

**Administrative Order
No. 4
February 27, 1991**

**SUBJECT: Revised Regulations Governing the
Integrated Social Forestry Program.**

Pursuant to the provisions of Executive Order No. 192, the Comprehensive Agrarian Reform Law and Letter of Instructions No. 1260, the following regulations and guidelines are hereby promulgated.

Section 1. Basic Policy and Objectives. The Integrated Social Forestry Program is based on the principle of land stewardship, which joins the complementary objectives of environment protection, poverty alleviation, and social justice.

The program applies to the lands classified as public forest lands. These lands, which have slopes greater than 18% have the special characteristic that the impact of the way in which they are used redounds not only to the user, but also to the larger society. Misuse of these fragile lands results in loss of soil fertility, siltation of downstream ecosystems such as irrigation systems and coastal fishing grounds, and the exacerbation of droughts and floods. Proper use of such lands reverses such effects to the benefit of everyone within the ecosystem. Therefore, anyone using such lands must be committed to protecting and enhancing the ecological stability of the land and of the larger ecosystem of which it is a part.

Therefore, the Integrated Social Forestry Program seeks to protect the environment, alleviate poverty, and promote social justice by enlisting the people directly using forest lands in the task of stewarding the uplands. In line with this policy, the government shall provide security of land tenure and other assistance to individuals, families, groups or communities that commit themselves to the stewardship role. Such a commitment would include not only proper use of the land under the stewardship agreement, but also cooperation with other stewards in the area to exert joint efforts to protect and enhance the natural resources base within their area of responsibility.

A fundamental requisite for exercising a stewardship role is physical presence in the area to be stewarded. Stewards must actively invest themselves in the care of the lands, be intimately aware of the land's response to different treatments, and be able to respond in ways that enhance the productivity of the land. Thus, any individual, family, or group wishing to take on stewardship rights and responsibilities must demonstrate capacity for stewardship by: personally tilling whatever land is cultivated in the area to be stewarded; and residing within the area or adjacent barangay so as to actively participate in individual and group activities aimed at environmental protection and enhancement, such

as fire control, watershed maintenance, and prevention of land encroachment by parties not committed to the stewardship concept. Absentee landlordism is inconsistent with the concept of stewardship.

The ISF Program shall therefore be pursued in accordance with the following policy guidelines:

- 1.1 **Security of Tenure.** Consistent with the provisions of the Constitution, the Program shall award Stewardship Agreements to individuals, families, groups or communities that qualify as stewards and commit themselves to stewardship responsibilities. Recognizing that the benefits of stewardship activities often take a long period of time to manifest, such Agreements shall provide use rights over the subject land for a period of twenty-five (25) years, renewable for an additional twenty-five (25) years.
- 1.2 **Continued Occupancy of Present Clearings.** Qualified participants shall be encouraged to cultivate and develop their clearings and homelots or settlement areas in ways consistent with ecological stability and sustainability. Such development should not impair the forest ecosystem nor shall it encroach on lands specifically exempted from the Social Forestry Program.
- 1.3 **Size of Stewarded Areas.** Individual and family stewardship Agreements shall, with due consideration to the need for equitable distribution of lands to all qualified stewards cover land areas of economically viable size, which, depending on topography, soil, and general conditions of the area, shall cover not more than five hectares. The size of communal Stewardship Agreements shall depend on the nature of the site, the history of the group in the area, and the potential of the group to promote productive and protective activities within the stewarded area.
- 1.4 **Establishment of Stewardship Associations.** Program participants awarded with individual or family Stewardship Agreements are encouraged and assisted to organize into Stewardship associations and mobilize themselves to undertake activities to improve participants' welfare and to protect and enhance the ecosystem upon which the participants as a group depend. Such association, and groups holding communal Stewardship Agreements, shall be encouraged to develop Stewardship plans that can serve as a basis for the awarding of rights and responsibilities for the development of additional nearby land areas in ecologically appropriate ways, such as through reforestation, forest protection, and other related activities.

- 1.5 **People's Participation.** Program participants, through their stewardship associations or other community organizations, shall be encouraged to participate in the preparation of plans for their individual and community areas and to draw assistance from government agencies as indicated in LOI 1260.
- 1.6 **Government Commitment.** The government agencies and instrumentalities, as mandated by LOI 1260 and other existing laws, rules and regulations, shall assist in the development of upland communities, through stewardship associations or other organized groups, in ways consistent with the objectives of environmental protection, poverty alleviation and social justice.

Section 2. Definition of Terms.

- 2.1 **Area Developed** - the portion of the land on which activities have been undertaken based on the individual and project area development plans jointly prepared by the holder/s of Stewardship Agreement and the Community Development Assistant (CDA).
- 2.2 **Certificate of Stewardship (CS)** - the document issued by the government to qualified individual forest occupants pursuant to the Stewardship Agreement.
- 2.3 **Certificate of Community Forest Stewardship (CCFS)** - the document issued by the government to qualified forest communities, associations, including indigenous cultural communities pursuant to the Stewardship Agreement.
- 2.4 **Integrated Social Forestry (ISF)** - the national program provided for by Letter of Instructions No. 1260 designed to maximize land productivity and enhance ecological stability, and to improve the socio-economic conditions of forest occupants and communities.
- 2.5 **Next-of-Kin** - the spouse and children, or if not applicable, the parents, the brothers or sisters of a forest occupant who has entered into Stewardship Agreement.
- 2.6 **Program Participant** - a forest occupant or community associations or cooperatives which has entered into a Stewardship Agreement and actively involved in the ISF Program.
- 2.7 **Project Area** - a public forest land which is utilized by a specific, proximate groupings of holders or prospective holders of CS or CCFS.

- 2.8 **Program** - refers to Integrated Social Forestry.
- 2.9 **Stewardship Agreement** - a contract entered into by and between an individual forest occupant or forest community association or cooperative and the government allowing the former the right to peaceful occupation, possession and sustainable management over the designated area.

Section 3. Program Management. The program shall be managed and implemented through an Executive Committee to be assisted by a National Coordinating Office, the Social Forestry Division of the Forest Management Bureau (FMB) and appropriate Program Assistance Teams and Community Development Officers.

- 3.1 **Executive Committee.** The ISF Program shall be managed by an inter-agency Executive Committee to be chaired by the DENR Secretary. The Committee shall include the Secretaries of Environment and Natural Resources, Agrarian Reform, Agriculture, Education, Culture and Sports, Health, Justice, Public Works and Highways, Social Welfare and Development, and Interior and Local Governments and the Director-General, National Economic and Development Authority (NEDA). The Committee shall have a two-fold function of ISF Program planning and policy making.
- 3.2 **National Coordinating Office.** The following shall be the functions of the National Coordinating Office:
- 3.2.1 To develop, formulate and recommend ISF policies, rules, and regulations, guidelines and procedures, related to program development and implementation;
 - 3.2.2 To coordinate the implementation and execution of ISF policies, plans and projects at all levels;
 - 3.2.3 To monitor and evaluate social forestry field activities and performance in coordination with the Regional Executive Directors;
 - 3.2.4 To provide the Executive Committee of the ISF Program with periodic reports on activities and accomplishments and perform such other roles in its capacity as the National Secretariat of the ISF Program;
 - 3.2.5 To act as clearing house for all project proposals, feasibility and policy studies pertaining to social forestry matters and make recommendations prior to the approval of the proper authority;

- 3.2.6 To liaise with other Government Agencies and coordinate with interdepartmental implementing bodies for smooth program implementation;
 - 3.2.7 To develop and recommend strategic plans that will unify the visions, approaches, and all existing upland development efforts of the various management units implementing social forestry related policies, programs, and projects;
 - 3.2.8 Call on any DENR personnel, whether Central Office based or in the Regions, for assistance in the performance of its functions;
 - 3.2.9 Exercise such discretion in the selection and hiring of personnel and other support staff for the administration of the ISF Program; and,
 - 3.2.10 Initiate institutional linkages with other government agencies (OGA) and non-government organizations (NGO).
- 3.3 **Social Forestry Division.** The Social Forestry Division (FMB) shall be strengthened and shall provide staff support to the National Coordinating Office in the development of guidelines and coordination of the implementation and execution of ISF policies, plans, and projects, formulation and guidelines in the identification, establishment and development of ISF projects, the monitoring and evaluation of field activities, preparation of periodic reports, process applications for CFSA through its regional counterparts and shall carry out other functions which shall be assigned to it.
- 3.4 **Program Assistance Teams (PAT).** The National Coordinating Office shall organize Program Assistance Teams which shall have the following functions:
- 3.4.1 Conduct briefings/orientation of CDOs and CDAs on the program;
 - 3.4.2 Provide technical assistance in the implementation of the Program;
 - 3.4.3 Monitor and evaluate program implementation;
 - 3.4.4 Validate and update profile of social forestry areas;
 - 3.4.5 Assist in the documentation of appropriate social forestry technologies and/or farming systems; and,

- 3.4.6 Coordinate implementation and execution of program policies, regulations and guidelines.
- 3.5 **Regional Executive Director (RED).** The RED shall be responsible for the effective implementation of all ISF projects in the region. He shall be assisted by the interim Social Forestry Division of the Region.
- 3.6 **Provincial Environment and Natural Resources Officer (PENRO).** The PENRO shall closely coordinate, supervise, and monitor the implementation of the ISF Program in the province. He shall ensure that ISF funds are exclusively utilized to support the program implementation.
- 3.7 **Community Environment and Natural Resources Officer (CENRO).** The CENRO shall be directly responsible for the supervision and management of the ISF Program within his area of jurisdiction. He shall also conduct periodic monitoring of all ISF projects and submit through the PENRO and RED periodic reports of project activities and program accomplishments.
- 3.8 **Community Development Assistants (CDA).** The RED, upon recommendation of the CENRO, shall designate at least one CDA for each Project Area who shall be responsible for actual management and implementation of the ISF Program in the Project Area under the direct supervision of the Community Development Officer (CDO) and CENRO concerned.
- 3.9 **Staff Development.** The DENR through the Human Resources Development Services in consultation/coordination with the National Coordinating Office and the Social Forestry Division shall organize appropriate training courses periodically for the CDOs and the CDAs based on the training needs determined through a training needs analysis which shall be properly conducted before such trainings.

Section 4. General Consideration. The following consideration among others, shall be applied in the design and implementation of projects aimed at achieving the objectives of the Program:

- 4.1 Economic self-sufficiency and ecological stability shall be the key considerations.
- 4.2 Each project will focus initially on strategic activity responding to an immediate concern of the participants as identified during the assessment and appraisal of the project area needs.

- 4.3 Program participants shall be actively involved in project area planning, design and implementation.
- 4.4 Project design and implementation shall be made flexible to allow revision as often as necessary.
- 4.5 Stewardship associations or cooperatives shall be developed and whenever appropriate local institutions shall be strengthened for future autonomy.
- 4.6 Appropriate indigenous practices shall be identified and documented for possible adoption where suitable.

Section 5. Program Components. The Program shall include the following components:

- 5.1 **Information Drive.** The Public Affairs Office in consultation/coordination with the National Coordinating Office shall prepare information for dissemination to prospective program participants to explain the program and encourage their participation in the Program. The CENRO Social Forestry Teams shall assist in the dissemination of information preferably through face-to-face dialogues with the farmers.
- 5.2. **Identification of Project Areas.** The CENRO Social Forestry Team shall identify prospective project areas based on information regarding forest occupancy. Upon approval of the project area by the RED, the Team shall work with the members of the local community concerned to identify the project area needs and formulate appropriate Stewardship development plan.
- 5.3 **Listing of Project Participants.** The Social Forestry Team, in consultation with the community shall list persons who qualify to participate in the program. The data gathered shall include demographic profile which will later be used in the preparation of the project development plan.
- 5.4 **Perimeter and Parcellary Surveys.** The Social Forestry Team shall work jointly with the community in the conduct of perimeter survey of the project area, and in case of areas to be covered by CSC the boundary of individual parcels.

The following limits shall be applied in delineating such boundaries:

The area to be allocated to an individual applicant for a CS shall be based on the area utilized by that person not to exceed five hectares. If the area cultivated exceeds five hectares the excess shall be divided among the applicant's next-of-kin whose allocation, if any, is less than five hectares. To qualify, such next-of-kin must meet the Stewardship requirement stipulated in Section 3 hereof. The total land holding of recipients should not exceed five hectares.

Upon completion of such preliminary work, the CENRO shall request the Land Evaluation Party to survey project area and prepare corresponding standard ISF map showing perimeter and parcel boundaries drawn to suitable scale in accordance with the provisions of DENR Adm. Or. No. 72, series of 1990.

Land allocated to the individual program participants should be made contiguous unless economic feasibility, indigenous cropping patterns or natural barriers prevent contiguity.

5.5 Processing and Issuance of Certificates of Stewardship. Prospective program participants shall apply for Stewardship Certificates in the appropriate CENRO. The CENRO in coordination with the project teams and/or concerned CDAs shall process the application in accordance with this order. If the applicant is qualified to become a steward as specified in Section 7 hereof, the CENRO Social Forestry Unit Chief shall prepare the Stewardship Agreement, which need not be notarized, in English or Pilipino. The map which is prepared in coordination with the applicant shall be attached to the Individual Certificate of Stewardship.

The CENRO shall review the documents to determine its compliance with the existing regulations. If all requirements have been complied with, he shall then approve the CS.

The CENRO shall be responsible for the issuance of all CSs. The duplicate copy shall be given to the program participants. The CENRO retains a copy for his file and the original shall be forwarded to the Regional Office for proper control and record.

The summary which shall include names of all CS holders, the area covered by CS, CS number, location and date issued shall be submitted to the PENRO and the Social Forestry Division, FMB for control, reference and information.

If the applicant has a spouse, the CSs must be issued in the name of both spouses who shall then be co-stewards of the land.

5.6 Processing and Issuance of Certificate of Community Forest Stewardship.

Associations of forest occupants including indigenous cultural communities may apply for CCFS with the appropriate CENRO.

The following are the application requirements:

- a. Duly accomplished application form;
- b. Constitution and By-Laws and Articles of Incorporation whenever applicable;
- c. Certified xerox copy of the Certificate of Registration from the Securities and Exchange Commission (SEC) or any registering agency;
- d. Sketch Map of the applied area; and,
- e. List of association/community members.

An application for CCFS shall be submitted to the CENRO which has administrative jurisdiction over the applied area. Upon receipt, the application shall be reviewed by the Social Forestry Section following prescribed guidelines.

If the area is available and suitable for development under the CCFS, the CENRO shall, within six months send the Social Forestry Team who shall conduct the verification of the applied area including the perimeter survey in accordance with Section 5, item d hereof. However, only areas which are exclusively occupied and utilized by the applicants including hunting and burial grounds in case of indigenous cultural communities and other potential areas for community projects shall be covered by application. These areas shall be indicated in the map and in the indicative plan of the project, specifying the development strategies for such areas.

The associations shall submit an indicative plan and a listing of all individuals residing within the area applied for. The DENR upon request of the association, shall extend assistance in the preparation of the indicative plan and the census.

If all the requirements have been completed, the CDO shall prepare the Certificate of Community Forest Stewardship (CCFS) and have the terms and conditions of the said agreement explained in a dialect understandable to the applicants and have it signed by their authorized representative. The folder of the applications shall be forwarded to the CENRO who shall review the documents, and if satisfied, he shall affix his

signature on the map, initial the Stewardship Agreement and endorse the documents through the PENRO, to the concerned approving officer.

All application involving tribal groups shall be cleared with the Indigenous Community Affairs Division of the Special Concerns Office, DENR.

The following shall be responsible for the approval of CCFS application:

- a. For areas less than five hundred (500) hectares, the Regional Executive Director.
- b. For areas more than five hundred (500) hectares but less than one thousand hectares (1,000), the concerned Assistant Secretary.
- c. For areas more than one thousand (1,000) hectares, but less than two thousand hectares, the Undersecretary for Field Operations.
- d. For areas more than two thousand (2,000) hectares, the DENR Secretary.

All applications for approval by the Undersecretary or Secretary shall be reviewed at the Regional Office and at the Social Forestry Division, FMB.

The applicant, CENRO, PENRO, the Regional Office and Assistant Secretary concerned shall each be given a copy of the CCFS with the original documents to be submitted to the Social Forestry Division, FMB for proper control and documentation.

All approved CCFS shall be notarized and the area covered shall be reflected in the control map of the region.

Within one year after the approval of the CCFS, the grantee shall submit a detailed development plan in accordance with the prescribed format in coordination and consultation with the DENR.

To ensure that the plans shall be properly implemented, and to provide the necessary technical assistance, the DENR shall assign a full-time CDA for a period of time mutually agreed by the DENR and the association to assist the farmers in farm development.

Indigenous cultural communities who entered into CCFS shall not be deemed to have waived their ancestral land rights inside and outside of the covered area.

5.7 Preparation and Approval of Stewardship Development Plan. The program participants with the assistance of the CDA(s) shall prepare individual

and project development plans for the area based on their needs, opportunities and problems taking into consideration the individual agroforestry farm plans. The plans shall include a brief description of the project area, its strategies, resource requirements, schedule of activities, marketing scheme and specific roles and responsibilities of the Program beneficiaries and the other government and non-government organizations involved in the establishment/development and protection of social forestry areas.

The CENRO and the Community shall pursue the development and maintenance of the project area in accordance with the stewardship development plan approved by the RED or his authorized representative.

5.8 **Planting Stock Production.** Based on their development plan, the program participants shall analyze their needs for planting stocks. Together with the CDA, they shall discuss ways of obtaining the needed stocks including the possible establishment of a central nursery and/or group/backyard nurseries.

5.9 **Stewardship Development Program.** Program participants shall be encouraged to develop their allocated land in accordance with their formulated Stewardship Development Plan. Appropriate agroforestry technologies, soil and water conservation measures and other upland farming practices shall be promoted to improve farm productivity and enhance the long-term sustainability of the area.

The concerned personnel of the DENR and other government agencies as mandated under LOI 1260 shall provide assistance to the program participants in the development of their farms.

5.10 **Performance Evaluation of Stewardship Agreement Holders.** Holders of stewardship agreements shall be evaluated every year, to determine if the individual/family/community is exercising responsible stewardship over the area. An evaluation team for each Project Area shall be created to conduct such evaluation. The team shall be composed of representatives from the Regional Office, CENR Office, and the community/local stewardship association.

5.11 **Community Organizing.** The CDA with the supervision of the CDO, shall recognize and strengthen organizations already existing in the Project Area that can serve to encourage their members to develop their farms following appropriate farming technologies. The CDA should also encourage such organizations to develop a community stewardship plan for project area and generate and monitor livelihood projects appropriate to the needs of the Project Area. In areas where there are no existing organizations, the CDA shall facilitate

the development of an organization which can serve the aforementioned functions. The CDA shall also assist the existing or newly-formed organization in registering with SEC or other appropriate government agencies.

- 5.12 **Training Programs.** The CDA, together with program participants, shall organize training courses periodically for program participants to improve their knowledge, skills, and attitudes in organization building, agroforestry, soil and water conservation, project management, and livelihood enterprises.

The training content shall be determined through a Training Needs Analysis conducted prior to the training. The CENRO and other concerned DENR officials shall help ensure that relevant expertise is available for such courses.

- 5.13 **Program Assistance.** The DENR shall coordinate with all the agencies concerned with the implementation of LOI 1260 in rendering technical, organizational, legal, marketing, financial and other assistance needed by the program participant. This program assistance which should be prepared jointly with the program participants may include the following:

5.13.1 **Infrastructure support.** Access roads, project trails, water impounding dams, multipurpose hall and other infrastructure support. The concerned DENR personnel shall facilitate the construction of access roads, project trails and water impounding dams in coordination with other government agencies in accordance with the plan formulated by the program participants.

5.13.2 **Credit Assistance.** The DENR shall assist in making representations with the Land Bank of the Philippines and other lending institutions to open credit windows to ISF program participants without the need for collateral.

5.13.3 **Planting stock.** The DENR shall provide seeds, seedlings, and other supplies for planting stock production while also developing program participants' capacity to meet such needs on a self-sustaining basis.

Section 6. Available Areas. The following areas within public forest land shall be identified as ISF Project Areas:

- 6.1 Open and denuded areas (with less than ten percent stocking) suited for ISF areas;

- 6.2 Areas covered by former Projects on Forest Occupancy Management (FOM), Family Approach to Reforestation (FAR), Communal Tree Farm (CTF) and other suitable reforestation/afforestation projects.
- 6.3 Areas within existing TLA, PLA, ITP or AFLA which have been developed as of 31 December 1981 and as concurred by the Secretary and provided further that it is not in conflict with the reforestation obligations of licensee/lease holder.
- 6.4 Communal forest, communal pasture and other leases which have ceased to serve their original intention, neglected or abandoned as determined by a study team to be designated by the Secretary.

Section 7. Prohibited Areas. The following are the areas prohibited for development under the ISF program.

- 7.1 Areas wherein continued occupancy would result to massive soil erosion, sedimentation of rivers and streams, reduction in water yield and impairment of other resources to the serious detriment of community and public interest.
- 7.2 Areas already covered by existing DENR reforestation projects, Community Forestry Program (CFP), Forestland Management Agreements (FLMA), and such other similar projects.
- 7.3 Areas designated strictly for protection purposes such as virgin forests, areas for biodiversity conservation and areas beyond 50% slope and 1000 meters elevation.

Section 8. Stewardship Qualifications and Requirements.

- 8.1 Individuals, families, or forest communities/associations including indigenous cultural communities with the following qualifications may enter into Stewardship Agreements under the ISF Program:
 - 8.1.1 Must be citizens of the Philippines;
 - 8.1.2 Must be of legal age;
 - 8.1.3 Must be actual tillers or cultivators of the land to be allocated;
 - 8.1.4 Must be living within the project area or adjacent barangay/Sitio in order to actively participate in stewardship activities;
- 8.2 The following shall be disqualified from entering into Stewardship Agreement:

8.2.1 Those who already have Stewardship Agreements or are married to holders of Stewardship Agreements

8.2.2 Those who have had previous Stewardship Agreements cancelled for cause, except in case of item 12.4 of Section 12 hereof.

Section 9. Incentives. To encourage qualified persons to participate in the Program, the following incentives shall be provided:

9.1 No fees shall be collected for the use of the allocated land under the Stewardship Agreement.

9.2 All income/proceeds derived from the land shall accrue to Program participants.

9.3 Unless the law otherwise provides, forest products derived and/or harvested from the Project Area shall be exempted from the payment of forest charges.

9.4 Technical, legal, financial, marketing, credit and other needed assistance shall be extended to program participants.

9.5 Program participants may avail of assistance provided by other government agencies and non-government and/or private organizations; and

9.6 Upon expiration of the Stewardship Agreement, Program participants or their direct next-of-kin shall have the right of pre-emption to any subsequent Stewardship Agreement covering their allocated land, and when for some reasons the government opts not to allocate the land for Stewardship, the participants concerned shall be entitled to just compensation for permanent improvements introduced including trees.

Section 10. Responsibilities of the Program Participants. The Program participants shall strictly observe and/or implement the following:

10.1 Participate in the delineation of project area and parcellary survey as a means to resolve boundary conflicts.

10.2 Develop their allocated land into productive farm to make their families economically viable and self-reliant consistent with accepted scientific practices and with environmental protection.

- 10.3 Devote at least twenty percent (20%) of the land within the project area to tree farming of suitable species to contribute to the reforestation efforts of the government.
- 10.4 Protect and conserve the forest growth within the project area and cooperate with the Department of Environment and Natural Resources (DENR) in protection forest areas adjacent thereto.
- 10.5 Preserve monuments and other landmarks indicating corners and outlines of boundaries within the project area in the course of implementing the project development plan.
- 10.6 Prevent and suppress fires within the project areas and other areas immediately adjacent thereto.
- 10.7 Protect and preserve trees or other vegetation within a twenty (20) meter strip of land along the edge of the normal high waterline of rivers and streams with channel of at least five (5) meters wide, bordering or passing through their allocated land. In case of rivers less than five meters in width, the strip shall be ten meters on each side of the river or creek.
- 10.8 Abstain from cutting or harvesting naturally growing timbers within and adjacent to social forestry area except when authorized by DENR in accordance with existing forest regulations and guidelines.
- 10.9 Refrain from transferring or assigning their allocated land or any portion thereof without prior approval from the DENR Secretary or his authorized representative.

Section 11. Transfer of Stewardship Rights and Responsibilities.

Subject to approval of the Secretary or his authorized representative, transfer of stewardship rights shall be allowed in cases of:

- 11.1 Death or incapacity of the original stewards;
- 11.2 Movement outside of the area by the steward(s); and
- 11.3 Change of vocation of the stewardship agreement holders from upland farmers or when the stewards cease to be the actual tillers of the area ;

Stewards shall be encouraged to nominate their heir to the Stewardship Agreement, again, subject to the approval of Secretary or his authorized representative, to

facilitate orderly transfer in cases of death or incapacity. In the absence of such a nomination, the children or next-of-kin may nominate who among them should inherit the Stewardship Agreement.

Such transfer should be approved after the nominated person's stewardship qualifications have been verified by DENR in consultation with the Stewardship Association, should such exist,

The new steward shall exercise stewardship rights and responsibilities over the subject land for the remaining unexpired term of the original Stewardship Agreement.

Section 12. Cancellation of Stewardship Agreement and Compensation. The Stewardship Agreement may be cancelled for any of the following causes:

- 12.1 When a program participant fails to comply with the terms and conditions of the Agreement within one (1) year after being notified of his neglect in writing by the RED;
- 12.2 When a program participant had willfully used false information to obtain the Agreement,
- 12.3 Serious and continued violation of forestry laws, rules and regulations, and;
- 12.4 When public interest as determined by the Secretary of DENR so demands.

In the event that the Stewardship Agreement is cancelled due to conditions (12.1) to (12.3), all permanent improvements on the land shall be forfeited in favor of the government.

However, in case the cancellation is due to condition (12.4), the participant shall be entitled to reimbursement for all permanent improvements introduced on the land, based on the fair market value of such improvements as assessed by a government assessor or disinterested and qualified third party as of the date of cancellation, minus all charges or other obligations accruing to the government, if any. For this purpose, permanent improvements are those which cannot be removed from the land. Temporary improvements which can be removed without damages to the land shall be removed by the participants within a reasonable period to be determined by the DENR in consultation with the participants.

Moreover, when the cancellation is caused by condition (12.4), the affected program participant, aside from just compensation, shall, whenever practicable, be

resettled to another area, upon the approval of the Secretary or his authorized representative. The grantee shall participate in the selection of the alternative site.

Upon cancellation of a CS, the steward loses the right to nominate another individual or family to take over his/her stewardship.

The Stewardship Agreement may be preterminated by mutual agreement of the contracting parties.

Section 13. Institutional Linkage. The ISF National Coordinating Office shall initiate the establishment of linkages with other support agencies and shall coordinate the provisions of technical and material assistance, infrastructure development, educational, health care facilities and related social welfare and other services to Program participants. The Social Forestry Division, FMB, Regional, PENR and CENR Social Forestry Offices shall insure that workable and sustainable institutional linkages among agencies at the regional, provincial and community levels are effected.

NGOs shall be identified and selected from the DENR Directory of NGOs and Other Private Organizations. They shall be encouraged to participate and provide technical expertise in the implementation of the various components of the ISF; specifically, but not limited to, listing of target participants, Community Organizing, Information and Technology Dissemination, and Monitoring and Evaluation of Social Forestry Projects.

Section 14. Technical Assistance and Services. Technical Assistance shall be provided to program participants, particularly on community organizing, agroforestry development, marketing of agroforestry products, soil and water conservation and forest livelihood projects. The REDs shall see to it that CDAs are assigned and devote most of their time in the project areas to assist the Program participants in the development and management of the project.

Section 15. Monitoring and Evaluation. To ensure the responsiveness of the program to issues and needs in each Project Area, regular monitoring shall be conducted by Social Forestry Project Teams and/or Community Development Officers (CDOs). A team composed of representatives from support agencies may also be organized for this purpose.

The Regional Office shall regularly monitor, evaluate and document existing social forestry projects within their jurisdiction to look at substantial adherence to development plans. Project Area reports highlighting problems, opportunities, and recommendations to further improve ISF program/project implementation shall be submitted to the National Coordinating Office semi-annually.

Section 16. Integrated Social Forestry Funds. ISFP funds shall be used to support the Program implementation. RED, PENRO and CENRO shall see to it that funds allocated for ISFP are properly programmed to finance social forestry activities.

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

Section 18. Repealing Clause. This Order supersedes DENR Administrative Order No. 97, Series of 1988 and revises/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