

**Administrative Order
No. 3
February 11, 1991**

**SUBJECT: Policy and Guidelines for the Award and
Administration of the Mangrove
Stewardship Agreement**

Pursuant to Executive Order 192, LOI 1260 which establishes the Integrated Social Forestry (ISF) Program; the Comprehensive Agrarian Law (RA 6657); Department Administrative Order 97, Series of 1988, which provides implementing guidelines for the ISF Program; and the mangrove utilization policies established in Department Administrative Order 15, Series of 1990; the following policy and guidelines governing the award and administration of the Mangrove Stewardship Agreement are hereby promulgated.

Section 1. Basic Policy. To achieve the national objectives of economic and social development, it is the policy of government to democratize the use of public forest land and to promote more equitable distribution of the forest bounty. In line with this policy, the government shall provide secure tenure over mangrove forest lands to qualified and deserving individuals for them to develop and/or maintain their area as permanent mangrove forest and to enjoy such harvests as may be sustainably derived therefrom. The award and administration of Mangrove Stewardship Agreements shall therefore be pursued according to the following policy guidelines.

- a. **The Value of Mangrove Forest** as a vital natural resource which provides many direct and indirect benefits to society is recognized and acknowledged. Direct benefits include shoreline protection from erosion, wind and wave damage as well as the harvest of forest and marine products. Indirect benefits include providing vital spawning and nursery grounds as well as nutrient export to support other coastal fisheries. It is the policy of the Government to rehabilitate and protect our remaining mangrove forests.
- b. **Stewards and Stewardship.** A steward is someone entrusted with the resources of another for the purpose of exercising stewardship by providing care, protection and wise management to improve the quality and productivity of those resources for the mutual benefit of the Steward and the owner. It is the policy of the government to allow and encourage the stewardship of State owned natural resources and give preference to the existing small-scale users of those resources.

- c. **The Purpose of the Mangrove Stewardship Agreement** is forest management; it requires the development and maintenance of permanent mangrove forest on the Stewardship Area in return for the exclusive right to harvest from the Area on a sustainable basis. It is not a certificate of occupancy and is never be used for that purpose.
- d. **Approach.** The stewardship approach to mangrove forest development and management stresses self help and self reliance by organized groups of coastal residents. Forest development and/or management, including the collection of planting materials, will be accomplished through the voluntary efforts of participants to the greatest extent possible.
- e. **Coverage.** Mangrove Stewardship Agreements may be awarded over new plantations, existing mangrove forest or a combination of the two. All mangrove areas are eligible for coverage except those specifically exempted in Section 5 of this Order.
- f. **Security of Tenure.** Participants shall be given long-term tenure over a parcel of mangrove forest land for the purpose of establishing and/or managing mangrove forest thereon.
- g. **Utilization.** The selective harvest by participants of forest and marine products at sustainable levels shall be allowed on the area covered by the Stewardship Agreement.
- h. **Management of Mangrove Forest Lands by Individuals and Organizations.** Qualified individuals and groups of qualified individuals shall be allowed and assisted to develop and/or manage permanent mangrove forest on individually allocated parcels of mangrove forest land.
- i. **Size of Individual and Group Allocations.** Individual participants may be allocated a total maximum area of seven (7) hectares. The initial area allocated to a group shall not exceed five hundred (500) ha. This area may be increased in the future if the group demonstrates adequate managerial capability and additional area is available.
- j. **Location of Area Allocated.** Areas allocated to groups under the Mangrove Stewardship Agreement should be located within the community/municipality they are presently occupying. In the case of individuals, the participants must be living within the area or adjacent barangay/sitio and must continue to live therein.

- k. **Community Organization and NGOs/POs.** Before mangrove forest resources within a barangay are allocated to individuals and/or groups under Mangrove Stewardship Agreements, a process of community organization and education shall be required. This activity is to be undertaken by qualified NGOs/POs and/or by ISF technicians trained in mangrove management who reside in the area during this process and subsequent forest development and/or management activities.
- l. **Participatory Management.** Participants shall be enjoined to actively participate in the allocation of mangrove forest lands in the preparation and implementation of their respective Stewardship Agreements which shall detail the forest development and management activities to be undertaken. NGOs/POs and all government agencies indicated in LOI 1260 shall provide assistance as may be required.
- m. **Area Management** recognizes the interrelated nature of mangrove forest and coastal marine resources, the limited sustainable livelihood opportunities provided by each specific coastal resource and the corresponding need to manage these resources in an integrated way on an area basis rather than singly and in an unrelated fashion.

Section 2. Objectives. The organization of coastal communities and the award and implementation of Mangrove Stewardship Agreements aims to mobilize forest resources for the economic and social progress of the nation through the involvement of traditional small-scale mangrove users who shall be made effective agents of the State in the protection and management of permanent mangrove forest and in the production of forest and marine products. The program shall endeavor to achieve the following specific social, economic and ecological objectives.

- a. To establish a long lasting partnership between the government and participating small-scale mangrove area users in promoting the sustainable use public lands through a resource management system that is environmentally sound, productive and culturally appropriate.
- b. To rehabilitate and effectively manage our existing mangrove forest as the primary purpose; the planting of new mangrove forests is secondary.
- c. Maintain a permanent mangrove forest which shall provide improved shore line protection, wildlife habitat, spawning and nursery grounds for marine life and nutrient supplies to support marine life within and outside mangrove areas.

- d. Ensure regular supply of mangrove forest and marine products in the market place.
- e. Provide long-term security of tenure to participants who will develop and/or maintain permanent mangrove forest.
- f. Improve the capability of coastal communities in mangrove areas to address their own development needs through cooperative effort.
- g. Increase and sustain income of participants.
- h. Improve quality of life for participants.

Section 3. Definition of Terms. The following terms and definitions are provided for the purpose of this Order.

- a. **Mangrove Forest** refers to a distinctive community of trees and associated plant and marine species which is found on tidal flats along the sea coast, extending along streams which are brackish.
- b. **Integrated Social Forestry Program (ISFP)** refers to the national program launched under LOI 1260 which is designed to protect existing forests, improve the productivity of forest lands and to improve the socio-economic status of participants and participating communities.
- c. **Mangrove Stewardship Agreement** refers to a contract entered into by and between an individual mangrove user or mangrove user association or cooperative and the government which grants the former the right to the exclusive use of a specified mangrove area in return for managing that area according to a Stewardship Plan. It is hereinafter called the **Agreement**, a copy of which is attached as a part of this Order.
- d. **Mangrove Stewardship Area** refers to the parcel of mangrove forest land covered by a Mangrove Stewardship Agreement. It is hereinafter called the **Area**.
- e. **Mangrove Stewardship Plan** refers to a written plan which details the initial status of the Area and the forest development and management activities to be undertaken on the Area. It is developed jointly between the participant and the DENR and/or DENGO and is hereinafter called the **Plan**.

- f. **Mangrove Steward** refers to the individual or group entering into an Agreement to develop and implement a Plan over a specific mangrove area and is hereinafter called the **Steward**.
- g. **Certificate of Mangrove Stewardship** refers to the document issued by the government pursuant to the Mangrove Stewardship Agreement. The Agreement, the Plan and the site map comprise integral parts of the Certificate. A copy is attached as a part of this Order.
- h. **Next of Kin** refers to the spouse and children, or if not applicable, the parents, brothers and sisters of a participant who has entered into an Agreement.
- i. **Project Area** refers to a portion of coastline containing mangrove forest land which is to be managed as a project area by an NGO/PO and/or ISF technician(s) and the mangrove allocated to the community under a number of individual or group Agreements.

Section 4. Participants. Citizens of the Philippines of legal age who meet the following requirements may enter into Mangrove Stewardship Agreements.

- a. Individuals, heads of families, communities or associations of individuals who have traditionally utilized mangrove resources for all or a substantial part of their livelihood, residing near the mangrove area to be managed.
- b. Preference shall be given to participants who are poor and/or landless and who have previously relied upon mangrove areas as their primary source of livelihood.
- c. Individuals with primary residence along the coastline, wishing to develop or maintain mangrove forest to protect their property from strong winds and large waves.
- d. In the case of owners of coastal infrastructure, not qualified to enter into an Agreement, but wanting to protect their property, are encouraged to allow a qualified person to undertake the establishment and/or management of mangrove forest on the said area.

Agreements shall not be entered into with absentee claimants, landlords, speculators or other persons who do not meet the stated qualifications and who will not personally manage the allocated area pursuant to the goals of these agreements.

Section 5. Coverage. All mangrove forest lands and newly afforested areas are eligible for coverage under Agreements except those listed below. The following areas are prohibited from coverage under an Agreement.

- a. Mangrove wilderness areas which have been properly delineated and found to be free from valid prior private rights.
- b. Areas covered by a mangrove reforestation contract funded by the National Forestation Program, the Fisheries Sector Program or other funding source. Long term tenure over such areas may be provided by the Forest Lease Management Agreement (FLMA).
- c. Areas covered by valid Fishpond Lease Agreements (FLA) or Ordinary Fishpond Permits (OFP) which are fully developed in accordance with the terms and conditions of the lease or permit.
- d. Other areas, such as parks or preserves, where sustainable use of forest resources is not permitted.

Vegetated mangrove areas which have been released for fishpond development but which are not yet covered by an FLA or OFP; and vegetated areas within an existing FLA or OFP which have not been developed for more than five years, may be reverted to mangrove forest land and become eligible for coverage under a Mangrove Stewardship Agreement.

Section 6. Participation of Development Oriented Non-Government Organizations (NGOs) and Private Organizations (POs). It is the policy of the DENR to encourage NGOs/POs to actively participate in the implementation of its programs. This is in recognition of (i) their willingness to live and work in the barangay while assisting rural communities to undertake their own development, and (ii) the limited capacity the DENR has for undertaking such activities. The NGO/PO serves in this capacity as an extension of the DENR. The Government shall assist the development of NGOs/POs by providing training and technical assistance.

Section 7. Project Area Selection Criteria. The primary concern shall be the rehabilitation and management of existing mangrove forest. The reforestation of barren areas is secondary. The following criteria shall be used in site selection.

- a. Existing mangrove, with preference given to areas which are degraded and important to local residents for their livelihood. Where barren areas suitable for reforestation exist, it should be integrated with the management of adjacent existing mangrove rather than treated separately.

- b. Presence of interested prospective Stewards.
- c. Availability of suitable NGO/PO and/or ISF technician(s).

Section 8. Project Area Activities. The role of the NGO/PO and/or ISF technician at the community level would include the following activities.

- a. Inform the community of the purpose of and opportunities available under an Agreement and assist them to better understand the value of mangrove forest and the ways in which it can be made more productive.
- b. Undertake with the involved communities an inventory of mangrove users and uses relating to the project areas.
- c. Determine with the DENR the specific area(s) available for mangrove stewardship.
- d. Organize the community, with particular reference to mangrove area users. Assist the community to explore its opportunities and constraints to development, with special reference to coastal marine resources, and to explore opportunities for the more effective management and utilization of their productive resources.
- e. Establish by community consensus, within applicable guidelines, the criteria for participation in mangrove stewardship and the mechanisms for allocation of available areas. Assist the community to make the formal allocation which is subject to DENR approval.
- f. Assist the community to actively participate with the DENR in the parcellary survey of individual Stewardship Areas and the establishment of boundary markers.
- g. In close cooperation with the DENR, assist prospective Mangrove Stewards to develop Stewardship Plans for their respective Areas.
- h. In close cooperation with the DENR, provide trainings in various aspects of coastal resource management, especially in mangroves.

- i. Use the process of community involvement to identify other community needs especially in coastal resource management, and to begin to address those needs using community manpower and financial resources available from government and other agencies.

Section 9. The Stewardship Plan. The Plan shall be developed jointly by the Steward with a DENR and/or NGO/PO representative. The Plan shall be comprised of three parts; (i) the current status of the Area, (ii) specific forest development activities to be accomplished within the first three years (Phase One) and (iii) the long term management plan including harvesting (Phase Two). The completed Plan shall be approved by DENR prior to issuance of the Certificate of Mangrove Stewardship and become an integral part thereof.

The Plan shall incorporate as a minimum the following basic components:

- a. An inventory of existing vegetation, including species and their frequency of occurrence, stem density and stem diameters; soils/substrate; and any other existing features of interest. These features shall be indicated on an area map.

Phase One (to be completed in the first three (3) years):

- b. Area for reforestation, including planting schedule, species to be used, spacing, maintenance procedures until the first thinning and percentage survival expected.
- c. Area for existing stand improvement, including a pruning/thinning schedule, post improvement stem density and species composition, and the marking and protection of upper canopy/seed trees.
- d. Area for enrichment planting following stand improvement, including planting schedule, species to be used, spacing, maintenance procedures and percentage survival expected.
- e. Expected level of natural regeneration to be achieved, expressed as minimum density of rooted seedlings.

Phase Two:

- f. The schedule and nature of future thinnings/harvest.
- g. The schedule of thinning and replacement of the upper canopy/seed trees.

Section 10. Rights and Responsibilities of the Participant. The participant has the following rights and responsibilities under the Agreement.

- a. The sole and exclusive right to peacefully utilize the Stewardship Area and enjoy all the produce therefrom against any and all third parties.
- b. To establish or maintain and manage permanent mangrove forest on the Area.
- c. Manage the Area in accordance with the Plan developed specifically for the area employing appropriate mangrove forest management methods and practices.
- d. Implement Phase One of the Plan (reforestation and/or rehabilitation) within two years from the signing of Agreement.
- e. In the case of individual Stewards, undertake personal management of the area, including harvesting. The use of tenant labor is prohibited but family, friends and neighbors may provide assistance.
- f. In the case of organized groups, members are to undertake management of the Area and the group, if it wished, may employ its members as paid labor to implement the Plan.
- g. Prevent the conversion of all or any part of the Stewardship Area to a fishpond development, salt works, paddy cultivation or any other use which results in the destruction of all or a part of the mangrove forest.
- h. Prevent the introduction of infrastructure of any kind (land fill, dwellings, walls, wharfs, etc.) unless such infrastructure is specifically authorized in writing by the DENR.
- i. Prevent the unauthorized or unregulated cutting or any other activity destructive to the mangroves on the Stewardship Area or on other areas immediately adjacent thereto. Such activities shall be reported immediately to the barangay Captain and/or nearest DENR representative.
- j. Preserve the monuments and other landmarks which indicate corners and boundaries of the Stewardship Area.

Section 11. Rights and Responsibilities of the Government. The DENR shall be responsible for providing the services of NGOs/POs or trained ISF technicians to coastal communities to assist the community in the formulation and

implementation of Mangrove Stewardship Agreements. It shall also regularly monitor progress by the Steward in the implementation of the Plan.

The Government reserves the right to regulate the cutting or harvesting of the mangrove trees and associated species to insure that adequate forest cover always exists on the Stewardship Area.

The Government reserves the right to permit the opening, if public interest so requires, of such portion of the Area as may be required for road or boat right-of-way. The person or entity granted this right-of-way shall pay the Steward a reasonable compensation for any damage to improvements.

The Government reserves the right to remove unauthorized infrastructure (land fill, dwellings, walls, wharfs, etc.), either existing or future, from the Area.

Section 12. Incentives. The following incentives are provided for to Steward in return for his Stewardship.

- a. Awarding of long term tenure over the Area, 25 years renewable for another 25 years.
- b. Holding the sole and exclusive right to peacefully utilize the Area and enjoy all the produce therefrom against any and all third parties.
- c. No fees, including forest charges, shall be collected for use of the Stewardship Area by the DENR during the first five (5) years of the Agreement.
- d. Receive technical assistance from the DENR and/or NGO on mangrove development and management, including access to planting materials.

Section 13. Application, Approval and Issuance. The following procedures shall apply to the application, approval and issuance of Mangrove Stewardship Agreements and Certificates of Mangrove Stewardship.

- a. After the DENR approval of allocation by the community, the prospective Steward shall complete an application for his/her allotted area to be filed with the CENRO.
- b. The CENRO shall undertake a parcellary survey of the area following the DENR approved allocation plan, concrete posts shall be used to establish control points on the shore.

- c. The prospective Steward shall jointly prepare the Plan for his/her allocated area with a representative of DENR and/or designated NGO. The completed Plan shall be subject to DENR approval.
- d. The CENRO shall approve Agreements for areas up to seven (7) hectares and be responsible for the issuance of all approved Certificates of Mangrove Stewardship.
- e. The PENRO shall approve Agreements for areas from eight (8) to one hundred (100) hectares.
- f. The Regional Executive Director (RED) shall approve areas from one hundred one (101) hectares to five hundred (500) hectares.
- g. A Certificate of Mangrove Stewardship comprised of the Certificate, the Agreement, the DENR approved Plan and an Area map shall be issued to the Steward.

Section 14. Tenure and Terms. The Agreement shall become effective when it is signed by both parties and shall continue for a period of twenty-five (25) years, renewable for another twenty-five (25) years. The following general conditions apply:

- a. The Steward shall faithfully and fully implement the Plan.
- b. The Agreement is non-transferable.
- c. No person/organization/association shall be allowed to hold more than one Mangrove Stewardship Agreement at any time. A husband and wife shall be treated as one person and both their names shall appear on the Agreement and Certificate.
- d. The Steward and the Government shall conform with other related laws, rules and regulations that may be promulgated hereafter.
- e. No fees, including forest charges, shall be collected for use of the Stewardship Area by the DENR during the first five (5) years of the Agreement. Fees may be collected thereafter as determined by the Secretary of DENR.
- f. The Mangrove Stewardship Agreement does not allow or authorize the Steward or anyone else to construct or cause to be constructed any new land fill, dwelling, wall, wharf or other infrastructure on the Stewardship Area.

In the event of the death or incapacity of the Steward or of any other eventuality which prevents the Steward from fulfilling his/her obligations under the Agreement before its expiration, the following conditions apply.

- a. The Steward or nearest kin shall notify the DENR within sixty (60) days.
- b. A qualified next of kin may assume full responsibility over the Stewardship Area, subject to the approval of the DENR.
- c. In the event no qualified next of kin is willing or able to assume responsibility under the Stewardship Agreement, the DENR may enter into a new Agreement over the said area with another qualified party.

Upon expiration of the Agreement, the Stewardship shall have the right of preemption to any subsequent Stewardship Agreement covering the said area. If for some reason the Government opts not to reallocate the area for stewardship, the Steward shall be entitled to just compensation for mangrove management related improvements introduced thereon following the procedure set-out in the following section.

Section 15. Cancellation of the Stewardship Agreement; Compensation. The Government reserves the right to cancel a Mangrove Stewardship Agreement for cause or when the public interest, as determined by the Secretary of DENR, so demands.

In the event the Agreement is cancelled for cause, the grantee shall not be entitled to compensation for improvements introduced on the Stewardship Area and may be the subject of civil or criminal prosecution as the situation demands. The following are grounds for the cancellation of the Agreement for cause:

- a. Failure of the Steward to comply with the terms and conditions of the Agreement within six (6) months after having been notified in writing of his neglect by the Government.
- b. Conversion of the Mangrove Stewardship Area to a fishpond development, salt works, paddy cultivation or any other activity not authorized in writing by the DENR which results in the destruction of the mangrove forest on the Stewardship Area.
- c. Serious and/or continued violation of forestry laws, rules and regulations in the stewardship of the area.

In the event the Agreement is cancelled for reasons other than cause, as defined above, the Steward shall be entitled to a fair compensation for all forest management related improvements introduced therein based on their assessed value as determined by a competent third party on the date of termination minus all charges or other monetary obligations accruing to the Government. When compensation is due, the Steward may harvest such improvements as can reasonably be removed consistent with applicable mangrove management policies, the value of which shall be deducted from the final compensation.

Section 16. Mangrove Areas Covered by the Original or Upland Stewardship Agreement; Existing Mangrove ISF Projects. Stewardship Agreements have been issued over mangrove areas in several regions using the original version which is intended for use in the uplands and requires, among others, the planting of five fruit trees per hectare. As the approach to mangrove stewardship is somewhat different than upland stewardship, this mangrove area specific Agreement has been developed.

- a. Henceforth only the Mangrove Stewardship Agreement shall be awarded over mangrove areas.
- b. Existing Stewardship Agreements covering mangrove forest lands shall be converted to Mangrove Stewardship Agreements within one year from the effectivity of this Order.
- c. The conversion process shall include the preparation of a Stewardship Plan or the revision of the existing plan if it does not conform to these guidelines.
- d. The starting date of the revised Agreement shall be the same as that of the original agreement.
- e. In the event the holder of an existing Stewardship Agreement over a mangrove area does not qualify for a Mangrove Stewardship Agreement, the existing agreement shall be cancelled and the area awarded to a qualified Steward.
- f. In the event the area has been converted from mangrove forest to another, non-forest use, the holder of the original Stewardship Agreement shall be given the option of returning the area to mangrove forest or face cancellation of the original agreement and any civil or criminal charges that may be warranted.

Section 17. Additional Guidelines. The Secretary may issue additional instructions and circulars as may be necessary for the effective implementation of this Order.

Section 18. Repealing Clause. This Order supersedes DAO 97, Series of 1988 with respect to mangrove forest lands and revises or amends all existing forestry rules and regulations which are inconsistent herewith.

Section 19. Effectivity. This Order shall take effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary

Recommending Approval:

RICARDO M. UMALI
Chairman, Coastal Resources Management Committee

MANGROVE STEWARDSHIP AGREEMENT

This Agreement made and entered into this ____ day of _____ 19__ between the Republic of the Philippines' Department of Environment and Natural Resources (DENR), hereinafter referred to as the Grantor, and _____ of legal age, Filipino, with postal address at _____, hereinafter referred to as Grantee.

W I T N E S S E T H :

WHEREAS, the Grantor has jurisdiction and authority over the demarcation, protection, management, disposition, reforestation, occupancy and/or use of public forest resources including mangrove areas;

WHEREAS, a steward is someone who is entrusted with the resources of another for the purpose of exercising stewardship over those resources by providing care, protection and wise management;

WHEREAS, the Grantor will enter into a Stewardship Agreement with and issue a Certificate of Stewardship covering mangrove areas to qualified individuals, communities, associations or cooperatives for the purpose of allowing the Grantee to plant and/or manage and protect permanent mangrove forest, to harvest in a sustainable way and enjoy all the produce therefrom, and to benefit others by maintaining that forest for coastline protection and support of coastal fisheries;

WHEREAS, the Grantee is qualified to enter into a Stewardship Agreement under the laws of the Republic of the Philippines and has filed with the _____ of the DENR for permission to plant and/or manage and protect mangroves on a parcel of public intertidal forestland, hereinafter referred to as the Stewardship Area;

WHEREAS, the Grantor, after having evaluated the social and economic condition of the Grantee, hereby recognizes and considers said Grantee as a qualified participant in the management and protection of mangrove areas as part of the national effort to maintain and enhance this essential coastal forest;

WHEREAS, according to official records on file with the Grantor, no adverse claim has been presented nor any objection or opposition has been filed against the application of the Grantee;

NOW, THEREFORE, for and in consideration of the foregoing premises, the Grantor hereby authorizes the Grantee under this Stewardship Agreement to plant and/or manage and protect permanent mangrove forest on the Stewardship Area described in the attached map (Annex 1), in accordance with the Mangrove Stewardship Plan attached hereto (Annex 2), both of which form an integral part of this Agreement, subject to existing forest laws, policies, rules and regulations and to the following terms and conditions:

A. Rights and Responsibilities of the Grantee

1. The Grantee shall have the sole and exclusive right to peacefully utilize the Stewardship Area and enjoy all the produce therefrom against any and all third parties; **Provided**, that, the Grantee shall establish and/or manage permanent mangrove forest on the Stewardship Area in accordance with the Mangrove Stewardship Plan attached hereto and employ appropriate mangrove forest management methods and practices; **Provided further**, that the conversion of all or part of the Stewardship Area to a fishpond development, salt works, paddy cultivation or any other activity not authorized in writing by the DENR which results in the destruction of all or a part of the mangrove forest shall not be allowed and shall be cause for immediate cancellation of this Agreement.
2. The Grantee shall successfully implement Phase One of the Mangrove Stewardship Plan attached hereto within three year, from the execution of this Agreement.
3. The Grantee may receive technical assistance and extension services in the management of the Stewardship Area, including assistance in the procurement of planting materials, harvesting and marketing from the DENR, the Department of Agrarian Reform, the Department of Agriculture and other government or private entities.
4. The Grantee shall not use tenant labor in the Stewardship Area but must undertake development and management himself **Provided** however, that assistance from the family and/or neighbors of the Grantee is allowed; **Provided further**, that cooperatives, associations or community Grantees may use their members as paid labor to develop the area in accordance with the Mangrove Stewardship Plan.
5. The Grantee shall preserve monuments and other landmarks which indicate corners and boundaries of the Stewardship Area.

6. The Grantee shall prevent unauthorized or unregulated cutting or any other activity destructive to the mangroves on the Stewardship Area or on other areas immediately adjacent thereto, shall immediately report such activities to his Barangay Captain and/or nearest DENR representative, and, when necessary, shall actively assist the local DENR in protecting mangrove forest.
7. The Grantee shall prevent the introduction of new infrastructure of any kind (land fill, dwellings, walls, wharfs, etc.) unless such infrastructure is specifically authorized in writing by the DENR.
8. In the event of death or incapacity of the Grantee or of any other eventuality which prevents the Grantee from fulfilling his/her obligations under this Agreement, the Grantee or nearest kin shall notify the Grantor within sixty (60) days.

B. Rights and Responsibilities of the Grantor

9. The Grantor shall monitor and evaluate the progress of the Grantee in the implementation of the Mangrove Stewardship Plan, making such mutually agreed revisions in the Plan as may be required and allowed under the implementing guidelines, as well as the compliance by the Grantee with other terms and conditions of the Stewardship Agreement.
10. The Grantor reserves the right to regulate the cutting or harvesting of the mangrove trees and associated species to insure that adequate forest cover always exists on the Stewardship Area.
11. The Grantor reserves the right to permit the opening, if public interest requires of such portion of the flat as may be required for road or boat right-of-way; **Provided**, that the person or entity granted the road or boat right-of-way shall pay the Grantee a reasonable compensation for any damage to improvements.
12. The Grantor reserves the right to remove any existing or future unauthorized infrastructure (land fill, dwellings, walls, wharfs, etc.) from the area.

C. General Provisions

13. The Grantee must have been living within the project area or adjacent barangay/sitio and must continue to live there to actively perform the activities allowed and indicated in the Mangrove Stewardship Plan.
14. The Grantee shall not be allowed to hold more than one (1) Mangrove Stewardship Agreement at any time.
15. The Grantor and the Grantee shall jointly prepare a Mangrove Stewardship Plan for the Stewardship Area in accordance with the implementing guidelines issued by the Grantor for this purpose.
16. The Grantor and the Grantee shall conform with other related laws, rules and regulations that may be promulgated hereafter.
17. No fees, including forest charges, shall be collected for use of the Stewardship Area by the DENR during the first five (5) years of this Agreement; **Provided**, that fees may be collected thereafter as determined by the Secretary of the DENR.
18. This Stewardship Agreement is non-transferable; **Provided**, that in the case of death or incapacity of the Grantee before the expiration of this contract, a qualified heir may assume full responsibility over the Stewardship Area, subject to approval of the Grantor; **Provided further**, that in cases where no qualified heir is willing or able to assume responsibility over the Stewardship Area, the Grantor may enter into a Stewardship Agreement over the Stewardship Area with another qualified party.
19. Upon expiration of this Stewardship Agreement, the Grantee shall have the right of preemption to any subsequent stewardship agreement covering the allocated Stewardship Area or if some reason the government opts not to reallocate the Area for stewardship, the Grantee shall be entitled to just compensation for mangrove forest management related improvements introduced thereon following the procedure provided below.
20. In the event of the cancellation of this Stewardship Agreement for cause, as defined in Section E, the Grantee shall not be entitled to compensation for improvements introduced on the Stewardship Area; **Provided**, that if the Grantor terminates this Agreement for other reasons, the Grantee shall be entitled to a fair compensation for all forest management related improvements introduced therein based on their assessed value as determined by a competent third party on the date of termination minus all charges or other monetary

obligations accruing to the government; **Provided further**, that when compensation is due, the Grantee may harvest such improvements as can reasonably be removed consistent with applicable mangrove management policies, the value of which shall be deducted from the final compensation.

D. Effectivity of Tenure

21. This Stewardship Agreement shall become effective upon execution thereof by the parties and shall continue for a period of TWENTY FIVE (25) years, expire on _____ renewable for another TWENTY FIVE (25) years.

E. Cancellation of this Agreement

22. The following are grounds for the cancellation of this Stewardship Agreement for cause:

- a. Failure of the Grantee to comply with the terms and conditions hereof within six (6) months after having been notified in writing of his neglect by the Grantor;
- b. Conversion of Stewardship Area to a fishpond development, saltworks, paddy cultivation or any other unauthorized activity which results in the destruction of all or a part of the mangrove forest on the Stewardship Area.
- c. Serious and/or continued violation of forestry laws, rules and regulations in the stewardship of the Area.

23. The Grantor reserves the right to cancel this agreement when the public interest, as determined by the secretary of DENR, so demands.

G. Ratification

24. This agreement becomes an integral part of the Certificate of Stewardship.
25. The provisions of this Agreement were fully and clearly explained by the Grantor to the Grantee in a dialect understandable to the Grantee before the Agreement was signed.

26. The Grantor and the Grantee shall sign each page of this Agreement including the Appendices (if the Grantee does not know how to write, he shall affix his right thumbmark in the space provided for his signature).

In Witness Whereof, the said parties have hereunto set their hands this ____ day of _____, 199_ in _____.

By Authority of the Secretary:

GRANTOR

GRANTEE

W I T N E S S E S:

Note: (Certificate of Mangrove Stewardship Certificate Omitted)