

**[DENR ADMINISTRATIVE ORDER NO. 30, S. 2004,
August 25, 2004]**

**REVISED RULES AND REGULATIONS GOVERNING THE
SOCIALIZED INDUSTRIAL FOREST MANAGEMENT PROGRAM**

Pursuant to Executive Order No. 192 dated 10 June 1987, Executive Order No. 263 dated 19 July 1995, PD 705, as amended, Executive Order No. 278 dated July 1987, and in line with the policy of the Government to ensure the development and management of forest lands and resources on a sustainable basis, promote equitable access to natural resources, provide for a wholesome and healthful natural environment, and promote economic well-being of the people, DENR Administrative Order No. 24, Series of 1996 is hereby amended as follows:

SECTION 1. Basic Policy - It is the policy of the DENR to ensure the equitable access to, and sharing of benefits from, natural resources development and utilization by providing opportunities to a wider segment of society to participate actively in forest resources development. In line with this policy, the DENR shall provide security of tenure to the participants in forest development through the issuance of **Socialized Industrial Forest Management Agreements (SIFMA)** under the **Socialized Industrial Forest Management Program (SIFMP)**.

As an incentive for the participation of a greater sector of the citizenry in the development of forests, the privilege to benefit from forest crops produced from areas developed by them, which shall consist primarily of timber, non-timber forest products, fruits from tree orchards, and other cash crops that may be interplanted. Under the SIFMP, the general welfare of society shall be enhanced through the resulting on-site and off-site environmental enhancement effects of forest cover restoration and the production of forest-based goods and services.

SECTION 2. Objectives - The *Socialized Industrial Forest Management Program (SIFMP)* is expected to result in:

- 2.1 Increased supply of timber and other forest products, including food;
- 2.2 Accelerated reforestation and rehabilitation of the country's open and denuded forest lands and the effective protection of existing natural forests;
- 2.3 Conservation of soil and water, biodiversity and enhancement of environmental conditions in general;
- 2.4 The generation of additional sources of income and livelihood and catalyze the improvement in economic wellbeing of the people in the uplands; and
- 2.5 Provide more equitable access to forest lands and resources.

SECTION 3. Definition of Terms - The following terms are to be understood and interpreted as follows for purposes of this Order:

- 3.1 **Socialized Industrial Forest Management Agreement (SIFMA)** refers to an

agreement entered into by and between a natural or juridical person and the DENR wherein the latter grants to the former the right to develop, utilize and manage a small tract of forest land, consistent with the principles of sustainable development.

3.2 **SIFMA Holder** refers to a qualified person who has entered into a Socialized Industrial Forest Management Agreement with the DENR.

3.3 **Socialized Industrial Forest Plantation (SIFP)** refers to a tract of land planted primarily to trees and other products to support manufacturing and processing facilities and/or to supply wood, food and biomass energy [requirement] sources;

3.4 **Brushland** refers to land which is predominantly covered with shrubs or short, stunted trees;

3.5 **Open and Denuded Land** refers to land that was formerly forested but which has been depleted of natural forest cover and is predominantly covered by grasses, herbaceous species or bare soil.

3.6 **DENR** refers to the Department of Environment and Natural Resources.

3.7 **Secretary** refers to the DENR Secretary;

3.8 **FMB** refers to the Forest Management Bureau;

3.9 **RED** refers to the DENR Regional Executive Director;

3.10 **RTD** refers to the Regional Technical Director for Forestry.

3.11 **PENRO** refers to the Provincial Environmental and Natural Resources Office.

3.12 **CENRO** refers to the Community Environment and Natural Resources Office.

3.13 **LGU** refers to a Local Government Unit.

3.14 **NGO** refers to a Non-Governmental Organization.

SECTION 4. Areas Available for SIFMA - SIFMAs may cover all grasslands, brushlands and open and denuded forest lands suitable as production forest under the jurisdiction of the DENR, including those within government reforestation projects; areas not comprising the initial component of or areas that are not otherwise to be classified under, the National Integrated Protected Areas System (NIPAS); areas not covered by Certificate of Ancestral Domain/Land Claims (CADC/CALC), Certificate of Ancestral Domains/Land Title (CADT/CALT); areas not covered by prior vested rights, licenses, permits or management agreements, provided, that areas subject to vested rights, licenses, permits or management agreements may be made available for SIFMA by prior express and written agreement of the holder of such claim or right; provided, further, that areas covered by pending applications for Certificates of Ancestral Domain/Land Claim shall not be open to applications for SIFMA until the National Commission on Indigenous Peoples (NCIP) shall have denied or rejected with prejudice such application for CADC/CALC; provided, finally, that areas that are currently occupied based on a legal claim shall

likewise not be open to applications for SIFMA without the prior express and written agreement of the occupant or until the legal claim shall have been resolved.

SECTION 5. Size of the Area - The area that may be awarded in a SIFMA under this program is as follows:

For individual/single family - 1 to 20 hectares

For association, partnership or cooperative - over 20 hectares to 500 hectares

SECTION 6. Selection and Publication of SIFMA Sites -

6.1 CENROs shall identify areas suitable and available for SIFMA sites within their respective areas of responsibility using DENR control maps, Comprehensive Land Use Plans of LGU(s) concerned, and other relevant secondary references. The areas so identified shall be within potential or declared production forest areas, preferably but not necessarily in contiguous blocks. The CENRO should verify that the areas so identified are not covered by pending applications for, or covered by, existing forestry tenurial and/or forest use instruments, nor falling under the exclusions provided for in Sec. 4 above.

6.2 The technical description and the preliminary map of the identified site(s) shall be forwarded to the RED, who shall then organize a composite team from representatives of the Regional Office, PENRO, CENRO and LGU(s) concerned. The composite team shall validate on the ground the suitability of the area in terms of biophysical characteristics, the presence or absence of socio-economic considerations that may impede or promote the full development of the area(s) under SIFMA, including the determination of the presence of valid land claims and forest occupants. The team shall also undertake consultations with adjoining communities. The final output of the work of the composite team is the final determination of: (1) the metes and bounds of the SIFMA area, defined by the technical description and final map at a scale of 1:20,000 and geo-referenced to the Philippine Reference System (PRS 92); (2) request for indorsement by the LGU(s) Sanggunian(s) concerned, and; (3) indorsement to the RED for approval of the SIFMA area.

6.3 For purposes of LGU indorsement, where the area falls within one barangay, the Sangguniang Barangay shall indorse; where an area falls across more than one barangay, the indorsement shall be from the Sangguniang Bayan/Sangguniang Panglunsod or all the Sangguniang Barangays concerned; and where the area falls across more than one municipality/city, the indorsement shall be from the Sangguniang Panlalawigan or all the Sangguniang Bayan concerned.

6.4 After the approval of the site by the RED, copies of the map with the technical description of the area shall be furnished the Forest Management Bureau, the PENRO concerned, and the CENRO concerned, for purposes of recording such site in the SIFMA Registry which shall be maintained at the Forest Management Bureau, the DENR Regional Office, the PENRO and the CENRO concerned. The LGU(s) concerned shall likewise be furnished the same map and technical description.

SECTION 7. Qualified Applicants - The following individuals and organizations who meet the following qualifications may participate in the program:

7.1 Individuals/single family units who are Filipino citizens, of legal age and preferably residents of the municipality where the area is located. Actual occupants of the area will be given priority.

7.2 Cooperatives, associations, and partnerships whose members are Filipino citizens and residents of the province where the SIFMA site is located, and duly registered with the Cooperative Development Authority, Department of Trade and Industry, or Securities and Exchange Commission, as the case may be.

SECTION 8. Disqualified Applicants - The following are disqualified to participate:

8.1 Individuals, partnerships, cooperatives and associations who have been previously issued Tree Farm Lease Agreements (TFLAs), Industrial Forest Management Agreements (IFMAs) or other permits/licenses that were canceled due to their inability to comply with the provisions of the contract including the failure to develop their areas into the prescribed land use provided for under the agreement, permit or license awarded to them.

8.2 Individuals, partnerships, cooperatives and associations any of whose officers have proven derogatory records such as but not limited to: (a) violations of anti-dummy laws; (b) tax evasions; (c) illegal logging/smuggling; (d) unauthorized transfer or subcontracting of forest permits/licenses; and (e) members of cooperatives or associations holding forestry permits, licenses, agreements, lease or contracts but not able to comply with the terms and conditions thereof;

8.3 The holder of any subsisting forestry permit, license, lease, contract, or management agreement.

SECTION 9. Assignment of Management Responsibility - The DENR shall assign responsibility to manage forest lands through the issuance of a SIFMA which shall have a duration of 25 years renewable for another 25 years. The DENR shall award SIFMA areas on a first-come, first-served basis. It shall be issued in the name of the applicant, provided, that in case of married individuals, it shall be issued in the names of both spouses.

The SIFMA may be transferred, conveyed or sold, in whole or in part, to any person, cooperative or association qualified to participate under the program in accordance with Sections 7 and 8 hereof, subject to the approval of the PENRO, in the case of an individual or family, or the RED, in the case of a cooperative or association. Provided, that the twenty (20) ha. limit for individuals and single family units or the 500 ha. limit for cooperatives and associations is not exceeded. The transferee shall assume the rights and obligations stipulated under the original SIFMA and shall commit to the continuance of the SIFMA into the remaining years of the Agreement. The document of transfer, conveyance or sale shall be notarized and copies forwarded to the FMB, RED, PENRO, CENRO and concerned LGUs. Likewise, in case of cancellation of the SIFMA, copies of the order of cancellation shall be furnished the aforementioned offices.

SECTION 10. Application Requirements - Application for a SIFMA shall be filed with

the CENRO concerned in the prescribed format shown in Annex "A"* of this Order, together with the following:

10. 1 A non-refundable application fee in the amount of P1.00 per hectare or fraction thereof, which, in any case, shall not be lower than TWO HUNDRED AND FIFTY PESOS (P250.00).

10.2 Location and sketch map of the area applied for

10.3 For individuals/family units

10.3.1 Community Tax Certificate

10.3.2 Certified copy of birth certificate

10.4 For cooperatives, partnerships, associations:

10.4.1 Certified true copy of the Certificate of Registration with the Cooperative Development Authority (CDA), Department of Trade and Industry or the Securities and Exchange Commission (SEC)

10.4.2 In the case of cooperatives and associations, the list of duly elected officers and members and their addresses, duly certified by the Board or Association Secretary, and resolution/minutes of meeting, duly certified by the Board or Association Secretary, indicating the cooperative's or association's intent to participate in the program.

10.4.3 In the case of partnerships, a joint undertaking by the partners indicating their intent to participate in the program.

10.5 An Indicative Development Plan hereof shall be jointly prepared by the SIFMA applicant and DENR staff, the latter to be designated by the PENRO or CENRO. The Indicative Development Plan shall include the strategies or schemes that the applicant will undertake to generate sufficient financial resources to develop the area. This indicative plan shall likewise serve as the Initial Environmental Examination report for purposes of the environmental impact assessment process, and the development guide for the area.

SECTION 11. Processing of Applications -

11. 1 Filing of Application - The applicant shall file the duly filled-up application form with the CENRO which has jurisdiction over the area applied for, together with all the requirements provided for in Section 10 above.

11.2 Evaluation of application. The Receiving Office of the CENRO shall evaluate the completeness of the submitted requirements based on Section 10 above. If the requirements are complete, the application shall be stamped with the date and time of receipt and recorded in the Incoming Logbook of the Receiving Office. In case the requirements are not complete, the applications shall be immediately returned informing the applicant of the deficiencies; for mailed applications with incomplete requirements, these shall be mailed back to the applicant within five (5) days from receipt, likewise indicating in writing the deficiencies in the application.

All perfected applications shall be pooled together, with each application clearly bearing the date and time of receipt, and indorsed to the En Banc Evaluation group