



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



BAGONG PILIPINAS

JUN 02 2025

DENR Administrative Order

No. 2025 - 22

SUBJECT: RULES AND REGULATIONS GOVERNING SUSTAINABLE FOREST LAND MANAGEMENT AGREEMENT (SFLMA)

Pursuant to Article XII, Section 2 of the 1987 Constitution, Section 19 of Presidential Decree No. 705, as amended, otherwise known as the "Revised Forestry Code of the Philippines", Executive Order (EO) No. 192 (Providing for the Reorganization of the Department of Environment, Energy and Natural Resources, Renaming it as the Department of Environment and Natural Resources), EO No. 263 (Adopting Community-Based Forest Management as the National Strategy to Ensure the Sustainable Development of the Country's Forestland Resources and Providing Mechanism for its Implementation), EO No. 318 (Promoting Sustainable Forest Management in the Philippines) and EO No. 278, series of 1987, prescribing the interim procedures in the processing and approval of applications for the development or utilization of forestlands and/or forest resources, the following rules and regulations governing the issuance of Sustainable Forest Land Management Agreement (SFLMA) are hereby promulgated.

SECTION 1. Basic Policy. It is the policy of the State to a) protect and advance the rights of Filipino people to a balanced and healthful environment; b) promote economic development and creation of employment opportunities based on sound resource development that make full and efficient use of human and natural resources; c) improve the socio-economic conditions of local and cultural communities through the promotion of social justice, equitable access to and sustainable development of forest land resources; d) protect the population from the effects of natural hazards such as floods, landslides, and threats to environmental degradation (e.g. biodiversity loss, air pollution and drought), and ensure food, energy and water security; and e) promote climate change mitigation through carbon sequestration and adaptation by maintaining and enhancing forest ecosystems.

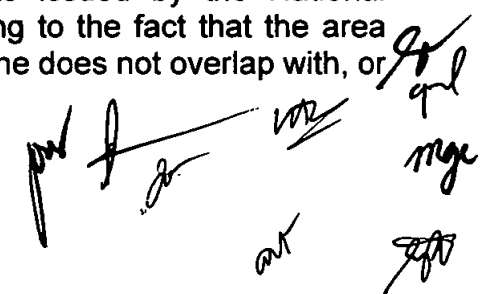
SECTION 2. Objective. This Order aims to harmonize various guidelines and requirements to streamline procedures in the issuance of forest tenure instruments, as well as to encourage investments that diversify sustainable forest use, increase forest productivity, enhance biodiversity, promote climate and disaster resilience, and provide incentives for maintaining forest cover and ecosystem services, broaden stakeholders to receive benefits and ensure continuous production of goods and services through multiple use strategy.

SECTION 3. Scope and Coverage. This Order shall govern forest lands outside of Protected Areas that are found suitable and available for management, development, conservation, protection and utilization. It may also cover areas with existing Forest

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Tenure Instruments prior to the effectivity of this Administrative Order subject to existing guidelines.

SECTION 4. Definition of Terms. For the purpose of this Order, the following terms are to be understood and interpreted as follows:

- 4.1 Annual Accomplishment Report (AAR)** - a report prepared and submitted by the SFLMA holder on a yearly basis, indicating among others, the different activities, development, and improvements undertaken in the SFLM area in relation to its approved Development and Management Plan (IDMP) or Sustainable Forest Land Management Plan (SFLMP).
- 4.2 Abandonment** - physical absence of the SFLMA Holder and/or failure to accomplish improvement/development in the area for at least one (1) year in accordance with the approved Development and Management Plan or Sustainable Forest Land Management Plan, except for situations of force majeure or fortuitous events.
- 4.3 Agricultural Crop** - refers to cultivated plants that are grown and harvested extensively which are classified as annual, biennial and perennial as follows: annual crops are those crops that complete its life cycle within one year, such as but not limited to vegetables, grains and root crops; biennial crops are crops that require two years or at least part of two seasons to complete its life cycle, such as but not limited to pineapple, banana, abaca; and perennial crops are crops that grow for several years, such as but not limited to fruit trees (e.g. mango, durian, citrus), high value crops (e.g. coffee and cacao), and palms (e.g. coconut and oil palm).
- 4.4 Agroforestry** - land-use systems and technologies such as silvipasture, agrosilvipasture, among others, in which forestry species, agricultural crops and animals are used deliberately on the same parcel of land in some spatial and temporal arrangement.
- 4.5 Assignment or Transfer** - An act of assignment/transfer of the right granted under the SFLMA to any person or entity to develop and manage the tenured area with the prior expressed and written approval of the DENR Secretary upon showing that the transferee has not violated any forestry law, rule or regulation; has all the qualifications and none of the disqualifications to hold the agreement; there is no evidence that such assignment or transfer is made for purposes of speculation; and the transferee shall assume all obligations of the transferor.
- 4.6 CENRO** - refers to the Community Environment and Natural Resources Office/Officer of the DENR.
- 4.7 Certificate of Non-Overlap (CNO)** - a Certificate issued by the National Commission on Indigenous Peoples (NCIP) attesting to the fact that the area where the plan, program, project, or activity to be done does not overlap with, or affect, any ancestral domain.
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- 4.8 Certification Precondition (CP)** - a Certificate issued by the NCIP, signed by the Chairperson or authorized representative, attesting to the grant of Free, and Prior Informed Consent (FPIC) by the concerned Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs).
- 4.9 Community-Based Forest Management Agreement (CBFMA)** - an agreement entered into by and between the government and the local community, represented by the People's Organization, as forest managers, which has a term of twenty-five (25) years and renewable for another twenty-five (25) years.
- 4.10 Development Contract** - contract entered into by and between the project proponent (e.g. People's Organization, private corporations, etc.) and government agencies for the development of portions of SFLMA areas into plantations such as timber, latex, fruits and other forest products, agroforestry and cattle and livestock production as contained in the approved Sustainable Forest Land Management Plan.
- 4.11 Environmental Compliance Certificate (ECC)** - a document issued by the DENR/ EMB after positive review of an ECC application, certifying that based on the representations of the proponent, the proposed project or undertaking will not cause significant negative environmental impact. The ECC also certifies that the proponent has complied with all the requirements of the Environment Impact Statement (EIS) System and has committed to implement its approved environmental management plan. An **Environment Impact Statement (EIS)** is a document, prepared and submitted by the project proponent and/or EIA Consultant that serves as an application for an ECC. It is a comprehensive study of the significant impacts of a project on the environment. It includes an Environmental Management Plan/Program that the proponent will fund and implement to protect the environment.
- 4.12 Forest Land** - land of the public domain comprising the public forest, the permanent forest or forest reserves, and forest reservations.
- 4.13 Forest Land Grazing Management Agreement (FLGMA)** - a production sharing agreement between a qualified person, association and/or corporation and the government to develop, manage and utilize grazing lands.
- 4.14 Forest Land Use Agreement (FLAg)** - is a contract between the government as first party represented by the Secretary or his duly representative, and a second party or a person authorizing the latter to temporarily occupy, manage and develop in consideration of a user's fee, any forest land of the public domain for specific use defined in Section 3 hereof, to undertake any authorized activity therein.
- 4.15 Forest Land use Agreement for Tourism Purposes (FLAgT)** - is a contract between the DENR and a natural or juridical person, authorizing the latter to occupy, manage and develop, subject to user's fee, any forestland of the public domain for tourism purposes and to undertake any authorized activity therein. It shall include special forest land uses such as Bathing Establishment, Camp Site

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Ecotourism Destination, Hotel Site (inclusive of related resort facilities) and Other Tourism Purposes

- 4.16 Forest Plantation** - any tract of land planted mainly to timber producing tree species, including rubber, and/or non-timber species such as rattan and bamboo, primarily to supply the raw material requirements of forest-based industries, among others.
- 4.17 Forest Tenure Instrument** - a management arrangement for the guaranteed peaceful possession and use of specific forest land area and the resources found therein, which cannot be altered or abrogated without due process.
- 4.18 Good Standing** - refers to the status of a person, organization, or entity that has fulfilled all legal, financial, and regulatory obligations required by relevant authorities and is not subject to any penalties, suspensions, or delinquencies for any prior or continuing projects it may have with the Government.
- 4.19 Gratuitous Special Use Permit (GSUP)** - a permit authorizing a head of a government agency and/or local chief executive to use certain portions of forest lands free of charge for the development of government-managed projects of national interest and infrastructures for public service and use, and non-commercial projects of Government-Owned and Controlled Corporation (GOCC).
- 4.20 Grazing and Grazing lands** - a method of feeding whereby domestic livestock and other ruminants feed on grass and other forage to produce meat, milk, wool and other products. Grazing lands are forest land which have been set aside, in view of its topography and vegetation for the raising of livestock.
- 4.21 Proposed Development and Management Plan (PDMP)** - plan prepared and submitted by the SFLMA applicant to DENR, indicating among others, the general development of the area envisioned by the applicant, which shall at least include the first five years of sequential or simultaneous undertakings and their schedules in developing and managing the SFLMA area. Such plan must be detailed enough for evaluation purposes including actual on-ground surveys.
- 4.22 Integrated Forest Management Agreement (IFMA)** - a production-sharing contract entered into by and between the DENR and a qualified applicant wherein the DENR grants to the latter the exclusive right to develop, manage, protect and utilize a specified area of forestland and forest resource therein for a period of 25 years and may be renewed for another 25-year period, consistent with the principle of sustainable development and in accordance with an approved CDMP, and under which both parties share in its produce.
- 4.23 Multiple Use** - the numerous beneficial uses of the forest lands such as timber and non-timber production, grazing, recreation and other special land uses which will produce the optimum benefits with least damage to forest resources.
- 4.24 Multiple Use Strategy** - harmonized utilization of the land, soil, water, wildlife, recreation value, grass and timber of forest lands.

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- 4.25 Natural Forest** - forest composed of naturally grown timber and non-timber forest species.
- 4.26 Other Lawful Purposes Lease Agreement (OLPLA)** - is a privilege granted by the State to a person to occupy, possess and manage in consideration of specified return, any public forest lands for other lawful purposes for a period of 25 years.
- 4.27 PENRO** - refers to the Provincial Environment and Natural Resources Office/Officer of the DENR.
- 4.28 People's Organization** - a group of people, which may be an association, cooperative, federation, or other legal entity, established by the community to undertake collective action to address community concerns and needs, and mutually share the benefits of the endeavor.
- 4.29 Performance Evaluation** - process of determining compliance by the Holder with the terms and conditions of the approved SFLMA, Sustainable Forest Land Management Plan (SFLMP), ECC and other pertinent laws, rules, and regulations, to be undertaken every five (5) years (regular Performance Evaluation). In case of application for renewal, a performance evaluation shall be conducted at least one (1) year prior to the expiration of the agreement, while upon submission of complete documentary requirements per Sec. 13.2 hereof for conversion to SFLMA.
- 4.30 Port** - a place where ships may anchor or tie up for the purpose of shelter, repair, loading or discharge of cargo, or for other such activities connected with water-borne commerce, and including all the land and water areas and the structures, equipment and facilities related to these functions.
- 4.31 Potential Investment Areas (PIAs) for Forestry** - PIAs are forestlands duly validated by the DENR that are available for development as forestry investments and are open to SFLMA application.
- 4.32 Production Forest** - forest lands designated as such for the sustainable production of timber and non-timber forest products, agroforestry, grazing, and other special uses.
- 4.33 Protected Area** - refers to identified portions of land and water set aside by reason of their unique physical and biological significance, managed to enhance biological diversity and protected against destructive human exploitation.
- 4.34 Protection Forest** - areas wholly or partially covered with woody or non-woody vegetation managed primarily for the beneficial effects on water, climate, soil, aesthetic value and preservation of diversity which may include among others the following: National Parks/Protected Areas covered by NIPAS law; proclaimed Watershed Reservations; Old Growth Forests; Mossy Forests; areas with slope of 50 percent and above; areas with mean elevation of more than 1,000 meters;

of more than 1,000 meters

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above sea level; and twenty-meter strips of land along the edge of the normal high waterline of rivers and streams with channels of at least five (5) meters wide.

4.35 RED - refers to the Regional Executive Director of the DENR.

4.36 Satellite Land Monitoring System - a system that utilizes the latest available technology on Geographic Information Systems and Remote Sensing (GIS-RS). It generates data on land use and land use change, specifically the country's forest cover and forest cover change.

4.37 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.

4.38 Special Land Use Lease Agreement (SpLULA) - SpLULA is a privilege granted by the State to a person to occupy, possess and manage in consideration of specified return, any public forest lands for a specific use or purpose for a period of 25 years.

4.39 Special Land Use Permit (SLUP) - is a non-extendable privilege granted by the State to a person to occupy, possess and manage in consideration of specified return, any public forest lands for specific use or purpose on allowable areas to be covered by SLUP.

4.40 Subleasing - the act of leasing or renting out the whole or portion of the SFLMA area to another person or entity.

4.41 Sustainable Forest Management (SFM) - the process of managing the forest to achieve one or more clearly specified objectives of management with regard to production of a continuous flow of desired forest products, goods and services without undue reduction of its inherent values and future productivity, and without undesirable effects on the physical and social environment.

4.42 Sustainable Forest Land Management Agreement (SFLMA) - refers to a production sharing agreement between the DENR and a qualified applicant over a parcel of forest land to undertake Sustainable Forest Management for a period of 25 years, renewable for another 25 years, subject to the result of the performance evaluation.

4.43 Sustainable Forest Land Management Plan (SFLMP) - a 25-year development and management plan prepared and submitted by the SFLMA holder for the approval by the DENR, which indicates the detailed activities in the development, management, and protection of the SFLMA area. Such plan is based on the submitted/approved IDMP.

4.44 Special Uses - include the following lawful and compatible utilization of forest lands other than the production of timber and non-timber resources limited to Dry Dock Site, Shipyard and related facilities, Landing Site (Airstrip), Industrial

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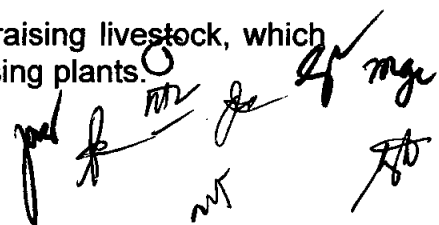
Processing Site, Lumberyard, Log Pond or Log Depot, Communication Station Site, Energy-related facilities and infrastructure, Transmission Line Right-of-Way, Water Reservoir/ Water Impounding Dam, Sawmills and ancillary facilities, Port, and Government facilities/ infrastructure such as schools, health center, offices, road right-of-way, and penal site, pending issuance of corresponding Presidential Proclamation and/or such projects that were not covered with Presidential Proclamation after the non-extendible 5-year GSUP duration.

- 4.45 Tenurial Right** - refers to the legal rights that individuals or groups have over the use, control, and ownership of a particular parcel of public forestland (the tenured area) as provided by a legally binding agreement.
- 4.46 Tree Farm Lease Agreement (TFLA)** - 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 forest land.
- 4.47 JVA/ MOA under the Upland Agroforestry Development Program (UADP)** - private-public partnerships and other similar arrangements subject to joint ventures agreement with POs or villages to develop large-scale plantations (minimum 50 ha).
- 4.48 User's Fee** - a certain amount to be paid by the SFLMA holders as their share to the government for the use of the forest land.
- 4.49 Vertical Integration** - a strategy in improving the production efficiency of forest-based industries and/or enterprises by controlling two or more processes in the supply chain such as but not limited to a) tree growing, b) harvesting, c) wood processing, d) value adding, and e) distribution/marketing.

All other terms not included in this section shall be used in their ordinary meaning.

SECTION 5. Management Strategies eligible for Sustainable Forest Land Management Agreement. The Sustainable Forest Land Management Agreement (SFLMA) may be entered for a single purpose or a combination of the following purposes in accordance with the approved SFLMP.

- 5.1 Agroforestry Development** - Establishment of agroforestry systems and technologies, which may include establishment of fruit-bearing trees and processing plants to encourage vertical integration. Provided that pure agricultural crops shall not exceed twenty percent (20%) of the total SFLMA area and should have mandatory soil and water conservation measures in place.
- 5.2 Forest Plantation Development** - Establishment of forest stands planted primarily with timber producing tree species, and/or non-timber species which may include establishment of processing plants to encourage vertical integration. Such development should have mandatory soil and water conservation measures in place.
- 5.3 Pasture Development** - Utilization of grazing land for raising livestock, which may include the establishment of meat and dairy processing plants.

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5.4 Ecotourism Development - Management and development of Natural Landscape for protection, conservation and management of natural resources, whereby, recreation, environmental education, as well as socio-economic benefits derived from these activities are fostered and pursued.

5.5 Protection Forest Development - Conservation, establishment, development, and management of forest lands for forest protection purposes which may include forest carbon projects, adaptation and disaster risk reduction and environment, social and governance (ESG) initiatives. Forest carbon projects must follow the Department's approved and/or recognized carbon standards, and ESG initiatives should include baseline biodiversity assessments and annual reports.

5.6 Special Uses of Forest Lands - Other beneficial purposes of forest land which should not substantially impair existing forest resources and ecosystem health and services therein, limited to the following:

- a. Dry Dock Site
- b. Shipyard and related facilities
- c. Landing Site (Airstrip)
- d. Lumberyard
- e. Log Pond or Log Depot
- f. Communication Station Site and related facilities
- g. Transmission Line Right-of-Way
- h. Power Station Site/Energy-related facilities and infrastructure
- i. Water Reservoir/ Water Impounding Dam and related facilities
- j. Wood Processing Plants, Sawmills and ancillary facilities
- k. Road right of way
- l. Port for sea transportation
- m. Tourism-related infrastructure

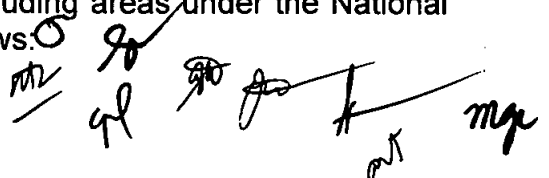
The issuance of tenurial instrument for areas to be covered by projects of national interest or public utility such as but not limited to telecommunication towers and transmission line towers shall be governed by a separate guideline.

5.7 Should there be an existing natural forest cover within each SFLMA parcel being applied for, it shall be delineated and managed for protection/conservation purposes. The proponent shall be responsible for protecting/conserving the existing natural forest stand.

5.8 For SFLMA areas that have less than 50% covered by natural forest, the proponent shall be responsible for reforestation to have at least half of the area covered with protection forest. Exempted from this are developments that require open areas such as grazing, timber production, renewable energy, etc.

5.9 Appropriate staff housing, dwellings and allied infrastructure shall be subject to the evaluation of the SFLMP.

SECTION 6. Areas Available for SFLMA. SFLMAs may cover all forest lands of the public domain, prioritizing degraded forest lands suitable for restoration or areas identified as critical for biodiversity conservation excluding areas under the National Integrated Protected Areas System (NIPAS), as follows.

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6.1 For New Applications - Forest lands which are not covered by any tenure or management arrangement enumerated in Section 6.2. The processing of applications within potential investment areas shall be prioritized.

6.2 For Conversion – Existing tenure holders may opt to convert to SFLMA. Those with pending applications received before the effectivity of this Order of the following forest tenure and other management arrangements may be converted (same size of the existing tenurial instrument) subject to the conduct of performance evaluation to determine compliance with the terms and conditions of the agreement and other pertinent laws, rules and regulations, and its capacity to manage the area:

- a. Integrated Forest Management Agreement (IFMA)
- b. Forest Land Grazing Management Agreement (FLGMA)
- c. Tree Farm Lease Agreement (TFLA)
- d. Socialized Industrial Forest Management Agreement (SIFMA)
- e. Forest Land Use Agreement (FLAg)
- f. Forest Land Use Agreement for Tourism (FLAgT)
- g. Special Land Use Lease Agreement (SpLULA)
- h. Special Land Use Permit (SLUP)
- i. Other Lawful Purposes Lease Agreement (OLPLA)
- j. Community-Based Forest Management Agreement (CBFMA)
- k. Joint Venture/MOA under the Upland Agroforestry Development Program (UADP)
- l. All other valid agreements granting tenurial rights over forestlands of the public domain (e.g. co-managed agreements) except those covered by their own specific laws (e.g. foreshore)

Upon the issuance of this Order, aside from those pending applications for renewal, only SFLMAs will be issued for all types of forest land use covered under this Order.

SECTION 7. Size of the SFLMA. The area that may be covered by an SFLMA will be based on the technical and financial capability of the applicant subject to the following thresholds:

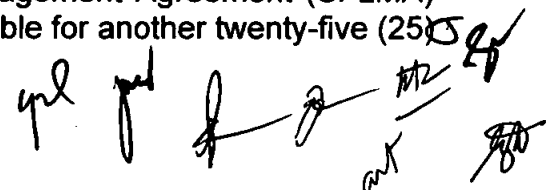
7.1 Individuals – not more than fifty (50) hectares

7.2 For government agencies, government-registered corporations, associations, cooperatives, private organizations, corporations or partnerships - up to 40,000 hectares.

7.3 People's Organizations - not more than 1,000 hectares

7.4 For applications exceeding the abovementioned limits, an evaluation of the application shall be undertaken by the Review and Deliberations Committee (RDC) established by the DENR.

SECTION 8. Duration of the SFLMA. In accordance with Section 2, Article XII of the 1987 Constitution, the Sustainable Forest Land Management Agreement (SFLMA) shall have a duration of twenty-five (25) years, renewable for another twenty-five (25) years.

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years upon approval by the Department of Environment and Natural Resources (DENR), subject to the following conditions:

- 8.1 Retention of Original Validity** – Existing forest tenure and other management arrangements converted to SFLMA shall maintain their original issuance and expiration dates.
- 8.2 Inclusion of Previous Tenure Periods** – For Special Land Use Permits (SLUPs) converted to SFLMA, their initial validity periods—three (3) years for SLUPs or the duration of actual land occupation, shall be counted as part of the first 25-year term of the agreement.
- 8.3 Renewal and Continuity** – When converting an existing forest tenure instrument into an SFLMA through renewal, the expiration date of the original tenure shall mark the beginning of the second 25-year term.

SECTION 9. Qualified Applicants. The following may apply for SFLMA subject to compliance and submission of requirements.

- 9.1.** Any Filipino citizen of legal age with legal capacity to enter into contracts;
- 9.2.** Filipino corporations, associations, cooperatives and partnerships in good standing and duly registered under Philippine Laws, subject to restrictions on foreign ownership;
- 9.3.** Registered People's Organizations (POs) and Non-government Organizations (NGOs) in good standing and whose members are Filipino Citizens; and
- 9.4.** Local Government Units, National Government Agencies and Government-Owned or Controlled Corporations

SECTION 10. Disqualified Applicants. Any natural and juridical persons that is described below:

- 10.1** Foreign individuals and corporations
- 10.2** Natural and juridical persons found guilty of administrative and/or criminal offenses for violations of environmental and penal laws or against whom a Writ of Kalikasan, Temporary Environmental Protection Order, Environmental Protection Order or a Continuing Mandamus has been issued.
- 10.3** Those with arrears and pending cases from previous engagements with the DENR.

SECTION 11. Documentary Requirements for SFLMA Application. The following are the requirements for SFLMA application:

- 11.1** Letter of Intent with the duly accomplished Application form (see Annex A and 1-A).

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- 11.2** Proof of payment of Application Fee. For private sector and individuals, the application fee amounts to Php10,000 and Php100/hectare exceeding 100 hectares. For Government Agencies, LGUs, registered People's Organizations and registered cooperatives, the application fee shall be Php10,000 regardless of the size of the SFLMA. The application fee shall be subject to existing rules and regulations of oversight agencies.
- 11.3** GIS-generated map of the area applied using the standard mapping format of DENR, based on the Registry of Investment Areas pursuant to existing guidelines. Assistance from the DENR-Geospatial Database Office may be sought for this requirement.
- 11.4** Proposed Development and Management Plan (PDMP) (see Annex B).
- 11.5** Proof of Financial Capability (Annex D) to undertake the SFLM operations as may be shown in a bank certificate of cash deposit, credit lines from any financing institution, or other generally accepted proof of financial capability in an amount equivalent to the capital expenditure and operational cost for the first five years of the Proposed Development and Management Plan (PDMP).
- 11.6** Proof of Technical Capability to undertake activities indicated in the management plan in the area applied for, as follows:
- a. List of hired competent technical staff or commitment to hire or to engage the services of a technical staff; and
 - b. If applicable, good past performance or track record in forest development and management.
- 11.7** Proof of submission of the PDMP to the concerned LGU.
- 11.8** Certification from CENRO/Implementing PENRO as to the land classification status of the area being applied for unless included in the list of DENR-released potential investment areas for forestry.
- 11.9** Clearance from the Palawan Council for Sustainable Development (PCSD) if the area is located in Palawan.
- 11.10** Certification from the National Commission on Indigenous Peoples [e.g. Certificate of Non-Overlap (CNO)/Certification Precondition (CP)] if applicable.
- 11.11** For individual applicants: Certified true copy of birth certificate or if applicant is a naturalized Filipino citizen, Certificate of naturalization
- 11.12** For Corporations, Cooperatives, and Associations: a) Certificate of Registration from a registering agency; b) Articles of Incorporation and By Laws specifying in the purpose and objectives to include among others, the development of forestlands or relevant activities; c) Board Resolution authorizing any of the Officers to file and transact for the application of SFLMA; d) affidavit issued by the Corporate Secretary or other authorized Officer

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certifying the absence of an intra-corporate dispute; and, e) Certificate of good standing from the SEC or CDA, and f) Certificate of Registration from the BIR.

11.13 For LGUs, National Government Agencies, Government-Owned and Controlled Corporations, and its Instrumentalities: a) Resolution issued by the LGU/Agency designating their authorized representative to apply or sign documents related to the application; and b) Certification or Resolution of favorable endorsement from the Agency Head for NGA/GOCC and LGU, respectively.

11.14 For People's Organizations: a) Certificate of Registration from a registering agency (e.g. SEC/CDA); b) PO Resolution authorizing any of the Officers to file and transact for the application of SFLMA, and c) Sworn Statement/Affidavit by its President/Chairperson stating that the members are actually cultivating portions of the area applied and traditionally utilizing the resource for all or a substantial portion of their livelihood.

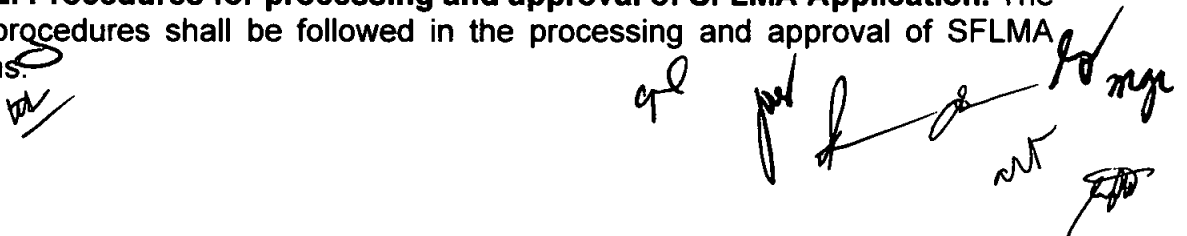
People's Organizations that will develop the area under a development contract shall only be required to submit proof of technical and financial capabilities from the contracting party.

11.15 Other applicable requirements:

- a. For water-production/related development projects, Clearance/Certification/Permit from NWRB;
- b. For energy related projects, Energy Service Contract/Certification of Energy Project of National Significance from the Energy Investment Coordinating Council;
- c. Clearance from Civil Aviation Authority of the Philippines (CAAP) for communication station sites, transmission lines, and other related facilities which may require appropriate clearance from CAAP;
- d. Certificate of Non-Coverage (CNC) or Environmental Compliance Certificate (ECC) following the existing guidelines and procedures prescribed under the Environmental Impact Statement (EIS) System within one (1) year from the award of the SFLMA, as applicable; and
- e. All other appropriate government permits and certifications specific to the proposed activities.

Tenure instruments for conversion to SFLMA without any changes in management strategy shall be processed for conversion, while tenure instruments with additional management strategy shall follow the process of new applications.

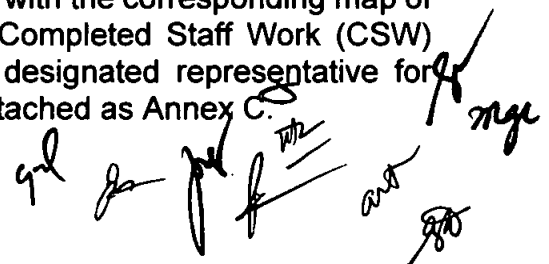
Section 12. Procedures for processing and approval of SFLMA Application. The following procedures shall be followed in the processing and approval of SFLMA applications.

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12.1. For New Applications

- a. All applications for SFLMA shall be filed at the Regional Office which has jurisdiction over the area applied for;
- b. The Regional Office shall review and evaluate the submitted application requirements based on the following parameters:
 1. Qualification of applicant;
 2. Completeness of the requirements; and
 3. Completeness of the PDMP
- c. Upon instructions of the DENR Regional Office, the appropriate CENRO/Implementing PENRO shall conduct site assessment/ground truthing and survey in coordination with the applicant which shall be the basis of the preparation of the GIS-generated map following the prescribed mapping procedures and subsequently endorse the same to the DENR Regional Office. In case the application is found to be meritorious and will be subject for endorsement, the period of the persons or entities' occupation shall be deducted from the term of the SFLMA to be issued in their favor;
- d. When applicable, the RED shall endorse the application to the concerned Regional Director of the National Commission on Indigenous Peoples (NCIP) for the issuance of appropriate Certificate (CP/CNO);
- e. In cases where areas applied for have already been surveyed and mapped (i.e. PIAs), the pre-prepared maps will be used in the submission. Should the area covered by the SFLMA application be previously unmapped, the Surveys and Mapping Division shall prepare and transmit the map to the Licenses Patents and Deeds Division (LPDD). The draft SFLMA and the corresponding map shall be prepared by the LPDD of the Regional Office following the prescribed templates of the Agreement.
- f. If all the documentary requirements are complete, and upon endorsement of the application to the NCIP, the RED shall transmit the SFLMA application and supporting documents with their categorical recommendation to the Forest Management Bureau (FMB);
- g. Upon review and evaluation, the FMB shall endorse the application, corresponding map and its shapefiles, and scanned copy of Completed Staff Work (CSW) report, among others to the Office of the Undersecretary for Field Operations (OUFO).
- h. The OUFO shall endorse the SFLMA application with the corresponding map of the area, its shapefiles, and scanned copy of Completed Staff Work (CSW) report to the DENR Secretary or his/her duly designated representative for approval/disapproval. The SFLMA template is attached as Annex C.

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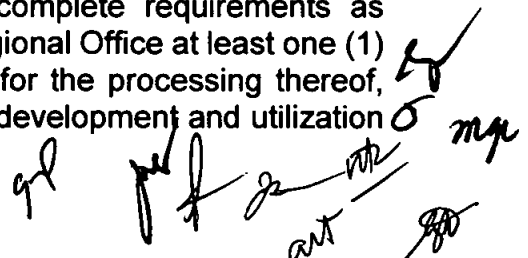
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12.2. For Conversion of Existing Forest Tenure/SLUP/GSUP

- a. All forest tenure instruments that have been existent for five (5) years and below from the date of the approval of this Order shall be required to convert to SFLMA.
- b. Holders of forest tenure instruments that have existed for more than six (6) years may opt to convert to SFLMA. The period already utilized under the existing tenurial instrument shall be deducted from the SFLMA's initial 25-year term. The SFLMA may be renewed for another 25-year period. The terms of the original tenure shall be considered under the SFLMA tenure.
- b. Holders of SLUP whose projects entail long term use of the forest land shall apply for the conversion of their SLUP into SFLMA one (1) year before the expiration of the permit.
- c. All applications for conversion to SFLMA shall be filed at the Regional Office, which has jurisdiction over the area applied for, together with the following requirements:
 1. Letter of Intent;
 2. Original/Authenticated copy of the previous management Agreement;
 3. Latest Accomplishment Report; and
 4. Approved Management Plan such as CDMP/FLGMP/CRMF/IDP or IMP, and/or revised management plan indicating other management strategies, as the case may be.
- d. Upon receipt of the application with complete requirements, a Performance Evaluation shall be conducted by a Composite Team composed of representatives from the CENRO, PENRO and Regional Office to determine compliance of the tenure holder/permittee with the approved plan/s, and terms and conditions of the Agreement/Permit.
- e. If the holder's evaluation is found to be satisfactory, the proposed SFLMA and corresponding map of the area shall be prepared by the LPDD. Then, the RED shall endorse for approval/disapproval of the application to the DENR Secretary or his/her duly designated representative, copy furnished the FMB and the Undersecretary for Field Operations with the draft copy of the agreement, corresponding map of the area and its shapefiles, and approved SFLMP, as the case may be, including a scanned copy of the Completed Staff Work (CSW) report, among others.

12.3. For Renewal of SFLMA

An application for the renewal of SFLMA with complete requirements as prescribed under Section 11 shall be filed at the Regional Office at least one (1) year before its expiration date to give ample time for the processing thereof, subject to the 50-year limitation on the exploration, development and utilization

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of natural resources as provided under Article 12, Section 2 of the 1987 Constitution. The approval of all renewal applications shall be based on the results of the performance evaluation which shall be conducted at least one (1) year prior to the expiration of the previous Agreement.

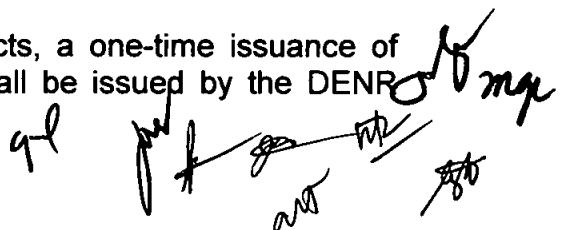
Failure to file the application within the prescribed period shall result in the opening for disposition of the area to other qualified applicants upon expiration of the SFLMA.

- 12.4** The DENR Secretary may disapprove an application if the Department deems it unsatisfactory or disadvantageous to national interest. The concerned DENR Regional Office shall inform the applicant of DENR's decision.

SECTION 13. Submission, Review and Approval of Sustainable Forest Land Management Plan (SFLMP). All activities to be conducted by the SFLMA holder shall be in accordance with the approved SFLMP. The following shall be observed in the review and approval of the SFLMP.

- 13.1.** The SFLMA holder shall submit to the Forest Management Bureau within one (1) year upon approval of the SFLMA a detailed 25-year SFLMP, which shall be consistent with the submitted Proposed Development and Management Plan (PDMP).
- 13.2.** Within one (1) month upon receipt thereof, the SFLMP shall be reviewed and deliberated by the Review and Deliberations Committee (RDC) which shall be created by the Office of the Secretary. Resource Person/s from relevant government agencies and subject matter experts may be invited as needed.
- 13.3.** If found in order, and upon the recommendation of the RDC, the SFLMP shall be approved by the Secretary or his/her designated representative. Should the same be found unsatisfactory, the Secretary may disapprove or return it to the RDC to cause the appropriate revisions by the applicant within two (2) calendar months from receipt of notice. The non-compliance of the SFLMA holder with the DENR's comments, suggestions and recommendations regarding the concerns observed during the review of the SFLMP shall result in the automatic cancellation of the SFLMA.
- 13.4.** The FMB shall inform the SFLMA Holder on the final decision of the DENR Secretary on the approval/disapproval of the SFLMP.
- 13.5** The FMB shall return the original copy of the SFLMP to the SFLMA Holder. The SFLMA Holder shall prevent any act of tampering with the content of the approved SFLMP, hence, each page of the same shall be stamped with the phrase "certified true copy" of the original and, among others, shall bear the name of the DENR office, the name and signature of the certifier, date certified. The FMB shall also provide a scanned copy of the approved SFLMP to the concerned DENR Regional Office, for record and monitoring purposes

SECTION 14. Provisionary Permit. For energy projects, a one-time issuance of Provisionary Permit with a validity of two (2) years shall be issued by the DENR

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Secretary or his/her duly authorized representative to provide the applicant with ample time to conduct feasibility study in the area being applied for. The duration of the Permit shall be excluded from the twenty-five (25) year period of the SFLMA. The Permit shall automatically be terminated upon the issuance of SFLMA. Please see Annex D for the template of the Permit

SECTION 15. User's Fee (UF). The user's fee for the use of the forest land shall be subject to the following considerations:

15.1 The amount of UF shall be computed based on the following:

Management strategy	User's Fee (UF)
Forest plantation and agroforestry	3% of the total gross revenue earned from management strategies in the tenured area based on Annual Audited Financial Statement or Income Tax Return, submitted and duly stamped received by the Bureau of Internal Revenue (BIR) or P1,200/hectare/year whichever is higher.
Grazing	P300/hectare
Special land uses including ecotourism development and other special purposes	3% of the total gross revenue earned from management strategies in the tenured area based on Annual Audited Financial Statement or Income Tax Return, submitted and duly stamped received by the Bureau of Internal Revenue (BIR) or P85,000 per hectare/fraction thereof per year whichever is higher
Special land uses for energy purposes	P7,200 per hectare per year and a fraction thereof and to be increased cumulatively by 10% annually.
For SFLMA with two or more management strategies	The user's fee shall be the sum of the computed amount based on the combination of the various strategies
Protection Forest Development	No user's fee shall be collected for CSR initiatives and the mandated reforestation program of SFLMA holders. The collection of government share under forest for carbon projects shall follow laws, rules and regulations to be developed.

15.2 The user's fee shall be paid to DENR Regional Office on or before May 31 of the succeeding year with attached authenticated copy of Annual Audited Financial Statement or Income Tax Return, duly stamped received by the BIR. Failure to pay the user's fee on time shall mean a surcharge of 3% per month; and failure to pay after three (3) consecutive demand notices shall be grounds for the cancellation of the SFLMA. Payment shall be subject to all relevant accounting and auditing rules and regulations.

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15.3 DENR shall review and adjust the rate of UF every five (5) years, or as it may deem necessary, based on science-based methods of updating fees and charges and existing laws, rules and regulations.

15.4 The UF shall commence upon the execution of the SFLMA, unless a different UF period in the SFLMA contract is agreed upon. Any SFLMA that deviates from the prescribed UF shall be evaluated by the DENR RDC.

SECTION 16. Incentives. The SFLMA Holder shall be entitled to the following incentives:

16.1 All plantation products derived from the SFLMA areas introduced by the holder, shall belong to the SFLMA holder, who shall have the right to harvest, sell and utilize such trees and crops in whatever marketable form and in whatever legal manner are exempted from payment of forest charges subject to existing laws, rules and regulations;

16.2 All processed timber and non-timber forest products from SFLMA areas shall be exported without restrictions in volume, subject to existing laws, rules and regulations;

16.3 An SFLMA holder in good standing shall be given preferential right to apply for another SFLMA over the area that falls within the adjoining forest land currently covered with the holder's SFLMA, provided that the total area shall not exceed the maximum limit of the area consistent with this Order;

16.4 SFLMA Holders are given preferential right for the issuance of insurance coverage of trees and crops in SFLMA areas from private or government insurance agencies and development loans from public financial institutions for the SFLMA holder;

16.6 The FMB shall provide access to available credit assistance from government-owned, controlled, and or/or supported financial institutions;

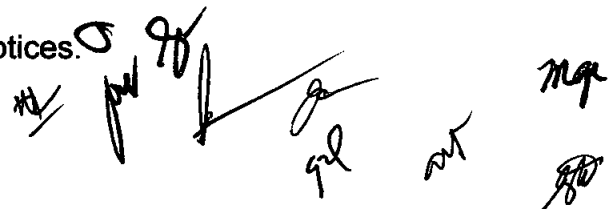
16.7 All established tree plantations shall be exempted from logging bans that may be imposed by the DENR for the duration of the SFLMA; and,

16.9 The application fee and user's fee for renewal of the SFLMA shall be waived in favor of the SFLMA Holder, subject to the results of the performance evaluation.

SECTION 17. Grounds for the Suspension and Cancellation of SFLMA. The SFLMA may be suspended or cancelled by the DENR Secretary or his/her designated representative for violations of the Agreement.

17.1 Grounds for Suspension. The following are considered grounds for Suspension:

a. Failure to pay the UF after two (2) notices.

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- b. Failure to submit an SFLMP within one (1) year from the date the SFLMA is approved;
- c. Failure to fully develop the area in accordance with the approved SFLMP/ PDMP;
- d. Failure to implement the approved SFLMP as per its workplan;
- e. Failure to protect the SFLMA area, except as a result of force majeure or fortuitous events, where the SFLMA Holder has no control over; and,
- f. Violation of any of the Terms and Conditions of the Agreement or any relevant laws, rules, and regulations;
- g. Conduct of activities within the SFLMA area that are against laws, public policies, public order and good morals; and,
- h. Inaccuracy and false reporting of accomplishments relative to SFLMA.

In the event of violations committed by the SFLMA Holder, the RED concerned shall initiate an investigation on the matter and may issue either a Notice of Violation and/or Notice of Preventive Suspension of Operations. The notice of violation or suspension shall indicate the actions/activities that shall be done by the SFLMA Holder in order to lift the suspension including the admonition that non-compliance thereto shall result in the cancellation of the SFLMA.

The SFLMA Holder shall comply with the notice of violation and/or suspension or file an answer within ten (10) calendar days from receipt of such notice, which shall be acted upon by the RED or his/her duly designated representative concerned within 30 calendar days upon receipt of the answer. If found meritorious, the suspension will be lifted, otherwise, a Cancellation Order shall be issued by the DENR Secretary or his/her duly authorized representative.

17.2. Grounds for Cancellation. At any time within the duration of the Agreement, the DENR Secretary or his/her duly designated representative may issue a Cancellation Order for the following grounds:

- a. Failure to comply with the notice of violation and/or suspension that shall be undertaken by the SFLMA Holder;
- b. Misrepresentation of the SFLMA Holder's disclosures in its application and reports including its financial reporting;
- c. The SFLMA Holder has transferred, directly or indirectly, the rights over the area to another person without the concurrence of the DENR;
- d. Conversion of the area or any part thereof to any land use other than what is allowed under the approved SFLMP;

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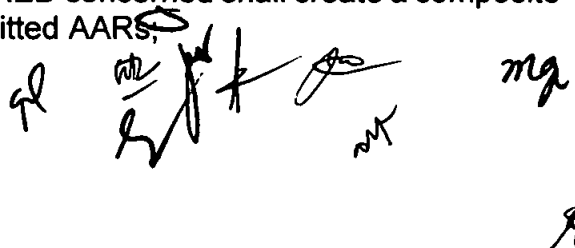
- e. The SFLMA was obtained through fraud or misrepresentation by false or misleading statements;
- f. Subleasing of the area or any portion thereof to any person or entity without the written consent of the DENR;
- g. Failure to implement any of the conditions in its ECC or other government permits;
- i. Abandonment of the SFLMA area;
- j. Conduct of activities within the SFLMA area that are against laws, public policies, public order and good morals; and,
- k. Violation of any of the Terms and Conditions of the Agreement or any relevant laws, rules, and regulations;

The order of cancellation by the DENR Secretary shall be immediately executory.

In case of disputes involving the interpretation of ambiguous provisions in the SFLMA, the DENR and the SFLMA Holder shall adopt the alternative dispute resolution principles for resolving environment and natural resources conflicts, consistent with existing laws, rules, and regulations.

SECTION 18. Monitoring, Assessment and Reporting. All SFLMAs shall undergo periodic assessments, including a comprehensive evaluation at the halfway point of the 25-year agreement. These evaluations shall measure compliance with the approved Sustainable Forest Land Management Plan (SFLMP). To provide effective monitoring, assessment and reporting, the following shall be conducted:

- 18.1** Annual reports from SFLMA holders must be submitted within thirty (30) days after each fiscal year, outlining compliance with the SFLMP and covering environmental, economic, and social impacts. Non-compliance with monitoring and reporting requirements will incur penalties, including but not limited to suspension/cancellation of the SFLMA;
- 18.2** The DENR Field Office shall conduct an annual compliance monitoring and assessment of SFLMA areas based on the terms and conditions of the SFLMA, approved SFLMP and ECC, among others, using the prescribed compliance monitoring and assessment tool by the DENR;
- 18.3** The CENRO/Implementing PENRO, through channels, shall submit to the DENR Regional Office an annual status report on the compliance of the SFLMA Holder based on the submitted Annual Accomplishment Report (AAR) within his/her jurisdiction, copy furnished the FMB and the Undersecretary for Field Operations. Whenever necessary, the RED concerned shall create a composite team to conduct validation of the submitted AARS,

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- 18.4** The RED concerned shall be directly responsible for the implementation of this Order. The Regional Office shall maintain information of all SFLMAs under its jurisdiction which shall be submitted quarterly; and,
- 18.5** The FMB, the DENR Knowledge and Information Systems Service (KISS) and the DENR Geospatial Database Office (GDO) shall develop a database of all SFLMA areas for monitoring and management purposes. It shall include a public-facing site.
- 18.6** The GDO shall monitor all SFLMA development using satellite imagery through a satellite land monitoring system and furnish these to the Regional Office;
- 18.7** The monitoring and assessment of SFLMA areas shall form part of the Office Performance and Commitment Review (OPCR) of the implementing unit/office and the regular reporting activities of the Regional and Field Offices.
- 18.8** Any change in the beneficial owners of an SFLMA holder shall be reported to the DENR to ensure compliance with the capital requirement under Section 2, Article XII, of the 1987 Constitution. In case of violation thereto, the SFLMA shall be canceled in accordance with Section 16.2 hereof.

SECTION 19. Allocation of Funds. The Department shall allocate funds for the implementation of this Order.

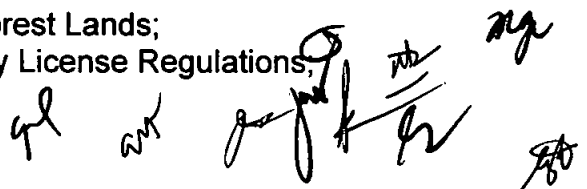
SECTION 20. Transitory Provision

- 20.1.** Upon approval of this Order, all pending applications for tenure instruments, whether new or renewal with complete documentary requirements and have already undergone the required process shall be returned to the concerned Regional Office for further review, and processing, and for eventual consideration of the DENR Secretary, in consonance with the provisions hereof.
- 20.2** Within one (1) year from the issuance of this Order, the DENR Field Offices shall conduct a performance evaluation of all tenure instruments as basis for the continuation, renewal, cancellation, or termination of the tenure, pursuant to existing laws, rules and regulations.
- 20.3.** All expiring tenure instruments within five (5) years upon issuance of this Order shall continue to exist until its expiration date unless terminated earlier for cause. Upon the renewal of the agreement, the holder shall apply for SFLMA.

SECTION 21. Periodic Policy Review. The DENR shall conduct periodic review of this Order.

SECTION 22. Repealing Clause. This Order repeals the following Administrative Orders, Memoranda, Circulars, and other issuances which are inconsistent herewith:

- 22.1.** Forestry Administrative Order (FAO) 8 – 3 Series of 1941 or the Revised Regulations Governing the Special Uses of Forest Lands;
- 22.2.** FAO 11 Series of 1970 or the Revised Forestry License Regulations;

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- 22.3.** DENR Administrative Order (DAO) 1999 – 36, as amended by DAO 2004 -35 or the Regulations Governing the Administration, Management, Development and Disposition of Forest Lands Used for Grazing Purposes;
- 22.4.** DAO 1999 – 53, as amended DAO 2003 – 21 and DAO 2020-04, or the Regulations Governing the Integrated Forest Management Program;
- 22.5.** DAO 2004 – 28, as amended by DAO 2009 – 16, or the Rules and Regulations Governing the Use of Forestlands for Tourism Purposes;
- 22.6.** DAO 2004 – 29 or the Revised Regulations for the Implementation of Executive Order 263 Otherwise Known as the Community Based Forest Management Strategy;
- 22.7.** DAO 2004 – 30 or the Revised Rules and Regulations Governing the Socialized Industrial Forest Management Program;
- 22.8.** DAO 2004 – 59 or the Rules and Regulations Governing the Special Uses of Forestlands;
- 22.9.** DAO 2009-16 - Amending Certain Provisions of DENR Administrative Order No. 2004-28 Re: Rules and Regulations Governing the Use of Forestlands for Tourism Purposes (FLAgT);
- 22.10.** DENR Memorandum Order (DMO) 2011 – 02 or the Requiring Submission of Tourism Development Plan (TDP) Duly Approved by the Department of Tourism (DOT) and Comprehensive Development Management Plan for FLAgT Applicants; and
- 22.11.** DAO 2005 – 25 or the Guidelines in the Implementation of Upland Agroforestry Program.

SECTION 23. Separability Clause. If any provision of this Order shall be held invalid or unconstitutional, the other portions or provisions hereof which are not affected shall continue in full force and effect.

SECTION 24. Effectivity. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and upon filing of three (3) certified copies hereof with the Office of the National Administrative Register (ONAR) and the UP Law Center.

MARIA ANTONIA YULO LOYZAGA
Secretary



Publication: Manila Standard
June 12, 2025

Acknowledgement: ONAR, U. P. Law Center
June 13, 2025

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ANNEX A

APPLICATION FOR SUSTAINABLE FOREST LAND
MANAGEMENT AGREEMENT (SFLMA)

Application No. _____

The Regional Executive Director
Department of Environment and Natural Resources

Sir/ Madam:

In consonance with the provisions of P.D. No. 705, as amended, and all pertinent regulations in the matter, I/We hereby apply for Sustainable Forest Land Management Agreement, the particulars of which are as follows:

Approximate Area : _____

Location

Province : _____

Municipality/City: _____

Barangay : _____

Sitio : _____

Boundaries

North : _____

East : _____

South : _____

West : _____

I am volunteering the following information:

Name of the Applicant/ Representative:

Age: _____

Mobile No.: _____

Date of Birth: _____

Telephone No./ Fax No.: _____

Email Address: _____

For Corporation/ Partnership/ Association/ Cooperative/ People's Organization

Name of Corporation/ Partnership/ Association/ Cooperative/ People's Organization:

Address of the Corporation/ Partnership/ Association/ Cooperative/ People's
Organization"

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All application requirements as stipulated in the regulation are enclosed together with the required non-refundable application fee of PhP 10,000, and PhP100/hectare exceeding 100 hectares.

Other forest land leases/permits granted (existing, cancelled/transferred/expired) application filed by me, wife/husband or father/mother (specify):

Name of Tenure Holder	Relationship to the holder	Forest Tenure Name	Forest Tenure No.

I/We understand that the filing of this application does not convey the right to enter, occupy or develop the area applied for until an agreement has been issued to me/us by the Secretary of Environment and Natural Resources or his duly authorized representative. Submission of this letter implies that the required documents as enumerated in the checklist of requirements (Annex 1 – A) are herewith attached.

I/ We further understand that any false statement or information given herein shall _____ cause the rejection of this application.

The required fee which is **NOT refundable** is herewith enclosed.

Very truly yours,

(Applicant)/ Representative

Residence Certificate No: _____

Date Issued: _____

Place of Issuance: _____

Address: _____

REPUBLIC OF THE PHILIPPINES)

Province of _____ : S.S.

Municipality of _____)

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SUBSCRIBED AND SWORN to before me this _____ day of _____
Affiant exhibited to me his/her Residence Certificate Number _____ issued at
_____ on _____.

Doc. No. _____

Page No. _____

Book No. _____

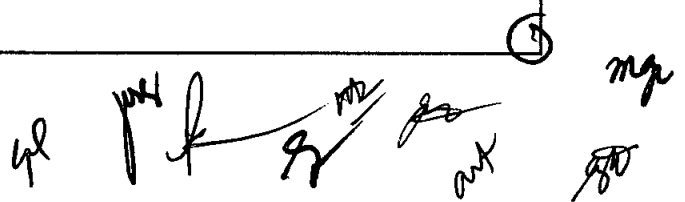
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Annex 1 – A

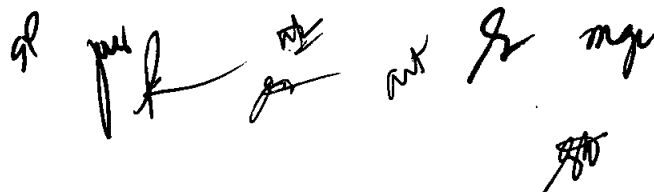
Checklist of Requirements for SFLMA

Check if complied	Application Requirements for SFLMA
	Letter of Intent with the duly accomplished Application form (see Annex A and 1-A).
	Proof of payment of Application Fee amounting to Php10,000 and Php100/hectare exceeding 100 hectares.
	GIS-generated map of the area applied using the standard mapping format of DENR, based on the Registry of Investment Areas pursuant to existing guidelines. Assistance from the DENR-Geospatial Database Office may be sought for this requirement.
	Proposed Development and Management Plan (PDMP) (see Annex B).
	Proof of Financial Capability (Annex 1-B) to undertake the SFLM operations as may be shown in a bank certificate of cash deposit, credit lines from any financing institution, or other generally accepted proof of financial capability in an amount equivalent to the capital expenditure and operational cost for the first five years of the Proposed Development and Management Plan (PDMP).
	Proof of Technical Capability to undertake activities indicated in the management plan in the area applied for, as follows: a. List of hired competent technical staff or commitment to hire or to engage the services of a technical staff; and b. If applicable, good past performance or track record in forest development and management.
	Proof of submission of the PDMP to the concerned LGU.
	Certification from CENRO/Implementing PENRO as to the land classification status of the area being applied for unless included in the list of DENR-released potential investment areas for forestry.
	Clearance from the Palawan Council for Sustainable Development (PCSD) if the area is located in Palawan.



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	Certification from the National Commission on Indigenous Peoples [e.g. Certificate of Non-Overlap (CNO)/Certification Precondition (CP)] if applicable.
	For individual applicants: Certified true copy of birth certificate or if applicant is a naturalized Filipino citizen, Certificate of naturalization
	For Corporations, Cooperatives, and Associations: a) Certificate of Registration from a registering agency; b) Articles of Incorporation and By Laws specifying in the purpose and objectives to include among others, the development of forestlands or relevant activities; c) Board Resolution authorizing any of the Officers to file and transact for the application of SFLMA; d) affidavit issued by the Corporate Secretary or other authorized Officer certifying the absence of an intra-corporate dispute; and, e) Certificate of good standing from the SEC or CDA, and f) Certificate of Registration from the BIR.
	For LGUs, National Government Agencies, Government-Owned and Controlled Corporations, and its Instrumentalities: a) Resolution issued by the LGU/Agency designating their authorized representative to apply or sign documents related to the application; and b) Certification or Resolution of favorable endorsement from the Agency Head for NGA/GOCC and LGU, respectively.
	For People's Organizations: a) Certificate of Registration from a registering agency (e.g. SEC/CDA); b) PO Resolution authorizing any of the Officers to file and transact for the application of SFLMA, and c) Sworn Statement/Affidavit by its President/Chairperson stating that the members are actually cultivating portions of the area applied and traditionally utilizing the resource for all or a substantial portion of their livelihood. People's Organizations that will develop the area under a development contract shall only be required to submit proof of technical and financial capabilities from the contracting party.
	Other applicable requirements:
	For water-production/related development projects, Clearance/Certification/Permit from NWRB;
	For energy related projects, Energy Service Contract/Certification of Energy Project of National Significance from the Energy Investment Coordinating Council;



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	Clearance from Civil Aviation Authority of the Philippines (CAAP) for communication station sites, transmission lines, and other related facilities which may require appropriate clearance from CAAP;
	Certificate of Non-Coverage (CNC) or Environmental Compliance Certificate (ECC) following the existing guidelines and procedures prescribed under the Environmental Impact Statement (EIS) System within one (1) year from the award of the SFLMA, as applicable; and
	All other appropriate government permits and certifications specific to the proposed activities.

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**ADDITIONAL CHECKLIST REQUIREMENTS FOR SFLMA Applications –
Financial**

Requirement	Source of Document
1. For Individual Applicants (Non-Business)	
a. Certification of Employment and Compensation (CEC) or Certification Under Oath of Source of Income	Agency/Employer Applicant
b. Latest Income Tax Return (ITR), if applicable	Employer Issuing Bank
c. Bank Statement (one year) of Proof of Checking Account under Applicant's Name	Applicant
d. Any of the following Identification Card:	
i. SSS/GSIS UMID ID	
ii. Passport	
iii. Driver's License	
iv. Any other government-issued ID	
e. Other pertinent documents that may be required by DENR	Business/Company
2. For Companies/Businesses/Organizations	Business/Company
a. Business permit for the current year	Business/Company
b. Secretary's Certificate or Board Resolution on the Authorized Signatory	Business/Company
c. Latest Audited Financial Statement	Business/Company
d. Latest Income Tax Return (ITR)	BIR
e. Tax Clearance	Issuing Bank
f. Bank Statement (three years) under the Company's Name	Business/Company
g. Any of the following Identification Card of the authorized signatory:	
i. SSS/GSIS UMID ID	
ii. Passport	
iii. Driver's License	
iv. Any other government-issued ID	
h. Other pertinent documents that may be required by DENR	

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ANNEX B

**GUIDELINES FOR THE FORMULATION OF SUSTAINABLE FOREST LAND
MANAGEMENT PLAN (SFLMP) AND ITS FIVE-YEAR PROPOSED
DEVELOPMENT AND MANAGEMENT PLAN (PDMP)**

- A. Sustainable Forest Land Management Plan (SFLMP)** is the document which provides the framework for the systematic development, management and utilization of Forest Lands under the Sustainable Forest Land Management Agreement (SFLMA). It indicates the sequential or simultaneous undertakings and their schedules, in developing and managing the SFLMA area.
- B. Proposed Development and Management Plan (PDMP)** - Plan prepared and submitted by the SFLMA holder for the approval of the Regional Executive Director, indicating among others, the general development of the area envisioned by the applicant, which may include the first five years of sequential or simultaneous undertakings and their schedules in developing and managing the SFLMA area.

The following guiding principles shall be considered in the formulation of SFLMP and PDMP:

- The SFLMP and PDMP should be within the concept of multiple use and sustainable forest management in development of the Forest land resources including its protection, improvement, rehabilitation of degraded ones and the conservation of soil and water and its biodiversity which will result to higher productivity and sustainability of the resources therein and provide greater economic and social benefit for the community.
- The integrated and holistic approach shall be considered in the formulation of SFLMP and PDMP.
- The management, development and utilization of Forest land resources shall provide equal opportunities for men and women to participate and share in attendant responsibilities and benefits.
- The management, development and utilization of Forest land resources shall be based on sound ecological and economic principles and adopting an environment – friendly technology.
- All existing natural forest cover within each SFLMA parcel shall be delineated and managed only for protection/conservation purposes.

The formulation/preparation of SFLMP and PDMP shall follow the outline prescribed hereunder:

- I. Outline in the Proposed Development and Management Plan (PDMP)

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A. Introduction

- a. Narrative presentation of the past use of the area.
- b. Management objectives for the five-year period based on the statement of policy and objectives

B. Description of the Area

- a. Size and Location of the Area
- b. Present status of the area based on:
 1. Vegetation
 2. Soil
 3. Climate
 4. Water supply
 5. Accessibility
 6. Existing improvement
- c. Socio-economic Impact

Discuss how the project directly affects or benefits the local community(ies) and the national government as well (e.g. employment and income by local residents, taxes showing the increased revenues of the municipal and national government etc.).

C. Management Aspects

- a. Organization
- b. Management Strategies/ policies

D. Technical Aspects

Project Activity, Description of production/ development site, and other items included in the proposed PDMP shall be considered in discussion/presentation. However, the presentation shall include the target and what development activities and improvement to be accomplished for the five (5) – year period.

E. Schedule of Activities

The schedule of activities for the five-year period shall be presented in a Gantt chart.

F. Financial Requirement

Present in detail the Project cost, sources of funds and the projected cash flow for the five-year operation.

G. Environmental Impact Assessment

Discuss the strategies to be carried out for environmental protection for the five (5)-year operation.

H. Annexes

- a. Map of the SFLMA area showing existing and proposed development and improvement activities, compartments, etc.
- b. Gantt chart showing the schedule of activities.

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II. Outline in the Preparation of SFLMP

- i. Title and Approval Sheet
- ii. Letter-size map of the SFLMA area
- iii. Table of Contents

- A. Summary of Plan (1-2 pages)

- B. Management Plan
 - a. Introduction
 1. Statement of general policy (Refer to the basic DAO)
 2. Management objectives (It must be specific, attainable, time-bound and within the objectives set by the DAO)
 3. Narrative presentation of past use of the Forest land
 - b. Description of the Area
 1. Location
 - 1.1 with reference to Sitio, Barangay, Municipality(ies) and Province(s)
 - 1.2 with reference to the administrative jurisdiction of the CENRO
 - 1.3 boundary of the areas under SFLMA
 - 1.4 Sub-boundaries
 - 1.4.1 block
 - 1.4.2 compartment
 - 1.5 With reference to adjoining SFLMA, if any
 2. Area size
 - 2.1 Area per Management Strategies (for Agroforestry, Forest Plantation, Grazing Development, Ecotourism, Protection Forest, Special Uses)
 - 2.2 Total area
 3. Vegetation cover of the area

Discuss the vegetation cover (i.e. brushland, grassland, open forest, closed forest, etc.) of the area indicating the existing flora and fauna within the area.

4. Topography

Indicate the topography of the area into three major categories: 1) 0-18%, 2) 19-50% and 51% and above including extent (area) covered by each of the slope categories.

5. Soil

Discuss the type of soil, texture, color, depth, fertility, soil erodibility and the parent material in the area.

6. Climate

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Discuss the climate of the area in terms of rainfall pattern to include the average total annual rainfall, monthly total rainfall, number of months dry and wet based from the rainfall records of nearest standard rainfall gauge.

7. Water Supply

Present the drainage pattern/system, indicating the creeks/rivers found in the area, whether it is perennial or intermittent. Indicate the possibility of using ground water as a source of water supply.

8. Accessibility

State the distance of the area to the nearest community or barangay and town proper, market facilities and actual condition of the existing road transportation facilities available. Include the communication facilities in the area.

9. Existing/Improvement

Indicate existing improvement and infrastructures in the area in tabular form, year started and completed, and its present condition in the map to be included also. Include the structure found in the adjoining area, if possible.

C. Development and Management System

a. Project Activity, Description of production/development, Site development and other necessary items included (based on management strategies) shall be included in this section. Said development and management in proposed PDMP shall be considered in discussion/presentation. However, the presentation shall include the target and what development activities and improvement to be accomplished for the five (5) – year period.

b. Infrastructure Development

Discuss the Infrastructure (permanent, temporary and other) to be introduced including roads to be constructed within the SFLMA area

c. Protection Plan

1. Weed management and control

Discuss the system in controlling/eradicating weeds

2. Fire protection, control and use

Provide general information on occurrence of fire/use of fire as a management tool in the area. Present the fire protection plan and prescribed/control burning

3. Illegal occupancy/squatting

Discuss strategies to be carried out to protect the area from illegal occupancy and squatting.

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d. Production Schemes and Marketing Strategy

In tabular form present the annual projected production/operation, including the marketing strategies.

D. Financial Requirements

Indicate the summary of financial requirements for the duration of the plan. Prepare a detailed projected cash flow for each major activity on a five (5) – year operational period. This estimate shows sources of funds and where the funds are to be used. This cash flow should be shown as one of the appendices/annexes.

E. Organization/ Management Aspect

- a. Organization
- b. Management Strategies
- c. Manpower Requirement - Present in tabular form the manpower requirements in carrying-out the activities indicated in the SFLMP.

F. Environmental Impact Assessment

Discuss the strategies to be carried out for environmental protection for the twenty-five (25)- year operation.

G. Annexes

- a. Map of the SFLMA area showing existing and proposed structural improvement and development; developmental activities; compartment, etc.
- b. Gantt chart showing the schedule of activities.
- c. Cash flow for its operation

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DAO RE: RULES AND REGULATIONS GOVERNING SUSTAINABLE FOREST LAND
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ANNEX C

Republic of the Philippines
Department of Environment and Natural Resources – Region _____

SUSTAINABLE FOREST LAND MANAGEMENT AGREEMENT (SFLMA) NO. _____

OF

(Name of SFLMA Holder)

(Location of Area)

This **AGREEMENT** made and entered into by and between the **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES** with postal address at _____ for and in behalf of the Republic of the Philippines, hereinafter referred to as the **DENR SECRETARY** and _____ with postal address at _____, herein after referred to as the **SFLMA Holder**.

WITNESSETH THAT:

WHEREAS, the establishment of forest tenure AGREEMENTs, is encouraged as government policy, to promote investments that optimize the use of forest lands and its resources for the continuous production of goods and services through multiple use strategy towards sustainable management of forests and forest resources, and to achieve a more equitable distribution of opportunities, income and wealth through the promotion of the well-being of forest dependent individuals and communities and an expanding productivity from natural resources as keys to raising the quality of life for all;

WHEREAS, private sector investors and community-based people's organization wish to invest their financial, technical and other resources to support the government's policies;

_____, Philippines, _____, 20__

For and in behalf of

SFLMA Holder

Witness

For and in behalf of the
DENR

DENR Secretary

Witness

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DAO RE: RULES AND REGULATIONS GOVERNING SUSTAINABLE FOREST LAND
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Republic of the Philippines
Department of Environment and Natural Resources – Region _____

WHEREAS, Presidential Decree. No. 705, as amended, Executive Order No. 278 and other related existing laws, rules and regulations place the development and utilization of the country's forest land and/or forest resources under the full control and supervision of the state and allow the state to enter into co-production, joint venture or production sharing AGREEMENTs with Filipino citizens or corporations;

WHEREAS, the **DENR SECRETARY** and the **SFLMA Holder** desire to enter into this **Sustainable Forest Land Management Agreement**, a production sharing AGREEMENT hereinafter referred to as **SFLMA**;

NOW, THEREFORE, for and in consideration of the foregoing premises and by virtue of PD No. 705, as amended, and of Executive Order No. 278, which prescribes the interim procedures in the processing and approval of applications for the development or utilization of forest lands and/or forest resources, the **DENR SECRETARY** of _____ hereby agrees to devolve to the **SFLMA Holder** the responsibility for managing _____ (_____) hectares of forest land located at:

Barangay/s : _____
Municipalities : _____
Province/s : _____

Philippines, hereinafter referred to as the **SFLMA AREA**, the description and boundaries of which are shown in the attached map which forms part of this **AGREEMENT**. This **SFLMA** shall remain in effect for a period of _____ years from _____ until _____.

This **AGREEMENT** shall be for the management and development of SFLMA area to increase forest cover, climate change mitigation and adaptation, reduce poverty, ensure food security, and biodiversity conservation of the country on a sustainable basis, and shall be subject to the following terms and conditions:

_____, Philippines, _____, 20__

For and in behalf of

SFLMA Holder

For and in behalf of the
DENR

DENR Secretary

Witness

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Republic of the Philippines
Department of Environment and Natural Resources – Region _____

Terms and Conditions for SFLMA Areas:

1. Within one (1) year from the date the **AGREEMENT** is entered into, the SFLMA holder shall:
 - 1.1 Delineate and mark on the ground the perimeter boundaries of the **SFLMA AREA** based on the land classification standard and established control points on the ground following the Universal Transverse Mercator (UTM) under the supervision of government foresters or other authorized agents of the **DENR SECRETARY**. After the final boundary delineation, the boundaries of the **SFLMA AREA** shall not be altered or modified, except when public interest demands or in the event that the **SFLMA Holder** fails to comply with the annual plantation establishment targets herein agreed upon by the **DENR SECRETARY** and the **SFLMA Holder**;
 - 1.2 Submit to the **DENR** a Sustainable Forest Land Management Plan (SFLMP) covering the **SFLMA AREA** for approval of the **DENR SECRETARY** or duly authorized representative. The Plan shall be based on the approved Indicative Development Management Plan and shall contain schedules describing the timing and nature of the development, management, protection and utilization of forest products therefrom, environmental protection, infrastructure development and community development arrangements with local communities and households dependent on the **SFLMA AREA**. Upon approval of the plan, it shall form part of this **AGREEMENT**, provided, that not more than every five (5) years from the date this **AGREEMENT** is entered into, the **SFLMA Holder** shall revise the Plan, if necessary and submit the revision for the review and approval of the **DENR SECRETARY**;
 - 1.3 Submission of Certificate of Non-Coverage (CNC) or Environmental Compliance Certificate (ECC) following the existing guidelines and procedures prescribed under the Environmental Impact Statement System (EISS) within one (1) year from the award of the SFLMA.

_____, Philippines, _____, 20__

For and in behalf of

SFLMA Holder

For and in behalf of the
DENR

DENR Secretary

Witness

Witness

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**DAO RE: RULES AND REGULATIONS GOVERNING SUSTAINABLE FOREST LAND
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2. The SFLMA Holder shall develop the area in accordance with the approved IDMP/ SFLMP.
3. The SFLMA Holder shall implement the mitigation/enhancement measures stipulated in the EIA report and comply with all the conditionalities of the Environmental Compliance Certificate (ECC);
4. The SFLMA Holder shall protect the natural and protection forests, if any within and adjacent to the SFLMA Area. Should there be an existing natural forest cover within the SFLMA Area, it shall be delineated and managed only for protection/conservation purposes.
5. The SFLMA Holder shall not alter or modify the boundaries of the SFLMA area, except when national interest so demands and/or upon mutual consent of both the DENR and the SFLMA Holder.
6. The SFLMA Holder shall pay the User's Fee to FMB or in the DENR Regional Office on or before May 31 of the succeeding year with the attached authenticated copy of Annual Audited Financial Statement or Income Tax Return, fully stamped received by the BIR. Failure to pay the user's fee on time shall mean a surcharge of 3% per month and failure to pay for three (3) consecutive demand notices shall be ground for cancellation of the SFLMA.
7. Submit to the DENR Annual Accomplishment Report on or before the end of March of every succeeding year.

_____, Philippines, _____, 20__

For and in behalf of

SFLMA Holder

Witness

For and in behalf of the
DENR

DENR Secretary

Witness

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8. The SFLMA Holder shall not cut trees, regardless of species in the SFLMA Area growing within protection forest such as but not limited to areas with slopes of 50% or over, or within twenty (20) meter-wide strips along the banks of rivers or streams; PROVIDED that all naturally grown trees within the SFLMA area shall likewise not be cut, and should be maintained and protected. Any such strips or areas that are bereft of trees shall be reforested by the SFLMA Holder who shall protect, maintain, and keep such areas permanently under forest cover using indigenous species.
9. Protect and conserve endangered flora and fauna found within the SFLMA area as identified under existing laws, rules and regulations
10. The SFLMA Holder shall protect the SFLMA area from forest fires and other forms of forest destruction, as well as from encroachment.
11. The holder shall strictly abide with the provisions of Ecological Solid Waste Management Act, Clean Water Act and Clean Air Act.
12. Prioritize the employment of indigenous peoples (IPs) and members of organized upland communities within the SFLMA area and vicinity, whenever possible.
13. Employ registered foresters as may be required in the development, management and protection of the SFLMA area.
14. The SFLMA Holder shall adopt measures to safeguard the health and security of men and women workers following national standards, creating equal opportunities, access, and benefit for all, regardless of age, gender, ethnicity and religious affiliation.
15. The SFLMA Holder shall not sublease the area or any portion thereof to any person or entity.
16. The SFLMA Holder shall not transfer, amend SFLMA nor enter into any **AGREEMENT** for the development of the area to any person or entity without the prior expressed and written approval of the RED.

_____, Philippines, _____, 20__

For and in behalf of

SFLMA Holder

For and in behalf of the
DENR

DENR Secretary

Witness

Witness

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17. The SFLMA Holder shall guarantee the free ingress and egress of the duly authorized representative of DENR for the purpose of research, monitoring, evaluation and other activities prescribed thereon.
18. If public interest requires, the holder shall allow the opening of portions of the area; if possible, along the periphery; Provided, that the person or entity granted the right-of-way shall pay the SFLMA Holder a reasonable compensation for any damage to improvements, if any.
19. The SFLMA Holder shall not impede, obstruct, or in any manner prevent the passage of legitimate licensees, lessees, permittees and/or other persons duly authorized by the DENR Secretary, by virtue of the management **AGREEMENT** herein granted and vice-versa.
20. The SFLMA Holder shall not introduce any improvement nor conduct any activities that will obstruct the free navigation of any stream, creek or river or marine coastal area adjoining or flowing through the area, or to prohibit or interfere with the passage of people along such streams, creeks or rivers or the banks thereof, or to impede the flow and the ebb of the tide to and from the interior of the swamps, unless authorized by the concerned agency.
21. The SFLMA Holder shall inform the DENR on any changes in the management ownership or capital stock of the company or corporation or transfer of a majority of the stock or shares of the company or corporation.
22. (For People's Organization,) An equitable Benefit-sharing Mechanism shall be developed and implemented.
23. In case of renewal, the SFLMA Holder shall file an application for renewal one (1) year prior to the expiration of the SFLMA.

_____, Philippines, _____, 20__

For and in behalf of

For and in behalf of the
DENR

SFLMA Holder

DENR Secretary

Witness

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24. In cases of non-renewal, pre-termination, cancellation of the **AGREEMENT** and dissolution of the corporation whether voluntarily or involuntary, the SFLMA Holder shall surrender the **AGREEMENT** to the DENR Secretary and to vacate the area within a period of six (6) months upon the expiration and/or cancellation of the **AGREEMENT**, subject to existing guidelines.
25. The SFLMA Holder may construct permanent infrastructure that are necessary in the development of the area in accordance with the approved SFLMP; provided that additional improvement not indicated in the SFLMP shall be subject to prior approval of the DENR Secretary.
26. The SFLMA Holder may remove any temporary or semi-permanent structures for a period not exceeding six (6) months upon expiration of the **AGREEMENT**.
27. The SFLMA Holder expressly acknowledges the right of DENR to file appropriate charges in accordance with the existing laws, rules and regulations.
28. The SFLMA Holder that entails the use of water on the SFLMA Area shall be required to submit a permit from National Water Resources Board (NWRB) or any concerned agencies.
29. The SFLMA Holder shall at all times recognize and respect the rights of indigenous cultural communities to their ancestral domains.
30. The **SFLMA Holder** shall:
- a. give notice of this **AGREEMENT** to all families and communities dependent on the SFLMA Area;
 - b. prepare, maintain and periodically update a register of all families and communities residing within or dependent on the SFLMA AREA, and furnish the concerned CENRO with a copy of the registry, including the periodic updates;
 - c. prioritize local people in employment opportunities;
 - d. respect the rights of the legitimate communities, and provide them assistance in developing their farms thru Agroforestry, training, marketing, as contract growers, forest protection and other aspects of forest management; and
 - e. abide by any conditions prescribed by the **DENR SECRETARY** with respect to the abode or livelihood of households and communities living in and/or dependent on the **SFLMA AREA**;

_____, Philippines, _____, 20__

For and in behalf of

SFLMA Holder

For and in behalf of the
DENR

DENR Secretary

DAO RE: RULES AND REGULATIONS GOVERNING SUSTAINABLE FOREST LAND
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31. The **DENR SECRETARY** shall, in cooperation with Local Government Units, assist the **SFLMA Holder** in the development and execution of **AGREEMENT** with households and communities dependent on the **SFLMA AREA**;
32. Upon the cancellation of this **AGREEMENT** through the fault of the SFLMA Holder, all improvements existing within the SFLMA Area shall revert to and become the property of the government. If a new **AGREEMENT** covering the area is executed by and between the DENR Secretary and another party, such improvements shall be appraised and the new SFLMA Holder shall compensate the government for them;
33. In the event of default or breach of any of the provisions of this **AGREEMENT** by either party, the other party may, by written notice to the party in default or breach, specify such default or breach and require that the same be remedied within thirty (30) days from receipt of such notice;
34. The herein terms and conditions shall be subjected to future changes/modifications if and when new/amendment of policies, rules and regulations that affect this **AGREEMENT** are promulgated by the **DENR**.

_____, Philippines, _____, 20__

For and in behalf of

For and in behalf of the
DENR

SFLMA Holder

DENR Secretary

Witness

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ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
SS

BEFORE ME, a Notary Public for and in _____, Philippines,
on the _____ day of _____, 20____, personally appeared the
following with their respective certificate opposite their names:

ISSUED	NAME	COM.TAX CERT. NO.	DATE/PLACE
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Known to me to be the same persons who executed the foregoing
instruments, and who acknowledged to me that the same is their free and
voluntary act and deed, as well as the free and voluntary act and deed of the
entities represented herein.

This instrument, which is the Sustainable Forest Land Management
Agreement No. _____, consists of nine (9) pages including this
page when the ACKNOWLEDGEMENT is written, and is signed by the parties
and their instrument on each page thereof.

WITNESS MY HAND AND SEAL, at the place and on the date written
above.

Notary Public

Until _____
PTR No. _____
Date Issued: _____
Place Issued: _____

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

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ANNEX D

PROVISIONARY PERMIT
NO. _____

(Name of Holder)

(Address of Holder)

In consonance with Department Administrative Order No. _____ dated _____ signed by the DENR Secretary and other existing laws and regulations, a Provisionary Permit is hereby granted to _____ / represented by _____ (if the applicant is a juridical person), of legal age, and a resident of _____ to temporarily occupy and conduct feasibility study/ies on _____ hectares of forestland located in Sitio(s) _____ of _____ Barangay(s) of _____ Municipality(ies) of _____ Province(s) of _____, the boundary and description of which are shown in the attached map which form part of this Permit.

This Permit is subject to all existing laws, rules and regulations as well as those which may hereafter be promulgated, and the following terms and conditions:

1. The holder may proceed with the conduct of the feasibility study of the area being applied for energy projects;
2. The holder shall manage, maintain and protect the area against any form of unlawful activities;
3. The boundary of the land covered by this Permit is not yet final and subject to change as may be deemed necessary in the course of the issuance of the SFLMA;
4. The holder may be allowed to introduce temporary improvements in the area; and
5. The holder shall ensure compliance with the herein terms and conditions of the Permit.

This Permit is non-renewable and shall expire on (end of two-year period). It shall automatically be terminated upon the completion of the feasibility

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**DAO RE: RULES AND REGULATIONS GOVERNING SUSTAINABLE FOREST LAND
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study. Provided that, no violation of existing laws, rules and regulations was incurred within the duration of this Permit.

Issued on _____ at

DENR SECRETARY

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**DAO RE: RULES AND REGULATIONS GOVERNING SUSTAINABLE FOREST LAND
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study. Provided that, no violation of existing laws, rules and regulations was incurred within the duration of this Permit.

Issued on _____ at

DENR SECRETARY

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