



**FOREST  
MANAGEMENT  
BUREAU**  
*Harnessing forestry science for sustainable development*

# **SPECIAL USES OF FOREST LANDS**

**Forester AMIE A. TENORIO-RABANG**

*Chief, Forest Land Use and Allocation Section*

*Forest Resources Management Division*



# Outline of the Presentation

I – Legal Basis

II – Brief Description of Tenure Instruments for Special Uses of Forestlands

- ❖ Special Land Use Permits (SLUP)
- ❖ Forest Landuse Agreement (FLAg)
- ❖ Forest Landuse Agreement for Tourism Purposes (FLAgT)

III – Process Flow

IV – Sample computation of Annual Rental/Government Share and Performance Bond



# LEGAL BASIS

## Article 12 (Sect. 2), 1987 Philippine Constitution

- All lands of the public domain, xxx, forests or timber, wildlife, flora and fauna, and other natural resources are owned by the State
- All natural resources shall not be alienated, except for agricultural lands
- The exploration, development and utilization of natural resources shall be under the full control and supervision of the State.



# LEGAL BASIS

## Article 12 (Sect. 2), 1987 Philippine Constitution

- The *State may directly undertake* such activities, or it *may enter into co-production, joint venture or production-sharing agreements with Filipino citizens, or corporations or associations* at least 60% of whose capital is owned by such citizens.
- Such agreements may be *for a period not exceeding twenty-five years, renewable for not more than twenty-five years*, and under such terms and conditions as may provided by law.



# LEGAL BASIS

## Executive Order 192, series of 1987

- The Department, shall be the **primary** government agency responsible for the conservation, management, protection, proper use and sustainable development of the country's environment and natural resources...



# Tenure Instruments issued by the DENR

- › Integrated Forest Management Agreement (IFMA)
- › Socialized Industrial Forest Management Agreement (SIFMA)
- › Forestland Grazing Management Agreement (FLGMA)
- › Community-Based Forest Management Agreement (CBFMA)
- › **Special Land Use Permit/Lease (SLUP)**
- › **Forest Landuse Agreement –Tourism (FLAgT)**
- › **Forest Landuse Agreement (FLAg)**
- › Tree Farm Lease Agreement (TFLA)
- › Agro-Forestry Farm Lease Agreement (AFFLA)
- › Protected Area Community-Based Resources Management Agreement (PACBARMA)
- › Special use Agreement within Protected Area (SAPA)
- › Mineral Production Sharing Agreement (MPSA)



# LEGAL BASIS

## Presidential Decree 705, Section 57.

Other Special Uses of Forest Lands - “**Forest lands, may be leased** for a period **not exceeding twenty-five (25) years**, ... for the establishment of sawmills, lumber yards, timber depots ... or **other beneficial purposes which do not in any way impair the forest resources therein**”.



# SPECIAL LAND USE PERMIT (SLUP)

a privilege granted by the State to a person to temporarily occupy, possess and manage in consideration of specified return, any public forest lands for a specific use or purpose.

*“Bridging tenure for FLAg (conversion) should there be a need to extend the period of the project ”*

- |                            |  |
|----------------------------|--|
| <b>Legal Basis</b>         | : DAO 2004-59 and DENR Memorandum Order 10 April 2006                              |
| <b>Area</b>                | : depends upon the area requirement of the project                                 |
| <b>Duration</b>            | : 3 years to be converted to FLAg<br>should there be a need to extend its validity |
| <b>Application Fee</b>     | : Php. 500.00/ application   |
| <b>Approving authority</b> | : Regional Executive Director  |





# Related Policies and Issuances on SLUP

- DENR Memorandum No. 148 dated 10 April 2006  
(25 Year Forestry Leases, Permits, Contracts and related Agreements)
- DENR Memorandum No. 447 dated 17 October 2013  
(Suspension on processing and issuance of new and renewal of Special Land Use Permits (SLUPs))
- DENR Memorandum No. 537 dated 29 Nov. 2013  
(Lifting of suspension in the issuance of SLUPs including (OLPs))



# **Related Policies and Issuances on SLUP**

DENR Memorandum No. 118 dated 07 March 2013

(Processing of Special Land-use Permits with Tree Cutting/Earth-balling)

DAO No. 2009-16 dated 25 November 2009

(Non-issuance of SLUP for tourism purposes)

DENR Memorandum from the Undersecretary for Field Operations dated 16  
May 2016



# Forest Landuse Agreement (FLAg)

- a contract between the government and a second party to temporarily occupy, manage and develop in consideration of a government share, any forestland of the public domain for **specific use**
- **Legal basis** : DAO 2004-59 dated August 31, 2004
- **Area** : depends upon the area requirement of the project
- **Duration** : 25 years renewable for another 25 years
- **Application Fee** : Php. 500.00/application
- **Approving Authority** : Undersecretary for Field Operations



# Forest Landuse Agreement (FLAg)

**Government Share/Annual Rental :** at least five percent (5%) of the most recent zonal value of the nearest commercial zone of the barangay/municipality/city or province, whichever is higher.

- **For energy projects : Php. 3,000.00 per hectare and a fraction thereof, to be increased cumulatively by 10% every year**

**Performance Bond :** Twice the annual rental or government share, as the case maybe, but not less than Php. 10,000.00

**Required Plan** : 25 year Comprehensive Development and Management Plan (CDMP)



# Forest Landuse Agreement (FLAg)

Legal Uses of Forest lands	
1. Bodega/Warehouse	11. Lumberyard
2. Drydock site/shipbuilding	12. Mineral storage/Crushing Site
3. Industrial Processing Site	13. Mining Waste Disposal Site
4. Herbal/Medicinal Plantation	14. Motor Pool Site
5. Nipa plantation	15. Plant Nursery Site
6. Fish Drying site	16. Power Station Site
7. <b>Other Lawful Purposes</b>	17. Right-of-Way
8. Communication Station Site	18. School Site
9. Landing Site (air strip)	19. Water Reservoir or Impounding
10. Log Pond/ Log Depot Site	Dam



# SLUPs/OLP permits issued by the Regional Offices

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Landing site (boat, plane, etc)

Bodega/warehouse

Aviation Fuel Depot

Dry-dock site

Culture Site (seaweeds, crab, shrimps, etc.)

Mill site (copper, iron, etc.)

Coal depot site

Store site

Commercial center

Duck raising site

Gas station site

Transportation terminal site

Fish drying site

Veneer plant site

Mini golf site

Motor pool Site

Cell site

Training center

Machine shop and junk yard

Ore crushing site

Pipe line corridor

Piggery and poultry

Summer resort site

Shipbuilding site

School Site

Recreation and complex site

Well pad site

Market Site

Sanitary landfill/Dump site

Botika

Temporary facility site

Hybrid Goat Breeding Site

Agriculture Farm Shop

Floating restaurant

Camp site



# Forest Landuse Agreement for Tourism (FLAgT)

a contract between the government and a second party to temporarily occupy, manage and develop in consideration of a government share, any forestland of the public domain **for tourism purposes**

<b>Legal basis</b>	: DAO No. 2004-28 dated August 25, 2004 DAO 2009-16 dated. Nov. 25, 2009 DMO 2011-02 dated. March 15, 2011
<b>Area</b>	: depends upon the area requirement of the project
<b>Duration</b>	: 25 years renewable for another 25 years
<b>Application Fee</b>	: Php. 500.00/application
<b>Approving Authority</b>	: Undersecretary for Field Operations



# Forest Landuse Agreement for Tourism (FLAgT)

- Bathing establishment
- Camp site
- Ecotourism
- Hotel site (inclusive of related resort facilities)
- Other tourism purposes





# Related Policy and issuances

**Memo dated May 16, 2017**

- Clarification of Existing guidelines relative to the issues and concerns raised during the series of workshops on forest tenure and permit re-orientation per DENR SO 2016-263
- Clarification on the computation of performance bond for FLAG and SLUP
- Clarification on the conduct of appraisal on the value of the land and the improvements introduced thereon under lease agreement or permit vis-à-vis the specific guidelines on Annual Rental/Government Share Generation.
- Clarification on the implementation of projects of national interest or public utilities within areas covered with CBFMA vis-à-vis the issuance of waiver of rights of the tenure holder for the purpose



# Related Policy and issuances

## Memo dated June 06, 2017

- Clarification on the inability of the applicants of FLAgT to submit promptly the TDP prepared by the LGU and duly approved by DOT
- Clarification on the validity of FAO 8-3 dated 1 July 1941 as reference in the issuance of permit or agreement for the Special use of forest lands vis-à-vis the existence of DAO No. 2004-28 dated 25 Aug. 2004 and DAO No. 2004-59 dated 31 Aug. 2004 which governs the special uses of forest lands.
- Inclusion of planted CBFM area under the NGP in the community resource management framework

## Memo dated June 28, 2017

- Composition of the committee that will facilitate the review of the comprehensive development and management plans for FLAG and FLAGT



# PROCESS FLOW



# CENRO

PROCEDURES	DOCUMENTARY REQUIREMENTS
<ul style="list-style-type: none"><li>• Accepts and reviews application and checks completeness of the documentary requirements</li></ul>	<ul style="list-style-type: none"><li>• Duly accomplished application form &amp; other relevant documents</li><li>• <u>Checklist of Requirements (SLUP/FLAg/FLAgT)</u></li></ul>
<ul style="list-style-type: none"><li>• Conducts field investigation depending on the extent of the area</li></ul>	<ul style="list-style-type: none"><li>• Report on the result of the field work</li></ul>
<ul style="list-style-type: none"><li>• Conducts timber inventory on the areas with timber stand where structures or facilities will be constructed or established.</li></ul>	<ul style="list-style-type: none"><li>• Inventory return and report duly sworn and subscribed</li></ul>
<ul style="list-style-type: none"><li>• Prepares map after completion of field work</li></ul>	<ul style="list-style-type: none"><li>• Geographically referenced map/s in print and shapefile format</li></ul>
<ul style="list-style-type: none"><li>• Endorses application and requirements to PENRO.</li></ul>	<ul style="list-style-type: none"><li>• Duly accomplished application form and documentary requirements</li></ul>



# PENRO

PROCEDURES	DOCUMENTARY REQUIREMENTS
<ul style="list-style-type: none"><li>• Reviews and evaluates the application and documentary requirements together with the report of the CENRO.</li></ul>	<ul style="list-style-type: none"><li>• Duly accomplished application form &amp; relevant documents</li></ul>
<ul style="list-style-type: none"><li>• Endorses application to Office of the Regional Director</li></ul>	<ul style="list-style-type: none"><li>• Duly accomplished application form and documentary requirements</li></ul>



# RENRO

PROCEDURES	DOCUMENTARY REQUIREMENTS
<ul style="list-style-type: none"> <li>Reviews the application and the requirements including the field report</li> </ul>	<ul style="list-style-type: none"> <li>Duly accomplished application form and documentary requirements</li> </ul>
<ul style="list-style-type: none"> <li>A Committee composed mainly of technical staff of the FMS reviews/deliberates the CDMP submitted by the FLAg holder three (3) months after the FLAg issuance</li> </ul>	<ul style="list-style-type: none"> <li>CDMP approved by the RED</li> </ul>
<ul style="list-style-type: none"> <li>Requires the applicant to submit CDMP prior to endorsement of their FLAgT applications to FMB and OSEC.</li> </ul>	<ul style="list-style-type: none"> <li>CDMP</li> </ul>
<ul style="list-style-type: none"> <li>Endorses the application to the Office of the Secretary thru OUFO</li> </ul>	<ul style="list-style-type: none"> <li>Duly accomplished application form and documentary requirements</li> </ul>
<ul style="list-style-type: none"> <li>Approves the SLUP</li> </ul>	



# FMB

PROCEDURES	DOCUMENTARY REQUIREMENTS
<ul style="list-style-type: none"><li>• Reviews the application and the documentary requirements submitted by the RENRO duly referred by the OUFO.</li></ul>	<ul style="list-style-type: none"><li>• Duly accomplished application form and documentary requirements</li></ul>
<ul style="list-style-type: none"><li>• Submits to the OUFO the result of the evaluation and recommendation for the RENRO to facilitate the compliance with of the applicant on the perceived deficiencies in the application.</li></ul>	<ul style="list-style-type: none"><li>• List of lacking requirements</li></ul>
<ul style="list-style-type: none"><li>• Prepares Final map</li></ul>	<ul style="list-style-type: none"><li>• Geographically referenced map</li></ul>
<ul style="list-style-type: none"><li>• Endorses application and the draft Agreement to the Secretary thru the Undersecretary for Field Operations.</li></ul>	<ul style="list-style-type: none"><li>• CSW report, application, documentary requirements and draft FLAg/FLAgT</li></ul>
<ul style="list-style-type: none"><li>• Releases the Agreement approved by the Secretary or his authorized representative.</li></ul>	<ul style="list-style-type: none"><li>• Duly signed, subscribed and sworn FLAg/FLAgT</li></ul>



# OASB/OAFO

PROCEDURES	DOCUMENTARY REQUIREMENTS
<ul style="list-style-type: none"><li>• Reviews application and documentary requirements submitted by the RENRO.</li></ul>	<ul style="list-style-type: none"><li>• Application and documentary requirements</li></ul>
<ul style="list-style-type: none"><li>• Refers the submitted application and documentary requirements to the FMB for appropriate action.</li></ul>	<ul style="list-style-type: none"><li>• Application and documentary requirements</li></ul>
<ul style="list-style-type: none"><li>• Reviews the application, documentary requirements, CSW report, map and draft FLAg/FLAgT endorsed by FMB and submits to the Office of the Secretary.</li></ul>	<ul style="list-style-type: none"><li>• CSW report, application, documentary requirements, map and draft FLAg/FLAgT</li></ul>
<ul style="list-style-type: none"><li>• Prepares final FLAg/FLAgT and submits the same to the Office of the Secretary including the application and CSW report</li></ul>	<ul style="list-style-type: none"><li>• Final FLAg/FLAgT</li></ul>





# OUFO

PROCEDURES	DOCUMENTARY REQUIREMENTS
<ul style="list-style-type: none"><li>• Reviews the application, CSW report, map and the final FLAg / FLAgT endorsed by the OUFO.</li></ul>	<ul style="list-style-type: none"><li>• Application, CSW report, map and the final FLAg / FLAgT</li></ul>
<ul style="list-style-type: none"><li>• Approves and returns the approved FLAg / FLAgT to FMB for numbering and/or release.</li></ul>	<ul style="list-style-type: none"><li>• Approved FLAg / FLAgT</li></ul>



# Sample Photos





Wind Energy Development Project  
EDC/ Northern Luzon UPC Asia Corp.  
Ilocos Norte





**OLP 174 - EDC Well Pad Site and Well Head for Geothermal Steam Production  
Valencia, Negros Oriental**



**EDC- OLP for Geothermal Pipelines that crosses the Okoy River from Well Pad Site  
to Sogongon Power Plant Complex  
Valencia, Negros Oriental**





Front, perspective and interior views of OLP No. 009 Warehouse  
Apo Cement Corporation Naga City, Cebu



Hull Factory Building and Slipway of OLP No.018, K&A Metal Industries, Inc.  
Balamban, Cebu





OLP No. 12 - Dry Dock and Shipyard  
Colorado Shipyard and Shipbuilding Corporation  
Consolacion, Cebu





FLAg-Geothermal Power Plant Site  
Energy Development Corporation (EDC)  
Valencia, Negros Oriental





OLP – Transmission Line (Right-of-way)  
National Grid Corporation of the Philippines (NGCP)







OLP No. 10 Light House, Dry Dock, and Shipyard  
L'Nor Marine Services, Inc.  
Liloan, Cebu





Bathing Establishment  
Benthel Development Corp.  
Cordova Cebu





Bathing Establishment Lease Agreement No. – 0008  
Euro Asia Holiday Resort Corp.  
Zaragoza Island, Badian, Cebu



# Sample Computation of Performance Bond

Consistent with the provisions of DAO No. 2004-16 dated 15 June 2004

## Item C (10). Special Use Permits and Leases

States that performance bond is twice the annual rental or user fee, as the case maybe, but not less than PhP10,000.00. Provided that 50% of the computed bond deposit shall be posted in cash and the balance in the form of surety bond with a duration of five (5) years renewable every five (5) years in case of a lease or management agreement or coterminous to a permit. Provided, further, that the face value of the surety bond shall be increased by 25%.

## Item E (4). Rental/Government Share/User Fee for Special Use of Forestland for Energy Project

The required amount is **Php. 3,000.00 per hectare and fraction thereof** and to be increased cumulatively by 10% every year.



# Sample Computation of Annual Rental and Performance Bond for Energy Projects

Given:

Tenured Area = 56 hectares

Annual Rental / Government Share = Php. 3,000.00/hectare

Annual Rental is computed as follows:

$$AR = 56 \text{ hectares} \times \text{Php. } 3,000.00 = \underline{\text{Php. } 168,000.00}$$

Performance Bond is twice the annual rental which is equals to Php. 336,000.00

$$PB = \text{Php. } 168,000 \times 2 = \underline{\text{Php. } 336,000.00}$$



## Example of computation for the adjusted annual rental

In 2013, the AR is Php. 168,000.00 and a 10% increase on the AR was incurred which is equals to Php. 16,800.00 Hence, the annual rental for year 2014 will be Php. 184,000.00, computed as follows:

$$\begin{array}{r} \text{Php. 168,000.00 (AR for 2013)} \\ + \text{Php. } \underline{16,800.00} \text{ (10\% increase in AR for 2014)} \\ \hline \text{Php. } \underline{\underline{184,800.00}} \text{ (AR for 2014)} \end{array}$$



# Example of computation for the adjusted annual rental

For 2015, the AR is Php. 203,280.00 which is computed as follows:

$$\begin{array}{r} \text{Php. } 184,800.00 \text{ (AR for 2014)} \\ + \text{ Php. } 18,480.00 \text{ (10\% increase in AR for 2014)} \\ \text{Php. } \mathbf{203,280.00} \text{ (AR for 2015)} \end{array}$$





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**MARAMING SALAMAT PO!**

