

**Forest Resource Management Component  
Natural Resources Management Program I  
LESSONS AND EXPERIENCES**

**Conclusion and Lessons Learned**

Experience in the implementation of the various NRMP's policy actions suggested that sharpening the focus of NRMP and providing a more unified and cohesive implementation strategy was a necessary condition in achieving program impacts. For a more integrated program implementation, the program was redesigned that gave emphasis on the following areas: focus of the program; definition of goals and objectives; identification of policy actions and how they interrelate with one another; specification of targets and outputs; implementation strategy; and provision of a feedback mechanism.

Evidently, understanding the linkages among the various policy actions and their synergy, and consequently, implementing them as a set of reinforcing and well-coordinated policy actions will enable the program to have a more positive and directed impact. A well-coordinated implementation requires a common understanding of the expectations from each work element/task and how they interrelate with each other among implementers. The different teams involved in the implementation of the various tasks/work of the program could be more effective in leading the program towards its goals and objectives if linkages and interrelationships of the policy actions being pursued are well appreciated.

Among the anticipated impacts of the program are: a) development of a system for the sustained management of 3.4 million hectares of second-growth forests; b) greater private sector investment and international competitiveness of wood processing industries; c) privatization of inefficient wood and wood processing parastatals; and d) market-determined pricing of natural resources.

**Environmental Assessment**

The Environmental Assessment (EA) was a pilot exercise to examine the indirect impact of five (5) out of eight (8) policy actions of the NRMP program. In addition, the EA was designed to enhance public participation in the assessment process and assist in the redesign of the original NRMP policy program. The EA was carried out in three (3) phases: a) scoping; b) analysis; and c) environmental action plan.

Scoping results suggested that highest priority be given to the program-wide issues and areas where environmental risks could result in each of the five policy actions subject to EA. The issues identified were:

- Limited DENR implementation capability

- Unanticipated cross-policy interactions
- Increased forest charges – more effective and environmentally sound alternatives may be available that can reduce dependence on unestablished mechanisms.
- Residual forest management – selective logging systems may lack sufficient management basis, features, and guidelines; may not represent best use; and may fall to promote environmentally sound and sustainable utilization.
- Forest industries deregulation – alternatives to NRMP-proposed measures that can provide more effective and environmentally sound incentives to increased investment and sustainable management may be available.
- Old-growth logging ban implementation – prolonged implementation may erode ban benefits and carry high risk of interim forest loss; ban associated measures may be inadequate, ineffective and environmentally unsound.
- Increased tenure security – NRMP-associated tenure actions and instruments may lack sufficient environmental provisions.

## **Policy Reform**

As a policy reform-driven program designed to support ecologically sound long-term economic growth in the Philippines, considerable achievements have been made on the implementation of the following eight (8) policy actions:

### ***Policy Action No. 1 (Increase tenure security to encourage private investment in sustainable forestry management)***

The policy action no. 1 is intended to reach three (3) distinct forest users: the Indigenous Cultural Communities (ICCs), the upland migrant farmers, and the TLA holders.

### ***Policy Action No. 2 (GOP collect substantially larger percentage of economic rents of timber harvested on forest concessions)***

Under this policy action, the government hopes to collect a substantial percentage of the forest rent to create incentives for careful and efficient extraction, and greater efficiency in forest products industries.

### ***Policy Action No. 3 (Revoke or amend regulations that restrict the efficiency or competitiveness of the forest industry)***

This policy action aims to promote efficiency and encourage adaptation within the changing forest resource conditions.

***Policy Action No. 4 (Encourage private investment and competition in sector by divesting/liquidating parastatals and/or GOP equity/assets in forest enterprises)***

This policy action aims to promote the efficiency and competitiveness of the forest industry by divesting/liquidating GOP equity/assets in forest enterprises. GOP acquired most of these assets as a result of foreclosure on loans owed to Government Financing Institutions (GFIs). To achieve this policy objective, GOP, through the Asset Privatization Trust (APT) and the Commission on Privatization (CoP) has actively pursued its privatization program to expeditiously dispose and privatize certain government corporations and/or equity/assets thereof.

***Policy Action No. 5 (Preserve remaining old growth forests (OGF) and the biodiversity contained therein)***

Policy Action No. 5 calls for the preservation of the remaining old-growth forests and the biodiversity contained therein. It is an affirmation of the strong commitment of the GOP to finally stop the wanton destruction of forest resources.

***Policy Action No. 6 (Rationalize DENR management of residual forests and provide adequate financial resources to carry out its mandate)***

This policy action is intended to come up with sustainable management strategies and options for residual forests where the logging activities have shifted from the old growth forests.

***Policy Action No. 7 (Facilitate technology development and transfer in forestry management and preservation plus wood processing)***

This policy action presupposes that an effective generation, dissemination, and utilization of appropriate technologies will contribute to equitable and sustainable forest resource management and efficient forest products utilization.

***Policy Action No. 8 (Increase local community and NGO participation in forestry management)***

The purpose of this policy action is to increase local community and NGO participation in forestry management. The strategy used to effect this policy action is through Community Forestry Program (CFP) whereby the community is directly involved in resource management with the assistance primarily of non-governmental organizations (NGOs).

## ***Monitoring, Evaluation, and Audit***

This Monitoring, Evaluation and Audit component monitored the GOPs progress towards the agreed-upon performance indicators and implementation actions for the program. It conducted monitoring and assessment function in the following areas:

- a. *Policy Implementation Monitoring* focused on GOPs compliance with policy reform actions necessary for disbursement of program funding.
- b. *Verification of Policy Implementation* was concerned with the extent of actual, on-the-ground implementation of NRMP's policy and regulatory changes.
- c. *Policy Assessment* determined the soundness of the policy reforms for achieving the overall program purposes, i.e. whether or not the policy reforms produce the intended effects during program development.

The following are the highlights of the policy implementation monitoring and assessment results:

### *On Policy Action No. 1 (Land/Resource Tenure)*

The significance of DAO No. 2 can gain headway through the passage of a law on ancestral land/domain that embodies the same spirit and principles underlying DAO No. 2. The irreversibility of tenure instruments for CADC and CALC and the concomitant rationalization of varied tenure instruments into a unified whole could be the direction that Policy Action 1 could take. Likewise, social experimentations on the use of other structures (e.g. cooperative) and arrangements (e.g. benefit-sharing in IFMA) that will redound to the benefits of people/communities are to be encouraged. However, a close monitoring of these structures/arrangements is crucial if indeed the gains will have to be equitably shared by the people/communities. The possibility of a return to a system where accountability is almost nil, if not totally absent, should be avoided at all cost.

### *On Policy Action No. 2 (Forest Charges)*

The present system of collection of forest charges is beset with opportunities for shortchanging the government of its legitimate forest revenues through underreporting, and/or miscategorizing of forest products. An effective monitoring system should be developed to provide necessary and timely information for further improving the system of collecting forest charges. In

the long term, the policy area should envision setting up a system of pricing or forest rent which is based on the management unit rather than on the individual products derived from the forest. This is in consonance with the present trend of managing the forest as an integrated unit or land-based management system as indicated by the thrust for the conservation and development of residual forests under NRMP.

*On Policy Action No. 3 (Forest Products Industry)*

Regarding Policy Action 3, it was early recognized that the exit and entry of individual firms was not the main problem with forest regulations. Rather, the prospect of a commercial logging ban, and the uncertainty surrounding the forestry sector are far more significant to forest investments than barriers to entry. Other historically-determined constraints which were not directly considered within the Policy Action 3 framework which have an important bearing on improving prospects for forest products industries include two (2) broad factors: a) low timber supply due to tenurial insecurity, and b) the wood-based industries characterized by inefficiency and decreasing competitiveness in the world market. It is recommended that an overall strategy be developed that recognizes the links among forestland tenure management, investment, and industry efficiency.

*On Policy Action No. 4 (Privatization)*

In light of the achievement of the Performance Indicators, and in view of the lack of government participation or remaining operating assets in forest products industries, there is no further need for efforts to privatize forest products industries. Further efforts to encourage private investment and competition in the forest products industries sector should focus on improving the regulatory environment within which these industries operate. Until the forest products industries face an uncertain future, organizations and individuals will be unwilling to make substantial financial commitments in such an investment climate.

*On Policy Action No. 5 (Old Growth Forests)*

The development and implementation of management and protection plans for OGF needs to be accelerated. The identification and ground demarcation of OGF are futile without an honest-to-goodness protection program. A thorough and careful study of devolving the management of OGF areas to LGUs should be initiated. The provisions of the LGC should be looked into to determine the weaknesses and prevent the misuse of the LGC to the detriment of OGF. The economics of OGF management and protection should also need to be studied as inputs for future policy action.

*On Policy Action No. 6 (Residual Forests)*

There is a need to reexamine the entire process of generating sustainable Resource Management Plan (RMP) for residual forests since the planning procedure being established entails considerable costs. In a planning exercise where the propensity to collect information is high, there is a difficulty in maintaining a good balance between the needed biophysical and socio-economic information and holding the cost down to an effective minimum. While there seems to be an overload of socio-demographic information, the framework of integrated data analysis, the criteria/standards for generating and evaluating management options/strategies and the relationship of the biophysical and socioeconomic components are not clearly defined. Further, the participatory approach to planning was limited to local community consultations. Hence, there was apparently no significant participation of prospective beneficiaries and actors of implementation in the formulation of plan. It is therefore recommended that database requirements and establishments be dictated largely by the management objectives which vary from one area to another rather than by a uniform pre-formatted framework for all areas. Appropriate tenurial arrangements should also be carefully studied and developed which will greatly help in defining more clearly the management objectives, the database requirements, and the framework of integrated data analysis and generation of management strategies.

*On Policy Action No. 7 (TDT)*

A cursory examination of the budgetary allocations for TDT activities reveals that there is more emphasis given on generative research over adaptive research and technology transfer. This is in spite of the availability of NRMP relevant technologies that are either in the adaptation stage or are already mature and ready for transfer or commercialization. Moreover, research strategies generally seem to be scientist-centered. There is hardly any attempt to involve expected clientele or beneficiaries in the research process. Scientists/researchers should be encouraged to adopt a participatory research strategy involving as much as possible the research clientele. This is one way of accelerating the rate of adoption or utilization of information and technologies generated by research.

In terms of sustainability, there is an apparent lack of concern for institutional strengthening. It is generally recognized that the present institutional mechanism at the central and local levels to sustain the effective delivery of TDT programs, particularly, technology transfer are inadequate.

*On Policy Action No. 8 (Community Forestry)*

A forest management regimes that are scale-sensitive as well as location-specific need to be studied. These refer to the management models to be developed from the lessons learned generated from the different pilot sites

established in selected regions. For example, models might evolved for family-ventures, community-based cooperatives, and medium to large-scale corporate models. Likewise, planning should take into consideration the specificity and variations of the resource base. This means that while a general framework can be drawn to achieve sustainable forestry management, these plans can vary depending on distinctive peculiarities of the resource base.