



AUG 25 2004

DENR ADMINISTRATIVE ORDER

NO 2004 - 29

SUBJECT : REVISED RULES AND REGULATIONS FOR THE IMPLEMENTATION OF EXECUTIVE ORDER 263, OTHERWISE KNOWN AS THE COMMUNITY-BASED FOREST MANAGEMENT STRATEGY

Pursuant to Executive Order No. 263 dated July 19, 1995, (*Adopting Community-Based Forest Management As The National Strategy To Ensure The Sustainable Development Of The Country's Forestlands Resources And Providing Mechanisms For its Implementation*); Executive Order No. 318 dated June 9, 2004 (*Promoting Sustainable Forest Management in the Philippines*); the Joint DENR-DILG Memorandum Circulars (JMC) Nos. 2003-01, (*Strengthening and Institutionalizing the DENR-DILG-LGU Partnership on Devolved and Other Forest Management Functions*), and to further strengthen, reinforce, simplify and harmonize the processes in the implementation of programs and projects supporting the Community-Based Forest Management Strategy (CBFMS), the following rules and regulations are hereby promulgated:

**ARTICLE I
BASIC POLICY, CONCEPTS, PRINCIPLES AND DEFINITION OF TERMS**

Section 1. Basic Policy.

It is the policy of the State to: a) protect and advance the right of the Filipino people to a healthful environment; b) improve their socio-economic conditions through the promotion of social justice, equitable access to and sustainable development of forest land resources; and c) respect the rights of indigenous peoples to their ancestral domains by taking into account their customs, traditions and beliefs in the formulation of laws and policies. Active and transparent community participation and security of tenure shall be among the key strategies for achieving these goals.

Section 2. Concept and Principles.

Underlying CBFM are the principles of social equity, sustainability and community participation in forest management and biodiversity conservation. Sustainable management of forest lands and coastal areas can result from responsible resource utilization by organized and empowered local communities. It shall be the responsibility of the DENR, the Local Government Units (LGUs), and other government agencies to collaborate with Non-Government Organizations (NGOs) and other private entities to provide the enabling environment to support and strengthen local communities in managing forest lands and coastal resources on a sustainable basis. The DENR shall provide security of tenure and technical assistance to these local communities.

Section 3. Definition of Terms.

The following terms are to be understood and interpreted as follows:

CENRO – refers to the Community Environment and Natural Resources Office of the DENR.

Certificate of Stewardship – is an agreement entered into by and between the government and individuals/families actually occupying or tilling portions of the forestlands covered with CBFMA.

Community - a group of people who may or may not share common interests, needs, visions, goals and beliefs, occupying a particular territory which extends from the ecosystem, geographical, political/administrative and cultural boundaries, and any resources that go with it.

Community Based Forest Management Agreement - an agreement entered into by and between the government and the local community, represented by the People's Organization, as forest managers, which has a term of twenty-five (25) years and renewable for another twenty-five (25) years.

Community-Based Forest Management Program - any forest development program which adopts the CBFM Strategy as its core concept.

Community-Based Forest Management Strategy - the strategy to improve the well-being of forest-dependent communities, and at the same time ensure the sustainable management, rehabilitation and protection of the forestlands and the resources therein, through the active participation of different stakeholders.

Forests - lands with an area of more than 0.5 hectare and tree crown cover (or equivalent stocking level) of more than 10 percent. The tree should be able to reach a minimum height of five (5) meters at maturity *in situ*. It consists either of closed forest formations where trees of various storeys and undergrowth cover a high proportion of the ground or open forest formations with a continuous vegetation cover in which tree crown cover exceeds 10 percent. Young natural stands and all plantations established for forestry purposes which have yet to reach a crown density of more than 10 percent or tree height of 5 meters are included under forests.

Forest Lands - lands of the public domain which have been classified as such under the land classification program of the DENR and all unclassified lands of the public domain.

National Integrated Protected Areas System - as defined in the NIPAS Law, the classification and administration of all designated protected areas to maintain essential ecological processes and life-support systems, to preserve genetic diversity, to ensure sustainable use of resources found therein, and to maintain their natural conditions to the greatest extent possible.

Non timber forest product – refers to all forest products except timber forest products and geologic resources in forest lands.

People's Organization - A group of people, which may be an association, cooperative, federation, or other legal entity, established by the community to undertake collective action to address community concerns and needs and mutually share the benefits from the endeavor.

PENRO – refers to the Provincial Environment and Natural Resources Office of the DENR.

Prior Vested Rights - Established claims, privileges, prerogatives, or ownership over land or natural resources which can be enforced before a court of law or appropriate administrative agency.

RED – refers to the Regional Executive Director of the DENR.

RENRO – Refers to the DENR office headed by the Regional Executive Director which is responsible for the coordination and implementation of all policies, regulations, programs and projects of the DENR in the Region.

Sustainable Development - as defined by the World Commission on Environment and Development, means meeting the needs and aspirations of the people without compromising the ability of future generations to meet theirs.

Sustainable Forest Management - the process of managing, developing, and utilizing forest lands and resources therein to achieve the production of desired products or services without impairing the inherent productivity of the forest, thereby ensuring a continuous flow of these products or services and without undesirable effects on the physical and social environment.

Watershed - land drained by a stream or fixed body of water and its tributaries having a common outlet for surface run-off.

ARTICLE II SCOPE, COVERAGE AND KEY PROGRAM PARTICIPANTS

Section 4. Scope and Coverage.

Subject to prior vested rights, Community-Based Forest Management Strategy (CBFMS) shall apply to all forest lands. The CBFMS integrates and unifies all people-oriented forestry programs, including but not limited to, the Integrated Social Forestry Program (ISFP), Upland Development Project (UDP), Forest Land Management Program (FLMP), Community Forestry Program (CFP), Low Income Upland Communities Project (LIUCP), Regional Resources Management Project (RRMP), Natural Resource Management Program (NRMP), Forestry Sector Project (FSP), and Coastal Environment Program (CEP).

Indigenous Cultural Communities (ICCs)/ Indigenous Peoples (IPs) whose claims to ancestral domains/lands have been recognized through Certificates of Ancestral Domain Claims (CADCs) or Certificates of Ancestral Land Claims (CALCs), or whose domains are recognized by themselves and neighboring communities, may, at their option, participate in the CBFM strategy.

Section 5. Qualifications of Participants.

The principal participants in CBFMP shall be the local communities as represented by their organizations, herein referred to as People's Organizations (POs).

In order to participate in the CBFMP, a PO must have the following qualifications:

1. Members shall be Filipino citizens;
2. Members may either be:
 - a. Actually tilling portions of the area to be awarded;
 - b. Traditionally utilizing the resource for all or substantial portion of their livelihood; or
 - c. Actually residing within or adjacent to, and are dependent on and actually developing portions of the areas to be awarded.

Section 6. *Incentives to the POs.*

Participants shall be entitled to the following incentives and privileges.

- a. To occupy, develop, protect, manage and utilize the forest lands and its resources within a designated CBFM area and claim ownership of introduced improvements;
- b. When appropriate, allocate to members and regulate rights to use and sustainably manage forest lands resources within the CBFM area;
- c. To be exempted from paying land rental for use of the CBFM areas;
- d. To be properly informed of and be consulted on all government projects to be implemented in the area. A PO's consent shall be secured by the DENR prior to the granting and/or renewal of contracts, leases and permits for the extraction and utilization of natural resources within the area to a third party; *provided*, that an equitable sharing agreement shall be executed by such third-party with the PO prior to any grant or renewal of such contracts, leases and permits;
- e. To be given preferential access by the DENR to all available assistance in the development and implementation of the Community Resource Management Framework and 5-year Work Plan of the PO; and
- f. To enter into agreements or contracts with private or government entities for the development of the whole or portions of the CBFM area, and/or economic activities therein.

Section 7. *Responsibilities of POs.*

The participating POs shall have the following responsibilities in the CBFM areas:

- i. Take the lead in boundary delineation, taking into account their customs, traditions, and beliefs; and if needed, in parcellary surveys within their CBFM area;
- ii. Designate areas according to their sustainable use and, when appropriate, in accordance with their native customs, traditions and practices, allocate and regulate resource-use rights in accordance with national laws, rules and regulations;

- iii. Prepare and implement Community Resource Management Framework and 5 yr-Work Plan;
- iv. Develop and implement equitable benefit-sharing arrangements among its members;
- v. Protect, rehabilitate and conserve the natural resources in the CBFM area and assist government in the protection of adjacent forest lands;
- vi. Develop and enforce policies pertaining to the rights and responsibilities of PO members and the accountability of PO leaders;
- vii. Be accountable for any violation borne by the subcontractor in which he/she had entered into for the development of the entire CBFMA area or portions hereof, and/or economic activities.
- viii. Develop mechanisms for addressing conflicts, including rules, regulations and sanctions regarding forest use and protection; *Provided*, that in case of ICCs/IPs, indigenous processes and mechanisms shall be followed;
- ix. Be transparent and promote participatory management and consensus building in all activities and endeavors;
- x. Pay forest charges for forest products harvested from natural forest as well as fees and other taxes required by the government; and
- xi. Undertake other responsibilities stipulated in the CBFM Agreement.

ARTICLE III STAGES OF CBFMP IMPLEMENTATION

CBFMP implementation shall have four stages: the Preparatory Stage, the PO Formation and Diagnostic Stage, the Planning Stage, and the Implementation Stage.

A. Preparatory Stage

The objectives of this stage are (a) to inform and educate POs, NGOs, LGUs and the general public about CBFMP; (b) to establish institutional linkages between the DENR and the LGU; and (c) to identify and delineate CBFM areas.

Section 8. *Establishing Institutional Linkages and Intensifying Information, Education and Communication (IEC) campaigns in Support of CBFM.*

The DENR shall promote and support the active participation of various agencies and organizations in the adoption of the CBFM strategy. All DENR units involved in the implementation of CBFM programs and projects are mandated to give highest priority in establishing and consolidating partnerships among agencies and organizations, both public and private.

The Regional, Provincial and Community Environment and Natural Resources Offices (RENRO/PENRO/CENRO) shall undertake a continuing systematic orientation for local government executives (barangay, municipal and

provincial levels), local units of relevant national government agencies, civil society organizations, academic institutions, and financing organizations on the CBFM concepts, principles, objectives, processes and activities, among others. The partnerships that evolve through this process are strongly encouraged to expand the coverage and scope of IEC campaigns for CBFM by jointly undertaking such activities.

Section 9. Identification and delineation of CBFM sites.

DENR field offices shall maintain and continuously update control maps and associated registries indicating therein the various ENR projects and tenure instruments over forestlands in their jurisdiction. These control maps and registries shall be harmonized with the Comprehensive Land Use Plans (CLUPS) of the respective LGUs. These maps and registries shall be open to the public.

Based on the control maps and registry, the PENRO shall make a preliminary map delineation of forest management units based on watershed/sub-watershed physical boundaries. These preliminary delineation maps shall be presented to the Provincial and Municipal Working Groups organized pursuant to Joint DENR-DILG Memorandum Circular 98-01 to operationalize the partnership and devolution of forest management functions to serve as reference for the work of these working groups.

These maps shall likewise be used as reference material in the IEC work to promote CBFM participation.

The forest management units so delineated shall be the basis for determining the metes and bounds of discrete areas to be eventually handed over to the respective CBFM POs, whose membership shall be exclusive to those directly dependent on the land and forest resources within that management unit.

Section 10. Criteria.

The following are the criteria for site selection:

- a) Available areas: CBFMP may be implemented in uplands and coastal lands of the public domain except in the following:
 - i. Areas covered by existing prior rights except when the lessee, permittee or agreement holder executes a waiver in favor of the PO applying for the CBFM Agreement. Upon termination of any pre-existing permit for non-timber forest products however, the permit shall not be renewed and any new permit shall be given to the CBFMA holder.
 - ii. Protected areas as mandated in RA 7586 (NIPAS Law) and its implementing rules and regulation;
 - iii. Forest lands which have been assigned by law under the administration and control of other government agencies, except upon written consent of the government agency concerned; and
 - iv. NCIP certified ancestral lands and domains, except when the ICCs/IPs opt to participate in CBFM.

- b) Presence of communities residing within or adjacent to forest lands and who are largely dependent on forest lands resources for their livelihood; and
- c) Areas adjacent to or adjoining to existing CBFM projects.

Section 11. *Processing of Conflicting Claims.*

- a) Adverse claimants or any party alleging conflicting claims over the identified CBFM area, or portions thereof, shall file their complaints before the next higher approving authority within thirty (30) days from date of first publication/or notification; and
- b) The concerned official shall have 30 days after receipt hereof to resolve the complaint.

B. PO Formation and Provision of Security of Tenure

The objectives of this stage are (a) to encourage participation of local communities in CBFMP; b) to start community organization building or strengthening; and (c) to define existing conditions (social, economic, natural resources, etc.) relevant for planning.

Section 12. *Validation of Potential CBFM Participants.*

A multi-sectoral group at the local level shall be created for the purpose of validating CBFM participants in accordance with the qualifications stated in Section 5 hereof. It shall be composed of the DENR, LGU, other government agencies, NGO, NCIP (if there are IPs involved) and other sectors concerned. Minutes of the consultation meetings shall be prepared.

In areas where there is no existing PO, the CENRO shall facilitate its formation. Formation of the PO shall only proceed when the multi-sectoral group has validated the qualified CBFM participants.

Section 13. *PO Formation.*

The CENRO, the LGU concerned and NCIP (if there are IPs involved) shall assist in the formation of the PO. The PO to be formed shall be duly assisted in accomplishing the requirements and registration with the Securities and Exchange Commission (SEC), Cooperative Development Authority (CDA) or other registering agency.

The CENRO shall fully explain to the PO the terms and conditions of the CBFMA before the application for CBFM Agreement is processed.

Section 14. *Tenorial Instruments.*

The following are the tenorial instruments that will be issued to qualified participants:

A) Community Based Forest Management Agreement (CBFMA). CBFMAs are agreements between the DENR and the participating People's Organizations. The CBFMA (Annex A), which has a duration of twenty-five (25) years renewable for another twenty-five (25) years, shall provide tenorial security and incentives to develop, utilize and manage specific portions of forest lands pursuant to approved CRMFs.

The CBFMA is designed to ensure that the participating community shall enjoy the benefits of sustainable management, conservation and utilization of forest lands and natural resources therein. Rights and responsibilities agreed to in the contract shall remain in effect during the term of the agreement until its expiry date, unless otherwise modified, rescinded or amended by agreement of the parties.

B) Certificate of Stewardship (CS). The CBFM strategy recognizes the individual rights of occupancy through the granting of the CS, which is co-terminus with the CBFMA. The CS shall be issued by the CENRO upon recommendation of the PO based on the census of actual forest occupants conducted, provided that the area is within the CBFM area applied for and the CS applicant is a regular member of the PO.

In the case of married members, the names of both spouses shall be indicated in the stewardship agreement.

Section 15. *Processing and Approval of CBFMA Application.*

The following are the steps and procedures in the processing and approval of CBFMA application:

1. The Working Group created pursuant to Joint Memorandum Circular No. 98-01 and 2003-01, with the CENRO taking the lead, shall seek comments from the LGU concerned regarding applications for CBFMA;
2. The CENRO shall assist the PO to comply with the requirements listed below:
 - i. Certificate of Registration of the people's organization;
 - ii. List of officers and members of the PO and their respective addresses;
 - iii. Resolution authorizing any of the officers of the PO to file the application for CBFMA; and
 - iv. NCIP certification precondition pursuant to Sec 59 of Republic Act No. 8371 known as the "Indigenous Peoples Rights Act of 1997";
3. A delineation map which shall form part of the CBFMA shall be prepared by the CENRO within five (5) working days from the filing of application by the PO as provided for in Section 9 hereof. A more precise map shall be prepared by the CENRO based on actual ground survey which shall be done in the course of project implementation;
4. The CENRO shall review all CBFMA applications within ten (10) working days upon receipt hereof. If found in order, he/she shall approve applications covering 500 hectares and below. He/she shall endorse applications with areas more than 500 hectares to the PENRO;
5. The PENRO shall review all CBFMA applications endorsed by the CENRO within five (5) working days upon receipt hereof. If found in order, he/she shall approve applications covering more than 500 hectares to 5,000 hectares. He/she shall endorse applications with

areas more than 5,000 hectares to the Regional Executive Director (RED);

6. The RED shall review all CBFMA applications endorsed by the PENRO within five (5) working days upon receipt hereof. If found in order, he/she shall approve applications covering more than 5,000 to 20,000 hectares. He/she shall endorse applications with areas more than 20,000 hectares to the DENR Secretary, through the Forest Management Bureau;
7. The Forest Management Bureau shall review all CBFMA applications endorsed by the RED within five (5) working days upon receipt hereof. After the review, same shall be forwarded to the DENR Secretary for approval within five (5) working days.

The signatories and the corresponding CBFM areas are as follows:

Approving Authority	CBFM Area (hectares)
a) Community Environment and Natural Resources Officer (CENRO)	500 and below
b) Provincial Environment and Natural Resources Officer (PENRO)	More than 500 to 5,000
c) Regional Executive Director (RED)	More than 5,000 to 20,000
d) Secretary	More than 20,000

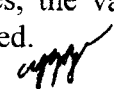
The flow of activities and the timeline to complete each of the activities are indicated in Annex B.

Section 16. General Provisions.

The terms and conditions of the CS/CBFMA shall be binding between the DENR issuing authority concerned in Section 15 hereof and the PO. Upon written mutual consent, the parties stated hereof may pre-terminate the CS/CBFMA or may modify, alter or amend the terms and conditions thereof consistent with existing laws, rules and regulations.

In the event that the CBFM area is reclassified as alienable and disposable, or to any other legal status allowing settlers ownership rights greater than those offered under the CS/CBFMA, the rights and obligations under the agreement shall be deemed unenforceable.

When the CS or CBFMA is terminated which is not due to the fault or negligence of the CS or CBFMA holders, they shall be entitled to just compensation on all improvements made in the CBFMA area, based on the fair market value as of date of termination of such improvements as assessed by a government assessor or disinterested and qualified third party, less all charges and obligations, if any, accruing to the government. In addition, affected participants shall have the right to harvest or remove temporary improvements as can reasonably be removed consistent with applicable policies, the value of which shall be deducted from the just compensation value computed.



Section 17. *Transferability.*

In case of death or incapacity of the CS holder, the CS shall be transferred to his/her legal heirs.

The CBFMA is non-transferable. However, the PO may enter into contracts with private or government agencies for the development of the entire area or portions thereof and/or other economic activities; *Provided*, that transparent contracting procedures are followed; *Provided further*, that such development and/or activities are consistent with the CRMF of the CBFMA area; *Provided finally*, that in case of failure to fulfill the terms and conditions of the CBFMA by the subcontractor or third party, accountability shall be borne by the CBFMA holder.

The PO may also use as collateral the standing crops in the area planted by them, subject to the affirmation of the DENR issuing authority concerned.

C. Planning Stage

The objective of this stage is to assist the POs in preparing their Community Resource Management Framework (CRMF) and 5-year work plans. The RENRO, PENRO and CENRO shall enlist the support of the LGU concerned and NCIP (if there are IPs involved) and assist the POs in undertaking the planning activity.

Section 18 . *Community Resource Management Framework (CRMF)*

The CRMF is a strategic plan of the community on how to manage and benefit from the forest resources on a sustainable basis. It describes the community's long-term vision, aspirations, commitments and strategies for the protection, rehabilitation, development and utilization of forest resources. The CRMF shall provide detailed activities for the first five (5) years which shall serve as the 5-year work plan of the PO. The outline is shown in Annex C.

The CRMF shall be prepared within thirty (30) days after the approval of the CBFMA. The steps and procedures (Annex D) in the preparation of the CRMF are as follows:

- a. PO orientation/PO planning team's training on CRMF preparation. The CENRO, in coordination with LGU counterparts where there is an existing partnership or cooperation agreement and/or the assisting organization, shall provide the necessary PO orientation on CRMF preparation. The CENRO, in coordination with the Human Resources Development Service of the Region, shall conduct consultation on training needs and package training programs/courses to build and strengthen the capability of the PO.
 - b. Defining the Vision, Mission, Goals and Objectives. The CRMF shall contain the PO's vision, mission, goals and objectives, and physical development goals and objectives for indicative forest management strategies.
3. Determination of the Components of the CRMF
- a. Livelihood. The CENRO, LGU, assisting organizations and NGO shall also provide supervision and guidance to the PO in identifying and setting up of livelihood enterprises in upland and coastal areas.

- b. Land Uses within the CBFM area. The CENRO shall serve as adviser and resource person in the Planning Team's assessment of existing and potential land uses as well as appropriate resource production systems consistent with existing rules and regulations.
 - c. Market Information System. The PO shall be assisted in setting-up and regular updating of the market information system.
 - d. Criteria and Indicators for CBFM. Adoption of an appropriate system of criteria and indicators (C&I) as a tool for project management, monitoring, assessment and reporting.
4. Financing Strategy and Accessing Resource Funds. The financing strategy and accessing of resource funds and the proposed marketing strategies would cover the wider aspect of attaining financial viability and increased economic activities through livelihood and the present or potential economic activities.
 5. Networking and Linkaging. The PO with the assistance of the DENR and LGU concerned shall do linkages with market and funding institutions.
 6. Consultation and Ratification of CRMF. The draft CRMF shall be written in English and the community's own dialect and discussed in a general assembly organized by the PO with the presence of the CENRO concerned, LGU, and other stakeholders. The minutes of the consultation shall be prepared by the PO with the assistance of the CENRO. Immediately after the consultation, the CRMF shall be ratified in accordance with the constitution and by-laws of the PO and existing rules and regulations..

Section 19. Affirmation of CRMF.

The ratified CRMF shall be jointly endorsed by the PO and CENRO concerned, together with the minutes of the consultation, within fifteen (15) working days to the PENRO for affirmation. The affirmation of the CRMF (Annex E) by the PENRO is a manifestation of the commitment of the DENR to support the PO in the implementation of the plan.

The CRMF shall be considered affirmed after the lapse of fifteen (15) working days upon receipt hereof if the PENRO fails to act on it unless the PO is notified in writing of any deficiency.

Section 20. Affirmed CRMF and ECC Issuance.

The CRMF once affirmed shall also serve as the Initial Environmental Examination (IEE) for CBFM, which describes the environmental impacts of and mitigation and enhancement measures for activities to be undertaken in the area. The affirmed CRMF shall be made as basis for the issuance of Environmental Compliance Certificate (ECC) by the Regional Director of the Environmental Management Bureau. The affirmed CRMF shall likewise be reviewed whenever necessary, but in no case no longer than five years. The strengths, weaknesses, opportunities and threats (SWOT) of the different components shall be used in the revision of the CRMF.

The POs of CBFM projects are exempted from payment of administrative fees.

Section 21. Five-Year Work Plan.

The PO, jointly with the CENRO and LGU, shall prepare a five-year work plan (5-Yr WP), following the outline in Annex F, that is consistent with the affirmed CRMF. The 5-Yr WP shall contain the baseline information, detailed strategies, activities and targets for five years on protection, rehabilitation, development and resource utilization, organizational strengthening, financing, marketing and enterprise development, among others. The Plan shall include the annual activities and work targets of the PO for the period covered by the plan and shall be prepared three months before the expiration of the existing plan, for affirmation by the CENRO.

Section 22. Preparation of the 5-Year Work Plan.

The steps and procedures in the preparation of the 5-Yr WP following the attached format (Annex G), are as follows:

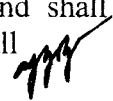
1. PO orientation/PO Planning Team's training on the 5-Yr WP. The CENRO and LGU counterpart, where there is an existing partnership or cooperation agreement and/or the assisting organization (AO), shall provide the necessary PO orientation on CRMF preparation. The CENRO, in coordination with the Human Resources Development Unit of the Regional Office, shall conduct consultation on training needs and package training programs/courses to build and strengthen the capability of the PO. The LGU, AO and NGO shall assist in providing ways and means in the PO planning activities.
2. Preparation of the Five - Year WP. The PO shall identify their priority activities and targets. The PO Planning Team and PO Officers shall provide ways and means in the identification of priority activities and targets with the supervision and guidance from the CENRO, LGU counterparts and/or AO.
3. Ratification of 5-Yr WP. The 5-Yr WP shall be discussed and ratified in a general assembly meeting or in special meeting called for the matter. The activity shall be organized by the PO, with the assistance of the CENRO concerned, LGU, and/or assisting organization.

Section 23. Affirmation of 5-Year Work Plan.

The ratified WP shall be endorsed by the PO for affirmation by the CENRO to confirm that it has been prepared in a participatory manner. The affirmation of the 5-Yr WP by the CENRO shall be deemed as an approval of the plan and a confirmation of the DENR's active involvement in its preparation and the proof of the DENR's commitment to support the PO in the implementation of the plan. (Annex H)

A copy of the affirmed 5-Yr WP shall be provided to the concerned municipal/provincial LGU, RENRO, PENRO and CENRO for their reference and as basis of their support and assistance.

The 5-Yr WP submitted by the PO shall be considered affirmed if the CENRO fails to act on it after the lapse of 15 days upon receipt hereof, and shall accordingly notify in writing the PO concerned. In such a case, the PO shall



proceed to implement the activities provided under the said 5-Yr WP.

**D. Implementation Stage:
Operationalizing the CRMF and the Five-Year Work Plan**

The objectives of this stage are to (a) enhance organizational and institutional capacities that will make resource use and development sustainable; (b) ensure the economic viability of resource management activities; (c) ensure the flow and equitable distribution of benefits to PO members and to the larger community; and (d) ensure the build-up of capital by the PO for forest management and community development projects.

Section 24. *Development and Management of CBFM Areas.*

The development and management of CBFM areas shall be in conformity with the CRMF. The appropriate land use and forest management systems in the production forest and protection forest shall be determined by the PO with the assistance of the CENRO to ensure the sustainability and stability in the CBFM areas.

The management and development activities in the CBFM areas shall include plantation establishment in open areas and application of silvicultural programs such as timber stand improvement (TSI), assisted natural regeneration (ANR), other silvicultural management systems in plantation and natural forests, development of non-timber forest resources, and activity for biodiversity utilization and conservation. The agro-forestry, mixed planting of agricultural crops, fruit and forest trees shall be done in areas identified to be suitable for agriculture.

Section 25. *Forest Protection and Conservation.*

The PO, with assistance from the CENRO and the LGU, shall be primarily responsible for the protection and conservation of the natural resources within the coverage of the CBFMA. The protection forest identified by the community shall be protected from illegal cutting and/or extraction. Likewise, no cutting along gullies, steep slopes, river channels and other identified critical areas shall be observed as part of the PO's forest protection activity.

The PO shall likewise assist the government in the protection of adjacent forestlands and take active part in the forest protection activities. In order for the PO members to have legal authority e.g. to apprehend illegal loggers/cutters and confiscate illegally cut timber, the DENR shall deputize qualified PO members as Deputy Environment and Natural Resources Officers (DENROs).

Section 26. *Harvesting, Processing and Transport of Forest Products in CBFM Areas.*

Harvesting, processing and transport of forest and biodiversity products in CBFM areas shall be in accordance with existing rules and regulations.

Section 27. *Production Sharing Scheme from Government-owned Plantations within CBFM Areas.*

All forest products harvested from forest plantation established using government funds or plantation established by former TLA holders shall be subject to a sharing agreement negotiated between the CBFMA holder and the



DENR, pursuant to existing rules and regulations.

Section 28. *PO's Contract Services and Development Activities.*

The PO may enter into contracts with private and government entities or individuals for the development of portions, or the entire CBFM area consistent with the CRMF and the 5- years Work Plan.

Section 29. *Other Assistance.*

The DENR, LGU and other assisting organizations shall continue to support the PO by providing the necessary assistance to link the PO to resource institutions and by monitoring PO outputs to ensure observance of technical requirements provided in the CBFMA.

**ARTICLE IV
MANAGEMENT OF CBFMP**

Section 30. *Multi-Sectoral Monitoring and Evaluation.*

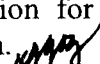
A participatory mode of monitoring and evaluation through a composite team shall be conducted annually based on critical activities to assess the various issues, problems and constraints related to the development and strengthening of the CBFM implementation. The composite team shall include representatives from the RENRO, PENRO, CENRO, LGU, AOs/NGOs and other concerned sectors. The M&E project report, which highlights the problems, opportunities and recommendations shall be submitted by the CENRO to the RED, copy furnished the Forest Management Bureau (FMB).

In addition to the multi-sectoral M&E, the concerned CENRO, PENRO and RENRO shall conduct regular monitoring and evaluation.

Section 31. *Process Documentation of the PO's Ecological, Economic, Social and Organizational Activities.*

The CENRO shall document the PO's activities and outputs pertaining to their organizational, social and economic development and the corresponding influence or impact towards the promotion of sustainable resource use and development. Lessons learned and issues and concerns shall be translated into a summary report on a quarterly basis. These are necessary inputs for field implementors and policy makers to find solutions on implementation problems, opportunity for adjustments and improvement of project management.

Section 32. *CBFM Steering Committee.*

The Committee, created in Section 8 of EO 263, is chaired by the DENR Secretary with members from the Departments of Agriculture, Trade and Industry, Agrarian Reform, Finance, Science and Technology, Labor and Employment, Department of Interior and Local Government, Budget and Management, National Defense, Justice, National Economic Development Authority, Philippine Commission on Countrywide Development under the Office of the President, Committee on Flagship Programs and Projects of the Office of the President, Cooperative Development Authority, National Commission for Indigenous Peoples and the President of the National CBFM PO Federation. 

The Committee may invite representatives from the Philippine Chamber of Commerce, Philippine Wood Products Association, NGO Coalition groups and other public and private organizations to participate in the Steering Committee meetings, when necessary.

The Committee shall formulate and develop policy guidelines that will create incentives and conditions necessary to effectively implement community-based forest management.

The Steering Committee shall have the following roles and functions:

- (a) Provide overall guidance and policy direction for implementation of the CBFM Program and, for this purpose, meet periodically to review and integrate, if necessary, all policies pertinent to the CBFMP, and resolve policy gaps and/or conflicts with other programs and projects in the Environment and Natural Resources Sector and other sectors;
- (b) Review and approve the CBFMP Comprehensive Action Plan;
- (c) Secure inter-agency support and participation for CBFMP; and
- (d) Identify and source funds for implementation of the CBFMP.

The Committee may create similar sub-committees at the regional and provincial levels.

Section 33. *The Forest Management Bureau (FMB) shall be the National Coordinating Office of CBFMP.*

The FMB shall have the following functions and responsibilities:

- a) Review CBFM programs, projects, and activities of DENR to identify issues and lessons learned;
- b) Draft policies, guidelines and procedures on CBFM;
- c) Prepare and monitor implementation of the national CBFM program of action;
- d) Liaise with other government and non-government organizations for support and/or participation in the program;
- e) Assist in the development and preparation of project proposals for financial support by donor agencies;
- f) Develop and maintain improved management information systems on CBFMP within the DENR;
- g) Serve as the technical secretariat of the CBFM Steering Committee; and
- h) Perform such other functions as may be directed by the Steering Committee and/or the Secretary of the DENR.

Section 34. The RED, assisted by the RTD for Forest Management Service provide oversight in the implementation of the CBFMP in the region and shall act as the repository of all data and information on CBFM at the regional level and should maintain a database of same. The RED shall submit quarterly reports to the Secretary, through the Undersecretary for Field Operations, on program implementation, including monitoring and evaluation, copy furnished the FMB. The FMB shall submit consolidated annual report to the Secretary.

Section 35. The PENRO shall supervise the concerned CENROs in the implementation of CBFM in the province, including the submission of periodic reports and the maintenance of a data base for all CBFM projects in the province.

Section 36. The CENRO shall be directly responsible for implementing the CBFM within its jurisdiction, in coordination with concerned LGUs, other government agencies and non-government organizations/private entities. The CENRO shall submit periodic reports of CBFM implementation to the PENRO for evaluation, and the maintenance of a database for all CBFM projects within his area of responsibility.

ARTICLE V FINANCIAL AND OTHER MECHANISMS

Section 37. *Financing.*

The costs needed by the field offices to operationalize the CBFM Strategy shall be included in the CENRO, PENRO and the Region's Work and Financial Plans as part of the DENR's major final output (formerly key result area or KRA). Objectively verifiable indicators of the different activities shall likewise be identified as basis of the monitoring and evaluation.

The DENR, LGUs or other government agencies may finance development, conservation and other activities indicated in the CRMF.

ARTICLE VI PENAL PROVISIONS

Section 38. Compliance by the PO with the terms and conditions of the CS/CBFMA shall be monitored and evaluated by the CENRO and the LGU concerned. The findings shall be discussed with the PO, including recommended solutions to address the problem, if any. In the event of non-compliance with, or continued violations of, the terms and conditions of the agreement despite the lapse of thirty (30) days from the date of notification about such infraction or non-compliance, the CBFMA shall be nullified.

Section 39. In addition to the preceding section, CBFMA may also be nullified under the following conditions:

- a) When the agreement (CBFMA) was executed through fraudulent means and/or by misrepresentation;
- b) When majority of the membership of the PO, through a resolution, request for the nullification of the agreement based on valid grounds as verified by the DENR and/or the LGU concerned;
- c) When actual occupants/direct stakeholders in the area were displaced or excluded without valid cause by CBFMA awardee;
- d) Serious and/or continued violations of applicable forestry laws, rules and regulations;
- e) When the CBFMA holder fails to comply with the terms and conditions of the agreement after three (3) written notices by the CENRO duly received by the holder.

- f) When a third party /subcontractor who executed an agreement with existing CBFMA holder fails to comply with the terms and conditions set forth in the said CBFMA .

Upon recommendation of the DENR issuing authority and the LGU concerned, nullification of the CBFMA shall be done by the next higher DENR authority. In the case of CS, the head of the PO shall cancel the Certificate of Stewardship Contract upon recommendation of the Board or Officers of the PO through a resolution.

In case where a CBFMA had been nullified without the fault of the individual members but through the fault of the PO Officers, the individual rights of occupancy of the members through a Certificate of Stewardship shall be recognized.

The nullification shall be without prejudice to the filing of appropriate civil and/or criminal actions against the offenders.

Parties who are aggrieved by any decision of the DENR official concerned, may file an appeal to the next higher authority of the DENR within thirty (30) days from receipt of said decision.

ARTICLE VII FINAL PROVISIONS

Section 40. *Transitory Provision.*

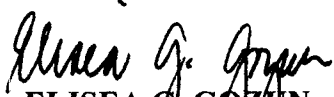
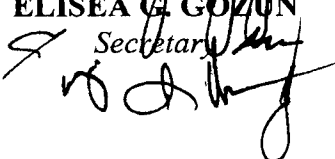
Annual work plans affirmed and currently in effect before the issuance of this Order shall continue to be valid and operational during their planned duration.

Section 41. *Repealing Clause.*

Provisions of DENR Administrative Order No. 96-29, other Administrative Orders, Memorandum Circulars and official issuances not consistent herewith are hereby repealed or amended accordingly.

Section 42. *Effectivity.*

This order shall take effect thirty (30) days after its publication in a general newspaper of national circulation.


ELISEA G. GOZUN
Secretary


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