

**[DENR ADMINISTRATIVE ORDER NO. 24, S. 1996,
August 23, 1996]**

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

Pursuant to Executive Order No. 263 dated 19 July 1995, PD No. 705, as amended, Executive Order No. 278 dated 25 July 1987, the Social Reform Agenda and Philippines 2000 program, and in line with the policy of the Government to ensure the development and management of forest land resources on a sustainable basis, promote equitable distribution of natural resources, provide a healthy environment, and promote economic upliftment of the people, the following rules and regulation for the establishment of socialized forest plantations are hereby promulgated.

SECTION 1. Basic Policy. It is the policy of the DENR to ensure the equitable access and sharing of rights to natural resources development and utilization by providing opportunities to the people to participate actively in forest plantation development. In line with this policy, the DENR shall provide security of tenure to the participants through the issuance of a Socialized Industrial Forest Management Agreement (SIFMA).

As an incentive for the participation of qualified tree planters, they shall be granted the privilege to benefit from their crops which shall consist primarily of trees for wood production, non-timber species and other cash crops that may be interplanted. Under the program, the general welfare of society shall be enhanced through the resulting environmental enhancement effects of forest cover restoration and the production of forest goods and services, both on-site and off-site.

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

- 2.1 Increased supply of wood and other forest products;
- 2.2 Accelerated reforestation and rehabilitation of the country's open and denuded forest lands and 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 help in the economic upliftment of the people in the uplands; and
- 2.5 More equitable access to forest 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 principle of Sustainable Development.

3.2 **SIFMA Holder** refers to a qualified person who has entered into a SIFMA 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 and energy requirements.

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

3.5 **Open and Denuded Land** refers to land that has been depleted of its 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 Environment and Natural Resources Office.

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

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

3.14 **NGO** refers to Non-Government Organization.

SECTION 4. Areas Available for SIFMA. SIFMAs may cover all grasslands, brushlands and open and denuded forest lands under the jurisdiction of the DENR, including those within government reforestation projects, that are not otherwise to be classified under the National Integrated Protected Areas System (NIPAS) nor subject of Certificate of Ancestral Domain Claims (CADC), Certificate of Ancestral Land Claims (CALC), vested rights, licenses, permits or management agreements; *Provided*, that areas subject of CADC, CALC, 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 no be open to application for SIFMA until the DENR, after due notice and hearing in accordance with DAO No. 2, series of 1993 or pertinent guidelines, 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 unit 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 follow:

For individual/single family — 1 to 10 hectares

For association/cooperative — over 10 hectares to 500 hectares

SECTION 6. Selection and Publication of SIFMA Sites.

6.1 Each CENRO shall identify potential SIFMA sites with the aid of the latest forest resource information and other baseline data. SIFMA sites shall be areas suitable for production forests, accessible, located in contiguous blocks, or adjacent to existing natural forest, plantation forests, existing Community-Based Forest Management (CBFM) projects. Furthermore the areas should be devoid of claim conflicts.

6.2 The CENRO shall then inform, in writing, the concerned LGUs and, together with their representatives, validate on the ground the feasibility of the proposed SIFMA sites. The validated sites, endorsed by the concerned LGUs, shall then be indicated in a map of appropriate scale which map, together with all pertinent data and information, shall be forwarded through channels to the DENR Secretary for approval.

6.3 The approved map and all other documents shall be furnished the Director, FMB for data base management and monitoring purposes.

6.4 Upon approval of a SIFMA site, the CENRO shall, within fifteen (15) days from receipt of the notice of approval by the Secretary, inform the concerned LGUs and together with the latter, conduct an information campaign to inform the public about the program. Copies of the program guidelines and the site map shall be posted in strategic places in the municipality and barangay where the site is located.

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. *Provided that*, in case of government employees, they shall qualify with the consent of their respective heads of agency.

7.2 Cooperatives and associations whose members are Filipino citizens and residents of the province where the SIFMA site is located, and duly registered with the Cooperative Development Authority or Securities and Exchange Commission, as the case may be. These cooperatives and associations must show proof of financial and technical capacity to develop the area.

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

8.1 Individuals, 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 open and denuded lands and other plantable area within the prescribed period;

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

8.3 The Holder of any existing forest permit, license, lease or management agreement; and

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-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 or the RED, as the case may be, provided, that the ten (10) 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, CENRO and concerned LGUs.

Likewise, in case of cancellation of the SIFMA, copies thereof must be furnished the aforementioned offices.

SECTION 10. Application Requirements. Interested individuals, cooperatives and associations may file their application for a SIFMA with the concerned CENRO in the prescribed format shown in Annex "A"* of hits Order, together with the following:

10.1 A filing fee in the amount of:

P 500.00 — for applications covering 1 to 5 ha.

P 1,000.00 — for applications for areas over 5 ha. to 10 ha.

P 5,000.00 — for applications for areas over 10 ha. to 100 ha.

P 7,500.00 — for applications for areas over 100 ha. to 300 ha.

P 10,000.00 — for applications for areas over 300 ha. to 500 ha.

Filing fees may be adjusted upon review.

10.2 Sketch map of the area applied for

10.3 For individuals/family units

10.3.1. Community Tax Certificate

10.3.2. Certification from the Barangay Captain and Municipality/City Mayor that the applicant is a resident of the area where the site is located

10.3.3. If a government employee, authorization from the head of the department or agency where the applicant is employed.

10.4 For cooperatives/associations

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

10.4.2. List of duly elected officers and members and their addresses, duly certified by the Board Secretary

10.4.3. Resolution/minutes of meeting, duly certified by the Board Secretary, indicating the cooperative's or association's interest in participating in the program.

SECTION 11. Processing of Applications.

11.1. *In the CENRO.* — The CENRO accepts and processes SIFMA applications on a first-come, first-served basis based on the receipt of the application at the CENRO Office. Upon receipt of the application, the CENRO shall verify whether the area is available and whether it is within the approved areas for SIFMA. Likewise, the CENRO shall evaluate the qualifications of the applicant and the completeness of the documents submitted. If all are found in order, the CENRO shall determine on the ground the physical conditions of the area, the presence of actual occupants, soil condition, vegetation, topography and other ecological factors that will ensure success of the plantation and other pertinent information. The CENRO shall then prepare the endorsement and forward all papers to the PENRO with his comments and recommendations after the evaluation of the application.

11.2. *In the PENRO* — Upon receipt of all pertinent documents for SIFMA applications with areas of 1 to 10 hectares, the PENRO shall review and evaluate the documents and if he finds all in order, shall prepare and approve the agreement in the format shown as Annex "B" of this Order. For bigger areas, the PENRO shall forward the SIFMA application to the RED for consideration and approval. The SIFMA shall be approved and issued, or a notice denying the application shall be issued, within five (5) days from receipt of recommendation from the CENRO. Copies thereof shall be furnished the FMB, RED, CENRO and the concerned LGU.

11.3. *In the Office of the RED.* — The RED shall, within five (5) days from receipt of the application and all pertinent documents, review and evaluate the documents and if he finds all in order, shall approve the agreement, otherwise, a notice denying the application shall be issued. Copies thereof shall be furnished the FMB, PENRO,