

**Memorandum Circular  
No. 07  
April 10, 1990**

**SUBJECT: Conduct of Timber Stand Improvement (TSI) in Residual Forest Areas Covered by Community Forest Stewardship Agreements (CFSAs), Community Forest Lease Agreements (CFLAs) and Community Forest Management Agreements (CFMAs)**

In order to further accelerate the implementation of TSI in residual forests, to enhance the training and participation of community forest stewards in forest management and to provide them additional income generation opportunities, the following instructions are hereby issued for guidance:

1. The designated Regional and CENRO TSI Project Officer (RTPO/CTPO) as created by Memorandum Circular No. 19, Series of 1989 dated September 26, 1989 shall determine within their respective jurisdiction residual forest areas within CFLAs, CFMAs and CFSAs that should be treated. These areas shall be separate from the TSI implementation under the ADB-OECF program.
2. The RTPO and CTPO shall together with the concerned community, prepare a TSI plan which shall follow the existing guidelines on TSI as generally described in the handbook on TSI published by the NPCO. This plan shall be subject to the approval by the concerned Regional Executive Director.
3. The implementation of the TSI plan shall be the responsibility of the concerned community, with close coordination, technical assistance, and monitoring by the CTPO using the prescribed forms, including the volume of timber produced through the treatments prescribed.
4. The TSI implementor (community) shall be allowed to dispose the TSI timber production in any manner he sees fit, subject to forestry rules and regulations on the matter. For this purpose, and to encourage more communities to engage in TSI, the CENRO concerned shall issue the necessary Certificate of Timber Origin (CTO) free of charge, and the forest charges due the forest products shall be waived by the government.

5. The TSI implementor, together with the CENRO, shall set aside 10% of the gross value ( or 50% of the net value) of the timber produced from TSI activities to be utilized for reforestation or for enrichment planting within the area.
6. For the purpose of this Circular, the following conditions shall be observed at all times:
  - 6.1 Labor intensive methods shall be employed in the TSI activities.
  - 6.2 Rare species shall not be cut. However, premium species may be cut only if necessary to promote forest stand improvement.
  - 6.3 Reforestation may use fast growing exotic species, but enrichment/ supplemental planting shall be undertaken using primarily natural endemic species, preferably dipterocarps.
  - 6.4 Rattan and other economically important "minor" forest products shall not be considered impiders.
  - 6.5 The protection of the area against illegal loggers, poachers, and other illegal entrants shall be the joint responsibility of the implementor and the CENRO concerned.
7. This Circular shall take effect immediately.

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