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# Formulation of Implementing Rules and Regulations (IRR) for EO 318 of 2004 otherwise known as Promoting Sustainable Forest Management in the Philippines

2018 SFFI National Conference  
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Puerto Princessa City, Palawan

# Rationale

- Presidential Decree No. 705 of 1975 is still the country's basic forestry code but this can no longer address contemporary needs as far as forest management is concerned. Several bills on sustainable forest management have been filed in the Congress since 1990's.
- Enactment of interim policy measures is needed to provide guidance in the conservation, development, and protection of the forests.
- One of which is the issuance of the Implementing Rules and Regulations (IRR) for Executive Order No. 318 of 2004 on Sustainable Forest Management.

# Objectives

To formulate, and advocate for, the Implementing Rules and Regulations (IRR) for EO 318 of 2004 (Promoting Sustainable Forest Management in the Philippines) to improve the capability of the government and the private sector to participate in the protection and management of the environment.

**Output 1: IRR for EO 318 drafted with inputs from Technical Working Group and secondary data analysis**

**Output 2: Multi-stakeholder consultation process conducted on draft IRR of EO 318**

**Output 3: Draft DENR Administrative Order (DAO) on IRR of EO 318 for submission to FMB and DENR**

# EO 318 of 2004

Date Signed:

Signatory: President Gloria M. Arroyo

Declaration of Policy: The Government to pursue the sustainable management of forests and Forestlands in watershed.

Guiding Principles (Section 2):

- a) Delineation, Classification and Demarcation of State Forestlands
- b) Holistic, Sustainable and Integrated Development of Forestry Resources

# EO 318 of 2004

Guiding Principles (Section 2):

- c) Community-Based Forest Conservation and Development
- d) Incentives for Enhancing Private Investments, Economic Contribution and Global Competitiveness of Forest-Based Industries
- e) Proper Valuation and Pricing of Forestry Resources and Financing SFM
- f) Institutional Support for SFM

# LANDMARK POLICIES, PROGRAMS AND PLANS ISSUED AFTER EO 318

- Logging Moratorium - EO 23 (2011)
- National Greening Program - EO 26 (2011) & EO 193 (2015)
- Expanded National Integrated Protected Areas System - RA 11038 (2018)
- Climate Change Act – RA 9279 (2009), RA 10174 (2012)
- Watershed Management and Planning – EO 510 (2006), EO 816 (2009), DMC 2008-05
- Biodiversity – DAO 2016-12

# LANDMARK POLICIES AND PROGRAMS ISSUED AFTER EO 318

- Delineation of Boundaries – DAO 2008-24, DAO 2015-10, DAO 2008-17
- Mining - EO 79 (2012), DAO 2012-07/07a, DAO 2007-15, DAO 2015-03
- Renewable Energy – RA 9513 (2008), EO 186 (2015)
- Valuation – RA 11032 (2018)



# LANDMARK POLICIES AND PROGRAMS ISSUED AFTER EO 318

- 2015 Philippine Master Plan for Climate Resilient Forestry Development
- Amendments on
  - CBFMA
  - IFMA
  - IPRA
  - Timber from Private Lands

DENR Administrative Order  
No. 2018 -\_\_

**SUBJECT : Rules and Regulations for the  
Implementation of Executive Order  
No. 318 otherwise known as Promoting  
Sustainable Forest Management in  
the Philippines**

F A O - E U F L E G T P R O G R A M M E



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## **ARTICLE I: TITLE, BASIC POLICY, DEFINITION OF TERMS AND SCOPE**

Section 1. Title: Implementing Rules and Regulations on Promoting Sustainable Forest Management in the Philippines

Section 2. Basic Policy

To pursue the sustainable management of forests and forestlands in watersheds

## **ARTICLE I: TITLE, BASIC POLICY, DEFINITION OF TERMS AND SCOPE**

Section 3. Definition of Terms

Section 4. Scope and Coverage

Forestlands, forest resources, private  
plantations, untitled agricultural  
land and military reservations

RA 7588 or NIPAS, RA 9147 or Wildlife  
Act, RA 8371 or IPRA, RA 11038 or  
ENIPAS

## **ARTICLE II: DELINEATION, CLASSIFICATION AND DEMARCATON OF STATE FORESTLANDS**

### Section 5. State Forest Lands

#### 5.1. Identification, classification and delineation/ demarcation of forest lands

- Based on land classification (LC) maps
- Unclassified public lands, potential forest lands shall be determined by using the criteria indicated in Section Nos. 15 and 16 of the Presidential Decree No. 705

## ARTICLE II: DELINEATION, CLASSIFICATION AND DEMARCATON OF STATE FORESTLANDS

### Section 5. State Forest Lands

#### 5.1.2 Classification of Forest Land

- Protection Forest – primarily for protection and conservation of forest resources
- Production Forest – primarily for the production of timber and/or timber forest products, industrial tree plantations, tree farms, communal forests, agroforestry

## ARTICLE II: DELINEATION, CLASSIFICATION AND DEMARCATON OF STATE FORESTLANDS

### Section 5. State Forest Lands

#### 5.1.3. Delineation of Forest Land

- Boundary Delineation: Forestlands, National Parks and Agricultural Lands (DAO 2008-04)
- Implementation Structures: National Assessment and Delineation Committee, NADC-TWG, Regional Assessment and Delineation Committee and Teams

## ARTICLE II: DELINEATION, CLASSIFICATION AND DEMARCATON OF STATE FORESTLANDS

### Section 5. State Forest Lands

#### 5.1.4. Demarcation of Forest Land

- DENR and LGUs shall established the permanent boundary monuments on the ground and mark the boundary of forest lands, national parks and agricultural lands in accordance with existing survey standards and practices



## ARTICLE II: DELINEATION, CLASSIFICATION AND DEMARCATON OF STATE FORESTLANDS

### Section 5. State Forest Lands

#### 5.2. Conversion of forest lands into non-forestry uses

- The conversion of forest lands into non-forestry uses shall be allowed only through an act of Congress and upon the recommendation of concerned government agencies.

## **ARTICLE III: HOLISTIC, SUSTAINABLE AND INTEGRATED DEVELOPMENT OF FORESTRY RESOURCES**

### Section 6. Development and management of forests and forest resources

- Integrated Watershed Management Approach (IWMA)
- Consistent with RA 7160, DENR-DILG JMC 98-01 and 2003-01 and EO 318 Land Use Plan and other related policies

## ARTICLE III: HOLISTIC, SUSTAINABLE AND INTEGRATED DEVELOPMENT OF FORESTRY RESOURCES

### Section 7. Forest Management Plan

- Forestry Master Plan
- Watershed Master Plan
- Forest Land Use Plan
- Development and Management Plan
- Annual Operations Plan

## ARTICLE III: HOLISTIC, SUSTAINABLE AND INTEGRATED DEVELOPMENT OF FORESTRY RESOURCES

### Section 8. Development, protection and management activities within forestland

- Tenure in Forestland (Private Managers, POs, IPs, LGUs, Academe, GOCC)
- Development of degraded/open access within forestland, abandoned mine areas
- Protection forest

## ARTICLE III: HOLISTIC, SUSTAINABLE AND INTEGRATED DEVELOPMENT OF FORESTRY RESOURCES

### Section 9. Private Lands for forestland development.

- Private Land Timber Permit
- Certificate of tree Plantation Ownership

Section 10. Forest Resource Management and Utilization. All timber and NTFPs have applied silvicultural practices within production forestlands.

## ARTICLE III: HOLISTIC, SUSTAINABLE AND INTEGRATED DEVELOPMENT OF FORESTRY RESOURCES

### Section 11. Forest-based enterprise

- Promote and provide incentives for tenure holders with vertical integrated facilities
- Open and competitive market for forest resources
- Export of certified forest products
- Legality of source: National Forest Stocking Monitoring System and Forest Certification, Certificate of Verification

## **ARTICLE IV: COMMUNITY – BASED FOREST CONSERVATION AND DEVELOPMENT**

Section 12. Community-based Forest Management (CBFM) as the primary strategy in all forest conservation and development of related activities

- Integrated and unified programs under people-oriented forestry programs
- Comply with DAO 2004-29 (CBFMA) and DAO 2004-32 (PACBRMA)

## ARTICLE IV: COMMUNITY – BASED FOREST CONSERVATION AND DEVELOPMENT

### Section 13. Collaborative undertaking

- Identify roles of DENR and LGUs in assisting POs to provide enabling environment in sustainably managing forest lands and resources

### Section 14. Participation of people's organized communities in recognition of the local cultures, values, traditions and practices

- Governed by laws such as IPRA, NIPAS, and E-NIPAS



## ARTICLE IV: COMMUNITY – BASED FOREST CONSERVATION AND DEVELOPMENT

### Section 15. Community-based Forest Enterprises

- Activities and practices of local communities including people's organizations, ICCs/IPs on forest based enterprises shall be supported and promoted to address food security and improved quality of life
- All forest products derived from forest shall be shared

## **ARTICLE V: INCENTIVES FOR ENHANCING PRIVATE INVESTMENTS, ECONOMIC CONTRIBUTION AND GLOBAL COMPETITIVENESS OF FOREST-BASED INDUSTRIES**

Section 16. Incentives provided under relevant national laws and programs

- Omnibus Investment Code (EO 226)
- Investment Priorities Plan (IPP)
- Ease of Doing Business Act (RA 11032)
- Other relevant laws

## **ARTICLE V: INCENTIVES FOR ENHANCING PRIVATE INVESTMENTS, ECONOMIC CONTRIBUTION AND GLOBAL COMPETITIVENESS OF FOREST-BASED INDUSTRIES**

Section 17. Incentives for private investors in public forestlands

- IFMA, SIFMA, TFLA, AFFLA, FLGMA, FLAg, FLAgT
- Right to harvest, sell, and utilize such trees and crops
- Plantation products from tenure shall be exempted from forest charges

## **ARTICLE V: INCENTIVES FOR ENHANCING PRIVATE INVESTMENTS, ECONOMIC CONTRIBUTION AND GLOBAL COMPETITIVENESS OF FOREST-BASED INDUSTRIES**

Section 18. Incentives for people's organizations including indigenous cultural communities involved in community-based forest management programs

- CBFMP, ISFP, NGP, PACBRMA
- Right to occupy, possess, develop, and utilize the forestlands and its resources
- Exempted from paying rent and forest charges
- Priority in NGP activities to harvest fruits or planted crops

## **ARTICLE V: INCENTIVES FOR ENHANCING PRIVATE INVESTMENTS, ECONOMIC CONTRIBUTION AND GLOBAL COMPETITIVENESS OF FOREST-BASED INDUSTRIES**

Section 19. Incentives for owners or developers of privately-developed forests and plantations in private lands

- Exempted from paying rent and forest charges
- CTPO /owner exempts the holder to securing a permit to cut and utilize the tree plantation products

## **ARTICLE V: INCENTIVES FOR ENHANCING PRIVATE INVESTMENTS, ECONOMIC CONTRIBUTION AND GLOBAL COMPETITIVENESS OF FOREST-BASED INDUSTRIES**

### Section 20. Incentives for forest-based industries

- Granted 5 years operating permits (WPP) with proof of sustainable source of legally cut logs
- Established vertically integrated production system

## **ARTICLE V: INCENTIVES FOR ENHANCING PRIVATE INVESTMENTS, ECONOMIC CONTRIBUTION AND GLOBAL COMPETITIVENESS OF FOREST-BASED INDUSTRIES**

### Section 21. Incentives for LGUs co-managing public forestlands

- Granted operating permits (WPP) with proof of sustainable source of legally cut logs
- Access to technical and financial support for the development of forestlands.
- Equitable share in incomes derived from the co-managed forestlands

## **ARTICLE V: INCENTIVES FOR ENHANCING PRIVATE INVESTMENTS, ECONOMIC CONTRIBUTION AND GLOBAL COMPETITIVENESS OF FOREST-BASED INDUSTRIES**

Section 22. LGUs, people's organizations, civil society organizations, and other private and public entities practicing sustainable forest management

- Access to technical and financial support for the development of forestlands.
- Equitable share in payment for ecosystem services (PES)



## **ARTICLE VI: PROPER VALUATION AND PRICING OF FORESTRY RESOURCES AND FINANCING SFM**

### Section 23. Mechanisms for Proper Valuation and Pricing

- Comprehensive pricing of forest products and services, include water for domestic, industrial, irrigation and power generation, biodiversity and eco-tourism shall be developed by the DENR

## **ARTICLE VI: PROPER VALUATION AND PRICING OF FORESTRY RESOURCES AND FINANCING SFM**

### Section 24. Plow-back Mechanisms

- Creation of Sustainable Forestry Development Fund (SFDF)
- Administered by the National Resources Development Corporation (NRDC)
- Forest charges and environmental fees collected
- Augmented by grants, donations, endowment from various source, domestic or foreign

## **ARTICLE VI: PROPER VALUATION AND PRICING OF FORESTRY RESOURCES AND FINANCING SFM**

### Section 25. Environment and Natural Resource Accounting (ENRA)

- Minimum spatial units of accounts shall be developed and institutionalized by the DENR
- Improved environmental and economic statistics
- Develop database system, forest accounting method and data gathering method

## **ARTICLE VI: PROPER VALUATION AND PRICING OF FORESTRY RESOURCES AND FINANCING SFMP**

### **Section 26. Innovative Financing Systems and Approaches**

- Securitization
- Concessional financing
- Bonds
- Collaborative investments
- Forest investment portfolio package procedures developed by TWG

## **ARTICLE VI: PROPER VALUATION AND PRICING OF FORESTRY RESOURCES AND FINANCING SFMP**

### **Section 27. Government Investments In and Out-Sourced Financing for Forest Development**

- Reducing Emissions from Deforestation and Forest Degradation Plus (REDD+)

## ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM

### Section 29. Principles and practices of good governance

- Transparency, accountability, participatory decision-making
- Access to information (Citizen's Charter)
- Foster participation, wider public support, advocacy, decentralization, devolution and deregulations

## **ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM**

### Section 29. Partnership and collaboration

- Promote the partnerships, collaboration and roles of stakeholders such as DENR, NGAs, OGAs, LGUs, academe, professional forestry organizations, civil society organizations and others to attain SFM

## **ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM**

### Section 30. Upgrading and modernization of forestry institutions

- Upgrade/ modernized research and development
- Improved DENR database system
- Coordination with research institutions for potential collaboration



## **ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM**

### Section 31. Harnessing of academic programs and scientific research

- Generate information, technologies and policies that strengthen SFM
- Packages best practices, technologies and system in SFM
- ERDB shall formulate and implement pro-active and demand driven researches

## **ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM**

### **Section 32. Rationalizing human resources programs in support of SFM**

- Intensified extension services with NGAs/OGAs, LGUs, SUCs and CSOs
- DENR in collaboration with academe shall have regular training on various aspect of SFM
- DENR shall support the Continuing Professional Education of its staff

## **ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM**

### Section 33. Forest land use plans

- Incorporated by LGUs in their comprehensive land use plans (HLRUB regulation) using watershed ecosystem management (WEM) framework
- DENR shall assist and provide technical assistance

## **ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM**

### Section 34. Networks and linkages

- International linkages and advance public-private partnership (PPP) as stipulated in RA 7718
- Reactivate the Multi-Sectoral Forest Protection Council (MFPC) in regions, provinces and municipalities
- DENR shall assist the LGUs in harmonizing database on forestry

## **ARTICLE VII: INSTITUTIONAL SUPPORT FOR SFM**

### Section 35. Monitoring, Evaluation and Reporting System

- M & E shall be done on a regular basis to ensure tenure holders and permittees compliance to the approved management plans
- Renewal and cancellation of tenure
- Third party evaluation

## **ARTICLE VIII: Funds**

DENR shall appropriate adequate and sustained funds for all activities.

## **ARTICLE IX: FINAL PROVISIONS**

Section 37. Effectivity

Section 38. Separability Clause

Section 39. Repealing Clause