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## **PROJECT PROFILE**

Name of Project	:	Forest Resources Management (FRM) Component
Contract No.	:	492-0444-C-00-5073-00
Project Type	:	Upland Forest Ecosystem Management
Total Project Cost	:	Grant - US\$38,814,653 Million GOP Counterpart- ₱36.6356 Million
Program Duration	:	1990 – 2002
Project Started	:	Phase I - September 1990 -1995 Phase II - April 1995 – December 2002
Implementing Agency	:	DENR
Oversight Agencies	:	NEDA, DBM
No. of Project Sites	:	85 (completed) 92 (assisted)
Regions Covered	:	R2, 4a, 4b, 5, 10, 11, and 13
Provinces and Municipalities Covered	:	( <i>Cagayan Valley</i> ) Sta. Ana, Baggao, Gonzaga, Sanchez Mira, ( <i>Nueva Vizcaya</i> ) Lower Magat, ( <i>Quirino</i> ) Nagtipunan, Aglipay, ( <i>Isabela</i> ) San Guillermo, Ilagan, Tumauni, Cabagan, San Pablo, Maconacon, ( <i>Aurora</i> ) Casiguran, Dinalungan, Ma. Aurora, Dipaculao, San Luis, ( <i>Nueva Ecija</i> ) Gabaldon, ( <i>Quezon</i> ) Mauban, Atimonan, Pagbilao, Guinyangan, Calauag, ( <i>Palawan</i> ) Aborlan, Narra, Puerto Princesa, Bataraza, Rizal, Roxas, Taytay, ( <i>Camarines Norte</i> ) Mercedes, Basud, ( <i>Camarines Sur</i> ) Lupi, Sipocot, ( <i>Misamis Oriental</i> ) Claveria, Gingoog, ( <i>Bukidnon</i> ) Talakag, Pangantucan, Kalilangan, Malitbog, Maramag, ( <i>Davao Norte</i> ) Kapalong,

(*Compostela Valley*) Laac, Pantukan, Compostela, New Bataan, (*Davao Sur*) Malita, (*Davao Oriental*) Cateel, BanayBanay, Mati, Lupon, Tarragona, (*South Cotabato*) Tupi, Lake Sebu, (*Sarangani*) Kiamba, Maitum, (*Agusan Norte*) Jabonga, Kitcharao, (*Agusan Sur*) Bayugan, Prosperidad, (*Surigao Sur*) San Miguel, San Agustin, Marihatag, Lianga, Carrascal, and Lingig

Ethnicity of Participants :

Ifugaos, Ilocanos, Ibanags, Bugkalots, Igorots, Ilongots, Yogads, Gaddang, Aeta, Isneg, Itawes, Pangalatoks, Dumagats, Kalinga, Itnegs, Tinggians, Tagbanua, Batac, Palawan, Bicolanos, Higaonon, Mamanua, Bisaya, Mandaya, Manobo, T'boli, Ubo, Tagkaolo, Surigaonon, Bol-anon, and Ilonggo

## EXECUTIVE SUMMARY

NRMP II has brought changes the way the Forest Resources Management (FRM) component was implemented. While NRMP I was solely focused on policy studies and development, NRMP II included project level interventions through establishment and expansion of community-based forest management areas in Regions 2, 4a, 4b, 5, 10, 11, and 13. Based on the Strategic Objective (SO4) under the Philippines-USAID agreement, the FRM was designed to deliver the following expected outputs:

- Development and/or establishment of enabling environment that would promote Sustainable Forest Management in the country; and,
- Put under management at least 500 thousand hectares of residual forestland in manner that it is ecologically, economically, and socially sustainable.

The policies developed by the FRM led to adoption of CBFM as the national strategy to forest management and laid the foundation for its implementation. July 1995 marked the biggest twist in the country's forest management history when then President Fidel V. Ramos signed NRMP-initiated Executive Order (EO) No. 263 that established CBFM as the official policy of the Philippine government for sustainable forest management. EO 263 commenced all the policy initiatives of NRMP while strategies and activities were realigned to respond to the changing requirements of the CBFM program. Subsequent policies relevant to the implementation of CBFM program were issued.

The passage of the FRM-initiated Executive Order 263 and its Implementing Rules and Regulations, provided the backbone for the adoption of the Community Based Forest Management (CBFM) Program in the country. This policy provided the basis for the realignment of the FRM targets towards supporting the promotion and institutionalization of the CBFM Program. As a result, the expected outputs contained in the Philippine-USAID agreement under the Strategic Objective (SO4) and in the logical framework of Forest Resources Management component were all centered on the formulation of CBFM policies, institutional development, as well as in the provision of technical assistance to communities and expansion of coverage of the CBFM areas. Along this line, NRMP has contributed in different areas to promote CBFM program implementation.

As a result of FRM efforts in simplifying and decentralizing tenure issuance and in creating policy and institutional environment supportive of community-based forest management, the original FRM physical targets of 500,000 hectares have been surpassed. A total of 532,771 hectares representing a total of 85 communities were issued with tenurial instrument and management plans developed and/or affirmed which is 12% higher than the expected target output.

## I. PROJECT DESCRIPTION

### 1. Rationale

The Philippines, like many developing countries, faces a dwindling natural resource base upon which to build the economic development aspirations. The continued decline of forest resources which is estimated to about 100,000 hectares per annum has been continuously threatening the remaining forest resources of the country. From almost 30 percent of the Philippine's land surface during 1970, the forest has been reduced to only about 15 percent two (2) decades later, with most of the remaining forests logged over. Although there exists in the country promising silvicultural methods for the sustained management of the country's forest, the resource continued to be depleted at an alarming rate.

Along with its neighboring Southeast Asian nations, the Philippines also faces high population pressure that accelerate decline in environmental quality while increasing the need for economic progress. There are approximately twenty (20) million Filipinos living in the upland areas; although officially classified as forest lands, most of these areas are degraded scrub and pasture. This situation can be attributed to the old logging concession system which does not provide incentives for long-term forest management. The abandoned lease holdings of concessionaires leave a network of roads that allowed open access to landless migrants from the lowlands.

Confronting this challenge head-on, the Philippine government, through the Department of Environment and Natural Resources (DENR), began in 1990 to develop a community-based forest management program that provide security of tenure to communities living in the uplands, along with the responsibility for land and forest stewardship. This had been the task of the NRMP-Forest Resources Management Component, which was originally design to address concerns of continuous degradation of forest resources through policy reforms that will enhance the ecological and economic sustainability of the forest resources in the country.

Following the strategies highlighted in the DENR-initiated Philippine Strategy for Sustainable Development (PSSD), it articulated the need to view environmental protection and economic growth as mutually compatible. The following strategies were used as bases in designing the Forest Resource Management Component of NRMP to overcome constraints that impede economic growth in the natural resource sector:

- *Integration of environmental considerations in decision-making.* Sustainable development means that environmental considerations become an explicit component of economic policies.

- *Reforms on Property Rights.* The so called “tragedy of the commons” occurs when every individual has “open access” to forest and other natural resources because of unclearly defined ownership. A clearly defined use rights and secured tenure are strong incentives for long-term resource management and protection of the forests by individuals and stakeholders.
- *Rehabilitation of Degraded Ecosystems.* Given the massive loss of resource productivity over the last several decades, the rehabilitation of degraded ecosystems is another valuable development strategy. This requires serious efforts on the scale and level of intensity sufficient to reforest the denuded watersheds.
- *Population Issues.* Because population growth is considered both an engine and constraint to economic development, population concerns must be well integrated into the overall strategies for sustainable development. This requires not merely controlling population numbers, but also improving health, education and employment opportunities. Ideally, future population growth should be directed towards less densely inhabited regions and to less environmentally sensitive areas.
- *Inducing Economic Growth in Rural Areas.* The presence of millions of Filipinos living in or adjacent to upland watershed, production forest, national parks, and other resource areas suggest that rural communities are the powerful force in sustainable natural resource management. To make communities partners and instruments in sustainable management, this means giving them greater participation in planning and/or decision-making including project implementation; creating mechanisms to channel and/or plow back earnings from natural resources to local government units, and eliminating economic and public investment policies that are disadvantageous to the rural sector.
- *Promotion of Environmental Education.* The likelihood of sound political decisions in the area of natural resources is enhanced by a widespread public knowledge of current and future environmental issues. It is also essential to make more progress on studies in environmental science, natural resources management, and natural resources economics.
- *Constituency Building and Citizens’ Participation.* Prospects for the success of such strategies will be enhanced by greater public participation in decisions affecting natural resources. According to PSSD, one important lesson being learned about environment and

economic development in the Philippines is that, “participation is a decisive factor” (DENR, 1990).

With this perspective in mind, FRM initial work focused on establishing enabling conditions like tenurial rights that would allow organized communities to manage the land and resources within their defined area. A few pilot sites were established to test different practices and forms of community stewardship. Some were enterprise-driven, while others used forest protection as their primary objective.

In the broader sense, the strategies to achieve results were done through strengthening the national capability to formulate and implement effective policies and procedures, while enhancing the roles of non-government organizations (NGO's), communities, the private sector, and the local government units to protect the environment and sustainably manage natural resources. A community-based natural resource management approach has been used to organize efforts to protect and regenerate Philippine forest.

## **2. Identification, Preparation and Appraisal**

Following the USAID guideline for selection of contractors/technical assistance team, the Development Alternatives, Inc. (DAI) was chosen to provide technical assistance for the implementation of NRMP II. The TA team established field offices in regions 2, 4b, 10, and 11. The central office technical assistance team covered regions 4a and 5, while region 10 TA field office also covered region 13 in providing technical services. At the project level, the TA worked in close collaboration with the DENR and LGU counterparts to assist communities in obtaining the Community Based Forests Management Agreements (CBFMAs) and implement its terms and conditions.

In the selection of CBFM sites, the presence of residual forest was considered one important criterion to respond to the Program's sub-results requirements of increasing the area of residual forest issued with tenurial instruments. The basic premise includes the sustainable management of residual forest through enhanced participation and capacities of forest-dependent communities.

## **3. Objectives and Scope**

The overall goal of NRMP is to help establish a foundation for sustained ecological and economic growth in the Philippines through policy reforms in the protection and management of natural resources. Specifically, the FRM goal is to improve forest resources management practices through participatory management. The implementation of NRMP-Forest Resources Management Component is guided by its long-term objective of promoting

ecologically sound economic growth in the country. The contribution of the Forest Resources Management Component (FRM) is to complement on-going initiative in the management of natural resources and to address the crucial linkages that exist between sustainability of forest and coastal ecosystems.

Under Strategic Objective No. 4 - Enhanced Management of Renewable Natural Resources, the FRM component is expected to put in place: a) at least 500,000 hectares of residual forest under the community-based forest management and protection, and 2) policy environment that promotes sustainable forest management through policy and institutional reforms. This is indicated in *Figure 1* where FRM indicators are shown.

Output indicators include: a.) management plans developed and implemented for at least 500,000 hectares supported by tenurial instruments such as CBFMA, CADC/ADMP, IFMA and/or other new types of forest management agreements whichever is applicable; b) development and implementation of a system of fees and charges stimulating investment in and long-term commitment to sustainable forest management; c) design and implementation of a simplified system to transfer management of forest lands to communities and private corporations; d) establishment of policies and integrated management systems to improve management and use of timber and non-timber forest products by communities and forest-based industries; and e) legislated revision of the forestry code.

#### **4. Components**

The NRMP's logical framework presented three key elements for the Forest Resources Management Component, to wit:

**Forest Policy.** This element comprised the development of a sound policy framework for Sustainable Forest Management in collaboration with LGUs, communities, NGOs and the private sectors.

**Community Forest Management.** This includes provision of assistance to communities in the development and implementation of an economically sound sustainable forest management system. The strategy that was adopted is the Community based Forest Management Program, developed based on E.O. 263 issued in July 1995 by then President Fidel V. Ramos. Assistance to communities include provision of support services which include assistance on enterprise development activities, and PO strengthening and capability building.

**Institutional Development.** It is aimed at formulating systems and procedures that promote sustainable forest management and strengthen institutions responsible in the management of the country's forestland and resources.

## 5. Implementation Arrangements and Schedule

The Forest Resource Management (FRM) component started in April 1995 and ended in December 31, 2002, while the Technical Assistance Team's (DAI) contract was completed in September 1999.

## 6. Cost and Financing Arrangements

NRMP is basically a technical assistance Program where grant funds are directly administered by the technical assistance teams contracted by USAID to assist the GOP in the implementation of the Program.

Table 1 shows the financial realignment of NRMP implementation from a budget program support to project type mode with expanded program coverage including coastal resources component and industrial environment, and extended program completion date from 1995 to 2002.

Table 1. Natural Resources Management Program Financial Plan

Element/Activity	Obligations Per Grant Amendment No. 6	New (add'l) Funding	Revised Obligations (USAID)	GOP Contribution Per Grant Amendment No. 6	Revised Grant Amendment No. 7 (GOP Counterpart)
A. Policy Reform	\$35,000,000	\$0	35,000,000	\$26,748,805	\$26,748,805
B. Resources Protection	\$17,947,694	\$0	17,947,694	\$0	
C. Support Services				\$6,651,195	\$9,886,388
1. Forest Resources Mgt.	\$34,624,278	\$4,190,375	38,814,653		
2. Coastal Resources Mgt.	\$21,016,028	\$0	21,016,028		
3. Industrial Environmental Mgt.	\$8,168,000	\$0	8,168,000		
D. Monitoring, Evaluation and Audit	\$6,906,900	\$0	6,906,900	\$0	\$0
<b>TOTAL</b>	<b>\$123,662,900</b>	<b>\$4,190,375</b>	<b>\$127,853,275</b>	<b>\$33,400,000</b>	<b>\$36,635,193</b>

The total budget for NRMP increased from US\$158.4 million to US\$164,488,468, broken down as follows:

Grant : US\$ 127,853,275  
 GOP : 36,635,193

There is an additional grant fund infused for Phase II amounting to \$4,190,375.

## II. IMPLEMENTATION ACHIEVEMENTS

### 1. Implementation Strategies

FRM has provided the landmark to further revolutionize Community Based Forest Management (CBFM) as the national strategy in sustainable forestland management in the country. Major efforts on FRM implementation related to institutional reforms and development used the following strategies to facilitate the achievement of the FRM's desired outcome. Most of these strategies are products of the policies facilitated and developed by FRM, which are acknowledged as catalyst in the effective implementation of CBFM Program. These are as follows:

**Decentralization** of decision-making to DENR regional, provincial, and community officials. This decentralization of authorities was achieved through the issuance of DAO 96-29, providing for the Implementing Rules and Regulations (IRR) for Community Based Forest Management.

Approvals for tenure instruments and plans have been devolved from the Office of the Secretary, which held all responsibility in the past. The CBFMA's covering an area up to 5,000 hectares can be approved by the PENRO, and up to 15,000 hectares by the DENR Regional Executive Director. This significantly increases the efficiency of the approval process.

The affirmation of the Community Resource Management Framework (CRMF), the community's management plan, is now with the CENRO regardless of size of the CFMA area. In the past, the Secretary's signature was required on all management plans.

**Devolution through Partnership** of functional authority over community forest areas to local government units (LGU). The Joint Memorandum Circular 98-01, *"Manual of Procedures for DENR-DILG-LGU Partnership on Devolved and Other Forest Management Function"* developed by NRMP emphasizes the roles of LGU in forestland management and the mechanism for joint strategic planning and co-management agreements.

**Simplification and Consolidation** of all social and community forest management activities under one Community based Forest Management Program and Office. This was also addressed through the issuance of CBFM Implementing Rules and Regulations.

**Strengthening and/or Retooling** POs and DENR in preparation for implementing community forest management agreements. NRMP-FRM led CBFM efforts to orient and inform forest communities at all levels and divisions of DENR as well as local government units (LGUs) regarding the different aspects of Community Based Forest Management Program.

Orientation includes educating CBFM participants and other stakeholders on all program rules, regulations, procedures, and instruments including preparation for exercise of newly delegated and devolved authorities. Strengthening, on the other hand, includes in-service training using participatory design and implementation processes emphasizing regional priorities, and assisting DENR to increase its human resource capability including the development of CENRO Academy Curriculum.

In view of the sustainability and institutionalization of the project, early handling over of responsibilities for CBFM site development and support activities to DENR and LGU field staff were done, through FRM Technical Team and Project Management Office staff adopting the “coaching” and/or “backstopping” approach. FRM assisted DENR staff at different levels to take pro-active participation in field implementation, IEC, and in CBFM policy review, throughout the project.

**Reduction of “Non-Tariff Barriers” Restricting Sustainable Forest Management.** NRMP has drafted and demonstrated the necessity of simplified procedures appropriate to community structures.

The original Community Resource Management and Development Plans (CRMDP) for the People's Organizations required by DENR were highly complex requiring competence of professional foresters. The management plan requirements and procedures as revised by NRMP are much simpler and more appropriate to forest communities.

FRM has also designed simplified procedures for Environmental Impact Assessment (EIA), Initial Environmental Examination (IEE), and approval of Resource Use Permits (RUP) appropriate for the permitting requirements on community-based managed forestlands. The output is a user-friendly manual of simplified EIA, IEE, and RUP processes for participating CBFM communities.

## **2. Physical Accomplishments under the CBFM Program**

As a result of FRM effort in simplifying and decentralizing tenure issuance, and in creating policy and institutional environment supportive of community-based forest management, the original FRM physical target of 500,000 hectares have been surpassed. A total of 532,771 hectares representing a total of 85 communities issued with tenurial instrument and management plans affirmed have been accomplished by the Forest Resources Management component. This is about 12% higher than the target set for the project. Of this total, 232,000 hectares consist of the Certificate of Ancestral Domain Claim areas, and the rest with Community Based Forest Management Agreements.

Other initiatives include technical assistance in the preparation of Integrated Protected Area Plan for two National Parks, the Mt. Matutum National Park in South Cotabato, and Bicol National Park. The details of project interventions are indicated in *Annex Tables A and B*.

The transfer of jurisdiction over CADC areas after the passage of Indigenous Peoples Right Act (IPRA Law) had affected the FRM's delivery of assistance to participating CADC holders. Though management plans have been prepared for each of the CADC area assisted by FRM, there were not enough follow-on assistance provided, as transition controversies and jurisdictional issues hounded the National Commission on Indigenous People (NCIP) and the DENR. Delivery of services was also stalled when IPRA Law was petitioned in the Supreme Court as to its constitutionality.

### **3. Policy Development**

Building from the participatory approaches and technologies that were developed under RRDP, NRMP-FRM has catalyzed the evolution and development of Community Based Forest Management Program in the country. It has also helped in testing and refining the CBFM strategy in open access forestlands in six (6) of the country's thirteen (13) regions.

NRMP-FRM worked with DENR in testing the Community Forestry Program (CFP) while working out improvements in some of the technical regulations and procedures. CFP was adopted by DENR in response to the urgent concerns to put a management system into place for forestlands that were under cancelled, expired, and suspended Timber License Agreements (TLAs) status. These open access forestlands were the "hotspot areas" of illegal cutting and harvesting activities for several years. Through its assistance to CFP, NRMP helped DENR in organizing communities in and near the open access forestlands with the expectation that CFP-tenured stakeholders would protect, manage, and rehabilitate forest resources.

These efforts of NRMP, together with experiences from other CFP activities sponsored by other international donors have provided valuable insights useful in crafting new policies on CBFM. These were articulated in 1994 in the draft document, which would become EO 263 in 1995, and basis for the Implementing Rules and Regulations (IRR) of said Executive Order.

The policies developed by the FRM led to adoption of CBFM as the national strategy to forest management and laid the foundation for its implementation. E.O. 263 established CBFM as the official policy of the Philippine government for sustainable forest management, and all policy initiatives of NRMP were realigned to respond to the changing requirements of the CBFM program. Subsequent policies relevant to the implementation of CBFM program were issued. A total of seventeen (17) policies were facilitated and developed; 1

Executive Order, 8 Department Administrative Orders, 5 Memoranda Circulars, 1 Joint Memorandum Circular, and a draft of Sustainable Forest Management Act (SFMA). *Table 2* below summarizes the contribution of NRMP-FRM in policy and institutional development. These policies have established institutional reforms both at the DENR and Local Government Units to support and promote CBFM and Sustainable Forest Management in the country.

Table 2. Policy initiatives of the Natural Resources Management Program-Forest Resources Management Component (FRM)

<b>NRMP Policy Initiative</b>	<b>Description</b>
1. Executive Order 263	Adoption of Community Based Forest Management as the national strategy to ensure sustainable development of the country's forest land
2. Department Administrative Order 96-29	Rules and Regulations in the implementation of Community Based Forest Management. In effect, it operationalizes Executive Order 263 and consolidates and simplifies all social and community based forest management programs in the country
3. Department Administrative Order 96-30	Integration of all the Community Forestry and People-Oriented Forestry Programs and Projects into DENR Regular Structure
4. Department Administrative Order 96-34	Guidelines on the Management of Certificate of Ancestral Domain Claim (CADC) areas
5. Department Administrative Order 98-09	Amending Sections 3, 6, 7 and 10 of DAO 41, Series of 1991, Governing the Deputation of Environment and Natural Resources Officers
6. Department Administrative Order 98-41	Guidelines on the Establishment and Management of CBFM within Watershed Reservation
7. Department Administrative Order 98-42	Production Sharing Agreement with POs in the Harvest of Plantations Owned by the Government Inside CBFM Areas
8. Department Administrative Order 98-43	Exemption of CBFM Projects from the Payment of Administrative Fees
9. Department Administrative Order 98-44	Guidelines on the Establishment and Management of the CBFM Special Account
10. Department Administrative Order 98-45	Guidelines Governing the Issuance and Transfer of Certificate of Stewardship (CS) within CBFM Areas
11. Memorandum Circular 97-11	Operationalization of the CBFM Program at the Regional, PENR, and CENR Offices
12. Memorandum Circular 97-12	Guidelines for the Formulation of CRMF and AWP for CBFMAs
13. Memorandum Circular 97-13	Adopting the Strategic Action Plan for CBFM
14. Memorandum Circular 98-08	Guidelines on Contracting Inside CBFM Areas
15. Memorandum Circular 98-09	Additional Guidelines on the Issuance of Interim Resource Use Permit (IRUP)
16. Joint Memorandum Circular 98-01	Manual of Procedures for DENR-DILG-LGU Partnership on Devolved and Other Forest Management Functions, providing the guidelines for interpretation and application of DAO 30, Series of 1992, governing roles of LGU in forest land allocation and management
17. Draft SFM Bill	The draft bill passed the Lower House.

#### **4. Institutional Reforms and Development of Procedures for Sustainable Forest Management**

The FRM component has identified four elements necessary to achieve SFM: a) development of Forest Land Use Plan (FLUP), b) allocation of forest land into appropriate tenurial instrument, c) preparation of Management Plan for the allocated areas, and d) implementation of monitoring and evaluation tools.

**Development of Forest Land Use Plan.** FRM has developed and tested a procedure in the preparation of forestland use plan. It has engaged and assisted four (4) Local Government Units, comprising of three municipalities (Maria Aurora, Baggao, and Maitum) and two provinces (Agusan del Sur and Misamis Oriental) in the preparation of FLUP.

The idea of FLUP comes on the heels when previous practice of comprehensive land use plan preparation by the LGUs does not clearly define plans for the allocation and management of the forest areas. The FRM tested and used the process as a strategy for identifying potential areas for Community Based Forest Management implementation, at the same time for the promotion of participation and partnership between the DENR, LGU, and other stakeholders concerned.

Preparation of FLUP embarks on the principles of integrated and watershed-based management approach with the purpose of providing a framework within which the natural resources of a region can be managed in a sustainable way, and within a defined framework, the environmental component of land use planning is expected to more effectively prevent occurrence of abuse and misuse of both natural and man-made environment. The preparation of FLUP has promoted four (4) major objectives: a) the determination of the optimum allocation, uses and management of the forest based on consensus-driven process, b) resolution of conflicts arising from the decision to allocate and manage the forest land, c) monitoring sustainability based on environmental impacts of allocation decision, and d) provide basis in promoting investments and redirecting support services.

The preparation of FLUP requires the expanded partnership and collaboration between the DENR and Local Government Units. Still in the process of making progress, partnership and collaboration of the two major forest stakeholders have been tested and considerable success observed. The LGU involvement is reinforced through the passage of Local Government Code (RA 7161) and supplemented by the NRMP-initiated Joint Memorandum Circular 98-01 entitled "Manual of Procedures for DENR-DILG-LGU Partnership on Devolved and Forest Management function". The JMC reemphasized the role of the Local Government Units in the management of forest land underscoring the need for collaboration and partnership,

especially, requiring the joint preparation of Forest Land Use Planning and sustainable forest management.

**Environmental Performance Monitoring (EPM) System as a self-assessment Tool of PO to effectively carry out sustainable forest management activities.**

An EPM manual for monitoring the environmental and social consequences of community forest management practices was developed as PO's self-assessment tool where certain parameters are defined called PO-initiated Criteria and Indicators for Sustainable Forest Management (C&I for SFM). This also aims to provide forest managers, government agencies, and the general public with a tool to monitor and measure the impact of forest practices on the long-term health of both forest ecosystems and forest dependent communities as well as its overall impact on the effort to reverse the current forest degradation. Working on the concept of adaptive management system, the tool is relevant to peoples organization as it provides an up-to-date information that could be fed back to improve on their management practices. This tool has been applied and adopted for use by other people oriented forestry projects such as the Forestry Sector Project (FSP) and Community-based Resource Management Project (CBRMP) of the Department of Finance as part of their Monitoring and Evaluation System. This was applied in NRMP areas both as a monitoring and management tool. There were thirty (30) CBFM people's organizations that used EPM as an integral part of their forest management system.

There are mixed level of acceptance for the use of the tool. Some consider it burdensome being a cost center activity, while the majority considers it important if made an inherent part of the forest management activities of the CBFM people's organizations. The FRM has avoided advocating for the issuance of the regulatory guidelines for the adoption of the tool, as it would defeat the purpose by which EPM was designed. There may also be risk of doing it for compliance and may add as another layer of regulatory requirements of the CBFM implementing agency.

**Formulation of Criteria and Indicators (C & I) for Sustainable Forest Management in the Philippines**

The development of Criteria and Indicators for Sustainable Forest Management was an offshoot of the FRM initiative on Environmental Performance Monitoring (EPM). While EPM is specifically configured for CBFM, the set of C & I developed could be applied for both the national level and for all types of forest management units. This undertaking was pursued with the assistance of the International Tropical Timber Organization (ITTO) through a pre-project on *"The Development of Criteria and Indicators for Sustainable Forest Management in the Philippines"*. The ITTO has provided

funds to shoulder the cost required for the series of workshops and consultations, and in the field testing of the C & I. The ITTO assistance paved the way towards formulation of the Philippine set of Criteria and Indicators for Sustainable Forest Management, including the manual for reporting and monitoring system, and the action program that will provide the framework for its application in the Philippines.

The development of a national and Forest Management Unit (FMU)-level set of Criteria and Indicators for SFM will have substantially positive technical and economic consequences. As envisioned, putting in place the Philippine C & I for SFM will greatly enhance the management of forest resources in the country. It will provide the tools needed to track progress of achieving SFM. It will also be invaluable in providing the necessary feedback mechanism for assessing the effectiveness of forest policy, of determining usage of public and private resources in forest management, and indicating the effectiveness of management interventions at the national and local management unit levels.

The C & I for SFM will provide the common yardstick by which the various stakeholders in the Philippine forest resources can determine the state of the country's forest at any particular location. With such a common and agreed-upon yardstick, the contentious debates that characterize the Philippine forestry will be minimized, and consequently lead to a common understanding of how to achieve sustainable forestry in the country, and what would be the respective roles of the different stakeholders.

The set of C & I was presented to the top DENR management, and affirmed their support for its application in the country. To sustain this initiative, an action program that would serve as framework for the application and institutionalization of SFM Criteria and Indicators was prepared. This action program includes the technical methods to evaluate the progress of SFM and the review and amendments of enabling conditions such as the current policies and regulations. Participatory processes among stakeholders and decision makers are also integral part of the action plan.

Though the DENR management is bent on adopting the action program, it was anticipated that insufficiency of resources can hamper in sustaining this initiative. Thus, a project proposal for technical assistance was prepared and submitted to ITTO for possible funding.

#### **4. Other Institutional Initiatives**

##### **PO's Individual Property Rights (IPR)**

Two (2) IPRs have initially been awarded to individual beneficiaries who are actually tilling and developing the area in two (2) CBFM sites (Baggao,

Cagayan and Ilagan, Isabela). In Baggao, 45 hectares out of the 60 hectares targeted for agroforestry were awarded to individual PO members. While a number of interested farmer applicants in Ilagan (Isabela) and Dinadiawan (Aurora Province) sites have submitted plans to carry out agroforestry activities to about 20 hectares out of the total 275 hectares allocated by the PO for agroforestry development. Individual investors who provided initial capital and/or materials, training and other opportunities include Nestle Philippines, Marigold, and Isabela Agricultural Corporation (IAC), among others.

### **Development of Retooling and Curriculum for CBFM Implementers**

As CBFM demands from the DENR field implementers a major shift from traditional and regulatory to a developmental and people/service orientation, NRMP-CBFM formed a Retooling and Curriculum development Committee (RCDC) to undertake a training needs assessment (TNA) of CBFM field implementers.

CBFM orientation and training for regional staff by the CBFMO started in 1998 through the assistance of NRMP, both technical and financial. Non-NRMP CBFM regions were also included in the training.

### **DENR-LGU Partnership through Co-Management Agreements**

*DENR-Nueva Vizcaya LGU Co-Management of Lower Magat Reforestation Project.*

Through a signed MOA between the DENR and Nueva Vizcaya provincial government in region 02, the 24,251 hectares of the Lower Magat Reforestation project was placed under a system of co-management by the two institutions. The MOA was realized when the municipal government of Nueva Vizcaya requested NRMP's technical assistance to resolve a policy conflict that prevented CBFM implementation in the province. NRMP-DENR, together with the Governance on Local Democracy (GOLD) – also a USAID funded program – assisted the province in the preparation of an Indicative Management Plan for the forest reserve. The MOA take precedence for allowing the Local Government of Nueva Viscaya to allocate and place into management the Lower Magat Watershed as this initiative has inspired the issuance of Joint Memorandum Circular No. 98-01 in June 1998. As specified in the MOA, the implementation of activities and the Management Plan will be managed by the Steering Committee headed by the Provincial Governor.

Such system of allocation to manage the area is done through Memoranda of Agreements, which allow group or associations, cooperatives, individuals, and corporations to participate in the management of watershed areas. The

MOA has a duration of 25 years, renewable for another 25 years, with very minimal tolerance on agricultural cultivation and harvesting rights.

Positive impacts have already been noted. The Provincial Governor reported that seedling production has become a cottage industry in the province mainly because of the increasing demand for seedling for forestry plantations. The strategy has also solved disputes and conflicts on the boundaries of individual property claims and it has reduced upland migration and/or entry of illegal occupants.

*DENR-Ma. Aurora, Aurora*

A MOA between DENR and Aurora State College of Technology (ASCOT) on the joint management of the proclaimed Bazal-Baubo Watershed Forest Reserve was signed in August, 1998. The MOA indicates a co-management effort for: a) organizing and mobilizing the Protected Area Management Board (PAMB), b) assistance in the preparation and validation of Integrated Protected Area Plan (IPAP), and c) gradual transfer of responsibilities and accountabilities in the protection, development and management of the proclaimed Bazal-baubo watershed, consistent with R.A. 7586 otherwise known as the National Integrated Protected Area System (NIPAS Law).

*Joint Memorandum Circular (JMC) No. 98-01*

NRMP's contribution to the enhancement of DENR and Local Government Units (LGUs) collaborative efforts for a more effective delivery of public service is this Joint Memorandum Circular between the DENR and LGUs, a Manual of Procedures which gives flesh to the mandate of R.A. 7160 (otherwise known as the Local Government Code of 1991) and other pertinent guidelines. As envisioned in the memorandum circular, the DENR, in coordination with the DILG, shall enhance the capacities of the LGUs in the various aspects of forest management until such time that the role of DENR be reduced to mere assistance and coordination.

### **CBFM Enterprise Development Activities and Forest Resource Harvesting**

FRM has recognized the role of enterprise as a key component to the success and/or sustainability of CBFM program. The success or failure of POs in operating their livelihood and business activities is directly related to the sustainability of managing their forest resources and their capacity to shoulder the tenurial responsibilities.

FRM provided technical assistance to POs in enterprise development including linking them with service providers. However, there were no significant gains made in terms of having a successful business enterprise for

POs, but rather, efforts on this end have been negated by problems contributed by both policy and institutional factors.

The PO enterprise activities can be categorized into two groups, namely: a) those relating to forest based activities involving timber and non-timber utilization, and b) those under the category of non-forest based activities. Majority of the NRMP-assisted POs were awarded with harvesting rights to provide financing and needed capital to implement enterprise/ business. However, majority of the POs experienced losses. Accounting for the losses were these problems; 1) lack of experience in business operations, 2) marketing problem, 3) insufficient capital resulting to cash advances at high interest rates, 4) high production cost due to infrastructure deficiencies, 5) low forest stock density, 6) high transaction cost accompanied by corruption, and 6) fast-changing policies and bureaucratic dilemma.

However, there is one PO success story on harvesting rights. The Panansalan Pagsabangan Forest Resources Development Cooperative (NPPFRDC) was able to establish swine project, fishpond, consumer store, tailor shop, and small business for each member out of the proceeds from harvesting operations. NPPFRDC was awarded as the “Most Outstanding Cooperative in Region XI”. Their profitability could be attributed to the existence of some professional members who helped them and provided technical assistance in running the business. The sawmill that was donated to them by the former concessionaire gave an added value from timber processing. This case shows potential financial viability of POs given the enabling conditions for enterprise development.

### **Information, Education, Communication (IEC) – Strategies and mode of IEC applied / Effectiveness of the information campaign.**

The component’s accomplishments in IEC and advocacy campaigns can be categorized into three (3) areas: a) increasing awareness and knowledge on CBFM among key stakeholders as well as policy makers, b) introduction of systematic, research-based IEC activities, and c) institutionalizing IEC strategies, skills, and activities of DENR at all levels. In summary, the following are the list of FRM -IEC interventions and accomplishments;

#### *CBFM Advocacy: Increasing Awareness, Knowledge, and Support*

1. Documented Knowledge, Attitudes and Practices as regards forest management issues as baseline for strategic planning and program development.
2. Conducted eight regional campaigns using radio and print media and supported by two (2) national tri-media campaigns.

3. Developed, produced and distributed more than 20 IEC materials to different audience segments (communities, DENR field personnel, LGUs, policy makers, and private sectors).
4. Developed and produced a CBFM drama series broadcasted nationwide, and nominated as one of the Golden Dove Awards on Environmental Development. The CBFM drama series was also considered one of the most listened radio programs in its time slot.
5. Produced several photo-exhibits in different cities and at the Senate. Most photo exhibits were timed during conduct of the CBFM Regional and National summits where most of the CBFM stakeholders were present.
6. Facilitated the establishment and strengthening of CBFM people's organization. The federations became the center of all information campaigns after its creation in 1998.

#### *Introduction of Strategic, Systematic, and Research-based IEC*

1. Designed and conducted a baseline Knowledge, Attitudes and Practices (KAP) survey on CBFM and forest information in four regions served by NRMP. Results served as program guide in developing strategic IEC approaches and activities.
2. Introduced and established the principles of research-based IEC activities, pre-testing of IEC materials, and follow-up materials evaluation.
3. Conducted radio listenership surveys in the four regions - results used to improve radio programs.

#### *Introduction of IEC strategies, skills, and activities*

1. Trained regional DENR IEC counterparts in strategic IEC planning.
2. Facilitated integration of IEC plans into DENR center and annual work plans.
3. Trained PO leaders in the advocacy—as a result, they were able to communicate their needs to policy makers during the regional PO summit and to the national leaders during national PO summit.
4. Trained DENR staff in communication research. This system is currently being adopted by the local or regional DENR counterparts.

There were other regional FRM IEC initiatives that were directed towards field management and policy campaign. Most of the priority work was directed towards developing core group awareness and understanding of CBFM, its concepts and principles. FRM facilitated the creation of the “communicators’ pool” that served as champions of CBFM in the field. This communicator’s pool is composed of members of people’s organizations, the DENR project management officers (PMO), and members of municipal ENRO. The target audience ranges from the municipal mayors to local people who desire to participate in the CBFM program. This system of disseminating information has facilitated understanding among local leaders as well as communities of what the CBFM program is all about. In the case of Region 11, this system along with the IEC efforts of the technical assistance team resulted in the increased number of CBFM applicants and greater support of most of the LGU leaders in the implementation of CBFM.

In totality, the FRM advocacy campaigns has achieved its goal of increasing awareness about the CBFM program, and in creating the demand for the communities and local government units (LGU) to participate in the CBFM program and rally around to emphasize the need to implement an effective strategy to manage the forest areas in the country.

### **III. IMPLEMENTATION PERFORMANCE**

#### **1. Design**

In 1995, USAID decided to reengineer their operations and adopt a system based on management by strategic objective. The major reasons were that more flexibility and focus were needed in achieving results. Core values associated with this system are: managing for results, customer focus, teamwork, empowerment, and accountability. This amendment provides for the establishment of a Strategic Objective Management Team (SOMT) which will guide the planning and implementation of activities directed at achieving the strategic objective result – Enhanced Management of Renewable Natural Resources. The Management Team (MT) will make decisions about programs, indicators and funding allocations, and monitor progress.

As per agreement Amendment No. 5, NRMP implementation shifted from primarily budget support to project mode. It was further agreed to implement a new programming system by strategic objective (SO). Under the new system, the Program SO is enhanced management of renewable natural resources in the Philippines. The implementation of this SO will be under the guidance of a Management Team.

#### **2. Organization and Management**

**NRMP Management Team.** A management team was formed that served as oversight to the implementation the Natural Resources Management

Program (NRMP). The NRMP Management Team was composed of Undersecretaries from the Department of Environment and Natural Resources (DENR), National Economic Development Authority (NEDA), the Departments of Agriculture (DA) and Interior and Local Government (DILG), Private Sectors/Investors, National Government organizations (NGO's) and USAID with DENR as chair. USAID was represented by the Chief of the Office of the Environmental Management. The responsibilities of the Management Team have covered the following tasks:

- a. Make decisions on its operational procedures; agree on the definitions for the terms included in the Results, Targets, Indicators, and Benchmarks specified in the Agreement.
- b. Provide over-all guidance and policy and program direction in the implementation of the Program.
- c. Identify and review activities and corresponding resource requirements in the form of an annual implementation plan to be undertaken in support of the program Objective and Results, consistent with the Philippine strategies and priorities.
- d. Monitor progress of program implementation using Indicators identified in the Agreement and review of achievement of program Benchmarks.
- e. Review all major revisions of Program activities. In aid of its work, the management team can request the parties to submit relevant documents and reports.

**Results Package Team (RPT).** There was difficulty in mobilizing the Management Team (MT) because of the time and level of effort required in performing the assigned tasks to the top level officials. To fill in the gap, the Results Package Team (RPT) was created to oversee the project to its fullest. The RPT was composed of the NRMP Project Manager (PM), the USAID Counterpart Project Manager and Head of concerned units of participating agencies. The RPT functioned as the overseer which provided over-all support to the Management Team (MT). The RPT's functions are as follows:

- a. Review the activities and resource requirements and make recommendations to the Management Team for action/approval;
- b. Review and recommend approval of the project annual implementation plan;
- c. Review the technical and financial performance of the Program;

- d. Monitor and evaluate Program implementation progress towards Results Package Targets;
- e. Review output of contractors;
- f. Resolve operational issues and problems;
- g. Recommend policy proposals to the Management Team in support to Program implementation; and
- h. Identify and recommend participation of other agencies.

**Project Management Office (PMO).** To provide overall supervision in the day-to-day operation of the project, the Project Management Office (PMO) was created under Department Administrative Order No. 90-84. Included in the PMO responsibilities was to provide liaison services for the Management Team, the USAID, the DENR and the contractor/Technical Assistance Team (TAT) to ensure the Program's delivery of expected targets. As counterpart of the TAT, the PMO served as frontliner of DENR in the implementation of the Program work plans and activities. Specifically, the PMO has the following tasks:

- a. Identification and review of the activities and resource requirements, and make recommendations to the RPTs action/approval
- b. Preparation of the component's project implementation plans
- c. Monitoring and evaluation of the progress of Program implementation
- d. Coordination and implementation of the Program
- e. Provide over-all support and secretariat services to the RPTs

### **3. Cost/Financing and Disbursement**

Of the total grant assistance, about US \$68,001,681 or 53 % was utilized for the support services component. The amount was used to finance the various activities of NRMP I and the three subprojects under NRMP II. About 57 % has been allocated to forestry resources component, 31 % for the coastal resources management, and 12% for the industrial management component.

The GOP counterpart contribution was likewise increased from the US\$ 33.4 million to US\$ 36.635 which is approximately about Php 915,897,825 at the exchange rate of P25 per US dollar. The increase was due to the inclusion of about US\$ 1.2 million to cover the VAT and EVAT charges on grant-financed goods and about US \$ 951,091 cash equivalent provided by the non-government organizations. Details of the GOP yearly budget allocation

and financial expenditures including funds downloaded to the regional offices are indicated in *Annex Tables C and D*. *Annex Table E* shows the summary of GOP contribution in-cash and in-kind. Procured and/or deployed commodities by GOP and contractor are also shown in *Annex Tables F and F.1*.

#### **4. Engagement of Consultants**

The contract of technical assistance team was completed in September 1999. The contractor has provided a total of 905 person months of consultant services with equivalent expenditures totaling to \$15,858,291.

The technical assistance team, DAI, has engaged in subcontract arrangements five principal sub-contractors; two (2) American and three (3) local consulting firms. These were included in the original contract proposal as approved by the Manila Mission. The following subcontractors engaged in the implementation of DAIs contract are listed below with their corresponding areas of specialization:

- International Resource Group, Ltd. (USA) – provided specialized forest policy assistance.
- Gloval Vision, Inc. (USA – provided public awareness and information campaign assistance
- Orient Integrated Development Consultants, Inc. (Philippines) - supplied most of the domestic consultants specifically in field offices as well as key members of the Policy Environment sub-team based in DENR central office.
- GV & Company (Philippines) - provided financial management assistance to communities.
- C. Virata & Associates, Inc. (Philippines) – served as senior policy advisors specifically in the revision of forestry legislation and internal DENR forestry rules and regulations.

Several NGO's (sometimes referred to as Assisting Organizations) and local commercial firms have been contracted under NRMP-II (FRM component) to provide specific services to prepare communities for forest management agreements; to provide baseline data for media campaigns; and to design and prepare multi-media materials for information campaigns as called for in the contract. These NGO subcontracts were completed successfully.

## IV. PROJECT RESULTS

### 1. Policy Development and Institutional Reforms

The following table is a matrix of policy and institutional reform index showing the impacts/results and actual measure of change of these policies. It highlights the summary of the impacts of NRMP-forest resource management component in revolutionizing forest resource management in the Philippines. Basically, the policies developed by the Program have brought forth many changes in the DENR and Local Government Units' institutional systems and procedures to operationalize a more decentralized, participatory, and process-oriented system of forest management in the country.

Table 3. Matrix for Policy and Institutional Reform Index

National Policies Supporting Enhanced Forest Management		
Impacts / Results	Actual Measure of Change	Intervention / Accomplishment
Secured long-term tenure for upland communities	<ul style="list-style-type: none"> <li>▪ Established CBFMA</li> <li>▪ Unified resource tenure instrument</li> <li>▪ Clarify process for securing resource tenure</li> <li>▪ Codify the process through law</li> </ul>	<ul style="list-style-type: none"> <li>▪ CBFM IRR (DAO 96-29)</li> <li>▪ Draft Revised Forestry Code</li> </ul>
Strengthened local decision-making and authority for forest management and protection	<ul style="list-style-type: none"> <li>▪ Decentralized DENR decision making authority</li> <li>▪ Roles of DENR and local government clarified</li> <li>▪ Detailed guidelines for devolving authorities to LGUs developed</li> </ul>	<ul style="list-style-type: none"> <li>▪ DAO 96-29, Art. IV/Sec 4</li> <li>▪ DAO 96-29, Art 1 &amp; IV</li> <li>▪ DENR-DILG-LGU JMC 98-01 &amp; DAO 92-30</li> </ul>
Promote private sector investment in forestry	<ul style="list-style-type: none"> <li>▪ Established comprehensive resource use rights</li> <li>▪ Established rights for community to enter into contract or partnership with private sectors</li> <li>▪ Revised basis for natural forest and plantation forest charges</li> <li>▪ Exemptions of POs for payment of Administrative fees</li> </ul>	<ul style="list-style-type: none"> <li>▪ DAO 96-29, Art II &amp; IV/Sec 1 &amp; Annex 1</li> <li>▪ DAO 96-29, Art II &amp; IV/Sec 3 &amp; Annex 1 and MC 98-08</li> <li>▪ DAO 96-29, Art II, Sec. 2</li> <li>▪ DAO 98-42</li> <li>▪ DAO 98-43</li> </ul>
Simplified rules governing forest management	<ul style="list-style-type: none"> <li>▪ Rules and requirements for CBFM significantly reduced and simplified</li> </ul>	<ul style="list-style-type: none"> <li>▪ DAO 96-29 and subsequent DENR policies further simplifying CBFM implementation</li> </ul>

Institutional Reforms Supporting Community-Based Forest Management		
Impacts/Results	Actual Measure of Change	Intervention/ Accomplishment
DENR reforms 1) Created CBFMO 2) DENR allocated Budget in support of CBFM 3) Reassigned staff to CBFM activities 4) Strengthen staff	<ul style="list-style-type: none"> <li>▪ CBFMO established</li> <li>▪ DENR developed budgets for CBFM</li> <li>▪ DENR staffed CBFMO and established CBFMO Regional, PENRO and CENRO offices</li> <li>▪ National and Regional plans developed for CBFM</li> </ul>	<ul style="list-style-type: none"> <li>▪ CBFM Office created by DENR through DAO 96-29, DAO 96-30 and MC 97-11</li> <li>▪ DAO 97-13 which established Strategic Action Plan (SAP) for CBFM</li> <li>▪ Retraining curriculum and course guidelines approved</li> </ul>

Institutional Reforms Supporting Community-Based Forest Management		
Impacts/Results	Actual Measure of Change	Intervention/ Accomplishment
skills in CBFM	<ul style="list-style-type: none"> <li>▪ implementation</li> <li>▪ DENR field staff taking CBFM site development activity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regional training needs assessed and initial training plans implemented</li> <li>▪ TAT and PMO coached DENR field implementation</li> </ul>
LGU Reforms 1) Sign MOAs with DENR, plan forest land use with DENR, commit resource to Plan 2) Assign staff as counterparts to DENR	<ul style="list-style-type: none"> <li>▪ MOA mechanism with LGU established</li> <li>▪ Provincial LGU &amp; DENR forest land co-management agreements</li> <li>▪ Municipal LGU and DENR made FLUP</li> <li>▪ LGU staff trained</li> </ul>	<ul style="list-style-type: none"> <li>▪ FLUP guidelines adopted and Co-management MOA signed</li> <li>▪ MOA for Co-management of Forestlands in Nueva Vizcaya signed</li> <li>▪ Trained DENR and LGU in FLUP</li> </ul>

Provision of Services by DENR and LGUs to Communities		
Impacts/Results	Actual Measure of Change	Intervention/ Accomplishment
1) DENR budgets for CBFM program 2) LGU provided financial support for CBFMA process, local development and environmental monitoring 3) DENR and LGU staff supporting CBFM	<ul style="list-style-type: none"> <li>▪ LGUs commit MOA-based funding to support CBFM process</li> <li>▪ DENR restructures and “retools” for CBFM</li> <li>▪ DENR local staff provide technical support to LGU staff for CBFM</li> <li>▪ DENR &amp; DILG guidelines for devolved forest management functions</li> </ul>	<ul style="list-style-type: none"> <li>▪ LGUs provided substantial MOA funding for CBFM</li> <li>▪ Nueva Vizcaya Co-Management Agreement signed by DENR</li> <li>▪ DENR training needs assessed by Curriculum Committee</li> <li>▪ DENR and DILG signed Joint Memo Circular on Devolved and Other Forest Management functions</li> </ul>

The signing on October 10, 1996 of the Implementing Rules and Regulations (IRR) for EO 263 marked an exceptionally significant step of DENR’s shift to CBFM as the principal strategy for forest management. The IRR championed several policy elements foreseen as key to the success of community-based forestry;

- A perspective which believes “people first and sustainable forestry will follow”
- A unified tenure instrument providing comprehensive resource user rights—including the provision of transferability of tenure and a right to contract with other parties to access developmental capital, technology, markets, or other needs
- A shift of DENR focus from being primarily a regulatory agency to an institution providing services to communities and local government units, especially at the Community Environment and Natural Resources Office (CENRO), being in the frontline of CBFM implementation

- A program for decentralization, devolution, and deregulation of forest land management; and,
- A DENR-LGU partnership in CBFM program implementation.

The CBFM Implementing Rules and Regulation consolidates eight (8) major tenure instruments into one --- Community Based Forest Management Agreements (CBFMAs), which prior to the passage of Indigenous Peoples Rights Act (IPRA) has also provided options for Certificate of Ancestral Domain (CADC) holders to avail of CBFMA's user's rights. Previously separate instruments, the Certificate of Stewardship Contract (CSC), the Certificate of Communal Forest Stewardship Agreement (CCFSA), the Mangrove Stewardship Agreement (MSA), the National Integrated Protected Area System (NIPAS) for buffer and multiple-use zones, the Certificate of Ancestral Land Claim (CALC), and the CADC are now part of a consolidated comprehensive instrument, the CBFMA. Also through the IRR, the Community Based Forest Management Program integrates and unifies all people-oriented forestry programs of government. The programs/projects that were consolidated by the CBFMP are the following:

- Integrated Social Forestry Program (ISFP);
- Upland Development Program (UDP);
- Forest Land Management Program (FLMP);
- Community Forestry Program (CFP);
- Low Income Upland Communities Project (LIUCP);
- Regional Resources Management Project (RRMP) of the ENR-SECAL;
- Integrated Rainforest Management Project (IRMP);
- Forestry Sector Project (FSP);
- Coastal Environment Program (CEP);
- Ancestral Land Management Program (ALMP); and
- Natural Resources Management Program (NRMP).

The major phases of CBFM implementation are laid out in DAO 96-29 (EO 263 IRR). Site identification is determined through joint LGU-DENR forestland use planning exercises. Through an approved and joint forestland use plan (FLUP), DENR can now process CBFMA application from organized communities. After site identification, intensive IEC at various levels are conducted. IEC activities are focused on helping communities and local officials understand the objectives of CBFM; the responsibilities and privileges of communities; and the roles of various assisting organizations (DENR, LGUs, NGOs, and People's Organizations).

*Community diagnostic phase* follows site selection and focuses on analyzing conditions of communities and their resources. This phase employs community mapping, participatory rural appraisal, perimeter survey and mapping, and considerable investment in community consultations, dialogues, social

negotiation, and conflict resolutions. This includes community organization and leads to registration of the community People's Organization (PO) with the CDA or SEC. The CBFMA can be issued to the PO upon completion of forest land survey and organization's registration.

*Planning stage.* The results of the diagnostic phase are presented systematically in a document outlining the community's vision, problems and issues, objectives, and their key strategies and activities to achieve their goals. Preparation of the community plan requires assistance from the DENR and LGU, including its affirmation. The affirmed plan shall serve as basis for issuance of resource use permits by DENR for various kinds of forest products. In providing technical assistance to POs on CBFM plan preparation, it should ensure processes that would consider the basic principle of POs ownership on the plan. Otherwise, it shall only be prepared as part of the usual bureaucratic requirements without deeper sense of meaning and responsibility to pursue the objectives by which the plan is prepared. The details of the planning processes including the procedure for affirmation are also laid out in Memorandum Circular No. 12 series of 1997.

The implementation of the community plan centers on the POs, being a CBFMA holder, and encompasses the entire gamut of forest management such as protection, rehabilitation, development, and utilization of the forest resources. The DENR and LGUs, however are expected to assist the POs in the implementation of the forest management Agreement including provision of technical assistance in the sustainable development and use of forest resources.

### **National Policies Supporting Enhanced Forest Management**

Also inherent in the IRR are the very basic requirements to enhance the participation of forest communities in forest management. IRR exemplifies secured long-term tenure to forest participants by granting them the right to manage the forest land and reap the benefits from it for at least 25 years renewable for another 25 years.

Also, the IRR along with other subsequent policies on devolution and partnership also demonstrates the decentralization and/or devolution of authority or decision-making. The decentralization of local authority has simplified the process of granting the tenure and approval of management plan by the participating communities, and facilitated the closing of open access forestland areas in the process.

Another important aspect of the new CBFM policies is the provision that would allow private entity to participate in CBFM by entering into contract with CBFM holders. Memorandum Circular 98-08 provides for the guidelines on contracting inside CBFM areas, which can be done in three forms: a) service contracts, b) harvesting and utilization contracts, and c) site development contracts. As a result, there were several POs who were engaged with contracting arrangements

with private investors, either in resource utilization and harvesting through log supply contracts, or plantation developments. The outcome of these initiatives, however, remained wanting as most of the PO businesses failed due to lack of management skills and/or capacity of POs to engage in business, and lack of DENR support, among others.

### **Institutional Reforms Supporting Community Based Forest Management**

DENR DAO 96-30 provides for the integration of all People Oriented Forestry Programs and Projects into the DENR regular structure through the Community-Based Forest Management Office (CBFMO) under the supervision of the FMB Director. The creation of CBFM Office marked a significant step towards the institutionalization of CBFM as the national strategy. National and regional strategic plans were prepared and budgetary support of the Department (DENR) in CBFM was increased. The Strategic Action Plan became the master plan for the implementation of the CBFMP.

### **2. Problems Encountered During Implementation and Actions Taken to Address Such Problems**

The following table presents issues and problems that affected, in one way or the other, the achievement of the goals of the Forest Management Component.

Implementation Issues and Problem	Impacts/Implications	Action Taken
1. The issuance of suspension order on forest products harvesting as a move to re-centralize the approval process	This move has created so much uncertainty on the part of the PO, especially those that depends on the proceeds of harvesting operation for capital to pump-prime their enterprise activity.	FRM intensified the IEC program to avail support of the top DENR hierarchy on CBFM. Series of dialogues and PO congresses and summits were undertaken to review and propose a policy, which included the amendment on the ECC requirements as stipulated in DAO 99-35. The PO summit was also made as venue to convince the DENR Secretary for the lifting of the suspension order. Suspension order was then lifted a year later and ECC requirements were simplified into a checklist.
2. Re-centralization of the approval process on application of silvicultural treatment and minor forest products harvesting and imposition of rigid requirements of a full blown EIA for harvesting operation, through the issuance of DAO 99-35.	This is an offshoot of the suspension order on harvesting operation. This has created uncertainty among POs and doubted the support of DENR leadership for implementing poverty alleviation program such that of CBFM.	

## V. LESSONS LEARNED AND CHALLENGES

### **Lessons from the People Oriented Forestry Program/Community-Based Forest Management Program<sup>1</sup>**

Several lessons can be learned from the implementation of the People Oriented Forestry Program/Community-Based Forest Management Program. They are crucial to the sustainability of the program as a strategy for the management of forest resources in the country. The following lessons highlight in general terms the specific gains of the CBFM program as the national strategy for forestland management.

**CBFM Benefits Close to 2 Million Filipinos** – As of 1999, there are 355,799 households participating in close to 4,800 CBFM sites all over the country. This translates to close to two (2) million Filipinos currently in people-oriented forestry project areas and potentially 20 million upland residents. At the currently accepted estimate of 2.4% population growth, the projected population in the uplands in 2025 will be 40 million. They represent the poorest of the poor who are depending on the success of CBFM to realize their dreams of a better life. The CBFM forest management initiative provides the communities with a powerful instrument for economic development. It provides a long term lease over a portion of the forestland and with it control over an important resource. It is a resource that the communities can utilize to stimulate economic development in the uplands in partnership with government and the private sector.

**Long History of Commitment to Participatory Management of Forest Resources** - There is a long history – 30 years – of commitment to the community-based forest management. The paradigm shifted from a small number of corporations (TLAs) overseeing thousands of hectares to a large number of small communities each devoted to managing a few thousand hectares. The evolution was hastened by the realization that effective management of the resources requires the involvement of people and communities living within or close to the forest and whose very existence depends upon it. Self-preservation is the highest instinct for survival and if the livelihood (the forest) of the communities become imperiled the community act accordingly to preserve its source of livelihood as long as they are empowered to do so. Here lies the reason for the effectiveness of communities in protecting and managing forest and other natural resources.

**Tree Farming and Forest Plantations in A & D and Private Lands** - One of the programs of the POFPP is the development of plantations and tree farms inside A&D and private lands. Tree farms and plantations were developed in A&D and private lands through the efforts of individual families and small

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<sup>1</sup> Lifted from the NRMP Technical Paper entitled “Community based Resource Management as a Strategy for Sustainable Economic Development”, prepared by Dr. Florentino Tesoro. June 1999.

landholders who saw the potential of planting trees for future economic gain. This was a direct influence of the National Forestation Program which campaigned for plantation development in private lands. Records of the DENR (1999) show that the reported area of private tree farms and plantations is more than 8,200 hectares nationwide (*Table 4*) although estimates run close to double this figure since many farmers do not bother to register their tree farms with government. Land ownership is a powerful stimulus for development because the people know that whatever they plant they will harvest. It is greatly affected by unstable policies.

Table 4. Estimates of area planted by small land holders in A & D and titled lands.

Regions	Estimate of Area Planted (ha)*	Estimate of Cost per ha (P)**
CAR		
Region 1	31.00	
Region 2	927.00	~40,000
Region 3		
Region 4	270.00	
Region 5	746.00	
Region 6	1,093.00	
Region 7	667.00	
Region 8	128.00	
Region 9	2,500.00	~10,000
Region 10	934.00	~20,000
Region 11	846.00	~20,000
Region 12		
CARAGA	81.00	
ARMM		
Total/Average	8,223.00	~ 22,500

\* Does not include unrecorded and unreported private plantations.

\*\* Cost of maintenance up to maturity/harvest

Source: DENR/NRMP in Regions 2, 10 and 11 and DENR Region 9 and FMB.

On the basis of the reported and recorded area of tree farms and plantations the estimated investment is more than P160 million pesos based on a development cost of about P20,000/ha. This is despite the ambiguity of policies on private plantations and tree farms. Imagine the extent of forest cover that can be established and the amount of investment that can be generated by just improving the extension activities of the DENR, setting policies that make it easier to harvest and transport forest products from private plantations and working in partnership with other agencies of government and the private sector to ensure markets for these products.

**People in the Forest are the First Line of Defense in its Protection and Management** - CBFM recognizes that people are already in the forests. While they live on what they can get from the forests they can be and have

been shown to be the first line of defense in the protection and management of forest resources. However, they do not have the resources to develop the forest and therefore they need technical and financial assistance especially from the DENR, the LGUs, the private sector, the financial institutions and other stakeholders of the forest resources.

The Peoples Organizations value the forests for which they have been empowered to protect. At least four (4) members of POs have been reported to have lost their lives trying to protect their forests from illegal logging. Two of these were in Region 2 (one in Ilagan, and the other in Cabagan, Isabela). The third PO member who lost his life defending and protecting the forest was in Compostela, Compostela Valley.

There are numerous instances where communities have kept vigil just to stop illegal logging. They seized and confiscated illegally cut logs and brought to court perpetrators of illegal logging.

**Government Saves Close to P127 Million Annually in Forest Protection Through CBFM** - The area estimated to be under CBFM/Ancstral Domain and Management Projects amounts to about 5.5 million hectares. Were these areas to be managed and protected by the government, the total cost of protection would be close to P127 million annually. The government utilizes forest guards to patrol and secure the forests. One forest guard is assigned 4,000 ha to patrol and protect. It would take 1,378 forest guards to protect the area being managed by communities. Each forest guard receives an average annual salary of P74,142 plus allowances and bonus of about P18,000 a year or a total of P92,142. The total salary and allowance of 1,377 forest guards amount to about P127 million a year. This is the savings of government by allowing communities to manage and protect the forest.

**LGUs Contribute to Fund CBFM Initiatives** - Through collaborative efforts of DENR, LGUs, and POs over a decade of partnership, the LGUs have come to realize the importance of CBFM in the management of resources found in their jurisdiction. LGUs are now providing financial resources to communities for various purposes such as for the preparation of comprehensive land use plans, rehabilitation of old roads leading to the barangays and communities and for livelihood projects. *Table 5* shows the contribution of LGUs to communities in three regions in the country.

Table 5. Contribution of LGUs to CBFM activities.

Regions	1996	1997	1998	1999*
Region 2	P650,000	P1,507,000	P2,725,000	P2,183,000
Region 10		700,000	2,000,000	2,000,000
Region 11	670,000	1,950,000	2,300,000	210,000
Total	P1,320,000	P4,157,000	P7,025,000	P4,393,000

\*First quarter of 1999

More concerted efforts of DENR and POs would generate more resources from LGUs and other sources such as the private sector and financial and other institutions.

**CBFM is the Strategy for Forest Resources Management in at Least 25 Countries of the World** - In at least 25 countries in tropical and sub-tropical countries of the world and where population is high, CBFM is the strategy adopted for sustainable forest development<sup>2</sup>. Experiences range from almost 200 years as in the case of Indonesia to less than 3 years in the case of Guyana. The Philippines has almost 30 years experience. During the last 7 or 8 years, the CBFM program of the country has established a nationwide network of people's organizations, forged formal linkages between DENR, LGUs and POs, and has started to form business relationships between the POs and the private sector. It has laid the foundation for a truly participatory management of forests and natural resources, a situation that other countries which have adopted CBFM as a strategy for forest management have yet to achieve.

**CBFMP is a National Program** - Finally, it has become clear that CBFM is not just a DENR program. If it has any chance to succeed it must become the program of all concerned - the POs, the LGUs, the NGOs, the financial institution, the private sector, Congress, but most of all the DENR. DENR must be true to its role of facilitator, that of making policies that simplify the procedures which facilitate the faster processing of documents, reduce the cost of transactions, of linking the POs to resources whether from the banking or the private business sectors and those providing social services. But above all, a shift in attitude especially of the field personnel from that of a controller to a change agent must take place.

### **On Institutional Partnership<sup>3</sup>**

The government has perennially lacked sufficient resources to uphold its control and ownership over the state-owned land and resources. This realization points to the fact that there is a need for DENR to engage LGUs, local communities, and other stakeholders in the management of these forest areas. Forest Land Use Planning (FLUP) is a good entry point for DENR and LGU partnership. It provides information necessary to design and institutionalize long-term collaboration and partnership between DENR and LGU, and it opens opportunity for future investments that enjoins participation of other stakeholders including private sectors in the management of forestland. A Joint Memorandum Circular of DENR-DILG-LGU that provides Guidelines for Devolution, Decentralization and Partnership on Forest

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<sup>2</sup> Community Forestry as a Strategy for Sustainable Forest Management. Proceedings of the International Conference. May 24-26, 1996. Manila. DENR/ITTO.

<sup>3</sup> Insights are taken from papers of Michael Morfit on Framework for DENR-LGU Partnership, and David Craven on FLUP: Strengthening Technical and Institutional Capacity.

Management Functions is an initiative to assist leverage and redirect investments of DENR and LGUs towards Sustainable Forest Management.

A more effective partnership is going to appear through the experience of DENR working with the LGU. Common pursuit of shared agenda and shared activities will provide a basis for gradually developing and testing different types of partnerships. In the same token, co-management offers a potentially valuable opportunity to test DENR and LGU partnership in managing a major watershed area given the limited DENR and manpower resources.

NRMP has assisted the development of co-management agreement between the Provincial government of Nueva Vizcaya and the DENR. While at its infant stage, this experiment on co-management also offers valuable opportunity to test a DENR-LGU partnership in managing a watershed. Given a limited DENR budgetary and manpower resources, it is an opportunity to test ways in which DENR can play a mentoring and supporting role, assisting relevant LGU authorities in developing the technical capacity and expertise to manage the watershed in an environmentally responsible manner.

Having the full mandate and jurisdiction as well as the institutional expertise and experience over state-owned land, DENR is thus in a position to provide the leadership role to institutionalize partnership in the management of forestland. In the availability of new initiative in DENR-LGU partnership, it can only be sustained if DENR would permanently assign office/agency along with cadre of permanent staff to assume responsibility for watershed management planning and DENR-LGU partnership.

Development of confidence building is essential if we are to promote partnership between DENR and LGU in the management of forestland. DENR should therefore establish routine procedures for informing LGUs of the proposed national government programs in their jurisdiction to promote and implement information sharing, joint training, and joint monitoring. Building DENR-LGU partnership is the most appropriate strategy for ENR Management. LGUs and local communities are considered as principal stakeholders. NRMP-CBFM sites have demonstrated this evolving partnership with LGUs giving financial, manpower, and even infra support in CBFMP implementation.

The FLUP (watershed management) has demonstrated to be an effective planning tool and entry point for partnership between DENR and LGU in land use planning.

Government must develop and maintain critical support services for community forestry in partnership with other stakeholders and institutions (OGAs/NGOs).

Simplified, transparent monitoring by DENR of environmental effects of forest use rather than micro-management prescription and proscription of behaviors would be a desirable changing approach of DENR towards POs and CBRM, in general.

### **On FLUP and Forestland Allocation**

- The essence of FLUP does not end in allocating unallocated forestlands. Joint monitoring of existing allocation must be done to ensure that the goals and objectives are met and appropriate action must be done if found otherwise. Opportunity cost and damages must be assessed due to inadequate management and identify constraints if there are any.
- Since communities exist in areas under any form of allocation or within open access areas, the CBFM strategy will have to be in the driving force in allocating and managing the forestland. CBFM cut across any allocation scheme or management.
- With the absence of accurate data, community mapping proved to be useful in validating land use vegetation. It has been used extensively in the municipalities and provinces assisted by NRMP in FLUP preparation. It is therefore wise to prepare thematic maps that incorporate results of community mapping prepared through participation of different stakeholders.

### **On Management Plan Preparation and Implementation**

- Together with CBFM tenure, development and implementation of management plan provide communities with opportunities to obtain official management responsibility and authority for forestlands and may access resources use rights. Experiences of NRMP in CBFM has shown that the community's visioning exercise give them the better appreciation of the whole planning process and increase PO's sense of ownership, and empower and motivate them to positively move towards the realization of their vision and objectives.

### **On Application of Environmental Performance Monitoring for Sustainable Forest Management**

- Experience in the use of SFM criteria and indicators such as that of Environmental Performance Monitoring gave credence to and promoted a greater appreciation of the CBFM strategy, as the link between management practices and its environmental impacts are understood by the participating communities and CBFM implementers. Well-meaning promotion of the EPM tool or the national level C & I for SFM would

therefore increase appreciation of participants in CBFM as national strategy for sustainable forest management and development.

- While environmental management programs have always strive to learn from experiences, an environmental monitoring system that uses adaptive management systems places new emphasis on systematically tracking and analyzing performance, and subsequent modification of work plans and objectives. When EPM is tied to program objectives and provides timely, relevant, and cost effective information, monitoring enhances program successes by allowing managers to make better decisions. Iteration is the key to management cycle. Management activities must be repeatedly modified as new information becomes available about the effectiveness of management actions.
- The regular monitoring and measurement of environmental impacts is cost center along with other PO commitments and activities. This should be factored-in and included as among the priority activities and should be properly appropriated in the implementation of management plan.

### **On CBFM Enterprise Development**

- The economics of community-based harvesting is completely different from the old TLA (corporate) system. An economic framework within which the POs can operate and prosper in the developmental stages requires greater flexibility on harvesting methods, product line, markets, and financing methods.
- Limitations/constraints are on the use of mechanized methods; inappropriate methods of assessing and imposing forest charges and other fees; inappropriate permitting and documentation requirements. These led to inefficiencies and low returns on PO forest products harvesting/processing operations. Market distortions are being manifested through local restrictions (either from local DENR offices or LGUs) and marketing policies severely affect the financial viability of community operations.
- DENR's oversight approach to implementation has been to micromanage many of the business decisions relating to harvesting methods, product line, and markets, without taking into account of the economic consequences of these regulatory pronouncements.
- DENR's traditional "command and control" role, a legacy from the TLA period has in several instances become an obstacle to fledgling POs trying to create sustainable agroforestry enterprises. Selective logging procedures that were developed for the TLAs, and regulations on

transporting and processing, permitting requirements, which were all developed for corporate operations further caused problems.

### **Tenurial Security**

- Legal recognition of community-based rights provides the best and most secure guarantee of local control over forest ecosystems. POs have demonstrated positive and/or high impact on forest protection. Under PO management, CBFM areas have been protected from timber poaching, encroachment and degradation. Indeed, timber-poaching occurring in certain places is outside of CBFM areas where government has weak presence and control.
- Publicly transparent and widely acknowledged delineation and demarcation of CBFM area boundaries is essential to impress on both the stakeholder-communities and the rest of the public who has control and accountability over the resources in the CBFM areas. It also serves as deterrent to the unauthorized entry and access by non-members of the PO-stakeholder.

### **Individual Property Rights (IPR)**

- Awarding Individual Property Rights (IPR) to PO members has made positive impact/gains as an alternative livelihood/income generating strategy. Experience in Regions 02 (Baggao, Cagayan, and Ilagan, Isabela); 04a (Ma. Aurora, Aurora), and 11 (Laac, Davao Province) shows that capitalist/investors are more at ease to deal with individual members than with several members and officers in an organization. Individual members become individual entrepreneurs, personally responsible and liable to the outcome of the business, thus, giving their one hundred percent effort to ensure its success. Unlike in an organization, no one has a personal stake on the business activities. Initial capital and/or materials are mostly supplied by the investors, thus, risk is minimal or even nil. The process could be a real-life business education to PO members to become real entrepreneurs, and prepares/molds them to handle bigger responsibilities at the organizational level.

### **CHALLENGES**

- **A need for the passage of Sustainable Forest Management Bill** – CBFM is highlighted as the country's prime strategy in forest management. It is envisioned to solve implementation problems pertaining to insufficient manpower and resources availability, and other support services required for effective CBFM implementation.

- **Lack of institutional mechanisms and limited knowledge of DENR, LGUs, and POs for integrated watershed management.** While it recognizes the numerous benefits accruing from an integrated watershed management planning, the primary concern is the lack of clarity on institutional roles and responsibilities between DENR and the LGUs, and there is still limited knowledge of the concept as well as in planning integrated watershed management. The skills to implement this management approach is limited if not lacking on the part of DENR field personnel, and may entirely wanting on the side of POs and LGUs.
- **Policy uncertainty, ambivalence of LGU and the DENR policy enforcement, and contradictions between various laws and policies that govern the management of forestland.** Critical for the national policy environment for CBFM is not what is missing, but the way policy is implemented. The policies on CBFM/CBRM are written by the departments, which can be changed with frequency. A clear example is the policy in resource use in which changes complicate rather than simplify resource use requirements. A great deal of uncertainty exists in the application of the processes and procedures in the highly personalized administrative structure of the DENR. Uncertainty has real economic cost. In the context of tenure agreement and land use rights, uncertainty can be highly destructive to investment necessary to protect and rehabilitate the nation's forests. It is not the absence of national policy but the presence of implementing administrative uncertainty that poses great threat to the success of CBFM program.<sup>4</sup> Likewise, the implementation of CBFM remains in a "logjam" because of the ambivalence of the government and the local government units in enforcing the policies, and the contradiction between the various laws and policies that govern the management of forestland.
- Most LGUs assisted by NRMP have recognized the importance of FLUP in land allocation and management. The foundation has been laid for forest land use planning, but much can be done to sustain momentum on early initiatives. The following weaknesses should be addressed to make forest land use planning more efficient and more effective.
  - a. Difficulties associated with changing the planning framework from administrative boundaries to watershed boundaries.
  - b. Limited technical, manpower, and financial and logistical capacity of both LGUs and DENR for additional planning required of them.
  - c. Poor data quality associated with problems of accuracy, level of detail, completeness and accessibility.
- Initial experiments in devolution and partnership highlight the seeming lack of confidence of LGUs to DENR. Most believe that DENR has poor

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<sup>4</sup> Mickelwait, R., et.al., *op. Cit.*

track record as a steward of the nation's natural resources, and cannot be relied upon to provide dispassionate technical assessments. Consequently, LGU officials are wary of collaboration with DENR because they are fearful that cost centers will be shifted from the national to the local levels, but the benefits will accrue only to DENR.

- Preparedness of the communities to carry on the task of managing all the natural resources within the territorial boundary of their projects
  - Readiness of LGUs for co-management of forest areas and specifically, in CBFM implementation
  - Community incentives accruing from their involvement in forest management remains to be wanting. Prolong absence of incentive mechanism to POs and key implementers promote degeneration and ineffective delivery of service for forest management
  - Development of the action programs for the operationalization and/or adoption of Sustainable Forest Management System (SFM) in the country. The component has seen the need for the DENR as the lead agency in forest management to take steps that would further promote and institutionalize Sustainable Forest Management in the country. There have been developed procedures necessary to sustain this initiative but would require ample support from the DENR hierarchy either through policy issuance and legislation. Below are highlights of this component initiative that need to be institutionalized;
- a. **The adoption/implementation of DENR-LGU-DILG Manual on Partnership on Devolved and Forest Management Function (JMC 98-01)** propelled the participation of some LGUs in the management of Forestland through Memorandum of Agreement (MOA). The participation of others sectors, especially of LGUs would facilitate and increase investments in the management of forest areas in the country.
  - b. **Adoption of Forest Land Use Planning System for proper Allocation and Management of Forestlands.** FLUP thus harmonize the conflicting interest of all sectors in the management of forestland, taking into consideration the on-site and off-site values/impacts of management interventions. It should thus be considered as among the topmost priority in allocation and management using the watershed as the basic management unit. Through FLUP, LGUs and other sectors would be able to identify areas for investment as well as areas needing immediate concern for allocation and management. It would also be the best entry point to promote institutional partnership in the management of forestland.

- c. Application and Institutionalization of Criteria and Indicators for sustainable forest management.** The Criteria & Indicators provide benchmarks and standards in forest management and a system for tracking the progress towards the promotion and achievement of sustainable forest management in the country. Initiatives of FRM and Forest Management Bureau have brought the set of national and forest management unit-level SFM C & I for Philippines. The next step to be undertaken is the development of action programs that would warrant application and institutionalization of C & I in the country. The action program would include among its activities the realignment of policies, systems and procedures for SFM, and increasing/improving support services for implementation.
  
- d. Certification of forest management practices.** One of the envisioned end-products of C & I development is its possible use in certifying areas employing sustainable management practices. Following the international trends in forest certification, the certified products coming from certified areas should have an edge in the market, as it should gain premium for practicing SFM. The Philippines would want it to be an internal policy to use certification, notwithstanding forest products international marketing advantage, as a scheme to improve forest management practices in the country.

## **VI. Summary and Conclusions**

In twelve years of FRM implementation, it has revolutionized the implementation of CBFM in the country. The promotion of CBFM as the principal strategy of the government manifested a clear paradigm shift from the old practice of forest management in the Philippines. In the context of achieving the program's goal, FRM has laid the foundation, both, technically and institutionally, to pursue sustainable forest management in the country. One of the greatest new developments achieved by the program is the widened interest of the local government units (LGUs) to participate in this endeavor. Both the Local Government Code and the Joint Memorandum Circular provide for strengthening this partnership and collaboration, which would facilitate activities and programs and potentially increase investments in forest management.

FRM has exceeded its physical target to achieve a critical mass of CBFM projects to help close the "open access" areas in six (6) regions of the country. Sustained assistance by the DENR and the LGUs should be given to participating communities, as there are still areas where improvement must be undertaken, especially, in assisting PO come up with viable business to sustain implementation of forest management activities.

Overall, FRM has successfully met the target based on the Strategic objective (SO4) as stipulated under the MOA between USAID and GOP. This achievement has provided initial framework from which to pursue sustainable forest management objectives. It must therefore be harmonized and used to complement other initiatives, and different stakeholders must collaboratively work together towards this end.

A listing of publications, technical reports, and manuals is in *Annex Table G*.