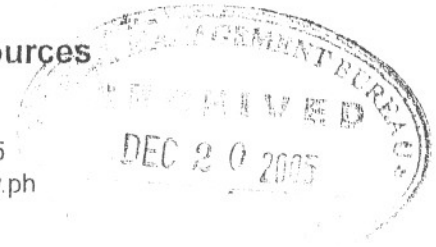




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DENR Administrative Order

No. 2005- 25

NOV 17 2005

**SUBJECT : GUIDELINES IN THE IMPLEMENTATION OF
UPLAND AGROFORESTRY PROGRAM**

Pursuant to the provision of Section 16, Article II of the 1987 Constitution, Executive Order No. 192 dated 10 June 1987 and Presidential Decree No. 705 dated 19 May 1975, as amended, which provide for the protection and advancement of the right of the Filipino people to a healthful and balanced environment and in line with the food security program of the government, the following guidelines on the implementation of the Upland Agroforestry Program (UAFP) are hereby promulgated:

SECTION 1. BASIC POLICY

Consistent with the National Forestation Program of the government to enhance forestlands productivity, it is the policy of the State to promote equitable distribution of opportunities, income and wealth in the development of open and unproductive areas in forestlands. Agroforestry systems that are best suited based on the biophysical characteristics of the area shall be adopted. Private-public partnerships and other similar arrangements shall be encouraged in the pursuit of this endeavor.

SEC. 2. OBJECTIVES

The objectives of these guidelines are as follows:

1. To reduce rural poverty by increasing productivity and employment in the uplands through the development of upland agroforestry farms and plantations nationwide;
2. To enhance forest cover of forestlands by planting economically beneficial crops in addition to timber species;
3. To ensure sufficient supply of agricultural and fruit tree crops through private-public participation and by encouraging all sectors to engage in the development of agroforestry farms and plantations; and
4. To improve the economic well-being of upland people and communities dependent on forestlands and forest resources by ensuring equitable opportunities and access to forestlands and forest resources.



SEC. 3. COVERAGE

At least 4 million hectares of open and unproductive forestlands shall be made available for the establishment and development of agroforestry farms and plantations under the Upland Agroforestry Program (UAfP). These areas shall be comprised by cultivated areas, shrub lands, wooded grasslands and grasslands that are within the forestlands.

This may initially include the 1.9 million hectares earmarked for agroforestry development under the Community-Based Forest Management Program (CBFMP) and other forestlands currently used for other purposes, e.g. grazing lands.

For purposes of this guidelines, agroforestry shall refer to the management of forestlands which increases their productivity by properly combining forest trees and agricultural crops (annual, biennial and perennial crops) including livestock simultaneously or sequentially over time through the application of compatible management practices. The selection and use of agroforestry crops shall be determined based on site suitability, existing technology, cultural considerations, and market potential, among others.

SEC. 4. IDENTIFICATION OF POTENTIAL AREAS

The Forest Management Bureau (FMB), with the cooperation of the National Mapping and Resource Information Authority (NAMRIA), shall determine the potential areas for agroforestry production from the existing and identified production forestlands, based on the reconciled 2003 Forest Cover Data and Maps, provided that, areas already covered by Forest Land Use Plan (FLUP) and those targeted under the DENR-DA-DAR Convergence especially the undeveloped DAR resettlement areas shall be prioritized in the identification of potential agroforestry projects.

SEC. 5. VALIDATION AND ASSESSMENT OF POTENTIAL AREAS

The Community Environment and Natural Resources Officers (CENRO), in coordination with the local government units (LGUs) and other agencies concerned and stakeholders shall determine the current land use and vegetative cover of the identified areas taking into consideration, among others, their biophysical characteristics, the various land tenure instruments that may have already been issued in the area, and the extent of the areas with high potential for agroforestry development.

The assessment shall include the identification of appropriate and/or suitable tree and agricultural crops for the potential agroforestry areas.

These areas shall be properly indicated in the control maps of the DENR regional, provincial and community offices. The maps shall be made accessible and available to interested parties.



SEC. 6. QUALIFICATIONS OF APPLICANTS

6.1 Group:

The Program shall be open to Filipino organizations, corporations, cooperatives, associations, NGOs and other interested parties e.g. LGUs, which possess the following qualifications:

- 6.1.1 Duly registered with the Securities and Exchange Commission (SEC) or the Cooperative Development Authority (CDA);
- 6.1.2 Financially capable to support agroforestry development, including but not limited to bank guarantee;
- 6.1.3 Track record in forest development/ agroforestry/ agribusiness and other relevant business activities.

6.2 Individuals

- 6.2.1 Interested individuals who are part of associations, Non-government organizations (NGOs) or corporation may also apply under the Program, provided that he/she has good track record in forest development/agroforestry/ agribusiness and other relevant business activities.

SEC. 7. REQUIREMENTS FOR APPLICATION

1. Application letter;
2. Agroforestry Development Plan;
3. Group applicants shall satisfy the following additional requirements:
 - 3.1 Certified true copy of the Certificate of Registration with authorized registering government agency;
 - 3.2 List of duly elected officers and members and their addresses duly certified by the Board Secretary; and
 - 3.3 Audited financial statements for the last two (2) years, for applicants already in existence; and or
 - 3.4 Proof of financial and technical capability to undertake agroforestry development activities such as credit lines from financial institutions and properties that could be used as collateral and certifications on past performance.
4. Individual applicants need to show proof of financial and technical capability to undertake agroforestry development activities such as credit lines from financial institutions and properties that could be used as collateral and certifications on past performance.

SEC. 8. SIZE OF AGROFORESTRY PROJECT AREAS

Identified suitable forestlands of 50 hectares and above may be granted to qualified Filipino organizations, corporations, cooperatives, associations, NGOs, etc. for the establishment and development of agroforestry farms and plantations.



For LGUs, the forestlands that may be granted shall be dependent upon the available suitable areas allocated under approved FLUP. In the absence of FLUP, areas exceeding 1,000 hectares may be granted to eligible applicants based on available suitable areas and result of feasibility studies.

For individuals, the minimum area to be granted shall be 50 hectares. Approval of agroforestry area exceeding 50 hectares shall be determined based track record and financial capability as indicated on the ADP of the applicants.

SEC. 9. PROCESSING OF APPLICATIONS

a. Filing of Application. All applications shall be filed at the CENRO, which has jurisdiction over the areas applied for upland agroforestry projects. The application shall indicate the general area subject of the application and the proposed agroforestry undertaking.

In cases where there are more than one (1) qualified applicants over an area, the DENR official concerned shall create an ad-hoc body which shall determine the most qualified applicant.

A catalog of potential agroforestry projects containing the basic information/profile and maps will be provided by the DENR (in coordination with other agencies) to prospective applicants.

b. Survey and Delineation of Project Areas. Upon receipt of application, the CENRO concerned shall evaluate the same and, in coordination with the applicant, the LGUs and other agencies concerned, cause the immediate conduct of actual ground survey and delineation of the area(s) applied for upland agroforestry projects within their jurisdiction.

The applicant shall shoulder the cost of the survey including the cost of map production, based on existing pertinent rules and regulations.

c. Preparation of Agroforestry Development Plan. Upon completion of the ground survey and delineation, the applicant shall submit an Agroforestry Development Plan (ADP) to the CENRO concerned.

The ADP shall include, among others, a brief profile of the applicant; the extent of the project area; the strategies and activities to be undertaken in the establishment and development of agroforestry farms and plantations; funding source(s); and production, marketing, profit-sharing, and other arrangements with upland people and communities in possession of valid tenurial instruments, and other stakeholders, if applicable.

If the area is covered by an existing and valid tenurial instrument e.g. Community-Based Forest Management Agreement (CBFMA), Forest Land Grazing Management Agreement (FLGMA), etc., the ADP shall be consistent with the corresponding Community Resources Management Framework (CRMF), Forest Land Grazing Management Plan, etc. If there shall be significant changes from the affirmed/approved plans, the ADP shall be incorporated and shall form part of these plans.

For agroforestry areas that will fall inside CBFM project, the applicant is required to identify areas for the establishment of woodlot or planting of fast-growing species for the consumption of the community.



In cases where the applied area is not covered by any tenurial instruments but occupied by upland dwellers/tillers, the applicant shall, as much as possible, consider and involve them in the preparation and implementation of the ADP.

The CENRO shall review/evaluate of the ADP, maps and other supporting documents/information for subsequent endorsement to the central office.

SEC. 10. JOINT VENTURE AGREEMENT OR MEMORANDUM OF AGREEMENT

The establishment and development of agroforestry farms and plantations in areas identified and made available for the purpose shall be covered with a Joint Venture Agreement (JVA) or Memorandum of Agreement (MOA) between the applicant and the DENR. All JVAs/MOAs shall be approved by the Secretary based on the evaluation/ assessment of the ADP and other supporting documents/information by the Forest Management Bureau in collaboration with concerned private sector and government offices.

CBFM agreements complying with the rules and regulation of the DENR are hereby allowed to enter into JVA with qualified applicants.

However, for suitable agroforestry areas falling within LGUs with approved Forest Land Use Plans (FLUP) and/or existing MOA with the DENR or under process, on the co-management of forestlands, the applicant shall enter into a MOA or other contracts with the LGU concerned for agroforestry development, consistent with the FLUP/MOA. The DENR may issue the appropriate tenurial instruments.

Likewise, the agreement shall have provisions for penalty on possible speculation such as non-development, abandonment, etc. These provision(s) shall include among others, fines for non-development for a certain period of time and cancellation in case of abandonment based on the result of performance assessment to be conducted.

In order to ensure the conformity of the proposed agroforestry development in the applied areas with the Comprehensive/Forest Land-Use Plan (CLUP/FLUP) of the LGUs, the local chief executive concerned shall always be a party to the JVA, MOA or other contracts, or a party affirming as witness, whichever is appropriate/preferred.

SEC. 11. PROJECT IMPLEMENTATION

The development of agroforestry production areas under the UAfP shall be conducted in accordance with the ADP and the provisions of the JVA, MOA or other contracts entered into by the concerned parties, provided, however, that the development of agroforestry farms and plantations shall not involve the conversion of forests or cutting of any naturally-growing trees; provided, finally, that the areas for agroforestry development shall not be devoted to uses other than those provided in the approved MOA, JVA and ADP.

SEC. 12. PROFIT AND OTHER BENEFIT-SHARING SCHEMES

The DENR shall be entitled to a share of the gross revenues and other benefits from the agroforestry undertaking based on the approved ADP as follows: five percent (5%) from annual crops, four percent (4%) from biennial crops and three percent (3%) from perennial crops. As an additional incentive to the JVA/MOA holders, no government share shall be collected for forest plantations established under the UAfP.

Technically, annual crops are those crops that complete its life cycles within one year such as seasonal crops that include but not limited to vegetables, grains and root crops. Biennial crops are crops that ordinarily require two years, or at least part of two seasons with a dormant period between growth stages, to complete its life cycles that include but not limited to pineapple, bananas, abaca. Perennial crops are those crops that do not die after flowering but live from year to year that include but not limited to fruit trees (e.g. mango, durian, citrus); industrial crops (e.g. rubber, castor beans); beverage crops (e.g. coffee, cacao) and palms (e.g. coconut).

Provided that, taxes on the developments introduced in agroforestry areas shall be paid by the applicants which will accrue to the concerned LGUs in accordance with the provisions of the Local Government Code.

SEC. 13. MONITORING AND PROVISION OF TECHNICAL ASSISTANCE

The CENRO in coordination with LGU concerned shall monitor the progress of agroforestry development and marketing/enterprise activities in their respective areas of jurisdiction. Technical assistance shall be continuously provided to ensure adherence of the parties concerned with the provisions of the JVA, MOA or other contracts and the applicable standards, procedures, rules and regulations of the DENR and LGU concerned, as espoused in the CLUP/FLUP, among others.

SEC. 14. ARBITRATION

In the event of any dispute between the DENR and the other contracting parties that cannot be settled by mutual accord, the dispute may be submitted to arbitration pursuant to the rules provided in RA 9285, otherwise known as the "Alternative Dispute Resolution Law", and the decision shall be binding to both the DENR and the other contracting party.

SEC. 15. TRANSFER

Any contracting party may transfer, exchange, sell or convey their rights or any assets used in connection with agroforestry development, if authorized by the DENR Secretary.

SEC. 16. CLARIFICATORY GUIDELINES

Additional guidelines and/or manual of procedures may be issued to clarify the pertinent provisions of this issuance or to enhance the implementation of the UAfP.





SEC. 17. PRESIDENTIAL WARRANTY

All agroforestry projects under the UAfP shall be listed and covered by a warranty to be signed by the President. This shall include warranty on land tenure and other incentives that may be granted based on existing/applicable government laws, rules and regulations.

SEC. 18. EFFECTIVITY

This Order shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation and upon acknowledgement by the UP Law Center.




MICHAEL T. DEFENSOR
Secretary 

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December 15, 2005