



Forestry Fridays 2021 Documentation

Forest Investment Portfolio Approach

Governing Policy

- DAO 2021-04: Guidelines in the Implementation of the Forestry Investment Portfolio Approach (FIPA) [\[link to PDF\]](#)

Lecture

- Forestry Fridays 2021 lecture by For. Aloysius Jan Revilla published in July 2021 [\[link to video\]](#)

Open Forum

Available Areas and/or Projects

- *Are terminated, expired, and cancelled tenurial instruments covered by this guideline?*

Areas for FIPA are untenured areas within production forest with no encumbrances; however, the cancelled tenured areas can be included for potential investment area if cancellation order from the DENR Secretary has already been issued to the concerned tenure holder.

- *There are areas within the Community Based Forest Management Agreement which are still open for development since the people's organization has no financial capability; can our investors invest within CBFM areas, but subject to signing of Memorandum of Agreement?*

As clearly stipulated in Section 4 of DAO 2021-04, FIPA can only be implemented in untenured production forest lands with Forest Land Use Plan.

For cases with undeveloped or underdeveloped areas within CBFMA, POs can enter into a MOA with an investor as long as it is stipulated in their Five-Year Work Plan/Community Resource Management Framework. A separate policy already addresses this concern.

- *Is there a possibility where an area can be recommended by the private sector or the industry for investment packages, and if it is, will this still go through the bidding process once the package is completed?*

All the production forest areas for investments are already undergoing delineation except for the Mindanao Island cluster which was already completed. However, please note that a potential investor may still apply for a desired tenure instrument consistent with the existing DENR policies, rules, and regulations.

- *Is there a specific minimum area to qualify for FIPA?*

An area may possibly range from 1 to 40,000 hectares as indicated in most of forest tenure agreements. While considering the economies of scale, 500 hectares is the most probable minimum area to qualify for FIPA. Potential investment areas are also identified based on the procedures indicated in FMB Technical Bulletin no. 5A.

- *Is there a timeline in the identification of areas with potential for investment?*

The process flowcharts with corresponding timelines detailing the length of each activity in the planning and development of the FIPA investment package are being developed.

- *Can FIPA be implemented within an approved Certificate of Ancestral Domain Title?*

As stipulated in Section 4 of DAO 2021-04, FIPA can only cover untenured production forest lands with FLUP.

- *Is there a selection criterion to determine the best/appropriate investment type for an area?*

The potential investment areas are determined using the procedures stipulated in FMB Technical Bulletin No. 5A or Guidelines in the Ground Delineation of Production Forests for Investments. Further, the same technical bulletin is under revision incorporating the selection and suitability criteria to be used in determining the best/appropriate investment type/land use for an area.

Documentary Requirements

- *Who will secure the necessary documents e.g., NCIP, CNC?*

For investment areas needing Environmental Compliance (ECC) and/or Free and Prior Informed Consent (FPIC), or Certificate Pre-Condition (CP), these shall be secured by the proponent/winning. The DENR shall provide technical assistance, as necessary.

- *Are all documentary requirements are included in the FIPA package in order to facilitate eased of doing business of the prospected FIPA holder?*

The DENR through the FIPA TWG shall secure:

- (1) Endorsement from the concerned LGU;
- (2) CNO from the National Commission on Indigenous Peoples (NCIP);
- (3) CNC from the Environmental Management Bureau (EMB); and
- (4) In case the area is in Palawan, secure a Strategic Environmental Plan (SEP) from the Palawan Council for Sustainable Development (PCSD)

For investment areas needing Environmental Compliance (ECC) and/or Free and Prior Informed Consent (FPIC), or Certificate Pre-Condition (CP), these shall be secured by the proponent/winning. The DENR shall provide technical assistance, as necessary.

- *Section 9.3.3. states that the company should be existing for the past 5 years; does this mean that no new companies can venture in the program?*

Yes. As stated in Section 9.3.6, all prospective bidders should meet "all the requirements" under 9.3.3 to prequalify to the auction/bidding of the Forestry Investment Portfolio Package.

- *One of the requirements is the list of similar projects conducted for the last 5 years; does it mean forestry projects or any investment projects?*

Similar projects in Section 9.3.3 (e) refers to any investment project.

- *Can FPIC be eradicated from the requirements?*

Eradicating the NCIP requirements in tenure application is currently not possible since this shall have a legal implication and would entail further issues and concerns. In response, the DENR now is in close coordination with the NCIP to harmonize its policies in creating an enabling climate for forestry investments.

- *Considering that most tenure instrument applicants are having a hard time securing clearance from the NCIP, why not include this as a documentary requirement to be secured by the DENR?*

DENR can secure a Certificate on Non-Overlap (CNO) from the NCIP for areas outside of CADT/CADC. However, for cases within CADT/CADC, the winning investor shall be the one to secure a Certificate of Precondition with the assistance of the concerned DENR Regional Office.

- *Securing the ECC and FPIC or CP are 2 of the activities that normally delay the implementation of the project, given that the proponent shall secure them where the DENR shall provide technical assistance. How can we address these 2 bottlenecks in the approval of the tenure agreement and implementation of the program?*

In securing necessary clearances and documentary requirements, the DENR conducted stakeholders' consultation regarding the project at the local level, and other offices such as NCIP and EMB.

Acquiring Certificate of Non-Overlap (CNO) or Free and Prior Informed Consent or Certificate of Precondition (CP) shall be done when the subject area is within or adjacent to a CADT/CADC area. This process starts with a field-based investigation (FBI). If found that the subject area does not overlap with

a CADT/CADC area, a CNO shall be issued to the concerned DENR regional office, given the area was investigated by the NCIP together with the DENR.

However, if the area overlapped with a CADT/CADC area, the CP can only be issued if an investor is already present or on board in the project. Since the DENR had initially conducted the consultation, this shall lessen the time and effort of the investor in securing the same.

Moreover, an EMB representative is also a member of the FIRC who shall facilitate and assist the investors in securing Environmental Compliance Certificate, hence, delays can be avoided in the implementation of the investment package.

It is noted that acquiring ECC and CP are constraints in the approval of tenure agreements and program implementation, however, these should be issued to the investor. It is also stated in the DAO, that the DENR shall provide technical assistance, as necessary.

- *The DAO does not provide assurance to the investor whether the proposed project to be implemented within ancestral domain will be accepted by the ICCs/IPs as basis in the issuance of NCIP certification (i.e., CC, CP or CNO).*

In the case of acquiring either a Certificate of Non-Overlap (CNO) or Free and Prior Informed Consent or Certificate of Precondition (CP), it shall start with a field-based investigation (FBI). If the said area is non-overlapping, a CNO shall be issued to the concerned DENR regional office, given the area was investigated by the NCIP together with the DENR.

However, if the area is overlapping, the CP can only be issued if an investor is already present or on board on the project. Since the DENR had initially conducted the consultation, this shall lessen the time and effort of the investor in securing the same.

Forestry Investment Development Plan

- *If the winning investor decided to revise the Forestry Investment Development Plan (FIDP) and submit the same to the RED for approval, how long will it take for RED to approve the revised FIDP?*

Pursuant to RA No. 11032 also known as Ease of Doing Business and Efficient Government Service Delivery Act of 2018, highly technical applications shall be processed no longer than 20 working days or as determined by the concerned Regional Office, whichever is shorter.

- *To what extent could the winning investor revise the FIDP?*

Revisions shall be allowed as long as it follows existing rules and regulations, and/or still considers forestry science principles, or based on the criteria set by the FIPA Screening and Awards Committee (FIPASAC).

Bidding and Awarding

- *What if we have only one applicant within the area?*

If the applicant satisfies the minimum requirements, the applicant may participate in the auction/bidding.

- *Can the existing Bids and Awards Committee (BAC) assume the functions of the FIPASAC?*

The existing BAC cannot assume the functions of the FIPASAC; however, certain BAC members can still be part of the FIPASAC.

- *If a potential investor only wanted a portion of the packaged area, is it possible to subdivide the said area?*

No, the preparation of the FIPP of an area accrues costs which serve as basis for the bid/floor price during public bidding. Subdividing the packaged area may not reflect the total cost accrued for a certain portion of the same. Also, the secured documentary requirements such as CNO, CNC, and LGU endorsement corresponds to the total packaged area.

Fees and Charges

- *Will there be an annual government share to be paid by the investor?*

Government share shall follow the provisions stipulated in each specific forest tenure agreement policy.

Forestry Tenure Instrument

- *Is Forest Land Use Agreement (FLAg) tenure suitable for a biomass plantation project?*

An IFMA or SIFMA may be issued for this specific project also considering the size of the area.

- *If the packaged PIA contains/consists of a combination of investments (e.g., timber plantation and ecotourism) what tenure instrument shall be issued?*

The purpose of a mix or combination of investments in the area is to maximize the utilization of the said area. Hence, the tenure instrument to be issued is dependent on the main potential use.

For instance, if the land is most suitable for timber plantation, an IFMA/SIFMA shall be issued. However, if it is most suitable or profitable for ecotourism, given

that area has unique features, then a FLAgT shall be issued. Further, the combination of investments should form part of the Forestry Investment Development Plan (FIDP).

Administrative

- *Who shall manage the registry of investment areas?*

The DENR Field Offices shall manage and maintain the registry of investment areas. A Technical Bulletin is being developed to provide guidance on the establishment and maintenance of the database.

- *Is it possible to create an FIDD in the Regional, PENR & CENR Offices?*

There is a separate technical bulletin being drafted that shall address the concern specifically on institutionalizing a Regional Technical Working Group on Forestry Investment.

- *The Regions have the responsibility to review, prepare, and package the FIPP; how can we address the challenges that may arise in the prioritization of activities and preparation of packages?*

In Section 13 Capacity Building of DAO 2021-04, it states that:

“The DENR through the Forest Management Bureau shall develop a continuing program on capacity building for regional field offices to enhance their knowledge and skills on FIPA planning and development.”

The Assistant Regional Directors and PENRO Chief Technical Services Division shall be assisted by competent technical staff in the FIRC/FIPATWG who can cater to forestry concerns.