



# SITUATIONER OF FORESTRY FINANCING

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and Director, in concurrent capacity

# About FMB-FIDD



## About Forest Management Bureau

The FMB of the Department of Environment and Natural Resources provides technical guidance to the central and field offices for the effective protection, development, and conservation of forestlands and watersheds. It shall recommend policies and programs towards the achievement of sustainable forest management, based on science and principles of good governance.

## About Forest Investment Development Division

Responsible for the development of forestry-specific private investment strategies and opportunities that are aligned with forest protection, conservation, sustainable management/utilization principles and policies; and promotion of the equitable use of forestlands and their resources.



# Background



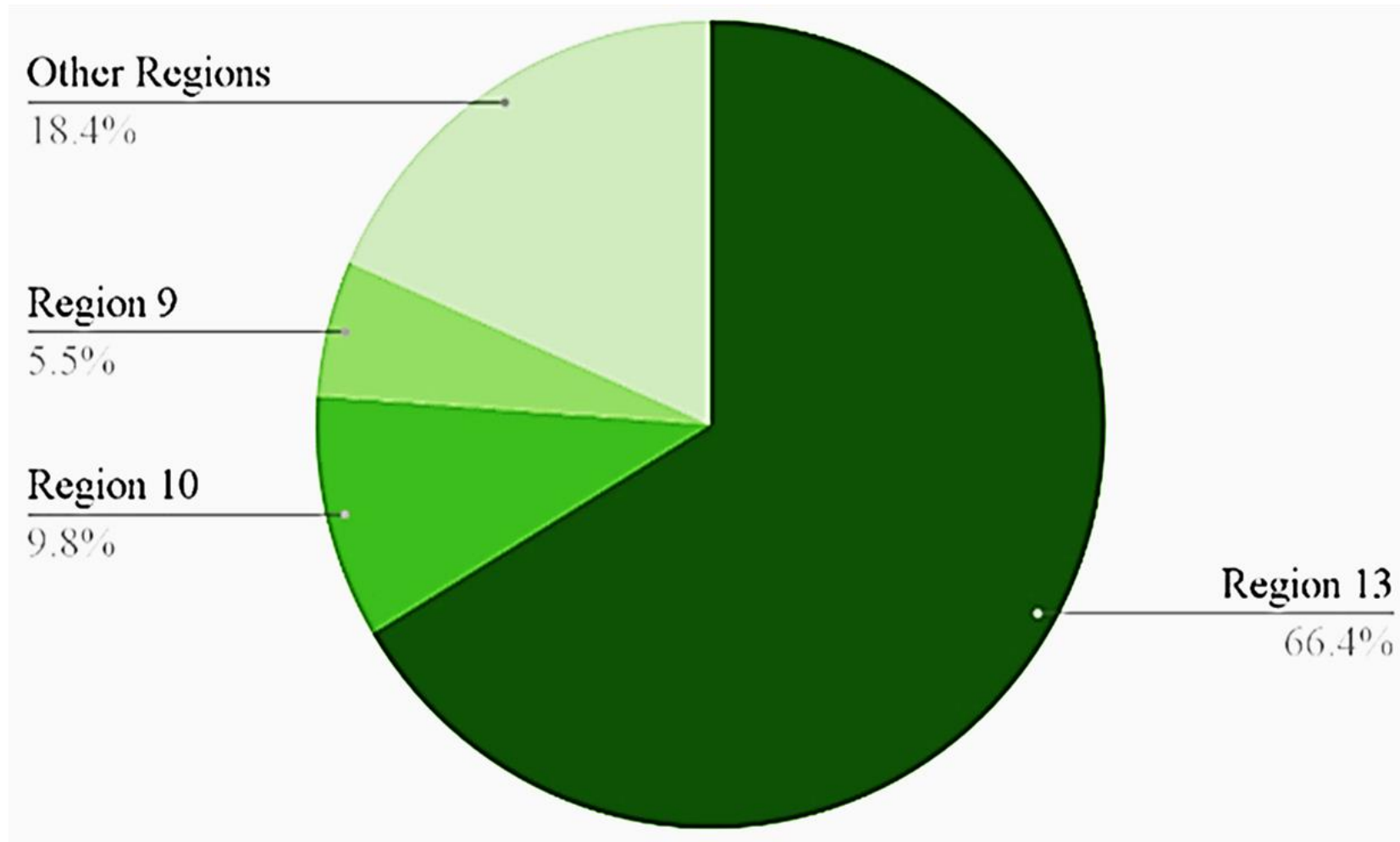
## Wood Supply Account: 2016-2021 (in thousand c.m. RWE)

Account	2016	2017	2018	2019	2020	2021	Avg.	% Share
<b>Wood Supply</b>	<b>5,230</b>	<b>5,030</b>	<b>2,410</b>	<b>2,108</b>	<b>4,818</b>	<b>5,349</b>	<b>4,158</b>	<b>100%</b>
Local Log Production	790	733	884	948	832	827	<b>836</b>	<b>20%</b>
Log Imports	114	67	152	38	11	22	<b>67</b>	<b>2%</b>
RWE of Processed Wood Imports	4,327	4,230	1,374	1,121	3,975	4,500	<b>3,255</b>	<b>78%</b>

# Background



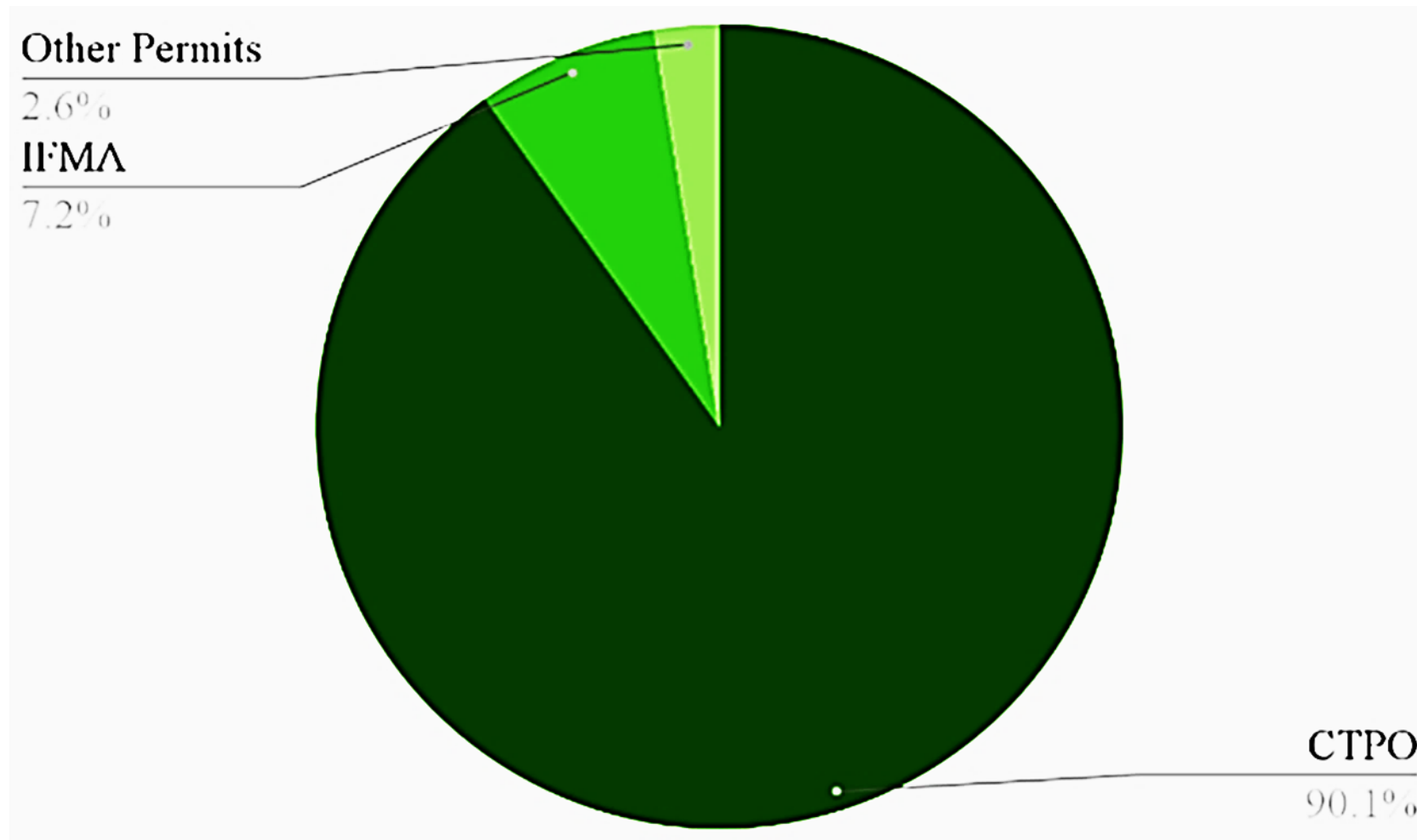
## Average Log Production by Region: 2016-2021 (in %)



# Background



## Log Production by Type of Permit: 2016-2021 (in %)



# Background



## Issued Tenure Instruments

Tenure	No. of Holders	Area Covered (in thousand hectares)
IFMA	61	544
SIFMA	1,513	35
CBFMA	1,971	1,665
PTPR	2,407	96

# Integrated Forest Management Agreement (IFMA)



**Capital Structure:**  
Php 10M – Php 400M



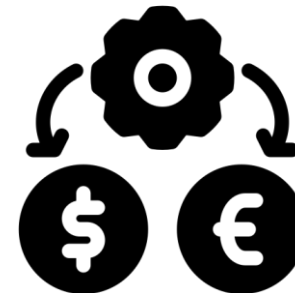
**Asset Size:**  
Php 5 M – Php 3B  
Mostly small to medium enterprises



**Net Worth:**  
Php 2M – 1.5B



**With average to high degree of liquidity**



**Cash flow mostly from investment and financing activities w/ no net profit from operations**



# Socialized Industrial Forest Management Agreement (SIFMA)



**Capital Structure:**  
**Php 2M – Php 10M**  
Some are non-stock corporations



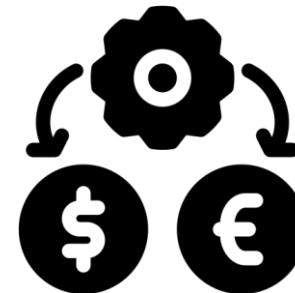
**Asset Size:**  
**Php 200k - Php 13M**  
Mostly micro with few small enterprises



**Net Worth:**  
**Php -2M – 1.5M**



**With average degree of liquidity**



**Cash flow mostly from operating activities but net profit margin is low**

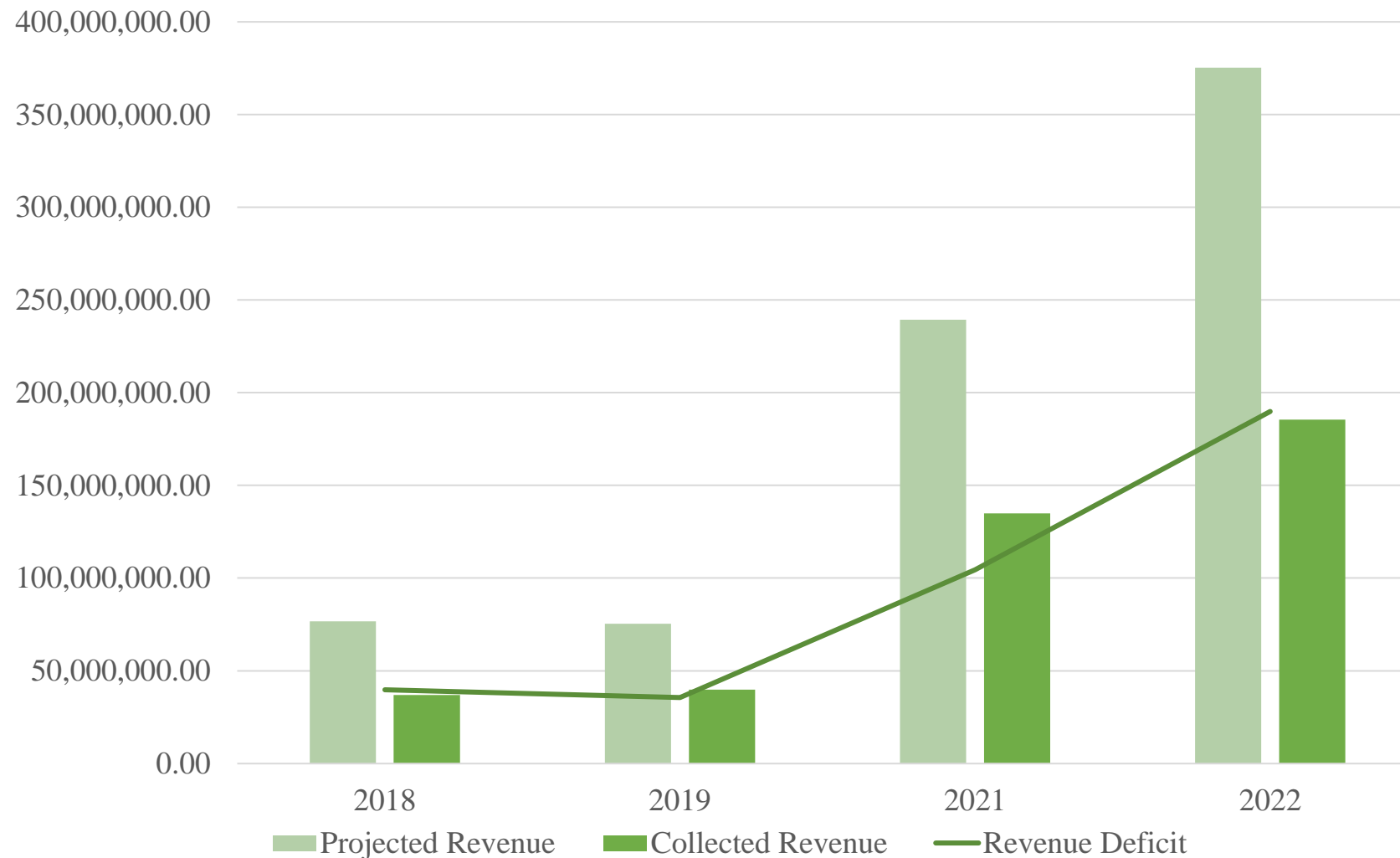




# Revenue Deficit



## Projected and Collected Tenure Fees: 2018-2022



# WAYS FORWARD



1. **Digitization of payment options**
2. **Development of loan programs and credit facilities with varying interest rates and structures**
3. **Development of insurance programs, guarantees, and other property conservation mechanisms**
4. **Analyzing the supply chain and improvement of the value chain by identifying barriers and solutions**



# THANK YOU!



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