

**[DENR DEPARTMENT ADMINISTRATIVE ORDER
NO. 71, August 09, 1990]**

**IMPLEMENTING GUIDELINES FOR THE AWARD AND
ADMINISTRATION OF FOREST LAND MANAGEMENT AGREEMENT
(FLMA)**

Pursuant to the policies embodied in Executive Order No. 278 dated July 25, 1987, DENR Administrative Orders Nos. 39 and 86, Series of 1988 and DENR Memorandum Circular 11, Series of 1988, (MC 11, S. '88) and to enhance implementation of the National Forestation Program, the following guidelines are promulgated for the award and administration of Forest Land Management Agreement (FLMA).

ARTICLE I

Basic Concept and Principles

SECTION 1. Under the National Forestation Program, contract reforestation provides initial funding to plant trees/perennials and to protect and maintain the same for approximately three (3) to four (4) years.

SECTION 2. In the last stages of the 3 to 4 years establishment phase, agreements will be signed between the government, represented by the DENR, and communities, NGO's or other qualified parties who will protect, maintain and benefit from the trees/perennials. These agreements shall be called Forest Land Management Agreement's (FLMA). The parties with whom DENR will sign such agreements shall be called Forest Land Managers (FLM'S).

SECTION 3. The FLMA shall entitle the FLM to harvest, process, sell or otherwise utilize the products grown on land covered by the FLMA. Concurrently, the FLM shall be obligated to do the following :

- a. pay the government, through the DENR, a production share of income from sales in an amount adequate to reforest one hectare of denuded land for every hectare of 3-4 year old trees turned over to the FLM;
- b. ensure that trees/perennials are conserved on the land by implementing protection, maintenance, interplanting and replanting;
- c. generate funds which may be used to reforest additional lands and thus spread the financial environmental benefits of reforestation;
- d. carry out other responsibilities described in **Article V** of this Order.

SECTION 4. The government shall invest its production share in rehabilitation and protection of forest lands through reforestation, social forestry and related programs.

ARTICLE II

Qualified Participants

SECTION 5. One major objective of the FLMA is to establish a community-based system for implementing maintenance, protection and management of man-made forests established within the community. In keeping with this objective, the following are qualified to apply for and enter into an FLMA with the DENR :

5.1 duly-organized, bona-fide residents of the community who successfully implemented reforestation contracts on the area to be covered by the FLMA;

5.2 duly-organized, *bona fide* residents of the community who would qualify under the provisions of MC-11 S. '88 to become family or community reforestation contractors but who have not yet been awarded a reforestation contract;

5.3 reforestation contractors who are not bona-fide community residents but who have successfully implemented contract reforestation on the site covered by the FLMA (e.g. NGO's), *provided* they agree to include in the FLMA certain provisions pertaining to equity and community participation that are found in paragraphs 15.3.1 to 15.3.3 of this Order.

SECTION 6. The phrase "duly-organized" in Section 5 (above) shall be understood to mean formal or informal groups, associations or organizations of community residents who have voluntarily agreed to accept and jointly fulfill the obligations of an FLMA and to share equitably in the benefits.

SECTION 7. Although basic concept of FLMA's is community oriented, *bona fide* residents who have successfully implemented family reforestation contracts may enter into an FLMA as individuals, subjects to the submission (at the time of application) of a letter of commitment to :

- a. join an existing FLM organization in their community within five (5) years;
- b. incorporate the area covered by their individual FLMA into the area of the FLM they join.

ARTICLE III

Tenure/Duration/Transferability

SECTION 8. An FLMA shall remain in full force and effect for twenty five (25) years, and shall be renewable for an additional twenty five (25) years *provided however* that the FLM has complied with the terms and conditions of the FLMA.

8.1 Individual membership in an FLM organization shall revert to the family of the member if the individual is unable to continue implementing his/her responsibilities because of old age, sickness, death or other valid reasons;

8.2 In the case of foundations, NGO's, LGU's, corporations and the like who cannot continue their obligations under the FLMA, or are unable to comply with the provisions of paragraphs 15.3.1 to 15.3.3 of this Order, DENR shall assume jurisdiction and take possession of facilities and other improvements therein and immediately offer the area to other prospective/interested parties who are qualified to become FLM's.

8.3 In the case of an individual FLMA issued pursuant to Section 7 (above), the FLMA shall be transferable to a immediate family member or next to kin who is a bona-fide community resident, provided however that the transferee shall carry out the commitments described in paragraphs "a" and "b" of Section 7.

ARTICLE IV

Coverage

SECTION 9. An FLMA may cover land that falls within any of the following categories :

9.1 land that was reforested or otherwise developed by virtue of a contract implemented under the National Forestation Program;

9.2 land that was reforested or otherwise developed under any other program implemented or administered by the DENR that shall be brought under coverage of this Order by virtue of an official action by the Secretary of the DENR.

9.3 on a case-to-case basis and subject to approval by the Secretary of the DENR, lands within officially designated watersheds, reservations, *parks or preserves*, *provided* that FLMA operations shall be consistent with the provisions of P.D. 705 (as amended) and with the limited production forest utilization approach described in the Philippine Master Plan for Forestry Development.

SECTION 10. Notwithstanding the provisions of *Section 9* (above), no DENR office shall enter into an FLMA covering land that falls within the following categories :

10.1 land that is part of a Timber License Agreement (TLA), Timber Production Sharing Agreement (TPSA), Forest Land Grazing Lease Agreement or Pasture Lease Agreement (FLGA/PLA) or Industrial Forest Plantation (IFP) lease, except in cases where the lease (or other relevant document) has been amended to exclude the area covered by the FLMA.

ARTICLE V

Terms and Conditions of an FLMA

SECTION 11. Benefits of the Forest Land Manager. The FLM shall be entitled to the following benefits:

11.1 the privilege to harvest, process, sell and otherwise utilize the products on the land covered by the FLMA subject to the provisions of Section 15 of this Order;

11.2 the privilege to interplant cash crops, fruit trees and other agricultural and/or minor forest products between the existing trees to augment income and provide additional incentives for protection;

11.3 free advice and technical assistance from the DENR on matters pertaining to the obligations of the FLM under the terms and conditions of the FLMA.

SECTION 12. Obligations of the Forest Land Manager -: The FLM shall comply with the following:

12.1 maintain and protect the areas covered by the FLMA such that the trees/plants grown thereon are kept in a healthy state and not overcome by weeds or destroyed by fire, pests and diseases, stray animals, vandals or other causes;

12.2 carry out all thinning and other activities that are consistent with sound principles of plantation and tree farm management, in accordance with the development and management plan of the area;

12.3 replant all trees that are cut down and sold or utilized, or that die or are destroyed by fire, pests and diseases, vandals, stray animals or other causes;

12.4 carry out the terms and conditions contained in the FLMA;

12.5 provide DENR with a share of the proceeds from the sale of forest products grown on the land covered by the FLMA, pursuant to **Article VI** of this Order;

12.6 comply with the provisions of **Article VII** of this Order which discuss the establishment, management and disposition of the reforestation guarantee fund.

SECTION 13. Benefits to the DENR - The DENR shall receive the following benefits :

13.1 a share in the proceeds of total harvest income pursuant to **Article VI** of this Order; and

13.2 reduced cost of operations resulting from free maintenance and protection of reforestation areas by FLM's.

SECTION 14. Obligations of the DENR - The DENR shall be responsible for the following :

14.1 assist the FLM in preparation of a Management Plan for the FLMA;

14.2 provision of free advice and technical assistance to the FLM; and

14.3 ensure tenure to the FLM for the duration of the FLMA.

SECTION 15. Special Provisions -

15.1 The privilege to cut and utilize poles, pulpwood and/or sawlogs shall be restricted to FLM's who have continuously and effectively protected their site against kaingin, illegal cutting, fire and other forms of destruction or resource depletion (e.g. severe erosion), and who grow useful intercrops between the trees prior to maturity and harvesting. An FLM shall be considered to have complied with protection responsibilities if none of the following indicators of substandard management are found on the FLA site:

15.1.1 kaingin;

15.1.2 pasturing (except for cut-and-carry forage production);

15.1.3 gully erosion that has not been minimized or overcome by establishing brush dams, check dams, vegetative barriers or other suitable treatments;

15.1.4 the trees/perennials are already five (5) years old but more than ten percent (10%) of the area is dominated by cogon, talahib and similar fire-prone grasses;

15.2 No commercial harvesting of sawlogs, veneer logs or other premium timber logs shall be allowed on protection forest areas (i.e. lands with more than fifty percent [50%] slope). On such areas harvesting shall be limited to non-timber forest products; pursuant to established rules and regulations (e.g. rattan, decorative shrubs, medicinal plants, useful vines, bamboo). However, firewood may be cut on a selective basis from deformed or diseased branches and items, subject to DENR guidelines.

15.3 FLMA's must ensure that benefits accrue to the less privileged sectors of society and in particular to the residents of the community where the FLMA is located. To help ensure that this objective is not overlooked when the FLM is a party other than a duly-organized community group/association (e.g. a former NGO or LGU contractor), all FLMA's issued in such cases shall include the following conditions :

15.3.1 local residents will have first priority for employment in FLMA operations;

15.3.2 starting not later than fifth year of effectivity of the Agreement, FLMA operations will provide not less than fifty (50) person days of employment annually to the bona-fide community residents for each hectare covered by the FLMA;

15.3.3 the FLMA shall incorporate procedures and a firm commitment to transfer a majority share of ownership and control of the FLMA to bona-fide community residents, along with all privileges and responsibilities included therein, such transfer to be achieved not later than ten (10) years from the original date of issue of the FLMA.

ARTICLE VI

Sharing of Benefits

SECTION 16. The government and the FLM both invest in reforestation of areas by FLMA's. Acting through the DENR, the government provides the initial capital during 3 to 4 years of contract reforestation. The FLM furnishes labor management, protection, replanting and other inputs during all of the succeeding years. Because both parties share the costs, both shall be entitled to a share of the benefits.

Government Share

16.1 The government shall be entitled to part of the proceeds from the sale of forest products grown on the land covered by the FLMA. The government's share of the proceeds shall be identified and paid as a production share.

16.2 The production share shall be equivalent to at least the cost required to reforest one (1) additional hectares for each hectare covered by the FLMA.

16.3 The production share shall be due and payable in full to the government, through the DENR by the FLM at such time that the first harvest cycle has been completed for all trees/perennials previously planted during the contract reforestation phase, or within twenty five (25) years after the date of FLMA was signed, whichever comes first.

16.4 Since an FLM would normally grown more than one (1) species, and because different species mature at different ages, the anticipated harvest schedule/cycle for each species shall be attached to and form part of the FLMA. By mutual consent of both parties, the harvest schedule may be changed from time to time to account for unforeseen events (e.g. climatic variables).

FLM Share

16.5 The FLM be entitled to the entire balance of the proceeds that is not payable to the government as production share. The FLM's share shall provide funds for paying the costs of maintenance, protection, replanting of the area after each harvest, planting new areas, other operating expenses, and profits for its members.