clarifying the vision, and objectives of each actor in the project.

### **Section 13. Community and Organizational Development.**

- 13.1 Participatory management shall be the basic strategy to be used in all undertakings of the AO. Contracted AOs shall be cautioned not to adopt non-participatory strategies such as participatory by referendum, participation of few, participation buy cult leadership, participation thru mispacking, and participation thru misinformation.
- 13.2 As soon as the CFP-AO Services Contract between DENR and the assisting organizations is signed, community consultations and organizations work must be initiated. Key leaders in the community must be consulted and should participate in the identification of community problems that the project would address. For this purpose a rapid rural systems appraisal (RRSA) shall be undertaken by the assisting organization.
- 13.3 It is desirable that some type of organization be established at the earliest possible time so that a CFMA may be issued to a legal entity composed of the PROJECT participants. However, community organization work must strive for substance and not merely form. Neither the AO nor the DENR should attempt to impose a permanent organizational structure that is not suitable or desired by the community. Where existing organizations are already in place, these should be strengthened rather than replaced. The organization should be set up in the manner that best suits the long term interests and needs of the community.
- 13.4 Community organizing shall be a continuous process. This activity should be able to develop the capabilities of community participants to manage their own resources and respond to their needs and problems.



- 13.5 One major out put of community organizing shall be the preparation and approval by the community of rules and regulations covering forest management operations and sharing of financial benefits. Bearing in mind, however, that the community organization will be managing funds, the assisting organization should help in drawing up the financial management procedures and ensure that these are clearly understood by all, written down and included in the management/development plan.

#### **Section 14. Issuance of CFMA**

- 14.1 Once sufficient orientation about the CFP have been undertaken, the assisting organization shall initiate series of consultations with the community participants on the CFMA. The assisting organization and the CENRO will jointly explain to the community all the terms and conditions of CFMA and shall ensure that all terms and conditions are clearly understood. Such activities shall be properly documented to justify that the community indeed understood CFP.
- 14.2 If an agreement is reached on the terms and conditions, the organized community shall file application for issuance of CFMA to the CENRO using the form appended hereto as Attachment 3.
- 14.3 The following shall be attached to the application:
- a. perimeter map of the applied area duly verified by the CENRO;
  - b. certificate of registration of the organized community (certified Xerox copy); and
  - c. Resolution authorizing the Officer(s) to file the application.
- 14.4 The application shall be reviewed by the CENRO and if found in order shall endorse the same together with the duly accomplished CFMA (Attachment 4) to the Regional Executive Director thru the PENRO. Upon processing of the application, the DENR Office/Officer concerned shall issue a CFMA in the name of the organized community.
- 14.5 CFMAs shall be issued by the RED for areas up to one thousand (1,000) hectares, the undersecretary for field operations for areas more than one thousand hectares (1,000) and up to five thousand (5,000) hectares and by the Secretary for areas larger than five thousand (5,000) hectares.

## **Section 15. Resource Inventory**

- 15.1 The resource inventory and the RRSA shall provide the basis for preparing the CRMDP. The inventory will also provide baseline data for monitoring and evaluation.
- 15.2 The resources inventory shall cover all resources including minerals, timber, bamboo, rattan, commercial vines and other minor forest products.
- 15.3 For areas that will be subject to forest products utilization during the first two years scheduled of the CRMDP, a 100% inventory of resources shall be undertaken. For areas to be operated from year 3 onward, an inventory of 5% sampling intensity or any statistically sound estimate may be conducted . The method to be used in the inventory shall be acceptable to DENR.
- 15.4 The resource inventory/evaluation shall also cover all non-forested areas and provide information needed to plan the development of these areas. For example: (i) how many hectares of grassland/brushlands the community can be set aside for contract reforestation, (ii) how many hectares in various slope categories will be developed into production forests and protection forest, (iii) how much of the land is occupied or claimed and by whom, (iv) what types of development are intended on the occupied claimed lands.
- 15.5 The CENRO, in collaboration with the PENRO and the AO, shall take the actions necessary to ensure that inventory and evaluation work is initiated promptly and that the work is carried out consistent with professional standards.
- 15.6 All expenses for services and materials required to conduct a 100% inventory and 5% evaluation (excluding DENR supervisory expenses) shall be included in the DENR AO contract. The CENRO shall assist in identifying competent foresters to be employed to carry out the inventory/evaluation.
- 15.7 However, if it is not feasible to include the inventory/evaluation in the CFP-AO contract, the CENRO may undertake the inventory/evaluation.
- 15.8 Optimum participation by the community shall be pursued in the conduct of the inventory. The AO and DENR shall organize the inventory/evaluation along the lines of an "on-the-job" training exercise for the community. For example, as trees are marked during the inventory/evaluation, the AO and/or DENR will identify the trees that may be harvested in the near term, mid-term and long-term. The objective will be to demonstrate b example the operating principles of

sustained-yield management. Similarly, by pointing out slope, soil and vegetative characteristics, it will be possible to explain the criteria for differentiating between management/development of protection forest and production forests.

- 15.9 Community residents shall be properly compensated to provide labor inputs for carrying out inventory/evaluation work.

**Section 16. Updating of Census of Forest Occupants.** The AO, in close coordination with the concerned CENRO, shall update the existing census of forest occupants in the CFP site every year. The updated data shall be furnished to all those who were furnished with the previous census.

**Section 17. Preparation of Community Resource Management and Development Plans (CRMDP).**

- 17.1 Each CFP Project shall have a comprehensive resource management and development plan (referred hereinafter as the PLAN) prepared jointly by the community and the assisting organization with DENR assistance. The Project Management Officer of CFP shall provide the necessary technical assistance in the plan preparation.
- 17.2 DENR shall provide an outline to guide the preparation of the CRMDP. The plan shall specify how the resources shall be managed and developed to meet the identified needs and problems of the community while ensuring the sustainability of these resources.
- 17.3 The CRMDP shall provide detailed information for the first 3 years of the project and indicative plans for the succeeding years. It shall be updated at the end of the third year and every 5 years thereafter. However, DENR may require more frequent updating if schedules are upset by circumstances beyond control (e.g. typhoons) or if the CFMA grantee is unable to keep up with the original schedule provided in the plan.
- 17.4 Forest extraction shall not be authorized until PLAN has been approved.
- 17.5 Application for approval of the PLAN shall be filed by the duly authorized representative(s) of the CFMA Holder.

- 17.6 The following requirements shall be submitted:
- a. Letter from the CFMA holder to the CENRO requesting approval of the PLAN;
  - b. Certified Xerox copy of Certificate of Registration with an appropriate government agency e.g. SEC, DENR, Bureau of Cooperatives Development or Bureau of Rural Workers; and
  - c. Resolution signed by two thirds (2/3) of the members, authorizing the signatory to file the application.
- 17.7 Fees:
- a. Application fee: Five pesos (P5.00) per hectare or one thousand pesos (P1,000) for the entire areas applied, whichever is higher.
  - b. Annual License Fee: Five hundred pesos (P500.00) to be paid upon approval of the PLAN and annually thereafter.
- 17.8 The procedures for processing and approval of the PLAN including any subsequent revisions thereof, are as follows:
- a. Application and required documents submitted to the Community Environment and Natural Resources Office (CENRO).
  - b. CENRO reviews and evaluates the application and the supporting documents, and checks to ensure that all requirements have been submitted. If found in order and satisfactory, issues 1st endorsement to the Provincial Environment and Natural Resources Officer (PENRO). The 1st endorsement shall be issued within ten (10) days after the application is submitted.
  - c. PENRO evaluates the application and supporting documents. If found in order and satisfactory, issues 2nd endorsement to the Regional Executive Director (RED) within ten (10) days from receipt of the 2nd endorsement.
  - d. The Regional Technical Director (RTD) of the Forest Management Sector (FMS) reviews and evaluates the application. If found in order

and satisfactory, endorses to the Regional Executive Director (RED) within ten (10) days from receipt of the 2nd endorsement.

- e. RED reviews the documents. If found in order and, if the area is not more than 500 hectares, approves the PLAN. If area is more than 500 hectares the RED endorses the applications to the USEC.
- f. The USEC, reviews and evaluates the applications for areas larger than 500 hectares and if found in order, approves the PLAN.
- g. The PLAN shall be recorded in the books of the approving officer and copies thereof, distributed as follows:
  - 1. Original - the applicant
  - 2. Duplicate - RED
  - 3. Triplicate - PENRO
  - 4. Quadruplicate - CENRO
  - 5. Quintuplicate - CFP National Secretariat
  - 6. Sextuplicate - Office of the USEC
  - 7. Septuplicate - Central Records

#### **Section 18. Participatory Training.**

- 18.1 All the activities in preparatory stage of CFP implementation shall be undertaken as a participatory on the job training for the community participants, on resource planning, management and conservation.
- 18.2 All CFP activities therefore should be conducted with active involvement of the community participants. Contracting of activities by the assisting organization to other NGOs or group shall not be allowed.
- 18.3 The CFP National Secretariat in coordination with the HRDS, shall conduct trainings among key leaders of CFP communities, field personnel of DENR and the assisting organization as may be necessary to upgrade their capabilities to implement CFP.

#### **Section 19. Alternative Livelihood.**

- 19.1 Ideally, alternative sources of livelihood should be implemented prior to forest resources utilization. To the extent possible, therefore, DENR shall provide "pump-priming" activities such as contract reforestation, TSI, ANR and Agroforestry to CFP participants.

- 19.2 The "pump-priming" funds should be used in such a way that it would accelerate community organizing while providing alternative employment to community members who would otherwise be engaged in kaingin making and other illegal forest products extraction.
- 19.3 If it is impossible to provide immediate livelihood alternatives through the "pump-priming" activities, CFP participants may be allowed to harvest forest products in accordance with the approved CRMDP and the annual operations plan.
- 19.4 In no case shall project implementation be confined to forest products utilization. All other livelihood opportunities which are not dependent on forest products extractions must be explored to reduce the pressure on the forest for example, backyard industries, crop and food processing activities should be stimulated using the community capital so generated.

#### **Section 20. Community Capital Formation**

- 20.1 The community participants shall be encouraged to save a percentage of their income from the "pump-priming" activities and from the sale of forest products to constitute a community capital.
- 20.2 The assisting organization shall help the organized community in formulating guidelines and procedures in capital formation and the use or disbursement of such capital.

### **COMMUNITY MANAGEMENT PHASE**

#### **Section 21. Phasing out of Assisting Organization**

- 21.1 Upon termination of the services contract of the assisting organization, the Project Management Officer (PMO) shall work closely with the organized community in the management of the CFP area until such time that the community organization can manage their internal affair with minimum DENR assistance.
- 21.1 To assure a smooth transition, the assisting organization shall submit to DENR their phase out plan during the second year of their services contract. This plan should be discussed thoroughly with the PMO and the community leaders.

- 21.3 The CFMA Holder shall manage their resources in accordance with the approved PLAN.

## **PROGRAM MANAGEMENT, COST RECOVERY, TRUST FUND AND FOREST CHARGES**

**Section 22. Program Management.** The Program shall be managed and implemented through the Office of the USEC, DENR Field Offices, and designated RCs, ARCs, PMOs. The DENR implementors shall execute its activities/functions and responsibilities in a spirit of partnership with the communities and the NGO's as follow:

- 22.1 **CFP National Secretariat.** The Secretariat shall provide the coordinative support to CFP at the national level and in collaboration with DENR Field Offices.
- 22.2 **Regional Offices.** The regional offices shall ensure both technical and administrative support to the program, more particularly on the processing and approval of the CRMDP and its implementation.
- 22.3 **Regional Distillation Groups (pursuant to DENR Special No. 1161, Series of 1992).** This group shall provide a mechanism to synthesis lessons learned, field reports, observations and experiences into usable CFP guidelines, procedures and policies. Decisions on CFP shall be facilitated by the group for the smooth implementation of the program.
- 22.4 **PENROs/CENROs.** Through the Technical Staff of the PENRO and Project Management Officers of the CENRO, CFP implementation shall be closely supported. Heads of Offices shall ensure the provision of necessary assistance particularly on the preparation of plan and its execution.

### **Section 23. Cost Recovery.**

All costs advanced by DENR shall be recovered/reimbursed by participants to the government by requiring them to establish a **Community Forestry Development Trust Fund** pursuant to Section 24 of this Order.

### **Section 24. Community Forestry Development Trust Fund.**

- 24.1 To ensure recovery of costs advanced for the community (per Section 23) the DENR shall require the community to deposit into a Community Forestry Development Trust Fund, thirty percent (30%) of gross revenues from sales of forest products. Withdrawals from this trust fund may be used to defray the

expenses of reforestation OR ANY FOREST REHABILITATION ACTIVITY to be carried out in a CFMA area by the CFMA Holder. When these advances shall have been fully recovered, trust fund deposits shall be used to pay the costs of reforestation, TSI and other activities required under prevailing rules and regulations. Any surplus thereafter shall be used for whatever, investments the community may wish to provide for the improvement of socio-economic or environmental conditions in the community (e.g. agroforestry or products processing) in consultation with DENR.

- 24.2 The trust fund shall be administered by the community. However, the community shall be required to submit quarterly reports to DENR on the use of the trust fund. Furthermore, DENR shall have the option to conduct a quarterly post audit of the fund.
- 24.3 Terms and conditions for cost recovery and operations of the trust fund must be clearly explained to the community. Additionally, DENR and the AO shall submit quarterly reports to the community covering expenditures that will be subject to cost recovery. The community shall have the option to conduct quarterly post audit of such expenditures. DENR and the AO shall provide the community with full access to all records of such expenditures.

**Section 25. Forest Charges.** Forest charges shall be collected pursuant to R.A. 7161 and DENR Administrative Order No. 56, Series of 1991.

#### **MONITORING AND PROCESS DOCUMENTATION ADDITIONAL GUIDELINES**

##### **Section 26. Monitoring and Process Documentation.**

- 26.1 All CFP project shall be closely monitored to document positive/negative experiences and the dynamics of PROJECT implementation. The results of this monitoring/documentation exercise shall be discussed by the Regional Distillation Groups and consolidated into quarterly reports submitted to the Secretary through the Undersecretary for Field Operations.
- 26.2 Responsibility for monitoring and process documentation shall rest with the concerned Regional Executive Director (RED). Preferably, this work should be contracted out to a competent independent organization or entity (e.g. a local university or college). However, if the RED is unable to secure the services of such an organizations/entity, monitoring and process documentation shall be done by the regional office with inputs from the concerned PENRO and CENRO.



26.3 **Monitoring and process documentation reports** will focus on areas for improving implementation, updating this Manual and replicating the project at additional sites.

**Section 27. Additional Guidelines.** The USEC shall issue additional instructions, and circulars as may be necessary for the effective implementation of this Order. Within ninety (90) days after the effectivity of this Order, the USEC shall issue a Manual of Operations pursuant to this Order.

#### **PROGRAM IMPLEMENTATION FUNDS**

**Section 28. Fund for Calendar Year 1993.** The maintenance and protection components of existing PROJECTS shall continue to be funded under the Program Loan of DENR from ADB and regular funds of DENR. While new developmental activities shall be considered for funding under the Project Loan of DENR from ADB.

**Section 29. Funds for Calendar Year 1994 onward.** Contracts which shall be approved under respective funds shall remain to be funded as such. However, other funds shall be sourced out by DENR.

#### **REPEALING CLAUSE AND EFFECTIVITY**

**Section 30. Repealing Clause.** This Order supersedes DENR Administrative Order No. 123, Series of 1989 and revises/amends accordingly all forestry regulations which are inconsistent herewith.

**Section 31. Effectivity.** This Order shall take effect fifteen (15) days after publication in a newspaper of general circulation.

**ANGEL C. ALCALA**  
Secretary

**Administrative Order**

**No. 23**

**April 27, 1993**

**SUBJECT : Forest Land Management Program**

By virtue of this Administrative Order, the Department of Environment and Natural Resources (DENR) hereby establishes and promulgates guidelines for implementation of the Forest Land Management Program (FLMP), and for the issuance of long-term Forest Land Management Agreements (FLMA). Henceforth, the FLMA shall replace the former short-term contract reforestation system as the principal mode for accomplishing reforestation objectives in collaboration with forest occupants and other residents of upland communities.

**ARTICLE I  
POLICY, OBJECTIVES, PROGRAM COMPONENTS  
AND DEFINITION OF TERMS**

**Section 1. Basic Policy** It is the policy of government to achieve economic empowerment of the people through measures that are beneficial to the environment. Consistent with this policy, the Department of Environment and Natural Resources (DENR) shall implement a Forest Land Management Program (FLMP). This program shall provide financial and tenorial incentives for forest occupants and rural communities to develop, protect and sustainably manage forest resources.

**Section 2. Objectives** The objectives of the program are:

- 2.1 To use reforestation as a tool for addressing rural equity issues, creating new jobs and providing wider opportunities for profitable self-employment, thus improving the socio-economic conditions of the rural population living within or adjacent to forest lands;
- 2.2 To promote community-based participation in the rehabilitation, establishment, management, protection and sustainable utilization of forest resources; and
- 2.3 To achieve optimum environmentally-sound land use and sustainable productivity of forest lands and resources.

### **Section 3. Program Components**

- 3.1 **Program components** shall include tenure security, community organization services, technical and financial assistance, and incentives for peoples participation in the implementation of environmentally-sound land development and livelihood activities.
- 3.2 **Tenure security** shall be provided through the issuance of Forest Land Management Agreements (FLMA) which shall have a duration of twenty-five (25) years and shall be renewable for an additional twenty-five (25) years.
- 3.3 **Community organization services** shall be provided by non-government organizations (NGOs) and other competent groups, agencies or institutions engaged by the DENR to furnish assistance to forest occupants and communities.
- 3.4 **Technical assistance** shall be provided by NGOs, DENR and other government and private entities involved in rural development.
- 3.5 **Land development and livelihood activities** shall consist of reforestation, agroforestry and other measures that restore productivity and improve environmental conditions on denuded and degraded lands.
- 3.6 **Short-term incentives** shall be created by providing **financial assistance** to help forest occupants and communities defray the initial costs incurred to reforest and otherwise rehabilitate denuded and degraded lands. This assistance shall be disbursed to the forest occupants/communities during the first three (3) to four (4) years of an FLMA under terms and conditions similar to those previously applied in the administration of reforestation contracts. When the lands so developed have become productive, the forest occupants/communities shall reimburse the amounts previously advanced to them.
- 3.7 **Long-term incentives** shall be created through the provision of tenure security and the right to harvest and sell timber and non-timber products grown on the land covered by the FLMA.

**Section 4. Definition of Terms.** For purposes of this administrative order the terms hereunder are defined as follows:

- 4.1 **Community Organizing (CO)** - Refers to the processes and activities aimed at developing and strengthening the capabilities of Forest Land Managers

(FLM) in the planning and implementation of the development, administration and management of their forest resources establish on denuded area;

- 4.2 **Comprehensive Site Development (CDS)** - Refers to the plantation establishment activities in reforestation and other land development initiatives which include, among others, construction of infrastructure, seedling production, site preparation, planting/replanting, enrichment planting, maintenance and protection, silvicultural treatments, such as, thinning and income-enhancement planting; assisted natural regeneration; soil and water conservation; covercropping and intercropping;
- 4.3 **Community FLM** - Refers to an association, organization, foundation, cooperative, or such other popular groupings or formations, duly-registered with the appropriate government regulatory agency, consisting of 15 or more members residing within, or adjacent to, a degraded area to be taken up for reforestation. The Community FLM may enter into an FLM agreement for areas more than ten (10) hectares to one thousand (1,000) hectares;
- 4.4 **Family FLM** - Refers to the spouses and children, if any, including household members related by affinity or consanguinity, living within or near a degraded area and have successfully implemented reforestation project. The family FLM may enter into an FLM agreement for areas not more than ten (10) hectares;
- 4.5 **Forest Land(s)** - Refers to land that is deemed to be more suitable for forestry than for other uses on the basis of prevailing land classification criteria;
- 4.6 **Forest Land Manager (FLM)** - The party to whom a Forest Land Management Agreement (FLMA) is issued by the DENR.
- 4.7 **Forest Land Management Agreement (FLMA)** - A contract, attached as Annex "A", between the DENR and a Forest Land Manager (FLM) which, among others:

grants the sole and exclusive privilege to the FLM to occupy, develop and manage the land specified in the contract for a period of 25 years, renewable for another 25 years;

specifies the amount of financial assistance the DENR will provide under the contract to help the FLM develop the land;

- grants to the FLM the sole and exclusive privilege to harvest, sell and utilize the products grown on the land;
  - obligates the FLM to repay the financial assistance previously provided by the DENR to help develop the land;
- 4.8 **Forest Land Management Program (FLMP)** - The program formulated and launched by virtue of the herein Administrative Order;
- 4.9 **Harvesting** - Refers to the extraction or cutting of timber and non-timber forest products from either natural or man-made forests including felling and bucking, yarding and skidding, (minor transportation) and hauling (major transportation) of forest products from the site covered by the FLMA to a site where said products will be processed, utilized or sold;
- 4.10 **Initial Environmental Examination (IEE)** - Refers to an initial examination for estimating probable environmental impacts in order to ascertain whether follow-up detailed studies are needed;
- 4.11 **Income Enhancement Planting (IEP)** - The process of interplanting food crops in areas previously planted with trees and other perennials in order to produce income and/or subsistence from these areas while waiting for the trees/perennials to mature and become productive;
- 4.12 **Intercropping** - Refers to the planting of food crops (e.g., camote, bananas, cassava, peanuts, kadios) and other crops concurrent with the planting of trees and other perennials in order to provide income and/or subsistence while waiting for the newly-planted trees/perennials to mature and become productive;
- 4.13 **Limited Production Forests** - Refers to forest areas with slopes greater than 50% wherein income and/or subsistence shall be provided primarily through the harvesting and utilization of non-timber products, such as bamboo, rattan, anahaw, pandan, medicinal plants, fruits, gums, and resins, spices and other horticultural crops;
- 4.14 **Local Government Units (LGUs)** - Provides, municipalities and barangays;
- 4.15 **Monitoring and Evaluation** - Inspection and assessment procedures employed in the FLMP to determine the status, progress and compliance of an FLM with the terms and conditions of the FLMA, and/or the performance of an

NGO or other entity employed by DENR to provide services needed in the implementation of the FLMP such as community organizing, survey, mapping and planning, and preparation of feasibility studies.

- 4.16 **Next of Kin** - Refers to the spouse and children, or if not applicable, the parents, brothers, sisters or relatives chosen by the FLM to assume the rights, privileges and responsibilities specified in the FLMA in case of incapacity or death of the FLM;
- 4.17 **Other Government Agencies (OGAs)** - Agencies of the government other than DENR;
- 4.18 **Project Development Plan** - A document attached to the FLMA which specifies the comprehensive site development activities that will be implemented by the FLM, the schedule for implementation, costs and other pertinent details;
- 4.19 **Project Site** - A site selected by the DENR for implementation of the Forest Land Management Program (FLMP);
- 4.20 **Survey, Mapping and Planning (SMP)** - The conduct of pre-feasibility studies on a proposed project site to include, among others:
- perimeter survey;
  - sectioning and blocking;
  - monumenting and marking of corner posts;
  - contour mapping/slope classification;
  - preparation of proposed control and operations maps;
  - gathering of benchmark information and demographic and socio-economic data;
  - an estimate of the financial and/or economic rate of return (FIRR or EIRR);
  - conduct of an Initial Environmental Examination;
  - preparation of a **proposed** Project Development Plan, schedule and cost estimates which will be finalized in consultation with the party with whom DENR intends to sign an FLMA;
- 4.21 **Forest Management Plan** - is a detailed write up indicating the different operational activities pertaining to timber production that will be implemented by the FLM including, among others, maintenance and protection, silvicultural treatments to be carried out before and after harvesting, rotational cutting cycles, reforestation and so forth.

**ARTICLE II  
MANUAL OF OPERATIONS**

**Section 5.** Implementation of the Forest Land Management Program (FLMP) shall be carried out pursuant to the provisions contained in the Manual of Operations.

**ARTICLE III  
QUALIFIED PARTICIPANTS**

**Section 6.** FLMAs may be issued to any of the following who are Filipino citizens and who have participated in community organization activities including meetings, orientations and trainings conducted by an NGO or other group/institution/agency employed by the DENR to explain the terms and conditions of an FLMA;

- 6.1 individuals and/or single family units who are:
- (a) bonafide residents of a project site who have satisfactorily implemented reforestation on the area to be covered by an FLMA under the previous contract reforestation system;
  - (b) bonafide residents of a project site project who have not previously implemented reforestation projects but who are now willing and able to participate in the FLMP;
  - (c) bonafide residents of a community adjacent to the project site, in cases where the parties identified in (a) and (b) above waive their privilege to be granted an FLMA;
- 6.2 community organizations/associations composed of parties identified in paragraphs 6.1 (a), (b) and (c) above that have registered with and been recognized by the DENR, the Securities and Exchange Commission or any other competent, duly-authorized government agency;
- 6.3 former reforestation contractors except LGUs and OGAs who are not bonafide community residents but who have already successfully implemented reforestation at the project site, **provided** that all of the parties referred to in paragraphs 6.1 and 6.2 above sign appropriate documents waiving their privilege to be granted an FLMA and, **provided further**, that in such cases an FLMA shall be awarded through the process of public bidding.

**ARTICLE IV  
TENURE/DURATION/TRANSFERABILITY/BANKABILITY  
OF AN FLMA**

**Section 7. Duration of Tenure**

- 7.1 An FLMA shall remain in full force and effect for twenty-five (25) years and be renewable for another twenty-five (25) years, but is subject to suspension or cancellation if the FLM violates the terms and conditions of the FLMA. In case of cancellation, the DENR may award a new FLMA covering the same area to another party that meets the qualifications set forth in Section 6, Article III hereof.

**Section 8. Transferability**

- 8.1 In case of death or incapacity, an FLMA awarded to an individual may be transferable to the next-of-kin of the FLM. The new FLMA holder shall exercise the rights and responsibilities of the FLMA for the remaining unexpired term of the agreement.
- 8.2 An FLMA awarded to a duly-organized community association shall be transferable to whoever is the successor as provided for in the constitution and by-laws of the association, **provided however**, that subject transferee is qualified to enter into an FLMA in accordance with Article III of this Order.

**Section 9. Bankability**

- 9.1 The DENR shall encourage the FLMA holder to secure a loan from any legally-established bank or financial institution provided that the amount borrowed shall be used for the development of the FLMA area or implementation of alternative livelihood activities at the project site.

**ARTICLE V  
AREA COVERAGE**

**Section 10.** An FLMA may be issued to cover land that falls within any of the following categories;

- 10.1 Land that was previously reforested or otherwise developed under the National Forestation Program or any other program administered by the DENR whose major objective is production of timber and/or other forest products;



- 10.2 All denuded uplands in the public domain including areas within officially designated watersheds, reservations, parks or preserves which shall be approved, on a case basis, by the Secretary consistent with the limited production forest utilization as provided for under the Philippine Master Plan for Forestry Development.
- 10.3 Residual and second-growth natural forests that are adjacent to or contiguous with lands planted under the FLMP; and
- 10.4 Naturally-grown and planted mangroves, subject to the provisions of Republic Act No. 7161.

## **ARTICLE VI RIGHTS AND OBLIGATIONS**

**Section 11.** Under an FLMA, the FLM shall have the following rights and obligations:

- 11.1 Financial assistance from DENR for the implementation of comprehensive site development and income enhancement planting/projects;
- 11.2 Interplant cash crops, fruit trees and other agricultural and/or minor forest products between the existing trees to augment income and provide additional incentives for protection; and
- 11.3 Harvest, process, sell and otherwise utilize the products grown, maintained and protected on the land covered by the FLMA subject to the approved project development plan and harvesting system; and
- 11.4 Free technical assistance from the DENR and/or from NGOs and other agencies/groups/institutions employed by DENR to provide such assistance.
- 11.5 Prepare a Project Development Plan which shall present in a systematic and organized manner the objective, detailed activities, planting design/choice of species, schedule of activities, organization and manpower, estimated costs and other matters necessary for the full operation of the various components of the Plan;
- 11.6 Prepare a Forest Management Plan, when applicable, for the project site which shall be periodically updated as needed;

- 11.7 Prepare a Forest Protection Plan as an integral part of the management strategies to be adopted;
- 11.8 Maintain and protect the trees and other crops in the project site from fire, stray animals, vandals, poachers and other agents or causes of destruction;
- 11.9 Use labor-intensive methods in harvesting;
- 11.10 Replant the project site after harvesting;
- 11.11 Refrain from cutting trees, regardless of species, found within 20 meters from river banks or creeks of at least 5 meters in width to prevent soil erosion/sedimentation;
- 11.12 Reimburse the DENR's financial assistance;
- 11.13 Appoint, in the form prescribed, not more than three (3) representatives who shall interact with the DENR
- 11.14 Comply with the pertinent provisions of FLMP, particularly the opening with a reputable bank of a Reforestation Guarantee Fund and Reforestation Trust Fund account, and with all other existing laws, rules and regulations on FLMP and those that maybe promulgated by DENR and other government agencies as provided in Section 14.2 of Article VII and Article IX of this Order;

**Section 12. Benefits and obligation of the DENR.**

- 12.1 Reduced cost of operations resulting from free maintenance and protection of reforestation areas by FLMs.
- 12.2 Recovery of financial assistance provided for comprehensive site development pursuant to Article VII of this Order.
- 12.3 Prescribe management and technical standards for and conduct routine inspection of the project as well as examine at anytime the books, records and other documents relating to the operations of the FLM. Provided, that, the DENR shall refrain from any involvement in the day-to-day management of the project;
- 12.4 Periodically evaluate and monitor/inspect the project to check, assess and extend technical advice/assistance;

- 12.5 Cause the speedy inspection/validation of reported accomplishments of the FLM and the immediate release of financial assistance whenever feasible;
- 12.6 Choose not more than three (3) representatives from the PENRO and the CENRO who will (i) conduct routine inspection of the project and (ii) carry out scaling/inventory of forest products;
- 12.7 Disburse financial assistance to the FLM in accordance with the approved schedule of payment of the CSD Agreement;
- 12.8 Approve any proposed changes, modification or revision of the approved Work and Financial Plan after consultation with the FLM;
- 12.9 Reject any application or request of any other individual or entity for the use of the products or the land covered by this Program;
- 12.10 Assist the FLM in opening the Reforestation Guarantee Fund and the Reforestation Trust Fund account in a reputable bank; and
- 12.11 Provide advice and assistance to the FLM in the implementation of a community-based strategy in managing the area.

**ARTICLE VI  
DISBURSEMENT AND REIMBURSEMENT OF FINANCIAL  
ASSISTANCE**

**Section 13. Disbursement**

- 13.1 The DENR shall provide financial assistance to help defray costs incurred during the initial three (3) to four (4) years of comprehensive site development. The maximum amount that may be disbursed per hectare and by activity shall not exceed the amount specified in Annex "B" hereof.
- 13.2 To ensure that disbursements do not exceed the amounts specified in Annex "B", and to maintain prudent checks and balances against improper disbursement, the disbursement procedures previously applied in the administration of reforestation contracts shall be used, including monitoring and evaluation and verification of accomplishments by DENR and by independent parties such as NGOs.
- 13.3 The voucher for each disbursement shall be signed by the responsible DENR officer and the FLM receiving the disbursement. The voucher shall clearly specify that the amount disbursed is a pre-payment providing financial assistance

for site development which shall be reimbursed by the FLM pursuant to Section 13 hereof. Furthermore, each voucher shall indicate the cumulative total of disbursements made to date, and a copy of each voucher shall be provided to the FLM. The responsible DENR officer shall maintain an accurate record of disbursements made under each FLMA.

- 13.4 However, DENR offices are enjoined to encourage FLM's to rely primarily on their own efforts to accomplish comprehensive site development objectives and to minimize as much as possible the amount of financial assistance they will secure from DENR under the terms and conditions of the FLMA. In this way, limited government financial resources may be shared by more forest occupants/upland communities. Furthermore, financial assistance of the FLM will be minimized.
- 13.5 To optimize the sharing of limited government resources and to help minimize the FLM's financial assistance, DENR offices shall ensure that contracts with NGO's and others providing assistance to FLM's contain provisions which require the NGO's/others to:
- emphasize self-reliance and point out that it is in the FLM's own self-interest to minimize the use of financial assistance because this will make it easier to comply with reimbursement obligations; and
  - provide competent technical assistance and advice which will enhance the capability of FLM's to develop their sites with minimal financial assistance from the DENR.
- 13.6 Furthermore, Regional offices shall conscientiously monitor and evaluate the delivery of services referred to in para. 13.4 (above) and take whatever steps are necessary to ensure that the objectives contained in para. 13.4 are realized such as:
- requiring the NGOs/others to strengthen their capabilities if these are found to be inadequate;
  - conducting appropriate training for NGO's/others to help enhance their capabilities;
  - cancelling contracts of NGO's/others whose performance is not satisfactory; and
  - assigning DENR staff to provide technical assistance to FLM's.

## **Section 14. Reimbursement**

- 14.1 The amounts provided as financial assistance to FLM's shall be reimbursed to the government from the proceeds of sales of the following products:
- timber sold as poles, sawlogs, veneer logs or pulpwood logs; and
  - rattan, bamboo and all other non-timber forest products if the combined area planted to these products covers fifty per cent (50%) or more of the total FLMA area.
- 14.2 Reimbursement shall commence at the beginning of the seventh year of the FLMA or when the products identified in para. 14.1 (above) are mature, harvested and sold, whichever comes first. The FLM shall set aside not less than thirty per cent (30%) of the proceeds from each sale of the products identified in para. 13.1 and deposit these amounts in a bank account opened by and in the name of the FLM. It shall be referred to as the Reforestation Guarantee Fund. No withdrawals shall be made from this account without the concurrence of DENR and the amounts so withdrawn shall be for the sole purpose of reimbursing the financial assistance previously provided by the DENR.
- 14.3 If required by law to pay forest charges, environmental fees or similar levies based on the volume of products harvested and sold, the amounts so paid shall be considered as partial reimbursement and deducted from the total reimbursement obligation of the FLM.
- 14.4 The total amount to be reimbursed shall be equivalent to the amount previously disbursed and shall not be adjusted to reflect the impacts of inflation, depreciation and related factors. Any loss in the value of the amounts first disbursed shall be considered a social cost incurred by the government and compensated by the off-site environmental benefits, downstream sales taxes, poverty alleviation gains and new employment opportunities created through implementation of the FLMP.

## **ARTICLE VIII HARVESTING SYSTEMS**

**Section 15.** The establishment and maintenance of permanent forest cover is one of the major objectives of the program. In furtherance thereof, timber harvesting of planted forests in FLMA areas shall conform with the principles of sustained-yield,

selective cutting that are applied in the management of natural forests. Clearcutting shall be strictly prohibited.

**Section 16.** Rotational harvest schedules under a sustained-yield, selective cutting system in FLMA areas shall be designed in a manner that will (i) ensure that throughout the duration of an FLMA crown density is maintained at a level adequate to prevent infestation by pernicious grass species such as cogon, (ii) provide sustainable annual income to the FLM and (iii) create incentives for sustained protection and maintenance.

**Section 17.** The use of heavy equipment such as bulldozers, yarders and rubber-tired skidders shall not be permitted in FLMA operations. Harvesting shall be done through labor-intensive methods using draft animals (e.g. carabaos) and/or skyline systems to move harvested timber from the stump to the closest landing, trail or road.

#### **ARTICLE IX REFORESTATION TRUST FUND**

**Section 18.** Each FLMA holder shall be required to establish a reforestation trust fund that provides capital for (i) replanting after harvest on areas where regeneration through coppicing or other methods is inadequate to maintain at least 75% crown density.

**Section 19.** The reforestation trust fund shall consist of a bank deposit opened by and in the name of the FLM. Five percent (5%) of the gross sales made after each harvest of products identified in Section 14.1 of this Order shall be deposited into the fund.

**Section 20.** The FLM shall be the only party authorized to make withdrawals from the fund. However, no withdrawals shall be made without the concurrence of the DENR office having jurisdiction over the FLMA. As a condition for concurrence, the concerned DENR office shall require the FLM to submit a plan indicating planting activities that will be implemented with the money withdrawn from the fund.

#### **ARTICLE X APPLICATION FOR AND APPROVAL OF AN FLMA**

**Section 21.** Interested parties may apply for an FLMA after DENR identifies the areas available for FLMA by accomplishing and submitting an application form prescribed by the DENR.

**Section 22.** The application for an FLMA shall be submitted to the DENR for evaluation and approval subject to the delegation of authority stipulated in Department Administrative Order No. 71, Series of 1990. FLMA less than one hundred (100) hectares shall be approved by the PENR Officer with the recommendation of the CENR Officer.

**ARTICLE XI  
REPEALING CLAUSE**

**Section 23.** All provisions of DENR Administrative Orders, Memorandum Circulars or other official issuances not consistent herewith are hereby repealed or amended accordingly.

**ARTICLE XII  
EFFECTIVITY**

**Section 24.** This Order shall take effect fifteen (15) days after its publication in a nationally circulated newspaper.

**ANGEL C. ALCALA  
Secretary**

**Recommending Approval:**

**RICARDO M. UMALI  
Senior Undersecretary  
for Field Operations, Policy,  
Planning and Resources Management**

**Administrative Order**  
**No. 26**  
**April 28, 1993**

**SUBJECT : Creating the Organizational and Management Structure for the Implementation of the ENR Sector Adjustment Loan (SECAL) Program for the MEC and RRM Components in Region X**

In the interest of the service and pursuant to the full scale implementation of the Environment and Natural Resources Sector Adjustment Loan (ENR-SECAL) Program, the following structure, functions, responsibilities and authorities for the Monitoring and Enforcement (MEC) and Regional Resources Management Projects (RRMP) components of the Program in Region X are hereby defined as follows:

**I. REGIONAL LEVEL**

**A. REGIONAL PROGRAM COMMITTEES**

A Regional Executive Director shall organize a Regional Program Committee/s for Regional Resource Management Project (RRMP) and initiate the formation of a Multi-Sectoral Forest Protection Committee (MFPC) for the Monitoring and Enforcement Component (MEC) with the following functions:

**A.1 Regional Resource Management Program Committee (RRMPC)**

1. Approve the overall ENR-SECAL Regional Development Plan and review the Annual WFP;
2. Promulgate policies and guidelines in accordance with the overall policies of the program;
3. Resolve regional project issues and secure inter-agency support and participation of the program activities;
4. Facilitate the processing of the program's regional budget through the regular GOP budgetary procedures;



5. Based on relevant project and other process documentation documents, recommend policies and administrative procedures to facilitate community resource management and watershed rehabilitation projects and other programs;
6. Facilitate the identification of other external and internal sources of funds for additional projects sites and/or expansion areas within currently identified watersheds and other critical watershed sites; and
7. Decide on the criteria and process of evaluating the capability of Local Government to assume project management functions.

**A.2 Regional Multi-Sectoral Forest Protection Committees (RMFPC)**

1. Serve as a collection point of information on illegal activities, tapping the independent networks to which its members belong;
2. Mobilize the independent networks to which its members belong in support of forest protection activities;
3. Receive and discuss regular status reports from DENR and other monitoring, apprehension, and prosecutorial activities;
4. Publicize the committee's discussions and findings except when treated as confidential;
5. Advice DENR and concerned parties on the results of these activities; and
6. Directly oversee the implementation of public awareness and alternative livelihood programs.

**B. REGIONAL PROGRAM MANAGEMENT OFFICE (RPMO)**

The Regional Program Management Office shall be composed of the following:

1. Regional Program Director - Regional Executive Director
2. Regional Program Coordinator - RTD for Forestry on MEC/RRM
3. RRM Technical Coordinator - Chief, FRDD
4. MEC Technical Coordinator - Chief, FRCD

5. M & E Coordinator - Chief, PMD
6. Project Development Officer
7. Project Evaluation Officer
8. Accountant
9. Computer Operator
10. Cartographer
11. Driver
12. Forester

### **Overall Functions**

1. Manage and supervise the overall implementation of the program in the region;
2. Monitor and evaluate the performance of the two implementing units of each component as well as the TA component and prepare progress report for submission to the Regional Program Committee, oversight councils/committees, and the National Program Management Office;
3. Coordinate the activities of participating regional agencies (e.g. DA, DAR, DLG, DOH, DND, DOJ, DECS etc.) as well as private institutions/NGOs for the implementation of the Program;
4. Review and consolidate the overall Strategic Plans and Annual Work Plans and programs of each component at various level;
5. Prepare a regional Strategic Plan and Annual Work and Financial Plan for submission to the Regional Program Committee and the National Program Management Office as basis of fund releases;
6. Provide technical supervision and training support to program staff and clientele; and
7. Submit reports as prescribed by ENR-SECAL Program Management Office.

## **B.1 REGIONAL PROGRAM DIRECTOR**

The Regional Executive Director shall be designated as the Regional Program Director. He shall perform the following duties and responsibilities:

1. Assume overall supervision in the effective implementation of the program;
2. Organize and establish the necessary Project Management Offices at all levels in the Region and to designate, hire and deploy personnel thereof who shall provide assistance in the implementation of program activities;
3. Recommend/Develop and/or adopt policy directors/measures for the efficient and effective implementation of the program;
4. Enter into contracts for goods and services needed by the program within the existing guidelines and regulations of DENR and oversight agencies particularly COA, DBM, and NEDA and those setforth by the ENR-SECAL Steering Committee;
5. Establish linkages with the concerned agencies, LGUs, NGOs and other organizations for effective program implementation and to enter into agreements with said entities/organizations as may be necessary;
6. Organize and establish other units or groups within the regional office as deemed necessary to effectively and efficiently implement program activities; and
7. Perform other functions as may be assigned by the ENR-SECAL Steering Committee and by the Program Officer.

## **B.2 REGIONAL PROGRAM COORDINATOR**

The Regional Technical Director for Forestry shall be designated as Regional Program Coordinator for RRM and MEC. He shall perform the following duties and responsibilities:

1. Assist the Regional Program Director in the exercise of his functions and responsibilities in the effective implementation of the program;

2. Establish proper coordination with the Regional Technical Assistance Team and the identified support agencies and/or organizations; and
3. Perform other functions as may be assigned by the Regional Program Director relative to the program.

#### **B.2.1. Monitoring and Enforcement Component (MEC) Unit**

The Monitoring and Enforcement Component Unit shall be headed by the Chief of the Forest Resources and Conservation Division (FRCD) as the Regional MEC Coordinator. The Unit shall perform the following functions:

1. Coordinate/work closely with the component's RTA Team for the effective conduct of their assigned tasks;
2. With the assistance of the RTAT, identify and recommend possible members of the Multisectoral Forest Protection Committee for the approval of the Steering Committee;
3. Perform the day to day functions and operations of the Unit and monitor and evaluate the activities of the component;
4. Mobilize and organize Special Task Action Groups (STAG) at the regional, provincial, and municipal levels as deemed appropriate;

##### **4.1 Special Task Action Group (STAG)**

The Special Task Action Group shall have the following functions;

1. Conduct regular ground surveillance activities and gather, consolidate and analyze intelligent data/information from field units;
2. Serve as the ground enforcement counterpart of the aerial/water surveillance group and see to it that the operation is coordinated with all concerned parties;
3. Conduct apprehension, seizure/confiscation of illegally cut/sourced forest products;

4. Gather evidences against violators of forest laws, rules and regulations for the eventual filing of cases;
5. Coordinate with other law enforcement agencies where their assistance is deemed necessary for the success of the campaign; and
6. Submit a report immediately after any operation.

### **B.2.2 Information Processing Sub-Unit (IPSU)**

The Information Processing Sub-Unit (TPSU) shall be established under the Regional MEC Coordinator. It shall perform the following functions;

1. Collect data and other relevant information on the four (4) sub-components of MEC namely: Operations Services, MEPC formation, Legal Services and Log Control Monitoring System (LCMS);
2. Classify process and analyze data information gathered and provide regular and special reports to the Regional Program Director;
3. Based on data/informations analyzed, recommend necessary actions for effective implementation of the projects;
4. As necessary, provide feedback to the 4 sub-components of the projects; and
5. Keep and maintain all data/information and records on the project for ready use of concerned DENR offices.

### **B.2.3 Regional Resource Management (RRM) Unit**

The Regional Resource Management Unit shall be headed by the Chief of Forest Resources Development Division (FRDD) as the Regional RRM Coordinator. The Unit shall have the following functions:

1. Coordinate/work closely with the component's RTA Team for the effective conduct of their assigned tasks;
2. Monitor and evaluate the implementation of activities of Regional Technical Assistance for the RPO and contracted NGOs, for each site

and review and consolidate reports for submission to the RPC and the National Program Management Office;

3. Review and consolidate municipal/watershed Work and Financial Plans and programs and prepare an overall RRM Project Strategic Plan for submission/presentation to the RPMO;
4. Facilitate the identification and provision of technical assistance and training support to concerned PENROs, PPDOs, CPDOs, CENRO, WMU, MPDO, site BDUs and clientele especially to the multi-agency core teams at Municipal levels;
5. Assist the project's field units and participating agencies involved in project implementation to internalize the project's development philosophy and learning process methodology while establishing Community-Based Resource Management working models in key barangays;
6. Recommend the procedures and indicators for determining the capability of a Province to manage a project, to the Regional Program Committee and eventual turn over to the concerned LGUs; and
7. Facilitate the coordination of key inter-agency committees and task forces including the ENR and Development committees and sub-committees of the RDC and other project initiated task forces (from DENR, DA, DAR and DOJ).

#### **B2.4 Regional Monitoring and Evaluation Unit (RMEU)**

The Regional Monitoring and Evaluation Unit shall be headed by the Chief of Planning and Management Division (PMD) as the Regional Monitoring Coordinator. He/She will be assisted by the RRM and MEC Coordinators. The Unit shall have the following functions:

1. Evaluate and validate accomplishment of NGO contractors as basis in processing of billings;
2. Recommend measures to the RPMO and RRMPC in effecting system/procedures to smoothen project implementation;

3. Monitor progress of project implementation vis-a-vis schedule of work and actual accomplishment and submit prescribed reports to the Regional Program Director;
4. Monitor funds utilization; and
5. Perform such as other functions as maybe assigned to it by the Regional Program Director.

**B2.5 Regional Technical Assistance Team (RTAT) for RRM**

1. Ensure that the project will be implemented following the designed concepts, guiding principles, goals/objectives and strategies of RRMP within the specified time frame;
2. Ensure that all work programs and targets are met and of a quality that would result to actual improvement in the living condition of the project beneficiaries and the environmental improvement and sustainability of the target watersheds;
3. Create/strengthen linkages with the LGUs/NSAs in watershed sites towards the institutionalization of the resource management systems within these agencies; and
4. Facilitate the full decentralization of project management and the systematic and timely phase-out of project assistance.

**B2.6 Regional Technical Assistance Team (RTAT) for MEC**

1. Set-up a total of four (4) Regional, Provincial and Community Based Multi-Sectoral Committees that will monitor and coordinate forestry law enforcement and monitor forest products harvesting and processing activities;
2. Assists in identifying and promoting alternative livelihood programs in communities dependent upon illegal forest activities;
3. Assist Regional Office in its public awareness programs;
4. Develop operational plans and procedures, administrative orders, implementing guidelines, procedural directives and operations manual

for coordinated use of aircraft, boat and ground transport in operations support of MEC-SECAL;

5. Ensure that the use of the aerial surveillance and marine operations equipment is within the approved schedule;
6. Analyze the current LCMS procedures and workload and make recommendations for improvements in effectiveness and efficiency;
7. Develop a system for computing and reporting data derived from the LCMS and MFPC and install telecommunication links for transferring data and reports to and from the various management levels of the DENR;
8. Provide planning and technical assistance for the development of a comprehensive integrated radio and telephone system;
9. To facilitate the appointment of judges to try forestry law cases, the deputation of prosecutors and private lawyers to process cases through the courts and to strengthen investigatory procedures;
10. To organize and conduct legal workshops to update judges, prosecutors, police and military officers on forestry laws;
11. To assist DENR lawyers in the prosecutions of cases on forest laws violations; and
12. Reports to the Regional Executive Director during the implementation of activities.

## **II. PROVINCIAL LEVEL**

### **A. PROVINCIAL PROGRAM COMMITTEE**

A Regional Executive Director shall organize a Provincial Committee for RRMP and initiate the formation of a Provincial Multi-Sectoral Forest Protection Committee (MFPC) for the Monitoring and Enforcement Component (MEC) with the following functions:



**A.1 Provincial Resource Management Program Committee (PRMPC)**

1. The PPC shall provide general guidance and oversee the program's activities in each province or city;
2. Approve the Provincial Annual WFP and overall Strategic Plan for each WMU in the province;
3. Resolve program issues at the Provincial level;
4. Facilitate inter-agency coordination as well as funds flow to implement units;
5. Generate provincial resource management and watershed development policies in accordance with the overall policies and guidelines set by National and Regional Steering Committee;
6. Identify and recommend NGOs to be contracted for managing the project sites; and
7. Oversee the operations and performance of the WMU and other implementing units in the province.

**A.2 Provincial Multi-Sectoral Forest Protection Committees**

Functions same as the Regional MFPC.

**B. PROVINCIAL PROGRAM MANAGEMENT OFFICE (PPMO)**

**Composition and Structure**

The Provincial Program Management Office shall be composed of the following:

1. Provincial Program Coordinator - PENR Officer
2. Contractual and Detailed Technical and Administrative Staff from the PENRO
3. Other Officers as may be specified/designated by the Regional Executive Director
4. Monitoring Officers

The Provincial Program Management Office shall be headed by the PENRO concerned. All PPMO staff shall be designated by the PENRO from among the regular staff of the PENRO/CENRO and such casual/contractual personnel it may hire subject to the availability of funds.

The PPMO shall supervise and monitor the implementation of the program within the province. It shall have the following functions;

**B.1 On Regional Resource Management Project concerns**

1. Coordinate the activities of participating Provincial Offices as well as private institutions/NGOs for the implementation of the Program;
2. Review, recommend and consolidate Work and Financial Plans for submission to the Regional Program Management Office;
3. Facilitate provision of technical and training support to all program staff;
4. Submit reports to the PRMPC, RPMO, National Program Management Office, and various oversight councils/committees;
5. Coordinate project activities with concerned local government units as well as private institutions/NGOs for the implementation of the Program;
6. Provide the financial management needs of all the RRM implementing units in the Province;
7. Certify performance of Development Non-Government Organization (DNGO) as basis for payment of the corresponding accomplishment delivered by the said DNGO;
8. Monitor and evaluate the implementation of activities of Regional Technical Assistance assigned at the PPMO and contracted NGOs for each site and review and consolidate reports for submission to the RRMPO and the National Program Management Office;
9. Monitor implementation of Contracts/MOAs in accordance with existing guidelines;
10. Provide technical assistance to the WMU/BDU and see to it that technology transfer mechanisms are provided to the DNGO, LGUs and target clientele;

11. Facilitate the issuance of Resource Access Instruments to the project beneficiaries; and

12. Facilitate DEVCOM/IEC activities.

**B.2 On the Monitoring and Enforcement concerns/matters**

1. Supervise, monitor and evaluate the performance of the component for submission to the RPMO; and

2. Coordinate with the RTATs/Consultants in the conduct of their functions;

**B.3 PROVINCIAL PROGRAM COORDINATOR (PENR Officer)**

**Duties and Responsibilities**

1. Appoint the provincial program personnel per DBM approved plantilla and ENR-SECAL program guidelines;

2. Designate PENRO and CENRO units/staff who shall provide assistance in program implementation;

3. Execute the policies and guidelines promulgated by the Provincial and Regional Program Committee and the ENR-SECAL Steering Committee;

4. Exercise management control functions to ensure that inputs are provided adequately and on time;

5. Designate the concerned CENRO to monitor the implementation of the Program's activities in its areas of concern to include both technical and financial aspects; and

6. Report to the Provincial Program Committee/Regional Program Director on activities conducted relative to the implementation of the ENR-SECAL Program; and

7. Shall represent the DENR in the Multi-Sectoral Forest Protection Committees at the Provincial level and provide such information required by the committees.

### **III. DISTRICT/MUNICIPAL LEVEL**

#### **A. DISTRICT/MUNICIPAL PROGRAM COMMITTEE**

Municipal Program Committees for RRMP and MEC shall likewise be organized and shall perform the following functions:

##### **A.1 Municipal Resource Management Program Committee (MRMPC)**

1. Promulgate policies applicable to the area in accordance with the Program's policies and guidelines;
2. Oversee the implementation of regular program activities in the municipality/district; and
3. Approve the WMU Strategic Plan and Annual WFP for submission to the PRPMC and PPMO.

##### **A.2 Municipal Multi-Sectoral Forest Protection Committee**

Functions same as the Regional MFPC

#### **B. MUNICIPAL PROGRAM MANAGEMENT OFFICE (MPMO)**

The Municipal Resource Management Program Office shall be headed by the CENRO concerned as the Municipal Program Coordinator.

The MPMO shall supervise and monitor the implementation of the Program at the CENRO/Municipal level. It shall have the following functions:

##### **B.1 On the Regional Resources Management Project concerns:**

1. Supervise and monitor the NGO (WMU and BDU) activities.
2. Coordinate with the RTATs/Consultants in the conduct of their functions;

**B.2 On the MEC concerns/matters:**

1. Supervise, monitor and evaluate the performance of the component for submission to the RPMO; and
2. Coordinate with the RTATs/Consultants in the conduct of their functions;

**B.3 MUNICIPAL PROGRAM COORDINATOR (PENR Officer)**

**Duties and Responsibilities**

1. Supervise, monitor and support the operations of the Program in their respective area;
2. Execute the policies and guidelines promulgated by the Municipal, Provincial and Regional Program Committees as well as the ENR-SECAL Steering Committee;
3. Report to the Municipal Program Committee/ Provincial Program Coordinator all activities conducted relative to the implementation of the ENR-SECAL Program; and
4. Shall represent the DENR in the Multi-Sectoral Forest Protection Committee at the Community level and provide information as required by the committee.

**C. WATERSHED MANAGEMENT UNIT (WMU)**

The WMU would be contracted to an NGO who will implement all watershed level work program in accordance with the strategies and processes agreed/known by the PPMOs and other RRMP higher offices. The WMU shall perform the institutional strengthening activities at the municipal, barangay and community levels.

**Overall Functions**

1. Serve as the focal point of coordination of all support activities to be delivered to farmer-participants by the DENR, Municipal Extension and Social Services Officials of Regional Line Agencies (RLAs), PEO, NGOs and RTATs;

2. Supervise and support field level activities of the BDU and the communities;
3. Initiate and supervise the implementation and monitoring of the project's plans and programs in collaboration with the project's beneficiaries and also prepare and supervise community contracts for LB/ES road and trail construction, contract nurserying and off-farm agroforestry;
4. In collaboration with the RTAT, conduct trainings, seminars and workshops toward institutionalizing CBRM at the different levels and institutionalize IEC related activities at the project levels;
5. Disburse project funds in accordance with the approved work and financial plan;
6. Maintain records of financial and material transactions and to account for all properties, assets, monies and accountabilities accruing to the WMU for project purposes;
7. Monitor project progress relative to targets and document project activities, problems and solutions and relevant learnings in project implementation. It shall also assist the development management core team to accommodate these in their subsequent plans and programs;
8. Establish linkages between the MRMPC, BRMPC and the community associations and other concerned groups;
9. Prepare and see to it that the beneficiaries are ready to accept the responsibilities attached to the resource access instrument to be issued to them;
10. Conduct technology and process documentation of significant project level activities and recommend appropriate policy action to improve the present CBRM system; and
11. Submit regular progress reports on implementation to the Municipal Resource Management Program Committee and Provincial Program Management Office.

#### **IV. BARANGAY LEVEL**

##### **A. BARANGAY RESOURCE MANAGEMENT PROGRAM COMMITTEE (BRMPC)**

###### **Composition and Structure**

For large barangays (in terms of population, area and number of projects) a Barangay Resource Management Program Committee shall be created/established and shall become a sub-committee of the Barangay Development Council (BDC). For smaller barangays, the BDC shall perform the functions related to RRMP implementation. The BRMPC shall be headed by the Barangay Chairman and memberships include the representative/s from different community organizations/associations and cooperatives.

###### **Overall Functions**

1. Overall in-charge of the preparation and approval of the Barangay Development Action Plan (BDAP). Shall see to it that all plans and programs will be consistent with the CBRM concepts and approaches. Shall likewise replan and update the prepared BDAPs to suit current developments in the barangay;
2. Coordinate all activities of the community associations, cooperatives, farmer groups, etc. Shall see to it that all the development programs of the groups will lead to the achievement of the goals and objectives;
3. Through the assistance of the BDU/WMU, shall act as the planning body of the barangay;
4. Shall oversee the implementation of CBRMP activities done by the BDU and project participants;
5. Submit reports to the MRMPC; and
6. Provide assistance to the farmer associations and cooperatives in the marketing of farms and forest products.

## **B. BARANGAY DEVELOPMENT UNITS (BDUs)**

### Composition and Structure

The BDU shall be composed of personnel of the contracted NGOs. It shall be in-charge of the overall implementation of activities at the barangay level and shall be situated at targeted barangays. The BDU will be responsible for organizing and mobilizing the community, to prepare them to undertake the strategies that will guide the beneficiaries to be aware, empowered and have full knowledge of CBRM. Through the support of the PRMO, CENRO, EMU and consultants, the BDU shall function as follows:

1. Organize, mobilize and train community members to prepare, undertake and implement the detailed plans and work programs of the barangay;
2. Generate baseline data of the barangay/community from the community residents themselves. Shall see to it that baseline data generated would contain the required informations for the formulation of area-specific strategies, process and work programs;
3. Initiate the preparation of a Barangay Development Action Plan (BDAP);
4. Assist the WMU and RTA in conducting trainings/workshops and IEC activities in the area;
5. Facilitate/capacitate the LGUs and NSAs field workers to deliver support services to the project's beneficiaries;
6. Submit field reports to the WMU for information and appropriate action;
7. Conduct process and technology documentation at the barangay/community level capturing highlights of activities of the community/beneficiaries;
8. Facilitate a venue for the turning over of BDU functions to the LGU and NSA field workers;
9. Supervise/coordinate with the field staff of designated LGUs, NSAs and other NGOs in the implementation of the project in the expansion barangays and in the additional municipalities and watershed sites; and



10. Shall see to it that the beneficiaries and communities will become self-reliant and can already effectively plan for their future with minimal assistance from the LGUs/NSAs.

The corresponding organizational structure is hereby appended.

#### **V. OTHER PROVISIONS**

Delegation of authority regarding financial and administrative matters shall be in accordance with General A.O. No. 1, Series of 1991 and DAO 38, Series of 1990, as may be applicable.

This order takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

#### **Recommending Approval:**

**WILFRIDO S. POLLISCO**  
Regional Executive Director

**ROSALIO B. GOZE**  
ENR-SECAL Program Director

**MANUEL E. GONZALEZ, JR.**  
Asst. Secretary for  
Management Services

**Administrative Order**  
**No. 27**  
**January 10, 1993**

**SUBJECT : Creating the Organizational and Management Structure for the Implementation of the ENR-SECAL RRMP in the DENR-Cordillera Administrative Region**

In view of the need to strengthen the implementation of the ENR-SECAL RRMP at various levels of DENR operating structure and in cognizance of the provisions of DAO # 42 defining the Organizational and Management Structure for Region I and CAR, an organizational structure together with the defined functions, authorities and responsibilities therein applicable for DENR-CAR are hereby adopted and defined as follows:

**A. CORDILLERA EXECUTIVE BOARD-Committee on Environment and Natural Resources (CEB-CENR)**

The existing Cordillera Executive Board-Committee on Environment and Natural Resources (CEB-CENR), to be supplemented by the representatives of Cordillera Regional Assembly (CRA) and other National Line Agencies (NSAs), shall be solicited to provide the following supportive functions for the operations of the Regional Resource Management Program (RRMMP);

**FUNCTIONS**

1. Review/approve the overall ENR-SECAL Regional Development Plan and review the Annual WFP;
2. Promulgate policies and guidelines in accordance with the overall policies of the program;
3. Resolve regional program issues and secure inter-agency support and participation of the program activities;
4. Facilitate the regional program budget's process through the regular GOP budgetary procedures;
5. Facilitate the identification of other direct donor or cofinancing agencies as sources of funds for project sites not initially mobilized and for

expansion of projects within identified watershed and to other watershed sites;

6. Decide upon recommendation of the Provincial ENR Council when a province can take over management of its project site/s.
7. Conduct regular review of policy & institutional matters related to RRMP to monitor the effectivity of the reforms and to institute corrective measures as required; and
8. Call on and invite other concerned agencies to support the program.

#### **A.1 REGIONAL PROGRAM MANAGEMENT OFFICE (RPMO)**

The Regional Program Management Office shall be composed of the following:

1. Regional Program Director - Regional Executive Director
2. Regional Program Coordinator & Deputy Program Director - (RTD-FMS)
3. Regional Program Management Committee - composed of the RED and all RTDs and PENROs in the region
4. Regional Field Operations Coordinator (RFOC)
5. Regional Technical, Planning and Administrative Coordinator (RTPAC)
6. Regional Natural Resources Access and Training Coordinator (RNRATC)
7. Technical/Administrative Support Staff

#### **Overall Function**

1. Manage the overall implementation of the program in the Region;
2. Monitor and evaluate the performance of the implementing unit of the RRM component as well as the TA component and prepare progress report for submission to the CEB-CENR oversight councils/committees, and National Program Management Office;
3. Coordinate the activities of participating regional agencies (e.g. DILG, DA, DAR, DECS etc.) as well as private institutions/NGOs for the implementation of the Program;

4. Review and consolidate the overall strategic plans and Annual Work Plans and Programs of the RRMP component at various level and prepare a Regional Strategic Plan and Annual Work and Financial Plan for submission to the Regional Program Committee and the National Program Management Office for funding;
5. Provide technical supervision and training/IEC support to program staff and participants;
6. Hire staff in accordance with the set guidelines/ criteria by the National Program Steering Committee;
7. Develop in collaboration with TAG appropriate management system i.e. MIS; PBME; Administrative, Planning and Finance System;
8. Manage the issuance of appropriate security of land tenure within the project sites;
9. Coordinate with OGAs such as DTI, DILG, DAR, DA, NIA, etc. in the provision of support services to target communities for both Infrastructure and Agro-Livelihood component of the project.

## **A.2 REGIONAL PROGRAM DIRECTOR**

### **Duties and Responsibilities**

1. Appoint the program personnel per DBM approved plantilla and ENR-SECAL program guidelines;
2. Designate existing DENR Regional units and staff who shall provide assistance in the implementation of program activities;
3. Execute the policies and guidelines promulgated by the Regional Program Management Committee and the ENR-SECAL Steering Committee;
4. Exercise management control functions to ensure that the program inputs are provided adequately and on time;
5. Enter into contracts for goods and services needed by the program within the existing guidelines and regulations of DENR and oversight

agencies particularly COA, DBM, and NEDA and those set forth by the Steering Committee;

6. Enter into a Memorandum of Agreement with other Regional Line Agencies, Local Government Units, whenever necessary for the implementation of RRMP components.
7. Preside over all meetings of the ENR SECOM.

### **A.3 Program Coordinator & Deputy Program Director**

#### **Duties and Responsibilities**

1. Assist the Program Director in the exercise of his functions and responsibilities
2. Coordinate project activities of the RRMP component with other agencies and local government units as well as liaise with the National Program Management office and other National offices;
3. Assume the functions of the RPD in the absence of the latter;
4. Oversee the execution of policies and guidelines promulgated by the Regional ENR-SECOM and the National Program Management Office;
5. Assist the Regional Program Director in the overall implementation of ENR-SECAL Project nationwide;
6. Apprise on a regular basis the Program Management Committee and the Program Director on the status of project implementation.

### **A.4 Regional Program Management Committee (RPMC)**

A Regional Program Management Committee shall be created and shall be composed of the RED as Chairman and the RTD-FMS as Co-Chairman and all other RTDs and PENROs as members.

#### **Overall Function**

1. The committee shall serve as the adviser of the Program Director on matters pertaining to all aspects of project implementation;

2. Review the ENR-SECAL Regional Development Plan and Annual Work and Financial Plan prior to its submission by the Regional Program Director to the CEP-CENR;
3. Act on issues and matters brought to its attention affecting the program implementation;
4. Formulate specific set of indicators as a guide in determining the capability of a province to take over the management of project sites.

**A.5 Technical/Administrative Support Staff (T/ASS)**

As this corresponds to the existing structure of the DENR comprising of the Technical, Administration, Finance/Accounting and Planning, it will provide the necessary complementary and support services pertaining to the implementation of the Program at the Regional level. Provision of the needed support services shall be coordinated by the Regional Technical, Planning and Administrative Coordinator (RTPAC).

**A.6 Regional Technical, Planning and Administrative Coordinator (RTPAC)**

**Duties and Responsibilities**

1. Coordinate closely with the component consultants for the effective implementation of the project;
2. Assist the RPMC in collaboration with the TAG in the formulation of specific sets of indicators in determining the capability of a Province to manage a project;
3. Coordinate with appropriate sectors of the DENR in the conduct of researches that will accelerate RRMP implementation;
4. Secure the assistance of other sectors of the DENR in resolving issues that affect the RRMP implementation;
5. Facilitate the coordination with the CEB-CENR and other inter-agency committees including the Development Committees and Sub-Committees of the CEB and other project initiated task forces (from DENR, DA, DAR, etc.) in the implementation of RRMP;

6. Monitor and evaluate the implementation of the various field activities through periodic submission of physical and financial reports of the WMU, CENRO, and PENRO levels;
7. Review Municipal/Provincial Work and Financial Plans and Program, and to consolidate the same to come up with a Regional Work and Financial Plan for submission to the RPMO and PPMO;
8. Coordinate with the Central Office for the timely release of funds necessary in the implementation of RRMP;
9. Control and monitor the efficient disbursement of SECAL funds in coordination with the Finance Division to ensure the attainment of project goals and objectives. Furthermore, he shall see to it that expenses are properly charged and aligned to RRMP activities;
10. Make the proper representations to all concerned offices in the procurement of administrative needs for RPMO and field offices;
11. Participate in development trainings whenever necessary.

#### **A.7 Regional Field Operations Coordinator-RFOC (PDO V)**

##### **Duties and Responsibilities**

1. Assist the project field units and participating agencies involved in program implementation to internalize the project development process of RRMP;
2. In coordination with the TAG, develop effective methods and techniques in Community Organizing at the field level;
3. Conduct process documentation of various site development component in coordination with the TAG;
4. Assist in the formulation of project evaluation techniques and apply the same in the periodic preparation evaluation of the site development plans;
5. Coordinate the activities of the RRMP at the field level;
6. Monitor the progress of implementation of the site development plan;

7. Monitor the indicators formulated by the RPMC in determining the capability of the Province to take care management of the project;
8. Participate in all the training activities of the program;
9. Facilitate the identification of technical assistance and research activities on Agroforestry/livelihood to the project sites;
10. Supervise in the activities of Regional Project Evaluation Officer II;
11. Facilitate the province of technical assistance to concerned PENRO's, CENRO's WMU, MPDO, Site BDU's and clientele especially to the Multi-Agency Core teams at the municipal level.

#### **A.8 Regional Project Evaluation Officer II (PEO II)**

##### **Duties and Responsibilities**

1. Monitor the accomplishment on a monthly/quarterly/ annual basis of all ENR SECAL Projects in the Region to check the progress of work done at the field level;
2. Evaluate work performance of WMU/BDU and contracted NGOs of ENR SECAL Project and recommend corrective measures should there be any to improve the operation of the project;
3. Assist the Regional Technical, Planning and Administrative Coordinator and the planning unit in the preparation of Annual Work and Financial Plan and each attendant, reprogramming should the need arises;
4. Prepare and consolidate in coordination with the PAC the prescribed monthly/quarterly/annual reports coming from field offices and its subsequent endorsement to the National Program Management Office;
5. Participate in all the training endeavors of the Region;
6. Perform other function that may be assigned.



**A.9 REGIONAL NATURAL RESOURCES ACCESS AND TRAINING COORDINATOR (RNRATC)**

**Duties and Responsibilities**

1. Facilitate and coordinate the issuance of appropriate security of land tenure line CSC, land patent, FLMA, CALC, etc. with PENROs/CENROs and all concerned offices;
2. Coordinate with HRD and TAG in the preparation of training designs/needs analyses and in the conduct of same to RRMP staff and project beneficiaries;
3. Coordinate the conduct of training and orientation of LGUs, NGOs, staffs and beneficiaries in coordination with TAG, HRD and RPAO;
4. Facilitate and provide technical assistance in the conduct of training, community organizing and IEC activities in coordination with RTPAC, RFOC and concerned PENROs/CENROs;
5. Identify and prepare ISF areas for possible expansion/radiation under the concept of RRMP;
6. Coordinate with the Regional Special Task Force on Ancestral Land (STFAL) and the CENRO 3-Man Committee in the provision of training/orientation to project beneficiaries relative to the acquisition of appropriate security of land tenure over the areas they presently occupy;
7. Coordinate and encourage participation of NGOs in some RRMP activities;
8. Participate in development trainings whenever necessary;
9. Facilitate and provide technical assistance in the provision of alternative livelihood activities to target beneficiaries in coordination with TAG, NGOs, OGAs and all other DENR Offices.

## **PROVINCIAL LEVEL**

### **B. PROVINCIAL PROGRAM COMMITTEE (PPC)**

In consonance with the provision of DAO 30 pertaining to Local Government Code, a Provincial Environment and Natural Resources Committee for shall be organized/created under the aegis of the PDC. The Committee shall be chaired by either the Governor or the PENRO and shall be composed of the following members:

1. Provincial Agriculturist
2. Provincial Agrarian Reform Officer
3. Provincial Engineer
4. Provincial Officer, DILG
5. Provincial Health Officer
6. Provincial Officer, DECS
7. Provincial Planning & Development Officer
8. Chairman, Natural Resources Council - Sangguniang Panlalawigan
9. Provincial Officer, DTI
10. NGO Representative

### **POWER & FUNCTIONS**

1. Review and/approve Provincial Annual Work and Financial Plans and overall Strategic Plan for each WMU;
2. Facilitate inter-agency coordination, cooperation and support particularly in the provision of basic services to pilot communities and radiation sites;
3. Encourage NGO participation pertinent in RRMP-related activities;
4. Monitor the operations and performance of the WMU and other implementing units in the Province and other RRMP related activities;
5. Ensure that the project including its various components is reflected in the Provincial Development Plan and included in the Provincial Annual Investment Plan;
6. Perform other functions identified in the approved MOA between the DENR and the Provincial Government;

7. Provide overall and program direction relative to ENR RRMP implementation at the provincial level;
8. Ensure smooth implementation of project activities related to the LGU institutional strengthening and capacitation.

**B.1 Provincial Program Management Office (PPMO)**

The Provincial Management Office shall be composed of the following:

1. Provincial Program Officer (PENRO)
2. PENRO Technical Coordinator for the program.
3. Technical/Administrative Staff (Planning, Accounting, Budget)

**Functions:**

1. Monitor and evaluate the performance of the RRMP units in the Province for submission to the PENRO, RPMO, National Program Management Office, and various oversight councils/committees;
2. Coordinate the activities of participating Provincial Offices as well as private institutions/NGOs for the implementation of the Program;
3. Review and recommend consolidated Work and Financial Plan for submission to the Regional Program Management Office for funding;
4. Facilitate provision of technical and training support to all program staff;
5. Provide the financial requirements of program activities;
6. Monitor implementation of contracts/MOAs in accordance with existing guidelines;
7. Submit monthly, quarterly and annual reports to the Regional Program Management Office;
8. Coordinate project activities with concerned local government units;
9. Enter into contracts for goods and services with NGOs, in accordance with the provision of DAO 38 on matter pertaining to delegated authority.

## **B.2 Provincial Program Officer (PPO) (PENRO Officer)**

### **Duties and Responsibilities**

1. Direct and Supervise the operations of the PPMO;
2. Recommend the designation/appointment of contractual and/or regular personnel to the RRMP;
3. Execute the policies and guidelines promulgated by the Provincial and Regional Program Committee and the ENR SECAL Steering Committee;
4. Exercise management control functions to ensure that inputs are provided adequately and on time;
5. Report to the Provincial Environment and Natural Resources Council, Regional Program Director on activities conducted relative to the implementation of the ENR SECAL Program.
6. Attend to the regular meeting of the PENRO in his capacity as Co-Chairman of the council;
7. Perform the functions inherent to the PPMO.

## **B.3 PENRO Technical Coordinator (PTC)**

1. Assist the Provincial Program Officer (PPO) in the exercise of his functions;
2. Coordinate with the LGUs, PENRO and other concerned Line Agencies on all matters regarding the implementation of the ENR-SECAL Project;
3. Act as the DENR counterpart at the Provincial level on the following activities;
  - a. Institutional strengthening/capacity building for policy, planning, project development and resource generation;
  - b. Implementation management and supervision assistance;

- c. Monitoring and Evaluation assistance;
4. Perform other functions that may be assigned.

**B.4 Project Evaluation Officer II (PEO II) (PENRO Level)**

**Duties and Responsibilities**

1. Evaluate work performance of WMU/BDU and contracted NGOs and recommend corrective measures should there be any to improve the functions of the project;
2. Monitor the accomplishment on monthly/ quarterly/annual basis of ENR SECAL Projects in the Province to check the program of work done at project level (WMU/BDU) and submit report to the PENRO;
3. Assist the PENRO Technical Coordinator and the Planning Unit of the PENR Office in the preparation of the Annual Work and Financial Plan and the corresponding reprogramming of same;
4. Prepare and consolidate prescribed monthly/ quarterly/ annual reports coming from CENRO/WMU/BDU and its subsequent endorsement to the Regional Program Management Office;
5. Participate in all training activities in the Province;
6. Perform other functions that may be assigned.

**MUNICIPAL LEVEL**

**C. Municipal Program Committee (MPC)**

The MENRPC RRMP shall be headed by either the Municipal Mayor or the CENRO and shall be composed of the following as members;

1. Vice Mayor
2. MPDO
3. Representatives of Community Organization and People's Organization in key barangays
4. Municipal Line Agencies and
5. Other Government Agencies

6. Local NGO's

#### **Power and Functions**

1. Promulgate policies applicable to the area in accordance with the program's policies and guidelines;
2. Facilitate inter-agency coordination and cooperation in the provision of services that are needed in the project sites;
3. Oversee implementation of regular program activities in the Municipality;
4. Approve the WMU Strategic Plan and Annual Work and Financial Plan for submission to the PPMO and RPMO;
5. Encourage NGO and inter-agency participation;
6. Ensure that the project including its various components is reflected in the Municipal Development Plan and to be included in the Municipal Annual Investment Plan.

### **C.1 Municipal Program Management Office (MPMO)**

#### **Composition and Structure**

The Municipal Program Management Office shall be composed of the following:

1. CENR Officer
2. Project Coordinator (Full-time) (CENRO-based)
3. WMU Manager (Full-Time) (PDO III)
4. Technical and Administrative Support Staff
5. STFAL Three-Man Committee

#### **Duties and Responsibilities**

Community Environment and Natural Resources Officer (CENRO)

### **Municipal Program Officer**

1. Supervise and support the operation of WMUs including its Technical and Administrative Staff;
2. Designate existing CENRO units and staff who shall provide assistance in program implementation;
3. Execute the policies and guidelines promulgated by the Municipal, Provincial and Regional Program Committee as well as the ENR SECAL Steering Committee;
4. Report to the Municipal ENRC/Provincial Program Coordinator on activities conducted relative to the implementation of the ENR SECAL Program;
5. Enter into contract for goods and services with the community organizations/NGOs and the like in the implementation of RRMP activities in accordance with the provision of DAO 38;
6. Responsible for all property, asset and financial accountabilities accruing to the WMU for project purposes.

### **C.2 CENRO TECHNICAL COORDINATOR (CTC)**

1. Monitor project progress relative to targets and documents project activities, problems and solutions and relevant learnings in project implementation;
2. Submit regular implementation progress report of the project Municipal ENRC and Provincial Program and Management Office;
3. Coordinates the preparation of the Seven-Year Site Development Plans and Annual Action Plans of the RRMP at the WMU level;
4. Coordinate with the STFAL Three-Man Committee in the provision of appropriate security of land tenure to the beneficiaries in the project sites;

5. Coordinate with the LGUs, MENRC and other Line Agencies on all matters regarding the implementation of the ENR-SECAL project;
6. Act as the DENR counterpart at the Municipal level on the following activities;
  - a. Institutional strengthening/capability building for policy, planning, project development and resource generation;
  - b. Implementation management and supervision assistance;
  - c. Monitoring and Evaluation assistance..
7. Performs other functions that may be assigned.

**C.3 WATERSHED MANAGEMENT UNIT (WMU)**

The Watershed Management Unit (WMU) shall serve as the focal point of coordination of all support activities to be delivered to the farmer-participant by the DENR, Municipal Extension and Social Services officials of Regional Line Agencies (RLA's) RED, NGO and Consultants.

**C.4 WMU Manager (PDO III)**

**Duties and Responsibilities**

Under the direct supervision of the CENRO, he shall:

1. Supervise field activities of the BDU's and Mobilized Communities;
2. Prepare Work and Financial Plan of the WMU based on the Site Development Plans prepared at the BDU level;
3. Assist the Barangay Council and the Barangay Core Group in the preparation of Barangay Development Plan particularly in the ENR-SECAL activities;
4. Prepares periodic program report of ENR-SECAL project for submission to CENRO/PENRO/Regional Office;



5. Recommend measures and strategies to strengthen the implementation of the project at the site level;
6. Participate in all training activities for Community/Participants in the project;
7. Monitor the work/day to day activities of PDO II (infra and Agro-forestry/Livelihood) and the Agricultural Technicians II deployed in the Barangay and submit report to the CENRO;
8. Initiate and supervise the implementation and monitoring of the project Plans and Programs in collaboration with the project beneficiaries and also prepare and supervise community contracts for social infrastructure and for on/off-farm agroforestry;
9. Perform other functions may be assigned.

#### **BARANGAY LEVEL**

##### **C.5 Barangay Development Program Committee (BDPC)**

The BDPC RRMP shall be headed either by the Barangay Captain or WMU Manager and shall be organized as the working arm of the Barangay Development Council. The committee shall be composed of the following members;

1. Some members of the Barangay Council
2. Upland Farmers' Association
3. Women Organization
4. Council of Elders
5. Youth Organization/Kabataang Barangay
6. Religious Group
7. Government Agencies
8. WMU Staff

#### **Power and Functions**

1. Assist in Community in preparation of the Barangay Development Plan and in activating the implementation of the plan including the RRMP CBENR projects;

2. Conduct the operations planning and setting of guidelines for implementation of various project components;
3. Exercise supervision over project execution and monitoring of project implementation;
4. Monitor field problems and accomplishments and submit recommendations to the WMU staff and Barangay Council;
5. Perform secretariat functions such as preparation of notices of meetings, resolutions, communications, custody of records and documents, etc. with the assistance from the WMU Staff;
6. Initially manage the community revolving fund.

#### **C.6 Barangay Development Units (BDUs)**

The BDU's shall be composed of 2 PDO II and Agricultural Technicians hired by the program. Said Agricultural Technicians shall reside at targeted barangays. Through the support of the CENRO, WMU and consultants, the BDU shall function as follows:

1. Coordinate with the field staff of the designated LGUs, NSAs and other NGOs in the implementation of the project in the core barangays and subsequently in radiation/expansion area;
2. Organize, mobilize and train community members, LGU officers and field workers of line agencies to prepare, undertake and implement the detailed plans and work programs of the barangay;
3. Coordinate with the Barangay Development Council (BDC) in the identification of NGOs, farmer participants and associations in the area who shall be involved in the implementation of the ENR-SECAL Project.

#### **C.7 PROJECT DEVELOPMENT OFFICER II (PDO II)**

There shall be two (2) PDO II, one (1) for infrastructure Project and one (1) for Agro-forestry/Livehood, and they shall be under the direct supervision of the WMU Manager.

## **Duties and Responsibilities**

### **C.7.a Proj. Development Officer II - Infrastructure**

1. Initiate the preparation of all infrastructure components of the project;
2. Initiate in the preparation/implementation of approved specific site development plan of the infrastructure component of the project;
3. Participate in the conduct of training to all farmers/clientele in the project site;
4. Assist the WMU Manager (PDO III) in the identification of problems, issues in the implementation of project in the site and recommend corrective measures to ensure the smooth implementation of the program;
5. Perform other functions as the need arises.

### **C.7.b Project Development Officer II - Agro-Forestry/Livelihood**

1. Facilitate the dissemination of appropriate Agro-Livelihood technology to the community;
2. Initiate the preparation/implementation of approved specific site development plan of the Agroforestry-Livelihood component of the project;
3. Participate in the conduct of training to all farmers/clientele in the project site;
4. Assist the WMU Manager (PDO III) in the identification of problems, issues in the implementation of the project and recommend corrective measures to ensure the smooth implementation of the program;
5. Perform other functions as the need arises.

## **C.8 Agricultural Technicians (AT)**

### **Duties and Responsibilities**

Under the direct supervision of the WMU manager, they shall;

1. Participate in the grassroots planning in the locality including the preparation of the community profile, development plan and situational analysis;
2. Take a lead role in organizing farmers and strengthening organized farmers in the community;
3. Coordinate with Field Technicians of other Line Agencies in the area for the delivery of needed social and technical services to the community;
4. Actively participate in the identification/screening of NGOs, POs and association in the project site and recommend those who may qualify for specific development contract;
5. Conduct intensified information and extension activities among community residents;
6. Participate in the identification of training needs of the locality and conduct of same in the area;
7. Work closely with the WMU Technical Staff and other DENR/DA personnel in disseminating environmentally desirable upland technologies;
8. Establish linkages with field personnel of other government or non-government agencies to achieve synchrony and complementarity in development efforts;
9. Maintain a healthy working relationship with the Barangay Council;
10. Perform other functions that may be assigned.

The provision and intent of this Order shall be the guiding operational tool in the implementation of ENR-SECAL RRMP for the DENR-CAR in the next seven (7) years.

This Order shall take effect immediately.

**ANGEL C. ALCALA**  
**Secretary**

**Recommended by:**

**SABADO T. BATCAGAN**  
**(Regional Program Director)**  
**Regional Executive Director**  
**DENR-CAR**

**Administrative Order**

**No. 28**

**May 10, 1993**

**SUBJECT : Conduct of Residual Forest Inventory in Areas Logged by Active TLA Holders within their Operable Second Growth Forests**

Pursuant to Section 22, P.D. 705 as amended and DENR Administrative Order (DAO) No. 12, Series 1992 and in order to enhance the sustained-yield management of the operable second growth forest, the following regulations and guidelines on the conduct of residual forest inventory are hereby issued for the information and guidance of all concerned:

**Section 1. Definition of Terms**

The following terms as used in this Order shall be understood and interpreted as hereunder defined:

- 1.1 **Adequately Stocked Residual Forest** - Natural grown forest that contains at least 20 healthy and sound trees per hectare of the preferred species, (i.e. common hardwoods, premium species and construction and furniture woods) having diameter of 15 cm and larger.
- 1.2 **Healthy Residuals** - Trees belonging to the preferred species with dbh/dab of 20-60 cm having straight and cylindrical bole with no or minimal injury/damage to its root systems, buttresses, trunks and crowns.
- 1.3 **Residual Forest Inventory** - the physical examination of the trees left after logging, particularly the marked trees for purposes of determining the condition, extent and cause(s) of damage/injury on the root system, buttress, trunk and crown, and the area totally damaged resulting from the harvesting or merchantable trees.
- 1.4 **Selective Logging** - is the systematic removal of the mature/overmature and defective trees in such a manner as to leave adequate number and volume of healthy residual trees of the preferred species necessary to ensure a future crop of timber and forest cover for the protection and conservation of soil, water and wildlife.

- 1.5 **Set-up** - is the smallest subdivision of a forest block which is delimited for the orderly harvesting and removal of merchantable trees in order to minimize the damage/injury to the remaining forest stand.
16. **Tree Marking** - is the process of marking trees to be harvested and those to be left as residuals which will form the future crop of timber.

## **Section 2. Objectives of Residual Inventory**

- 2.1 To classify the type of standing trees left after logging;
- 2.2 To determine the causes of damage/injury done on marked and unmarked trees for purposes of correcting/ minimizing the occurrence of such damages/injuries;
- 2.3 To obtain data on damaged/injured trees to be used as basis in imposing the corresponding fines and other penalties;
- 2.4 To obtain data/information for the prediction of tree mortality, yield/volume and silvicultural treatments;
- 2.5 To check the accuracy of tree marking intensity; and
- 2.6 To determine the extent of area damaged in the process of logging.

## **Section 3. Period of Undertaking Residual Forest Inventory.**

The residual forest inventory shall cover areas logged in 1992 and thereafter, to provide data for the modification of the present AAC formula (DAO No. 12, S. 1992). For 1994 and subsequent years, the inventory shall be conducted immediately after a set-up is completely logged.

## **Section 4. Assignment of Technical Personnel**

- 4.1 Foresters of DENR field offices shall be assigned to conduct the residual inventory. However, foresters from the CENRO who have jurisdiction over the TLA area(s) may not be assigned to undertake residual inventory thereat for obvious reason, provided it shall not entail operational and financial problems to the office concerned.
- 4.2 FMB foresters shall periodically monitor/validate the tree marking and residual inventory conducted by the field offices to ensure the proper implementation of Selective Logging activities.

## **Section 5. Procedures/Methods**

The team who may be assigned to undertake the residual forest inventory shall perform the following tasks:

### **5.1 Physical Examination of logged area**

- 5.1.1 Take note of the equipment used by the Company for log transport (6 x 6, trailer, etc), and for yarding/skidding (tractor, wreckers, wheeled skidders, etc.)
- 5.1.2 Obtain from the concerned DENR field office a copy of the approved Integrated Annual Operations Plan (IAOP) for the year/period under review and the tree marking records of the set-ups that shall be evaluated.
- 5.1.3 Copy the tree marking data i.e. species, corresponding tree number, diameter and merchantable height from the tree marking record to R.I. form No. 01.
- 5.1.4 Proceed to the logging area of subject licensee and determine if the area logged is within the approved annual cutting area (ACA) as programmed in the IAOP.
  - 5.1.4.1 If the area is verified to be outside the ACA, take note of the deviation and proceed with 5.1.5 below. Prepare a comprehensive report about the deviation to be submitted separately to the DENR Secretary thru the FMB Director and/or concerned Regional Executive Director.
  - 5.1.4.2 If the area logged is within the approved ACA, proceed as indicated in 5.1.5 below.
  - 5.1.4.3 In either of the above cases, determine the area that is totally destroyed in felling and/or yarding/skidding or road construction, indicating the length and breath of the area destroyed.



5.1.5 Locate each marked tree as listed in RI Form 01 and determine its actual condition and classify it in accordance with the tree classification as shown in Appendix II. The damaged/injured tree category shall include knocked-down and missing trees but should be classified as such on the record sheet.

5.1.5.1 Check the actual DBH/DAB of each marked tree. If the tree marking record indicate only the diameter class, measure the actual DBH/DAB and record the measurement of the tally sheet. Likewise, the actual merchantable height of each marked tree should be measured and recorded accordingly.

## 5.2 Marking Goal Check

After the physical evaluation of the marked trees in all the logged set-ups is completed, conduct a five percent (5%) sampling check within each set-up to determine if the number of trees to be left is in accordance with the prescribed marking goal pursuant to Section 4, DAO 12. The sampling check is carried out by establishing 1/10 hectare circular or rectangular plot. Circular plot has a radius of 18 meters while rectangular plot has a dimension of 20m x 50m.

The number of 1/10 hectare plot at 5% intensity is determined by dividing the area of the set-up by two (2).

- 5.2.1 The computed number of plots should be distributed evenly within the forested portion of the set-up in order to get a realistic representation of the timber stand thereon.
- 5.2.2 Identify the species and measure the actual DBH/DAB to the nearest cm and merchantable height to the nearest meter of all trees within the plot having diameter of 15 cm and larger.
- 5.2.3 Determine the tree class of each tallied tree in accordance with the classification as described in Appendix II. The damaged category should be classified into: a) standing, and b) knocked-down.
- 5.2.4 If there are stumps found within the plot measure its diameter and record the measurement on the tally sheet and indicate under REMARKS that it is a stump.

### 5.3 Data Analysis and Compilation

#### 5.3.1 Marked Trees:

- 5.3.1.1 Analyze the data/information obtained from the 100% physical examination of all marked trees in order to determine the performance of the TLA holder(s) in Selective Logging.

The number of healthy residuals left within the set-up shall be determined by diameter class in conformity with the prescribed marking goal (MG). The residual recovery shall be expressed as percent of the total trees for a particular diameter class, which is calculated based on the following formula:

$$\% \text{ HR} = \frac{\text{No. of HR by Diameter Class}}{\text{TNT of the same Diameter Class}} \times 100$$

where: HR = Healthy Residuals  
TNT = Total Number of Trees

- 5.3.1.2 Summarized the marked trees by diameter class, tree classification and set-up recorded on RI Form 01 to the Summary Table RI Form 02.
- 5.3.1.3 Prepare a consolidated summary for all the set-ups evaluated in a similar tabulation (RI Form 02).

#### 5.3.2 Marking Goal Computation:

- 5.3.2.1 Analyze the data obtained from the 5% sampling check in order to determine the adequacy of the marked tree to be left in accordance with MG factor as prescribed in DAO 12, S, 1992 as indicated hereunder, to wit:

MG = 0.70 of trees 20 cm dbh/dab,  
+ 0.75 of trees 30 cm dbh/dab,  
+ 0.80 of trees 40 cm dbh/dab,  
(0.85 for Palawan and Region 8)  
+ 0.85 of trees 50 cm dbh/dab,

(0.50 for Palawan and Region 8)  
+0.50 of tree 60 cm dbh/dab.

- 5.3.2.2 Prepare a stand and stock table for all trees regardless of tree classification by species group and diameter class.
- 5.3.2.3 Prepare another stand and stock table based from the actual tree classification (i.e. healthy, doubtful/substandard and damaged. The damage category shall be further classified into standing and knocked-down) by species group and diameter class.
- 5.3.2.4 Determine the species group of the marked tree to be left copied from the tree marking records of the CENRO which were verified/examined in the field. If the marked trees belong to the common hardwood species only, copy its corresponding stand per ha from the stand and stock table prepared from the 5% sampling check and record these data under column (2) and (3) on RI Form 03 (Appendix IV). Proceed with the necessary computations in accordance with the instruction indicated on the bottom portion of RI Form 03.
- 5.3.2.5 Summarized the tree classification by set-up, species group and diameter class in RI Form 04 (format is shown in Appendix V).
- 5.3.2.6 Prepare a consolidated summary for all the set-ups evaluated in a similar tabulation (RI Form 04).

#### **5.4 Summary of Results**

The results obtained from the 100% physical examination of marked trees to be left and the 5% sampling check on the accuracy of marking goal (MG) in all the set-ups evaluated shall be summarized.

##### **5.4.1 Performance on Healthy Residual Recovery**

The performance rating of the TLA holder(s) on healthy residual recovery shall be expressed both in adjectival and percent as follows:

5.4.1.1 Excellent Performance on Marked Healthy Residual Recovery

DIAM. CLASS	PALAWAN & R-8	OTHER AREAS (PERFORMANCE RANGE)	RATING (PERCENT)
20	70% or more	70% or more	100
30	75% or more	75% or more	100
40	85% or more	80% or more	100
50	50% or more	85% or more	100
-	-	50% or more	100

5.4.1.2 Good Performance on Marked Healthy Residual Recovery

DIAM. CLASS	PALAWAN & R-8	OTHER AREAS (PERFORMANCE RANGE)	RATING (PERCENT)
20	60% - 69%	60% - 69%	85
30	65% - 74%	65% - 74%	85
40	75% - 84%	70% - 79%	85
50	45% - 49%	75% - 84%	85
-	-	45% - 49%	85

5.4.1.3 Fair Performance on Marked Healthy Residual Recovery

DIAM. CLASS	PALAWAN & R-8	OTHER AREAS (PERFORMANCE RANGE)	RATING (PERCENT)
20	50% - 59%	50% - 59%	70
30	55% - 64%	55% - 64%	70
40	65% - 74%	60% - 69%	70
50	40% - 44%	65% - 74%	70
-	-	40% - 44%	70

5.4.1.4 Poor Performance on Marked Healthy Residual Recovery

DIAM. CLASS	PALAWAN & R-8	OTHER AREAS (PERFORMANCE RANGE)	RATING (PERCENT)
20	40% - 49%	40% - 49%	55
30	45% - 54%	45% - 54%	55
40	55% - 64%	50% - 59%	55
50	35% - 39%	55% - 64%	55
	-	35% - 39%	55

5.4.1.5 Very Destructive Performance on Marked Healthy Residual Recovery

DIAM. CLASS	PALAWAN & R-8	OTHER AREAS (PERFORMANCE RANGE)	RATING (PERCENT)
20	39% - or less	39% - or less	40
30	44% - or less	44% - or less	40
40	54% - or less	49% - or less	40
50	34% - or less	54% - or less	40
	-	34% - or less	40

If the percent of healthy residual recovery by diameter class varies, add the percent ratings and divide the sum by the number of diameter classes.

Example:

DIAM. CLASS	PALAWAN & R-8	OTHER AREAS (PERFORMANCE RANGE)	RATING (PERCENT)
20	75%	100	Excellent
30	66%	85	Good
40	60%	70	Fair
50	70%	70	Fair
60	30%	40	Destructive
		----	
TOTAL		365	

% Rating =  $365/5 = 73\%$  = Fair Performance

#### **5.4.2 Area Damaged/Cleared**

Tabulate the areas damaged/cleared during the logging operations and summarized the data by set-ups as indicated on RI Form 05, the format of which is shown in Appendix VI.

#### **Section 6. Report Preparation/Submission:**

- 5.1 The report on the results of the residual forest inventory shall be submitted by the team to the Secretary thru the FMB Director within ten (10) days upon completion of the fieldwork
- 6.2 The report shall include the following:
  - 6.2.1 Duly accomplished RI Form Nos. 01,02,03,04 and 05 including the stand and stock tables based from the results of the 5% sampling check.
  - 6.2.2 Summary of the results on a) healthy residual recovery by diameter class, b) number and volume of damaged trees by diameter class and, c) comparative data on tree marking obtained by the CENRO and those of the team.
- 6.3 The report shall be signed under oath by all team members.

#### **Section 7. Report Evaluation**

The submitted residual forest inventory reports shall be evaluated by the Ad Hoc Committee. Reports submitted to them shall be their basis in determining the accountabilities, if any, of all concerned timber management personnel, inventory teams, CENROs, PENROs, RTDs, REDS and timber licensees.

#### **Section 8. Creation of Ad Hoc Committee**

An Ad Hoc Committee shall be created by the DENR Secretary to determine the reliability of the reports and liability, if any, of concerned timber management personnel, inventory teams, CENROs, PENROs, RTDs and REDs who shall have direct and/or command responsibilities over the said activity/function. Likewise, the committee shall look into the performance of TLA holders in tree marking compliance, healthy residual recovery and extent of area damaged as a result of the logging operations, including the sanctions that may be imposed. The FMB Director shall act as Chairman of the Committee and the members shall further be determined by DENR Officials.

## **Section 9. Penal Provisions**

All concerned timber management personnel, inventory teams, and officials of the DENR and timber licensees found to be negligent in the proper implementation of selective logging shall be administratively liable of the offense enumerated below and shall be penalized accordingly. The penalties of DENR personnel/officials shall be in consonance with Civil Service Commission Memorandum Circular No. 30, Series of 1989.

### **9.1 Inadequate or Non-Marking of Residual Trees.**

Any DENR timber management personnel directly or indirectly involved in tree marking activities who are found not following or implementing the prescribed tree marking regulations resulting to inadequate or non-marking of residual trees as prescribed under Section 4, DAO 12, Series of 1992, shall be suspended from office for not less than one (1) month and one (1) day but not more than six (6) months for the first offense and dismissal from the service for repetition of similar offense.

**9.2 Negligence for non-conduct of Residual Inventory.** - The concerned CENROs, PENROs, RTDs, and REDs who are found guilty of negligence in the non-conduct of residual forest inventory as prescribed in this Order shall be suspended from office for not less than one (1) month and one (1) day but not more than six (6) months.

**9.3 Submission of Spurious Report.** - Inventory teams whose reports are verified to be spurious shall be dismissed from the service.

**9.4 Destructive Logging Operations.** - When the logging operations of the TLA holder(s) is found to be destructive based from the results of the residual forest inventory, the licensee shall be penalized as follows:

9.4.1 Payment of fines at four (4) times the regular forest charges per cubic meter on damaged marked trees to be left;

9.4.2 Suspension of the logging operations for at least three (3) months, including payment of fines for damaged marked trees to be left; if the tree marking of residual trees is inadequate and/or if the performance in healthy residual recovery is POOR; and

9.4.3 Cancellation of the TLA and confiscation of bond in favor of the government, including payment of fines for damaged marked trees to be left; if there is no tree marking within the area(s) logged and/or if the performance in healthy residual recovery is VERY DESTRUCTIVE.

**Section 10. Repealing Clause:**

All DENR Administrative and Memorandum Orders, Circulars and other Administrative Issuances inconsistent with this Order are hereby deemed revoked, amended or revised accordingly.

**Section 11. Effectivity**

This Order takes effect after fifteen (15) days from its publication in a newspaper of general circulation.

**ANGEL C. ALCALA**  
**Secretary**



**Administrative Order**

**No. 39**

**May 25, 1993**

**SUBJECT : Rates of Forest Charges pursuant to Republic Act No. 7161 (R.A. 7161) and based on the FOB Market Price of Forest Products**

Pursuant to the provisions of Section 3, 4 and 5 of R.A. 7161 and based on 1992 FOB Market Price survey on timber and other forest products, the following new rates of forest charges shall be collected:

1. **TIMBER (per cubic meter**

SPECIES *	FOREST CHARGES (P)		
	LUZON	VISAYAS	MINDANAO
a. Philippine Mahogany Group, Manggasinoro Group, Manggachapui Group, Narig Group, Palosapis Group, Guijo Group;	865.00	865.00	817.00
b. Yakal Group;	1,095.00	1,095.00	1,017.00
c. Apitong Group;	730.00	730.00	730.00
d. Softwood Species except igem;	715.00	715.00	715.00
e. Igem;	1,675.00	1,675.00	1,675.00
f. Nato;	575.00	575.00	665.00
g. Furniture/Construction Hardwood	785.00	785.00	785.00
h. Premium species, if allowed to be cut; and	3,000.00	3,000.00	3,000.00

i. Lesser-Used Species	550.00	550.00	550.00
2. Pulpwood and matchwood species (per cubic meter)	95.00	95.00	95.00
3. Firewood, branches and other recoverable wood waste of timber (per cubic meter)	10.00	10.00	10.00
4. Rattan-unsplit (per linear meter)			
4.a Palasan, Culape and Kurakling			
4.a.1 over 2 cm in dm	0.85	0.85	0.85
4.a.2 2 cm or less in dm	0.65	0.65	0.65
4.b. Tumalin, Limuran, Ditaan and other species of rattan			
4.b.1 over 2 cm in dm	0.80	0.80	0.80
4.b.2 2 cm or less in dm	0.50	0.50	0.50
5. Rattan-split (per kilogram)	3.50	3.50	3.50
6. Bamboo (per piece)	3.00	3.00	3.00
6.a Kawayan Tinik/kawayan kiling;	6.00	6.00	6.00
6.b Bayog;	3.00	3.00	3.00
6.c Boho/Bolo;	2.00	2.00	2.00
6.d Other Species of Erect Bamboos; and	1.50	1.50	1.50
6.e All Climbing Bamboos	0.50	0.50	0.50
7. Almaciga resin (per kilogram)	1.00	1.00	1.00

\* See Annex A for Species Groupings

8.	Manila Elemi (per kg)	0.95	0.95	0.95
9.	Other gums and resins (per kg)	0.40	0.40	0.40
10.	Beeswax (per kilogram)	1.00	1.00	1.00
11.	Gutta-percha (per kilogram)	1.50	1.50	1.50

The reforestation deposit required of timber licensees and rattan permittees pursuant to DENR Administrative Order Nos. 79 and 4, Series of 1987 and 1989, respectively shall remain to be imposed to ensure the sustainability of these resources.

This Order shall take effect immediately and amends DENR Administrative Order No. 56, Series of 1991.

**ANGEL C. ALCALA**  
Secretary

Annex A: SPECIES GROUPINGS

LIST OF SPECIES GROUPING

- A. PHIL. MAHOGANY GROUP  
(Phil. Red Mahogany) (Light Red Phil. Mahogany)
- |   |           |   |             |
|---|-----------|---|-------------|
| 1 | Red Lauan | 4 | Almon       |
| 2 | Tangile   | 5 | Bagtikan    |
| 3 | Tiaong    | 6 | Mayapis     |
|   |           | 7 | White Lauan |
- B. APITONG GROUP  
(Dipterocarpus spp. group)
- |   |                      |    |                   |
|---|----------------------|----|-------------------|
| 1 | Apitong              | 7  | Panau             |
| 2 | Basilan Apitong      | 8  | Highland Panau    |
| 3 | Broad-Winged Apitong | 9  | Hasselt Panau     |
| 4 | Round-Leafed Apitong | 10 | Leaf-Tailed Panau |
| 5 | Hairy-Leafed Apitong | 11 | Malapanau         |
| 6 | Hagakhak             |    |                   |
- C. MANGGACHAPUI GROUP  
(Hopea spp. group that produce relatively softer wood)
- |   |              |   |                |
|---|--------------|---|----------------|
| 1 | Manggachapui | 4 | Narek          |
| 2 | Gisok-gisok  | 5 | Mindanao Narek |
| 3 | Dalingdingan |   |                |
- D. PALOSAPIS GROUP  
(Anisoptera spp. group)
- |   |        |   |                    |
|---|--------|---|--------------------|
| 1 | Afu    | 3 | Palosapis          |
| 2 | Dagang | 4 | Mindanao Palosapis |
- E. MANGGASINORO GROUP  
(Shorea spp. group with yellowish/creamy wood)
- |   |              |  |  |
|---|--------------|--|--|
| 1 | Manggasinoro |  |  |
| 2 | Kalunti      |  |  |
| 3 | Malaenonan   |  |  |
- F. GUIJO GROUP  
(Shorea spp. group)
- |   |           |  |  |
|---|-----------|--|--|
| 1 | Guijo     |  |  |
| 2 | Malaguijo |  |  |

G. NARIG GROUP

(*Vatica* spp. group)

1	Narig	4	Blanco Narig
2	Mindanao Narig	5	Thick Leafed Narig
3	Tawi-tawi Narig	6	Whitford Narig

H. YAKAL GROUP

(*Shorea* spp. and *Hopea* spp. groups that produce very hard & yellowish brown wood)

(*Shorea* spp. group)

(*Hopea* spp. group)

1	Yakal	6	Yakal-Saplungan
2	Yakal-Mabolo	7	Yakal-Gisuk
3	Yakal-Malibato	8	Yakal-Kaliot
4	Yakal-Yamban	9	Basilan-Yakal
5	Malayakal	10	Yakal-Magasusu

I. CONSTRUCTION AND FURNITURE WOODS SPECIES

1	Adina	66	Lanutan
2	Agoho	67	Lanutan-baguio
3	Agoho del Monte	68	Liusin
4	Akleng-parang	69	Loktob
5	Alupag	70	Ludek
6	Alupag-amo	71	Lumarao/ApitongBaboi
7	Amayan	72	Mahogany
8	Amugis	73	Makaasim
9	Anislag	74	Malabatino
10	Antipolo	75	Malabayabas
11	Anubing	76	Malabitaog
12	Arangga	77	Malabunga
13	Ata-ata	78	Malak-malak
14	Bakan	79	Malakadios
15	Balakat	80	Malakalumpit
16	Balibkikan	81	Malakamias
17	Balinghasai	82	Malakatmon
18	Balu	83	Malaruhat/Panglombuyen
19	Balukang	84	Malasaging
20	Banaba	85	Malasantol
21	Bangkal, Kaatoan	86	Malalumbaga
22	Bansalangin	87	Malugai
23	Batete	88	Mangkas
24	Batino	89	Mankono

25	Batitinan	90	Mapilig
26	Bayanti	91	Maranggo
27	Bayok	92	Margapali
28	Binggas	93	Matamata
29	Bitanghol	94	Matang-usa
30	Bitao (Palomaria)	95	Miao
31	Bogo	96	Nangka
32	Bolon	97	Pagatpat
33	Bulala (Wild Rambutan)	98	Pahunan
34	Busain	99	Pahunan/Malipajo
35	Cana-Fistula	100	Pamitaogen
36	Dalinsi	101	Piagau
37	Dangula	102	Pili
38	Duklitan	103	Rain Tree (Acacia)
39	Dulit	104	Sakat
40	Dungon-late	105	Salakin
41	Duyok-duyok	106	Salingkugi
42	Gisihan	107	Sandit
43	Haras/Ituman	108	Santol
44	Kaburo	109	Spanish Cedar
45	Kalamansanai	110	Sudiang
46	Kalingag/Cinamomon	111	Taba
47	Kalumpit	112	Tabau
48	Kamatog	113	Tabigi
49	Kamuning	114	Tagatoi
50	Kanapai	115	Talisay
51	Kansulud	116	Talisay-Gubat
52	Katmon	117	Tamayuan
53	Katmon-Kalabaw	118	Tanglin
54	Kato	119	Tiga
55	Kayatau	120	Tinaang-pantai
56	Kayugalo	121	Toog
57	Kubi	122	Tuai
58	Kalilisiau	123	Tukang-kalau
59	Kuling-manok	124	Uisak
60	Lago	125	Ulayan (Oak)
61	Laloi	126	Manggasiriki
62	Lamio	127	Unik
63	Lamog	128	Urung
64	Langarai	129	Vidal's Lanutan
65	Lanipau		

J. PULPWOOD AND MATCHWOOD SPECIES

1	Albizzia falcataria (Falcata)	7	Ilang-Ilang
2	Anabiong	8	Malapapaya
3	Binuang	9	Taluto
4	Dita	10	Tulo
5	Gubas	11	Yemane
6	Himbabao		

K. PREMIUM SPECIES

1	Akle	12	Kamagong
2	Almaciga	13	Lanete
3	Apanit	14	Lumbayao
4	Banuyo	15	Manggis
5	Batikuling	16	Molave
6	Betis	17	Narra
7	Dao	18	Sangilo
8	Ebony	19	Supa
9	Ipil	20	Teak
10	Bolong-eta	21	Tindalo
11	Kalantas		

L. LESSER - USED SPECIES

1	Abuab	68	Kulasi
2	African Tulip	69	Kalutingan
3	Agosip	70	Kulispakatan
4	Alahan	71	Kupang
5	Alim	72	Kusibang
6	Anagap	73	Lanzones
7	Anang	74	Libas
8	Anilao	75	Ligas
9	Anuling	76	Lingo-lingo
10	Apanang	77	Lipang-kalabaw
11	Api-api	78	Lumbang
12	Apias	79	Lumuluas
13	Aunasin	80	Lunas
14	Bagalunga	81	Mabunot
15	Bagarilao	82	Magabuyo
16	Bagna	83	Maguilik

17	Baguilumbang	84	Malabuho
18	Bahai	85	Malabulak
19	Bakauan	86	Malaikmo
20	Bakauan-gubat	87	Malakapa
21	Balakat-gubat	88	Malamala
22	Balangua	89	Malanangka
23	Balanti	90	Malapinggan
24	Balat-buaya	91	Malatabako
25	Balete	92	Mamalis
26	Balik	93	Marang
27	Balitbitan	94	Matang-araw
28	Balobo	95	Matang-hipon
29	Banai-banai	96	Mt. Tapinag
30	Banato	97	Niog-niogan
31	Bangkal	98	Pagsahingin bulog
32	Basikong	99	Paguringon
33	Binoloan	100	Paitan
34	Boga	101	Pandakaking-gubat
35	Bugawak	102	Pangi
36	Bokbok	103	Para Rubber
37	Brazilian Fire Tree	104	Philippine Ash
38	Bulalog	105	Piling-liitan
39	Buntan	106	Pototan
40	Daha	107	Pulahan
41	Dapdap	108	Puso-puso
42	Duguan	109	Putian
43	Durian	110	Rarang
44	Earpod	111	Suguimsim
45	Gatasan	112	Salinggogon
46	Hagimit	113	Sinaligan
47	Hamindang	114	Tabon-tabon
48	Hawili	115	Tagpo
49	Hogs Plum	116	Taingang-baboi
50	Ilo-ilo	117	Takip-asin
51	Ipil-ipil	118	Taklang-anak
52	Is-is	119	Tambalau
53	Jatoba	120	Tambis/Malatambis
54	Kakawate	121	Tan-ag
55	Kaliantan	122	Tangal
56	Kalios	123	Tanghas
57	Kalulot	124	Tanguisang-bayawak
58	Kalumala	125	Tara-tara



59	Kalumpang	126	Tiagkot
60	Kamandiis	127	Tibig/Malatibig
61	Kamiring	128	Tikas-pula
62	Kangko	129	Tiri
63	Karaksan	130	Tubling-kahoi
64	Katagpo	131	Tungkao
65	Katap	132	Yabnob
66	Katong-matsin	133	Miscellaneous or
67	Kubili		ther species not here
			with mentioned other than
			Dipterocarp spp.

**M.      SOFTWOOD SPECIES**

1	Benguet Pine	4	Lokinai
2	Mindoro Pine	5	Malakauayan
3	Caribbean Pine	6	Igem

**Administrative Order**  
**No. 40**  
**June 17, 1993**

**SUBJECT : Converting Mt. Tag-ao Reforestation Project as Experimental Forest Station**

Pursuant to Section 13 of PD 705 as amended, the Mt. Tag-ao Integrated Reforestation Project located at the Municipalities of Dumalag and Dumarao, Capiz is hereby converted as Experimental Forest Station as shown in the attached map with the following description.

(Technical description omitted)

DENR, ERDS will have full administration and management of the Experimental Station. It will protect the area from illegal entry, forest fires and other forms of forest destruction in close coordination with the local government and community surrounding the area.

This order takes effect immediately and supersedes all previous orders inconsistent herewith.

**ANGEL C. ALCALA**  
**Secretary**

**Recommending Approval:**

**LOPE D. REYES**  
**OIC, Director**

**Administrative Order**

**No. 42**

**June 22, 1993**

**SUBJECT: Declaring and Certifying Certain Portions of the Public Forest as Available for Fishpond Development Under LC Project No. 26 of Palid, Leyte, Province of Leyte**

Pursuant to Section 13 of PD 705, otherwise known as the Revised Forestry Code of the Philippines, as amended, I hereby declare and certify the portion of the public forest containing an area of 30.7 hectares as available for fishpond development, the administration and management of which is hereby transferred to the Department of Agriculture through the Bureau of Fisheries and Aquatic Resources, located in the aforementioned municipality and province, shown and described per SZ Map LC which is attached hereto and forms an integral part of this order, subject to the following conditions:

- a. The strips of mangrove or swampland at least fifty (50) meters wide along shoreline facing the ocean and the strips of land twenty (20) meters wide along the edge of the normal high waterline of the river are reserved as buffer zones for shoreline and/or bank protection.
- b. Existing mangrove vegetation found therein shall be protected and conserved for ecological reasons in line with government's environment and natural resources conservation program.
- c. The utilization of forest products existing therein shall remain subject to Forestry and Internal Revenue Laws and Regulations, and the present holders, if any, of licenses covering such areas that may be occupied for purposes of development under the authorization of the Director of Fisheries and Aquatic Resources, shall have the preferential right in the utilization of said forest products.
- d. The areas herein declared and certified as available for fishpond development must be developed or utilized for the purpose stated within five (5) years from approval hereof, otherwise the declaration/ certification as such automatically revoked or cancelled pursuant to paragraph 3, Section 43 of PD 705 as amended, and the Department of Environment and Natural Resources shall exercise immediate administration and control over these areas.

- e. Violation of any of the above-stated condition shall constitute sufficient cause to invalidate this declaration/certification.

This Order shall take effect immediately.

**ANGEL C. ALCALA**  
**Secretary**

**Administrative Order**  
**No. 43**  
**June 29, 1993**

**SUBJECT : Establishing National Demonstration Centers for technological advances in Tree Breeding and Propagation in the Philippine Forest Development Project, Pasuquin, Ilocos Norte and Aklan Reforestation Project, Tangalan, Aklan**

In support to the National Forestation Program of the country and to ensure a successful attainment of the objectives of the FAO Regional Project on Improved Productivity of Man-Made Forests Through the Application of Technological Advances in Tree Breeding and Propagation (RAS/91/004), FORTIP for short, in the Philippines, 10 hectare national demonstration centers are hereby established in the areas of the Philippine Forestry Development Project (PFDP) in Pasuquin, Ilocos Norte and Aklan Reforestation Project (ARP) in Tangalan, Aklan.

Specifically, these centers will showcase the proper application of technological advances in establishing: (1) seed production areas consisting of phenotypically superior trees in already established plantations for the production of high-quality seeds, and (2) clonal plantation of genetically superior individuals as source of high-quality planting materials of selected species.

In establishing seed production areas in existing plantation, timber stand improved activities such as roguing, thinning, pruning and weeding shall be done to improve the growth and development as well as the productive capacity of selected seed trees. Timbers produced from timber stand improvement activities shall be turned over to the Projects for official construction/building repair use only.

The ERDB, PFDP/ARP and FORTIP shall jointly manage the demonstration centers with ERDB as the lead agency. FORTIP and ERDB will provide the resources and technical assistance while PFDP/ARP shall protect the demonstration centers from all kinds of destruction and extend whatever facilities available at the site such as vehicle, office space and sleeping quarter to ERDB and FORTIP staff for their use.

Monthly progress and yearly performance reports of the centers shall be submitted to the Foreign Assisted Special Project Office (FASPO), DENR and to the other offices concerned.

Tripartite meeting shall be conducted by ERDB, FORTIP and PFDP/ARP at the end of every year to assess and refine the implementation of the centers.

This Order shall take effect immediately and supersede all other orders inconsistent therewith.

For strict compliance.

**ANGEL C. ALCALA**  
Secretary

**Recommending Approval:**

**EMILIO A. ROSARIO**  
OIC-Director

**CIRILO B. SERNA**  
Assistant Secretary  
for Planning and Policy

**BEN S. MALAYANG III**  
Undersecretary  
for Environment and  
Research

**RICARDO M. UMALI**  
Undersecretary  
for Natural Resources  
Management and Field  
Operations

**Administrative Order  
No. 51  
September 10, 1993**

**SUBJECT : Disestablishment of Communal Forest  
Parcel-I of Jala-Jala, Rizal, Located at  
Barangay Malaya, Pililla, Rizal.**

1. Pursuant to the provisions of Sections 1, 9 and 19 of Presidential Decree NO. 705, otherwise known as the Revised Forestry Code of the Philippines, as amended, the establishment of Communal Forest Parcel-I of Jala-Jala, Rizal, located in Barangay Malaya, Pililla, Rizal, is hereby revoked.
2. The disestablished parcel shall hereafter revert to the category of forest land for development to any land use or uses as will be determined by appropriate land evaluation consistent with the established land use planning and allocation scheme to be enforced.
3. This Order takes effect immediately.

**ANGEL C. ALCALA  
Secretary**

**Recommended by:**

**LOPE D. REYES  
Director**

**Administrative Order**  
**No. 52**  
**September 10, 1993**

**SUBJECT : Guidelines on the Phasing-out and Phasing-in of the Philippine Forestry Development Project of Ilocos Norte (PFDPIN) (ADB Loan No. 677-PHI) to the Regular Functions of the DENR Region I.**

Consistent with the completion of the Philippine Forestry Development Project In Ilocos Norte (PFDPIN) on June 30, 1993, and in order to ensure the smooth turn-over of the Project's operations and management to the DENR-PENR Officer, Ilocos Norte, the following are hereby directed:

**A. Six Months Transition Period**

A six-month transition period, from July 1, to December 31, 1993, is hereby provided, whereby the PFDPIN shall be phased-in to the DENR-PENR Officer, Ilocos Norte which shall implement the following:

**Operations and Management**

**1. PFDPIN Administrative, Financial and Property Management**

- a. The PFDPIN shall be treated as a regular project of the DENR-PENR Office, Ilocos Norte. Accordingly, all PFDPIN funds, equipment, vehicles, buildings, facilities and other properties as well as its personnel shall be transferred to the DENR-PENR Office, Ilocos Norte for proper administration and/or disposition.
- b. To effect an efficient financial management, a separate books of accounts shall still be maintained to reflect the operations and transactions of the PFDPIN.
- c. The DENR-PENR Officer Ilocos Norte, in consultation with the DENR Region I Executive Director, shall prepare the annual budget requirements of the PFDPIN for inclusion in the regular budget of DENR-PENRO Ilocos Norte, effective January 1994.

**2. Personnel Management**



- a. All officers and personnel responsible for the administration and management of PFDPIN funds, equipment, vehicles and other properties shall continue to perform their respective duties and responsibilities under the supervision and control of the PENR Officer.
- b. All PFDPIN Officers and personnel are hereby directed to clear themselves of all money and property accountabilities on or before December 31, 1993.
- c. The PENR Office shall make representation with other DENR offices and appropriate agencies such as the local government units for the possible employment of all displaced but technically trained PFDPIN personnel.
- d. The DENR-PENR Officer shall streamline the PFDPIN operations taking into consideration the necessary activities for the effective protection, maintenance and enrichment of the Project area and the required personnel complement.

3. Declaration of Sector I, as Experimental Forest

The PENRO, Ilocos Norte, through the DENR, Region I, Executive Director shall work for the declaration of Sector I, as Experimental Forest which shall be operated and managed by the DENR-PENRO, Ilocos Norte.

This is necessary to preserve the area and hasten the restoration of its ecosystem, which shall serve also as the training ground for DENR technical personnel on integrated forestry management technique and for research purposes.

B. Inter-phasing Period

A three-year inter-phasing period is hereby directed effective January 1, 1994, to enable the Project to accomplish the following programs:

## Operations and Management

### 1. Maintenance and Protection of Sectors II and III, Plantations

- a. The DENR-PENRO, Ilocos Norte shall continue to manage and develop Sectors II and III of the PFDPIN area under the supervision of the DENR-Region I, Executive Director, in coordination with the provincial government of Ilocos Norte.
- b. The DENR-PENR Officer, Ilocos Norte shall enter into a multi-lateral agreement with the Community members, or organized cooperatives within the Project area and the local government for the maintenance and/or repair of all PFDPIN constructed roads and other infrastructures, and the maintenance and protection of the plantations in Sectors II and III, following the concept of Forest Land Management Agreement (FLMA) and/or the Community Forest Plantation (CFP).

At the start of the Inter-phasing period, the maintenance and management of the 172-kilometer Project road networks and other road structures shall be turned-over to the Provincial Government of Ilocos Norte. Accordingly, the PENRO shall make available to the Provincial Government some of the heavy equipment owned by the PFDPIN on the condition that the cost of maintenance and/or repair of said heavy equipment shall be shouldered by the Provincial government.

The provincial government may use the heavy equipment for its infrastructure projects within Ilocos Norte, but priority must be given to the maintenance and/or repair of all PFDPIN constructed infrastructure.

- c. Submit a plan on the possibility of giving priority to terminated employees in the awarding of contract for the maintenance, management and protection of plantations in order to alleviate their economic plight and also to utilize their technical experiences in the field.

2. **Strengthening of the Information, Education and Training Program**

Prepare and implement a comprehensive plan to intensify the Project's Information, Education and Training programs to further increase the level of awareness of the community members on the economic and ecological importance of protecting and developing the Project areas and at the same time to enhance their capabilities to develop and manage their livelihood projects.

This order takes effect immediately and revokes, repeals and amends all order inconsistent herewith.

**ANGEL C. ALCALA**  
**Secretary**

**Recommending Approval:**

**BEN S. MALAYANG III**  
**Undersecretary**

**RICARDO M. UMALI**  
**Undersecretary**

**Administrative Order**  
**No. 53**  
**September 13, 1993**

**SUBJECT : Disestablishment of Communal Forest Parcel-III Adm. of Pagbilao, Quezon, situated in Barrio Ilayang Bagumbungan, Pagbilao, Quezon.**

1. Pursuant to the provisions of Sections 1, 9 and 19 of Presidential Decree No. 705, Otherwise known as the Revised Forestry Code of the Philippines, as amended, the establishment of Communal Forest Parcel-III Amd. of Pagbilao, Quezon, located in Barrio Ilayang Bagumbungan, Pagbilao, Quezon, is hereby revoked.

2. The disestablished parcel shall hereafter revert to the category of forest land for development to any land use or uses as will be determined by appropriate land evaluation consistent with the established land use planning and allocation scheme to be enforced.

3. This Order take effect immediately.

**ANGEL C. ALCALA**  
**Secretary**

**Recommended By:**

**LOPE D. REYES**  
**OIC, Director**

**Administrative Order  
No. 54  
September 16, 1993**

**SUBJECT : Amending Department Administrative Order (DAO) No. 59, Series of 1990, Promulgating "Guidelines in the Confiscation, Forfeiture and Disposition of Conveyances Used in the Commission of Offenses Penalized Under Section 68, Presidential Decree No. 705, as Amended by Executive Order No. 277, Series of 1987 and other Forestry Laws, Rules and Regulations.**

Pursuant to Presidential Decree No. 705, otherwise known as the Revised Forestry Code of the Philippines, as amended by Executive Order No. 277, Series of 1987, and Executive Order No. 192, Department Administrative Order (DAO) No. 59, Series of 1990, of this Office, is hereby amended, to read as follows:

**Section 1. Definition of Conveyance** - The Term conveyance as used in these guidelines includes any type or class of vehicle, craft, whether motorized or not, used either in land, water or air, or a combination thereof or any mode of transport used in the movement of any forest products including all its implements and accessories.

**Section 2. Conveyances Subject to Confiscation and Forfeiture.** - All conveyances used in the transport or movement of logs, lumber or any forest product cut, gathered or removed illegally or possessed without the legal documents in accordance with Sections 68 and 68-A of P.D. 705 shall be confiscated and subject to forfeiture in favor of the government and disposed in accordance with pertinent laws, regulations or policies on the matter.

**Section 3. Requirement to Transport Forest Products.** - Before any forest product shall be transported, the shipper and conveyance owner or their duly authorized representatives shall enter into a transport agreement and shall submit the same to the Community Environment and Natural Resources Officer (CENRO) as a prerequisite to the issuance of a transport document. The transport agreement shall contain the undertaking that the conveyance owner shall also be held liable in case of illegally transported forest products.

**Section 4. Who are Authorized to Seize Conveyance.** - The Secretary or his duly authorized representatives such as the forest officers of the DENR and/or natural resources officers are authorized to seize the conveyances referred to in Section 2 hereof, subject to policies and guidelines pertinent thereto. Deputized military personnel and officials of other agencies apprehending illegal logs and other forest products and their conveyances shall notify the nearest DENR field offices, and turn over said forest products and conveyances for proper action and disposition. In case where the apprehension is made by DENR field offices, the conveyances shall be deposited with the nearest CENRO/PENRO/RED Office as the case may be, for safekeeping wherever it is most convenient and secured.

**Section 5. Report of Confiscation/Seizure.** - Whenever a seizure is made under these guidelines, the forest officers or natural resources officers concerned shall submit a report thereof to the Secretary or his duly authorized representative within three (3) days from the time of the apprehension and/or knowledge of such.

**Section 6. Notice.** - The proceedings for the confiscation and forfeiture of the conveyance under these regulations shall be directed against the conveyance under these regulations shall be directed against the conveyance, vessel or craft itself. However, for purposes of compliance with due process, the owner of the conveyance or his representative shall be given by the CENRO/PENRO a written notice of the seizure and the proceedings and shall give him an opportunity to be heard by directing said owner or representative to submit within five (5) days his sworn statements/affidavits and those of his witnesses, if any, in support of his reasons why the conveyance should not be forfeited in favor of the government.

For the purpose of such notice and all proceedings connected with the forfeiture, the word "representative" shall be deemed to include not only a representative-in-fact of the owner but also any person having possession of the conveyance at the time of its seizure or confiscation.

**Section 7. Action to be taken by CENRO/PENRO.** - Within five (5) days after receipt of the aforementioned affidavits/sworn statements of the owner and/or his representative and witnesses, or if none is received, despite due notice, the CENRO/PENRO shall submit a report to the Regional Executive Director on the action(s) taken by him together with all the records and documents relative to the case including his recommendations thereon.

**Section 8. Action to be taken by the Regional Executive Director (RED).** - Upon receipt of the records and documents relative to the case from the CENRO or PENRO and after being satisfied that the owner of the conveyance or his representative has been duly notified of the proceedings and given an opportunity to be heard in accordance with Section 6 hereof, the RED shall within thirty (30) days determine whether the logs, lumber or forest products confiscated came from illegal sources in violation of Section 68 of P.D. 705, as amended, and the conveyance was used in the transport of said illegally sourced forest products.

**Section 9. Order of Forfeiture.** - All conveyances found to have been used in the transport of illegal forest products as determined in accordance with these guidelines shall be declared forfeited in favor of the government. The Order of Forfeiture shall be issued by the Regional Executive Director with due notice to the owner thereof or his representative.

**Section 10. Release of Conveyance.** - Pursuant to Section 6 hereof, the proceedings under these regulations are directed against the conveyance itself. The fact that the owner of said conveyance has no knowledge that the conveyance was used in the transport or movement of illegal forest products does not free or absolve said conveyance from the penalty of forfeiture. Accordingly, no conveyance shall be released on the basis of the owner's lack of knowledge of/or consent to the use of said conveyance. A conveyance seized under these regulations may be released on orders of the RED concerned but only on either or both of the following grounds, to wit:

- a) that the forest products confiscated are in fact or were found to be not illegal or are covered with legal documents; or
- b) that the conveyance was not used in the commission of any of the offenses penalized under Section 68 of P.D. 705 as amended.

**Section 11. Appeal, Motion for Reconsideration and Disposition of Forfeited Conveyances.** - If after the lapse of fifteen (15) days from receipt by the owner or his representative of the Order of Forfeiture no motion for reconsideration or appeal is filed, the Order of Forfeiture shall become final. Thereupon, the RED shall cause the said conveyance to be recorded in the books of the DENR as part of the property of the government in accordance with existing regulations.

Forfeited conveyances may be used by the Regional Office in forest protection and development activities or sold at public auction in accordance with existing laws, rules and regulations.

**Section 12. Criminal Action.** - The forfeiture of the conveyance under these regulations shall be without prejudice to any criminal action which may be filed against the owner thereof or any person who used the conveyance in the commission of the offense.

**Section 13. Repealing clause.** - All orders, circulars and issuances which are inconsistent herewith are hereby repealed and/or modified accordingly.

**Section 14. Effectivity.** - This Order shall take effect fifteen (15) days following the completion of its publication in a newspaper of general circulation.

**ANGEL C. ALCALA**  
**Secretary**



**Administrative Order  
No. 57  
September 28, 1993**

**SUBJECT : Amendment to DENR Administrative Order  
No. 18, Series of 1993 Regarding the  
Revised Schedule of Forestry  
Administrative Fees.**

Pursuant to the provisions of Memorandum Circular No. 121, dated 02 November 1990, issued by the Office of the President, to pertinent provisions of Executive Order No. 192, and in order to prescribe a more reasonable rate of administrative fees relative to the sustainable management and development of forest resources, DENR Administrative Order No. 18, Series of 1993, is hereby amended as follows:

C. Performance Bonds

3. Other Forest Products  
Licensees/Permits

iii. Other non-timber

products . . . . . 20% of the Forest Charges or 2%  
of the market value which-ever is higher

D. Service fee for:

5. Tallying of Lumber . . P5.00/cu.m. but not less than  
P100.00

The bonds not exceeding P5,000.00 shall be posted in cash, otherwise, any amount in excess maybe in the form of surety bond, the value of which shall be increased by 25%. The bonds shall be callable on demand by the Secretary if the licensee/permittee violates any of the conditions of the bonds.

The term of the surety bond shall be 2-year term in case of TLA holders and one (1) year and six (6) months for permittees. All surety bonds shall be renewed three (3) months prior to the expiration of the bond.

This amends DENR Administrative Order No. 18, Series of 1993, and other regulations which are inconsistent herewith.

This Order shall take effect fifteen (15) calendar days from its publication in two (2) newspapers of general circulation.

**ANGEL C. ALCALA**  
**Secretary**

**Administrative Order  
No. 58  
September 30, 1993**

**SUBJECT : Rules and Regulations Governing The  
Extraction, Assessment, Processing and  
Transport of Narra Resources**

Pursuant to Executive Order No. 192 and in line with the government's policy of ensuring the sustainable productivity and socio-economic stability and providing equity in access to natural resources, the following regulations governing the extraction, processing, transport and assessment of Narra resources in the country are hereby promulgated for the guidance and compliance of all concerned:

**CHAPTER I  
BASIC POLICY, OBJECTIVES AND DEFINITION OF TERMS**

**Section 1. Basic Policy.** It shall be the basic policy of the State to conserve Narra resources through rationalized extraction and optimized utilization, and to sustain the economic efficiency of narra-based industries. To attain this basic policy, the following objectives shall be pursued:

- 1.1 To regulate the utilization of Narra by the dependent industries on a sustainable basis;
- 1.2 To provide steady and adequate supply of Narra raw materials to dependent industries;
- 1.3 To optimize utilization of Narra timber and its derivatives;
- 1.4 To provide other stable livelihood opportunities to communities dependent on Narra trade;
- 1.5 To ensure the sustainable development of Narra stands; and,
- 1.6 To generate additional government revenues from the extraction of Narra resources.

**Section 2. Definition of Terms.** The following terms as used in the Order shall be construed to mean as follows:

- 2.1 **Allowable Clearing** - designated area(s) within forest lands usually covered by permits, lease or lease agreements, e.g. log landings, skidways, road networks, etc. where cutting of all existing vegetation is allowed.
- 2.2 **Clearcutting** - the removal of all timber species within a designated forest stand during one (1) cutting season usually prescribed for the harvesting of plantations.
- 2.3 **Finished Product** - whole end-product ready for use without need of further manufacture.
- 2.4 **Furniture Manufacturer** - person engaged in the production of wooden furniture from wood whether from raw log, flitch or lumber form.
- 2.5 **Knocked-down wood product** - finished or semi-finished end-product whose components or parts are taken apart for ease in packing, handling and transporting to the market or end-user.
- 2.6 **Labor-intensive logging** - the process of cutting or extracting timber from public forest areas through the use of non-mechanized logging and transport equipment.
- 2.7 **Primary processing** - the conversion of logs and other wood raw materials into lumber and veneer.
- 2.8 **Semi-finished product** - whole end-product requiring final stages of manufacture and/or assembly.
- 2.9 **Truck logging** - the process of cutting or extracting timber from the public forest areas with the use of mechanized logging and transport equipment not limited to self-loading trucks but includes tractors and bulldozers as well.

## CHAPTER II

### EXTRACTION OF NARRA RESOURCES, COLLECTION OF FOREST CHARGES AND PROCESSING

The sourcing of Narra raw materials for utilization by the Narra-based and related industries shall be governed by the following procedures, to wit:

**Section 3. Identification of Available Areas.** The following are the areas available for narra extraction :

- 3.1 Private lands which include titled lands and alienable and disposable lands with approved public land applications under the Public Land Act and emancipation patents subject to the conditions mentioned in Section 4 hereof;
- 3.2 Allowable clearings within civil or military reservations, resettlement or settlement areas subject to DENR-approved operations plans;
- 3.3 Areas within existing Timber License Agreements (TLAs)/ Timber Production Sharing Agreements (TPSAs) contingent on the terms and conditions of the agreement;
- 3.4 Community Forestry Program (CFP) areas, whether the required development activities have been completed or not, based on approved management and development plans;
- 3.5 Areas covered by cancelled and expired TLAs which may be later on covered by TPSA, IFMA or CFP where the development of open areas has already been completed;
- 3.6 Buffer zones within Integrated Protected Areas System (IPAS) where limited extraction by communities within or adjacent to the area is permitted;
- 3.7 Areas covered by Phase II of the Forest Land Management Program (FLMP);
- 3.8 Areas reforested within Forestland Grazing Agreement by the Lessee; and
- 3.9 Other areas that may later on be made available by the DENR Secretary.

**Section 4. Issuance of SPLTPs.** No Narra tree shall be felled within private lands without a Special Private Land Timber Permit (SPLTP) for the extraction of the species. The SPLTP shall be issued only to owners of private lands covered by either administrative or judicial titles such as Free Patent and Torrens Title obtained under Republic Act No. 496, as amended (Land Registration Act) by the following DENR officials based on the volume to be extracted, as follows:

- |       |   |                                |
|-------|---|--------------------------------|
| PENRO | - | not to exceed 5 cubic meters;  |
| RED   | - | not to exceed 10 cubic meters; |

Secretary or his designated Undersecretary -- in excess of 10 cubic meters.

Moreover, an SPLTP shall only be issued upon compliance of the following conditions:

1. The tree(s) to be cut shall be inventoried by the concerned CENRO indicating in the report and corresponding map(s) the number and relative locations of Narra trees to be cut and to be left for future harvests.
2. There shall be an assessment based on gross volume with no deductions and corresponding payment of the forest charges for the volume of trees to be cut.
3. The permittee shall plant and maintain for three (3) years at least five (5) Narra seedlings for every tree authorized to be cut. If additional area is needed for such, the CENRO concerned shall look for an area where tree planting activities can be conducted.

**Section 5. Inventory of Expired and/or Cancelled TLA Areas.** Inventory of remaining Narra stocks within the identified areas for extraction shall be undertaken by duly accredited and authorized persons/organizations, particularly the expired and/or cancelled TLAs which have not been covered by any recent inventory. All reports resulting therefrom shall be under oath.

**Section 6. Tree Marking Within Public Forestlands.** All Narra trees found within the identified cutting area inside public forestlands shall be numbered consecutively and properly marked as to whether these are to be cut or left. No cutting shall be allowed before tree marking and validation by the CENRO concerned.

All Narra trees belonging to the 20 to 40 cm. diameter at breast height (DBH) classes shall be marked to be left while those belonging to the 60 cm. and above DBH classes shall be marked for cutting. For the Narra trees belonging to the 50 cm. diameter class, 50 percent shall be marked to be left with the other 50 percent marked for cutting.

**Section 7. Harvesting Schemes.** Narra raw materials sourced from the available areas provided in the foregoing section shall be extracted following the harvesting methods prescribed in this Order, to wit:

7.1 Labor-intensive Logging

Communities organized under the Community Forestry Program (CFP) shall employ the traditional method of harvesting trees through the aid of carabaos. Carabao loggers living within or adjacent to forested areas shall be encouraged to organize themselves into cooperatives in order to participate in the CFP.

Narra harvested shall be bucked into log lengths to facilitate transport by carabaos and other work animals from the cutting area to the designated log yard. In order to maximize utilization/recovery of felled narra trees, flitching or log-splitting by chainsaw shall be discouraged. However, for Narra logs having diameters of 60 cm. and larger with lengths which are too heavy to be drawn by carabao, splitting into halves or quarters may be allowed to facilitate transport.

Extraction activities shall be subject to strict supervision by the CENRO concerned to ensure that only Narra species is extracted especially for CFPs where community organizing and development activities is not yet completed.

## 7.2 Truck Logging

Narra timber to be sourced from areas of existing TLAs/TPSAs/IFMAs shall be harvested in compliance with the selective logging principles. The prohibition on the use of highlead yarding shall likewise be complied with.

## 7.3 Clearcutting

For private lands and plantations, Narra trees may be harvested through clearcutting with due considerations to soil erosion control measures.

For labor-intensive logging or truck-logging, only Narra trees reaching the diameter breast height (DBH) of 50 cm. and above shall be harvested in consonance with the provisions of Section 6. Maximum utilization of the felled Narra tree, including the tops and branches and stumps, shall be required.

## **Section 8. Establishment of Log Yards and Assessment of Forest Charges.**

All Narra raw materials harvested from public lands shall be bucked into log lengths and deposited to a designated log yard of the associations or corporations to be identified by the CENRO concerned, subject to the concurrence of the Regional Office. Narra logs not delivered to this area shall be presumed to have come from illegal sources and subject to outright confiscation.

Scaling of logs shall be done in the cutting area by DENR scalers duly designated by the CENRO concerned to ensure that all Narra logs are properly scaled and the right amount of forest charges is assessed and collected. Assessment shall include tops and branches and stumps. Only logs bearing the proper marks of DENR marking hatchet and whose corresponding forest charges have been assessed, and duly paid for shall be allowed for transport from the designated log yards to authorized wood processing plants.

A post-harvest assessment shall be undertaken immediately by the CENRO or his duly authorized representative/s in the cutting areas to determine the extent of logging damages to the trees marked to be left. The report thereon shall be made as basis for the determination of silvicultural fees and/or penalties to be paid by the permit holder.

**Section 9. Marketing and Primary Processing of Harvested Logs.** The wood requirements of all registered Narra-based manufacturers, associations or cooperatives sourcing their Narra raw materials from CFP areas and other lands shall be purchased from the designated log yards. Provided, however, that only manufacturers based in the locality where Narra is extracted shall be allowed to buy Narra logs.

Moreover, in order to maximize the percentage recovery from raw narra logs, primary processing shall be undertaken only within processing plants duly authorized by the DENR for the purpose, except when the wood user(s) indicate his/their desire to use labor-intensive processing methods, e.g., the use of handsaws. Milling operations as well as labor-intensive processing of Narra logs shall be subject to strict monitoring and supervision of authorized CENRO personnel. The cooperative/associations shall be responsible for the allocation of the output to their respective members.

For Narra wood harvested within the TLA/TPSA/IFMA areas, 50% of the output shall be allocated for disposition to Narra-based manufacturer's associations or cooperatives within the province where narra is extracted. The TLA-holder shall have the option of allocating the remaining 50% for their own use or disposition to other processors or users which may or may not be within the province where Narra is extracted.

**Section 10. Transport of Narra Logs.** The local transport of Narra logs duly paid for by the manufacturer, association or cooperative coming from designated log yards or other storage areas must be accompanied by the following shipment documents:

- 10.1 Certificate of Origin (CO) issued by the DENR personnel concerned together with the auxillary invoice; and
- 10.2 Information sheet detailing the source of logs (i.e., area and log pond), volume, processing plant destination and the conveyance used in the transport.

Consistent with existing policies, no Narra log or lumber shall be exported. However, Narra finished products such as furniture, novelty items and the like may be exported.



**CHAPTER III**  
**TRANSPORT OF SEMI-FINISHED, FINISHED AND**  
**KNOCKED-DOWN NARRA WOOD PRODUCTS**

The transport and delivery of Narra-based furniture and other Narra wood products from the manufacturing plant to the buying stations including the end-users shall be governed by the following provisions:

**Section 11. Transport Requirements.**

Each shipment of finished, semi-finished and knocked-down Narra-based wood products being transported must be accompanied by a certification issued by the CENRO concerned, certifying the legitimacy of its origin.

In the case of raw Narra lumber subject for allocation to the member manufacturers of an association or cooperative, a Certificate of Origin (CO) issued by the CENRO concerned must be presented. Information sheet bearing the volume of Narra lumber allocated per manufacturer must likewise be presented.

For TLAs/TPSAs/IFMAs, a separate CO for the Narra lumber which represents the allowable volume for disposition to other processors or users outside the province shall be issued by the CENRO to accompany the shipment.

**Section 12. Transport of Semi-finished Wood Products.**

Semi-finished wood products may be transported outside the province where the raw materials have been sourced, for further/final processing.

**Section 13. Narra from Other Sources.**

Narra trees uprooted/toppled by typhoons, earthquakes, landslides and other calamities and drifted from their areas of origin and where ownership cannot be established shall be reported immediately to the nearest DENR office. The concerned CENR office shall then order the determination of the validity of the claim and the assessment of forest charges based on actual dimensions of the Narra logs, fitches, etc. when originally found without allowance for natural defects. Upon payment of forest charges, the Narra may be disposed to the legitimate claimant(s), the transport of which shall be accompanied by documents prescribed in Section 10. If the claimant does not want to exercise his privilege over the drifted Narra forest products, same shall be turned over to the CENRO concerned for disposition through bidding pursuant to pertinent existing laws, rules and regulations.

**CHAPTER IV  
SUSTAINABLE DEVELOPMENT OF NARRA TIMBER STOCKS**

**Section 14. Establishment of Narra Plantations in Suitable Forest Areas.**

Open areas as well as inadequately-stocked or marginalized forest areas suitable for plantation establishment shall be made available for the development of Narra plantations to supply future Narra wood requirements. Associations/cooperatives of furniture manufacturers and other Narra-based industries shall be allotted specific areas to establish such plantations under the Industrial Forest Plantation Management Agreement.

Forest Land Managers under the FLMA shall be encouraged to interplant Narra and other premium hardwood species in open areas of established plantations. TLA/TPSA/IFMA holders shall likewise be required to plant Narra and other premium species in their enrichment planting, assisted natural regeneration and timber stand improvement activities, particularly in areas where the same has been extracted.

**Section 15. Cutting Ban During the Flowering and Fruiting Seasons.**

To ensure the natural regeneration of Narra, no tree shall be cut/felled when the same is in its flowering and/or fruiting stage.

**Section 16. Reforestation Species.**

Narra shall be used as a major reforestation species in all regions where feasible.

**CHAPTER V  
OTHER PROVISIONS**

**Section 17. Transitory Provisions.**

Narra furniture manufacturers and other wood users shall be required to declare existing Narra stocks within their premises within three (3) months from the effectivity of this Order. The stocks declaration shall be validated by the DENR Regional Office and shall be used as the basis for the issuance of Certificate of Origin during transport of Narra finished products until after the validated stock is exhausted.

No Certificate of Origin shall be issued by the CENRO concerned unless: (1) the forest charges based on the volume of wood utilized in the processing of the finished product have been paid; and (2) the wood utilized is part of the Narra stocks previously declared.

The amount of forest charges to be assessed per cubic meter shall be governed by Department Administrative Order No. 39, Series of 1993.

**Section 18. Penal Provisions.**

The cutting, harvesting, gathering, transport and processing of Narra without a permit shall be illegal and any person or persons committing such act or acts shall be punished in accordance with Section 68 of P.D. 705, as amended, and appropriate laws.

**Section 19. Additional Guidelines.**

The Office of the Undersecretary for Field Operations may issue additional instructions or circulars as may be necessary to clarify/interpret the issues presented herein and to ensure the effective implementation of this Order.

**Section 20. Repealing Clause.**

All orders, memoranda, circulars inconsistent with the provision of this Order are hereby repealed and/or amended accordingly.

**Section 21. Effectivity Clause.**

This Order shall take effect immediately upon acknowledgement by the UP Law Center and fifteen (15) days from the date of its publication in the Official Gazette or in a newspaper of general circulation.

**ANGEL C. ALCALA**  
Secretary

**Administrative Order  
No. 59  
September 30, 1993**

**SUBJECT : Revised Rules and Regulations  
Governing The Transport/Shipment of  
Logs, Lumber, Plywood, Veneer, Non-  
Timber Forest Products And Other  
Forest-Based Products/Commodities**

Pursuant to PD No. 705, as amended, and EO No. 192 dated 10 June 1987, the following revised rules and regulations governing the transport or shipment of logs, lumber, plywood, veneer, non-timber forest products, including finished or semi-finished wood and non-wood based forest products and commodities are hereby issued for the information and guidance of all concerned.

**Section 1. Basic Policy and Objectives.**

Pursuant to sustainable forest resource development agendum of the government, effective monitoring of the movement of timber and other forest products from the resource base shall be put in place without unnecessarily impeding their transport from the point of origin to final destination or point of discharge.

Towards this end, the necessity of providing transport documents covering the said forest commodities becomes imperative, not only as a basis for determining the resource drain but also in providing a control mechanism against the unauthorized movement and disposition of contraband forest products. In addition, the data generated from this activity also provides information essential to policy formulation and/or decisions.

**Section 2. Definitions of terms.**

The following terms used in this Order are defined:

- 2.1 **Certificate of Lumber Origin (CLO)** - refers to the document issued by DENR Local Official (CENRO) to accompany the shipment (transport) of lumber, showing the number of pieces, species volume, place of loading, conveyance used, date of transport, its source and its consignee.

- 2.2 **Certificate of Non-Timber Forest Products Origin (CNFPO)** - refers to the document issued by the DENR Local Official at the CENRO level to accompany the transport of non-timber forest products, showing the volume, type of product, place of loading, conveyance used, date of transport, source and destination/consignee, of the products to be transported.
- 2.3 **Certificate of Plywood Origin** - refers to the document issued by the DENR Local Official at the CENRO level to accompany the transport/shipment of plywood, showing thereof the number of pieces and sizes, place of loading, conveyance used, date of transport, its source and its destination/consignee.
- 2.4 **Certificate of Timber Origin (CTO)** - refers to the document issued by DENR Local Official at the CENRO level to accompany the transport of logs, showing the number of pieces, species, volume in cu.m., place of loading, conveyance used, date of transport, source (name of TLA-holder, AAC, expiry date, location or area) and destination/consignee.
- 2.5 **Certificate of Veneer Origin (CVO)** - refers to the document issued by DENR Local Official at the CENRO level to accompany the transport/shipment of veneer, showing the number of pieces and sizes, place of loading, conveyance used, date of transport, its source and its destination/consignee.
- 2.6 **Certificate of Verification (CV)** - refers to document issued by DENR Local Official at the CENRO level to show that the logs, lumber or any non-timber forest products come from either private lands or A and D lands.
- 2.7 **Certificate of Transport Agreement (CTA)** - refers to the joint declaration made by the shipper and the owner of the conveyance used in the transport, shipment or movement of forest products that both parties are aware of the documents required by forestry laws and regulations, and that the conveyance used in the transport/shipment/movement of forest products may be subject of confiscation/forfeiture if the forest products sought to be transported/shipped/moved are not covered by the required/requisite documents.
- 2.8 **Defective Certificate of Origin** - means any document with erasures or tampering of vital information such as number of pieces, species, volume, place of loading, conveyance used, date of transport/loading, source, and name and address of shipper/owner/consignee as the case may be.

- 2.9 **Finished Products** - products derived from the manufacture or conversion of forest products into forms which can be readily used without further processing, or end-products ready for use without need of further manufacturing such as, but not limited to doors, door jambs, picture frames, toolhandles, wooden shoes, mouldings, toothpicks, chopsticks, boxes, plywood, toys, drawers, pallets (assembled) and other similar products.
- 2.10 **Greater Manila Area (GMA) or Metro Manila Area (MMA)** - pertains to the sixteen (16) municipalities around the City of Manila which are Quezon City, Makati, Kalookan, Valenzuela, Malabon, Navotas, Marikina, San Juan, Mandaluyong, Pasig, Pateros, Pasay City, Taguig, Paranaque, Las Pinas and Muntinlupa.
- 2.11 **Knock-down products** - refer to end products (either finished or semi-finished) whose components or parts are taken apart for ease in packing, handling and transporting to the market or the end-user such as, cabinets, tables, chairs and other similar products.
- 2.12 **Semi-finished products** - refer to whole-end products requiring final stages of manufacture and/or assembly such as window components, table tops, veneer and other similar products.

### **Section 3. Documents Required.**

Consistent with the policy stated above, the movement of logs, lumber, plywood, veneer, non-timber forest products and wood-based or nonwood-based products/commodities shall be covered with appropriate Certificates of Origin, issued by authorized DENR officials, as specified in the succeeding sections.

- 3.1 **Pre-issuance Requirement.** In all instances, a Certificate of Origin for logs, lumber, plywood, veneer or non-timber forest products whether from natural forests or forest plantations within forestlands, shall be issued only upon prior written request by the licensee/permittee or shipper concerned.

The request should indicate the following information:

- a) Number of pieces/volume;
- b) Date of transport/loading;
- c) Point of loading;
- d) Mode of transport/type of conveyance and CTA;
- e) name and address of consignee; and,
- f) point of destination.

In no case shall a Certificate of Origin be issued unless the licensee/permittee is able to present all the required documents/papers showing that the forest products are from legitimate sources, that the required forest charges or other government fees have been paid, and that the forest products are marked according to that which is prescribed under Department Memorandum Circular No. 13, Series of 1990.

- 3.2 **Logs.** Unless otherwise provided herewith, the transport of logs, including flitches, shall be covered by a CERTIFICATE OF TIMBER ORIGIN (CTO), issued by the CENRO or his duly authorized representative having jurisdiction over the area from where the subject commodities were cut/gathered, and attested by the concerned Community Environment and Natural Resources Officer (CENRO), using the form prescribed for the purpose.

The CTO shall be accompanied by the corresponding tally sheet or delivery receipt of the licensee/permittee, provided, that for logs sold to second parties, same shall be accompanied with the corresponding sales invoice in addition to the aforesaid requirements.

For timber which is transported to destinations other than the shipper's log ponds or processing plants outside of the boundaries of its concession area and then sold to an authorized log buyer or processing plants, the shipment must be accompanied by a Sales Invoice.

A CTO is not required in the case of timber transported within the concession or licensed area of timber licensees/permittees. In such a case, the company's Delivery Receipt must accompany the transport to logponds or processing plants situated within the company's concession area.

In case of imported logs, a CERTIFICATE OF VERIFICATION from the port of entry to the point of destination shall accompany the shipment. This certificate shall be issued by the CENRO which has jurisdiction over the area where the port of entry is located.

- 3.3 **Lumber.** Unless otherwise herein provided, the transport of lumber shall be accompanied by a CERTIFICATE OF LUMBER ORIGIN (CLO) issued by the CENRO or his duly authorized representative which has jurisdiction over the processing plant producing the said lumber or the lumber firm authorized to deal in such commodities. In order to be valid, the CLO must be supported by the company tally sheet or delivery receipt, and in case of sale, a lumber sales invoice.

- 3.4 **Non-Timber Forest Products.** A CERTIFICATE OF NON-TIMBER FOREST PRODUCTS ORIGIN (CNFPO) issued by the CENRO concerned shall accompany the transport of said forest products. The CNFPO shall be supported by the shipper's tally sheet to be considered valid.
- 3.5 **Plywood.** Unless otherwise herein provided, the transport of plywood shall be accompanied by a CERTIFICATE OF PLYWOOD ORIGIN (CPO) issued by the CENRO or his duly authorized representative which has jurisdiction over the processing plant producing said plywood or plywood firm authorized to deal in such commodity. The CPO, to be valid, must be supported by a Delivery Receipt, and in case of sale, a Sales Invoice.
- 3.6 **Veneer.** Unless otherwise herein provided, the transport of veneer shall be accompanied by a CERTIFICATE OF VENEER ORIGIN (CVO) issued by the CENRO or his duly authorized representative which has jurisdiction over the processing plant producing said veneer or veneer firm authorized to deal in such commodity. The CVO, to be valid, must be supported by a Delivery Receipt, and in case of sale, a Sales Invoice.

#### **Section 4. Exemptions.**

The following shall be exempted from the foregoing rules and regulations:

- 4.1 Imported logs, lumber, and unprocessed rattan canes/poles, being transhipped from the local port of entry to final domestic destination provided that the same shall be accompanied by a CERTIFICATE OF VERIFICATION issued by the CENRO concerned.
- 4.2 Logs, fuelwood and derivatives, and non-timber forest products planted inside private land and/or tax-declared alienable or disposable (A or D) lands; provided, that said commodities are certified to, prior to shipment, by the CENRO concerned as coming from such lands; provided further, that a copy of the official receipt of payment of taxes levied under RA 7161 shall accompany the CENRO certification.
- 4.3 Logs transported from the cutting area to the licensee's processing plant(s), or logpond(s)/log storage area(s), provided, that the same is accompanied by a duly issued delivery receipt.



- 4.4 Lumber being transported within the metes and bounds of a Province, or within the Greater Manila Area (GMA), provided, that the commodities being transported are accompanied by a sales invoice and/or delivery receipt.
- 4.5 Finished, semi-finished, or knock-down wood and non-wood forest products, but which should invariably be covered by corresponding sales invoices and/or delivery receipts.

**Section 5. Issuance, Validity period and Distribution of copies of Certificates of Origin.**

All certificates of origin shall be issued by the concerned CENRO or in case of his absence, his duly authorized representative. The CTO shall be issued on a per-truck basis for land transport to be valid only for fifteen (15) days from date of issuance. In case of domestic water transport, the CTO shall be issued on a per-shipment basis to be valid only for a period of thirty (30) days from date of issuance or upon discharge at the point of destination, whichever comes first.

If, for any valid reason or eventuality the said certificate expires before the cargo reaches destination or consignee, the same shall be extended by the nearest CENRO upon application.

Copies of the Certificates of Origin shall be distributed as follows:

Original	-	Consignee/buyer
Duplicate	-	CENRO
Triplicate	-	Licensee/permittee
Quadruplicate	-	CENRO Forestry Specialist
Quintuplicate	-	Regional Executive Director
Sextuplicate	-	Forest Management Bureau

**Section 6. Penal Provisions.**

Any log, lumber, plywood, veneer, non-timber forest products and other wood- or nonwood-based products covered by these regulations which are transported without the prescribed documents shall be considered illegal and, therefore, subject to confiscation in favor of the government and shall be disposed in accordance with laws, rules and regulations governing the matter.

Forest Officers found issuing defective certificates of origin required in this Order shall be suspended immediately without prejudice to the imposition of other penalties as may be warranted by extant Civil Service laws, rules and regulations. Provided moreover, that any defective certificate of origin issued shall be considered null and void, and therefore ineffective.

**Section 7. Effectivity.**

This Order shall take effect immediately upon acknowledgement by the UP Law Center and fifteen (15) days after its publication in a newspaper of general circulation. All orders, circulars, memoranda and instructions inconsistent herewith are revoked or amended accordingly.

**ANGEL C. ALCALA**  
**Secretary**

**Administrative Order  
No. 60  
October 4, 1993**

**SUBJECT : Revised Regulations and Guidelines  
Governing the Establishment and  
Management of Industrial Forest Plantations  
(IFPs) and Management of Residual Natural  
Forests for Production Purposes.**

Pursuant to PD 705, as amended, Executive Order Nos. 725 and 278 dated September 1, 1981, and July 25, 1987, respectively, and in recognition of the role in economic recovery of accelerated establishment and improved, unified management of forests for production of timber and other forest products, the following regulations and guidelines governing the establishment and development of Industrial Forest Plantations (IFPs) and the management of residual natural forests for industrial purposes are hereby promulgated:

**CHAPTER I  
TITLE, POLICIES, OBJECTIVES, AND DEFINITION OF TERMS**

**Section 1. Title.** This Administrative Order shall be known as the "Revised Industrial Forest Management Regulations".

**Section 2. Policies and Objectives**

- 2.1 **Policies.** Government policies pertaining to the management of forests for industrial purposes are formulated to address the following objectives:
- 2.1.1 to ensure an adequate supply of timber and other forest products for domestic and export markets;
  - 2.1.2 to promote ecologically sound, sustainable management of natural forests and lands under the jurisdiction of the DENR; and
  - 2.1.3 to enhance the well-being of forest-dependent individuals and communities through a more equitable distribution of opportunities, income, and wealth.
- 2.2 **Objectives.** Government's objective pertaining to the development and management of industrial forests is to encourage the private sector to engage in the following activities:

- 2.2.1 conversion of the country's Open and Denuded Lands, Brushlands and Degraded Residual Forests into productive forests to supply raw materials for forest-based and related industries on a sustainable basis;
- 2.2.2 effective protection and sustainable management for industrial purposes of suitable portions of the country's remaining residual forests;
- 2.2.3 maintenance of a desirable forest ecosystem on forest lands suited to industrial uses;
- 2.2.4 development and implementation of mutually beneficial partnerships with forest-dependent individuals and communities;
- 2.2.5 generation of additional sources of foreign exchange; and
- 2.2.6 contribution to achievement of specific regional development goals.

**Section 3. Definition of Terms.** The following terms are to be understood and interpreted as follows:

- 3.1 **Industrial Forest Management Agreement (IFMA)** - a contractual agreement entered into by the DENR and a qualified applicant that devolves to the applicant responsibility for the following activities:
  - 3.1.1 to invest in, manage and protect a defined area of land under the DENR's jurisdiction;
  - 3.1.2 to establish, manage and utilize Industrial Forest Plantations in specified locations within the area primarily to supply the raw material requirements of forest-based processing and energy-related industries; and
  - 3.1.3 to improve, manage and protect residual forests in the area and to utilize on a sustainable basis timber and non-timber forest products from the residual forests.
- 3.2 **IFMA Holder** - A qualified person or corporation who has entered into an IFMA with the DENR.
- 3.3 **IFMA Area** - A defined area of land under the jurisdiction of the DENR and covered by an IFMA.

- 3.4 **Industrial Forest Plantation (IFP)** - any tract of land predominantly planted to timber producing species including rubber and/or non-timber species such as rattan and bamboo.
- 3.5 **Residual Production Forest** - a contiguous area of ten (10) hectares or more of disturbed Dipterocarp Forest which has an average basal area of at least five (5) square meters per hectare, of all trees that are Presently Commercial Species with diameter at breast height or diameter above buttress of less than 65 centimeters.
- 3.6 **Degraded Residual Forest** - a contiguous area of ten (10) hectares or more of disturbed Dipterocarp Forest which has an average basal area of less than five (5) square meters per hectare, of all trees that are Presently Commercial Species with diameter at breast height or diameter above buttress of less than 65 centimeters.
- 3.7 **Dipterocarp Forest** - forest currently or previously dominated by trees of the family Dipterocarpaceae.
- 3.8 **Presently Commercial Species** - all species in the categories Premium Species, Common Hardwood Species, Construction and Furniture Species, Light Hardwood Species, Matchwood Species and Softwood Species.
- 3.9 **Protection Forest** - all types of forest that, under existing laws and regulations, may not be utilized for timber production and which include old growth forest, mossy forest, sub-marginal forest, forest on slopes above fifty per cent (50%), forest at elevations of greater than 1,000 meters above sea level, all strips bordering river banks, mangrove areas along shorelines and other forest areas that are determined by DENR to be environmentally sensitive.
- 3.10 **Brushland** - land which is predominantly covered with shrub growth or short, stunted trees or shrubs.
- 3.11 **Open and Denuded Land** - land that has been depleted of its natural forest cover and is predominantly covered by grasses, herbaceous species or bare soil.
- 3.12 **Basal Area** - the sum of the outside bark cross-sectional area at breast height or above buttress, as the case may be, of all trees in a given area as determined by the formula:

where:

B = basal area per hectare in square meters

c = 3.1416

$D_i$  = diameter at breast height or above buttress in centimeters of tree number i

n = the number of trees in the area

A = the size in hectares of the area

- 3.13 **FOB Market Price** - the average per cubic meter price of logs of a given species group at a specified pricing point for the previous calendar year determined as prescribed in DENR Administrative Order No. 65 (Series of 1991) or as the Secretary may otherwise direct.
- 3.14 **DENR** - Department of Environment and Natural Resources.
- 3.15 **EMB** - Forest Management Bureau.
- 3.16 **Secretary** - DENR Secretary.
- 3.17 **Undersecretary** - DENR Undersecretary for Natural Resource Management.
- 3.18 **RED** - DENR Regional Executive Director.
- 3.19 **PENRO** - Provincial Environment and Natural Resources Office.
- 3.20 **CENRO** - Community Environment and Natural Resources Office.

## CHAPTER II IFMA AREAS

Section 4. **Types of IFMA Area.** IFMA Areas may be of two (2) types:

- 4.1 **Type I IFMA Areas** - IFMA Areas that do not contain any Residual Production Forest and are for IFP establishment and management and protection of Protection Forest, if any; and
- 4.2 **Type II IFMA Areas** - IFMA Areas that contain Residual Production Forest and are for IFP establishment, sustainable management of the Residual Production Forest and protection of Protection Forest.

**Section 5. Areas Available for IFMA.** IFMAs may cover all lands under the jurisdiction of the DENR that are not otherwise classified under the National Integrated Protected Area System or are subject to vested rights, licenses, permits, or other concessions, and which are:

- 5.1 Open and Denuded Lands, Brushlands and Degraded Residual Forests;
- 5.2 areas covered by grazing or pasture leases; PROVIDED, that such areas shall be excluded from existing leases; PROVIDED FURTHER, that the lessee in each case agrees to waive rights to the areas;
- 5.3 government reforestation projects or portions thereof found to be more suitable for IFP in terms of the public interest and benefits to the surrounding communities; PROVIDED, that allocation shall be through public bidding on the value of plantations and other permanent improvements; and
- 5.4 areas presently or previously covered by Timber Licence Agreement (TLA).

**Section 6. Size of the Area.** The minimum area that may be covered by an IFMA is 500 hectares and the maximum area shall not exceed 40,000 hectares; PROVIDED, that suitable areas of less than 500 hectares shall be governed by the regulations for Tree Farm Leases under MNR Administrative Order No. 4 (Series of 1980); PROVIDED FURTHER, that the foregoing limitations shall not preclude increasing any area on a case-to-case basis; PROVIDED FURTHER, that additional areas in excess of the foregoing limitations shall not include Residual Production Forest; PROVIDED FINALLY, that where a current TLA is converted to IFMA, the size of the IFMA Area, inclusive of Residual Production Forest, may extend up to the size of the TLA area at the time of conversion.

### **CHAPTER III IDENTIFICATION AND PREPARATION OF AREAS FOR IFMA**

**Section 7. Identification, Validation and Delimitation of Potential IFMA Areas.** In each region, the RED shall identify, with the aid of the latest forest resource information, potential IFMA areas and shall, in accordance with guidelines that shall be issued ninety (90) days from publication of this Order evaluate on the ground the suitability and availability of identified areas with respect to site and forest conditions, environmental limitations, conflicting land and resource claims and legal encumbrances. Each RED shall demarcate on maps of convenient scale all identified areas in their respective region found through such evaluation to be suitable and available for IFMA.

**Section 8. Notification of Dependent Communities of IFMA Areas.** Upon verification of the suitability of each proposed IFMA Area, the RED concerned, with the assistance of Local Government Units, shall ensure that communities dependent on the area receive notice of the extent of the proposed area and the key provisions of an IFMA, and have the opportunity to register objections to an IFMA covering the proposed area.

8.1 **Contents of Notice.** The notice shall be in English and the language in common use in the region and shall include:

8.1.1 a sketch map of the area;

8.1.2 the objectives of IFMA as a land management instrument and the procedures for awarding IFMAs;

8.1.3 the rights and responsibilities of IFMA Holders;

8.1.4 the rights and responsibilities of individuals and communities dependent on IFMA Areas; and

8.1.5 provision for individuals or communities to submit objections with respect to the proposed IFMA Area or portions of it.

8.2 **Action on Objections.** Within thirty (30) day of receiving objections from concerned individuals or communities with regard to the proposed IFMA Area, the RED shall meet with individuals or representatives of communities to discuss their objections. On the basis of such discussions, the RED may modify the boundaries of the proposed IFMA Area or prescribe special conditions to be included in an IFMA covering the area. In cases where the objections arise from claims in respect of Ancestral Domain or Ancestral Land, the RED shall initiate procedures to certify such claims in accordance with DENR Administrative Order No. 02 (Series of 1993). The RED shall notify in writing the concerned individuals or communities of his/her decision regarding the action to be taken within thirty (30) days of meeting with them.

**Section 9. Resource Inventory and Resource Management Plan for Potential IFMA Areas.** Within each suitable and available area, the RED shall, using either DENR field staff or a Forest Service Organization (FSO) engaged as provided for in DENR Administrative Order No. 27 (Series of 1991), carry out a resource inventory and prepare a resource management plan for the area in accordance with current DENR guidelines. The resource management plan shall follow the outline shown in Annex "A" and shall include:



- 9.1 descriptions of vegetative cover types including Old Growth Forest, Mossy Forest, Sub-Marginal Forest, Residual Production Forest, Degraded Residual Forest, Brushland, Open and Denuded Land, forest plantation and cultivated areas;
- 9.2 descriptions of terrain conditions by elevation and slope class;
- 9.3 quantification of timber species and non-timber species of economic importance within each vegetative cover type, together with estimates of sustainable yields of each species;
- 9.4 descriptions of communities dependent on the proposed IFMA area, including information on predominant ethnic groupings, areas used by communities for cultivation within the area and estimates of uses by communities of forest products derived from the area;
- 9.. guidelines and restrictions to be complied with in management of the area;
- 9.6 a statement of the expected impacts on the environment arising from implementing the Resource Management Plan.

**Section 10. Monitoring of Resource Inventory.** The DENR shall ensure the accuracy of resource inventories by carrying out a sample of remeasurements in the field as follows:

- 10.1 where a resource inventory is performed by DENR field staff, monitoring shall be carried out by FMB staff;
- 10.2 where a resource inventory is performed by an FSO, monitoring shall be carried out by DENR field staff.

**Section 11. Register of Available Areas.** Each RED and the Central Office of the DENR shall maintain a register containing the location and description of areas which, in accordance with Section 7 have been determined to be suitable and available for IFMA. The register shall be made available through public notice posted at the DENR Regional, PENR and CENR Offices and at the provincial/city and municipal offices concerned.

**CHAPTER IV**  
**QUALIFICATIONS OF APPLICANTS, ASSIGNMENT OF IFMAS**  
**AND SETTING OF PERFORMANCE BONDS**

Section 12. **Qualified Applicants.** Qualified applicants for an IFMA include:

- 12.1 Filipino citizens of legal age; and
- 12.2 corporations, partnerships, associations or cooperatives registered under Philippine laws, at least sixty percent (60%) of the capital of which is owned or controlled by Filipino citizens;

PROVIDED, that if an applicant is a current or former TLA holder and/or a current or former holder of any other permit, lease or licence concerning the utilization of forest land or resources; or is owned, affiliated, connected or related directly or indirectly with any holder of such TLA, permit, lease or licence; the applicant shall provide, in the prescribed format shown in Annex "B" of these Regulations, proof of satisfactory performance of the obligations assumed by entering into these agreements.

Section 13. **Assignment of Management Responsibility.** The DENR shall assign responsibility to manage IFMA areas by one of the following procedures:

- 13.1 Management responsibility over an area which does not contain Residual Production Forest (Type I IFMA) shall be assigned to the first qualified applicant who has met all the requirements set out in Section 16.6; PROVIDED, that areas for Type I IFMA which contain government plantations shall be allocated through public bidding on the value of the plantations and other improvements.
- 13.2 Management responsibility over an area that contains Residual Production Forest (Type II IFMA) shall be assigned through public bidding among qualified applicants on the value of a performance bond covering the area of Residual Production Forest.
- 13.3 TLA holders in good standing may apply to convert their TLA to IFMA by direct negotiation of the value of a performance bond covering the area of Residual Production Forest within the TLA area; PROVIDED, that the conditions otherwise set out in these Regulations are fully complied with; PROVIDED FURTHER, that such conversion shall be completed within twelve (12) months from publication of these Regulations.

**Section 14. Performance Bond for Areas Containing Residual Production Forest.** All IFMA Holders whose areas contain Residual Production Forest shall maintain a performance bond as a condition to making the IFMA effective, subject to the following conditions:

- 14.1 The value of the performance bond shall be determined through the public bidding procedures described in Section 15; PROVIDED, that holders of current TLAs wishing to convert to IFMA may instead negotiate the value of the Performance Bond in accordance with the Floor Price schedule as set out in Section 14.2 below.
- 14.2 The minimum value of the performance bond (Floor Price) for each proposed IFMA Area shall be calculated by the DENR, prior to bidding, according to the following formula:

$$B = \left( \sum V_i \times P_i \right) \times F \times A$$

where:

- B = performance bond floor price;
- $V_i$  = standing volume per hectare in cubic meters of trees in species group i in the DBH classes of 60-cm and higher as determined by the resource inventory prescribed in Section 9;
- $P_i$  = FOB Market Price in pesos per cubic meter of species group i;
- $F^i$  = a scaling factor relating the bond price to the commercial volume per hectare as shown in the table below;
- n = the number of species classes recorded in the inventory; and
- A = the area in hectares of Residual Production Forest in the IFMA Area.

$V_i$ VOLUME/HA OF COMMERCIAL SPECIES ≥ 55 CM DBH (CU M)	F BOND FLOOR PRICE AS % OF FOB MARKET PRICE
< 20.0	0.0%
20.0 - 24.9	0.16%
25.0 - 29.9	0.46%
30.0 - 34.9	0.84%
35.0 - 39.9	1.32%
40.0 - 44.9	1.90%
45.0 - 49.9	2.59%
50.0 - 54.9	3.39%
55.0 - 59.9	4.31%

60.0 - 64.9	5.35%
65.0 - 69.9	6.51%
70.0 - 74.9	7.81%
75.0 - 79.9	9.23%
≥ 80.00.0%	10.00%

- 14.3 The performance bond shall be posted as a surety bond subject to the following conditions:
- 14.3.1 Any company providing a surety bond shall be selected from a list of insurance companies duly accredited by the DENR as prescribed in Section 14.4 of these Regulations;
  - 14.3.2 For each IFMA to be covered by a surety bond, the Secretary shall ensure that no conflict of interest might arise from the proposed insurance company providing a surety bond for the concerned IFMA Holder;
  - 14.3.3 All surety bonds shall be renewed not later than two (2) months prior to their expiration date;
  - 14.3.4 All surety bond documents shall be in the standard format prescribed in Annex "C" of these Regulations;
  - 14.3.5 Upon posting the performance bond, the IFMA Holder shall furnish the DENR the surety bond document and, if the bond amount exceeds the insurance company's authorized retention, the certificate of reinsurance, together with the reinsurance binders.
  - 14.4 The DENR shall prepare and maintain a list of insurance companies which are duly accredited to provide surety bonds taking into account each company's financial capability, access to the reinsurance market, credentials in the insurance industry and willingness to abide by all conditions of the IFMA Performance Bond.

**CHAPTER V**  
**IFMA BIDDING AND DEVOLUTION PROCEDURES**

**Section 15. Notice of Invitation to Prequalify to Bid.** A notice inviting prospective bidders to prequalify to bid for each area shall be published in at least two (2) newspapers of general circulation and shall run once for two (2) consecutive weeks. In addition, a copy of the notice shall be posted at the DENR and its Regional, Provincial and Community offices concerned. The notice shall specify:

- 15.1 the location and technical description of the area;
- 15.2 estimates of the area by vegetation cover type, the volumes and sustainable yields of timber and non-timber forest products in residual forests and any other relevant information about the area as determined from the resource inventory specified in Section 9 of these Regulations;
- 15.3 a summary of the management options described in the Resource Management Plan; and
- 15.4 the minimum value (Floor Price) of the performance bond or, if the area contains government plantations, the minimum value of the plantations.

**Section 16. Prequalification.**

- 16.1 **Prequalification Requirements.** The following documentation, together with an application as shown in Annex "D" and an application fee in the amount of P=0.50 per hectare and fraction thereof, shall be submitted to the DENR by prospective bidders:
  - 16.1.1 if applicant is a government official or employee, whether in career or non-career service, written permission from the Department head or head of agency concerned;
  - 16.1.2 if the applicant is a naturalized Filipino citizen, a copy of his/her Certificate of Naturalization certified by the Clerk of Court of the Regional Trial Court that issued the Certificate;
  - 16.1.3 if the applicant is a corporation, partnership, association or cooperative:
    - 16.1.3.1 Articles of Incorporation and By-Laws, including the present Officers and Stockholders;

- 16.1.3.2 audited financial statements for the two (2) preceding years, if the applicant was already in existence; and
  - 16.1.3.3 a statement authorizing the officers to file the application in behalf of the corporation;
  - 16.1.4 receipt of income tax payments for the preceding two (2) years;
  - 16.1.5 if the applicant is a TLA holder and/or holder of any other permit lease or licence covering utilization of forest land or resources, or owned, affiliated, connected or related directly or indirectly with holders of such permit, lease or licence, proof of satisfactory performance of such permit, lease or licence set out in the prescribed format shown in Annex "B".
  - 16.1.6 an indicative plan of development in the format shown in Annex "E"
  - 16.1.7 proof of financial capability to undertake initial activities such as perimeter survey, aerial photography and preparation of a comprehensive development and management plan, as well as evidence of access to financial resources to develop at least 50% of the area; and
  - 16.1.8 proof of technical competence to comply with terms and conditions specified in the Standard IFMA in the form shown in Annex "F" of these Regulations, or ability to hire the services of technically competent personnel supported as appropriate by a statement of relevant background and experience, biodata of qualified personnel and/or an agreement with a qualified organization.
- 6.2 **Central Screening and Awards Committee.** The Secretary, shall appoint an IFMA Screening and Awards Committee (IFSAC) which shall be primarily responsible for the proper receipt, recording, safekeeping and evaluation of prequalification and bid proposals pertaining to the potential IFMA Areas of 2,000 hectares or more, including the conduct of bidding and recommendations for the award of each area. The IFSAC shall be composed of the Undersecretary as Chairman, an Executive Officer, two (2) members from the technical forestry group with a rank not lower than a Division Chief, or its equivalent, and Commission on Audit representative as observer.

- 16.3 **Regional Screening and Awards Committees.** Each RED shall also appoint an IFSAC to administer the prequalification and bidding of potential IFMA areas of less than 2,000 hectares in each region.
- 16.4 **Submission of Documents/Requirements.** IFMA applicants shall submit prequalification documents, together with the necessary supporting requirements, in four (4) copies each at the Office of the concerned RED and the IFSAC Secretariat at the DENR Central Office, in sealed envelopes not later than the time and date specified in the Notice of Invitation to Prequalify. No documents submitted by prospective bidders shall be made public unless authorized by the Secretary or RED concerned.
- 16.5 **Evaluation of Prequalification Requirements.** The IFSAC shall, upon receipt of prequalification documents, record and evaluate the documents, taking into account the completeness and substance of the requirements as specified in Section 16.1
- 16.6 **Action on Prequalification Documents.** The IFSAC shall stamp applications which meet all the requirements "PREQUALIFIED" and applications which do not meet all the requirements "PREDISQUALIFIED" and shall notify all applicants in writing of its decision, whether Prequalified or Predisqualified, within five (5) working days.

## **Section 17. Bidding Procedures**

- 17.1 **IFMA Bid Proposal Forms and Particulars.** The IFSAC shall make available bid proposal forms and particulars on each area subject to public bidding to prequalified bidders upon payment of the prescribed bidding fees.
- 17.2 **Submission of Bid Proposals.** Bid proposals shall be submitted in five (5) copies and in sealed envelopes clearly marked to the concerned IFSAC within the period specified in the Notice of Invitation. Proposals submitted after the prescribed period shall not be accepted by the IFSAC. All bids must be accompanied by a Bidders Bond of not less than two pesos (P=2.00) per hectare in cash or surety bond from a reputable bonding company. An individual person or corporation, or corporations which are affiliated, connected or related, directly or indirectly, with each other, may only submit one (1) bid for a given area.

- 17.3 **Receiving and Opening of Bids.** Bid proposals received by the IFSAC within the specified period shall be stamped indicating the date and time of receipt the Chairman of the IFSAC shall open the sealed bids publicly at the place, time, and date stated in the notice, in the presence of the bidders or their duly authorized representatives. Every page of a bid proposal, including the attached documents shall be numbered consecutively and initialed by the IFSAC members.
- 17.4 **Preparation of Bid Abstract.** After opening the bids and numbering the pages, the IFSAC shall prepare an abstract of the bids and attach the corresponding supporting documents and the proceedings of the bidding. The abstract shall be signed by each IFSAC member and the resident auditor or his representative.
- 17.5 **Evaluation of Bids.** The following general guidelines shall govern the evaluation of bid proposals:
- 17.5.1 Each bid shall be prepared in the prescribed form supplied to bidders.
- 17.5.2 There shall be at least two (2) competing bidders at the time of opening of bids. In the event that there is only one bidder, the bid shall be returned unopened and the area advertised anew for rebidding; PROVIDED, that, if after issuance of two (2) Notices of Invitation, there is only one qualified bidder, an IFMA may be entered into with that bidder after negotiation of the value of the performance bond subject to the Floor Price conditions as specified in Section 14.2.
- 17.5.3 A bid which does not comply with the conditions or requirements set forth in the bid documents shall be rejected; PROVIDED, that the DENR reserves the right to waive consideration of minor deviations in any bid which do not affect the substance and/or the validity of the bid.
- 17.6 **Basis of Award.** The IFMA covering the area subject to bidding shall be awarded to the bidder who, having complied with all the necessary requirements, offers to post the highest performance bond in the case of a Type II IFMA or the highest compensation to the government in the case of a Type I containing government plantations ; PROVIDED, that, the bid offer is not lower than the Floor Price determined as prescribed in Section 14.2; PROVIDED FURTHER, that if there are two or more equal highest bids the award shall be resolved in favor of a corporation or partnership with the greatest percentage of ownership by Filipino citizens; PROVIDED, FINALLY, that if the equal highest bids are



still equal in terms of ownership by Filipino citizens, the bidder with the biggest paid up capital shall be deemed the winning bid.

- 17.7 **Decision of Award.** The RED or the Secretary, as the case may be, based on a review of the evaluation report of IFSAC, shall decide as to whom the area shall be awarded and for which a Notice of Award shall be issued; PROVIDED that, should the awardee refuse or fail to comply with the requirements called for in the Notice of Award, including posting of a performance bond, reimbursing DENR for the costs of preparing the Resource Management Plan, as prescribed in Section 9, or compensating the Government for the value of any government plantations, within thirty (30) days, the award shall be nullified and the Bidder's bond shall be forfeited in favor of the Government; PROVIDED, FURTHER, that, in such an eventuality, the second highest complying bidder shall be considered provided that his bid is at least seventy-five per cent (75%) of the highest bid but not less than the Floor Price as prescribed in Section 14.2 and, PROVIDED, FINALLY, that these rules shall apply to the third highest bidder in case of refusal on the part of the second highest bidder, and so on.

**Section 18. Preparation and Issuance of IFMA.** An IFMA, together with final sketch plan of the area, either solely for plantation development or for combined plantation development and management of Residual Production Forest, shall be prepared in the form as shown in Annex "F", approval of which shall be made by officials as follows:

below 2,000 hectares	-	RED
2,000 - 5,000 hectares	-	Undersecretary
Over 5,000 hectares	-	Secretary

**CHAPTER VI**  
**TERMS AND CONDITIONS OF INDUSTRIAL FOREST**  
**MANAGEMENT AGREEMENTS**

**Section 19. Duration of an IFMA.** An IFMA shall have a duration of twenty five (25) years and shall be renewable for another twenty five (25) years; PROVIDED, that all the conditions of the IFMA and other pertinent laws and regulations have been complied with; PROVIDED FURTHER, that any portion of an IFMA Area certified as an Ancestral Domain or Ancestral Land claim, pursuant to Article IV of DENR Administrative Order No. 02 (Series of 1993) shall remain part of the IFMA Area only after consultation with and concurrence of the certified claimant in accordance with Article IV, Section 4 of the same Administrative Order.

**Section 20 Responsibilities of all IFMA Holders.** All IFMAs shall include the following conditions:

- 20.1 Within six (6) months from the date an IFMA is entered into, the IFMA Holder shall:
  - 20.1.1 under the supervision of the DENR, delineate and mark on the ground the boundaries of the IFMA Area, and the boundaries of Residual Production Forest and Protection Forest contained therein, and shall preserve the monuments and other landmarks indicating corners and outlines along the boundaries and within the confines of the area covered by the IFMA.
  - 20.1.2 submit to the DENR, in the prescribed form shown in Annex "G" of these Regulations, a Comprehensive Development and Management Plan covering the IFMA Area. The plan shall comply with all guidelines and restrictions given in the Resource Management Plan for the area, as provided for in Section 9.5 of these Regulations, and shall be evaluated and approved by the DENR. Upon approval the Comprehensive Development and Management Plan shall form an integral part of the IFMA and shall not be amended without the mutual consent of the IFMA Holder and the DENR; PROVIDED, that not more than every five (5) years thereafter, the IFMA Holder shall, based on progress in development and management of the IFMA Area, revise the plan and submit the revised plan for the review and approval of the DENR. The Comprehensive Development and Management Plan shall contain schedules describing the timing and nature of the following activities:

- 20.1.2.1 IFP establishment, management and harvesting;
  - 20.1.2.2 protection, improvement and harvesting within Residual Production Forests and Degraded Residual Forests, including both timber species and non-timber forest products;
  - 20.1.2.3 development of infrastructure, including plans in sufficient detail to assess the environmental impact of such development;
  - 20.1.2.4 entering into and implementing benefit-sharing agreements with individuals and/or communities dependent on the IFMA Area; and
  - 20.1.2.5 environmental protection including mitigating measures against adverse impacts and, where required by DENR, an Environmental Impact Statement.
- 20.2 If an IFMA Area contains any natural forest, including Residual Production Forest, Degraded Residual Forest and/or Protection Forest, the IFMA Holder shall, not more than 10 years after the IFMA was entered into and every ten (10) years thereafter, carry out a resource inventory according to a design and intensity approved by the DENR and submit the results to the DENR.
- 20.3 If an IFMA area is greater than 1,000 hectares and contains any Residual Production Forest, Degraded Residual Forest and/or Protection Forest, the IFMA Holder shall, within twelve (12) months from the date the IFMA is entered into, in accordance with DENR Administrative Order No. 17 (Series of 1992), procure and submit to the DENR up-to-date aerial photography and/or satellite imagery which covers the entire IFMA Area and shows clearly the current forest cover status; PROVIDED, that this condition shall be waived if such imagery was procured by the DENR when preparing the Resource Management Plan. Each such IFMA Holder shall further procure and submit to the DENR a new set of such imagery every five (5) years from the date was entered into for the duration of the IFMA.
- 20.4 All IFMA Holders shall plant forest tree species which may include rubber and/or non-timber species such as rattan, bamboo, buri, etc., for the production of timber, pulpwood, fuelwood and non-timber forest products, on Open and Denuded Land and Brushland portions of their IFMA Areas as indicated, and according to the schedules set out, in the approved Comprehensive Development

- and Management Plan; PROVIDED, that at least five per cent (5%) of the area available for plantation shall be planted within twelve (12) months, thirty per cent (30%) within five (5) years and the total area within twelve (12) years from the date the IFMA was entered into.
- 20.5 IFMA Holders may plant up to ten per cent (10%) of suitable portions of Open and Denuded Areas within their IFMA Areas to permanent agricultural crops; PROVIDED, that such development is included in the approved Comprehensive Development and Management Plan and that the benefits resulting from such development accrue to communities or families dependent on the IFMA area.
- 20.6 All IFMA Holders shall convert the Degraded Residual Forest within their IFMA Areas to a productive state by one or more of the following methods:
- 20.6.1 enrichment planting, timber stand improvement and assisted natural regeneration;
- 20.6.2 establishing plantations of rattan or other suitable non-timber species; and/or
- 20.6.3 if included in the Resource Management Plan, clearing natural vegetation from degraded areas and establishing Industrial Forest Plantation (IFP); PROVIDED, that:
- 20.6.3.1 the timing, locations, extent, methods, expected volumes and value of salvaged wood and the environmental impact of any clearing of natural vegetation carried out for such conversion shall be stated in the approved Comprehensive Development and Management Plan;
- 20.6.3.2 buffer strips of natural vegetation at least 100 meters in width, following natural boundaries to the extent possible, between compartments which shall not exceed 100 hectares, and at least 20 meters either side of all rivers, streams and public roads shall be retained and these strips shall be subject to enrichment planting or used for rattan or bamboo plantation;
- 20.6.3.3 all extraction of commercial timber carried out in connection with conversion of Degraded Residual Forest to IFP shall be subject to an annual operations plan approved and monitored

by the RED and to forest charges as provided for in RA 7161; and

20.6.3.4 planting the entire area cleared shall be undertaken within six (6) months of clearing.

- 20.7 All IFMA Holders shall assume responsibility for the operation and control of all current licences and permits for harvesting of non-timber forest products within their IFMA Areas and, upon expiration or termination of such licences or permits, shall take all reasonable action to ensure that new permits are issued only to individuals or communities dependent on the IFMA Area and that harvest plans correspond to the sustainable yield of the non-timber forest product concerned in accordance with the Resource Management Plan.
- 20.8 All IFMA Holders shall protect their IFMA Areas from forest fires and other forms of forest destruction and shall place their employees or workers under the direction of government foresters or other authorized agents of the Secretary whenever required for the purpose of controlling such destruction.
- 20.9 All IFMA Holders shall submit to the DENR Annual Reports of activities in the form prescribed in Annex "H" of these Regulations.
- 20.10 IFMA Holders shall not unreasonably impede, obstruct or in any manner prevent the passage through their IFMA Areas of authorized licensees, lessees, permittees, and/or other persons.
- 20.11 All IFMA Holders shall:
- 20.11.1 give notice of their IFMAs to all families and communities dependent on their IFMA Areas;
  - 20.11.2 prepare, maintain and periodically update a register of all families and communities residing within their IFMA Areas and furnish the concerned CENRO a copy of the register, including the periodic updates; and
  - 20.11.3 in conformity with Article IV, Section 4 of DENR Administrative Order No. 02 (Series of 1993), consult with and obtain the concurrence, in respect of relevant aspects of the Comprehensive Development and Management Plan, of all concerned certified Ancestral Domain or Ancestral Land claimants.

- 20.11.4 abide by any special conditions prescribed by DENR as determined by actions specified in Section 8.2.
- 20.12 IFMA Holders shall construct permanent structures or roads within their IFMA Areas only in accordance with the approved Comprehensive Development and Management Plan.
- 20.13 IFMA Holders shall not cut any trees, regardless of species, growing in their IFMA Area within twenty (20) meters of banks of rivers or streams of five (5) meters in width or more, within twenty (20) meters of public roads or within Protection Forest. Any such areas bereft of trees within an IFMA Area shall be reforested by the IFMA Holder.
- 20.14 All IFMA Holders shall reforest all areas of Open and Denuded Land, Brushland and Degraded Residual Forest along the banks of streams with channels less than five (5) meters in width within their IFMA Area and may harvest and utilize any trees planted in accordance with the approved Comprehensive Development Management Plan.
- 20.15 All IFMA Holders shall protect and conserve unique, rare and endangered trees, palms and wildlife identified as such under existing rules, laws and regulations within their IFMA Areas.

**Section 21. Responsibilities of Holders of IFMAs for Combined IFP Development and Management of natural Forest (Type II IFMA).** In addition to the conditions set out in Section 20 above, an IFMA for combined IFMA development and management of natural forest shall include the following conditions:

- 21.1 All IFMA Holders shall post and maintain for the duration of their IFMAs performance bonds covering the entire area of Residual Production Forest and other natural forest within their IFMA Areas in an amount determined by public bidding or negotiation as provided for in Section 14 of these Regulations.
- 21.22 All IFMA Holders shall manage and protect all types of natural forest in their IFMA Areas in accordance with current laws and regulations governing each type of natural forest.
- 21.23 An IFMA Holder may establish rattan plantations in Residual Production Forest that is not scheduled for harvest within the next twenty (20) years.

- 21.4 An IFMA Holder may, if authorized in the approved Comprehensive Development and Management Plan, harvest and utilize naturally grown trees within Residual Production Forest on a sustainable basis in accordance with the silvicultural system specified in the Resource Management Plan and with the Annual Operations Plans duly approved by the concerned RED.

**Section 22. Responsibilities of the DENR.** The following conditions shall be observed by the DENR in respect of all IFMAs:

- 22.1 The DENR shall not alter or modify the boundaries or legal status of any IFMA Area, once established; PROVIDED, that the conditions stipulated in Section 20.4 and 20.6 of these Regulations have been met.
- 22.2 The DENR shall upon request make available to any IFMA Holder all information it possesses regarding the land, resources and dependent communities within or relevant to an IFMA Holder's area; PROVIDED, that the IFMA Holder shall reimburse the DENR for the cost of preparing the Resource Management Plan and any of other inventory, aerial photography or satellite imagery that may be carried out or procured by the DENR specifically for the purpose of entering into, complying with or monitoring the IFMA; PROVIDED FURTHER, that all monies collected by the DENR as compensation for these items shall be deposited in a special fund maintained by a suitable trustee to be nominated by the DENR in consultation with industry and other concerned parties and shall be used only by the DENR for preparing resource management plans for future IFMAs.
- 22.3 The DENR shall upon request make available to any IFMA Holder any technical information it possesses regarding the establishment, management and utilization of IFPs and the sustainable management, protection and utilization of Residual Production Forests.
- 22.4 The DENR shall, in cooperation with Local Government Units and as provided for in Sections 6 and 9 of DENR Administrative Order No. 30 (Series of 1992), assist IFMA Holders with the development and execution of agreements with communities dependent on IFMA areas.

**Section 23. Compensation**

- 23.1 **Compensation to the IFMA Holder.** IFMA Holders shall be entitled to receive from the Government compensation for the fair market value of permanent improvements, including plantation forest crops, introduced into and remaining in their IFMA Areas under the following circumstances:

- 23.1.1 expiration of the IFMA;
  - 23.1.2 termination of the IFMA when public interest demands; or
  - 23.1.3 reduction of the IFMA Area for right-of-way or when the public interest demands.
- 23.2 If the Government retracts, for reasons other than cause, an IFMA Holder's rights to carry out harvests, in accordance with the approved Comprehensive Development and Management Plan as provided for in Section 21.4, in Residual Production Forest, or any portion thereof, that is covered by a performance bond, the Government shall compensate the IFMA Holder for costs incurred in maintaining the performance bond and of improving and protecting the Residual Production Forest up to the time such rights were retracted.
- 23.3 **Appraisal of Improvements for Compensation.** The fair market value of permanent improvements, required as compensation either to the IFMA Holder or the Government, shall be decided upon by a committee comprising representatives of the DENR, the IFMA Holder and a qualified independent appraiser whose appointment shall be mutually agreed upon by the DENR and the IFMA Holder. The DENR and the IFMA Holder shall bear equally the cost of such appraisal, the decision arising from which shall be binding.

**Section 24. Warranties**

- 4.1 **Modifications.** No IFMA shall be amended in any way except by written instrument signed and agreed to by the duly authorized representatives of the DENR and the IFMA Holder.
- 24.2 **Notice of Breach.** In the event of any default or breach of any of the provisions of an IFMA by either party, the other party may, by notice to the party in default or breach, specify such default or breach and require the same to be remedied within thirty (30) days after service of notice.
- 24.3 **Arbitration.** In the event of dispute between the DENR and an IFMA Holder that cannot be settled by mutual accord, the dispute shall be referred to arbitration which shall be held in accordance with the rules provided in RA No 876.

**Section 25. Transfers.** An IFMA Holder may transfer, exchange, sell or convey the IFMA or any rights therein or any assets used in connection therewith, if authorized by the Secretary, and if:



- 25.1 the IFMA has been in existence for at least three (3) years;
- 25.2 the IFMA Holder has been faithfully complying with the terms and conditions of the IFMA, including implementation of the Comprehensive Development and Management Plan;
- 25.3 the transferee is qualified to hold an IFMA;
- 25.4 there is no evidence that such transfer or conveyance is being made for purposes of speculation;
- 25.5 the transferee shall assume all the obligations of the transferor, including maintenance of the performance bond, if any;
- 25.6 for IFMA Areas in which development is being financed by loan funds, the consent of involved financing institutions has been obtained; and
- 25.7 consultation has been held and agreement has been reached with all certified Ancestral Domain or Ancestral Land Claimants.

**Section 26. Encumbrances.** An IFMA Holder may not offer as security, mortgage or otherwise encumber the IFMA or any rights therein or any assets used in connection therewith, unless authorized by the Secretary.

## **CHAPTER VII INCENTIVES**

**Section 27. Incentives.** All IFMA Holders shall be entitled to the following incentives:

- 27.1 IFMA Holders may interplant secondary crops between trees within areas designated for IFP in their IFMA Areas.
- 27.2 All planted trees and other crops established pursuant to an IFMA, or transferred from the DENR to an IFMA Holder in accordance with Section 5.3, belong to the IFMA Holder who shall have the right to harvest, sell and utilize such trees and crops at the time specified in the approved Comprehensive Development and Management Plan.
- 27.3 The DENR shall impose no restriction on an IFMA Holder concerning the export of logs, lumber and other forest products harvested from IFMA

- plantations; PROVIDED, that logs or lumber harvested from indigenous trees growing naturally in an IFMA Area may not be exported.
- 27.4 All plantation products derived from an IFMA Area shall be exempted from forest charges; PROVIDED, that all products derived from indigenous trees and/or other plants growing naturally in an IFMA Area and from plantations established in compliance with TLA reforestation obligations shall be subject to the forest charges stipulated in RA 7161.
- 27.5 Payments of land rentals shall be in accordance with Section 36 of PD 705, as amended.
- 27.6 IFMA Holders shall be entitled to all relevant incentives provided for under the Omnibus Investment Code and to all applicable incentives enumerated under Section 36 of P.D. 705, as amended.

### CHAPTER VIII MONITORING AND CONTROL

**Section 28. Monitoring.** The following procedures shall be adopted to provide an effective monitoring system for the development and operation of IFMAs, details of which shall be published within ninety (90) days from the issuance of this Order.

- 28.1 The concerned RED offices, PENROs and CENROs shall maintain identical sets of complete documents including maps of each IFMA area less than 2,000 ha; PROVIDED, that the FMB may request copies of complete sets of documents covering IFMAs of less than 2,000 ha.
- 28.2 Each IFMA Holder shall submit to the CENRO Annual Accomplishment Reports on the development of the IFMA in the format shown in Annex "H" of these Regulations. Copies of Accomplishment Reports covering IFMA Areas of 2,000 ha and more shall be furnished to the PENRO and RED concerned and to the Undersecretary. Copies of reports covering IFMA Areas of less than 2,000 ha shall be furnished to the PENRO and RED concerned and summaries shall be furnished to the Undersecretary.
- 28.3 All activities described in Accomplishment Reports shall be subject to audit through verification on the ground by officers of the CENRO or other DENR office and shall be compared with the activities stated in Comprehensive Development and Management Plans. These activities shall include, but may not be limited to:

- 28.3.1 area of IFP established;
- 28.3.2 maintenance of boundaries of the IFMA Area;
- 28.3.3 effective protection and management of the IFMA Area
- 28.3.4 compliance with agreements entered into with communities and/or individuals dependent on the IFMA Area pursuant to Section 20.1.2.4 of these Regulations.

**Section 29. Suspension of an IFMA.** In the event any violation against any provision of an IFMA has been committed by the IFMA Holder, the Secretary, or the concerned RED shall initiate an investigation into the violation in accordance with the warranties provided herein and, depending on the gravity of the violation or any adverse effect arising from it on the condition of forest land and resources, may either give Notice of Breach, as provided for in Section 24.2, or suspend and give notice to cancel the IFMA. If any development activity pursuant to the IFMA is being financed by loan funds or if any improvement within the IFMA Area is encumbered by a third party, the DENR shall notify the bank or other party involved of the suspension. Upon receipt of such notice the IFMA Holder shall have thirty (30) days to file a motion for reconsideration or an appeal, as the case may be, with the Office of the Secretary.

**Section 30. Grounds for Cancellation of IFMA.** The following violations shall be sufficient grounds for cancellation of an IFMA:

- 30.1 If the IFMA was obtained through fraud, misrepresentation or omission of material facts existing at the time of the filing of the application;
- 30.2 Failure of an IFMA Holder to settle any forestry account, such as rental or forest charges when they become due and upon prior notice to the IFMA Holder.
- 30.3 Violation of any of the terms and conditions of, or failure to comply with or perform the obligations imposed in the IFMA, or violation of other pertinent laws, or policies affecting the exercise of the IFMA;
- 30.4 Failure, within six (6) months from the date the IFMA is entered into, to submit a Comprehensive Development and Management Plan;
- 30.5 Failure to submit aerial photographs for IFMA Areas when required for areas greater than 1,000 hectares and containing natural forest;

- 30.6 Failure to carry out a resource inventory where required for areas containing any natural forest;
- 30.7 Failure to implement the approved Comprehensive Development and Management Plan;
- 30.8 Conducting any operation in violation of the approved Comprehensive Development and Management Plan, or illegally engaging in activities outside the IFMA Area;
- 30.9 Failure to protect the IFMA Area; PROVIDED, that an IFMA shall not be subject to cancellation if damage to the IFMA Area or the improvements are the result of force majeure;
- 30.10 Any illegal logging in the natural forest within the IFMA Area, whether by the IFMA Holder or any other party;
- 30.11 Failure to post and maintain the validity of the Performance Bond as stipulated in Section 14 of these Regulations;
- 30.12 Abandonment of the area as evidenced by absence of the IFMA Holder, whether actual or constructive, for a period of six (6) months.

**Section 31. Finality and Execution of Orders of Cancellation.** Any decision by the Secretary or the concerned RED to cancel an IFMA shall become final and executory after thirty (30) days from receipt thereof by the IFMA Holder unless the latter files a motion for reconsideration or an appeal with the Office of the Secretary.

**Section 32. Forfeiture of Rights to Compensation.** Upon cancellation of an IFMA for any of the reasons specified in Section 30 above, all permanent improvements introduced into the IFMA Area, including forest plantations, shall become the property of the Government without there being any obligation to compensate the IFMA Holder and without prejudice to whatever action may be taken with respect to the Performance Bond.

**Section 33. Grounds for Calling the Performance Bond.** The Secretary, upon the recommendation of the RED, may call the Performance Bond, or part thereof, under the conditions specified below:

- 33.1 The whole Performance Bond shall be called and the IFMA cancelled in the event of any willful contravention by the IFMA Holder of any provision of the IFMA

regarding management, protection and utilization of Residual Production Forest or any other natural forest within the IFMA Area.

- 33.2 In cases where failure to protect the natural forest can be proven not to have arisen from willful action or gross negligence on the part of the IFMA Holder, the adverse effect on the condition of forest land or resources arising from such failure shall be assessed as provided for in Section 23.3 and the portion of the Performance Bond forfeited by the IFMA Holder shall equal the assessed damage.

## **CHAPTER IX MISCELLANEOUS PROVISIONS**

**Section 34. Transitory Provisions for Conversion of ITPLA to IFMA.** The following provisions are stipulated for areas covered by Industrial Tree Plantation Lease Agreements (ITPLAs):

- 34.1 The DENR shall, within six (6) months from issuance of these Regulations, evaluate all ITPLAs, or IFMAs converted from ITPLA, for compliance with the terms and conditions of the ITPLA including the lessee's achievements in implementing ITP Comprehensive Development and Management Plans.
- 34.2 ITPLA holders who have complied with all the terms and conditions of their ITPLAs shall be encouraged to convert their ITPLAs to IFMAs and to submit revised Comprehensive Development and Management Plans as prescribed in Annex "G" of these Regulations.
- 34.3 ITPLA holders who have failed to comply with all terms and conditions of their ITPLAs and whose failure is not shown by the evaluation to be due to willful action or gross negligence shall be required to convert their ITPLA to IFMA and to submit a revised Comprehensive Management and Development Plan as prescribed in Annex "G" of these Regulations within three (3) months of being given notice to do so by the DENR.
- 34.4 Any IFMA or ITPLA holder who has failed to comply with the terms and conditions of the IFMA or ITPLA and whose failure is proven through the DENR evaluation to be due to willful action or gross negligence shall be considered by the Secretary for cancellation of IFMA or ITPLA, as the case may be.
- 34.5 Cancelled ITPLAs or IFMAs containing established plantations or Residual Production Forest shall be evaluated by the DENR with regard to the volume and value of such forest and shall be subject to public bidding on the value of the

plantation and other improvements, or the value of a performance bond, as the case may be, while those with only Open and Denuded Land, Brushland and Degraded Residual Forest shall be reallocated on a first-come-first-served basis.

**Section 35. Previously Issued IFMAs.** The terms and conditions of any IFMA entered into prior to this Order remain valid unless modifications are agreed to by the DENR and the IFMA Holder in accordance with Section 24.1.

**Section 36. Repealing Clause.** This Order repeals/amends provisions of existing regulations, Memoranda, Circulars, and other issuances which are inconsistent herewith.

**Section 37. Effectivity.** This Order shall take effect fifteen (15) days after its Official Gazette or in a newspaper of general circulation.

ANGEL C. ALCALA  
Secretary

**Administrative Order  
No. 65  
November 15, 1993**

**SUBJECT : Integration of Community Forestry  
Program (CFP) to the DENR Regular  
Structure**

Consistent with the policy of the state to ensure sustainable development of all public forest lands and in response to the lessons learned and experiences gained in the implementation of the Community Forestry Program (CFP) and pursuant further to Executive Order No. 192 as implemented by DENR A.O. No. 1, series of 1988, it is the purpose of this Administrative Order to enhance and strengthen the internalization and integration of the CFP within the DENR regular structure.

**Section 1. Basic Policy.** It is the policy of the Department to promote the national interests and well-being of the Filipino people pursuant to the constitution through a more equitable distribution of opportunities, income and wealth, particularly for those forest-dependent individuals and communities. The DENR further seeks to bring about responsible and self-reliant communities capable of developing and managing its resources on a sustainable basis.

A number of community-based forestry programs and projects have evolved and implemented by different agencies/units/secretariats of the Department, and consistent with the principle of streamlining under Memorandum Order NO. 27 dated August 13, 1992, there is therefore, the need to integrate the CFP within its regular structure.

**Section 2. Objectives**

- 2.1 To promote efficiency in the successful and meaningful implementation of the community forest program;
- 2.2 To enhance institutional capacity of the DENR for effective community organization and mobilization; and
- 2.3 To attain a responsible people empowerment for effective national development.

**Section 3. Transfer of Offices.** For better planning, implementation, coordination, monitoring and evaluation, and program management in general, existing CFP Offices from Central down to CENR Offices, are hereby integrated to corresponding regular existing structures. Project Management Officers (PMOs) of the CENROs, CFP implementation shall be closely supported. The PMOs under DENR Special Order No.

634, series of 1993 shall work full-time in the CFP sites. Concerned PENROs and CENROs shall ensure the provision of necessary assistance particularly on the preparation and execution of the CFP plans.

**Section 6. Monitoring and Process Documentation** - All CFP Projects shall be closely monitored by Social Forestry Desk Officers (SCFDOs), SFMS and PMOs of the CENROs to document positive/negative experiences and the dynamics of project implementation. The results of these monitoring/ documentation exercises shall be discussed by the RUDC and consolidated into quarterly reports submitted to the Undersecretary for Natural Resources Management through the Forest Management Bureau. The Regional Distillation Group (RDG) created under DENR Special Order No. 1161, series of 1992 is hereby abolished. Its members and functions, however, shall be absorbed/included in the RUDC.

The experiences gained and lessons learned in the implementation of CFP shall be collated and discussed further as part of activities of the DENR Upland Development Working Group (UDWG). The UDWG is the body/unit that monitors and process document the activities and operations of all people-oriented forestry programs and projects, including its policy directions and thrusts. The CFP-TWG shall be closely working with the UDWG with major concern directed towards CFP.

Likewise, the physical and financial accomplishment reports of each CFP Project shall be coordinated and collated by the Regional CFP Coordinating Office, and the same shall be submitted quarterly to the Undersecretary for Natural Resources Management through the National CFP Coordinating Office (FMB).

**Section 7. CFP Budget** The Regional Executive Directors (REDs) are authorized to use existing funds for ISF for CY 1993 to support CFP implementation. The foreign-assisted projects like the Second Forestry Project (ADB) and NRMP (USAID) shall continue to provide financial and technical assistance to CFP. All other related foreign-assisted community forestry projects may likewise provide funding support to CFP. In subsequent years, the REDs and the Director of FMB should include in their yearly budget programming of ISF the financial requirement of CFP maintenance and implementation. Henceforth, allocation of CFP funds shall be released through the Social Forestry Division until such time that the CFD is created in each region.

**Section 8. Authority of the FMB Director** - The FMB Director, as the National CFP Program Director is hereby authorized to cause the necessary arrangements as well as recommend guidelines and issuances for the smooth implementation of this Order. In this connection, he shall submit periodic progress reports to the Secretary through the Undersecretary for Natural Resources Management.



**Section 9. Repealing Clause** - All Orders, memoranda, issuances inconsistent herewith are hereby repealed or amended accordingly.

**Section 10. Effectivity** - This Order shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommending Approval:**

**RICARDO M. UMALI**  
Undersecretary for Natural  
Resources Management

**BEN S. MALAYANG III**  
Undersecretary for Field Operations

**Administrative Order**  
**No. 66**  
**November 26, 1993**

**SUBJECT : Addendum to the Prescribed Revised Schedule of Forestry Administrative Fees Under DAO No. 18, Dated April 20, 1993**

In the interest of the service, and in order to prevent misinterpretation in the computation and collection of performance bonds and annual rentals for special land uses, DENR Administrative Order NO. 18, dated April 20, 1993, prescribing the Revised Schedule of Forestry Administrative Fees is hereby amended to include/read as follows:

"C. PERFORMANCE BONDS (CASH)" should include the following:

8. The performance for all Special Land Use permits and leases shall be twice (2x) the annual rental, except for Mining Waste Disposal Site Permit which is now fixed at P100,000.00.

"E. RENTAL

1. Annual rental for special forest land uses except grazing lands  
1 ha. or less-P70.00/ha.  
over 1 ha.-5 has. P150.00/ha.  
over 5 has.- P250.00/ha."

The rentals herein fixed are subject to change, based on the appraisal or reappraisal of the land under lease or permit and its improvements. If an appraisal or reappraisal has been made, it shall not be less than three percentum (3%) of the appraisal or reappraisal value of the land and one percentum (1%) of that of improvement. Provided, that should the term of the lease be more than ten (10) years, a reappraisal may be made every five (5) years thereafter. If the computed annual rental based on the appraisal or re-appraisal is lower than the above fixed rental, the fixed rental shall prevail..

All other provisions of DAO NO. 18, Series of 1993, shall remain in full force and effect.

This Order takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Administrative Order  
No. 67  
December 15, 1993**

**SUBJECT : Amending Certain Sections of DENR  
Administrative Order No. 54, Series of  
1993.**

Pursuant to Presidential Decree No. 705, as amended by Executive Order No. 227 and Executive Order No. 192, and in order to strengthen forest law enforcement, the following sections of DENR Administrative Order No. 54, series of 1993, promulgating "Guidelines in the confiscation, forfeiture and disposition of conveyances used in the commission of offenses penalized under Sec. 68, PD 705, as amended by E.O. No. 227, series of 1987, and other forestry laws, rules and regulations" the following changes/amendments are hereby made.

1. Section 3 shall read:

"Section 3. Requirement to Transport Forest Products. - Before any forest product shall be transported, the shipper and conveyance owner or their duly authorized representatives, except where said shipper and conveyance owner are one and the same person, shall enter into a transport agreement and shall submit the same to the Community Environment and Natural Resources Officer (CENRO) as a prerequisite to the issuance of a transport document. The transport agreement shall contain the undertaking that the conveyance owner shall also be held liable in case of illegally transported forest products.

2. Section 10 shall read:

"Section 10 Release of Conveyance. - Pursuant to Section 6 hereof, the proceedings under these regulations are directed against the conveyance itself. The fact that the owner of said conveyance has no knowledge that the conveyance was used in the transport or movement of illegal forest products does not free or absolve said conveyance from the penalty of forfeiture. Accordingly, no conveyance shall be released on the basis of the owner's lack of knowledge of/or consent to the use of said conveyance. A conveyance seized under these regulations may be released on orders of the RED concerned but only on either or both of the following grounds, to wit:

a. that the forest products confiscated are in fact or were found to be not illegal or are covered with legal documents; or

- b. that the conveyance was not used in the commission of any of the offenses penalized under Section 68 of P.D. 705, as amended.

The release order to be issued by the RED concerned, together with all pertinent documents, shall be immediately furnished the Secretary for his review. The Secretary shall acknowledge receipt of the order through the fastest available means.

Within fifteen (15) days from his receipt of the Order, the Secretary or his authorized representative may either reverse or confirm the Order. In the meanwhile, the confiscated conveyance shall not be released yet. Notice of the Secretary's action shall be sent to the RED concerned immediately through the fastest available means.

After the lapse of fifteen (15) days from receipt of the Order and the Secretary has not acted either to reverse or confirm the same, the Order shall become final and executory which the RED could immediately implement.

3. A new section shall be added to be numbered as Section 13 which would read:

"Section 13. Quarterly Report. - All REDs shall submit a quarterly report of forfeited and released conveyances under this Administrative Order to the Secretary, including a report on the forest products confiscated in connection therewith. The Under-secretary for Field Operations, the Undersecretary for Natural Resources Management, the Assistant Secretary for Legal Affairs and the Director, Forest Management Bureau shall also be furnished with copies of the reports.

4. Sections 13 and 14 of DENR Administrative Order No. 54, series of 1993 shall be re-numbered as Section 14 and Section 15, respectively.

All orders, circulars and issuances which are inconsistent herewith are hereby repealed.

This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

ANGEL C. ALCALA  
Secretary

**Administrative Order  
No. 68  
December 16, 1993**

**SUBJECT : Amendment of DAO No. 60, Series of 1993, Otherwise Known as the Revised Regulations and Guidelines Governing the Establishment and Management of Industrial Forest Plantations (IFPs) and Management of Residual Natural Forests for Production Purposes.**

In order to encourage more investors in the IFP program of the government and to accelerate the establishment of industrial forest plantations along with improved management of residual natural forests for industrial purposes, DAO 60, Series of 1993 is hereby amended as follows:

**Section 1.** The incentives package as provided in Section 27 thereof is expanded to include the following:

- 27.7 The guarantee bond as basis in the award of IFMA will be administratively waived.
- 27.8 IFMA holders who have satisfactorily complied with the terms and conditions of their IFMAs in regard to plantation establishment and protection and sustainable management of the residual forests, may be allowed to apply for additional area to include not only open and denuded areas but also residual forests in other sites not necessarily adjoining or adjacent to their existing IFMA areas.
- 27.9 Private land owners who are not necessarily granted IFMAs shall be entitled to all relevant incentives as provided in Section 27.6 of DAO 60, Series of 1993 and other applicable incentives that may be granted to IFMA holders in the future.
- 27.10 The IFMAs shall be considered as priority program in the Debt for Nature Swap.
- 27.11 IFMA holders may turn-over their fully developed plantations that are at least three (3) years old to cooperatives and thereafter be entitled to refinancing.

- 27.12 IFMA holders shall be entitled to receive compensation for the fair market value of improvements, including plantation forest crops, in case of expiration or termination/reduction of area when public interest demands or in case of force majeure.
- 27.13 In coordination with government development banks and financial institutions, IFMA holders may be allowed to use stable plantation (at least 3 years old) as collateral for soft loans.

**Section 2.** Complementary to the implementation of the preceding section, the following sections and sub-sections of DAO 60 are hereby revised to read as follows:

- 13.2 The management responsibility over an area that contains residual production forest (TYPE II IFMA) shall be assigned through public bidding among qualified applicants based on the bid offer that is most advantageous to the government in terms of shares from production generated from the naturally growing wood and non-wood products, but not lower than the forest charges as provided in RA 7161.
- 13.3 TLA holders in good standing may apply to convert their TLA to IFMA by filing their application with the DENR subject to existing regulations on the matter and to the negotiation of the government shares in terms of forest charges as provided in RA 7161.
- 14 As guarantee for the satisfactory compliance with the terms and conditions of the Agreement as well as the applicable provisions of DAO 60, Series of 1993, IFMA holders shall maintain a performance bond of P20.00/ha or fraction thereof which shall be paid fully in cash or fifty (50%) percent in cash and the remaining fifty (50%) percent in callable surety bond; in the standard form as shown in Annex "C" of DAO 60, Series of 1993, PROVIDED the bond shall be refundable upon expiration of the IFMA, PROVIDED FURTHER, that any interest generated from the cash bond; shall be used by DENR as seed money in undertaking activities provided for in Section 9 of DAO 60 subject to the following conditions:
- 14.1 The company qualified to providing a surety bond shall come from a list of insurance companies certified to as member of good standing by the Insurance Commissioner..

- 14.2 All surety bonds shall be renewed not later than sixty (60) days prior to their expiration date.
- 15.4 The minimum value (Floor Price) of the production share of the government in terms of forest charges for the existing wood and non-wood forest products shall be as indicated in sub-section 13.2 of this Order.
- 17.5.2 There shall be at least two (2) competing bidders at the time of the opening of bids. In the event that there is only one bidder, the bid shall be returned unopened and the area advertised anew for rebidding; PROVIDED, that if after issuance of two (2) notices of invitations, there is only one qualified bidder, an IFMA may be entered into with that bidder after negotiation of the value of the Share of production which should not be lower than the Floor Price as specified in the Notice of Invitation of Bid.
- 17.6 Basis of Award. The IFMA covering the area subject to bidding shall be awarded to the bidder who, having complied with all the necessary requirements, offer to give the highest share of production that may be generated from the naturally growing wood and non-wood products and/or from the plantation; PROVIDED FURTHER, that if there are two or more equal highest bids, the award shall be resolved in favor of a corporation or partnership with the greatest percentage of ownership by Filipino citizens; PROVIDED FINALLY, that if the equal highest bids are still at par in terms of ownership by Filipino citizens, the bidder with the biggest paid-up capital shall be declared the winning bid.
- 21.1 All IFMA Holders shall post and maintain for the duration of their IFMAs, performance bonds covering the entire area as provided in Section 2 hereof which is the revised Section 14 of DAO 60.
- 21.4 If authorized in the approved Comprehensive Development and Management Plan, and/or the Integrated Annual Operations Plan, holders of TLAs whose areas have been converted into IFMAs in consonance with these regulations shall be allowed to continue their timber harvesting operations up to the expiry date of their TLA only, subject to the rules and regulations governing the matter; PROVIDED FURTHER: that other IFMA HOLDERS whose areas contain harvestable timber inside the residual forest portion covered thereby, may be allowed to cut, gather and utilize said timber resources only after all the open, brushland and degraded areas covered by the IFMA shall have been fully planted and/or covered with established plantations duly certified by the RED concerned.

**Section 3. Effectivity.** This Order amends the pertinent provisions of DENR Administrative Order No. 60 as above-cited, and shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

**ANGEL C. ALCALA**  
**Secretary**