

**DENR Administrative Order
No. 96-29
October 10, 1996**

**SUBJECT : Rules and Regulations for the
Implementation of Executive Order
263, Otherwise Known as the
Community-Based Forest Manage-
ment Strategy (CBFMS)**

Pursuant to Section 12 of Executive Order No. 263 (EO 263), entitled “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” issued by the President of the Republic of the Philippines on 19 July 1995, this Administrative Order is hereby promulgated, setting forth the rules and regulations governing the implementation of the Executive Order.

ARTICLE I

**TITLE, BASIC POLICY, OBJECTIVES, DEFINITION OF
TERMS AND SCOPE**

Sec. 1 Title. This Administrative Order shall be known as the “Community-Based Forest Management Program”.

Sec. 2 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 forestlands 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 tenurial security shall be among the key strategies for achieving these goals.

Accordingly, the State acknowledges and supports the capacities and efforts of local communities and indigenous peoples to protect, rehabilitate, develop and manage forestlands and coastal resources. The State shall provide legal and technical support to ensure equitable access to and sustainable use of natural resources. Pursuant to these policies, the State hereby establishes the Community-Based Forest Management Program (CBFMP) to implement EO 263.

Sec. 3 Concept. Efficient and sustained 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 in developing the enabling environment to support and strengthen local communities in managing forestlands and coastal resources on a sustainable basis,. The DENR shall provide security of tenure and technical assistance to these local communities.

Local communities shall be assisted by DENR, LGU, NGOs and other government agencies (OGAs) or entities in the preparation of a Community Resource Management Framework (CRMF). The CRMF shall express the communities' aspirations, local and indigenous knowledge, and shall serve as a guide in the access, development, use and protection of resources in areas currently and eventually utilized and managed by the communities. The CRMF shall be consistent with the

overall strategy for the conservation of areas encompassing watersheds and herein set forth policies.

Sec. 4 Definition of Terms. The following terms are to be understood and interpreted as follows:

ANCESTRAL DOMAINS - All lands and natural resources, occupied and possessed by indigenous cultural communities, by themselves or through their ancestors, communally or individually, in accordance with their customs and traditions since time immemorial, continuously to the present except when interrupted by war, *force majeure*, or displacement by force, deceit, or stealth, and including all adjacent areas generally belonging to them that are necessary to ensure their economic, social and cultural welfare.

ANCESTRAL LANDS - Lands occupied, possessed and utilized by individuals, families or clans who are members of an ICC/IP since time immemorial, by themselves or through their predecessors in interest, continuously to the present except when interrupted by war, *force majeure* or displacement by force, deceit or stealth; including claims to lands that have been devolved to individuals such as residential lots, rice terrace, paddies or tree lots, indigenous corporate claims belonging to families or clans such as private forests and swidden farms and communal claims belonging to a community within a defined territory.

AWP - Annual Work Plans

BUFFER ZONES - Identified areas outside the boundaries of and immediately adjacent to designated protected areas pursuant to Section 8 of the NIPAS Law, that need special development control in order to avoid or minimize harm to the protected area.

CENRO - Community Environment and Natural Resources Office/Officer of DENR

CERTIFICATE OF ANCESTRAL DOMAIN CLAIM - A certificate issued by DENR to an indigenous cultural community/indigenous people declaring, identifying and recognizing their claim to a particular traditional territory which they have possessed and occupied, communally or individually, in accordance with their customs and traditions since time immemorial.

CERTIFICATE OF ANCESTRAL LAND CLAIM - A certificate issued by DENR to an indigenous Filipino individual, family, or clan, declaring, identifying and recognizing their claim to a particular area they have traditionally possessed, occupied and used by themselves or through their predecessors in interest since time immemorial.

COASTAL ENVIRONMENT PROGRAM - A program established in the DENR to implement its projects on conservation and management of the coastal environment. The CEP encompasses all concerns over the habitat and ecological support systems of coastal communities and fisheries specially pertaining to their productivity, biodiversity, integrity, sustainability, and equitability of access and use. This is principally governed by DAO 19, S1993.

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 STRATEGY - Organized efforts by the DENR to work with

communities in and near public forest lands with the intent to protect, rehabilitate, manage, conserve, and utilize the resource.

COMMUNITY BASED FOREST MANAGEMENT STEERING COMMITTEE - A multi-sectoral Committee responsible for the formulation and development of policy guidelines that will create incentives and conditions necessary to effectively carry out CBFMP. It shall be composed of the Secretary of the DENR as head; the respective Secretaries, or Undersecretaries or Assistant Secretaries or bureau/agency heads of the Departments of Agriculture, Trade and Industry, Agrarian Reform, Local Government, Budget and Management, National Defense, Justice, National Economic and Development Authority, Philippine Commission on Countrywide Development, Committee on Flagship Programs and Projects of the Office of the President's Presidential Management Staff, Cooperative Development Authority and Office for the Northern and Southern Cultural Communities. Representatives from POs participating in the CBFMP, NGOs, Philippine Chamber of Commerce, Philippine Wood Products Association and other public and private organizations may be invited to become members of the Steering Committee. This committee will replace the multi-agency/sectoral committee created under EO 196 to oversee the ENR-SECAL Program and all such other Steering Committees created for various other community based forestry programs.

COMMUNITY-BASED FOREST MANAGEMENT SPECIAL ACCOUNT - A special fund to be established and used to support the implementation of CBFMP and to provide a professional incentive system for deserving communities and government personnel.

COMMUNITY-BASED FOREST MANAGEMENT SPECIAL AGREEMENT - A production sharing agreement entered into between a community and the government, to develop, utilize, manage

and conserve, a specific portion of the forestland, consistent with the principles of sustainable development and pursuant to a Community Resource Management Framework.

COMMUNITY FORESTRY PROGRAM - A forest management program of the DENR which grants rights to organized communities to manage, develop and utilize forest resources on a sustainable basis. The CFP is principally governed by DAO 123, S 1989 and DAO 22, S 1993.

COMMUNITY SPECIAL TASK FORCE FOR ANCESTRAL LANDS - The Special Task Force based in specific Community Environment and Natural Resources Offices (CENRO) which is responsible for the identification, delineation and recognition of ancestral domain and land claims.

COMMUNITY RESOURCE MANAGEMENT FRAMEWORK - The document defining the terms and procedures for access, use, and protection of natural resources within the CBFMA area, which shall in all cases be consistent with the overall management strategy of the entire watershed area where the CBFM area is located, and shall be formulated by the community with the assistance of its PO and the DENR, LGU and/or private entities.

DAO - DENR Administrative Order

EMPAS - Environmental Management and Protected Areas Sector

FMB - Forest Management Bureau

FOREST LAND MANAGEMENT PROGRAM - A program launched by DENR through which Forest Land Management Agreements are issued, which in turn replaces the former short term

contract reforestation systems as the principal mode for accomplishing the reforestation objectives in collaboration with forest occupants and residents of upland communities. The program grants participants the sole and exclusive right to occupy, develop and manage specified areas of forest lands, subject to repayable financial assistance from DENR, and to harvest, sell and utilize products grown on the land. The FLMP is principally governed by DAO 23, S1993.

FORESTS - Either natural vegetation or plantations of forest crops such as trees, or both, occupying a definable, uninterrupted or contiguous area not less than one hectare in size with the tree crowns covering *at least* ten (10) percent of the area, exclusive of the associated seedlings, saplings, palms, bamboo and other undercover vegetation. A natural forest is a stand constituted by natural succession without human intervention which includes such stand types as dipterocarp, pine, mossy, beach and/or mangrove, and for purposes of these rules are classified according to: 1) primary use and management; and 2) growth formation. As to primary use and management, a forest shall be either a: 1) protection forest; or 2) production forest. As to growth formation, a natural forest is classified according to either 1) primary or old growth forest or 2) a residual or second growth forest which refers to natural forest which has been previously subjected to timber harvesting or extraction.

FORESTLANDS - 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.

FOREST PRODUCTS - Any forest resource that is harvested or utilized, except minerals.

FOREST RESOURCES - All natural resources, whether biomass such as plants and animals or non-biomass such as soil and water, as

well as the intangible services and values present in forestlands or in other lands devoted for forest purposes.

GENERAL MANAGEMENT PLANNING STRATEGY - A plan adopted by a duly established Protected Areas Management Board (PAMB), designed to maintain the integrity of protected areas specifically as to ecological stability and biological diversity, through the full participation and involvement of communities.

INDIGENOUS CULTURAL COMMUNITY/INDIGENOUS PEOPLES - A homogenous society identified by self-ascription and ascription by others, whose members have continuously lived as a community on communally bounded and defined territory, sharing common bonds of language, customs, traditions and other distinctive cultural traits, and who, through resistance to the political social and cultural inroads of colonization, became historically differentiated from the majority of Filipinos.

INTERIM RESOURCE UTILIZATION RIGHTS - The permission granted to the communities prior to the approval of CRMF which allows harvest and sale of forest products on a limited scale to provide immediate income to communities, and funds for the preparation of CRMF and other related activities.

INTEGRATED SOCIAL FORESTRY PROGRAM - The national program launched under Letter of Instruction No. 1260 designed to maximize land productivity, enhance ecological stability, and improve the socio-economic conditions of forest occupants and communities.

INTEGRATED RAINFOREST MANAGEMENT PROJECT - A community-based forestry project supported by the government of Germany.

LOW INCOME UPLAND COMMUNITIES PROJECT (LIUCP) - A project undertaken by DENR to restore and sustainably manage the country's upland/forest resources, and alleviate poverty in rural communities. This is principally governed by DAO 35,S1992.

MULTIPLE USE ZONE - Areas where settlement, traditional and/or sustainable land use, including agriculture, agro-forestry, extraction activities and other income generating or livelihood activities may be allowed to the extent prescribed in the management plan consistent with the General Management Planing Strategy. Land tenure may be granted to tenured residents whether ICC/IP or migrants.

NATIONAL COMPREHENSIVE COMMUNITY FORESTRY ACTION PLAN - The government's plan for the implementation of the Community Based Forest Management Strategy containing therein its short, medium and long term goals and strategies.

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.

PENRO - Provincial Environment and Natural Resources Office/Officer of DENR.

PEOPLES 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 need and mutually share the benefits from the endeavor.

PRIOR VESTED RIGHTS - Acknowledged claims, privileges, prerogatives, or ownership over land or natural resources to which one is entitled by reason of law, license, contract or tradition.

PROTECTED AREAS MANAGEMENT BOARD - A multi-sectoral board created in each established protected area and vested with powers to administer the NIPAS implementation.

RED -Regional Executive Director of DENR.

RECOGNITION OF ANCESTRAL DOMAINS/CLAIMS - A DENR strategy to recognize the rights of ICCs/IPs to their Ancestral Domains/Lands pursuant to the provisions of the 1987 Constitution mandating the State to protect the right to due process and the rights of ICCs/IPs to their ancestral domains to ensure their economic, social and cultural well being. The program is principally governed by DENR DAO 2,S1993.

REGIONAL RESOURCE MANAGEMENT PROJECT (RRMP) - A community-based rural development project geared towards the protection, development and management of the watershed and upland resources.

RTD - FORESTRY - The Regional Technical Director for Forestry of the DENR.

RUP - Resource Use Plan

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 AND DEVELOPMENT - The process of managing, developing, and utilizing forestlands 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.

TENURE - Guaranteed peaceful possession and use of specific forest land area and the resources found therein, covered by an agreement, contract or grant which cannot be altered or abrogated without due process.

TENURE MIGRANTS/COMMUNITIES - Communities or members thereof within protected areas who have actually and continuously occupied such areas for at least five (5) years before the designation of the same as a protected area in accordance with Republic Act 7586, and who are dependent thereon for subsistence.

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

Sec. 5 Scope and Coverage. Subject to prior vested rights, CBFMP shall apply to all areas classified as forestlands including allowable zones within protected areas. It shall integrate and unify all people-oriented forestry programs of the government including 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), Integrated Rainforest Management Project (IRMP), Forestry Sector Project (FSP), Coastal Environment Program (CEP); and Recognition of Ancestral Domains/Claims.

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 CBFMP through the preparation and implementation of Ancestral Domain Management Plans (ADMPs). An ADMP shall be considered the equivalent of a CRMF. Unless otherwise provided by subsequent issuances, a CBFMA shall then be issued over portions of the CADC or CALC which are within classified forest lands.

ARTICLE II

KEY PROGRAM PARTICIPANTS

Sec. 1 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 the areas to be awarded.

In case of married members, the names of both spouses should be listed.

Sec. 2 Incentives to the POs. - POs shall be entitled to the following incentives and privileges:

- I. To occupy, possess, utilize and develop the forestlands and its resources within a designated CBFMA area and claim ownership of introduced improvements. ICCs/IPs shall be deemed not to have waived their rights to ancestral lands and domains, and the right to lay claim on adjacent areas which may, after more careful and thorough investigation, be proved to be, in fact, part of their ancestral domain;
- ii. To allocate to members and enforce rights to use and sustainably manage forestlands resources within the CBFMA area.
- iii. To be exempt from paying rent for use of the CBFMA areas;
- iv. To be exempt from paying forest charges on timber and non-timber products harvested from plantations in accordance with R.A. 7161;
- v. To be properly informed of and be consulted on all government projects to be implemented in the area. A PO's consent shall also 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; *provided*, that an

equitable sharing agreement shall be reached with the PO prior to any grant or renewal to an individual or legal entity that is not from or based in the affected community;

- vi. To be given preferential access by the DENR to all available assistance in the development and implementation of the CRMF, RUP and AWP;
- vii. To receive all income and proceeds from the sustainable utilization of forest resources within the CBFMA area, subject to the provisions of the NIPAS Law;
- viii. To enter into agreements or contracts with private or government entities for the development of the whole or portions of the CBFMA area; *provided*, that public bidding and transparent contracting procedures are followed; *provided further*, that development is consistent with the CRMF of the CBFMA area; and
- ix. To enter into agreements or contracts with government entities; *provided*, that existing COA regulations and pertinent guidelines be adhered to.

Sec. 3 Responsibilities of POs. The participating POs shall have the following responsibilities in the CBFMA areas;

- I. Participate in site identification, selection and boundary delineation, and, if needed, in parcellary surveys;
- ii. Designate areas according to their sustainable use and, in accordance with their native customs, traditions and practices, allocate and enforce natural resource rights in accordance with national laws, rules and regulations;

- iii. Prepare and implement CRMFs, RUPs and AWP for the area;
- iv. Develop and implement equitable benefit-sharing arrangements among its members;
- v. Protect, rehabilitate and conserve the natural resources in the CBFMA 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. Develop equitable 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.
- viii. Be transparent and promote participatory management and consensus building in all activities and endeavors;
- ix. Pay forest charges, other than those on timber and non-timber products harvested from CBFMA plantations, as well as fees and other taxes required by the government;
- x. Undertake other responsibilities agreed to in the CBFMA.

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.

Preparatory Stage

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

Sec. 1 Information, Education and Communication Campaigns. The DENR and LGUs, in collaboration with other government agencies; non-government organizations and other sectors, shall conduct an Information Education Communication (IEC) campaign to inform, educate and get the support of all concerned sectors on CBFMP implementation. The campaign shall include the orientation and training of DENR and LGU personnel and leaders of the PO who shall be engaged in the implementation of CBFMP.

Sec. 2 Establishing Institutional Linkages. The DENR shall work with local governments, other government agencies, people's organizations, non-government organizations, tribal councils, and other concerned organizations to ensure that communities are empowered to initiate and achieve the objectives of CBFMP. The DENR shall promote and support the active participation of these agencies and organizations, and shall assist them in enhancing their capacities to actively participate in and support the program.

Sec. 3 Identification of CBFMP areas. Identification and selection of CBFMP areas shall be jointly undertaken by the DENR and the concerned LGU in consultation with local

communities . The identification of CBFMP areas shall take into consideration the forestlands use plan to ensure that the CBFMP is consistent with the overall watershed conservation strategy and with the Municipality's Land Use and Development Plan. The general procedure in selecting CBFMP areas is as follows:

- (a) Each CENRO and duly designated representatives of the concerned municipal government, shall identify potential CBFMP areas with the aid of a Forestlands Use Plan, latest available information and/or updated forest management map, and other baseline data. The CENRO and LGU representatives shall then validate the identified areas on the ground to determine their suitability in accordance with the criteria defined below.
- (b) The validated areas, endorsed by the concerned Legislative Councils of LGUs, shall then be indicated in a map of appropriate scale, which map, together with pertinent data and information, shall be forwarded through channels to the Regional Executive Director (RED) for approval.
- (c) The approved map and all other documents shall be furnished the Director of the FMB, for data base management and monitoring purposes.
- (d) Upon approval of the CBFMP areas, the CENRO shall, within fifteen (15) days, inform in writing the concerned LGUs and together with the latter, shall conduct an information campaign to inform the public about the program. Copies of CBFMP guidelines and site map shall be posted in the municipality and barangays where the site is located.

Sec. 4 Criteria for area selection. 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 Timber License Agreements (TLAs), Pasture Lease Agreements, Industrial Forest Management Agreements (IFMA) and other forest land contracts, leases, permits or agreements, except in the following cases:
 - (1) the lessee, permittee or agreement holder executes a waiver in favor of the CBFMA, *provided*, that when any pre-existing rights expire within three years from the issuance of a CBFMA, no waiver shall be required; or
 - (2) a permit is issued only for the collection or harvesting of minor forest products, in which case no waiver from the permittee shall be required. Upon termination of any pre-existing permit for non-timber forest products, the permit shall not be renewed and any new permit shall be given to the CBFMA holder.
 - ii. Protected areas except multiple use zones, buffer zones and other areas where utilization activities may be allowed pursuant to the provisions of R.A. 7586 (NIPAS Law) and its implementing rules and regulations;

- iii. Forestlands which have been assigned by law under the administration and control of other government agencies, except upon written consent of the concerned government agency;
 - iv. Certified ancestral lands and domains, except where the ICCs/IPs opt to participate in CBFMP; and
 - v. Other areas occupied by ICCs that are known to be ancestral but are not yet covered by CADC or CALC, unless the ICCs/IPs opt to participate in CBFMP.
- (b) *Presence of communities* residing within or adjacent to forestlands and who are largely dependent on forestlands resources for their livelihood.
 - (c) *Endorsed by the Legislative Councils of concerned LGUs* for CBFMP.
 - (d) *Open, denuded or marginal forest lands* requiring immediate rehabilitation and protection; and
 - (e) *Adjacent to or adjoining* existing CBFM projects.

Sec. 5 Processing of Conflicting Claims

- a) Adverse claimants or any party alleging conflicting claims over the identified CBFMP are, or portions thereof, shall file their complaints before the RED within thirty (30) days from date of first publication/or notification.
- b) The RED shall convene a team composed of the Regional Technical Director for Forestry (RTD-F) as Chairman and

representatives of PENRO and CENRO, Provincial and Municipal governments, to hear and receive proof of conflicting claims. This Team may utilize culturally appropriate and locally acceptable methods on conflict management, provided these are transparent and fair. Indigenous dispute processes and other appropriate institutions such as the Provincial Special Task Forces on Ancestral Domains (PSTFAD) and Community Special Task Forces on Ancestral Lands (CSTFAL) established under DENR Special Order NO. 25, S1993 as well as the PAMB in protected areas shall be invited to participate in dispute processing.

- c) The RTD-F shall prepare a report of the Team's findings and recommendations and shall submit the same to the RED within fifteen (15) days from the date the case is submitted for resolution. The RED shall render a decision on the matter within fifteen (15) days from receipt of the report.

PO Formation and Diagnostic Stage

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

Sec. 6 Application by the community/participants.

Local communities, represented by existing organizations, or at least ten (10) residents, or their Barangay Councils, may apply in writing to the concerned CENRO for participation in CBFMP. The application shall be supported by concerned Barangay and Municipal Legislative Councils, a brief socio-economic profile of the barangay and the number of expected participants.

Sec. 7 Community appraisal and PO formation.

The CENRO, in collaboration with duly designated representatives of the concerned LGUs, shall cause the conduct of an initial community appraisal. The community appraisal shall focus on identification of the existing forestlands resources management system of the community and related concerns that may be addressed under the CBFMP. Both DENR and LGUs shall assist, if appropriate, with community organizing activities (CO) and in the establishment of a PO (if not existing) which shall be community-based and duly registered. It is preferred that the PO is authorized to conduct business and access loans for financing opportunities from both financial and non-financial institutions.

Employees of DENR, LGUs or other government agencies shall, in no case, become members or officers of PO's.

Sec. 8 Application for CBFMA. Once registered, the PO may apply for a CBFMA by filing an application to the concerned CENRO. The PO shall submit the following minimum requirements:

- I) Certificate of Registration of the peoples organization, *provided*, that ICCs/IPs shall be exempted from presenting this requirement;
- ii) List of officers or, in case of ICCs, members of the Council of Elders;
- iii) List of members and their respective addresses, including names of both spouses in each household;
- iv) Resolution from the membership authorizing the officers of the community organization to file the application. ICCs that opt to

avail of CBFMA shall show proof of consent through their Council of Elders or equivalent body; and

- v) Individual or joint endorsement of the concerned Legislative Councils of the Barangay, Municipal, and Provincial LGUs, depending on the jurisdiction and coverage of the area.

Within fifteen (15) days upon receipt of the application, the CENRO shall check the required supporting papers, prepare the corresponding map of the area at 1:50,000 scale and endorse the same to the RED through the PENRO. A Review Committee composed of representatives of the RTD-Forestry, CENRO, PENRO, barangay, municipal and provincial councils and PAMB, if the site is within a protected area, shall, within fifteen (15) days, convene and discuss with the PO the terms and conditions to be included in the CBFMA. Its recommendations shall then be forwarded to the concerned approving authority as provided by section 4, Article IV, hereof.

Planning Stage

The objectives of this stage is to assist the PO's in preparing their (a) Community Resource Management Framework (CRMF); (b) Resource Use Plans (RUPs); (c) Annual Work Plans (AWPs). If applicable, the PO s shall likewise be assisted in securing interim resource use permits that will provide them livelihood opportunities while the CRMFs, RUPs and AWP are being prepared. DENR-LGU-other sectors shall assist the POs in undertaking these activities. As such, the plans that are prepared shall only require affirmation by DENR-LGU partners.

Sec. 9 Formulation of CRMF. The CRMF shall indicate, among others, the community's and the PO's mission, vision and objectives; a summary of situation analysis (see community

appraisal, above); the guiding principles to be followed in plan preparation; indicative community resource development and use plans; internal management arrangements including benefit sharing, external supports needed ; and internal monitoring and evaluation system to be adopted.

Sec. 10 Formulation of RUPs. A management and utilization plan for each resource, e.g., timber, rattan resins, covering a specific area of the CBFMA and time period shall be prepared. The DENR shall conduct resource inventory as a basis for the resource use plan. The accepted resource use plan shall serve as the permit to utilize the resource.

Sec. 11 Annual Work Plan. The operationalization of the CRMF and the RUP shall be embodied in an Annual Work Plan which shall indicate among other things the specific targets for the year for utilization (based on the RUPs); resource development and protection (agroforestry, tree plantations, assisted natural regeneration, protection activities, etc.); organizational strengthening (training, other skills development) and enterprise development.

Sec. 12 Interim Resource Use Permit. One of the outputs during community appraisal is to identify existing forest-based livelihood systems that may be enhanced to augment income. The community shall be granted an interim user's permit that shall terminate upon the acceptance of the resource use plans.

Implementation Stage

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.

Sec. 13 Activities in the Implementation Stage.

Activities in this stage will revolve around the iterative processes involved in implementing and managing planned activities specified by the annual work plan, reviewing the outcomes of these activities, replanning and using experiences as bases for the succeeding annual work plan. Implementation also includes the following:

- (a) Review and revision of PO s constitution and by-laws;
- (b) Sourcing of local and external financial and technical assistance;
- (c) Mobilizing workgroups;
- (d) Strengthening of organizational and entrepreneurial skills;
- (e) Linking and transacting with markets;
- (f) Monitoring and evaluation; and
- (g) Continued membership and leadership skills development.

Sec. 14 Other assistance. The DENR the LGU and other assisting organizations shall continue to support the PO by providing the necessary brokering services to link the PO to resource institutions and by monitoring PO outputs to ensure observance of technical requirements provided in the CBFMA and the resource use permits.

ARTICLE IV

TENURE

Sec. 1 Tenorial Instruments. The following tenorial instruments shall 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, which has a duration of twenty-five (25) years renewable for another twenty-five (25) years, shall provide tenurial security and incentives to develop, utilize and manage specific portions of forest lands pursuant to approved CRMFs. The CBFMA is a production sharing agreement which is designed to ensure that the participating community shall enjoy the benefits of sustainable utilization, management and conservation of forestlands and natural resources therein. The government shall share in these benefits in the form of increased natural resource protection and rehabilitation, forest charges, fees and/or taxes as determined and agreed upon.
- (b) **Certificate of Stewardship Contract (CSC).** The CSC, which has a duration of twenty-five (25) years renewable for another twenty-five (25) years, shall be awarded to individuals or families actually occupying or tilling portions of forest lands pursuant to LOI 1260. In the case of married people, the CSC shall be awarded in the name of the couple. The CSC shall, henceforth, be issued only within established CBFM project areas, subject to the allocation and endorsement of the PO.
- (c) **Certificate of Ancestral Domain Claim-Community Based Forest Management Agreement (CADC-CBFMA) and Certificate of Ancestral Land Claim-Community Based Forest Management Agreement (CALC-CBFMA).** The CADC-CBFMA and CALC-CBFMA shall be the tenurial instruments of CADC or CALC holders, respectively, who opt to enter into a CBFMA over the portions of the ancestral domains or ancestral lands within forest lands.

Sec. 2 General Provisions.

The lapse of tenorial instruments shall not extinguish the ICCs'/IPs' claims to their ancestral domains and lands, whether or not such claims have been recognized through CADCs or CALCs.

CSCs and CBFMAs are contracts between the government, represented by the DENR, and a participant/PO for the management of a determinate and demarcated portion of forest lands. 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 agreements of the parties.

The terms and conditions of the CSC/CBFMA shall be binding between the parties. Upon written mutual consent, and subject to existing administrative rules and regulations, the parties may pre-terminate the CSC/CBFMA or may modify, alter or amend the terms and conditions thereof.

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

When, on account of public interest, welfare, safety or public order, and not due to the fault or negligence of the CSC or CBFMA holder, the DENR is obliged to pre-terminate the agreement, the participants shall be entitled to compensation on all improvements made in the CBFMA area, based on the fair market value of such improvements as assessed by a government assessor or disinterested party and qualified third party as of date of cancellation, minus all charges and obligations, if any, accruing to the government. In addition,

affected participants shall have the right to harvest or remove such improvements as can reasonably be removed consistent with applicable policies, the value of which shall be deducted from the final compensation.

For the purpose of CBFMA issuance, herewith format marked as Annex 1, shall be observed.

Sec. 3 Transferability. The CSC may be transferred, sold or conveyed in whole or in part to any qualified participant residing within the CBFM project; *provided*, that the transferee shall comply with the terms and conditions contained in the original stewardship agreement which shall remain valid for the remaining unexpired term; *provided further*, that the instrument of transfer is duly notarized and favorably endorsed by the concerned PO. The DENR shall then cancel the original CSC and issue a new one in the name(s) of the transferee.

In contrast, the CBFMA, CADC-CBFMA and CALC-CBFMA are non-transferable. However, the PO may enter into contracts with private or government agencies for the development of portions of or the entire area covered by the tenurial instrument, subject to the existing rules and regulations. The PO may also sell or use as collateral the standing crops in the area.

Sec. 4 Authority to Approve. The authority to approve tenurial instruments under CBFMP shall be as follows:

Instrument	Area	Recommending Approval	Final Approval
CSC CBFMA CADC-CBFMA	up to 5 ha	CENRO	PENRO

CALC-CBFMA

up to 5000 ha	CENRO	PENRO
more than 5000 ha up to 15,000 ha	PENRO	RED
more than 15,000 up to 30,000 ha	PENRO	USEC for Field Operations
more than 30,000 ha	RED & USEC for FO	Secretary

All CBFMAs shall be endorsed individually or jointly by the concerned Legislative Councils of the Barangay, Municipal, and Provincial LGUs, depending on the jurisdiction and coverage of the area.

For allowable zones within protected areas, the Chairman of PAMB having jurisdiction of the area shall also sign as recommending official.

ARTICLE V

MANAGEMENT OF CBFMP

Sec. 1 CBFM Steering Committee. In accordance with Section 8 of EO 263, a CBFM Steering Committee shall be constituted. It shall be chaired by the DENR Secretary with members from the Departments of Agriculture, Trade and Industry, Agrarian Reform, Finance, Science and Technology, Labor and Employment,

DILG, 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, and Offices for Northern and Southern Cultural Communities.

The Committee may invite representatives from the Philippine Chamber of Commerce, Philippine Wood Products Association, NGO Coalition groups representatives of POs and other public and private organizations to become members of the Steering Committee.

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 to the CBFMP 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;
- (b) Review and approve the CBFMP Comprehensive Action Plan;
- (c) Secure inter-agency support and participation in CBFMP; and
- (d) Identify and source funds for CBFMP.

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

Sec. 2 The Forest Management Bureau (FMB) shall be the National Coordinating Office of CBFMP. However, for purposes of complementation, the **Protected Areas and Wildlife Bureau (PAWB)**, in close collaboration with the FMB, shall primarily coordinate the CEP and the multiple use zone areas to be covered by CBFMP.

The FMB shall have the following functions and responsibilities:

- (a) Review all People-Oriented Forestry and 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.

Sec. 3 The **RED**, assisted by the RTD-Forestry and RTD for EMPAS, shall be responsible for the effective implementation of CBFMP in the region. The RED shall also identify an appropriate division that shall act as the regional repository of all data and information on CBFMP. The RED shall submit periodic reports to the Secretary, through the Undersecretary for Field Operations, on program implementation, including monitoring and evaluation, copy furnished the FMB and the PAWB.

Sec. 4 The **PENRO** shall be responsible for the effective implementation of CBFMP in the province, including the submission of periodic reports and the maintenance of a data base for all CBFMP projects in the province.

Sec. 5 The **CENRO** shall be directly responsible for implementing the CBFMP within its jurisdiction, in coordination with concerned LGUs, other government agencies and non-government organizations/private entities. The CENRO shall submit periodic reports of CBFMP implementation to the PENRO for evaluation.

ARTICLE VII

FINANCIAL AND OTHER MECHANISM

Sec. 1 **Financing Mechanisms.** During budget preparations, the DENR, in cooperation with concerned LGUs, shall allot adequate funds to effectively accomplish CBFMP targets and shall, when necessary, seek supplementary funding from local and foreign donor agencies and organizations. The DENR shall ensure the expansion of existing People-Oriented Forestry Fund, and inclusion of

budgetary allocation for CBFM in the Annual General Appropriations Act.

The DENR, LGUs, or other government agencies may finance CBFMP development, conservation and harvesting activities, subject to availability of funds and terms and conditions agreed upon by concerned parties.

The DENR, in consultation with government financial institution such as the Development Bank of the Philippines, Land Bank of the Philippines, Government Service Insurance Systems and the Social Security System, shall promote the creation of favorable financing mechanisms to achieve the goals and objectives of CBFMP.

Sec. 2 Community Based Forest Management Special Account (CBFMSA). The DENR shall establish a CBFMSA to support the implementation of the Program including the provision of financial support and other incentives for deserving PO's, communities, non-government organizations and government personnel.

The DENR may source local and international grants and donations for the establishment of the CBFM Special Account.

The CBFM Special Account shall be managed by the DENR under guidelines to be prepared by the DENR and approved by the Steering Committee.

Sec. 3 Community Forestry Development Fund (CFDF). The PO shall establish a CFDF in any local bank of its choice. Deposits to the CFDF shall come from any of the following sources:

- (a) A percentage of gross sales less forest charges and other government shares, of forest products harvested from natural forest and plantations;
- (b) Endowments or grants;
- (c) A percentage of income from other livelihood projects; and
- (d) Membership fees and other sources.

The CFDF shall be managed by the PO under rules establishes. The PO shall strive to maintain sufficient CFDF funds to finance the PO's forest protection, reforestation, agroforestry, investments in livelihood enterprises, preparation of CRMF, RUP, AWP, purchase of tools and equipment, or any other investments the PO may decide to make, to improve the well-being of the community.

The PO shall maintain a simple bookkeeping system for the CFDF and shall be subject to an audit by an external auditor. The PO shall prepare and furnish a periodic report on the status of the CFDF to its members, the DENR and the LGU.

ARTICLE VIII

PENALTIES AND SANCTIONS

Sec. 1 Sanctions. Compliance by the PO with the terms and conditions of the CSC/CBFMA shall be monitored and evaluated by the DENR and the concerned LGU. 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 of the agreement despite the lapse of six (6)

months from the date of notification about such infraction or non-compliance, the PO's permits to utilize and transport forest products and other natural resources shall be suspended for at least six (6) months to not more than one (1) year.

Should the beneficiary/PO continue to commit gross violations of the CSC/CBFMA, such CSC/CBFMA shall be canceled or revoked.

The DENR reserves the right to pursue other civil and criminal remedies to protect its rights.

Sec. 2 Imposition of Penalties/Appeals. Suspension of the CSC/CBFMA shall be done by the respective authorities who approved the tenurial instruments upon recommendation of the concerned DENR offices and the concerned LGUs, as the case may be. Revocation or cancellation shall be done by the RED or Undersecretary for Field Operations or Secretary, as the case may be, upon recommendation of the concerned DENR offices.

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

ARTICLE IX

TRANSITORY PROVISIONS

Sec. 1 Tenure. Henceforth, the CBFMA shall be awarded in place of the following: Community Certificate of Forest Stewardship issued to community organizations under the ISFP; Mangrove Stewardship Agreements issued to community organizations under the CEP; the Community Forest Management Agreements issued

under the CFP, RRMP and IRMP; and the Forest Land Management Agreements issued under the FLMP. The CBFMA shall also be the tenurial instrument to be issued to PO's in allowable zones within protected areas.

Holders of valid and existing CSC and Mangrove Stewardship Agreements and whose lands are contiguous may associate themselves and avail of a CBFMA to include areas outside their stewardship contract areas.

Existing CCFS or Community Forest Stewardship Agreements or Community Forest Leases and/or CALCs awarded to the ICCs may be converted to the CADC as provided in DAO 2, S1993 or other pertinent regulations. In these areas, only a confirmation survey will be required. ICCs may also apply for the inclusion of other areas within the CADCs that were excluded from the former CCFS.

Sec. 2 Preparation of CRMF and RUP. The FMB shall conduct on -the-job training for the technical personnel of the regional offices to ensure that standards consistent with the CBFMS concept are observed in the respective plans.

ARTICLE X

FINAL PROVISIONS

Sec. 1 Effectivity. This order shall take effect thirty (30) days after its publication in a general newspaper of national circulation.

Sec. 2 Separability Clause. If any provision of this Order is held invalid, all other provisions not affected thereby shall remain valid.

Sec. 3 Repealing Clause. Provisions of other DENR Administrative Orders, Memorandum Circulars or other official issuances not consistent herewith are hereby repealed or amended accordingly.

VICTOR O. RAMOS
Secretary