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PHILIPPINES

Country Report on Forest Product Legality Requirements and Risks

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Contents

1. Overview of the Philippines forestry sector	4
1.1 Forest resources of the country	4
1.2 Forestry and wood processing sector (e.g. log, sawn timber, plywood, wood chips, pulp and paper, furniture, etc.).....	9
1.2.1. Log production	9
1.3. Trade of wood products (export and import): countries, product types, species, volume and values of trade.....	11
2. Overview of the relevant government organisations	17
2.1 Legal authorities.....	17
3. Legislation on harvesting of forest resources.....	20
3.1. Laws and regulation on harvesting of forest resources	20
3.2. Legal rights over forests	23
3.3. Timber source types, management and harvesting planning and permits	28
3.4. Protected species	31
3.5. Employment and safety in forest management and harvesting operation	33
4. Legislations on transportation and processing of wood and wood products	34
4.1 Laws and regulation on transportation and processing of wood and wood products	34
4.2. Transportation of logs	35
4.3. Processing wood and wood products	37
4.4. Transportation of wood and wood products	39
5. Legislation on trading woods and wood products	40
5.1. Laws and regulation on trading woods and wood products.....	40
5.2. Legally required documents or records	44
6. Others	45
6.1. International framework / trade agreement relevant to combatting illegal harvesting and associated trade	45
6.2. Voluntary schemes on legality / sustainability of wood and wood products	46
6.3. Other Observations and Comments.....	47
7. Interviews/Field Survey (Logistic Records).....	48
7.1. Interviews.....	48
7.2. Field Survey	50
8. References	50

1. Overview of the Philippines forestry sector

1.1 Forest resources of the country

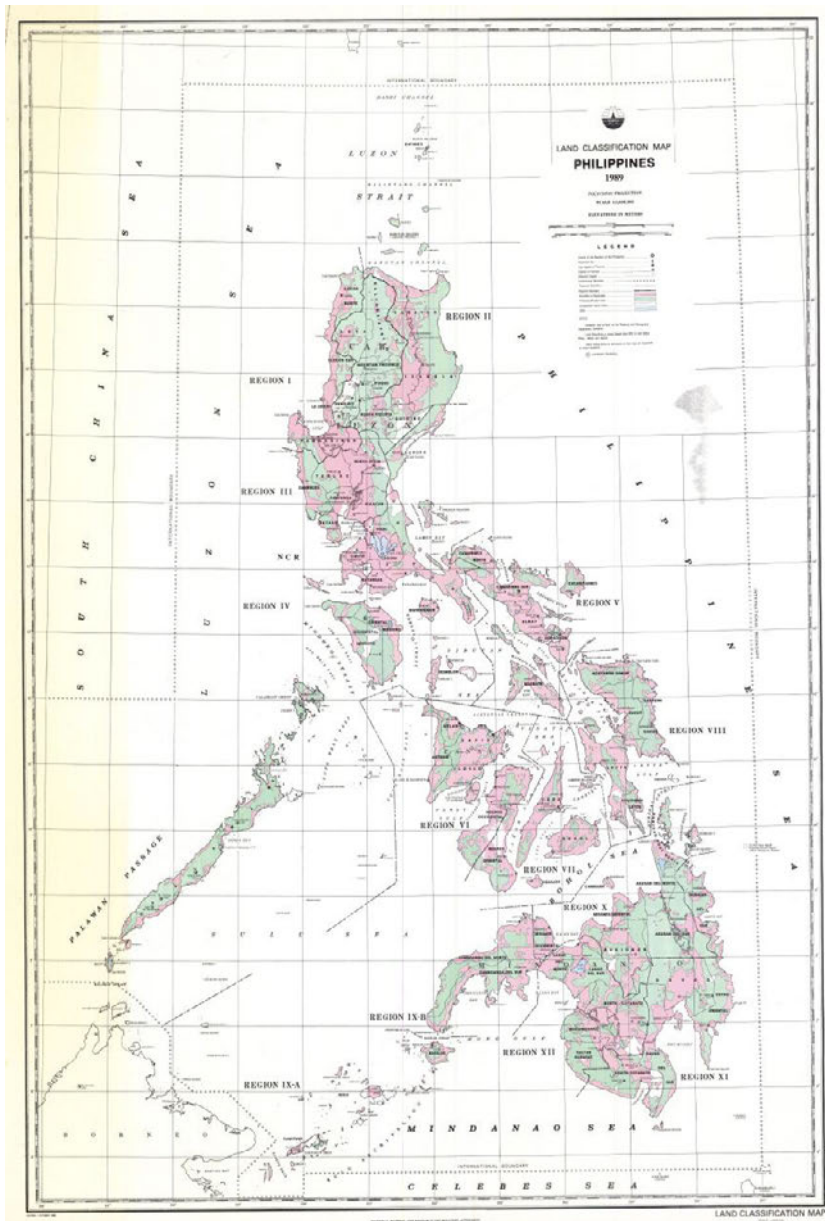
1.1.1. Landuse types

Officially, just over 15 million hectares of land are classified as “forestland” in the Philippines, with an additional 755,009 hectares of “unclassified forestland.” Combined, these comprise more than 52% of the country’s total land area, while just over 14 million hectares (47% of the country’s land area) have been classified as “alienable and disposable” (lands determined not to be required as forestland and subsequently available for private ownership). Of the country’s classified forestlands, slightly more than 10 million hectares are established “timberlands” and 4.9 million hectares are classified as various reserve forests (e.g., national parks, watershed reserves, military, and civil reservations). The country has 1.34 million hectares of national parks, wildlife areas, and game refuge and bird sanctuaries and 3.27 million hectares of watershed forest reserves (managed primarily for watershed protection).

Table 1. Area of landuse types

Landuse type	Area (ha)
Forestland	15.8 million
Timberlands	10 million
Reserve land	4.9 million
National parks, wildlife areas, and game refuge and bird sanctuaries	1.34 million
Watershed forest reserves	3.27 million
Unclassified forestland	755,009
Alienable and disposable	14 million
Total Area	29.9 million

Figure 1. Land classification Map of Philippines (National Mapping and Resource Information Authority 1989). Red: Forestland, Green: Alienable and disposable



1.1.2. Vegetation types

It is important to note that, however, that although more than 15 million hectares of land are classified as “forestland” in the Philippines, actual forest cover currently extends to just 8,040,000 hectares (27% of total land area) (FAO, 2015). This reflects a loss of approximately half of the forest cover existing in the country in the 1930s (Fig. 3).

Approximately 10% of the country’s forests, or 861,000 hectares, are considered to be primary forest (also referred to as “old growth” forests in the Philippines), while nearly three-fourths (5,934,000 hectares) are “other naturally regenerated” forests. In 2015, the Philippines had an estimated 1,245,000 hectares of planted forests, or about 15.5% of the total forested area, although most of these plantations are very recently established.

According to FAO (2015), on the other hand, two-thirds of the country's forests (8,040,000ha) as of 2015 are classified as "closed forest" (i.e., greater than 40% crown cover), with 28% as "open forests" (i.e., 10-40% crown cover), and another 4.5% is mangrove forests.

While (unplanned) conversion of natural forests to other land uses (primarily agriculture) has continued at a modest pace in the country, net forest area has slightly increased in recent years, as a result of ambitious planting of trees under the National Greening Program (NGP) during 2011-2016. The National Greening Program was established under E.O. 26 in 2011, with objective of planting 1.5 billion seedlings, reforesting 1.5 million hectares of land by 2016. The NGP drew together government agencies, private sector, NGOs and community People's Organizations to reforest. Official DENR reports claim 1.7 million hectares of land were planted with 1.3 billion seedlings during the six years of the program (some people have questioned the survival rates under the program, however). In 2015, the government extended the NGP, under E.O. 193, to the year 2028, with the aim of covering the remaining 7.1 million hectares of unproductive, denuded and degraded forestlands nationwide, with program entitled, "Expanding the National Greening Program" (ENGP). Under the current phase, 1.2 million hectares are targeted for reforestation between 2017 and 2022¹. Under the NGP and ENGP, organizations and companies can make contributions to the program voluntarily, with own resources. Most of the planting to date, however, has been conducted with government funds, contracting People's Organizations and NGOs to carry out the reforestation.

Figure 2. Vegetation in Philippines in 2015 (Miettinen et al. 2016)

¹ See: <https://www.denr.gov.ph/priority-programs/national-greening-program.html>

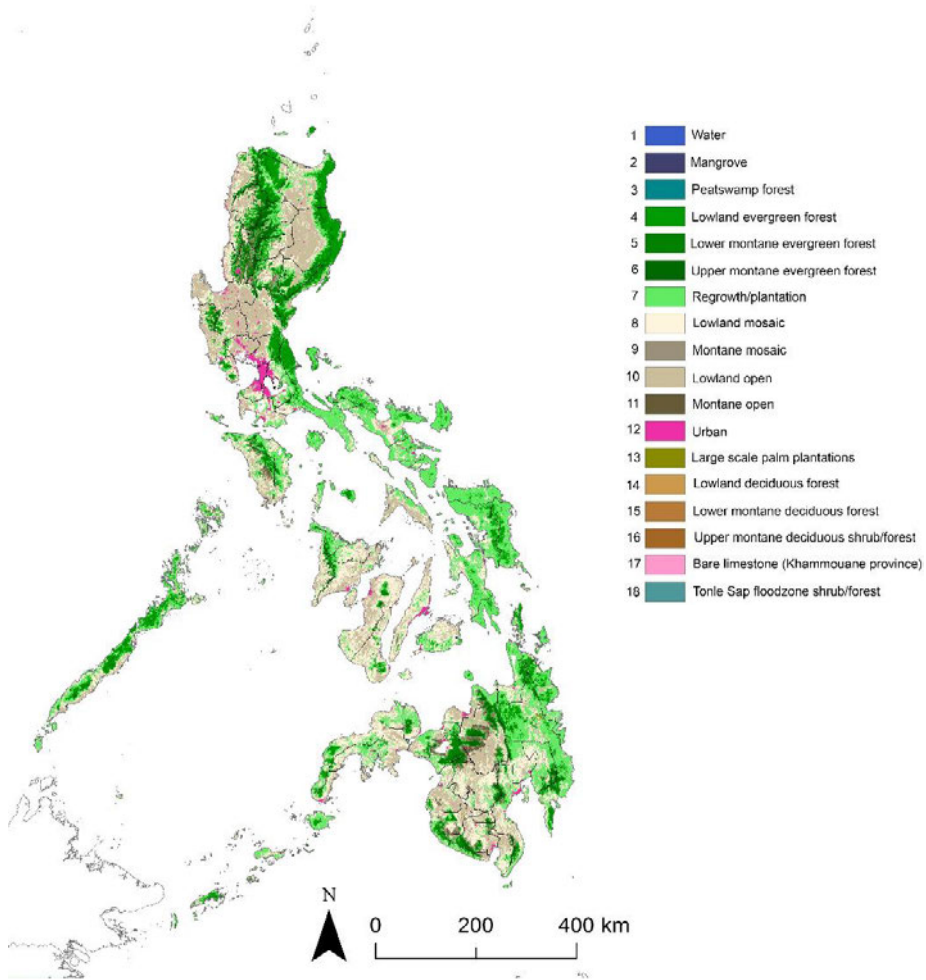
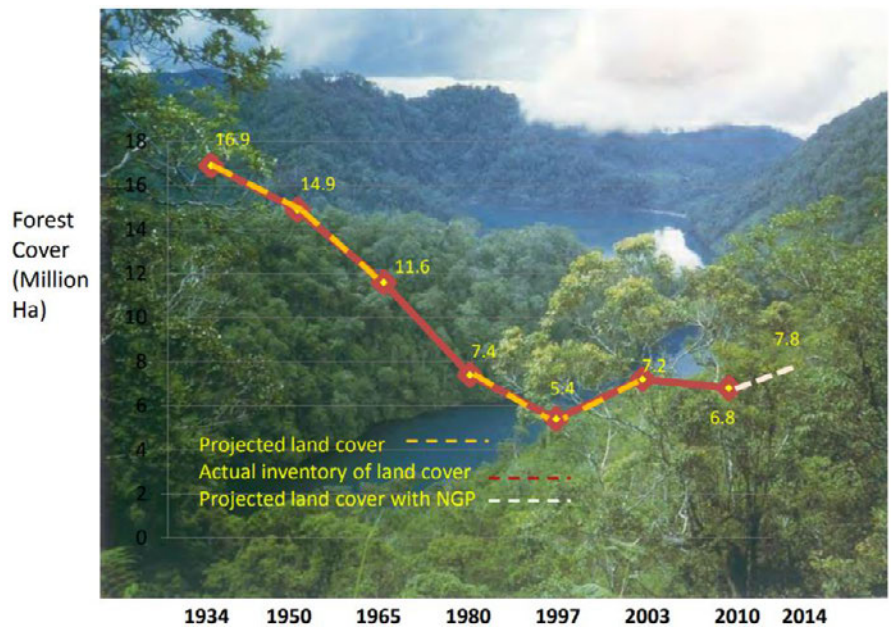


Table 2. Area of forest cover

Landuse type	Area (ha)
Forest cover	8,040,000
Primary forests / old growth forests	861,000
"Other naturally regenerated" forests	5,934,000
Planted forest	1,245,000
Non-forest area	?
Total Area	29.9 million

Figure 3. Historical trend of forest cover in the Philippines



Source: DENR, 2016a

The predominant natural forest type is mixed dipterocarp forests, comprising nearly two-thirds of the total. These forests are dominated by species of the Dipterocarpaceae family, with species of the *Shorea*, *Parashorea*, *Dipterocarpus*, and *Hopea* genera being dominant and traditionally the most important for timber production (prior to the moratorium on logging of natural forests). The country has less than 250,000 hectares of pine forests (*Pinus kesiya* and *Pinus merkusii*) at higher elevations, and approximately 1 million hectares of “mossy forests” (comprised mostly of short trees and shrubs, and sometimes called “montane forests” or “cloud forests”) situated at the highest mountain elevations (typically above 1,700 meters).

The Philippines was a major timber producer and exporter in the 1960s and 1970s, with production of industrial roundwood exceeding 10 million cubic meters in several years (Dauvergne 1997). Overharvesting, conversion of forests to other land uses, and degradation of forests from shifting cultivation and timber poaching caused production to decline dramatically from the 1980s onward. Concern over the continuing loss of the country’s forests led to the issuance of Executive Order No. 23, in 2011, imposing a moratorium on logging in all natural forests, which continues to the present time.

Pursuant to E.O. 23, legal timber harvesting in the Philippines is restricted to planted forests only, with rare exceptions made for clearing of natural forests for authorized infrastructure, energy and mining projects, comprising only 1% of total timber harvests (less than 10,000 cubic meters). The main plantation species include (in order of volume harvested): *Albizia falcataria* (also known scientifically as *Paraserianthes falcataria* or *Falcataria moluccana*, with common name in the Philippines usually referred to simply as “falcataria”), *Acacia mangium*, *Gmelina arborea*, and *Swietenia macrophylla*. Small volumes of *Hevea brasiliensis*, *Endospermum peltatum*, *Eucalyptus deglupta*, *Leucaena leucocephala*, and *Samanea saman* are also harvested from planted sources.

1.2 Forestry and wood processing sector (e.g. log, sawn timber, plywood, wood chips, pulp and paper, furniture, etc.)

1.2.1. Log production

The Philippines produced between 800,000 and 1.2 million cubic meters of industrial roundwood each year in recent years (Table 3).²

Table 3. Industrial roundwood production consumed by local production (thousand cubic meters)

Year	Sawlog/veneer logs	Pulpwood	Poles and piles	Total
2016	440	347	3	790
2015	443	395	4	842
2014	631	465	6	1,102
2013	641	518	7	1,166
2012	742	116	4	862
2007	648	227	6	881
2002	288	106	9	403
1997	241	312	3	556

Source: DENR/FMB, Philippine Forestry Statistics, 2016

In 2017, the 733,474 cubic meters of logs were harvested in Philippines in total (Table 4). Since the issuance of E.O. 23, virtually all legal timber harvests in the Philippines are from planted forests and in recent years nearly all legally harvested wood is derived from private lands. Of the total legal domestic harvest in 2016, 84% in 2016, increasing to 93% (726,872) in 2017, were sourced from tree plantations grown on private lands with CTPO, Special Cutting Permit and Certificates of Verification (CVs), with 28,284 cubic meters coming from areas leased under Integrated Forest Management Agreements (IFMA), and 258 cubic meters coming from Community-Based Forest Management Agreements (CBFMA) and Integrated Social Forestry in forestlands. Less than 3,000 cubic meters was from natural forests in public timberlands or private lands under “Special Cutting Agreements” (covering approved infrastructure and construction projects, such as transmission lines, roads, mining operations, etc. requiring cutting of trees in natural forests) and exceptional approvals for cutting naturally growing trees in degraded forests being prepared for replanting; all others were harvested from plantation forests.

Among the 15 regions in Philippines, log production is active in Mindanao Islands (Regions 9-13), where 86% of planted tree logs and 77% of natural tree logs were produced in 2017. Region 13 (Caraga Region), northeast of Mindanao, particularly produced 67% of planted tree logs and 77% of natural tree logs.

² This does not include the very large volume of “coco lumber” produced from coconut palms, which is not regulated by DENR, and which supplies a large portion of domestic timber needs. Estimates of the volume of coco lumber produced each year vary, but actual volumes are likely to be several million cubic meters.

Table 4. Log production by the timber license/permit: 2017 (in cubic meter)

Region	Total			CTPO / PTPOC	Special Permit	Cutting	CBFM/ ISF	PLTP		CV		IFMA		Others	
	Total	Naturally Grown	Planted	Planted	Naturally Grown	Planted	Planted	Naturally Grown	Planted	Naturally Grown	Planted	Naturally Grown	Planted	Naturally Grown	Planted
PHILIPPINES	733.474	2.912	730.563	541.257	a	2.543	258	4	770	36	147.072	2.252	26.032	619	12.632
CAR	1.439	552	887	34	-	2	-	-	35	18	259	-	-	535	556
Region 1	4.106	-	4.106	-	-	57	-	-	-	-	4.049	-	-	-	-
Region 2	333	-	333	-	-	-	-	-	-	-	-	-	-	-	333
Region 3	1.669	-	1.669	-	-	738	-	-	-	-	277	-	-	-	654
Region 4A	8.091	-	8.091	4.460	-	-	-	-	-	-	3.632	-	-	-	-
MIMAROPA	8.016	58	7.958	3.907	-	35	-	3	735	10	1.175	-	-	45	2.106
Region 5	716	12	703	78	-	339	-	1	-	-	108	-	-	11	178
Region 6	14.370	-	14.370	-	-	-	-	-	-	-	14.282	-	-	-	88
Region 7	28.609	-	28.609	27.312	-	-	-	-	-	-	654	-	-	-	643
Region 8	33.595	38	33.557	-	a	1.372	-	-	-	8	27.998	-	-	29	4.188
Region 9	33.280	-	33.280	-	-	-	258	-	-	-	14.612	-	18.078	-	332
Region 10	55.961	-	55.961	945	-	-	-	-	-	-	53.712	-	-	-	1.305
Region 11	24.272	-	24.272	23.640	-	-	-	-	-	-	598	-	-	-	35
Region 12	26.492	-	26.492	58	-	-	-	-	-	-	25.699	-	-	-	735
Region 13	492.525	2.252	490.274	480.824	-	-	-	-	-	-	17	2.252	7.954	-	1.479

CTPO: Certificate of Tree Plantation Ownership. PTPOC (Private Tree Plantation Ownership Certificate) is the previous name

CBFM: Community-Based Forest Management

ISF: Integrated Social Forestry

PLTP: Private Land Timber Permit

CV: Self-Monitoring Form/Certificate of Verification

IFMA: Integrated Forest Management Agreement

Others: Other Timber License/ Permit: Tree Cutting Permit, Muyong Resource Permit, Certificate of Timber Origin/ Certificate of Lumber Origin, and Special Private Land Timber Permit

a - less than one cubic meter

Source: DENR/FMB, Philippine Forestry Statistics, 2017

Among the 733,474 cubic meters of logs harvested in 2017, 99.6% (780,563 cubic meter) was planted trees. The main plantation species harvested included: *Albizia falcataria* (498,251 cubic meters), *Swietenia macropylla* (68,550 cubic meters), *Gmelina arborea* (56,556 cubic meters) and *Acacia mangium* (53,449 cubic meters).

1.2.2. Wood Products

As of 2016, there were 171 licensed primary wood processing plants in the Philippines, including sawmills (11), mini-sawmills (115), veneer (44) and plywood mills (20), and integrated wood processing facilities (21) (DENR, 2016). The vast majority of plants were located on the southern island of Mindanao. The combined permitted annual log requirement for all mills in the country stood at 1.8 million cubic meters (DENR, 2016), although actual processing levels were substantially less, due to some mills not operating or operating at reduced capacity.

In 2014 (latest year of available data), there were 1,923 forest-based industries in total registered with DENR, including manufacturers of secondary wood products, furniture manufacturers, and paper and paper products factories. Official employment across these manufacturing establishments totalled 73,819 (DENR 2016). Furniture factories are no longer required to obtain Wood Processing Plant Permits from DENR, so these figures do not capture all forest-based industries. It is recognized that there are a very large number of small enterprises engaged informally in the sector, especially in the furniture industry. According to the Chamber of Furniture Industries of the Philippines, the number of small-scale and cottage industries, including sub-contractors, numbers more than 5,000 as of 2018 (Salvio Valenzuela, personal communication 2018), while other less-accurate estimates range as high as 15,000 but at earlier time. Most of these small enterprises are supplying furniture, cabinets and other products to local domestic consumers, with only a small subset engaged in exporting finished products (Salvio Valenzuela, personal communication 2018).

Utilizing domestic log supply, augmented with imported logs and primary wood products (see below in section 1.3 for imports of raw materials), Philippine manufacturers produced the following volumes of processed wood products in recent years (Table 5).

Table 5. Production of processed wood products (thousand cubic meters)

Year	Sawnwood	Veneer	Plywood	Fiberboard	Blockboard
2016	425	59	152	6	59
2015	322	59	146	54	87
2014	496	40	164	22	49
2013	450	60	199	13	58
2012	218	129	297	5	22
2007	362	124	281	6	56
2002	163	172	360	4	45
1997	351	62	484	NA	27

Source: DENR/FMB, Philippine Forestry Statistics, 2016

1.3. Trade of wood products (export and import): countries, product types, species, volume and values of trade

1.3.1. Import

The Philippines imports significant volumes of logs and primary processed forest products (Table 6). In roundwood equivalents, the volume of wood imports exceeds the volume of domestic legally harvested timber. Imported wood is consumed directly in the country or used in the further manufacturing of higher value wood products.

Table 6. Imports of logs and primary processed wood products 1997-2017
(volume in thousand cubic meters; value in thousand US\$ CIF)

Year	Log 1/		Lumber		Plywood 2/		Veneer 3/	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
2017	66.497	10,287,099	254.200	57,908,305	596.543	223,118,928	60.309	20,056,486
2016	113.496	25,588,806	326.799	119,764,380	517.702	209,058,417	25.252	11,738,617
2015	98.143	15,328,658	1,144,691	80,883,393	292.127	149,922,423	23.732	9,201,666
2014	50.685	8,338,568	207.362	108,932,244	411.269	167,080,385	14.826	9,517,850
2013	118.988	20,772,261	240.197	123,074,085	195.037	107,813,877	30.642	12,628,214
2012	107.334	23,671,598	218.607	98,925,060	95.183	72,146,314	59.507	22,048,772
2011	87.240	18,318,556	159.974	77,311,893	94.231	76,711,777	38.011	12,672,509
2010	27.737	6,600,612	136.574	55,196,603	61.163	39,558,652	25.683	6,821,327
2009	35.349	6,972,798	128.754	47,702,732	3.886	1,485,791	22.875	5,486,361
2008	72.918	16,728,539	134.846	52,019,144	1.523	526.994	27.262	9,265,276
2007	88.735	22,490,333	174.456	90,702,741	4.348	2,355,433	18.101	4,719,608
2006	65.185	19,742,069	261.193	95,719,492	6.207	4,067,817	26.602	7,335,531
2005	164.959	23,867,765	362.509	117,742,543	3.959	1,473,557	64.426	16,712,755
2004	177.107	17,877,077	246.685	88,400,636	1.963	1,086,528	51.232	12,293,977
2003	355.787	33,107,917	338.064	105,403,457	5.091	2,120,825	91.143	22,354,132
2002	434.175	40,613,551	401.086	103,885,902	650	198.625	74.505	17,915,349
2001	551.327	44,707,227	370.809	86,270,886	402	201.067	105.427	26,370,676
2000	584.759	54,340,693	358.514	79,810,286	1.015	638.864	119.337	31,521,947
1999	583.643	69,450,136	381.235	116,771,575	1.019	551.638	138.248	40,248,741
1998	434.903	54,874,834	296.147	71,187,685	2.034	651.322	63.317	16,586,240
1997	768.474	117,821,197	411.657	112,638,911	1.032	478.277	86.420	27,569,438

1/ - Not included: Treated with paint, stains, creosote or other preservatives (from CY 2007 onwards)

2/ - Plywood consisting solely of sheets of wood from CY 1996-2009

3/ - Veneer sheets and corestock for the manufacture of plywood from CY 1996-2007

Source: DENR/FMB, Philippine Forestry Statistics, 2017

Imports of raw logs came primarily from Canada, with lesser volumes imported from Malaysia – mainly from Sabah, and Papua New Guinea (FAO, 2018). Philippines imported huge volume of round log during 1990s and early 2000s, after President Corazon Aquino cancelled most of the logging license and banned all logging operations in the remaining primary forests and forests in steep areas and at high elevations in the country.

Imports of sawnwood came mainly from Malaysia (34%) –mostly from Sarawak, with other smaller volumes from several other countries.

Major suppliers of imported plywood in 2016 were China (72%), Malaysia (14%) – especially from Sabah and Japan (10%). The import volume has increased drastically since 2012.

Table 7. Leading source countries of primary forest product imports into the Philippines, 2017

(volumes in cubic meters; values in US\$ FOB)

Source countries	Volume	Value
Logs		
Malaysia	42,581	5,181,084
Solomon Islands	27,000	7,082,958
Papua New Guinea	5,716	600,740
South Africa	2,864	226,952
USA	1,507	316,914
Others	26,299	520,624
Total	81,667	13,929,172
Sawnwood (lumber)		
Malaysia	175,594	26,545,964
Canada	28,164	11,930,138
Gabon	10,812	2,468,892
USA	10,236	4,011,727
Papua New Guinea	6,738	1,147,327
Others	22,656	7,040,772
Total	254,200	53,144,820
Plywood		
China	516,723	138,388,240
Japan	46,569	41,758,722
Malaysia	13,205	16,350,356
Vietnam	10,274	3,904,562
Indonesia	6,725	7,581,734
Others	3,497	2,362,505
Total	596,543	210,346,119
Veneer		
China	30,096	10,568,901
Malaysia	11,796	2,305,042
New Zealand	7,597	2,834,892
Vietnam	1,866	514,112
Solomon Islands	1,391	317,825
Others	7,563	2,432,266
Total	60,309	18,973,038

Source: Philippine Statistics Authority

Table 8. Forest-based product export from Malaysia to Philippines in 2016

(volume in thousand cubic meters)

	Logs	Sawnwood	Plywood	Veneer
Peninsular Malaysia	0	42.34	10.10	0.3
Sabah	44.67	19.42	29.04	2.65
Sarawak	0	169.77	17.57	0.62

Total	44.67	231.53	47.45	3.31
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Source: Malaysian Timber Industry Board³

Across all wood-product lines (including logs, primary wood products and secondary wood products), the Philippines imported more than US\$2.0 billion worth of products in 2017 (Table 7). More than half of the total (US\$1.2 billion value) was paper and articles of paper and paperboard, with China (26%), Indonesia (13%) and the United States (10%) being the leading suppliers (FAO, 2018).⁴

Table 9. Forest-based product imports into Philippines, 2017 (value in thousand US\$ FOB)

Forest-Based Products	Unit	Quantity	Value
Paper and Articles of Paper and Paperboard	<i>net kilogram</i>	1,366,593,259	1,223,019
Wood-Based Manufactured Articles	<i>gross kilogram</i>	299,489,668	226,234
Plywood and Plywood Veneered Panels	<i>cubic meter</i>	596,543	210,346
Forest-Based Furniture	<i>gross kilogram</i>	147,881,423	137,481
Pulp and Waste Paper	<i>net kilogram</i>	230,220,747	87,036
Lumber	<i>cubic meter</i>	254,200	53,145
Fiberboard	<i>net kilogram</i>	64,290,646	35,336
Particleboard	<i>gross kilogram</i>	59,723,543	26,482
Veneer and Other Wood Worked	<i>cubic meter</i>	60,309	18,793
Roundwood	-	<i>m</i>	13,755
Wood Continuously Shaped	<i>gross kilogram</i>	5,194,610	7,784
Densified Wood and Reconstituted Wood	<i>cubic meter</i>	6,088,628	2,046
Wood Residues	<i>net kilogram</i>	23,816,819	1,183
Non-Timber Forest Products	<i>net kilogram</i>	829,544	891
Wood Chips and Particles	<i>gross kilogram</i>	17,662,103	651
Wood Wool, Wood Flour	<i>net kilogram</i>	2,029,571	308
Selected Non-Timber Manufactured Articles	-	<i>m</i>	191
Wood Charcoal	<i>net kilogram</i>	120,066	64
Wood Simply Shaped	<i>gross kilogram</i>	53,800	20
Total Forest-based Products Imports			2,044,764
Total Philippine Imports			92,660,272
Forest Products Imports as % of the Total Imports (in terms of value)			2.21

a - less than one thousand US \$

m - indicates miscellaneous unit of measurements

Source: Philippine Statistics Authority (PSA)

1.3.2. Exports

Processing domestic and imported raw materials, the Philippines produces value-added products for domestic consumption and for export. Most wood-product exports from the Philippines are secondary and tertiary value-added products. Total forest-based product exports reached nearly US\$1.7 billion in 2017 (Table 10). The vast majority of these exports (US\$1.2 billion value) were of “wood-based manufactured articles” (e.g., doors, windows,

³ <http://www.mtc.com.my/resources-TradeInfo-2016.php>

⁴ The Philippines has only limited paper-making capacity, all based only on use of recycled paper and imported pulp.

joinery, mouldings, flooring, wooden utensils, wooden toys, etc.), mostly exported to Japan. In value terms, forest-based product exports constituted more than 2.7 % of all exports from the Philippines in 2016 (DENR, 2017). The volume of exported “wood-based manufactured articles” was obviously decreased, but maybe temporarily, from 2016 (US\$2.8 billion) most likely because of fire of the largest factory in Cavite Export Processing Zone in February 2017.

After “other wood-based manufactured articles,” the other main exports from the Philippines (albeit much smaller value) include pulp and waste paper (mainly exported to the UK, Netherlands and Japan), paper and articles of paper and paperboard (exported mainly to Indonesia, USA and Malaysia) and furniture (DENR, 2017). The United States was traditionally the main market for exported Philippine furniture, but in recent years the share going to the U.S. has declined to less than 40%. As a result of Philippine exporters’ efforts to diversify their markets for furniture, the share of exports to Japan and the Middle East has increased significantly (Salvio Valenzuela, personal communication).

The Philippines also exported US\$81 million worth of wooden furniture in 2017. The country also exported 249,005 cubic meters of sawnwood (lumber) in 2017. Some 37,079 tons of charcoal was exported in 2017, valued at US\$21.7 million. Exports of wood chips/particles were very minimal (US\$343,000) in 2016 (DENR, 2017).

By far, the leading buyer of Philippine exports of wood products is Japan, which imported approximately 69% of all Philippine exports in 2017 (Table 12). Other leading importers of Philippine wood products include the United States (particularly of furniture), United Kingdom, China and the Netherlands (DENR, 2017).

Table 10. Forest-based Products Export 2017 (Value in thousand US \$, FOB)

Forest-Based Products	Unit	Quantity	Value
Wood-Based Manufactured Articles	<i>gross kilogram</i>	727,786,369	1,219,985
Paper and Articles of Paper and Paperboard	<i>net kilogram</i>	89,898,103	114,880
Pulp and Waste Paper	<i>net kilogram</i>	142,200,282	111,518
Lumber	<i>cubic meter</i>	249,005	94,485
Forest-Based Furniture	<i>gross kilogram</i>	19,348,489	81,156
Plywood and Plywood Veneered Panels	<i>cubic meter</i>	25,830	54,466
Wood Charcoal	<i>net kilogram</i>	37,079,277	21,707
Selected Non-Timber Manufactured Articles	-	<i>m</i>	16,517
Fiberboard	<i>net kilogram</i>	2,068,460	11,753
Wood Continuously Shaped	<i>gross kilogram</i>	1,374,775	7,810
Particleboard	<i>gross kilogram</i>	535,395	3,178
Non-Timber Forest Products	<i>net kilogram</i>	761,557	1,265
Veneer and Other Wood Worked	<i>cubic meter</i>	1,086	556
Wood Chips and Particles	<i>gross kilogram</i>	4,939,493	343
Wood Residues	<i>net kilogram</i>	704,489	139
Densified Wood and Reconstituted Wood	<i>cubic meter</i>	21,915	121
Log	<i>net kilogram</i>	11	14
Wood Simply Shaped	<i>gross kilogram</i>	20	<i>a</i>
Total Forest-based Products Exports			1,739,893
Total Philippine Exports			62,874,635

Forest Products Exports as % of the Total Exports (in terms of value)**277**

a - less than one thousand US \$

m - indicates miscellaneous unit of measurements

Source: Philippine Statistics Authority (PSA)

Table 11. Exports of processed wood products: 1997-2017

Year	Lumber		Plywood 1/		Veneer 2/	
	Volume	Value	Volume	Value	Volume	Value
2017	249	94,485	26	54,466	1	556
2016	189	25,931	a	418	a	242
2015	267	37,346	a	401	1	808
2014	310	69,42	2	1,819	4	3,269
2013	240	74,132	4	3,773	3	3,078
2012	392	28,046	13	10,986	32	13,475
2011	405	24,377	40	24,336	15	1,347
2010	377	10,587	24	14,963	3	2,057
2009	293	9,629	33	21,921	4	1,301
2008	215	11,602	39	19,237	4	2,003
2007	208	14,342	37	14,81	6	3,57
2006	184	13,198	20	9,619	6	4,019
2005	130	8,487		7,734	6	3,596
2004	125	9,737	42	15,466	7	3,225
2003	119	12,12	10	3,287	4	2,382
2002	91	10,267	7	3,029	6	3,089
2001	105	15,959	a	200	3	1,547
2000	120	20,457	2	2,056	5	2,962
1999	69	8,739	a	343	5	2,89
1998	41	5,543	a	80	32	11,748
1997	141	21,852	a	17	31	14,385

a - less than one thousand cubic meter

1/ - Plywood consisting solely of sheets of wood from CY 1998 to 2005

2/ - Veneer sheets and corestock for the manufacture of plywood from CY 1998-2007

Source: Philippine Statistics Authority (PSA)

Table 12. Leading importing countries (buyers) of forest products exported from the Philippines, 2017

(values in US\$ FOB)

Importing countries	Value
<i>Japan</i>	
Other wood-based manufactured articles	1,196,117,564
Lumber	69,180,802
Plywood	53,161,727
Forest-based furniture	23,888,823
Pulp and waste paper	15,576,383
Others	49,553,613
Total	1,407,478,912

<i>United States of America</i>	
Forest-based furniture	36,078,072
Paper and paperboard	18,415,383
Selected NTFPs	13,187,620
Pulp and waste paper	10,856,931
Other wood-based manufactured articles	9,276,726
Others	746,375
Total	88,561,107
<i>China</i>	
Lumber	24,520,915
Paper and paperboard	7,245,739
Pulp and waste paper	4,680,292
Charcoal	3,950,372
Forest-based furniture	1,295,977
Others	1,080,956
Total	42,774,251
<i>United Kingdom</i>	
Pulp and waste paper	29,102,967
Forest-base furniture	1,772,213
Other wood-based manufactured articles	682,388
Paper and paperboard	623,077
Selected NTFPs	114,760
Others	9,042
Total	32,304,447
<i>Netherlands</i>	
Pulp and waste paper	20,668,077
Forest-based furniture	1,506,934
Other wood-based manufactured articles	671,188
Paper and paperboard	257,156
Selected NTFPs	123,871
Others	129,413
Total	23,356,639
Total all forest product exports	1,739,892,911

Source: Philippine Statistics Authority

2. Overview of the relevant government organisations

2.1 Legal authorities

Table 13 provides a list of the key organizations and agencies responsible for administering and regulating for forest and wood-based sector in the Philippines.

Department of Environment and Natural Resources (DENR) officials, normally Community Environment and Natural Resources Officers (CENROs), are responsible for all local level monitoring and control. There are 173 CENROs across the country, and CENROs are the first point of contact for individuals and companies wishing to secure tenure (use rights) of public forestlands. CENROs receive all applications, conduct required field inspections, and make decisions/recommendations on approvals or denial of requests. CENROs are likewise responsible for reviewing management plans (e.g., Five Year Workplans, Annual Operations Plans, Accomplishment Reports, etc.) and surveying plantations proposed for harvest, verifying inventories and volumes to be harvested, certifying plantations of private plantation owners, etc.

At the time of transport, CENROs inspect logs and sawntimber to be transport and verify volumes and specifics of the transport. CENROs also receive applications for wood processing plant permits and recommend to higher DENR officials for approval or rejection, according to level of decision required.

DENR also assigns “in-plant scalers” at all wood processing plants to monitor and verify incoming wood. CCTV cameras are required to be installed in the receiving areas of wood processing plants to record the receipt and transfer of wood. Daily/weekly/monthly/quarterly reports of wood inputs and outputs are required to be filed with DENR (different frequency for different types of plants).

Labor practices and worker health and safety issues are monitored by the Department of Labor and Employment, which is authorized to make random inspections of manufacturing plants and other places of business. DOLE is authorized to inspect records of employees, review payment and benefit practices, and investigate worker conditions. Violations of the Labor Code of the Philippines can result in fines or suspension of operations.

Table 13. Organisations/agencies responsible for harvesting, processing, distribution and trade of woods and wood products

Name of organisation	Roles and responsibilities
Department of Environment and Natural Resources (DENR)	<ul style="list-style-type: none"> ▪ Primary government agency responsible for the conservation, management, development, and proper use of the country’s environment and natural resources (including forest and grazing lands in the public domain, reservations, and watershed areas) ▪ Licenses and regulates all natural resources utilization, including harvesting, transport and wood utilization through its nationwide network of offices ▪ Maintains staff and offices at national, regional, provincial and community levels, with corresponding authorities and functions at each level
Forest Management Bureau of DENR (FMB)	<ul style="list-style-type: none"> ▪ Provides technical guidance to DENR’s central and field offices for the effective protection, development and conservation of forestlands and watersheds ▪ Recommends policies and programs for the implementation of sustainable forest management

Name of organisation	Roles and responsibilities
Biodiversity Management Bureau of DENR (BMB)	<ul style="list-style-type: none"> ▪ Recommends policies, guidelines, rules and regulations for the establishment and management of the country's Integrated Protected Areas System, including national parks and reserves ▪ Recommends policies, guidelines and regulations for conserving biodiversity ▪ Maintains lists of endangered Philippine flora and fauna and develops programs for their conservation ▪ Designated authority for CITES, including issuing CITES certificates for export of all CITES-listed species
Environmental Management Bureau of DENR (EMB)	<ul style="list-style-type: none"> ▪ Responsible for overseeing the country's Environmental Impact Assessment processes ▪ Reviews and approves/rejects requests for Environmental Clearance Certificates (ECCs), which are required for operation of wood processing plants
National Mapping and Resource Information Authority of DENR (NAMRIA)	<ul style="list-style-type: none"> ▪ Provides mapmaking services and acts as the central mapping agency, depository, and distribution facility for natural resources data in the form of maps, charts, texts, and statistics
Regional Environment and Natural Resources Offices, DENR	<ul style="list-style-type: none"> ▪ DENR maintains 16 regional offices, which play important roles in issuing approvals and certifications directly or reviewing those issued by Community Environment and Natural Resources Officers (CENROs) under Municipal Governments and Provincial Environment and Natural Resources Officers (PENROs)
Provincial Environment and Natural Resources Offices (PENROs), DENR	<ul style="list-style-type: none"> ▪ Provincial oversight of natural resources management ▪ Review and oversight of Community Environment and Natural Resources Officers (CENROs)
Community Environment and Natural Resources Officers (CENROs)	<ul style="list-style-type: none"> ▪ The CENROs are DENR staff who are assigned to work at municipal level (usually covering 4-10 municipalities each), in coordination with local governments (provinces, independent cities, cities and municipalities and barangays), but under the direct supervision of relevant PENROs. In practical terms, it is a "matrix" type of management, because the CENROs report directly to PENROs and take guidance from DENR (Head Office, Regional DENR Office and Provincial DENR office) but also coordinate with local municipal mayors. ▪ CENROs play major roles in almost every aspect of forestry in the country at field level. ▪ There are 173 CENROs across the country.

National Commission on Indigenous Peoples (NCIP)	<ul style="list-style-type: none"> ▪ Responsible for protecting the rights of the indigenous peoples of the Philippines, including support of indigenous peoples in gaining official recognition of ancestral domains in accordance with the Indigenous Peoples' Rights Act of 1997 ▪ Issues Certificates of Ancestral Domain Titles and Certificates of Ancestral Land Titles ▪ Registers claims to ancestral domains (Certificates of Ancestral Domain Claims) pending review of claims and potential issuance of titles
Department of Trade and Industry (DTI)	<ul style="list-style-type: none"> ▪ Responsible for formulating trade and industry policies ▪ Works to increase competitiveness and ease of doing business; promotes trade and investment ▪ Issues Export Declaration documents ▪ Maintains 28 Philippine Foreign Trade and Investment Centers around the world, including in Osaka and Tokyo

Bureau of Plant Industry, Department of Agriculture (BPI)	<ul style="list-style-type: none"> ▪ Issues phytosanitary certificates for export of plant products ▪ Issues sanitary and phytosanitary import clearance for importing plant materials and products
Securities and Exchange Commission (SEC)	<ul style="list-style-type: none"> ▪ Develops and regulates the country's capital markets and private company registrations required to operate businesses ▪ Promotes good corporate governance ▪ Facilitates access to financial products and resources
Land Registration Authority (LRA), under the Department of Justice	<ul style="list-style-type: none"> ▪ Issues decrees of registration and certificates of title and registers documents, patents and other land transactions, providing records of land ownership ▪ Issues subsequent or transfer certificates of title ▪ Maintains the title history or records of transaction involving titled or registered lands
Bureau of Customs, Department of Finance (BoC)	<ul style="list-style-type: none"> ▪ Responsible for regulating and facilitating trade ▪ Assesses and collects import duties and taxes ▪ Combats illegal trade and other forms of customs fraud ▪ Operates customs management systems ▪ Registers importers and exporters
Department of Labor and Employment (DOLE)	<ul style="list-style-type: none"> ▪ Primary policy-making, programming, coordinating and administrative agency related to labor and employment ▪ Responsible for enforcing labor laws and occupational health and safety regulations
Department of Science and Technology (DOST)	<ul style="list-style-type: none"> ▪ The Forest Products Research and Development Institute (FPRDI), under DOST, is responsible for development of new products and technologies for the forest sector ▪ The Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (PCAARRD), under DOST, is responsible for supporting policies and programs related to technical development (including in forestry) and supporting technology dissemination and adoption
Municipal Governments	<ul style="list-style-type: none"> ▪ Philippines has three levels of local government units (except the Autonomous Region of Muslim Mindanao and the Cordillera Administrative Region); Provinces – Components cities / Municipalities – Barangays. ▪ As of March 31, 2017, there are 1,489 Municipalities across the country. ▪ Issues registration of local business activities, including wood processing and trading (i.e., Mayor's permits) ▪ Coordinate with Community Environment and Natural Resources Officers (CENROs) ▪ Are authorized to hire Municipal Environment and Natural Resources Officers (MENROs) to handle local environment and natural resources concerns. MENROs will typically coordinate closely with CENROs at local level.

3. Legislation on harvesting of forest resources

3.1. Laws and regulation on harvesting of forest resources

Table 14 provides a list of key legislation and regulations governing forest and resource tenure, forest management, timber harvesting, etc. HTML links are provided to most key laws and regulations.

Table 14. Laws and regulations regulating access to forests, management of forest and issuance of permits and licenses

Name of laws and regulations	Year (both first published and latest reform years)	Description
Presidential Decree 705 (PD 705), known as the "Revised Forestry Code of the Philippines"	<ul style="list-style-type: none"> ▪ Promulgated May 1975 	<p>Serves as the basic forestry law of the Philippines, outlining administration, management principles, timber harvesting, forest utilization, wood processing, forest protection, reforestation, fees, etc.</p> <p>https://www.lawphil.net/statutes/presdecs/pd1975/pd_705_1975.html</p>
Executive Order No. 23	<ul style="list-style-type: none"> ▪ February 2011 	<p>Declared moratorium on timber harvesting in all natural and residual forests of the country and created an Anti-illegal Logging Task Force.</p> <p>https://server2.denr.gov.ph/uploads/r added/ executive_order_no_23_692.pdf</p>
Executive Order No. 263	<ul style="list-style-type: none"> ▪ July 1995 	<p>Adopted community-based forest management as the national strategy to ensure the sustainable development of the country's forestlands resources and provided mechanisms for its implementation.</p> <p>https://www.lawphil.net/executive/execord/eo1995/eo_263_1995.html</p>
DENR Administrative Order 2004-29	<ul style="list-style-type: none"> ▪ August 2004 	<p>Revised rules and regulations for the implementation of Executive Order 263, otherwise known as the "Community-Based Forest Management (CBFM) Strategy":</p> <ul style="list-style-type: none"> • consolidated and unified all previous people-oriented forest management approaches • elaborated community-based forest management as the main strategy for managing the country's forests • established eligibility for people's organizations to engage in CBFM and procedures for designating CBFM agreements, including application requirements, tenurial benefits, governance, and management practices <p>http://policy.denr.gov.ph/dao2004/dao2004-29.pdf</p>
DENR Administrative Order 2004-30	<ul style="list-style-type: none"> ▪ August 2004 	<p>Outlines the requirements, eligibility and procedures for individuals and groups to obtain tenure over small tracts of degraded forest land for the purposes of tree farming under the Socialized Industrial Forest Management Program, and elaborates rights and responsibilities, including timber harvesting provisions. Allocations of 1-20 hectares to be awarded to individuals/single families and 20-500 hectares to associations, partnerships and cooperatives for periods of 25 years, renewable.</p> <p>http://policy.denr.gov.ph/dao2004/dao2004-30.pdf</p>
DENR Administrative Order 1999-53	<ul style="list-style-type: none"> ▪ December 1999 	<p>Establishes rules and regulations governing the Integrated Forest Management Program:</p> <ul style="list-style-type: none"> • elaborates eligibility and conditions for issuance of Integrated Forest Management Agreements (IFMAs) of not less than 500 hectares, including conversion of cancelled or expired Timber License Agreements (i.e. former timber concessions) to IFMAs • outlines benefits and responsibilities of IFMA holders

Name of laws and regulations	Year (both first published and latest reform years)	Description
		<ul style="list-style-type: none"> clarifies practices and rules governing management, harvesting, reforestation, etc. in IFMA leased areas http://policy.denr.gov.ph/1999/fordao99-53.pdf
DENR Administrative Order 1998-45	<ul style="list-style-type: none"> June 1998 	<p>Guidelines on the issuance and transfer of Certificates of Stewardship within CBFM areas:</p> <ul style="list-style-type: none"> clarifies the conditions and terms for issuing Certificates of Stewardship Contracts (CSCs) tenure rights for up to 10 hectares of forestland to eligible forest occupants, for 25 years, renewable outlined conditions under which area awarded can be sold or transferred was one of the first instruments in the country to provide recognized tenure rights to forest dwellers http://policy.denr.gov.ph/1998/dao98-45.pdf
DENR Memorandum Circular 1999-20	<ul style="list-style-type: none"> July 1999 	<p>Provides important “Supplemental Guidelines Governing the Registration, Harvesting, Transport and Marketing of Timber By-Products Coming from Private Plantations Within Private Lands or Tax Declared Alienable or Disposable Lands.” Outlines procedures for registering forest plantations grown on private lands and allowing for simplified harvesting, transport and marketing procedures.</p> http://policy.denr.gov.ph/1999/formo99-20.pdf
Republic Act No. 7586 “National Integrated Protected Areas System Act of 1992”	<ul style="list-style-type: none"> Promulgated June 1992 	<p>Provides for establishment and management of National Integrated Protected Areas System, including national parks, strict nature reserves, national monuments, and other protected areas.</p> http://extwprlegs1.fao.org/docs/pdf/phi19796.pdf
Republic Act No. 9147 “Wildlife Resources Conservation and Protection Act”	<ul style="list-style-type: none"> Promulgated July 2001 	<p>Provides legal protection for and outlines management of the country’s wildlife resources, including endangered and threatened flora and fauna. Governs the collection and trade of wildlife species, and names the DENR Protected Areas and Wildlife Bureau (now known as the Biodiversity Management Bureau) as the designated authority for trade of species listed under CITES.</p> https://www.lawphil.net/statutes/repacts/ra2001/ra_9147_2001.html
Republic Act No. 8371 “Indigenous Peoples’ Rights Act of 1997” (IPRA)	<ul style="list-style-type: none"> Promulgated October 1997 	<p>Recognizes, protects, and promotes the rights of indigenous cultural communities and indigenous peoples:</p> <ul style="list-style-type: none"> recognizes the rights of indigenous cultural communities and indigenous people to their ancestral domains and the applicability of customary laws governing property rights or relations in determining the ownership and extent of ancestral domain provides for issuance of Certificates of Ancestral Domain Claims/Title requires Free, Prior and Informed Consent for any initiatives or programs affecting ancestral domain lands

Name of laws and regulations	Year (both first published and latest reform years)	Description
		<ul style="list-style-type: none"> • acknowledges rights of indigenous people to manage and use natural resources within ancestral domain • created the National Commission on Indigenous Peoples to support rights of indigenous cultural communities and indigenous people http://extwprlegs1.fao.org/docs/pdf/phi13930.pdf
Republic Act No. 9175 “Chainsaw Act of 2002”	<ul style="list-style-type: none"> ▪ Promulgated November 2002 	<ul style="list-style-type: none"> • Regulates the ownership, possession, sale, importation and use of chain saws. • Requires owners and those in possession of chain saws to have valid permits https://www.lawphil.net/statutes/repacts/ra2002/ra_9175_2002.html
Presidential Decree 442 (PD 442), “Labor Code of the Philippines”	<ul style="list-style-type: none"> ▪ Promulgated November 1974 ▪ Various sections revised numerous times 	Basic labor code of the Philippines, governing worker and employer rights and responsibilities, working conditions, occupational health and safety, benefits, protections, etc. Various sections of PD 442 have been amended over the years, with a recent DOLE compilation, incorporating all updated clauses and amendments (see DOLE website). https://www.dole.gov.ph/

3.2. Legal rights over forests

3.2.1. Public domain / forestlands

In the Philippines, all lands in the “public domain” otherwise known as “forestlands” (totalling 15.8 million hectares) are owned by the state. Lands that have been determined to be not required to remain as “forestland” are classified as “alienable and disposable lands” which are largely held under private ownership. The government, as the custodian of the public domain lands, grants tenurial rights over qualifying forestlands under various tenurial instruments and agreements. The area covered by such tenure instruments issued by DENR currently totals 2.8 million hectares. In addition, 5.5 million hectares have been titled to Indigenous Cultural Communities (ICCs) and Indigenous Peoples (IPs), although there are various tenure instruments overlapping with some ancestral domain titled lands, leading to confusion and conflict in some instances (Gillian Dunuan, personal communication). In practice, there are also large areas of public land that are occupied by “encroachers” who have not been granted legal authority to occupy and use the public land.

The Philippines is a global leader in recognizing and enforcing the rights of local communities and IPs and in facilitating the participatory engagement of all stakeholders in planning and decision making related to natural resources management. The country is strongly populated with active NGOs and Peoples Organizations (POs) that effectively represent the views of affected local stakeholders in most decision-making processes.

Prior to the 1990s, the Philippines' main allocation of forest utilization was through Timber License Agreements (TLAs), granted to commercial logging firms and providing timber harvesting rights to hundreds of thousands of hectares of natural forests.

The reform was started as early as 1975, PD 705 (which still serves as the country's basic forestry code) acknowledged the presence of millions of upland shifting cultivators living in classified forestlands, and halted prosecution as encroachers those who had lived in the forests prior to 1975. In 1982, the government initiated the Integrated Social Forestry Program (ISFP) that granted Certificates of Stewardship Contracts (CSCs) to forest occupants, providing secure tenure for 25 years, renewable (Pulhin, et al., 2008). The ouster of the Marcos regime in 1986 paved the way for rapid democratization and led to greater social justice and equity in the country's forest policies. In 1989, the issuance of the DENR Administrative Order No. 123 established the Community Forestry Program (CFP), which provided upland farmers legal access to forest resources, including the right to harvest timber from natural forests within their allocated lands. In 1995, President Ramos issued Executive Order No. 263, a landmark policy institutionalizing the Community-Based Forest Management (CBFM) Program as the national strategy for attaining sustainable forest management. Under the program, local communities were provided tenure under various instruments (most commonly Community-Based Forest Management Agreements, or CBFMAs) for 25 years, renewable and began phasing out the TLA system.

In phasing out the TLA concession system, the country converted some existing and cancelled TLAs to Integrated Forest Management Agreements (IFMAs).

There are currently only two remaining TLAs in existence, covering 119,560 hectares, with both having harvesting operations suspended under the moratorium on logging in natural forests (E.O. 23).

In 1995, Ancestral domain claims of Indigenous Peoples (IPs) were also documented and recognized. In 1997, the Indigenous Peoples' Rights Act (IPRA) – one of the world's most progressive laws related to IPs – was enacted. The IPRA provides for indigenous cultural communities (ICCs) and IPs to assert their ownership over ancestral domains (those demonstrated to have been occupied since time immemorial), which are legally recognized as privately owned under Certificates of Ancestral Domain Title (CADT) or Certificates of Ancestral Land Title (CALT) granted to qualified ICCs or IPs. Under the IPRA, ICCs and IPs have the right to develop, control and use lands and resources within their designated ancestral lands. Among other rights and protections, ICCs and IPs are also guaranteed the right to an informed and intelligent participation in the formulation and implementation of any project, government or private, which will affect or impact upon the ancestral domains (i.e., Free, Prior and Informed Consent). The National Commission on Indigenous Peoples (NCIP) has a wide mandate for ensuring and protecting the rights of ICCs and IPs under IPRA.

Other forestland was allocated to individuals/households, communities, associations and other organizations under a number of different tenure allocation arrangements. In most processes allocating forestlands under various tenure instruments, regulations require the active engagement of local people in the delineation, designation and management of the areas. The main forestland tenure arrangements are summarized below.

3.2.1.1. Community-Based Forest Management Agreements (CBFMAs)

CBFMAs are agreements between the government and a local community, represented by a People's Organization (PO). POs are required to represent local people and serve as the legal tenure holder. The community acts as forest manager, with established rights and responsibilities, with a term of 25 years, renewable for another 25 years. As of 2017, there are 1,884 formal CBFMAs in the country, covering a total area of 1,615,598 hectares (about 10% of all forestland). Nearly 200,000 families are officially registered as engaged in forest management under CBFMAs. (ref. DAO 2004-29: Revised Rules and Regulations for the Implementation of EO 263 and Community Based Forest Management Strategy, 2004). In practice, several POs holding CBFMAs are inactive due to weak governance and disincentives associated with unstable policies regarding forest utilization (e.g., current restrictions on harvest on timber from natural forests).

3.2.1.2. Integrated Forest Management Agreements (IFMAs)

IFMAs are entered into by the DENR and a qualified person or entity to manage forestland, in consideration of a specified rental, in order to establish an industrial forest. As of 2017, there were 102 valid IFMAs in the Philippines, covering 727,983 hectares (about 5% of all forestland). Many of the IFMAs cover former TLAs areas that expired or were cancelled and subsequently converted to IFMAs. Ownership rights related to IFMAs can be transferred/conveyed to another entity, but only with the approval of the Secretary of DENR (ref. DAO 1999-53: Regulation Governing the Integrated Forest Management Program, 1999).

IFMA holders, as part of the process of formalizing their agreements, are required obtain an Environmental Compliance Certificate (ECC) – a document issued by DENR certifying that a proposed project or undertaking in a particular area, as evaluated through the processes of an Environmental Impact Assessment (EIA) or an Initial Environment Evaluation (IEE), will not bring about an unacceptable environmental impact and that the proponent has complied with the requirements of the environmental impact statement (EIS) system, as appropriate.

DAO 1999-53 regulations on designating IFMAs specifically require consultation with dependent communities in delineating the areas to be included and management activities to be implemented. Lands claimed by ICCs/IPs under ancestral domain/land claims or covered under any other tenurial instruments issued by DENR under the ISFP, Community Forest Program, or other people-oriented forestry programs are not eligible to be included under IFMAs, unless with free, prior and informed consent (FPIC) of the holders. FPIC of upland communities and IPs within the IFMA area regarding the socioeconomic, political and cultural impacts of any project or development activities are also required.

3.2.1.3. Socialized Industrial Forest Management Agreements (SIFMAs)

SIFMAs are established between DENR and families (1-20 hectares) or associations/partnerships/cooperatives (20-500 hectares) for the right to develop, utilize and manage small tracts of forestland, consistent with the principles of sustainable development. As of 2017, there were 1,511 SIFMAs in the country, covering 32,005 hectares, 2% of all forestlands (ref. DAO 1996-24: Rules and Regulations Governing the Socialized Industrial Forest Management Program, 1996).

There are a number of other tenure instruments and agreements issued by DENR for the utilization of forestland, including Tree Farm Lease Agreements (TFLAs), Agroforestry Farm Lease Agreements (AFFLAs), and others, but the total area covered by these agreements is relatively small.

Ancestral domains

With the promulgation of the Indigenous Peoples' Rights Act of 1997 (IPRA), "ancestral domains" of Indigenous Peoples (IPs) were legally recognized. Through IPRA, ancestral domains were recognized in legislation as "private", with ownership and authority over all natural resources within the recognized areas. Approximately 5.5 million hectares of land have been recognized as ancestral domains under the provisions of the IPRA. Forest resources are explicitly recognized as eligible to be managed under customary management practices and DENR has an initiative to document relevant traditional and sustainable indigenous natural resources management practices. Under the IPRA, IPs can apply for Certificate of Ancestral Domain Title (CADT) or Certificate of Ancestral Land Title (CALT) – the former generally being larger areas granted to communities, with the latter generally being small areas granted to individuals or households. CADTs and CALTs certify ownership of the land and resources in perpetuity. IPs can also initially apply for a Certificate of Ancestral Domain Claim (CADC) to document their claims while awaiting verification of their claims and subsequent issuance of title. IPRA prohibits the selling of ancestral domain lands outside of the indigenous cultural community awarded ownership. In essence, except for the alienation right which is in principle retained by the state, the rights to use, control and exclude others with respect to established ancestral domains and lands have been vested to the IPs identified as legitimate owners. A major issue of uncertainty in some ancestral domain areas, however, is the clause of IPRA that states that property and use rights within the ancestral domains existing prior to the enactment of the IPRA shall be recognized and respected. Such property and use rights (e.g., IFMAs) were bestowed in many areas claimed as ancestral domains prior to IPRA, leading to uncertainty and ambiguity, as well as delays in issuing CADTs and CALTs and/or renewing IFMAs (Gillian Dunuan, personal communication). IPs and ICCs that have recognized title of their ancestral domains are still subject to all national laws and regulations related to forests. Thus, while IPs and ICCs are allowed to harvest timber from natural forests for their own use, they are not allowed to sell such wood commercially. They may, however, harvest and sell timber from plantations within the same parameters as other owners of private plantations.

3.2.2. Private lands

Prior to 2011, holders of various forest tenure agreements were able to harvest timber from *natural* forests under prescribed conditions, and according to management plans. Arising from concern over illegal logging and unsustainable forest harvesting, however, the government issued Executive Order No. 23 in 2011, imposing a moratorium on timber harvesting in all natural and residual forests. The restriction on harvesting timber in natural forests remains in effect and most key informants do not expect such restrictions to be lifted in the foreseeable future.

Thus, since 2011 (and until such time as the moratorium imposed under E.O. 23 may be lifted, if ever), the only legal timber harvests in the Philippines are from *planted* forests (with very few special exceptions made for clearing to facilitate official infrastructure and development projects). As there are small areas of plantation forest within CBFMAs, IFMAs, SIFMAs, and other forestlands covered under various tenure agreements, these can be legally harvested, but the majority of the country’s legal domestic timber harvests (more than 80%) are now sourced from forest plantations grown on privately owned land (DENR 2016).

Forest plantations are increasingly grown on private alienable and disposable (A&D) lands. These lands are not covered by DENR-issued tenure arrangements, but rather are governed by titling and registration practices of the Land Registration Authority (LRA). Individuals and corporations with legal ownership of A&D lands are encouraged to establish commercial tree plantations. Plantations owners intending to harvest and sell timber from private plantations are urged to register their plantations, obtaining a Certificate of Tree Plantation Ownership (CTPO) (previously called “Private Tree Plantation Ownership Certificate (PTPOC)”) from the local Community Environment and Natural Resources Officers (CENRO) under Municipal Governments. Such registration paves the way for subsequent harvesting, transport and sale of harvested plantation wood. Plantation registration requires evidence of land ownership, certification from the barangay captain (village leader) that the applicant is the rightful owner of the plantation, and photos of the tree plantation.

Table 15. License types of forest and permits for management, harvesting and transporting of wood

License type	Permits for management, harvesting, and transporting
Public domain / Forestlands [15.8 million ha] Area issued tenure: 2.8 million ha Area titled to ICCs and IPs: 5.5 million ha	
Community-Based Forest Management Agreements (CBFMAs) [1,615,598 ha]	(1) 25-year Comprehensive Resource Management Framework (approved by DENR) Five-Year Work Plan (approved by DENR or CENRO?) (2) Certificates of Stewardship Contracts (CSCs) granted by Integrated Social Forestry Program (ISFP) Farm Plan Certificate of Timber Origin (CTO) (issued by CENRO)
Integrated Forest Management Agreements (IFMAs) [961,510 ha]	Initial Environmental Examination (approved by DENR) 25-year Comprehensive Resource Management Plan (approved by DENR) Environmental Compliance Certificate (ECC) (issued by DENR) Certificate of Timber Origin (CTO) (issued by CENRO)
Socialized Industrial Forest Management Agreements (SIFMAs) [32,219 ha]	Annual plan (approved by DENR?) Permitted to harvest freely any planted trees Cutting permit (issued by CENRO) Certificate of Timber Origin (CTO) (issued by CENRO)
Tree Farm Lease Agreements (TFLAs)	

Agroforestry Farm Lease Agreements (AFFLAs)	
Timber License Agreements (TLAs) [119,560 ha]	
Alienable and disposable lands	
Private land	<p>Titled and registered by the Land Registration Authority (LRA)</p> <p>(1) Certificate of Tree Plantation Ownership (CTPO) (registered by CENRO) - With CTPO, only Self-Monitoring Form (SMF) (endorsed by CENRO) is required for harvest and transport of plantation timber</p> <p>(2) Area without CTPO A cutting permit and a Certificate of Verification (CV) for transport (issued by CENRO) are required</p> <p>(3) Private Land Timber Permit (PLTP) for harvest of naturally growing trees on private lands (other than premium species)</p> <p>(4) Special Private Land Timber Permit (SPLTP) for planted and naturally growing premium hardwoods such as narra (<i>Pterocarpus indicus</i>) and Benguet pine (<i>Pinus keyisia</i>)</p> <p>Transport agreement</p>

3.3. Timber source types, management and harvesting planning and permits

With the issuance of Executive Order No. 23, in 2011, virtually all legal timber harvest in the Philippines is sourced from plantation forests and planted trees in agroforests and on farms. In harvesting plantation-grown timber, various environmental restrictions also apply, mainly that no harvesting is allowed on slopes greater than 50% or at elevations about 1,000 meters. Also, no harvesting is allowed within 20-meter buffer strips from either bank of rivers or streams. All timber harvesting is banned within national parks and protected areas.

Timber can be harvested from areas within CBFMAs, CSCs, IFMAs, SIFMAs and private lands, but only sourced from planted trees (with very few exceptions made for clearing associated with official infrastructure projects, mining and energy development programs and approved site preparation for tree planting within IFMAs). Local Community Environment and Natural Resources Officers (CENROs) are largely responsible for monitoring compliance of timber harvesting regulations. CENROs inspect areas of CBFMAs, IFMAs and others on public land during and after harvesting operations and report any infractions to the PENRO and Regional DENR offices, as appropriate.

Benefit sharing arrangements related to forest resources in the Philippines are generally favorable to local people. In most cases, local communities, associations and individual households are exempt from forest charges, particularly for timber harvested from planted forests.

DENR is responsible to monitoring and combating illegal timber harvesting. For harvesting within public land held under various tenure instruments, DENR officials (usually the CENRO and/or his/her staffs) routinely conduct field site visits of areas to be harvested and/or areas that have recently been harvested. Careful attention is given to any potential harvests outside approved harvest areas, violations of cutting restrictions associated with environmental

values, etc. Old forms – used during the era of TLAs – are still in use, but violations during harvests of planted trees are relatively rare.

Specific legal requirements pertaining to harvesting under each of these tenure arrangements are as follows:

3.3.1. Public domain / forestlands

For all areas covered under tenure instruments on public forestland (e.g., IFMAs, CBFMAs, SIFMAs, etc.), if trees were planted by the government or entities other than the current tenure holders, a 30% share of the gross revenue must be paid to the government and 70% going to the tenure holder(s) at the time of harvesting the planted trees. If, however, the trees were planted and tended by the current tenure holder, 100% of the revenue is retained by the tenure holder(s).

3.3.1.1. Community-Based Forest Management (CBFMs) Agreements

The CBFM area must have an approved 25-year Comprehensive Resource Management Framework, which requires community consultation, delineation and survey of the area, tree marking, review and approval by DENR (at community, provincial and regional levels), PO members, the local government unit, and other stakeholders. Harvesting must follow prescriptions outlined in the area's approved Five-Year Work Plan and 100% inventory of all trees to be harvested must be completed and informed to the CENRO. The process of developing and approving the Five-Year Work Plan generally takes approximately two months and several hundreds (or even thousands) of dollars (Pulhin and Ramiriz, 2016; Gritten, et al., 2013). Harvested timber from plantation forests is free of forest charges. If the trees were planted on the area prior to the issuance of the CBFMA tenure instrument to the community, the revenue from the sale of harvesting timber is shared, with 70% going to the community and 30% to the government. If the community itself planted the trees being harvested, the entire revenue accrues to the community.

Certificate of Stewardship Contracts (CSC)

CSC holders granted by Integrated Social Forestry Program (ISFP) are expected to develop a simple annual plan for management planning purposes. Harvesting of planted trees in CSC-covered areas is permitted according to procedures and regulations similar to CBFM areas, with the exception that the guiding document is an individual "Farm Plan" rather than a Five-Year Work Plan. Full 100% inventory of all trees to be harvested is required. Harvested timber from plantation forests is free of forest charges. Most CSCs are now incorporated within CBFMAs.

3.3.1.2. Integrated Forest Management Agreements

IFMA holders must conduct an Initial Environmental Examination (with subsequent approved Environmental Compliance Certificate) for the area and prepare a 25-year Comprehensive Resource Management Plan, to be approved by relevant DENR officials. Five-Year Work Plans and Annual Operations Plans guide specific operations, including harvesting. Currently (since issuance of E.O. 23), harvesting of planted trees only is permitted. Annual Accomplishment Reports must be provided to DENR each year outlining the main management activities

carried out. Plantation trees can be harvested according to the approved plans, with restrictions on harvesting trees on slopes greater than 50%, elevations above 1,000 meters, and within 20-meter strips along river and stream banks. Full 100% inventory of all trees to be harvested is required. Harvested timber from plantation forests is free of forest charges.

While the terms of agreement for IFMAs are subject to individual negotiation with DENR at the time of issuance, they are also exempt from forest charges for timber coming from plantations.

Under current conditions, many IFMAs are inactive or conducting only minimal forest management activities due to the restrictions on harvesting timber in natural forests. IFMA managers complain that they continue to incur significant costs associated with protecting forest resources within their designated areas, but are largely unable to realize revenues.

3.3.1.3. Socialized Industrial Forest Management Agreements (SIFMA)

SIFMA holders are expected to develop a simple annual plan for management purposes. SIFMA holders are permitted to harvest freely any planted trees except those determined to be needed for environmental protection purposes (e.g., on slopes greater than 50%, and along riverbanks and streams). Full 100% inventory of all trees to be harvested is required. A cutting permit issued by the CENRO is required. Harvested timber from plantation forests is free of forest charges.

3.3.2. Private lands

Commercial plantations established on private lands should be registered and issued with a Certificate of Tree Plantation Ownership (CTPO) (previously called "Private Tree Plantation Ownership Certificate (PTPOC)") prior to harvesting. No specific management plans or harvesting permits are required for harvesting timber from private plantations or privately owned planted trees if the owner has previously obtained a CTPO. The exception is planted narra (*Pterocarpus indicus*, sometimes referred to as "Philippine rosewood"), which is considered a premium species, requiring a "Special Private Land Timber Permit" (SPLTP), pursuant to Section 4 of DENR Administrative Order No. 58, dated September 30, 1993.

At the time of harvest, 100% inventory of trees to be harvested should be completed and informed to the CENRO. The owner of a CTPO registered plantation completes a Self Monitoring Form (SMF) validated by the CENRO, which – together with attached tally sheets (elaborating the species and volume of harvested wood to be transported and sold) and a copy of the transport agreement – are sufficient to facilitate transport and sales.

For planted trees harvested from private lands, not registered under a CTPO, the CENRO issues a cutting permit and a Certificate of Verification (CV), which facilitates transport.

It is also possible for private land owners with naturally growing trees (i.e., not planted) to obtain a Private Land Timber Permit (PLTP), authorizing approval to harvest such trees. However, the procedures for approval are very detailed and complicated, and few approvals are granted.

3.3.3. Chain saw ownership permit

All individuals or groups/corporations using chain saws for timber harvesting are required by law (Republic Act No. 9175) to have a valid permit. Under implementing rules (DAO 2003-24), chain saw dealers must have a permit from DENR to import and/or sell chain saws as well. Those eligible to legally own chain saws include holders of CBFMAs, IFMAs, SIFMAs, CSCs, and private tree farmers. Ownership permits of chain saw are granted by the local CENRO, who issues a Certificate of Registration to qualified owners, valid for two years, renewable, for those engaged in forestry operations. Owners must provide supporting documentation indicating eligibility and need for chain saw ownership and details of saw (brand, model, serial number, etc.). (Reference: <http://policy.denr.gov.ph/2003/dao2003-24.pdf>).

Additional environmental concerns could relate to the use and proper disposal of lubricants used for timber harvesting equipment. As most harvesting in the Philippines is currently carried out only with chainsaws and light equipment (no heavy skidders or bulldozers), the risks related to improper handling and disposal of such chemicals are low.

3.4. Protected species

Pursuant to Republic Act 9147 (“Wildlife Resources Conservation and Protection Act of 2001,” the Biodiversity Management Bureau, in collaboration with the Forest Management Bureau of DENR maintains a “List of Threatened Philippine Plant Species,” categorized as “critically endangered,” “endangered,” “vulnerable,” and “other threatened species.” The most updated list was issued in May 2017 (DENR Administrative Order 2017-11).⁵ The current list includes 388 tree species, including several that were previously harvested as commercial timber species in the past (prior to issuance of E.O. 23). The List of Threatened Philippine Plant Species, however, refers only to wild populations. Thus, if tree on the list have been planted and registered with DENR, they can legally be harvested and entered into the supply chain. The species most likely to fall into this category is narra (*Pterocarpus indicus*), the wild populations of which are listed as “vulnerable.” Tree growers who have planted narra are currently required to obtain a “Special Private Land Timber Permit” (SPLTP) to harvest their planted trees.

Three trees native to the Philippines are listed in Appendix II under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). These are *Aquilaria spp.* and *Gyrinops spp.* (common name: agarwood) and *Gonystylus spp.* (common name: ramin). There has been no authorized commercial trade of these species into or from the Philippines in the past several years.

Additionally, neotropical populations of big-leafed mahogany (*Swietenia macrophylla*) have been listed under Annex II of CITES. *Swietenia macrophylla* is not native to the Philippines, but is commonly planted in the country. Wood and wood products of planted *Swietenia macrophylla* in the Philippines are not covered by CITES and can be freely traded without CITES certificates. Theoretically, at-risk mahogany wood could be imported into the Philippines from neotropical range countries and “laundered” as plantation-grown wood from the Philippines,

⁵ <https://server2.denr.gov.ph/uploads/rmdd/dao-2017-11.pdf>

but there are no indications of any occurrences of this taking place, thus the risk associated with products made from *Swietenia macrophylla* from the Philippines appears to be very low.

3.3.5. Risks related to forestland and resource tenure, and related rights to harvest and sell forest products

3.3.5.1. Risk associated with the forest tenure instruments

There is the potential for overlapping and competing claims to the resources. Although every effort is made to identify potentially conflicting rights to use each area as part of the process of developing each agreement, tenure disputes do arise – sometimes leading to protracted legal battles.

While consultation principles and protection of the rights of ICCs and IPs are well embedded in most forest resources tenure allocation processes and management decision making, risks arise as a result of tenure conflicts (overlapping claims). This has arisen as a particular concern with CADTs/CALTs, where resource use agreements established prior to 1997 (e.g., IFMAs) have legal authority to retain use rights under the IPRA. There have also been some instances of improper or inadequate FPIC processes conducted to gain approval from IPs and ICCs to carry out forestry-related activities in ancestral domain areas.

3.3.5.2. Risk related to timber harvesting and clarity of timber ownership

Another risk is timber entering into the supply chain from areas outside those covered by the tenure instrument under which harvesting approval has been granted (i.e., timber theft or substitution of timber from nearby areas).

Theft of timber from planted forests is relatively infrequent as owners tend to monitor and guard their planted trees carefully. Timber substitution (with consent of the actual owner) is, however, recognized as an ongoing practice, and while it may not result in unsustainable harvesting, it is a legal infraction.

3.3.5.3. Risk related falsification of species

A third risk (in consideration of current policy prohibiting the harvest of timber from natural forests) is the falsification of species, whereby timber from nearby *natural* forests is harvested and sold as *plantation*-grown wood.

Laundering of natural forest species as plantation-grown timber is difficult to carry out (in the absence of collusion with DENR monitoring authorities), as most plantations species are readily identifiable as such.

Legality risks for wood harvested from plantations in the Philippines are low. Most legally harvested wood is currently sourced from private plantations, with clear ownership, and there are few restrictions on such harvests. Legality risks are also low for wood harvested from plantations on public forestland (covered by various tenure instruments) as DENR monitoring is rigorous in most instances. The main plantation species grown in the Philippines are *Paraserianthes falcataria* (*syn. Albizia falcataria*), *Acacia mangium*, *Gmelina arborea*, and *Swietenia macrophylla*, with smaller areas of *Eucalyptus deglupta*, *Pinus kesiya*, *Casuarina equisetifolia*, *Leucaena leucocephala*, *Pterocarpus indicus*, and *Samanea saman*. Wood and

wood products from any of these species – with the exception of narra (*Pterocarpus indicus*) – can generally be considered low risk if accompanied by usual documentation.

Products made from *Pterocarpus indicus* should be considered more carefully as this is a premium species that also grows in natural forests and is illegal to cut from natural stands. It is legal, however, to cut *Pterocarpus indicus*, if the trees were planted (not naturally growing), provided a “Special Private Land Timber Permit” is issued by DENR to allow for harvest of this particular tree species.

As most legal domestic timber harvesting now is conducted in private plantations, with minimal legal requirements, violations are few. Correspondingly, DENR control measures for monitoring or inspecting harvests on private lands is minimal.

Following the issuance of E.O. 23 and the establishment of the Anti-illegal Logging Task Force, surveillance and enforcement was stepped up, resulting in a reduction in the number of illegal logging “hotspots” (municipalities) from 197 in 2011, to just 17 in 2016 (DENR, 2017). However, it is widely recognized that illegal logging of timber from natural forests still continues (sometimes in collusion with authorities and/or with the protection of politicians and other influential individuals). In cases of illegal harvest of timber from natural forests, the harvested timber is mainly used locally and sold in domestic markets in contravention of timber trade regulations. The biggest risk of such wood entering the export markets is by being used as the raw material in manufacturing high-value tertiary specialty products that are susceptible to being overlooked by monitoring officials.

As there are very few legal exceptions (less than 10,000 cubic meters in 2016) to the restrictions on cutting of trees in natural forests. Therefore, any wood or wood products of non-planted species (i.e., species found in natural forests) from the Philippines should be considered very high risk, unless manufactured from imported wood with clear evidence of legal sourcing.

3.5. Employment and safety in forest management and harvesting operation

Legal requirements for employment of forestry and wood processing operations are governed by the Labor Code of the Philippines of 1974 (PD 442), as amended over the years. The Labor Code specifies conditions for employment and rights and responsibilities of workers and employers. There are no specific sections in the Labor Code dealing with forestry field workers or those engaged in timber harvesting, which are considered under sections dealing with agricultural workers. Workers in wood processing plants fall under regulations related to industrial workers, including occupational health and safety.

The Labor Code outlines working hours, minimum wages (as periodically established by Regional Tripartite Wages and Productivity Boards), overtime compensation entitlements, holiday leave, maternity leave, enrolment in the State Insurance Fund (covering disability, medical, and death benefits and retirement), provision of personal protection equipment, and various other benefits, etc. Children below 15 years of age may not be employed except under the sole responsibility of their parents, and teenagers between 15 and 18 years of age may not be employed in hazardous work. “Payment by results” or compensation for “piecework” must

equal or exceed the minimum daily wage for hourly labor, and not require more than eight hours to accomplish.

The Department of Labor and Employment (DOLE) is responsible for monitoring and enforcement of the conditions of the Labor Code and has the authority to shut down or impose fines on employers failing to comply. In practice, on-sight inspections and reviews by DOLE are reportedly rare, with most compliance checks made via self-reporting and document verification.

Legality risks could arise from potential illegal employment of under-age children, failure to pay workers established minimum wages, and “payment by results” (payment for “piecework”) that fails to reach minimum wage thresholds. These aspects are particularly risky with regard to legality with respect to forest harvesting operators and contractors in remote areas less closely monitored by DOLE officials. While larger wood processing plants are believed to be largely compliant with labor legislation and regulations, compliance by small operators is recognized far less than universal.

Closer scrutiny of even larger corporations by DOLE often reveals violations of the Labor Code, as with investigations of a Japanese-owned major wood-products exporter to Japan – after a major fire in 2017.⁶ DOLE reviews, following a devastating fire in February 2017 in which at least three employees died, uncovered violations of worker safety regulations and improper deductions from workers’ salaries (see: <https://www.rappler.com/nation/172010-dole-peza-cavite-factory-fire-hti-violated-labor-safety-standards>).

As monitoring and enforcement of the Labor Code are outside the authority of forestry officials, coordination with DOLE officials is essential if compliance with labor laws is to be considered a serious element of timber legality.

4. Legislations on transportation and processing of wood and wood products

4.1 Laws and regulation on transportation and processing of wood and wood products

Table 16 list key laws and regulations related to transport and processing of timber and wood products. HTML links are provided for most laws and regulations.

Table 16. Laws and regulations regulating transportation and processing of wood and wood products

⁶ HTI suffered a second serious fire in early 2018.

Name of laws and regulations	Year	Description
Presidential Decree 705 (PD 705), known as the "Revised Forestry Code of the Philippines"	<ul style="list-style-type: none"> Promulgated May 1975 	<p>Serves as the basic forestry law of the Philippines, outlining administration, management principles, timber harvesting, forest utilization, wood processing, forest protection, reforestation, fees, etc.</p> <p>https://www.lawphil.net/statutes/presdecs/pd1975/pd_705_1975.html</p>
DENR Administrative Orders 1994-07 and 2007-31	<ul style="list-style-type: none"> February 1994 Revised guidelines issued 2007 	<p>Together these two administrative orders prescribe the requirements for issuing Certificates of Origin by DENR for logs, timber, lumber and non-timber forest products which are required for transporting such materials. DAO 1994-07 also prescribes requirements for transporting finished, semi-finished and knock-down forest products.</p> <p>http://policy.denr.gov.ph/1994/ForDao_1994-07.pdf http://policy.denr.gov.ph/2003/dao2003-24.pdf</p>
Ministry Administrative Order 1986-50 and DENR Administrative Orders 2003-41 and 2003-53	<ul style="list-style-type: none"> First issued 1986 Revised guidelines issued in 2003 	<p>Outlines procedures for issuance of "Permit to Establish and Operate Wood Processing Plant"</p> <p>http://policy.denr.gov.ph/2003/dao2003-41.pdf http://policy.denr.gov.ph/2003/dao2003-53.pdf</p>
DENR Administrative Order 2003-30	<ul style="list-style-type: none"> June 2003 	<p>Elaborates Implementing Rules and Regulations (IRR) for the Philippine Environmental Impact Statement (EIS) System, including requirements to secure and Environmental Clearance Certificate (ECC) or Certificate of Non-Coverage (CNC) required to obtain a Permit to Establish and Operate Wood Processing Plant</p> <p>http://policy.denr.gov.ph/2003/dao2003-30.pdf</p>
DENR Memorandum Circular 1994-18	<ul style="list-style-type: none"> May 1994 	<p>Outlines procedures for approval of log/lumber supply contracts, which can be used as important supporting documentation in applying for Permit to Establish and Operate Wood Processing Plant</p> <p>http://policy.denr.gov.ph/1994/ForMC_1994-18.pdf</p>

4.2. Transportation of logs

4.2.1. Public domain / forestlands

All logs being transported from areas under CBFMA, IFMA, CSCs and SIFMA tenured areas must be accompanied by a "Certificate of Timber Origin" (CTO) issued by the CENRO in the location where the timber originates. The request for the CTO must specify:

- number of pieces, volume and value of the logs to be transported;
- date of transport/loading;
- point of loading;
- mode of transport/type of conveyance;
- name and address of consignee;
- point of destination; and
- expected duration of shipment

The CTO request should also be accompanied by tally sheets that contain detailed information on the logs to be transported (log numbers, species, and dimensions) and receipts showing evidence of payment of fees (if any apply). The CENRO inspects the documents and the logs to be transported for accuracy before issuing the CTO.

4.2.2. Private lands

For logs coming from private lands covered by a Certificate of Tree Plantation Ownership (CTPO), a Self Monitoring Form (SMF) validated by the CENRO – with attached tally sheets (elaborating the species and volume of harvested wood to be transported and sold) and a copy of the transport agreement – are sufficient to facilitate transport and sales. For planted trees harvested from private lands, not registered under a CTPO, the CENRO issues a cutting permit and a Certificate of Verification (CV), which facilitates transport and validates that the timber is being transported from a private plantation.

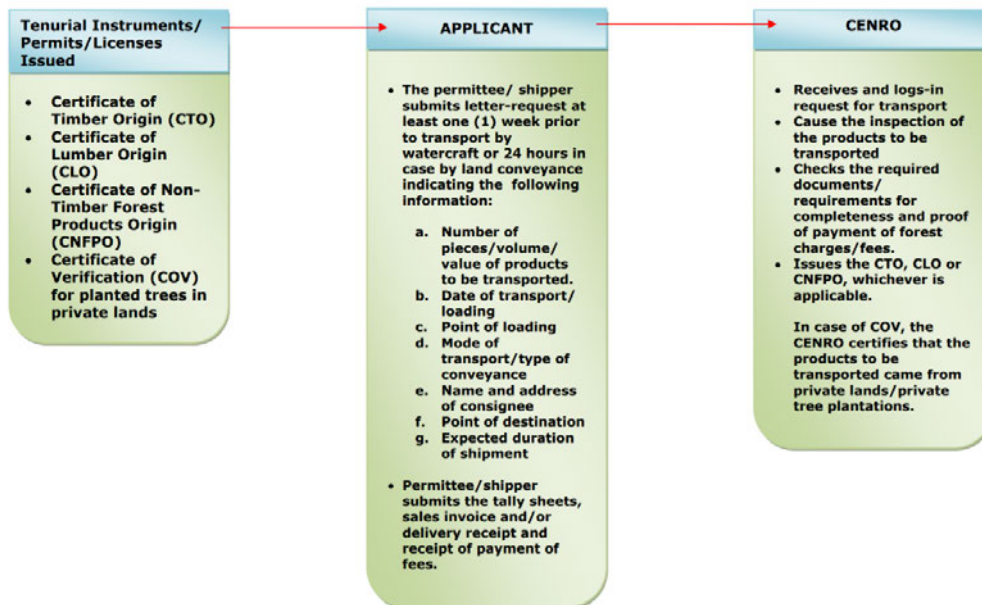
Normally, a “Transport Agreement with Owner of Conveyance” is required, unless the hauler is also the owner of the truck.

For tracking and business management purposes, buyers of raw material normally issue purchase orders describing the volumes of material, species, and other characteristics. Delivery receipts are commonly issued by the receiving processing plant and should be referenced back to the relevant CTO or Self Monitoring Form covering the source of the material and transport. Records of timber received should be allocated to stock, production or sales and maintain reference links between the purchase orders, production batch unit numbers, or sales orders, as applies.

At the time of transport, CENROs inspect logs and sawntimber to be transport and verify volumes and specifics of the transport.

Figure 4. Issuance of the certification of the origin for logs, timber, lumber and non-timber forest products (DENR ADMINISTRATIVE ORDER No 1994-07)

**ISSUANCE OF CERTIFICATE OF ORIGIN FOR LOGS, TIMBER, LUMBER AND
NON-TIMBER FOREST PRODUCTS**
(DENR ADMINISTRATIVE ORDER No. 1994-07)



4.3. Processing wood and wood products

All wood processing companies are required to be properly registered with the relevant government authorities and obtain required permits. CENROs receive applications for wood processing plant permits and recommend to higher DENR officials for approval or rejection, according to level of decision required. Companies must be registered with the Securities and Exchange Commission, which is a basic requirement for business operation in the Philippines. Municipal governments also usually require a local business permit, issued by the Office of the Mayor.

Prior to operation, the owners of wood processing companies must secure from DENR a “Wood Processing Plant Permit” (which requires an “Environmental Clearance Certificate,” issued by the Environmental Management Bureau of DENR, as a precondition). New applications for Wood Processing Plant Permits must be approved by the Secretary of DENR, while renewals can be approved by the relevant Regional Executive Director. As part of the conditions specified in the terms of the Wood Processing Plant Permit, the daily log consumption and lumber production must be recorded to ensure that logs processed are legal and production matches available legal log supply. In cases where the wood processing plant is to be located within and adjacent to designated forestlands, a Special Land Use Permit is also issued by DENR, with consideration simultaneous to the Wood Processing Plant Permit.

According to the Foreign Investments Act of 1991, foreign entities are allowed to invest in forestry activities in the Philippines – including wood processing – with equity participation up to 100 percent (https://asean.org/storage/2016/08/P79_Foreign-Investments-Act-of-

[1991.pdf](#)). Additionally, industrial tree plantations are among the priority investment activities that may be given incentives under the Philippine Investment Priorities Plan (IPP).

Systems for tracking wood through the manufacturing stages to finished product are not explicitly required by law, but are required under the terms of Wood Processing Plant Permits and other DENR monitoring requirements. Timber processors are expected to maintain documentation of raw material received, used, and disposed (through sales or transfer). This allows for monitoring and tracking of wood stocks and calculation of recovery rates. The company should maintain records of raw material stock, which is allocated to defined production batches, allowing for timber to be traced back to specific sources covered by purchase orders, CTOs, Self Monitoring Forms, CVs, etc.

Wood processing plants are also required (under the conditions of their Wood Processing Plant Permits) to install and maintain CCTV cameras in the wood receiving areas. DENR also assigns “in-plant scalers” to wood processing plants to monitor in-coming wood for legality, required documentation, etc. Although in-plant scalers are supposed to be present at all wood processing plants, in actual practice scalers are not always present, especially at smaller processing plants.

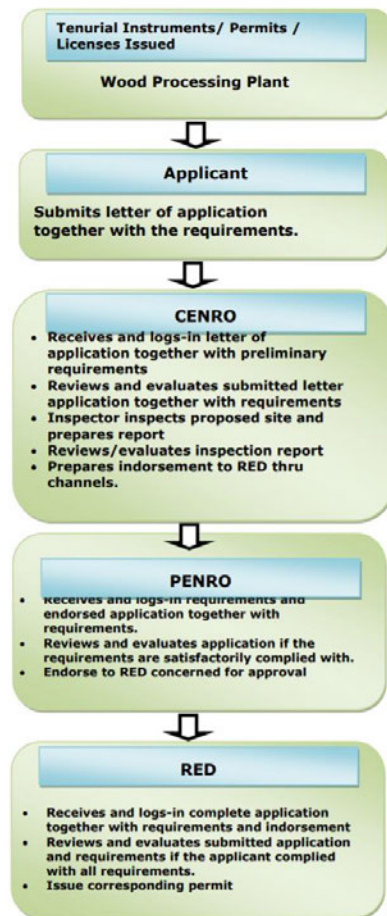
There also appears to be gaps in the monitoring and tracking of manufacturers of furniture and tertiary wood products. DENR systems were established to monitor forest harvesting, transport and processing of primary wood products, but monitoring of furniture and finished product manufacturing facilities appears to be inconsistent.⁷

Legality risks associated with wood processing include illegally operating mills and processing of illegally sourced timber. Most such illegal activities are small scale and feeding into local domestic commodity chains, not large commercial ventures or export markets. Nonetheless, their combined impact and volumes may be substantial (albeit unknown). Careless record maintenance could result in the inability to trace finished products back to original raw material sources.

Figure 5. Existing Flowchart for the processing and approval of WOOD PROCESSING PERMIT (MAO 50, series of 1986 as amended by DENR ADMINISTRATIVE ORDER No 2003-41)

⁷ For example, it appears that furniture factories are not generally required to obtain a Wood Processing Plant Permit, but are expected to maintain and report receipts and disposition of wood stocks.

**EXISTING FLOWCHART FOR THE PROCESSING AND APPROVAL OF
WOOD PROCESSING PLANT PERMIT**
(MAO 50, series of 1986 as amended by DENR Administrative Order No. 2003-41)



4.4. Transportation of wood and wood products

Transport of processed lumber from sawmills to wood dealers or plants for further processing requires a permit similar to that for transporting logs. In fact, the same form covers both types of transport. In the case of lumber, a “Certificate of Lumber Origin” (CLO) is issued by CENRO in the location where the lumber originates, based on:

- number of pieces, volume and dimensions of the lumber to be transported
- date of transport/loading
- point of loading
- mode of transport/type of conveyance
- name and address of consignee
- point of destination
- expected duration of shipment

The CLO request should also be accompanied by tally sheets that contain detailed information on the lumber to be transported (number of pieces, species, dimensions and volume) and receipts showing evidence of payment of fees (if any apply). The CENRO inspects the documents and the lumber to be transported for accuracy before issuing the CLO.

Transport of finished wood products other than lumber (e.g., furniture, doors, windows, cabinets, wooden articles) does not require a transport permit.

A key element in guarding against illegal harvest and transport of timber are DENR highway checkpoints, which can be established at 117 locations throughout the country. At such checkpoints, those transporting logs or sawnwood must have proper CTOs or CLOs for transport; if not the wood materials are confiscated and legal action initiated.

Risk in transportation of log and wood

In the past, legality risks related to falsification or “recycling” of documents. However, with implementation of computerized issuance of the transport documents, these risks have been minimized.

Transport documents are stamped by DENR monitoring stations, rendering them difficult to be reused. Stolen or illegal logs could potentially enter the supply chain if checks are not made properly or in the event of collusion with DENR and other authorities occurs, or if transport is authorized without careful matching against actual sources and declared volumes. Careless record maintenance could result in the inability to trace finished products back to original raw material sources. The fact that DENR does not require transport permits for finished wood products opens potential opportunities for the legality of these articles to be questioned if the source of the raw material from which they were manufactured cannot be verified.

5. Legislation on trading woods and wood products

5.1. Laws and regulation on trading woods and wood products

5.1.1. Imports

DENR Administrative Order 1999-46 governs the entry and disposition of imported logs, lumber, veneer, plywood, other wood-based panels, poles and piles, pulpwood and wood chips. Only holders of TLAs, IFMAs or Wood Processing Plant Permits, or registered wood dealers and their agents can import logs, sawnwood and other wood-based products into the Philippines. Imports of logs, sawnwood and most other wood products have been liberalized to help ensure adequate raw material supplies for wood processors and domestic consumption.

Issuance of a “Certificate of Registration as Log/lumber Dealer” is guided by Republic Act No. 1239 of 1955, FAO 26 Series of 1956 and DAO 1994-08. To obtain a Certificate of Registration as Log/Lumber Dealer, the applicant must submit to DENR (initially to the CENRO) at least 16 items of support, including: SEC and mayor’s business registrations, registration to import wood products, copies of sales/supply contract with foreign suppliers, copies of import documents, receipts for all fees required, copies of tax returns for the past two years, pictures of the proposed wood/lumber yard site, business plan, evidence of financial liquidity, etc. The

application is referred by the CENRO to the Regional Executive Director (through the PENRO) for approval.

Individuals or corporations intending to import wood products are expected to record or register their “Certification of Registration as Log/Lumber Dealer” with the Philippine Wood Products Association (PWPA) and then or subsequently have the certificate approved by the relevant Office of the Regional Executive Director as a valid “Authority to Import Wood Materials.”

Importers are also required to have copies of sale/supply contracts with the foreign exporter of wood materials (valid for at least one year), duly authenticated by the Philippine commercial attache/embassy at the country of origin of the wood materials. This process reportedly constrains the easy importation of wood from some countries as wood exporters in other countries are often not located near to Philippine embassies or consulates (Salvio Valenzuela, Nicolaas de Lange, personal communication).

The entry and discharge of imported wood materials into the Philippines (at approved port locations only) shall be in accordance with the requirements and procedures of the Bureau of Customs and Bureau of Plant Industry’s Plant Quarantine Office. Each shipment must be accompanied by a Phytosanitary Certificate issued by the country of origin, indicating the kind of quarantine treatment requested and/or applied, if any.

Importers must also abide by basic import regulations of the Bureau of Customs (BoC), including accreditation with BoC. Accredited importers (or customs brokers) can access BoC’s Electronic to Mobile (E2M) system to lodge import entries electronically, including Customs Import Declaration. The E2M system allows customs officers and traders to electronically process most customs transactions, although importers are still required to submit hard copies of import documents and attachments to the Entry Processing Unit for verification. The E2M system does not deal with permits and/or licenses issued by other government agencies, which must be applied for separately (e.g., wood imports further regulated by DENR).

Businesses importing into the Philippines must provide the following documents when their goods arrive:

- Packing list
- Invoice
- Bill of lading
- Import Permit
- Customs Import Declaration
- Certificate of Origin

Subsequent to review and possible inspection, the BoC issues release instructions or clearance of imported commodities. The approved “Authority to Import” or “Certificate of Registration to Import Wood Materials” granted by the DENR and the clearance of the imported commodities issued by the Bureau of Customs are sufficient documents for the imported wood materials to be moved from the port of entry to the point of destination. However, the importer is required, upon arrival of the shipment at the point of destination, to provide the CENRO concerned with copies of the following documents: (1) “Authority to Import” or “Certificate of Registration to Import Wood Materials;” (2) the Phytosanitary Certificate issued by the country of origin; (3) the Bill of lading; and (4) the Summary of the Packing List.

Each month, subsequent to import, the importer is required to provide to the CENRO concerned a report that provides: (1) balance of imported wood stocks carried over from the previous month; (2) additional purchases received during the month under report; (3) total volume/quantity handled; (4) volume processed/sold; and (5) balance of stocks of imported wood at the end of the month.

Under the terms of approval for importing wood materials, the importer can be subject to inspection by authorized DENR personnel to inspect the premises where the imported wood materials are stored and to examine records concerning withdrawals or disposition of the wood.

One area that requires further examination is the extent of oversight and monitoring of wood imports and processing in export processing zones, from which value-added products are then directly exported. Such facilities sometimes operate to some extent outside the general oversight of normal regulators from DENR, DOLE, and local authorities and are subject to regulation by the Philippine Economic Zone Authority (PEZA). However, according to a wood processing company in Cavite Export Processing Zone, they are reporting types, origin, and volume of imported wood to DENR annually and understanding this regulation is also imposed to companies located in the Export Processing Zone.

As the Philippines imports significant volumes of wood from other countries, which is then further processed in making finished wood products, the legality of imported wood is highly dependent on the legality systems in place in the exporting countries. The greatest assurance of legality of imported wood involves imports of low-risk species, from low-risk countries, with independent verification or certification. At the opposite end of the spectrum are imports of high-risk species from high-risk countries, without independent verification/certification. Current Philippine imports run the entire spectrum, but are increasingly shifting toward lower risk imports. The draft *Guidebook on Requirements for Chain of Custody Systems & Monitoring Compliance* by the Philippines Timber Associations, formulated jointly by the Department of Trade & Industry (DTI), the Chamber of Furniture Industries of the Philippines (CFIP), and the Philippine Wood Producers Association (PWPA), in collaboration with DENR/FMB and FAO, provides guidance for wood importers in conducting due diligence related to imports (see: https://issuu.com/naniegonzales/docs/cfip_duediligence).

5.1.2. Exports

Exporting entities need to be registered with the Department of Trade and Industry (for sole proprietorships), the Securities and Exchange Commission (for partnerships and corporations), or the Cooperative Development Authority (for cooperatives) and have all other registrations up to date, as applicable (e.g., Mayor's Permit, Bureau of Internal Revenue, Social Security System, Department of Labor and Employment, PhilHealth, PAG-IBIG Fund, and DENR).

Exporters are required to register with BoC using the Electronic 2 Mobile (E2M) Customs Administration, via the Client Profile Registration System (CPRS). Export transactions cannot be processed unless the client is duly registered with the CPRS. For most exporters, the CPRS approving authority is the Philippines Exporters Confederation, Inc. (www.philexport.ph). Registered exporters are assigned a Unique Reference Number (URN), which becomes a part of the exporter's CPRS profile, valid for 12 months, renewable annually.

Exports of wood products from the Philippines are regulated under DENR Administrative Order 1991-54 and DAO 1993-33. Individuals, licensed wood processors/dealers, and other corporations/partnerships/associations planning to export wood products must request an “Export Authority” from the DENR, through the CENRO where the products to be exported are located. The request must include information on the products intended to be exported, species, dimensions, number of pieces, volumes, etc. and be accompanied by copies of the purchase order, Letter of Credit issued by the Central Bank of the Philippines, permit to operate wood processing plant (if applicable), tax returns for the past three years, and a sworn statement authorizing DENR representatives to verify submitted information. Applicants other than licensed wood processors or dealers may be required to submit additional documents. If the products to be exported were produced from planted trees, the CENRO also provides certification to that effect. If the products were derived from public lands or include products produced from planted premium hardwood species (e.g., *Pterocarpus indicus*), a copy of the required Special Permit is also included with the application. The CENRO dispatches a team to verify the products/commodities to be exported and the expected date and location of the loading for export and conveyance to be used.

The application for Export Authority is forwarded by the CENRO to the DENR Regional Executive Director, through the PENRO, along with the CENRO’s verification report. If approved, the Regional Executive Director returns the Export Authority to the CENRO and the exporter. The approved Export Authority also serves as the authority covering transport from the processing plant to the final export loading point.

The CENRO is responsible for overseeing the transport and loading of the products/commodities approved for export. If inspection of the shipment is consistent with the Export Authority, the CENRO issues an Export Clearance Certificate, copies of which are provided to DENR Office of the Secretary, Office of the Undersecretary for Staff Bureaus, Forest Management Bureau FMB and RED concerned. The CENRO is also required to observe the actual loading to ensure that only the authorized wood products are loaded for export. If the shipment is in order, the CENRO issues an Export Compliance Certificate for the authorized wood products.

For most export destinations, a Phytosanitary Certificate is required to export all wood and forest products. Phytosanitary Certificates (BPI “Q” Form 11) for exports from the Philippines are issued by the Bureau of Plant Industry’s Plant Quarantine Service only, following submission of BPI “Q” Form 10 (Request for Inspection), and actual inspection of the items to be exported.

Exporters prepare a pro-forma invoice, covering the items to be exported, and obtains signature from the buyer in the importing country confirming the purchase. A Bill of Lading is prepared in collaboration with the courier or carrier that will handle the shipping to the importing country. Finally, the exporter makes an Export Declaration and obtains Authority to Load via the E2M BoC online service (supported in the case of wood products by the DENR’s Export Clearance Certificate).

The BoC can also issue a Certificate of Origin for the exporter. For shipments to Japan, a “JP” Certificate of Origin is issued to confirm products exported from the Philippines to Japan under the Philippines-Japan Economic Partnership Agreement (PJEPA).

The exporter will also normally prepare a Packing List, which for wood and forest products may be authenticated by the CENRO concerned.

The Philippines Standard Commodity Classification used for classifying export products is an integration of the ASEAN Harmonized Tariff Nomenclature (AHTN) based on the Harmonized Commodity Description and Coding System (HS) issued by the World Customs Organizations (WCO), and the Standard International Trade Classification (SITC) by the United Nations Statistics Division (UNSD).

Risk

Legality risks at the final export stage relate to false or mis-declarations of products (including species and product categories) and false or mis-declaration of volumes and values. These risks can be mitigated with thorough and scrupulous review of Export Authority and related export documentation, coupled with on-site inspection by DENR of items to be shipped.

5.2. Legally required documents or records

Table 17 lists required documents for importing and exporting wood and wood products into and out of the Philippines.

Table 17. Legally required documents to import and export wood and wood products

Name of document	Description	Issuing authority
<i>Imports</i>		
Certificate of Registration as Log/lumber Dealer	Ensures eligibility of importer to import wood products into the Philippines	DENR Regional Executive Director
Authority to Import Wood Materials	Authorizes wood imports	DENR Regional Executive Director
Sale/supply contracts with the foreign exporter of wood materials	Validates legitimacy of wood exporter	Philippine commercial attache/embassy in the country of origin of the wood materials being exported to the Philippines
Phytosanitary Certificate	Certifies products as disease free and/or receiving phytosanitary treatment	Authorized agency in the exporting country
Bureau of Customs registration	Provides Unique Reference Number for all transactions and approvals with BoC	Philippines Exporters Confederation, Inc.
Invoice	Detailing products to be exported and agreed prices	Exporter
Bill of lading	To acknowledge receipt of cargo for shipment	Courier or freight handler (or their agent)
Packing list	Detailed descriptions of contents of each crate, box or container being shipped	Exporter
Customs Import Declaration	Official declaration of goods imported	Bureau of Customs

Certificate of Origin	Confirms the originating country of items being imported	Designated authority in exporting country
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Exports		
Sales invoice	Detailing products to be exported and agreed prices	Exporter
Bill of lading	To acknowledge receipt of cargo for shipment	Courier or freight handler (or their agent)
Phytosanitary Certificate (BPI Form "Q" No. 11)	Certifies products are disease free and/or received phytosanitary treatment	Bureau of Plant Industry, Plant Quarantine Service (Department of Agriculture)
Export Authority	Authorizes exporter to proceed with requested exports	DENR Regional Executive Director
Special Permit	Provides special approval of exports if products were made from plantation-grown wood of premium species (e.g., <i>Pterocarpus indicus</i>)	DENR Regional Executive Director
Export Clearance Certificate and Export Compliance Certificate	Confirms products loaded for shipment conform with those authorized in the Export Authority	DENR CENRO
Export Declaration	Detailed declaration of items and products to be exported	Submitted by the exporter to the Bureau of Customs
Authority to Load	Allows exporter to load shipment onto ship or plane	Bureau of Customs
Certificate of Origin (for exports to Japan, a "JP Certificate of Origin" is prepared)	Verifies country of origin of exported products	Bureau of Customs
Packing list	Detailed descriptions of contents of each crate, box or container being shipped	Exporter (authenticated by CENRO)

6. Others

6.1. International framework / trade agreement relevant to combatting illegal harvesting and associated trade

The Philippines is a member country of the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation Forum (APEC), the International Tropical Timber Organization (ITTO), and the Food and Agriculture Organization of the United Nations (FAO) – all of which are working to combat illegal forest harvesting and associated trade. The Philippines has engaged with several projects and initiatives of these organizations related to timber legality, including an ongoing ITTO-supported project to develop a Timber Legality Assurance System (TLAS).

The Philippines is a signatory party of the Convention on International Trade of Endangered Species of Wild Fauna and Flora (CITES).

Within ASEAN, the Philippines has been active in working groups addressing FLEG, the Pan ASEAN Timber Certification Initiative, and the development of ASEAN criteria and indicators for sustainable forest management (which would provide a foundation for legality definition and national certification systems) and the ASEAN Chain-of-Custody Framework.

The Philippines also participates actively in APEC's Expert Group on Illegal Logging and Associated Trade (EGILAT).

The Philippines has been collaborating with the European Union (EU) in advancing toward meeting EU Timber Regulation requirements, including support from the EU FLEGT Facility of the European Forest Institute (EFI) and the FAO EU FLEGT Programme. DENR and forestry sector entities have indicated interest in engaging in negotiations toward concluding a Voluntary Partnership Agreement (VPA) with the EU, but action in this regard is pending approval from the Department of Foreign Affairs to enter into negotiations.

The Philippines has adopted the UN Harmonized Commodity Description and Coding Systems (HS) for trade of all products, including wood and wood products. The Philippines also ascribes to the ASEAN Harmonised Tariff Nomenclature (AHTN), which is also based on the HS of the World Customs Organization. Under ASEAN, the Philippines is in the process of developing the Philippine National Single Window to streamline customs and trade procedures and facilitate exchange of documentation for trade among ASEAN countries. Forest and wood products are eventually expected to fall under the NSW system, which is still under development.

6.2. Voluntary schemes on legality / sustainability of wood and wood products

A small number of forests in the Philippines obtained FSC certification in the past, but at present there are no FSC-certified forests in the country (previous FSC certificates have lapsed). There are currently 10 companies that have FSC Chain-of-Custody certification.

The Philippines has had discussions with the Programme for the Endorsement of Forest Certification (PEFC) and has taken initial steps in developing a national forest certification system that could be considered by PEFC for endorsement. Industry groups have proposed an Interim National Governing Body for a Philippine Forest Certification System, but the effort is awaiting further development of the TLAS by DENR-FMB as a critical component supporting certification (Tommy Valdez, personal communication).

A joint effort by the Department of Trade & Industry (DTI), the Chamber of Furniture Industries in the Philippines (CFIP), and the Philippine Wood Producers Association (PWPA) – in collaboration with DENR/FMB and FAO – has led to the drafting of a Guidebook on Requirements for Chain of Custody Systems & Monitoring Compliance by the Philippines Timber Associations (see: https://issuu.com/naniegonzales/docs/cfip_duediligence), which represents a voluntary initiative by the private sector to demonstrate legality and assist buyers in their due diligence efforts when importing wood products into the Philippines from other countries. The guidebook is intended to be a dynamic document; as such, it is currently in “draft” format, but provides a useful initial framework for guiding chain of custody procedures and due

diligence practices demanded by the EU Timber Regulation and U.S. Lacey Act Amendment (Bill Maynard, personal communication).

6.3. Other Observations and Comments

The forestry situation in the Philippines is currently in flux, with various changes and reforms underway with respect to policy, legislation, and regulation. The sector has been significantly constrained by unstable and frequently shifting policies over the past two decades. After years of effort, however, there is currently increased optimism that Congress may finally pass new basic forestry legislation (“Sustainable Forestry Act”) within 2019, following compromises made by industry, NGOs, government and other interest groups, which have rallied behind a consolidated draft bill. If successfully enacted, new forestry legislation could pave the way for reinvigorating the sector by providing stability, incentives for investment, and reduction of regulatory burden.

Under current policy and regulation, very small volume of timber from natural forests is permitted to be harvested in the Philippines. As the vast majority of existing plantations of harvestable age are comprised of species that are not harvested from natural forests, the legality of domestic timber harvests should be relatively easy to determine and validate, according to species.

With respect to sustainability, buyers of wood and wood products derived from plantation-grown timber also can feel relatively confident, since the majority of plantations are not grown in environmentally sensitive areas.

It should be noted, however, that guidelines for tree planting under the National Greening Program now emphasize the planting of native species. In the future, if such plantations are to be harvested, the easy determination of legality according to species as a main consideration will no longer be possible. For the time being, however, this challenge is still many years away.

Frequent news reports and anecdotal evidence from rural areas indicate that illegal harvesting of timber from natural forests continues in many areas of the country. Interested buyers can still procure lumber, cabinets, flooring, wooden furniture, etc. made from wood from natural forests, particularly in areas located close to natural forests. Even furniture made from premium protected species such as narra (*Pterocarpus indicus*) and ebony (*Diospyros* spp.) can be obtained, although reportedly now much more difficult to purchase than in the past (Anonymous sources, personal communication). Evidence suggests that most such illegally harvested wood remains in the domestic market, however, and not generally entering the export market.

Any products made from wood of species other than those commonly grown in plantations in the Philippines would need to be manufactured from imported raw material to be legal. The legality of such products would depend on the source(s) of raw material, assurances of legality of the imports, and due diligence practices of importers. Of course, the strongest assurances of legality of imported raw materials derives from certification of forest management and chain-of-custody.

Without an established TLAS, and no existing independent third-party certified forests in the Philippines, it is sometimes difficult to provide solid assurance of legality of wood and wood products, especially for tertiary value-added products. Thus, timber may in fact be legal, but may lack robust documentation to validate such. This gap will hopefully be closed soon with development of a national TLAS.

Labor laws are detailed and complex in the Philippines and compliance monitoring by DOLE is generally inconsistent – generally more robust for established factories and businesses, but often dependent on the rigor of monitoring by local DOLE officials. Less rigorous monitoring is undoubtedly conducted for timber harvesting in rural areas, especially with respect to subcontractors and casual employees who are sometimes paid less than minimum wages, not given full legal benefits, or provided with personal protection equipment.

7. Interviews/Field Survey (Logistic Records)

7.1. Interviews

Table 18. List of interviews

Date	Name of interviewees	Title	Organisation	Main topics
29/6/18	Bruno Cammaert	Forestry Officer	FAO-EU FLEGT Programme	General issues of legality; sources of information; contacts
29/6/18 3/8/18	Erica Pohnan	Consultant	FAO-EU FLEGT Programme	General issues of legality; sources of information; contacts in Philippines
29/6/18	Josil Murray	Consultant	FAO-EU FLEGT Programme	General issues of legality; sources of information; contacts
13/8/18 22/8/18 (plus email comms. on various dates)	Mayumi Quintos-Natividad	Assistant Director	Forest Management Bureau, DENR	General issues of legality; sources of information and contacts; clarification of issues identified in desk review
1/8/18 (via email)	Juan M. Pulhin	Professor	University of the Philippines – Los Banos	Forest tenure; regulations government harvest and transport of timber
2/8/18 (via email)	Edwino S. Fernando	Professor	University of the Philippines – Los Banos	Endangered, threatened and vulnerable tree species of the Philippines
2/8/18 6/8/18 10/8/18 (via email and skype)	Tong Pei Sin	Lecturer	University Tunku Abdul Rahman, Malaysia	Trade of CITES-listed tree species in Southeast Asia
13/8/18	Edna Nuestro	Chief, Forest Policy, Planning & Knowledge Management Division (FPPKMD)	Forest Management Bureau, DENR	Legislation, regulations and policies related to forest management and timber legality

13/8/18	Fe Oliveros	Chief, Forest Policy Section, FPPKMD	Forest Management Bureau, DENR	Legislation, regulations and policies related to forest management and timber legality
13/8/18	Eugene Estrada	Chief, Knowledge & Information Systems Section, FPPKMD	Forest Management Bureau, DENR	Data on forest area, forest cover, classification, production and trade
13/8/18	Bonifacio Rabang	Chief, Forest Geospatial Data & Information System, FPPKMD	Forest Management Bureau, DENR	Forestland classification, forest areas, tenurial allocations
13/8/18	Orlie Panganiban	Chief, Forest Resources Management Division (FRMD)	Forest Management Bureau, DENR	Forest management, harvesting, transport, processing requirements
13/8/18	Raul Briz	Chief, Forest Protection Section	Forest Management Bureau, DENR	FLEGT, certification initiatives
13/8/18	Nely Butic	Forester, Corporate & Industrial Forest Section	Forest Management Bureau, DENR	Forest tenurial instruments, ancestral domain claims
13/8/18	Roberto Oliveros	Technical Assistant, Office of the Director	Forest Management Bureau, DENR	Management, harvesting, transport requirements in the field; wood processing plant requirements
14/8/18	Patrick C. Dugan	President	Bagong Pagasa Foundation	Practical aspects of legality enforcement in field operations
14/8/18	Rowena Soriaga, Kumiko Shimamoto	Staff Researchers	Environmental Science for Social Change	Legality requirements and circumvention in the field; Indigenous Peoples rights
15/8/18	Maila Vasquez	Executive Director	Philippine Wood Producers Association	Industry perspectives on legal requirements and challenges of operating
15/8/18	June Alvarez	President and Executive Director	Philippine Center for Environmental Protection and Sustainable Development, Inc.	Efforts to advance policy and legislation on sustainable forest management, including certification
16/8/18	Salvio Valenzuela	Executive Director	Chamber of Furniture Industries of the Philippines, Inc.	Perspectives of furniture industry with respect to wood supplies and trade
16/8/18	Priscila Dolom	Director	Forestry Development Center	Formulation of rules and regulations on sustainable forest management, including SFM legislation
16/8/18	Tommy Valdez	President	Society of Filipino Foresters, Inc.	Formulation of new SFM legislation
17/8/18	Karl Villegas	Staff Forester	FAO EU FLEGT Programme	FLEGT initiatives in Philippines
15/8/18 16/8/18 17/8/18	Tom Blomley	Consultant	Acacia Natural Resource Consultants	EU FLEGT initiatives in the Philippines
20/8/18	Gil Mendoza	Forestry Consultant	Independent Consultant	Forest legality policy and regulatory framework
16/8/18 22/8/18	Bill Maynard	Consultant	Global Forestry Services	Guidebook on Chain-of-Custody

22/8/18	Janet Martires	Executive Director	Yakap Kalikasan	Review of IFMA holders, issues and operations
23/8/18	Gillian Dunuan	Officer in Charge, Ancestral Domains Office	National Commission on Indigenous Peoples (NCIP)	Indigenous Peoples rights, ancestral domain tenure, resource use rights
23/8/18	Mark Ramirez	Executive Director	Resources Environment and Economics Center for Studies, Inc. (REECS)	Forest tenure; regulations government harvest and transport of timber
24/8/18	Nenette Marte	Executive Assistant	FILTRA Timber	Timber import procedures, timber trading
24/8/18	Nicolaas de Lange	President	Designs Ligna	Timber sourcing, manufacturing plant operations, export procedures

7.2. Field Survey

Surveys were conducted in the Philippines, 13-24 August 2018, in Manila and surrounding areas. The surveys comprised individual meetings with key informants and focus group discussions with various interest groups. Discussions were designed to collect data, information and documents, and validate pre-identified findings from initial desk work. Site visits were also made to the manufacturing facility of Designs Ligna (San Pedro, Laguna) and the timber trading firm FILTRA Timber (Makati) as well as to several furniture and wood product outlets in Metro Manila.

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Annex of Scanned Certificates, Permits, and Approvals related to Timber and Wood Products

Philippines

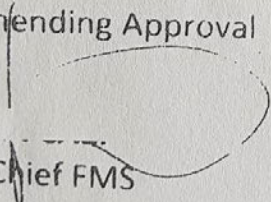
Certificate of Tree Plantation Ownership

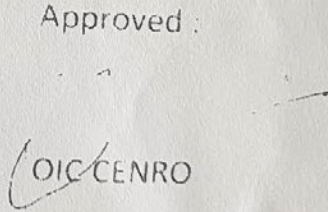
 Republic of the Philippines
Department of Environment & Natural Resources
COMMUNITY ENVIRONMENT AND NATURAL RESOURCES OFFICE
Oroquieta City

CERTIFICATE OF THE TREE PLANTATION OWNERSHIP
CTPO No. ORO-3441
TO

For his/her tree plantation/farm located at Capundag , [REDACTED]
[REDACTED] Under Tax Dec. NO. [REDACTED] covering an area of
3.4629 hectares planted with 1,617 Mahogany trees with the corresponding
total volume of 504.21 cubic meters shown in the attached inventory report
of his/her existing tree plantation pursuant to DENR Memorandum Circular
No. 99-20

Issued this 28th day of July 2014 at DENR -CENRO , Capitol
Compound , Oroquieta City.

Recommending Approval

OIC Chief FMS

Approved :

OIC CENRO



LPDD C/B/P Permit No. [REDACTED]
Date Approved: [REDACTED]
Date Released: [REDACTED]

TREE-CUTTING PERMIT

This PERMIT is issued to [REDACTED] with residential address at No. [REDACTED], purposely for clearing of property.

This PERMIT shall be strictly implemented subject to the following conditions:

1. That only the following planted trees within private/titled property at [REDACTED] are authorized to be cut:

Tree Number	Species	DBH (cm)	MH (m)	Vol. (cu.m.)
1	Narra	70	2	0.509992
2	Narra	66	4	0.906745
3	Narra	68	4	0.962532
4	Narra	80	4	1.332224
5	Narra	56	6	0.979185
6	Narra	85	8	3.007912
7	Narra	75	2	0.585450
8	Mahogany	60	7	1.311408
TOTAL VOLUME				9.595448

2. That there shall be a total of *400 hardened indigenous seedlings or ornamental trees/plants* as replacements for the trees to be cut pursuant to DENR Memorandum Order No. 2012-02 known as "Uniform Replacement Ratio for Cut Relocated Tree". That the permittee shall coordinate with the Chief, Conservation and Development Division (CDD) or her duly authorized representative with telephone number (02) 435-2410 on the kind of species as may be required by DENR-NCR for Urban Greening/Landscaping and shall inform the same one (1) day before the scheduled delivery of seedlings;
3. That prior to tree cutting operation the replacement plants shall be delivered at DENR-NCR Nursery located at North Avenue, Quezon City. Acknowledgement receipt and Compliance Certificate shall be issued, duly signed by the Chief, Enforcement Division and the Chief, Conservation and Development Division, copy furnished the undersigned;
4. That the permittee shall incorporate greening component immediately upon completion of cutting operation and submit report with pictures to this Office through Conservation and Development Division;
5. That a billboard with dimension of 3' x 6' shall be installed conspicuously within the area to inform the public that the cutting operation thereat is covered with a permit issued by DENR. Such notice of particulars shall indicate the name of permittee, the purpose of the activities to be undertaken. Likewise, the Barangay concerned shall be furnished with a copy of the permit prior to cutting operation;
6. That the Chief, Enforcement Division or his duly authorized representative with Telephone No. (02) 435-8879 shall be informed three (3) days before the schedule of cutting operation, which shall at all times be under direct supervision and monitoring;

Tree-Cutting Permit (page 2)

7. That the permittee shall secure the services of a firm person(s) with appropriate expertise and experience to ensure safety to lives and properties;
8. That only chainsaw/s with Certificate of Registration from DENR shall be used in the conduct of tree cutting operation;
9. That the DENR shall not be held responsible for any untoward incident that might occur during the cutting operation;
10. That issues that may arise from the cutting of trees shall be addressed directly and solely by the permittee;
11. That the permittee shall be required to undertake measures during and after tree cutting operation to mitigate the negative impacts of the said activity within the locality and to the environment;
12. That the derivable wood materials to be recovered from cut trees shall belong to the land owner. In case the wood materials will be transported by the permittee outside Metro Manila, the same shall be covered by transport documents issued by the DENR;
13. That a terminal report with pictures shall be submitted to this Office after the expiration of this permit or upon completion of the cutting operation, whichever comes first;
14. That this permit must be claimed within 60 days from the date of approval otherwise same shall be automatically cancelled/revoked without further notice;
15. That violation of the above conditions shall be sufficient ground for the cancellation/revocation of this permit without prejudice to the imposition of penalties in accordance with applicable laws, rules and regulations; and,
16. That this permit has a validity of 30 days upon receipt hereof or upon completion of the cutting operation, whichever comes first.

For strict compliance.

Recommending Approval:



Approved by:



Regional Director



DENR - NATIONAL CAPITAL REGION



TCP20180727-2172

Certificate of Chainsaw Registration

Chainsaw
Permit No. _____

CERTIFICATE OF REGISTRATION

After having complied with the provisions of DENR Administrative Order No. 2003-24, Series of 2003 otherwise known as the "The Implementing Guidelines of the Chainsaw Act of 2002 (R.A. No. 9175)" entitled "AN ACT REGULATING THE POSSESSION, OWNERSHIP, SALE, IMPORTATION AND USE OF CHAINSAWS PENALIZING VIOLATIONS THEREOF AND FOR OTHER RELATED PURPOSES" this Certificate of Registration to possess, own or use a chainsaw is hereby issued to:

(Name of Owner)

(Office Address)

bearing the following information and descriptions:

Use of the Chainsaw :
Brand/No. of Units :
Date of Acquisition :
Model :
Serial Number :
Horsepower :
Maximum length of Guidebar:
Others :

Issued on _____ at Quezon City
Expiry Date: _____.

APPROVED:

REGIONAL DIRECTOR

Conditions:

1. An authenticated copy of this certificate shall be in the person operating the chainsaw at all times together with an authenticated copy of the official receipt of registration;
2. Ensure that the requested trees to be cut/pruned are covered by a permit from this Office; and
3. To inform this Office in writing in case the chainsaw is unserviceable, expired and/or no longer renewing the Certificate of Registration.

Permit to Import Chainsaw

Chainsaw
Permit No. _____

PERMIT TO IMPORT CHAINSAW

Pursuant to the provisions of DENR Administrative Order No. 2003-24, Series of 2003 which provides the "The Implementing Guidelines of the Chainsaw Act of 2002 (R.A No. 9175)" entitled "AN ACT REGULATING THE POSSESSION OWNERSHIP, SALE, IMPORTATION AND USE OF CHAINSAWS PENALIZING VIOLATIONS THEREOF AND FOR OTHER RELATED PURPOSES" this PERMIT TO IMPORT is hereby issued to: _____
(State type of permit)

Name of Owner : _____
Address : _____

The information and descriptions of the chainsaws subject of this permit are hereunder enumerated:

- Quantity : _____
- Brand : _____
- Model : _____
- Country of Origin/ : _____
- Purchase Price : _____
- Purpose : _____
- Others (Purchase Order No.): _____

Issued on _____ at Quezon City
Expiry Date: _____

APPROVED:

Regional Director

Condition/s:

1. To submit the following:
 - a. Copy of corresponding Import Entry Declaration (IED) of the shipments within five (5) days after delivery/arrival;
 - b. List of the chainsaws with engine serial nos. within five (5) days upon arrival/release from the Bureau of Custom
2. The imported chainsaws shall only be sold/disposed to buyers/purchasers with "permit to purchase" issued by DENR;
3. Prior to sale/disposition of the imported chainsaw, a Permit to Sell shall be secured from nearest DENR Office; and
4. To submit quarterly report on the number of chainsaws purchased/imported with complete specification such as engine serial number and model.

Permit to Sell Chainsaw

Chainsaw
Permit No. _____

PERMIT TO SELL CHAINSAW

Pursuant to Republic Act No. 9175, otherwise known as "Chainsaw Act of 2002" (R.A No. 9175)" and its Implementing Rules and Regulations (DENR Administrative Order No. 2003-24), this **PERMIT TO SELL** is hereby issued to:

Name of Owner : _____
Address : _____

The information and descriptions of the chainsaws subject of this permit are hereunder numerated:

- Quantity : _____
- Brand : _____
- Model : _____
- Engine Serial No.: _____
- Country of origin/: _____
- Purchase Price : _____
- Selling Price : _____
- Purpose : _____
- Others : _____

Issued on _____ at Quezon City
Expiry Date: _____

APPROVED:

Regional Director

Condition/s:

1. Submit quarterly reports on the sales / disposition of chainsaws indicating engine serial numbers, model, selling price and sales invoice for reference and monitoring purposes.
2. Ensure that the buyer of the chainsaw has an authority / permit to purchase prior to completion of transaction/sales. No Permit to Purchase is required in case the chainsaw will be used for company/personal purposes.

Self Monitoring Form for Private Plantation Timber

Republic of the Philippines
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
 CARAGA Region, Ambago, Butuan City

SELF MONITORING FORM

SEP 01 2015
 Date: September 1, 2015

SMF Control No. [REDACTED]
 TO ALL CONCERNED:

Be informed that the undersigned is a holder of PRIVATE TREE PLANTATION OWNERSHIP CERTIFICATE (PTPOC) located at [REDACTED] with PTPOC Registration No. R13-SDS-D4-12-19-0058. That I am transporting the following wood products gathered from my tree plantation described as follows, to wit:

1. Kind, specie and quality of wood products (scale sheet attached) Mangium/Marang logs
 2. Conveyance Ten-Wheeler Truck 394 pcs/ 27.15 cu. m.
 3. Consignee/Destination Charanson Wood Ind. Corp. Bonawan, Davao City
 4. Described Route: from Mahayshay, Lingig, SDS to Bonawan, Davao City
 5. Validity date: from September 01, 2015 to September 05, 2015

I hereby certify that the above statements are true and correct to the best of my personal knowledge.

Validity Extended
 Up to _____ due to _____
 nearest CENRO _____

SUBSCRIBED AND SIGNED to before me by the affiant, Mr./Ms. EMOGEN GARGOLES holder of PTPOC No. R13-SDS-D4-12-19-0058 this 1st day of September, 2015 at [REDACTED]
 Mangagoy, B. [REDACTED]

Doc No. _____ Page No. _____ Book No. _____ Series of _____

CERTIFICATION

TO WHOM IT MAY CONCERN:

This is to certify that the above described wood products had been verified by this Office to have originated from the registered private tree plantation mentioned above and is hereby allowed to be transported with the following particulars.

1. Tree Farm UTM ID		
2. a. Total Harvestable Volume Inventoried	<u>277.90 cu.m.</u>	cu.m.
b. Previous Balance	<u>167.14</u>	cu.m.
c. Less: This shipment	<u>27.15</u>	cu.m.
d. Balance after this shipment	<u>139.85</u>	cu.m.
3. CENRO Logbook Transaction No. <u>[REDACTED]</u>		

4. Certification Fee Php. 50.00
 O. No. 6043284
 Date: September 1, 2015

Signature of CENRO _____
 Signature of Consignee File _____

Consignee File _____
 Destination CENRO File _____
 (Detach Here)

IMPORTANT : Passage Stamp of each Monitoring Station along the described transport route shall be placed at the back hereof

Destination CENRO Logbook Transaction No. _____ Date: _____

ARRIVAL CONFIRMATION REPORT

This is to acknowledge the arrival of the transported products within this area of responsibility with the following particulars, to wit:

- Tree Farm UTM ID _____ SMF Control No. _____
- Volume, kind and specie of Forest Products _____
- Description of Conveyance _____ Plate No. _____
- Consignee/Destination _____
- Date of arrival _____
- Remarks _____
- Issuing CENRO Logbook Transaction No. _____

 DENR Scaler of destination CENRO

ACKNOWLEDGEMENT

This is to acknowledge receipt of the _____ pcs. of _____ logs with a volume of _____ cubic meters covered by SMF No. _____ issued on _____ at _____

 Consignee

Packing List to Accompany Self Monitoring Form

Location: _____
 Species: _____
 No. of Pops: _____
 Volume: _____

Log No.	Sex	Disc	Length	Wing	Log No.	Sex	Disc	Length	Wing	Log No.	Sex	Disc	Length	Wing	Log No.	Sex	Disc	Length	Wing	
1					1					1					1					1
2					2					2					2					2
3					3					3					3					3
4					4					4					4					4
5					5					5					5					5
6					6					6					6					6
7					7					7					7					7
8					8					8					8					8
9					9					9					9					9
0					0					0					0					0
Total					Total					Total					Total					

Scaled by: 

Certificate of Transport Agreement

CERTIFICATE OF TRANSPORT AGREEMENT

TO WHOM IT MAY CONCERN:


This is to certify that the undersigned have agreed to the transport of the forest products described below:

No. of Pieces : 394
Volume : 27.16 cu.m.
Species : Mangium/Marang logs
Place of Loading : Mahayuhay, Lingig, SDS
Destination : Charverdon wood Ind. Corp., Bunawan, Dvo. City
Date of Transport : 09/01/16
CTO/CLO/AUX. No. :

That the said cargo is to be or being transported on the following described conveyance.

Kind/Make :
Serial No. :
Plate No. :
Registry No. :
Registered Owner :
Authorized Rep. :

That the undersigned owner of the conveyance and/or his authorized representative below declared that they are aware of the documents required by the Forestry Laws and Regulations and that of the conveyance used is subject to certification and forfeiture if the transport is not covered by the requisite documents.

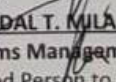

Name of Owner of Forest Products

Name of Owner of Conveyance

By: 


Authorized Representative

SUBSCRIBED AND SWORN to before me this 1st day of September, 2016 at CENRO Office, Mangagoy, Bislig City.


For: VIDAL T. MULA, JR. MEM
Ecosystems Management Specialist II
Authorized Person to Administer Oath

Let's Go Green

Shipment Advice (to accompany Certificate of Transport Agreement)

 Department of Environment and Natural Resources
COMMUNITY ENVIRONMENT AND NATURAL RESOURCES OFFICE
Mangagoy, Bislig City, Surogao del Sur

RELEASED
BY: SEP 01 2016
MANGAGUY, BISLIG CITY

CENRO R13-SDS-08, Administrative Supervision (Shipment Advice)
Code File No. : _____
DATE : 1 Sept. 2016
TIME : _____
TO : CENRO Dvo. Enst
FROM : _____

Transmitted
 Received
 Relayed/Referred

SHIPMENT ADVISE

THIS IS TO INFORM YOUR END THAT THIS OFFICE ISSUED TRANSPORT DOCUMENT(S) WITH THE FOLLOWING INFORMATION CMA TO WIT:

- SPECIES : Marang/Mangium logs
- VOLUME : 27.16 cu.m.
- NUMBER OF PIECES: 394
- SHIPPER : Emogen Gargoles
- DATE OF ISSUANCE: 09/01/16
- EXPIRY DATE : 09/08/16
- DESTINATION : Bunawan, Dvo. City
- CONSIGNEE : _____
- ISSUING OFFICER : _____
- TRANSPORT DOCUMENT NO. : _____

PLEASE ADVISE THIS OFFICE ON THE ARRIVAL OF SAME PD FOR INFORMATION AND GUIDANCE PD TAR

APPROVED/ACKNOWLEDGED:
For and in the absence of the CENRO:

DMO III

RELAYED/RECEIVED:

RADIO OPERATOR

Let's Go Green

Certificate of Verification (for transport) (page 1)



Department of Environment and Natural Resources
National Capital Region

CERTIFICATE OF VERIFICATION

No. NCR-ED-2018-08-315

TO WHOM IT MAY CONCERN:

THIS IS TO CERTIFY that [redacted]
[redacted] (shipper)
of [redacted] (address) is transporting
[redacted] pieces of [redacted] with an equivalent volume of
(number of pieces) (species/ form)
[redacted] (volume in words/ followed by figure)
on or about [redacted] from [redacted]
(date of loading) (place of loading)
[redacted] (name and address of destination/ consignee)
on board Mitsubishi Truck with Plate No. [redacted]
(type of vehicle)

That per inspection conducted by personnel of this Office, subject [redacted] were derived from the property of National Food Authority, Visayas Avenue, Barangay Vasra, District I, Diliman, Quezon City under [redacted] approved and released on [redacted] to [redacted]

The issuance of this transport document is in accordance with the provisions of DENR Administrative Order No. 07, Series of 1994.

THIS IS TO CERTIFY FURTHER that any forest products other than those described above in form, species and volume shall be considered illegal and the whole/entire shipment shall be subjected to outright confiscation.

ISSUED this AUG 07 2018 and is valid until AUG 10 2018 or upon arrival of said Narra Logs to its point of destination, whichever comes first. Certification and Oath Fees in the amount of Eighty Six Pesos (P86.00) was paid under O.R. No. 4060269 R dated August 02, 2018.

Inspected/Verified by:

[redacted]

Senior EMS

Conforme:

[redacted]

Owner/Authorized Representative

Recommending Approval:

[redacted]

OIC Assistant Regional Director
For Technical Services

Approved by:

[redacted]
OIC Assistant Regional Director for Management Services
and OIC Regional Director, DENR-NCR
In Concurrent Capacity [redacted]

NOTE: Not valid without dry seal and documentary stamp.


National Ecology Center, East Avenue, Diliman, Quezon City 1100
Telephone Nos. 373-3433/373-3359-435-2410/435-8878 Trunkline: 755-3330 loc. 3200, 3206, 3207

Certificate of Verification (for transport) (page 2... tally/inventory sheet)


Tally/Inventory Sheet

Log	Length (m)	Diameter (m)	Volume (cu.m)
1	1.70	0.36	0.17
2	1.50	0.30	0.11
3	2.34	0.36	0.23
4	1.52	0.20	0.05
5	1.57	0.20	0.05
6	1.52	0.25	0.08
7	2.41	0.36	0.24
8	2.26	0.36	0.22
9	1.12	0.25	0.06
10	1.68	0.30	0.12
11	3.12	0.61	0.91
12	2.16	0.36	0.21
13	1.63	0.36	0.16
14	1.68	0.46	0.28
15	1.70	0.25	0.09
16	2.34	0.30	0.17
17	2.01	0.25	0.10
18	1.12	0.25	0.06
19	1.37	0.30	0.10
20	2.29	0.43	0.33
TOTAL			3.74 cu.m

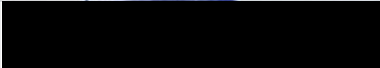
Date of Scaling : August 02, 2018

Place of Scaling : 

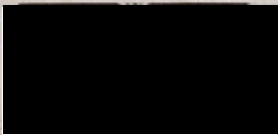
Scaled and Inspected by:


Senior EMS, CMIS-ED

Noted by:


Chief, Enforcement Division

Certificate of Transport Agreement (inter-island shipping)



Republic of the Philippines
Department of Environment and Natural Resources
NATIONAL CAPITAL REGION
North Production Nursery, North Avenue, Diliman Q.C.

CERTIFICATE OF TRANSPORT AGREEMENT

TO WHOM IT MAY CONCERN:

This is to certify that the undersigned have agreed to the transport of the forest products described below:

Volume: 13,669bdf/1x20fr

Species: IMPORTED FINISH KD LUMBER, DOORS AND WOOD PRODUCTS

Place of loading: [Redacted]

Destination: [Redacted]

Date of transport: April 13, 2018

That the said cargo is to be or being transported on the following describes conveyance/ vessel:

Kind/Make: Lorcon Dumaguete Voyage 38

Container no:

Serial No: _____

BL No.: _____

That the undersigned owner of the conveyance and/or under authorized representative hereby declared that he is aware of the document required by the Forest laws and regulations and the conveyance used is subject to confiscation and forfeiture if the transport is not covered by the requisite documents.

That the subject forest products herein come legitimate sources and are covered by the requisite documents.

[Redacted]

Name of owner of forest products

[Redacted]

Name of owner of conveyance

[Redacted]

Authorized Representative

[Redacted]

SUBSCRIBED AND SWORN to before me this APR 11 2018 QUEZON CITY at _____
UNTIL DECEMBER 31, 2019


[Signature]
ATTY. LUIS M. DE VERA
NOTARY PUBLIC

DOC. NO. 411
PAGE NO. 3
BOOK NO. X10
SERIES OF 201

[Redacted]

NO. 522851-0123/2018/O.
NO. 010131-12/20/2017/O.
NO. 2018/0574 MCLE NO.

Certificate of Timber/Lumber Origin



Republic of the Philippines
Department of Environment and Natural Resources
Office of the RED R-2
Office of the CENRO
SIOCON

CTO / CLO No. R-9 10460148988670

CERTIFICATE OF TIMBER / LUMBER ORIGIN

PARTICULARS (TIMBER) CTOCLONo: 10460148988670

AAC: 47,347.30 m3

Beginning Stock 45,655.10 m3

Total Volume Manifested (This Date) 621.70 m3

(1) Less this Shipment 616.20 m3

(2) Total Shipments (To Date) 2,308.40 m3

(3) Unshipped Balance (Previous A) = m3

(4) Allowable Cut Balance 45,038.90 m3

(5) Unshipped Balance (Previous A) = m3

(6) Allowable Cut Balance 45,038.90 m3

Note: Beginning Stock = AAC - Previous Stocks if any.

TO WHOM IT MAY CONCERN:

ONE THOUSAND ONE HUNDRED THIRTY NINE (1,139 pcs.)

This is to Certify that SIX HUNDRED SIXTEEN AND 20/100 (616.20M3) followed by figures)

(Quantity/ unit of measure in words)

of Legs, Plantation Species Which is being transported

(Types of Product)

via _____ **Mode** via / on board

(Place of Loading)

SICHIN CHIN OR SUBS. With the Load Level of _____

(Description of Conveyance)

meters from floor to top most height _____

were cut, gathered and removed / processed from the forest area / wood processing plant of _____ under _____ (License / Permit No.)

(COPY FOR ASECO ONLY)

PARTICULARS (LUMBER) CTOCLONo: 10460148988670

ALR / LSC: _____ bd.ft.

(1) Beginning Stock _____ bd.ft.

1.1 Processed (WPP) _____ bd.ft.

1.2 Purchased (ERLD) _____ bd.ft.

(2) Less: This Shipment _____ bd.ft.

(3) Total Volume Disposed (ToDate) _____ bd.ft.

(4) Remaining Stock Balance _____ bd.ft.

Note: Beginning Stock = Processed and / or Purchased lumber plus Previous Stocks if any.

issued by the Secretary of the Department of Environment and Natural Resources and / or his duly authorized representative, to expire on 12-31-2032 with an (Date of Expiration)

annual authorize cut / harvest capacity of 47,347.30M3 (Quantity and unit of Measures)

Located at Brgy. Tamao,

Destined / consigned to Zamboanga City

(Name and Address of Consignee)

Certification fee in the amount of P 50.00 in favor of the Department of Environment and Natural Resources was paid under O.R. No. 5922858

Dated: August 3, 2018

Mode _____

DESCRIBE ROUTE:

Fr: Sta. Maria

To: Zamboanga City

VALIDITY DATE FROM August 3, 2018

TO August 18, 2018

This CTO / CLO supersedes and cancels CTO / CLO Number: _____ to cover untransported Balance of: _____

TIME IN: 7/8/2018 9:14:27 AM

NOTE: This CTO / CLO is only valid after confirmation by FMB / OPCEN

ATTESTED BY: _____

Community Environment and Natural Resources Officer

CONFORME: _____

Authorized Representative

SUBSCRIBE AND SWORN before me this 2nd Day of August Year 2018 At Zamboanga City

Page No. 717

Book No. 5

Series of 2018

Page 6 of 6

Environmental Compliance Certificate for Mini-Sawmill (required for operating wood mill)

ENVIRONMENTAL MANAGEMENT BUREAU
Office of the Regional Director
Region-10, Macabalan, Cagayan de Oro City

Environmental Compliance Certificate
(Issued under Presidential Decree 1586)

ENVIRONMENTAL MANAGEMENT BUREAU
EIA DIVISION
RELEASED
DATE: 7/29/11
BY: [Signature]

REGION 10, CAGAYAN DE ORO CITY

THIS IS TO CERTIFY THAT THE PROPONENT, [Redacted], is granted this Environmental Compliance Certificate (ECC), for the [Redacted] located at Barangay Medallo, Sapang Dalaga, Misamis Occidental by the Department of Environment and Natural Resources (DENR), through the Environmental Management Bureau, (EMB), Region 10.

SUBJECT ONLY to the conditions and restrictions set-out in this certificate.

This certification is issued for the [Redacted] with the following details:

PROJECT DESCRIPTION

The proposed [Redacted] having a production capacity of FIVE HUNDRED (500) board feet per day is located at Barangay Medallo, Sapang Dalaga, Misamis Occidental.

This certification is issued in compliance to the requirements of Presidential Decree No. 1586, in accordance to Department Administrative Order No. 2003-30. The Bureau, however, is not precluded from reevaluating, adding, removing, and correcting any deficiencies or errors that may be found after issuance of this certificate.

Issued at EMB - 10 Cagayan de Oro City this JUL 29 2011 day of _____, 2011.

Recommending Approval:
[Signature]
Chief, EIAM Division

Approved by:
[Signature]
Regional Director

I. CONDITIONS

ENVIRONMENTAL MANAGEMENT

The proponent shall strictly implement the following mitigating enhancement, and rehabilitating measures:

1. Air emission from plant operations shall conform to the standards set by the DENR; Any exceedance thereof shall be ground for automatic cancellation or suspension of this Certificate and imposition of penalties;
2. A Regular Wood Processing Plant (WPP) Permit from the DENR shall be secured prior to project operation;
3. Only logs and lumber from legitimate sources shall be processed;
4. Noise and dust emission shall be confined within the project area;
5. Solid waste generated shall be disposed of properly and never to be burned openly nor to be dumped into any bodies of water. Good housekeeping and sanitation shall be maintained at all times;

GENERAL CONDITIONS

Further administrative conditions for the grant of this certificate shall be strictly complied:

6. The local residents shall be prioritized for employment;
7. The proponent shall initiate to put-up an Environmental Monitoring Fund (EMF) for the use of Multi-Partite Monitoring Team in monitoring compliance to ECC;
8. The DENR-EMB-10 and/or multi-partite team can initiate an on-the-spot monitoring and inspection anytime without prior notice;
9. In case of abandonment, the Proponent shall notify the EMB Regional Office concerned within three (3) months prior to the abandonment and the Proponent shall submit its abandonment mitigation plan;

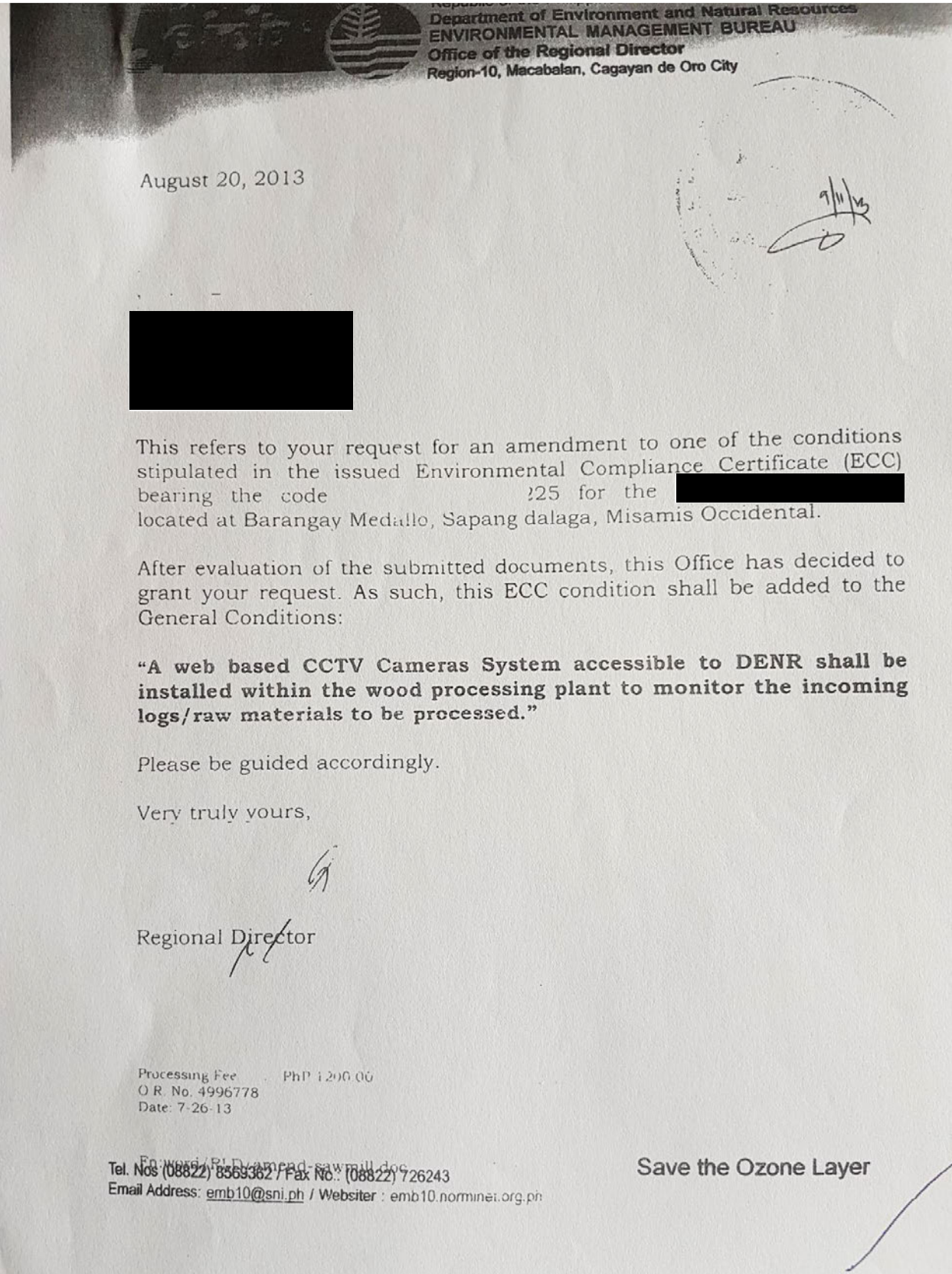
II. RESTRICTIONS

The proponent is strictly subject to the following restrictions:

10. No other activities should be undertaken other than what was stipulated in the IEE document. Should there be an expansion of the project beyond the project description, or any change in the activity beyond those stated in the IEE document; shall be made subject to a new Environmental Impact Assessment;

ATTENY PUBLIC

ECC Amendment (requiring CCTV installation to monitor incoming logs and raw materials)



Department of Environment and Natural Resources
ENVIRONMENTAL MANAGEMENT BUREAU
Office of the Regional Director
Region-10, Macabalan, Cagayan de Oro City

August 20, 2013

9/11/13
[Handwritten signature]

[Redacted]

This refers to your request for an amendment to one of the conditions stipulated in the issued Environmental Compliance Certificate (ECC) bearing the code 225 for the [Redacted] located at Barangay Medallo, Sapang dalaga, Misamis Occidental.

After evaluation of the submitted documents, this Office has decided to grant your request. As such, this ECC condition shall be added to the General Conditions:

“A web based CCTV Cameras System accessible to DENR shall be installed within the wood processing plant to monitor the incoming logs/raw materials to be processed.”

Please be guided accordingly.

Very truly yours,

[Handwritten signature]

Regional Director

Processing Fee . . . PHP 1,200.00
O R No. 4996778
Date: 7-26-13

En: W089; B1; D:\amrad-sawmill.doc
Tel. Nos (08822) 8569362 / Fax No.: (08822) 726243
Email Address: emb10@snr.ph / Websiter : emb10.nominet.org.ph

Save the Ozone Layer

Environmental Compliance Certificate for Furniture Factory (page 1)

ENVIRONMENTAL COMPLIANCE CERTIFICATE
(Issued under Presidential Decree 1586)
ECC-R4A-1301-0032

THIS IS TO CERTIFY THAT THE PROPONENT, [REDACTED] is granted this Environmental Compliance Certificate (ECC) for their **MANUFACTURING OF WOODEN FURNITURES PROJECT** located at **MAGSAYSAY ROAD EXTENSION, BARANGAY SAN ANTONIO, SAN PEDRO, LAGUNA** by the Department of Environment and Natural Resources (DENR), through the Environmental Management Bureau (EMB), CALABARZON Region.

This Certification is being issued for the Project with the following details:

PROJECT DESCRIPTION

The Manufacturing of Wooden Furnitures Project shall have a maximum annual production capacity of One Thousand (1,000) Metric Tons of wooden furnitures within a gross floor area of Four Thousand One Hundred Ninety Six and 50/100 (4,196.50) square meters of leased property embraced by TCT No. T-193127. The project components include: parking area, production area, office, and warehouse area. It will utilize the following equipment Eight (8) units sander machines, Three (3) units sharpening machines, Two (2) units grinders, Twenty-four (24) units band, rip, radial and table saw, Two (2) Refrigerated Air Dryers, One (1) unit Generator, Ten (10) units Air Compressors, Four (4) units Spray Pumps, Eight (8) units Spray Booths, Four (4) units Metal Racks, Three (3) units Sewing Machines, Eight (8) units Dust Collector, Four (4) units Boring Machines, One (1) unit Lathe Machine, One (1) unit Copy Machine, Three (3) units Copy Moulder, Three (3) units Surface Planers, Four (4) units Drill Press, One (1) unit Banding Machine, Two (2) units Glue Mixer and Three (3) units Cutters.

This certification is issued in compliance to the requirements of Presidential Decree No. 1586, in accordance to Department Administrative Order No. 2003-30. The Bureau, however, is not precluded from reevaluating, adding, removing, and correcting any deficiencies or errors that may be found after issuance of this Certificate.

This is to certify, further, that in issuing this **CERTIFICATE**, it should be understood that the same is a **PLANNING TOOL** and **NOT A PERMIT**. It is expected that the proponent will diligently secure pertinent **PERMITS/CLEARANCES** from all concerned government agencies prior to the start/implementation of the proposed project. Furthermore, the DENR/EMB will be monitoring the project periodically to ensure compliance with the stipulations cited in the attached conditions and restrictions which are made as integral part of this ECC.

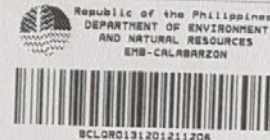
Issued at EMB CALABARZON Region this MAR 08 2013.

Recommending Approval:

Approved by:

[REDACTED]
Chief, Environmental Impact
Assessment and Management Division

[REDACTED]
Regional Director



1

6th Floor DENR by the Bay Bldg., 1515 Roxas Blvd., Ermita, Manila

Environmental Compliance Certificate for Furniture Factory (page 2)

I. CONDITIONS **ECC (Env't. Compliance Cert.)**

ENVIRONMENTAL MANAGEMENT

The proponent shall strictly implement the following mitigating, enhancement, and rehabilitating measures:

1. That re-greening and landscaping shall be established within and along the periphery of the project site to help attenuate noise levels, abate heat and absorb some pollutant emissions.
2. That the proponent shall strictly manage all operational, external, chemical, spillage, traffic, process, excessive surface run-off, dust, and occupational & health hazards identified in the Environmental Performance Report and Management Plan (EPRMP) and, in case of emergency episodes, appropriate response activities shall be immediately undertaken for the protection of the workers/personnel, nearby communities and the receiving environment.
3. That effective and adequate drainage system and Wastewater Treatment Facility (WWTF) for its domestic effluents shall be provided. All liquid wastes shall be properly treated and shall not exceed the DENR Effluent Standards.
4. That in support of the concern of the government to phase-out mercury from all possible sources and to address global warming, the proponent shall install environment-friendly lighting fixtures (i.e. light-emitting diode lamps, compact fluorescent lamps, etc.).
5. That proper Air Pollution Source and Control Installations (APSCI) shall be provided by the proponent to avert pollutant emission.
6. That the proponent and/or contractor shall implement the following:
 - 6.1 Effective Information, Education and Communication (IEC) Plan shall be implemented in all project phases including communication of environmental risks of the project implementation.
 - 6.2 Beneficial Social Development Program (SDP) among the employees/workers, host barangay and affected communities which shall cover livelihood training and employment, including assistance in the setting-up of social welfare programs for health and education that will ensure the participation of youth and women.
 - 6.3 Appropriate plans and specifications for its Wastewater Treatment Facility (WWTF) shall be submitted one (1) month after receipt of the ECC and shall be completed within a period of six (6) months
 - 6.4 Appropriate wastes management scheme as provided in the Environmental Management Plan (EMP) shall be continuously implemented.

GENERAL CONDITIONS

Further administrative conditions for the grant of this Certificate shall be strictly complied:

7. That the proponent shall religiously comply with the applicable provisions of P.D. 1586 (Philippine Environmental Impact Statement System), R.A. 9003 (Ecological and Solid Waste Management Act of 2000), R.A. 6969 (Toxic Substances and Hazardous and Nuclear Waste Control Act of 1990), R.A. 8749 (Philippine Clean Air Act of 1999), and R.A. 9275 (Philippine Clean Water Act of 2004).
8. That the proponent shall set-up a competent Environmental Unit and shall be duly accredited by this Office in accordance with DAO No. 26, series of 1992 (Appointment/Designation of Pollution Control Officers). The Environmental Unit shall be integrated in the proponent's organizational chart to handle all environment related aspects of the project implementation in

[Redacted]

2

Permit to Operate (Air Pollution Source and Control Installations) (for factory operation)



Department of Environment and Natural Resources
Environmental Management Bureau
 Regional Office No. IV - CALABARZON

Permit No. [REDACTED]

Date Issued: **AUG 25 2016**

Regular

PERMIT TO OPERATE
 Air Pollution Source and Control Installations

Pursuant to Part VI, Rule XIX of the Rules and Regulations of R.A. 8749, authority is hereby granted to:

[REDACTED]

to operate the following:

Eight (8) units Spray booth connected to air exhaust ducting; and Eight (8) units Sander/Planer provided with dust collector.

Permit Conditions:

Renewal: [REDACTED]

1. That this Permit is subject to revocation if found violating Ambient and Source Emission Standards and other provisions of the Clean Air Act and its Implementing Rules and Regulations;
2. That the permittee shall submit annually ambient monitoring test result/report as a base line data in compliance with the requirements of RA 8749. The submission of ambient test result/report will be on April covering the second quarter of CY 2017, 2018, 2019, 2020, and 2021;
3. That any authorized DENR-EMB personnel with proper identification card and travel order shall be allowed unconditional access to conduct an on-the-spot inspection and monitoring to oversee its compliance to the permits and other applicable environmental laws without the need of prior notice to the proponent;
4. That non-compliance of any of the conditions set forth herein shall be sufficient cause for the suspension or cancellation of this permit and/or payment of fine in an amount not to exceed ten thousand pesos (P10,000.00) for every condition violated;
5. That a Self Monitoring Report (SMR) on the operation and maintenance of the aforesaid installations shall be made quarterly and submitted based on the following schedule:

Province	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.
Cavite	Mar. 23-30	June 23-30	Sept. 23-30	Dec. 23-30
Laguna	Apr. 8-15	Jul. 8-15	Oct. 8-15	Jan. 8-15
Batangas	Apr. 1-7	Jul. 1-7	Oct. 1-7	Jan. 1-7
Rizal	Mar. 7-14	Jun. 7-14	Sept. 7-14	Dec. 7-14
Quezon	Mar. 15-22	Jun. 15-22	Sept. 15-22	Dec. 15-22

Expiration Date: **30-Apr-21**

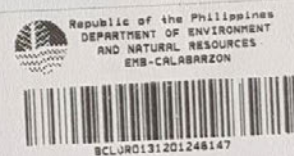
This operating Permit shall be posted in a conspicuous location near the equipment and shall be adequately framed or otherwise protected against damage. Application for the renewal of Permit to Operate must be filed thirty (30) days before the expiration date.

Recommended by: [Signature]
 [REDACTED]

Approved by:

NOEMI A. PARANADA
 OIC-Regional Director

O.R. No.	Permit Fee	12,000.00
O.R. No.	Filing Fee	55.00
O.R. No.	PD 1856	10.00
O.R. No.	Environmental Fee	0.00



6th Floor DENR by the Bay Bldg., 1515 Roxas Blvd., Ermita, Manila
 Rd's Office 536-2808; 536-3095; Telefax No. 536-9784; Admin/Finance Division Telefax No. 404-1610
 PC Division 525-0348; 404-1610; EIA Division Telefax No. 522-8177
 E-mail Address: emb_r4a@denr.gov.ph

Wood Processing Plant Permit (Mini-Sawmill) (page 1)



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, 1100 Quezon City
Tel. Nos. 929-6626 to 29; 929-6633 to 35
929-7041 to 43; 929-6252; 929-1669
Website: http://www.denr.gov.ph E-mail: web@denrgov.ph



**WOOD PROCESSING PLANT PERMIT
(MINI-SAWMILL)**

No: _____

Pursuant to Presidential Decree No. 705, Republic Act No. 460 of 1950 and other existing laws and regulations, a Wood Processing Plant Permit is hereby issued to:

a [redacted] with office address at Barangay Medallo, Sapang Dalaga, Misamis Occidental to operate a Wood Processing Plant (Mini-sawmill) located at Barangay Medallo, Sapang Dalaga, Misamis Occidental having a combined Daily Rated Capacity 500 board feet of approximately 1.18 cubic meters per 8-hour shift of operation.

The permittee has a Log Supply Contract for a period of five (5) years with:

Supplier	Volume (cu. m)
Four (4) CTPO Holders	2,688.71
TOTAL	2,688.71

which volume is considered adequate to supply the wood requirements of the mill under this permit.

This permit is subject to the provisions of Presidential Decree No. 705 as amended by Executive Order No. 277 and other applicable laws, including the rules and regulations promulgated thereto and subject to the Terms and Conditions enumerated in the succeeding pages (marked as Annex A) and such other additional regulation which may hereinafter be prescribed.

This permit is effective on the date of issue and expires on APR 12 2019

Issued on APR 12 2018 at Quezon City, Philippines.

Approved:

Undersecretary for Field Operations - Luzon

Let's Go Green

Wood Processing Plant Permit (Mini-Sawmill) (page 2)



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, 1100 Quezon City
Tel. Nos. 929-6626 to 29; 929-6633 to 35
929-7041 to 43; 929-6252; 929-1669
Website: <http://www.denr.gov.ph> E-mail: web@denrgov.ph

ANNEX A

TERMS AND CONDITIONS

A. RECORDS REQUIRED OF WOOD PROCESSING PLANTS

1. Logs purchased or delivered shall be entered in a log registry book in chronological order with the following information: (a) Volume in cubic meters (b) Species (c) Name of Log Supplier/Timber Licensee/s and (d) Number and date of the official receipt under which the forest charges and other required fees were paid.
2. All official receipts and corresponding auxiliary invoices and commercial invoices covering all logs purchased or received, which receipts and invoices shall be made ready at all times for verification by any forest officer.
3. A daily trimmer tally of all veneer or other wood products produced.

B. REPORTS TO BE SUBMITTED BY ALL WOOD PROCESSING PLANT PERMITTEES:

1. **Annually**
 - a. List of personnel and/or employees indicating their positions and SSS numbers, if any; and
 - b. Audited financial statement certified by a reputable accounting firm.
2. **Quarterly**
 - a. Report of production indicating the number of actual operational days; and
 - b. Report of increase or decrease in employment.
3. **Monthly**

Volume and source of logs purchased and processed and disposition showing segregation between the volumes and prices of products sold locally or exported.
4. **Anytime, as necessary**
 - a. Report of stoppage of operation lasting more than two days due to breakage or repair of any part of equipment giving an estimate of the period of repair and time of the resumption of the plant operations.
 - b. Report on additional machinery/equipment installed or to be installed.
 - c. Any other data or information pertaining to the operation of the wood processing plant shall be furnished to the Director of the Forest Management Bureau or the Regional Director concerned whenever required.

Let's Go Green ✓

Wood Processing Plant Permit (Mini-Sawmill) (page 3)

C. OTHER IMPORTANT PROVISIONS:

1. **Display of Wood Processing Plant Permit** – The permittee shall display the approved WPP Permit on the premises of his plant visible to public view.
2. **Permittees' Responsibility on Un-invoiced Logs or Flitches** – The permittee shall be held liable for the non payment of forest charges and other required government charges, including surcharges, due on any log processed in their plant without proper invoice or on veneer and other products cut in excess of the utilization of the mill.

D. ADDITIONAL RULES

1. Milling wastes shall not be dumped into rivers and streams or in any place which shall cause pollution or unsightly appearance of the vicinity. Herein permittee shall adopt safety and anti-pollution measures in their plant or shall install devices relative hereto that may hereafter be prescribed.
2. In cases of fortuitous events or other circumstances beyond human control, the permittee shall first secure authority from the DENR Secretary or his duly authorized representative in the procurement or purchase of logs from sources other than its approved log suppliers.
3. The permittee shall strive to maintain regular operation of at least 80% of the mill's rated capacity.
4. Failure to submit the reports and requirements on time, and any violation of the terms and conditions of the permit will result to the suspension or cancellation of the permit and/or confiscation of the bond and such other penalties provided by law.
5. The CENRO concerned shall inspect the supply of logs/veneer upon arrival, and strictly monitor the operations of the plant. If anything illegal is undertaken, the wood processing plant shall be closed down.
6. Observe proper disposal of milling wastes and other waste materials.
7. The trees shall be planted ten (10) meters apart along the perimeter of the plant site to maintain and enhance the environmental quality in the locality and in support to the climate change initiatives of the government.
8. The Company shall install a CCTV Camera mounted at conspicuous places within the premises of the plant.
9. The permit shall be renewed only if the permittee can show proof of sufficiency of wood raw materials to determine viability of operations of the plant.
10. The Permit issued is valid only for one (1) year.
11. Non-arrival or insufficient arrival of logs/veneer supply will result in suspension of operations of the WPP, to be issued by the concerned Regional Director. Lifting of suspension will only be issued upon arrival of sufficient volume of raw materials. The concerned Regional Director will submit a quarterly report to the Office of the Undersecretary for Field Operations.

Wood Processing Plant Permit (Mini-Sawmill) (page 4)

will only be issued upon arrival of sufficient volume of raw materials. The Regional Director will submit a quarterly report to the Office of the Assistant Secretary for Field Operations, Mindanao.

12. Approval of this Office shall be sought before expanding or moving operation to another place.
13. Strict compliance with the terms and conditions provided under the approved Environmental Compliance Certificate issued by the EMB Regional Office.
14. Monitoring of the milling operations of the company shall be conducted by the DENR-Region X to ensure compliance with forestry laws, rules and regulations.

Approved:

Undersecretary for Field Operations – Luzon

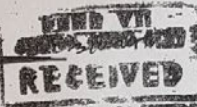
Copy Furnished:

The Director, Forest Management Bureau
The Regional Director, DENR-Region X, Macabalan, Cagayan de Oro City
Mr. Nico medes D. Lomoljo
Owner
JJ-2 Lumber Dealer/Mini-sawmill
Brgy. Medallo, Sapang Dalaga
Misamis Occidental

Lumber Production and Disposition Report

BFD-PED Form No. 1.021

RESAWMILL LUMBER PRODUCTION AND DISPOSITION REPORT
For the Month of FEBRUARY 2017


RECEIVED

Name of Licensee/Permittee: _____
 Resawmill Location: [REDACTED] Type: ROLLER MILL
 CITY Daily Rated Capacity: 8.87 (Cu. M.)

LUMBER INPUT			DISPOSITION			
SOURCE	VOLUME (Cu. M.)	RESAWMILL OUTPUT (Cu. M.)	DOMESTIC SALES		EXPORT	
			Volume (Cu.M.)	Value (P)	Volume (Cu.M.)	FOB Value (P)
BALANCE AS OF JAN., 2017			899.47 CU.M.			
ANTONIO LAWAS	32.55 CU.M.	4.71 CU.M.	927.30 CU.M.			
		----- NOTHING FOLLOWS -----				
TOTAL	32.55 CU.M.	4.71 CU.M.	927.30 CU.M.			

Submitted By: _____ Attested By: _____
 BY: [Signature] Company Official

CENRO

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
 OFFICE OF THE REGIONAL DIRECTOR
 REGION VII (DANAO, DAVAO, CEBU CITY)

RECEIVED	RELEASED
DATE: <u>2/17</u>	DATE: <u>2/17</u>
TIME: _____	TIME: _____
SIGNATURE: <u>[Signature]</u>	SIGNATURE: _____

Lumber Production and Disposition Report (Quarterly Report)

QUARTERLY REPORT

Name of Registrant: _____
 Cert. Of Registration _____
 Place of Operation : _____

January 24, 2018

Date

The Regional Executive Director
 DENR-CALABARZON Region
 Halang, Calamba City

THRU: The CENRO
 Lalakay, Los Baños, Laguna

Sir:

I have the honor to submit hereunder my QUARTERLY REPORT for the Second (1st, 2nd, 3rd, 4th) quarter of the current year covering the months of April, May, June, 2017.

	VOLUME (BD.FT.)	(CU.M.)
1. Balance of last quarter	28,733.12	67.77
2. Purchased during the quarter	25,762.67	60.76
3. Total handled during the quarter	54,495.79	128.53
4. Sales or disposal during the quarter	24,202.39	57.08
5. Balance at the end of the quarter	30,293.40	71.45

Respectfully submitted:

Nicolaas K. De Lange
 Registrant/Permittee

Republic of the Philippines
 Municipality of Los Baños
 Province of Laguna

_____, the herein permittee having duly sworn to upon my oath, depose and say that I have thoroughly read the statement and figures contained in the above report; that I signed this said report and affidavit in the presence of the Administering Oath, and that each and every statement and figures is correct to the best of my knowledge and belief.

 Registrant/Permittee

Lumber Production and Disposition Report (Yearly Summary Report)

SUMMARY REPORT LUMBER PRODUCTION AND DISPOSITION

NAME OF PROPONENT : _____
 PROJECT LOCATION : _____
 LICENSE/PERMIT NO. : _____
 DATE ISSUED : _____
 DATE OF EXPIRY : _____

CALENDAR YEAR/MONTH	LUMBER INPUT		MILL OUTPUT (CU.M.)	DISPOSITION		REMARKS / AVAILABLE STOCKS (CU.M.)	
	SOURCE	VOLUME (CU.M.)		DOMESTIC SALES	EXPORT		
				VOL. (CU.M.)	VOL. (CU.M.)		
2016							
DECEMBER	PAMARÉ Farmers Association, Inc. holder of IFMA No. 01 2013		"NO OPERATION"				
2017							
JANUARY	PAMARE Farmers Association, Inc. holder of IFMA No. 01 2013		"NO OPERATION"				
FEBRUARY			"NO OPERATION"				
MARCH			"NO OPERATION"				
APRIL			"NO OPERATION"				
MAY			"NO OPERATION"				
JUNE			34.53	34.53	NONE	NONE	34.53
JULY			51.52	51.52	NONE	NONE	51.52
AUGUST							
SEPTEMBER							
OCTOBER							
NOVEMBER							
DECEMBER							
AVAILABLE STOCKS ENDING JULY 2017 = 86.05 CUBIC METERS							

PREPARED/SUBMITTED BY: _____

CHECKED/VERIFIED BY: _____

OWNER / MANAGER _____


FORESTER II / CHIEF, FRRU _____

SEP 12 2017

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____ 2017 at DENR-CENRO, Bago City, Philippines.

LMO III / CHIEF, LPDS _____

Certificate of Registration (for Wood Importer) (page 1)

 Republic of the Philippines
Department of Environment and Natural Resources
Regional Office No. IV-A, CALABARZON
DENCRIS Business Center, Brgy. Halang, Calamba City, Laguna

CERTIFICATE OF REGISTRATION
Registration No. [REDACTED] (Renewal)
This is to certify that,
DESIGNS LIGNA, INCORPORATED
c/o [REDACTED]
(Business Name/Proprietor)

with office address located at [REDACTED] has complied with the registration requirements prescribed by the Department pursuant to DAO 99-46 dated November 10, 1999 and DAO 2016-07 dated May 19, 2016 regarding the "Manual of Authorities on Technical Matters" the Regulations promulgated thereto, and subject to the Terms and Conditions enumerated in the succeeding pages (marked as Annex A), and such other additional regulation which may hereinafter be prescribed, is hereby issued the Certificate of Registration as

IMPORTER of **Lumber and Veneer**
(Logs, Lumber, Veneer, Plywood, Panels, Poles and Piles, Pulpwood, Wood Chips and Other Wood Based Products)

This Certificate of Registration is non-negotiable and non-transferable and, will expire on **February 21, 2019** unless sooner terminated or revoked for cause.

Issued on MAR 12 2018 at Calamba City, Philippines.

SOFIO B. QUINTANA, Ph.D., CESO IV
Regional Director

Bond (Cash) No. <u>1526124 Q</u>	Registration Fee: <u>2480.00</u>
Date: <u>12/1/2009</u>	O.R. No. <u>5905092 Q</u>
Application Fee: <u>P500.00</u>	Date: <u>1/29/2018</u>
O.R. No. <u>5905092 Q</u>	
Date: <u>1/29/2018</u>	

Certificate of Registration (for Wood Importer) (page 2)

ANNEX A.

TERMS AND CONDITION FOR CERTIFICATE OF REGISTRATIONS AS LUMBER DEALER

1. The Holder of this Certificate of Registration must:

- 1.1 Display the Certificate of Registration within the establishment's premises exposed to public view;
- 1.2 Submit to the concerned CENR Office of monthly stock purchase and disposition reports every the fifth (5th) day of the succeeding month to include, among others, the following
 - 1.2.1 Balance of previous month;
 - 1.2.2 Purchase(s) made during the month under report;
 - 1.2.3 Total volume/quantity handled;
 - 1.2.4 Volume sold;
 - 1.2.5 Balance at the end of the month; and
 - 1.2.6 Statement resources.
- 1.3 Allow authorized DENR personnel to inspect the premises of its lumberyard for monitoring and evaluation.
- 1.4 Provide information and/or intelligence essential to forest law enforcement, more particularly on Violation of RA-1239, RA No.460 and PD-705, as amended, giving the names and addresses of the violators and the nature of violations.
- 1.5 Issue sales invoices of lumber sold to end-user and assist buyer in securing transport documents when lumber is sold outside the province.
- 1.6 Buy lumber materials only from approved suppliers and other legitimate sources with complete transport documents.
- 1.7 Maintain cleanliness of its lumberyard by establishing and maintaining solid wastes management facilities, and observance of the proper disposal of wastes.
- 1.8 File the renewal application within sixty (60) days before it expire. Failure is construed that the registrant is no longer interested to pursue the trade.
- 1.9 Secure resaw permit immediately upon receipt hereof if using circular/or band saws Complimentary to its lumber dealership.
- 1.10 Submit additional lumber supply contract from legitimate sawmill operator and/ or lumber dealers, within sixty days upon receipt hereof.

ADDITIONAL CONDITIONS;

1. For log dealer:

- 1.1 In accordance with section 79 of P.D. 1559, the herein permittee must issue an invoice for each sale of log stating the kind size sold, the same as that described above in the provisions.
- 1.2 Violation shall be sufficient ground for at least two (2) years suspension of the license and least ₱200.00 fine or value of the invoice, whatever is greater.
- 1.3 This certificate authorizes the holder to sell domestically logs produced from its own concession Area.
- 1.4 This certification is likewise subject to all rules and regulations that the Bureau of Forest Development may hereafter prescribe.

2. For lumber dealer and lumber yard operator;

- 2.1 This certificate authorizes the holder hereof to purchase lumber from its subsisting lumber supplier and that lumber purchased are for domestic sale especially for the immediate community. The purchase of lumber from other sources other than its subsisting supplier is not allowed under this certificate.
- 2.2 This certificate is likewise subject to all rules and regulations that the Bureau of Forest Development may hereafter prescribe.
- 2.3 Violation shall be the same as the above in log dealership which are stipulated in No. 1 & 2 of The additional laws, rules and regulations.

3. Prohibitions;

- 3.1 To use the Certificate of Registration as subterfuge in shielding lumber stock of dubious origins.
- 3.2 To purchase logs, post, and piles and lumber that were illegally cut.
- 3.3 To establish any wood processing plant, e.g., sawmill, mini-sawmill and/ or other powered saws that can slice logs, flitches, post and piles into pieces of lumber, unless with expressed written authority issued by the DENR.

4. Causes of Cancellation

- 4.1 Commission of the folder hereof and/ or his authorized representatives/agents of any of the above- prohibitions and failure to submit of the above-stated basic requirements on its operations as lumber dealer.
- 4.2 When found out that the Certificate of Registration was secured through fraud.
- 4.3 For any violation of the terms and conditions of the registration, the provision of R.A 1239 and PD No. 705, as amended, or the Internal Revenue Laws and Regulations.




5. Penal Provision

- 5.1 In consonance with the provisions of R.A 1239, person found directly or indirectly responsible for violation of any provisions of this order or the terms and conditions stipulated in the Registration Certificate shall be penalized by a fine not more than One Thousand pesos (₱1,000.00) or imprisonment of not more than one (1) year, together with the cancellation of the Certificate of Registration.
- 5.2 Lumber stock found inside yard/storage site that are not supported with proper documents usually Required by the DENR are presumed to be illegal and would be subjected to seizure and confiscation in accordance with the pertinent provisions of DAO No. 97-32.

6. Reference and Record

- 7.1 Copy of Certificate of Registration upon approval shall be copy furnished to the PENRO, CENRO concerned (except NCR), and Forest Management Bureau for reference and record purposes.

Certificate of Origin (Germany) for Wood Imports

1 Absender - Consignor - Expéditeur - Expedidor 	L 18394683	ORIGINAL																																																						
2 Empfänger - Consignee - Destinaire - Destinatario 	EUROPÄISCHE UNION EUROPEAN UNION - UNION EUROPEENNE - UNION EUROPEA URSPRUNGSZEUGNIS CERTIFICATE OF ORIGIN - CERTIFICAT D'ORIGINE CERTIFICADO DE ORIGEN																																																							
4 Angaben über die Beförderung - means of transport - expedition - expedición seafreight 1 Container	3 Ursprungsland - Country of origin - Pays d'origine - País de origen Federal Republic of Germany (European Union) 5 Bemerkungen - remarks - observations - observaciones FSC 100% SCS-COC-005084																																																							
6 Laufende Nummer, Zeichen, Nummern, Anzahl und Art der Packstücke; Warenbezeichnung <i>Item no., marks, nos., number and kind of packages, description of goods</i> <i>No. de pos., marquage, nos., nombre et nature des colis, description de marchandises</i> <i>No. de orden, marcas, nos., cantidad y naturaleza de los bultos, descripción de las mercancías</i> White Ash lumber, kiln dried, 35 mm + 50 mm 2 packages, 1,824 m³ European ASH lumber, kiln dried, 26 mm + 50 mm 5 packages, 8,648 m³ European Oak lumber, kiln dried, 26 mm + 50 mm 2 packages, 3,019 m³ American Walnut lumber, steamed, kiln dried, 26mm/35mm/50mm 17 packages, 16,695 m³ Total 26 packages, <table border="0" style="width: 100%; border-collapse: collapse;"> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> <tr><td>-----</td><td style="text-align: center;">Z</td><td>-----</td></tr> </table>	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	-----	Z	-----	7 Menge <i>Quantity</i> <i>*Quantité</i> <i>Cantidad</i> 30,186 m³	
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8 DIE UNTERZEICHNENDE STELLE BESCHEINIGT, DASS DIE OBEN BEZEICHNETEN WAREN IHREN URSPRUNG IN DEM IN FELD 3 GENANNTEN LAND HABEN <i>The undersigned authority certifies that the goods described above originate in the country shown in box 3</i> <i>L'autorité soussignée certifie que les marchandises désignées ci-dessus sont originaires du pays figurant dans la case No. 3</i> <i>La autoridad infrascrita certifica que las mercancías arriba mencionadas son originarias del país que figura en la casilla no. 3</i> <div style="display: flex; align-items: center;"> <div style="flex: 1;">  <p style="font-size: 2em; font-family: cursive; margin-left: 20px;"><i>Gottlieb</i></p> </div> <div style="flex: 1; text-align: center;"> <p>Bearbeitet durch: Heidi Gottlieb Heilbronn, 09.08.2018</p> </div> <div style="flex: 1; font-size: 0.8em;"> <p>* ELECTRONIC CERTIFICATE - DIGITALLY SIGNED To verify this document please visit : https://cert.ihk.de Verification Code : KGFT-TUVL-YU9D</p> </div> </div> <p style="font-size: 0.7em; margin-top: 10px;"> <small>Ort und Datum der Ausstellung; Bezeichnung, Unterschrift und Stempel der zuständigen Stelle</small> <small>Lieu et date de délivrance; désignation, signature et cachet de l'autorité compétente</small> <small>Lugar y fecha de expedición; nombre, firma y sello de la autoridad competente</small> </p> <p style="font-size: 0.7em; margin-top: 5px;"> <small>Genehmigung durch den Deutschen Industrie- und Handelskammertag e. V. (DIHK) am 27.04.2016</small> </p>																																																								

Bestell-Nr. 11731

Invoice for Wood Imports

1300 Philippines

Invoice

Please always indicate for payment		
Customer no.	Invoice no.	Date
21502	16510	09.11.2016

Delivery date 09.11.2016 Mode of transport Cif Manila

09 Nov. 2016
Page 1

Please remit proceeds to

MH 26425
16 JAN 2017
D#220674

Quantity	Unit	Description	Unit price	Total price
3.570	m ³	ASH lumber, kiln dried, AA grade, 35 mm FSC 100% SCS-COC-005084	512.00	1.827.84
3.917	m ³	ASH lumber, kiln dried, AA grade, 50 mm FSC 100% SCS-COC-005084	503.00	1.970.25
2.268	m ³	American Walnut lumber, steamed, kiln dried, AB grade, 26 mm	790.00	1.791.72
2.391	m ³	American Walnut lumber, steamed, kiln dried, AB grade, 35 mm	950.00	2.271.45
11.856	m ³	American Walnut lumber, steamed, kiln dried, AB grade, 50 mm	1.050.00	12.448.80
2.587	m ³	American Walnut lumber, steamed, kiln dried, AA grade, 35 mm	1.400.00	3.621.80
2.740	m ³	American Walnut lumber, steamed, kiln dried, AA grade, 50 mm	1.550.00	4.247.00

Container no.: TCLU 837548-6

"only the products that are identified as such on this document are FSC certified"

Amount of goods	0,00 % VAT	Total amount
28.178,86 €	0,00 €	28.178,86 €

payment within 60 days from date of BL

The delivery will be realized according to our terms of sales and delivery which are known to you. According to § 455 BGB the right of reservation of ownership of the delivered goods will be reserved up to the complete payment.


Bill of Lading for Wood Imports

EVERGREEN LINE A Joint Service Agreement		BILL OF LADING NOT NEGOTIABLE UNLESS CONSIGNED TO ORDER ORIGINAL	
[1] Shipper/Exporter (complete name and address) [REDACTED]		[5] Document No. 560600578238	[6] Export References SPEE 60-1611187
[3] Consignee (complete name and address; unless provided otherwise, a consignee "To Order" means "To Order of Shipper") [REDACTED]		[7] Forwarding Agent SPEEDLINE SPEDITION GMBH	
[4] Notify Party (complete name and address) [REDACTED]		[8] Point and Country of Origin (for the Merchant's reference only) [9] Also Notify Party (complete name and address) Invoice # 16510	
[12] Pre-carriage by	[13] Place of Receipt/Date HAMBURG	In Witness Whereof, the undersigned, on behalf of the Carrier and Vessel Provider, Evergreen Marine (Singapore) Pte Ltd., has signed the number of B/L(s) of Lading stated below, all of this tenor and date, one of which being accomplished, the others to stand void. [10] Onward Inland Routing/Export Instructions (which are contracted separately by Merchants entirely for their own account and risk)	
[14] Ocean Vessel/Voy. No. THALASSA TYHI 0900-012E	[15] Port of Loading HAMBURG		
[16] Port of Discharge MANILA	[17] Place of Delivery MANILA		
Particulars furnished by the Merchant			
[18] Container No. And Seal No. Marks & Nos. CONTAINER NO./SEAL NO. TCLU8375486/40H/S373354 TCLU8375486 SEAL: S373354	[19] Quantity And Kind of Packages /22 PACKAGES (HI-CUBE) 1 X 40H 22 PACKAGES 29.329 CBM	[20] Description of Goods ASH LUMBER, KILN DRIED, AA GRADE FSC 100% SCS-COC-005084 AMERICAN WALNUT LUMBER, STEAMED, KILN DRIED, AB GRADE AMERICAN WALNUT LUMBER, STEAMED, KILN DRIED, AA GRADE 14 DAYS FREE DETENTION FREIGHT PREPAID * THE BALANCE OF BILL OF LADING SEE ATTACHED LIST * TOTAL NUMBER OF ATTACHED 1 PAGE "OCEAN FREIGHT PREPAID" SHIPPER'S LOAD & COUNT	[21] Measurement (M) Gross Weight (KGS) 29.3290 CBM 22,513.000 KGS 22513 KGS 29.329CBM
[22] TOTAL NUMBER OF CONTAINERS OR PACKAGES (IN WORDS) 861343	ONE (1) CONTAINER ONLY		[23] Declared Value \$ If Merchant enters actual value of Goods and pays the applicable ad valorem tariff rate, Carrier's package limitation shall not apply.
[24] FREIGHT & CHARGES	Revenue Tons	Rate AS Per Prepaid ARRANGED	Collect
[25] B/L NO. EGLV 560600578238	[27] Number of Original B(s)/L THREE (3)	[29] Prepaid at HAMBURG	[30] Collect at
[26] Service Type/Mode FCL/FCL O/O	[28] Place of B(s)/L Issue/Date HAMBURG NOV. 18, 2016	[31] Exchange Rate	[32] Exchange Rate
TERMS OF BILL OF LADING ARE CONTINUED ON THE REVERSE HEREOF. (1)			

Packing List for Imported Wood

PACKING SUMMARY							
SIZE	LENGTH		PIECES	TONS	M3		
INVOICE NO : KLTEX-0233 PER T/B: TARGET / WM MATAHARI DUA							
MLH (MLH)							
1 3/8 X	1 4/8 X	8' X	4401	10.0856	14.2812		
1 3/8 X	1 4/8 X	10' X	6557	18.7831	26.5968		
1 3/8 X	1 4/8 X	12' X	7100	24.4063	34.5593		
1 3/8 X	1 4/8 X	14' X	1874	7.5155	10.6420		
1 3/8 X	1 4/8 X	16' X	1093	5.0096	7.0936		
1 3/8 X	1 4/8 X	18' X	311	1.6036	2.2707		
Size Ttl:			21336	67.4037	95.4436		
1 3/8 X	2 4/8 X	8' X	750	2.8646	4.0563		
1 3/8 X	2 4/8 X	10' X	264	1.2604	1.7848		
1 3/8 X	2 4/8 X	12' X	1128	6.4625	9.1509		
1 3/8 X	2 4/8 X	14' X	69	0.4612	0.6531		
1 3/8 X	2 4/8 X	16' X	200	1.5278	2.1633		
Size Ttl:			2411	12.5765	17.8084		
1 3/8 X	4 8 X	8' X	409	2.1870	3.0968		
1 3/8 X	10' X	10' X	1431	9.5648	13.5438		
1 3/8 X	12' X	12' X	1800	14.4375	20.4435		
1 3/8 X	14' X	14' X	349	3.2658	4.6244		
1 3/8 X	16' X	16' X	162	1.7325	2.4532		
1 3/8 X	18' X	18' X	76	0.9144	1.2948		
Size Ttl:			4227	32.1020	45.4565		
1 3/8 X	5 4/8 X	10' X	860	9.0330	12.7907		
1 3/8 X	5 4/8 X	12' X	1366	13.6965	19.0102		
1 3/8 X	5 4/8 X	14' X	416	2.1789	3.0358		
1 3/8 X	5 4/8 X	16' X	360	6.0500	8.5668		
Size Ttl:			2466	30.9559	43.8335		
1 3/8 X	7 4/8 X	8' X	140	1.6042	2.2715		
1 3/8 X	7 4/8 X	10' X	520	7.4479	10.5463		
1 3/8 X	7 4/8 X	12' X	1285	22.0859	31.2737		
1 3/8 X	7 4/8 X	16' X	206	1.7268	2.4147		
1 3/8 X	7 4/8 X	18' X	79	2.0367	2.8840		
Size Ttl:			2230	37.8955	53.6602		
1 3/8 X	9 4/8 X	10' X	68	1.2337	1.7469		
1 3/8 X	9 4/8 X	12' X	128	2.7867	3.9459		
1 3/8 X	9 4/8 X	14' X	44	1.1176	1.5825		
Size Ttl:			240	5.1380	7.2753		
1 3/8 X	11 4/8 X	8' X	15	0.2635	0.3732		
1 3/8 X	11 4/8 X	10' X	45	0.9883	1.3994		
1 3/8 X	11 4/8 X	12' X	89	2.3455	3.3213		
Size Ttl:			149	3.5973	5.0939		
MLH Ttl:			220 Bdis	33059	189.6689	268.5714	

Certificate of Supply Contract for Importing Wood (issued by Philippine Consulate in country of export) (page 1)

 **CONSULATE GENERAL OF THE REPUBLIC OF THE PHILIPPINES
SHANGHAI**

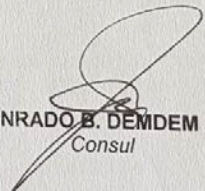
REPUBLIC OF THE PHILIPPINES)
FOREIGN SERVICE OF THE PHILIPPINES)
PHILIPPINE CONSULATE GENERAL) S.S.
Shanghai, People's Republic of China)

AUTHENTICATION

I, **CONRADO B. DEMDEM JR.**, Consul of the Republic of the Philippines in Shanghai, duly commissioned and qualified, do hereby certify that [REDACTED], whose signature and seal are affixed to the **CCPIT CERTIFICATE** [REDACTED] dated 08 April 2018, was at the time he signed the [REDACTED] on 09 April 2018, the Deputy Director of Consular Section, Foreign Affairs [REDACTED], Ningbo Municipal People's Government, and I verily believe that his signature [REDACTED] is genuine.

For the contents of the annexed document, the Consulate General assumes [REDACTED] responsibility.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the [REDACTED] Consulate General in Shanghai this 12th day of April 2018.

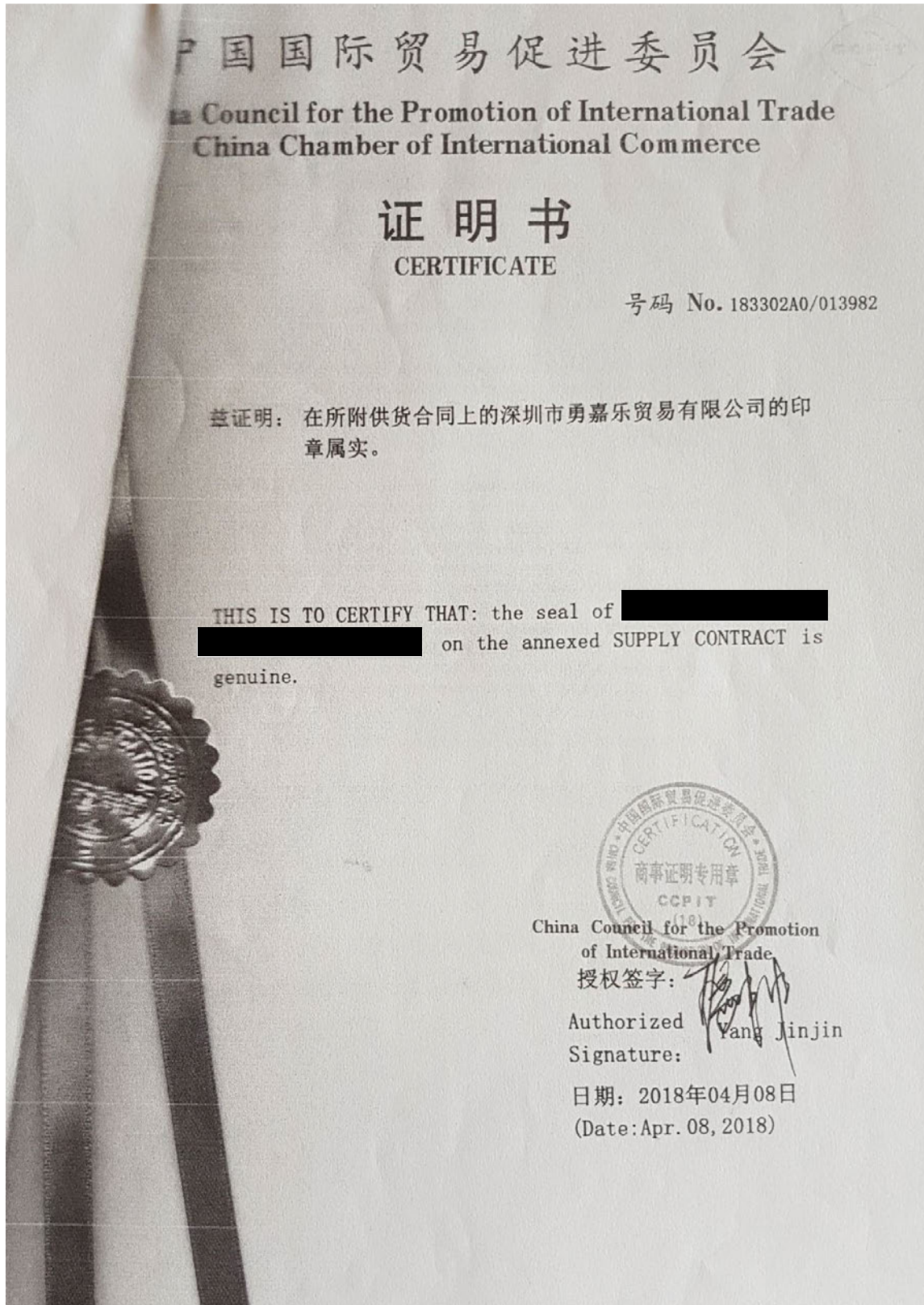

CONRADO B. DEMDEM JR.
Consul

Doc. No. : 1860
Serv. No. : 1860
Page No. : 98
Book No. : 01
Series of : 2018
O.R. No. : 8239990
Fee paid : ¥190.00

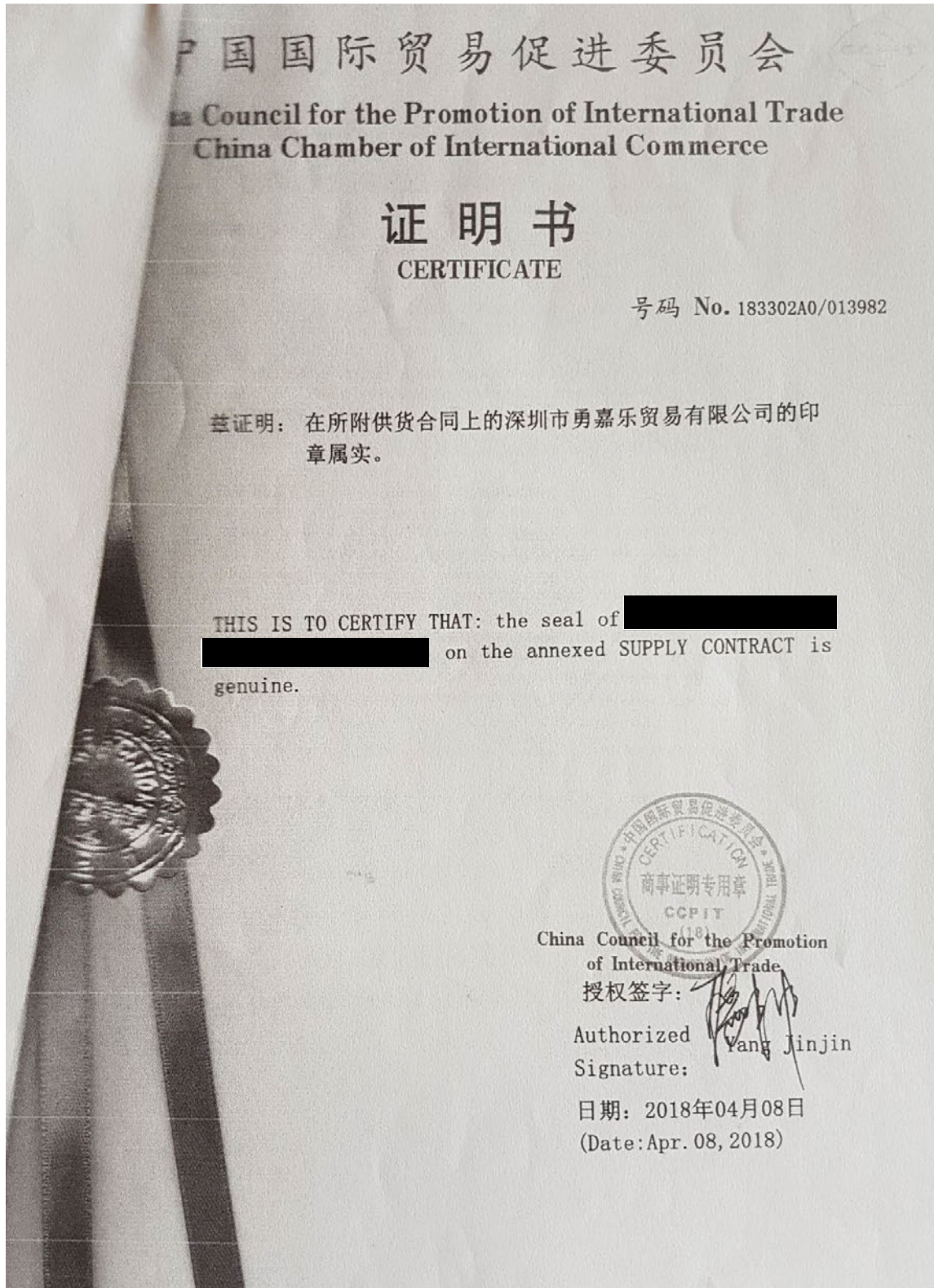
"The validity of this Certification is for five (5) years, unless specified by the attached document"

Suit [REDACTED], Me [REDACTED]nk Plaza, No.1160 West Yan'an Road, Changning District, Shanghai 200052 China
Tel: (+8621) 6281-8020; Fax: (+8621) 6281-8023
www.shanghaipcg.dfa.gov.ph; shanghai.pcg@dfa.gov.ph

Certificate of Supply Contract for Importing Wood (issued by Philippine Consulate in country of export) (page 2)



Certificate of Supply Contract for Importing Wood (issued by Philippine Consulate in country of export) (page 3)



Certificate of Supply Contract for Importing Wood (issued by Philippine Consulate in country of export) (page 4)

SUPPLY CONTRACT

KNOW ALL MEN BY THESE PRESENTS

This Contract is made and entered into by and between

[REDACTED] Shenzhen Luohu District,
Shenhe Road Building 6-8, A Layer of 115 China. hereinafter referred to as the
SELLER.

and

[REDACTED] Quezon City 1104, Metro
Manila, Philippines hereinafter referred to as the **BUYER.**

Whereas both parties agree to transact the sale and purchase of Wood Products according to specifications, terms, conditions and warranty as stated below :

1. **PRODUCT** : medium density fiberboard, blockboard, plywood, filmfaced plywood, other wood products
2. **QUANTITY** : Two Thousand (2,000) cubic meters
3. **PRICE** : To be determined based in prevailing market price at the time of each shipment and indicated in invoice. Supporting documents to the specific order of the BUYER shall be provided by SELLER that will adequately cover the deliveries of goods under the agreement.
4. **TERM** : Payment terms, shipping terms, marking, vessel and loading ports to be agreed upon by SELLER and BUYER.
5. **PERIOD** : Term of this contract covers a period of TWO (2) years beginning from the date of execution of this agreement unless sooner terminated for reasons of force majeure, legal action, agreement by both parties or upon consumption of the volume contracted whichever comes first.

IN WITNESS WHEREOF: we affixed our signature this 16th March of 2018 at _____, China.

SELLER	BUYER
[REDACTED]	[REDACTED]
By: [REDACTED]	By: [REDACTED]
Manager [REDACTED]	Manager [REDACTED]

Certificate of Supply Contract for Importing Wood (issued by Philippine Consulate in country of export) (page 5)



Customs Registration



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
1099 MANILA

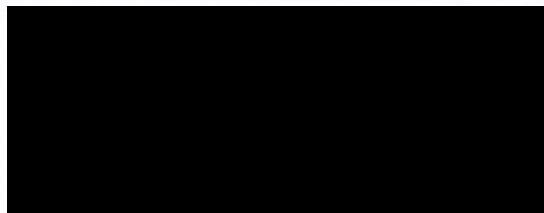
INTELLIGENCE GROUP
Account Management Office

CERTIFICATION

This is to certify that the following information were accordingly encoded in the BOC e2m system, subject, however, to suspension or cancellation prior to indicated date of expiration pursuant to CMO Nos. 4-2014 and 11-2014, other applicable laws, rules and regulations:

CCN :
TIN :
BUSINESS NAME :
BUSINESS ADDRESS :

REGISTRATION DATE :
EXPIRY DATE :



Issued on 28 November 2017, Manila, Philippines.

[Signature]
IAV MELVIN S. ESTOQUE, MPA
CHIEF, AMO *jam*



Customs Registration

BOC
Form no.



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

CERTIFICATE OF REGISTRATION

By issuance of this certificate, the application signifies agreement to the following conditions:

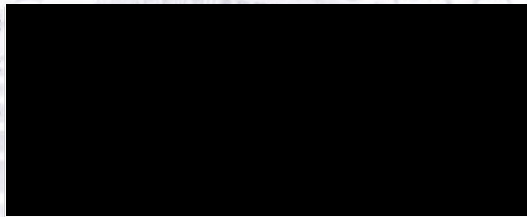
- 1. Compliance to CMO ___ (CMO) subsequent issuance governing Client Registration Application Processing
- 2. Non-repudiation of any declaration filed through the VASP
- 3. Recognition of TWM system information duly certified by its Administrator as valid and/or correct.

CCN : **IM0003517632**

Registration Date: **2017-11-21**

Expiry Date: **2018-11-21**

TIN No. :
Business Name :
Business Address :



Nature of Business : **Manufacture of Products of Wood, Bamboo, Canes, Rattan**

Type of Business Entity : **Corporation**

This is to certify that the information provided herein is true and correct. Further, agreement to the conditions from the approval of this Application as noted above is hereby affirmed.

BOC Designated Registration Office

Export Authority (page 1)

EXPORT AUTHORITY

Mr./Ms. _____

Dear _____:

This pertains to your letter dated _____ requesting for an Authority to Export Malaysian Sawn Timber S4S to Timber Connection Limited with business address at

After due evaluation of your request, the same was found to be in conformity with existing forest laws, rules and regulations. Hence, your request for an Authority to Export Malaysian Sawn Timber S4S to Timber Connection Limited is hereby approved subject to existing rules and regulations on the matter and to the following conditions:

- 1. That a total of One Thousand Six Hundred Nineteen (**1,619**) **Pieces** with an equivalent volume of **24.9759 cubic meter** is allowed for export with the following specifications:

Species	Dimensions	No. of Pieces	Volume (cubic meter)
		TOTAL:	

- 2. That the Team Leader, Manila Harbor Monitoring Station or his duly authorized representative shall be present during the actual loading of the Malaysian Sawn Lumber S4S allowed for export who shall issue the corresponding certificate to the effect that the wood products loaded are the same wood products authorized for export.

Export Authority (page 2)

3. That any misinterpretation of facts in terms of species, types, forms and specifications of the lumber subject of this authority will constitute a violation of PD 705, as amended.
3. That other relevant exportation permits/ clearances shall be secured from concerned offices/agencies.
4. That any violation of the above conditions shall be sufficient ground for the outright cancellation/revocation of this authority as well as the filing of criminal charges, if warranted.

This authority expires on _____ or as soon as the authorized Malaysian Sawn Lumber S4S have been exported, whichever comes first.

Very truly yours,

Regional Director

EXPORT COMPLIANCE CERTIFICATE

Export Compliance Certificate

EXPORT COMPLIANCE CERTIFICATE

This is to certify that I have inspected and verified the wood products described under the EXPORT AUTHORITY issued by the OIC, Regional Director of DENR-National Capital Region authorizing Mr. _____ of _____ to export _____ and hereby submit the following findings:

CONSIGNEE :
DATE OF EXPORTATION :
VESSEL :
SOURCE OF WOOD :

TYPE OF WOOD PRODUCTS

Species	Dimensions	No. of Pieces	Volume (cubic meter)
		TOTAL:	

Inspecting Officer

APPROVED: Based from Export Authority issued by Regional Director-National Capital Region.

Date and Place of Inspection

Chief, Licenses, Patents and Deeds Division

Note: This certificate is valid only when signed by authorized Inspecting Officer of Manila Harbor Monitoring Station, PICO North Harbor Manila.


Export Declaration

EVERGREEN
BOC SINGLE ADMINISTRATIVE DOCUMENT

OFFICE OF DECLARATION
P02B Manila Intl Container Port
Customs Reference
50541 08/16/2018
Registry Number


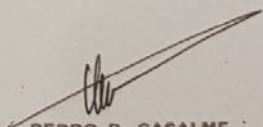
060800123682

124378



I C U S T O M S D E C L A R A T I O N	2 Exporter / Supplier Address [REDACTED] TIN: 000282706000		1 DECLARATION EX1 1		3 Page 1 1		4	
	14 Declarant address EXPORTER AS DECLARANT FOR EXPORT USE ONLY TIN: 111111111111		5 Items 1		6 Tot Pack 140		7 Export Declaration Number 2018 HNMY081601	
	15 Country of Export PHILIPPINES		16 Country of Origin PHILIPPINES		11		12 Tot. FWO	
	18 Vessel / Aircraft ANONA IPSEA		19 Ct <input checked="" type="checkbox"/>		20 Terms of Delivery FOB Free on board		13 T. Ref.	
	21 Local Carrier (if any)		22 F. Cur. USD		23 Exch Rate 53.451		24 Thr Bank Trans 0	
	25		26		27 Port of Loading P-MNZ MANILA INTL. CONTAINER PORT		28 Financial and Banking Data - Bank Code 998	
	29 Port of Departure P02B Manila Intl Container Port		30 Location of Goods S03 - INTERNATIONAL CONTAINER TERMINAL INC (ICTSI)		26 Financial and Banking Data - Terms of Payment B3 - Inward Remittance & Payment Bank Name PCHC Branch NA Bank Ref Number: 010533457-0004645		33 HS Code 94033000 000 Tar Spec 15 %	
	31 Packages and Description of Goods Marks and Numbers - Container No(s) Marks & No. of Packages 140 PCS. Number and Kind 140 BX BOX Container No(s) 2 X 40 HMCU1094771 EMCU1453082 - Wooden furniture of a kind used in offices 140 PCS. STEAMER BAR CABINET C2 AS PER PO 491-3363960 PACKED IN 140 BOXES		32 Item No. 1		34 C.O. Code PH		35 Item Gross Weight -10,640.00 Kg	
	44 Add Info Doc / Product Cert. & Aut OTH:EV: 1 INS:FR: 1 Fine: 0 0+0+0+0-0 A.U. Invoice No.: 1004		37 Procedure 1000 000		38 Item Net Weight 10,640.00 Kg		39 Quota	
	47 Calculation of Taxes Type Tax Base		40a AWB / BL		41 Suppl. Units 63000 PCE		45 Dutiable Value 3,367,413.00	
50 We hereby certify that the information contained in all pages of this Declaration and the documents submitted are to the best of our knowledge and belief true and correct		43 Account Number		49 Identification of Warehouse /		ACCOUNTING DETAILS Method of Payment : CASH Assessment Number : Receipt Number : Total Fees 115.00 Total Assessment 115.00		
51 AUTHORIZATION Broker: EXPORTER AS DECLARANT Date: [REDACTED] Importer / Attorney-in-Fact: [REDACTED]		52 Bureau of Customs (BOC) Control BUREAU OF CUSTOMS (BOC) CONTROL Signature		53 MARCELA D G FORONDA 600 III		46 Dump Bound : 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100		
54 Place and date AUG 18 2018		55		56		57		

Certificate of Origin (Philippine exports)

CERTIFICATE OF ORIGIN				
1. Exporter (Name, Address, Country) [REDACTED]		2. Reference No. 08920		
3. Consignee (Name, Address, Country) [REDACTED]		Certificate of Origin of General Merchandise Issued by Bureau of Customs Republic of the Philippines		
4. Means of Transport and Route (as far as known) FROM: MANILA, PHILIPPINES TO: OAKLAND, USA VESSEL BY: SEA VESSEL		5. For official use		
6. Marks and Numbers	7. Number and Kind of Packages: Description of Goods	8. Origin Criterion (See Notes Overleaf)	9. Gross Weight Kg	10. No. & Date Of Invoice
	140 PCS. MAXINE BAR CABINET AS PER PO 491-3363860 PACKED IN 140 BOXES FOB MANILA, PHILIPPINES HTSUS: 9403.60.8081	A	10640 KGS.	INV. NO. 1004 DATE: 08/10/2018
NOTIFY:				
1. SCHMIDT PRITCHARD & CO. 9801 W. LAWRENCE AVE., SCHILLER PARK, IL 60176 USA				
2. EUROMARKET DESIGNS, INC. 1250 TECHNY ROAD NORTHBROOK, IL 60062 USA				
11. Certification. Republic of the Philippines Department of Finance Bureau of Customs AUG 20 2018		 It is hereby certified, on the basis of control carried out, that the goods specified above are of Philippines origin in accordance with the criteria indicated above and explained overleaf.		
MANILA PHILIPPINES Date: _____ Place: _____				
13. Customs control No.		 PEDRO B. CASALME CUSTOMS OPERATIONS OFFICER III _____ (Signature of Certified Authority over Printed Name)		

