



Republic of the Philippines
Department of Environment and Natural Resources
FOREST MANAGEMENT BUREAU
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MEMORANDUM

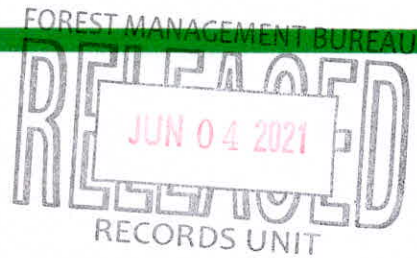
FOR : The Regional Executive Directors
All DENR Regions

ATT'N : The Provincial Environment and Natural Resources Offices
The Regional Focal Persons on the DBP-Agroforestry Plantation Program

FROM : The Assistant Secretary for Policy, Planning, and Foreign Assisted and
Special Projects, and Director, in concurrent capacity

SUBJECT : **FOCAL PERSONS PER PROVINCIAL ENVIRONMENT AND
NATURAL RESOURCES OFFICE FOR THE DBP AGROFORESTRY
PLANTATION FINANCING PROGRAM**

DATE : **JUN 03 2021**



Pursuant to the agreements in the last meeting of the Forest Management Bureau (FMB) with the DENR Regional Offices (RO) represented by the Regional Focal Persons on the DBP-Agroforestry Plantation Program (APP), which was conducted on May 6, 2021, the Provincial Environment and Natural Resources Offices (PENRO) shall submit their respective DBP-APP Focal Person/s.

The PENRO DBP-APP Focal Person/s shall serve as the contact person of the interested applicants/borrowers for the DBP-APP and the counterpart/s of the DBP's provincial Lending Centers in terms of processing and approval of loan applications. He/she shall also coordinate with the RO DBP-APP Focal Person/s in updating and providing information on the number of applicants, the status of applications, and endorsed applications to DBP. Attached is FMB Technical Bulletin No. 32 entitled "*Guidance in the Implementation of the Agroforestry Plantation Program*" for immediate reference.

Further, may we also request the RO DBP-APP Focal Persons to consolidate the information of the PENRO DBP-APP Focal Persons containing the following information:

- Full Name;
- PENRO Address;
- PENRO's Contact Number and email address; and
- Focal Person's Mobile Number and Email Address

Accomplish the form by accessing the link: <https://tinyurl.com/PENROFocalDBPAPP> for database on or before 10 June 2021.

Should you have any concerns or inquiries, you may contact For. Randelle Canicosa of the Forest Investment Promotion Section - Forest Investment and Development Division at Tel. No. (02) 8927 – 6229 or email at fmb.fidd.fipro@gmail.com.

FOR INFORMATION AND COMPLIANCE, PLEASE.


MARCIAL C. AMARO, JR., CESO III



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MEMORANDUM

FOR/TO : All DENR Regional Executive Directors
All Provincial Environment and Natural Resources Officers
All Community Environment and Natural Resources Officers

FROM : The OIC, Director

SUBJECT : **FMB TECHNICAL BULLETIN NO. 32 GUIDANCE IN THE IMPLEMENTATION OF AGROFORESTRY PLANTATION PROGRAM (ALSO KNOWN AS DBP-TREE PLANTATION FINANCING PROGRAM)**

DATE : **OCT 28 2020**

I. THE TECHNICAL BULLETIN

The Technical Bulletin shall serve as guide in the technical review and evaluation on the feasibility and compliance with DENR requirements of loan applicants to the Agroforestry Plantation Program (also known as DBP Tree Plantation Financing Program), a credit assistance program of DBP, *vis-à-vis* the Memorandum of Agreement between the Department of Environment and Natural Resources and the Development Bank of the Philippines dated 5 August 2019.

II. USERS OF TECHNICAL BULLETIN

DENR personnel, tenure holders, private plantation developers, local government units, Peoples Organizations, wood processing plant owners, and other stakeholders engaged in the development, care and maintenance of forest plantations, processing and marketing of forest-based products, are the intended users of this technical bulletin.

III. SCOPE OF THE APP CREDIT ASSISTANCE PROGRAM

The Agroforestry Plantation Program (APP), under DBP Circular No. 15, Series of 2020 Implementing Guidelines for Agroforestry Plantation Program, is a credit assistance program developed by the Development Bank of the Philippines (DBP) for the development, expansion, harvesting, processing, maintenance and protection of industrial forest-based plantations in qualified private and public land consisting of at

least five hectares to a maximum of forty thousand hectares. The program is intended for those who are engaged in forest plantation related business.

The APP offers credit assistance to qualified borrowers, which can be used as working capital, acquisition of machineries and pieces of equipment, or construction and establishment of facilities. Moreover, the loan shall be utilized to finance the cost of forest plantation projects including the following:

- a. Plantation development;
- b. Plantation Expansion;
- c. Plantation maintenance and protection;
- d. Acquisition of pre-harvest and post-harvest facilities e.g. processing plant, kiln, and chainsaw;
- e. Harvesting of mature trees;
- f. Establishment of Facilities e.g. Lookout tower, bunkhouse, water system, fire lines; and/or
- g. Improvements of plantation sites with the potential to be ecotourism destinations.

IV. REQUIREMENTS IN AVAILING THE PROGRAM

The following eligibility criteria on established plantations shall be considered:

A. Plantations established in public lands

Plantations established in public lands shall have an approved tenure instrument with validity of at least ten (10) years, which can be any of the following: Integrated Forest Management Agreement (IFMA); Socialized Industrial Forest Management Agreement (SIFMA); and Community Based Forest Management Agreement (CBFMA). The approved IFMA/SIFMA shall be supported with approved Comprehensive Development and Management Plan (CDMP), Indicative Management Plan (IMP), or with affirmed Community Resource Management Framework (CRMF) and approved Five-Year Work Plan (FYWP).

B. Plantations established in private lands

Plantations established in private lands shall be registered, or shall register and secure Certificate of Tree Plantation Ownership in the DENR. A Business Plan pertaining the plantation development in the area shall be submitted for the Loan Application purpose.

C. Age of Plantations

Established plantations, either public or private must have been established for a period of:

Minimum age required	Type of plantation
Three (3) years old	Fuelwood; Woody biomass; Non-timber forest products which includes bamboo; High-value

	crops which include coffee, cacao, and rubber; and other fruit trees such as but not limited to mango, lanzones, pumelo
Four (4) years old plantations	at least one (1) percent (%) of the area for plantation development intended for roundwood
Six (6) years old plantations	at least one (1) percent (%) of the area for plantation development intended for rattan

Qualified borrowers of the APP shall submit the requirements provided in DBP Circular No. 15 Series of 2020 to DBP. Attached as Annex A is the checklist of requirements for reference.

V. CREATION OF FIELD TECHNICAL REVIEW COMMITTEE

The PENR Officer shall create a Field Technical Review Committee which shall be composed of the following:

Chairperson: Provincial Environment and Natural Resources Officer

Members: Chief, Technical Services Division of the concerned PENRO

Community Environment and Natural Resources Officer concerned

Chief, Regulation and Permitting Section of the concerned PENRO

Chief, Regulation and Permitting Unit of the concerned CENRO

The Field Technical Review Committee (FTRC) may include additional members as the need arises. The Forest Management Bureau may also be requested to provide technical assistance in the evaluation. The DBP Provincial Lending Center Representative may be invited as a resource person.

The FTRC shall extend technical assistance to the proponent, facilitate coordination with the stakeholders and provide other support within the DENR's mandate for effective and smooth implementation.

VI. TECHNICAL EVALUATION OF THE REQUIREMENTS

Interested applicants shall submit a letter of intent (See Annex B for the template) together with the requirements as listed in the checklist of requirements in Annex A hereof, to the concerned Provincial Environment and Natural Resources Office (PENRO), through the Field Technical Review Committee (FTRC).

The FTRC, upon receipt of the letter of intent directly from the applicant for technical evaluation of the Applications/Proposals submitted for Agroforestry Plantation Financing Program shall conduct technical evaluation and general

assessment of the requirements taking into consideration the forestry science and sustainable forest management. It shall prepare technical evaluation report, recommend and endorse the project to the Provincial Lending Center of the Development Bank of the Philippines for possible financing, copy furnished the Applicant and the DENR Regional Office, Field Office and Forest Management Bureau for record purposes. A template on the Endorsement Letter is attached as Annex C.

All endorsed loan applications shall be evaluated by DBP who shall either approve or disapprove the same. The DENR Office and Forest Management Bureau shall coordinate with the DBP on the status of application for monitoring purposes.

Any and/or all contracts or agreements entered by the loan applicant and DBP as a result of the loan approval, is deemed entered into solely, by and between DBP and the loan applicant. It shall not be considered as government contract and in no case shall DENR be considered a party to the agreement and shall be held liable to either parties, for any act, omission, or delay of any kind whatsoever occurring in the settlement, failure to settle, collection or failure to collect, or for settling any Account in good faith for less than the full amount thereof by the borrower.

VII. CREATION OF AN OVERSIGHT COMMITTEE

There shall be created an oversight committee which shall be composed of Forest Management Bureau Officials and Representatives from the Development Bank of Philippines.

The Committee shall monitor the implementation of APP/TPFP annually. The legal documentation shall also be conducted with the objective of replicating and expanding the coverage of the program, to include recommendations such as but not limited to policy reforms, improvements of systems and procedures, institutional and organizational development with the end-view of revitalizing the wood industry.

FOR INFORMATION AND GUIDANCE.


LOURDES C. WAGAN, CESO IV

ANNEX A

CHECKLIST OF REQUIREMENTS

BASIC REQUIREMENTS

- ☐ Letter of Intent
- ☐ DBP Application Forms
- ☐ Photocopy of valid government-issued ID of the principal or authorized signatory
- ☐ Certified True Copy of Title Lease Agreement/Management Agreement
- ☐ Audited Financial Statements and Income Tax Returns for the last three (3) years duly stamped as received by the Bureau of Internal Revenue
- ☐ Latest Business Permits (Mayor's Permit and Barangay Permit)
- ☐ Updated CRMF FYWP/CDMP/IMP/BUSINESS PLAN
- ☐ Certificate of Tree Plantation Ownership from DENR (for Private Landowners)
- ☐ Endorsement Letter from DENR-PENRO

SPECIFIC REQUIREMENTS FOR PEOPLE'S ORGANIZATION AND FEDERATION AND CORPORATIONS

- ☐ Certified True Copy of SEC Certificate of Registration
- ☐ Certified True Copy of Articles of Incorporation and By-Laws
- ☐ Latest General Information Sheet and/or additional documents to fully establish beneficial owners of the legal entity
- ☐ Board Resolution duly certified by the Corporate Secretary, or equivalent documents (e.g. Secretary's Certificate), authorizing the business relationship and signatory to sign in behalf of the entity

SPECIFIC REQUIREMENTS FOR SOLE PROPRIETORSHIP

- ☐ Certified True Copy of DTI Certificate of Registration

SPECIFIC REQUIREMENTS FOR PARTNERSHIPS

- ☐ Certified True Copy of SEC Certificate of Registration
- ☐ Latest General Information Sheet and/or additional documents to fully establish beneficial owners of the legal entity
- ☐ Partnership Resolution authorizing the business relationship and the signatory to sign in behalf of the entity

SPECIFIC REQUIREMENTS FOR COOPERATIVES

- ☐ Certified True Copy of CDA Certificate of Registration
- ☐ Certified True Copy of Articles of Incorporation and By-Laws
- ☐ Bio-data of incumbent officers and Board of Directors with photocopy of valid government-issued ID
- ☐ Board Resolution duly certified by the Corporate Secretary, or equivalent documents (e.g. Secretary's Certificate), authorizing the business relationship and signatory to sign in behalf of the entity

SPECIFIC REQUIREMENTS FOR LOCAL GOVERNMENT UNITS

- ☐ Monetary Board opinion pursuant to BSP Circular 769 series of 2012
- ☐ Seal of Good Governance to be obtained from the Department of Interior and Local Government
- ☐ Ordinance (for chartered cities and provinces) or Validated Ordinance (for Barangays, Municipalities, and component cities) ratifying the approved terms and conditions of borrowing to be enacted by the LGU concerned
- ☐ Certification of Debt-Service Capacity to be obtained from the Bureau of Local Government Finance – Department of Finance
- ☐ Sanggunian Resolution authorizing the Local Chief Executive to negotiate, obtain, enter into, sign and contract a loan agreement
- ☐ COA Audited Financial Statements for the last 3 years
- ☐ Waiver on confidentiality of investment and bank deposits
- ☐ Schedule of IRA for the last 3 years

ANNEX B
TEMPLATE OF LETTER OF INTENT

19 October 2020

<INSERT LENDING CENTER HEAD>

Lending Center Head

Development Bank of the Philippines

<Insert Lending Center Address>

RE : LETTER OF INTENT

Loan Application of <insert Name of Institution> for DBP's Agroforestry Plantation Program.

Dear <Insert Last Name of Lending Center Head> :

This is to signify the intent of our institution, <Insert Name of Institution>, to avail of the Agroforestry Plantation Program of the Development Bank of the Philippines to finance our <insert the purpose of the project>.

The following are the details of our <insert the project> project for financing:

Type of Plantation:

Loan Purpose:

Amount of Loan:

Description of the Project:

In compliance with the loan application requirements, we are endorsing to your office the attached documents for your evaluation.

We hope that you will find everything in order. We look forward to your most favourable response.

Sincerely,

<INSERT NAME OF APPLICANT>

<Insert Position Title>

<Insert Name of Institution>

ANNEX C
TEMPLATE OF ENDORSEMENT LETTER

19 October 2020

<INSERT NAME OF LENDING CENTER HEAD>

Lending Center Head

Development Bank of the Philippines

<Insert Lending Center Address>

RE : ENDORSEMENT LETTER

Loan Application of <Insert Institution Name> under DBP's Agroforestry Plantation Program.

Dear <Insert Last Name of Lending Center Head>:

On behalf of the Provincial Environment and Natural Resources Office (PENRO) of <Insert Province/Region>, this letter serves as endorsement of the loan application of <Insert Institution Name> to finance Working Capital Requirement..

This endorsement has been made after the conduct of technical evaluation on the submitted pertinent documents of the above-mentioned institution. This is also to certify the correctness and feasibility of the submitted management plan/business plan.

In addition, PENRO-<Insert Province/Region> will maintain its commitment to achieving the outcomes set forth in the DENR-DBP Memorandum of Agreement on the DBP – Agroforestry Plantation Program signed last August 5, 2019. The PENRO-<Insert Province/Region> shall continue to provide assistance to the endorsed institution to ensure that relevant permits are obtained in relation to the successful implementation of the proposed project for financing. Further, the PENRO-<Insert Province/Region> shall continue coordination with DBP on any matters arising from the non-issuance of permits of the subject of DBP's financing.

Thank you.

Sincerely,

Insert Name

Provincial Environment and Natural Resources Officer - _____