

**[DENR ADMINISTRATIVE ORDER NO. 60 s. 1993,
October 04, 1993]**

**REVISED REGULATIONS AND GUIDELINES GOVERNING THE
ESTABLISHMENT AND MANAGEMENT OF INDUSTRIAL FOREST
PLANTATIONS (IFPS) AND MANAGEMENT OF RESIDUAL
NATURAL FORESTS FOR PRODUCTION PURPOSES**

Revised Regulations and Guidelines Governing the Establishment and Management of Industrial Forest Plantations (IFPs) and Management of Residual Natural Forests for Production Purposes

Pursuant to PD 705, as amended, Executive Order Nos. 725 and 278 dated September 1, 1981, and July 25, 1987, respectively, and in recognition of the role in economic recovery of accelerated establishment and improved, unified management of forests for production of timber and other forest products, the following regulations and guidelines governing the establishment and development of Industrial Forest Plantations (IFPs) and the management of residual natural forests for industrial purposes are hereby promulgated:

Chapter I
Title, Policies, Objectives and
Definition of Terms

SECTION 1. Title - This Administrative Order shall be known as the "Revised Industrial Forest Management Regulations".

SECTION 2. Policies and Objectives -

2.1 Policies Government policies pertaining to the management of forests for industrial purposes are formulated to address the following objectives:

2.1.1 to ensure an adequate supply of timber and other forest products for domestic and export markets;

2.1.2 to promote ecologically sound, sustainable management of natural forests and lands under the jurisdiction of the DENR; and

2.1.3 to enhance the well-being of forest-dependent individuals and communities through a more equitable distribution of opportunities, income, and wealth.

2.2 Objectives Government's objective pertaining to the development and management of industrial forests is to encourage the private sector to engage in the following activities:

- 2.2.1 conversion of the country's Open and Denuded Lands, Brushlands and Degraded Residual Forests into productive forests to supply raw materials for forest-based and related industries on a sustainable basis;
- 2.2.2 effective protection and sustainable management for industrial purposes of suitable portions of the country's remaining residual forests;
- 2.2.3 maintenance of a desirable forest ecosystem on forest lands suited to industrial uses;
- 2.2.4 development and implementation of mutually beneficial partnership with forest-dependent individuals and communities;
- 2.2.5 generation of additional sources of foreign exchange; and
- 2.2.6 contribution to achievement of specific regional development goals.

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

3.1 Industrial Forest Management Agreement (IFMA) - a contractual agreement entered into by DENR and a qualified applicant that devolves to the applicant responsibility for the following activities:

3.1.1 to invest in, manage and protect a defined area of land under the DENR's jurisdiction;

3.1.2 to establish, manage and utilize Industrial Forest Plantations in specified locations within the area primarily to supply the raw material requirements of forest-based processing and energy-related industries; and

3.1.3 to improve, manage and protect residual forests in the area and to utilize on a sustainable basis timber and non-timber forest products from the residual forests.

3.2 IFMA Holder - A qualified person or corporation who has entered into an IFMA with the DENR.

3.3 IFMA Area - A defined area of land under the jurisdiction of the DENR and covered by an IFMA.

3.4 Industrial Forest Plantation (IFP) - any tract of land, predominantly planted to timber producing species including rubber and/or non-timber species such as rattan and bamboo.

3.5 Residual Production Forest - a contiguous area of ten (10) hectares or more of disturbed Dipterocarp Forest which has an average basal area of at least five (5) square meters per hectare, of all trees that are Presently Commercial Species with diameter at breast height or diameter above buttress of less than 65 centimeters.

3.6 Degraded Residual Forest - a contiguous area of ten (10) hectares or more of disturbed Dipterocarp Forest which has an average basal area of less than five (5)

square meters per hectare, of all trees that are Presently Commercial Species with diameter at breast height or diameter above buttress of less than 65 centimeters.

3.7 Dipterocarp Forest - forest currently or previously dominated by trees of the family Dipterocarpaceae.

3.8 Presently Commercial Species - all species in the categories Premium Species, Common Hardwood Species, Construction and Furniture Species, Light Hardwood Species, Matchwood Species and Softwood Species.

3.9 Protection Forest - all types of forest that, under existing laws and regulations, may not be utilized for timber production and which include old growth forest, mossy forest, sub-marginal forest, forest on slopes above fifty per cent (50%), forest at elevations of greater than 1,000 meters above sea level, all strips bordering river banks, mangrove areas along shorelines and other forest areas that are determined by DENR to be environmentally sensitive.

3.10 Brushland - land is predominantly covered with a shrub growth or short, stunted trees or shrubs.

3.11 Open and Denuded Land - land that has been depleted of its natural forest cover and is predominantly covered by grasses, herbaceous species or bare soil.

3.12 Basal Area - the sum of the outside bark cross-sectional area at breast height or above buttress, as the case may be, of all trees in a given area as determined by the formula:

(See Formula in (NAR) VOL. IV NO. 4 / OCTOBER-DECEMBER 1993. page 637.)

where:

B = basal area per hectare in square meters
p = 3.1416
Di = diameter at breast height or above buttress
in centimeters of tree number i
n = the number of trees in the area
A = the size in hectares of the area

3.13 FOB Market Price - the average per cubic meter price logs of a given species group at a specified pricing point for the previous calendar year determined as prescribed in DENR Administrative Order No. 65 (Series of 1991) or as the Secretary may otherwise direct.

3.14 DENR - Department of Environment and Natural Resources.

3.15 FMB - Forest Management Bureau.

3.16 Secretary - DENR Secretary.

3.17 Undersecretary - DENR Undersecretary for Natural Resource Management.

3.18 RED - DENR Regional Executive Director.

3.19 PENRO - Provincial Environment and Natural Resources Office.

3.20 CENRO - Community Environment and Natural Resources Office.

Chapter II IFMA Areas

SECTION 4. Types of IFMA Area - IFMA Areas may be of two (2) types:

4.1 Type I IFMA Areas - IFMA Areas that do not contain any Residual Production Forest and are for IFP establishment and management and protection of Protection Forest, if any; and

4.2 Type II IFMA Areas - IFMA Areas that contain Residual Production Forest and are for IFP establishment, sustainable management of the Residual Production Forest and protection of Protection Forest.

SECTION 5. Areas Available for IFMA - IFMAs may cover all lands under the jurisdiction of the DENR that are not otherwise classified under the National Integrated Protected Area System or are subject to vested rights, licenses, permits, or other concessions, and which are:

5.1 Open and Denuded Lands, Brushlands and Degraded Residual Forests;

5.2 areas covered by grazing or pasture leases; PROVIDED, that such areas shall be excluded from existing from leases; PROVIDED FURTHER, that the lessee in each case agrees to waive rights to the areas;

5.3 government reforestation projects or portions thereof found to be more suitable for IFP in terms of the public interest and benefits to the surrounding communities; PROVIDED, that allocation shall be through public bidding on the value of plantations and other permanent improvements; and

5.4 areas presently or previously covered by Timber License Agreement (TLA).

SECTION 6. Size of the Area - The Minimum area that may be covered by an IFMA is 500 hectares and the maximum area shall not exceed 40,000 hectares; PROVIDED, that suitable areas of less than 500 hectares shall be governed by the regulations for Tree Farm Leases under MNR Administrative Order No. 4 (Series of 1980); PROVIDED FURTHER, that the foregoing limitations shall not preclude increasing any area on a case-to-case basis; PROVIDED FURTHER, that additional areas in excess of the foregoing limitations shall not include Residual Production Forest; PROVIDED FINALLY, that where a current TLA is converted to IFMA, the size of the IFMA Area, inclusive of Residual Production Forest, may extend up to the size of the TLA area at the time of conversion.

Chapter III Identification and Preparation of Areas for IFMA

SECTION 7. Identification, Validation and Delimitation of Potential IFMA Areas - In each region, the RED shall identify, with the aid of the latest forest resource

information, potential IFMA areas and shall, in accordance with guidelines that shall be issued ninety (90) days from publication of this Order evaluate on the ground the suitability and availability of identified areas with respect to site and forest conditions environmental limitations, conflicting land and resource claims and legal encumbrances. Each RED shall demarcate on maps of convenient scale all identified areas in their respective region found through such evaluation to be suitable and available for IFMA.

SECTION 8. Notification of Dependent Communities of IFMA Areas - Upon verification of the suitability of each proposed IFMA Area, the RED concerned, with the assistance of Local Government Units, shall ensure that communities dependent on the area receive notice of the extent of the proposed area and the key provisions of an IFMA, and have the opportunity to register objections to an IFMA covering the proposed area.

8.1 Contents of Notice The notice shall be in English and the language in common use in the region and shall include:

8.1.1 a sketch map of the area;

8.1.2 the objectives of IFMA as a land management instrument and the procedures of awarding IMFA's;

8.1.3 the rights and responsibilities of IFMA Holders;

8.1.4 the rights and responsibilities of individuals and communities dependent on IFMA Areas; and

8.1.5 provision for individuals or communities to submit objections with respect to the proposed IFMA Area or portions of it.

8.2 Action on Objections. Within thirty (30) day of receiving objections from concerned individuals or communities with regard to the proposed IFMA Area, the RED shall meet with individuals or representatives of communities to discuss their objections. On the basis of such discussion, the RED may modify the boundaries of the proposed IFMA Area or prescribe special conditions to be included in an IFMA covering the area. In cases where the objections arise from claims in respect of Ancestral Domain or Ancestral Land, the RED shall initiate procedures to certify such claims in accordance with DENR Administrative Order No. 02 (Series of 1993). The RED shall notify in writing the concerned individuals or communities of his/her decision regarding the action to be taken within thirty (30) days of meeting with them.

SECTION 9. Resource Inventory and Resource Management Plan for Potential IFMA Areas - Within each suitable and available area, the RED shall, using either DENR field staff or a Forest Service Organization (FSO) engaged as provided for in DENR Administrative Order No. 27 (Series of 1991), carry out a resource inventory and prepare a resource management plan for the area in accordance with current DENR guideline. The resource management plan shall follow the outline shown in Annex "A"* and shall include:

9.1 descriptions of vegetative types including Old Growth Forest, Mossy Forest,