

6.0 REVISED MASTER PLAN IMPLEMENTATION

6.1 Strategic Institutional Actions

Upon formal acceptance of the Revised Master Plan by the DENR Secretary, it would be strategic that the same Plan be formally approved by the Philippine Cabinet. This would render legitimacy to the Plan as well as encourage the sector who prepared this Plan. Furthermore, legal adoption of this Plan through legislative actions would shield it from political changes in the country and make it stable.

The top 10 priority programs had been identified based on their criticality in putting order in the sector. Their immediate implementation is envisioned to catalyse positive chain reaction to important set of conditions for sustainable forestry to take place. A detailed action plan for these top 10 priority programs must ensue immediately upon formal acceptance of the Revised Master Plan. Timing is critical as important programs need to be included in the 2005 budget cycle. Among the critical activities to be included in the action programs are listed in Section 6.3. In the meantime, the PFA must conduct IEC for the plan. Presentation of the plan to donor agencies would boost adoption of programs that need funding assistance.

This Plan shall be implemented by the sector. The DENR is the focal agency in helping orchestrate most of the activities in carrying out the programs. Acceptance of the plan by other sectors of society, and by different forestry subsectors and stakeholders who, by one reason or another, were not able to participate in its formulation, is also a paramount concern for its successful implementation.

The implementation of the Revised Master Plan would involve not only DENR regional offices but also require involved collaboration of different stakeholders. Thus, opportunities for productive collaboration must be explored. A key activity to follow this formulation of the forestry sector plan at the national level is the realignment of regional plans to the priority programs set at the national level. Current regional initiatives already aligned with the Plan shall be continued and enhanced. Some Regions have unique characteristics and conditions which may reinforce or impinge on the implementation of top 10 priority programs identified in the national level, hence, formulation of regional plans shall dwell on regional settings, their strength and potentials, to realize the goals of the sector in their regions.

It would be important to note that there are many other programs identified in Section 4 of this report concerning different forestry subsectors that were not included in the national priority programs. These programs are not prioritised because they are not critical in the short term. However, they are part of the long term plan to sustain the sector. It will be useful to make careful considerations of these as some subsectors or regions may find such other programs relevant to their conditions. However, still basic to successful implementation of any plan is to capacitate the institutions mandated to implement the plans.

6.2 Financing Programs

It is necessary to dramatically increase investment in forestry and forest-based industry sectors to meet the needs of the future. In that, the non-government sectors will have an important part to play. Currently, most of the investment funds for government programmes are obtained from government revenue sources and as loans and grants from external development agencies. Mobilisation of investment funds locally is very important in meeting at least part of the future investment needs. And, in order to attract private sector participation, it is necessary to make investment profiles of suitable projects available, with relevant information and analysis.

Financing of forestry program is dependent essentially on public sources (including external assistance) whereas forest products development is mostly supported by private finance. Both public and private financing are needed in the implementation of the revised Master Plan. To support regular flow of funds, and financial autonomy, several countries have developed innovative mechanisms such as forest funds, private ledger account and special revolving funds. One positive step towards this is the establishment of the CBFM Special Account . This would partly take care of the huge investments needed by the sector as certainly, CBFM is one of the biggest programs of the government in terms of land area coverage and number of beneficiaries.

Private sector participation is an important ingredient in financing some critical programs particularly in the area creating forest capital and enhancing the value of existing forest capital. However, the government must be facilitative in providing mobility of investment capital. Mobility implies moving from one mode of business approaches, e.g., labour-intensive to more capital-intensive ventures, requiring ever larger investments or vice versa. Mobility is, however, constrained by several factors: lack of entrepreneurship, technology, institutional support and development infrastructure. There are several cases, in developing countries, where small local undertakings evolved into large enterprises. The Village Forest Associations of Korea expanded their investment capital, through their federations at regional and national levels. In at least nine developing countries, domestic corporations developed into TNCs in forest-based sectors. This provides one of the positive notes to the issue of mobilisation of private investment in forestry.

In supporting local private sector or corporate sector investment, commercial and other banks can play a crucial role. Support for the large number of small investors whose sources of funds are their limited personal savings and loans from friends and relatives, rarely comes from any formal credit facilities. In some countries, micro-credit facilities like the Grameen Bank of Bangladesh have been developed. The credit administration should have the capacity to see that the investment does not end up as failures.

A clear awareness of the value of forest benefits and establishing a system for forest resources accounting will to some extent, help to attract investment into the forestry sector. Institutionalization of forest resources accounting would enable PFA and its regional instrumentalities to be in control of the information system. Providing the right information to potential investors would facilitate investment decisions. Thus, to attract more private investments into the sector, the DENR and its Regional Offices must start to upgrade their information system

6.3 Schedule of Implementation

Figure 6.8 shows the implementation schedule for the priority programs under the Revised Master Plan.

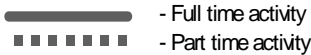
Figure 6.8. Priority programs implementation schedule.

| PROGRAMS | Period of Implementation (in years) | | | | | | |
|--|--|---|---|---|---|------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6-10 | 11-15 |
| 1. Policy Reforms and Institutions Development | | | | | | | |
| - Harmonization of forest and other policies | [Full time activity bar from year 1 to 3] | | | | | | |
| In-depth review of policies, consultations | [Full time activity bar from year 1 to 3] | | | | | | |
| Harmonization, policy reforms, codification | [Full time activity bar from year 3 to 5] | | | | | | |
| Dissemination, continuing review, updates | [Part time activity bar from year 3 to 15] | | | | | | |
| - Reversion/retrofitting the PFA as a line agency | [Part time activity bar from year 1 to 5] | | | | | | |
| - Capacitation of forestry institutions | [Full time activity bar from year 1 to 10] | | | | | | |
| - National Council for Sustainable Forestry (NCSF) | [Full time activity bar from year 1 to 3] | | | | | | |
| 2. Prioritization/watershed integrated land use planning | | | | | | | |
| - Prioritization | [Full time activity bar from year 1 to 2] | | | | | | |
| - Watershed Landuse Planning | [Full time activity bar from year 1 to 10] | | | | | | |
| - Forest Boundary Delineation/Mapping | [Full time activity bar from year 1 to 10] | | | | | | |
| 3. MIS, IEC and R & D enhancement | | | | | | | |
| MIS | | | | | | | |
| Upgrading of Central PFAMIS | [Full time activity bar from year 1 to 15] | | | | | | |
| - website installation, updating | [Full time activity bar from year 1 to 15] | | | | | | |
| Upgrading of regional MIS facilities | [Full time activity bar from year 1 to 15] | | | | | | |
| Regional Information gathering systems development | [Full time activity bar from year 1 to 15] | | | | | | |
| IEC, T raining | | | | | | | |
| Forestry and Environmental Education | [Full time activity bar from year 1 to 15] | | | | | | |
| Forestry Training | [Full time activity bar from year 1 to 15] | | | | | | |
| IEC | [Full time activity bar from year 1 to 15] | | | | | | |
| R & D | [Full time activity bar from year 1 to 15] | | | | | | |
| 4. Sustainable management of residual/other forests | | | | | | | |
| Delineation/demarcation of prot'n & prod'n forests | [Full time activity bar from year 1 to 10] | | | | | | |
| Development of JV, CP & PS models/mechanisms | [Full time activity bar from year 1 to 10] | | | | | | |
| Implementation of JV, CP & PS | [Full time activity bar from year 1 to 15] | | | | | | |
| 5. Forest area expansion | | | | | | | |
| - Commercial Plantation | [Full time activity bar from year 1 to 15] | | | | | | |
| - Forest Rehabilitation | [Full time activity bar from year 1 to 15] | | | | | | |

 - Full time activity
 - Part time activity

Figure 6.8. Continued...

| PROGRAMS | Period of Implementation (in years) | | | | | | |
|--|-------------------------------------|--------------------|---|--------------------|--------------------|--------------------|-------|
| | 1 | 2 | 3 | 4 | 5 | 6-10 | 11-15 |
| 6. Biodiversity and environmental programs | | | | | | | |
| 7. Forest industries development | | | | | | | |
| - Rationalization | Full time activity | | | | | | |
| - Provision of new technologies in forest utilization | Part time activity | | | | | | |
| - Improvement of infrastructures | Full time activity | | | | | | |
| - Establishment of community-based Industries | Full time activity | | | | | | |
| - Establishment of a Forest Industries Board | Part time activity | | | | | | |
| 8. Sustainable management of grazing lands | | | | | | | |
| Identification, demarcation, planning | Full time activity | | | | | | |
| Sustainable Management | Full time activity | | | | | | |
| 9. Full development and implementation of M & E, C | | | | | | | |
| M & E, satellite photos | | | | | Part time activity | | |
| M & E systems upgrading/development | Full time activity | | | | | Part time activity | |
| C & I development for all types of forests/mgt | Full time activity | | | | | | |
| 10. CBFM - cross cutting strategy | | | | | | | |
| - Enhancement of CBFM implementation in existing sites | Full time activity | | | Part time activity | | | |
| - Identification and appraisal of new sites | Full time activity | | | | | | |
| - Establishment and CO of new sites | | Full time activity | | | | | |
| - Site Development | | Full time activity | | | | | |
| - Livelihood /Enterprise development | | Full time activity | | | | | |



6.4 Budgetary Requirements

The priority programs of the Revised Master Plan has a total indicative budgetary requirement of **60,614 mil P** over its 25-year period of implementation (Table 6.58). Among the programs with the biggest requirements are forest plantations and CBFM with totals of **34,000 and 17,075 mil P**, respectively. The critical period which is the first 5 years has a total budgetary requirements of 21,115.3 mil P. The total requirement constitutes **62 %** of public investment (**37,584 mil P**) and **38 %** of private sector investment (**22,031 mil P**). Among the programs where private sector is expected to be heavily involved are the establishment of commercial forest plantations and CBFM where they are expected to collaborate with the POs for joint venture activities. Table 6.58 shows the details of the indicative budgetary requirements for the priority programs.

Table 6.57. Summary costs of priority programs under revised master plan (mil P).

| PROGRAMS | Implementation Period (in years) | | | | TOTAL | Public Sector | Private Sector |
|--|----------------------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| | 1-5 | 6-10 | 11-15 | 16-25 | | | |
| 1. Policy Reforms and Institutions Development | 60.0 | 10.0 | 10.0 | 20.0 | 100.0 | 100.0 | |
| 2. Prioritization/watershed integrated land use planning | 3,853.0 | 1,271.0 | - | - | 5,124.0 | 5,124.0 | |
| 3. MS, IEC and R & D enhancement | 653.5 | 647.5 | 657.5 | 1,315.0 | 3,273.5 | 2,796.0 | 477.5 |
| 4. Sustainable management of residual/other forests | 10.0 | 5.0 | | | 15.0 | 15.0 | |
| 5. Forest area expansion | 6,800.0 | 6,800.0 | 6,800.0 | 13,600.0 | 34,000.0 | 16,600.0 | 17,400.0 |
| 6. Biodiversity and environmental programs | | | | | | | |
| 7. Forest industries development | 205.0 | | | | 205.0 | 51.2 | 153.8 |
| 8. Sustainable management of grazing lands | 60.0 | 60.0 | 60.0 | 120.0 | 300.0 | 300.0 | |
| 9. Full development and implementation of M&E, C & I | 110.5 | 125.5 | 95.5 | 191.0 | 522.5 | 522.5 | |
| 10. CBFM - cross cutting strategy | 9,363.3 | 7,704.2 | 7.5 | - | 17,074.9 | 12,074.9 | 5,000.0 |
| TOTAL | 21,115.3 | 16,623.2 | 7,630.5 | 15,246.0 | 60,614.9 | 37,583.6 | 23,031.3 |
| | | | | | % | 62.00 | 38.00 |

Table 6.5B. Total indicative costs for priority programs under revised master plan (mil P).

| PROGRAMS | Period of Implementation (in years) | | | | | | | | TOTAL | Public Sector |
|--|---|--------|--------|--------|--------|--------|--------|---------|---------|---------------|
| | 1 | 2 | 3 | 4 | 5 | 6-10 | 11-15 | 16-25 | | |
| 1. Policy/Reforms and Institutions Development | | | | | | | | | | |
| - Harmonization of forest and other policies | | | | | | | | | | |
| In depth review of policies, consultations | 150 | 150 | 150 | | | | | | 450 | 450 |
| Harmonization, policy reforms, codification | | | 30 | 30 | 30 | | | | 90 | 90 |
| Dissemination, continuing review updates | | | 20 | 20 | 20 | 100 | 100 | 200 | 460 | 460 |
| - Revision/restructuring the PFA as a line agency | carried under harmonization/policy reform | | | | | | | | | |
| - Capacitation of forestry institutions | Carried out in IEC, MS, M&E | | | | | | | | | |
| - National Council for Sustainable Forestry (NCSF) | carried under harmonization/policy reform | | | | | | | | | |
| 2. Prioritization Watershed Integrated Land Use Planning | | | | | | | | | | |
| - Prioritization | 200 | 200 | | | | | | | 400 | 400 |
| - Watershed Land Use Planning | 3106 | 3106 | 3106 | 3106 | 3106 | 5177 | | | 20708 | 20708 |
| - Forest Boundary Delineation Mapping | 4820 | 4820 | 4820 | 4820 | 4820 | 7533 | | | 30132 | 30132 |
| 3. MS, IEC and R&D Enhancement | | | | | | | | | | |
| MS | | | | | | | | | | |
| Upgrading of Central PFA MS | 30 | 10 | 10 | 10 | 10 | 50 | 50 | 100 | 270 | 270 |
| - website installation, updating | 05 | 05 | 05 | 05 | 05 | 25 | 25 | 50 | 125 | 125 |
| Upgrading of regional MS facilities | 320 | 80 | 80 | 80 | 80 | 400 | 400 | 800 | 2240 | 2240 |
| Regional Information gathering systems development | 160 | 160 | 160 | 160 | 160 | 900 | 900 | 1800 | 4400 | 4400 |
| IEC Training | | | | | | | | | | |
| Forestry and Environmental Education | 140 | 140 | 140 | 140 | 140 | 800 | 900 | 1800 | 4200 | 3150 |
| Forestry Training | 240 | 240 | 240 | 240 | 240 | 1200 | 1200 | 2400 | 6000 | 5400 |
| IEC | 120 | 120 | 120 | 120 | 120 | 600 | 600 | 1200 | 3000 | 3000 |
| R&D | 500 | 500 | 500 | 500 | 500 | 2500 | 2500 | 5000 | 1,2500 | 937.5 |
| 4. Sustainable management of residual/other forests | | | | | | | | | | |
| Delineation/denarcation of protn & prodn forests | Carried under Watershed Programs | | | | | | | | | |
| Development of JV, CP & FS models/mechanisms | 20 | 20 | 20 | 20 | 20 | 50 | | | 150 | 150 |
| Implementation of JV, CP & FS | | | | | | | | | | |
| 5. Forest area expansion | | | | | | | | | | |
| - Commercial Plantation | 1,1600 | 1,1600 | 1,1600 | 1,1600 | 1,1600 | 58000 | 58000 | 11,6000 | 29,0000 | 11,6000 |
| - Forest Rehabilitation | 2000 | 2000 | 2000 | 2000 | 2000 | 1,0000 | 1,0000 | 2,0000 | 5,0000 | 5,0000 |

Table 6.58. Continued...

| PROGRAMS | Period of Implementation (in years) | | | | | | | | TOTAL | Public Sector |
|---|-------------------------------------|---------|---------|---------|---------|----------|---------|----------|----------|---------------|
| | 1 | 2 | 3 | 4 | 5 | 6-10 | 11-15 | 16-25 | | |
| 6. Biodiversity and environmental programs | | | | | | | | | | |
| 7. Forest industries development | | | | | | | | | | |
| -Rationalization | 5.0 | 50.0 | 50.0 | 50.0 | 50.0 | | | | 205.0 | 51.3 |
| -Provision of new technologies in forest utilization | Carried out under research | | | | | | | | | |
| -Improvement of infrastructures | Carried under rationalization | | | | | | | | | |
| -Establishment of community-based Industries | Carried under CBFM programs | | | | | | | | | |
| -Establishment of a Forest Industries Board | Carried under rationalization | | | | | | | | | |
| 8. Sustainable management of grazing lands | | | | | | | | | | |
| Identification, demarcation, planning | Carried under Watershed Programs | | | | | | | | | |
| Sustainable Management | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 60.0 | 60.0 | 120.0 | 300.0 | 300.0 |
| 9. Full development and implementation of M&E, C&I | | | | | | | | | | |
| M&E, satellite photos | | | | | 5.5 | 5.5 | 5.5 | 11.0 | 27.5 | 27.5 |
| M&E systems upgrading/development | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 90.0 | 90.0 | 180.0 | 450.0 | 450.0 |
| C&I development for all types of forests/mgt systems | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 30.0 | | | 45.0 | 45.0 |
| 10. CBFM- cross cutting strategy | | | | | | | | | | |
| -Enhancement of CBFM implementation in existing sites | 33.3 | 33.3 | 33.3 | | | | | | 99.9 | 99.9 |
| -Identification and appraisal of new sites | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 | | | | 300.0 | 300.0 |
| -Establishment and CO of new sites | | 733.3 | 733.3 | 733.3 | 733.3 | 3,666.7 | | | 6,600.0 | 6,600.0 |
| -Site Development (Agroforestry, other forest plans) | | 1,500.0 | 1,500.0 | 1,500.0 | 1,500.0 | 4,000.0 | | | 10,000.0 | 5,000.0 |
| -Livelihood/Enterprise development | | 7.5 | 7.5 | 7.5 | 7.5 | 37.5 | 7.5 | | 75.0 | 75.0 |
| TOTAL | 2,443.4 | 4,704.2 | 4,690.2 | 4,642.9 | 4,649.4 | 16,623.2 | 7,630.5 | 15,246.0 | 60,614.9 | 37,583.7 |

Table 6.59. Basic assumptions for the total indicative cost of priority programs.

| PROGRAMS | Basic Assumptions |
|--|---|
| 1. Policy Reforms and Institutions Development - Harmonization of forest and other policies In-depth review of policies, consultations Harmonization, policy reforms, codification Dissemination, continuing review, updates - Reversion/retrofitting the PFA as a line agency - Capacitation of forestry institutions - National Council for Sustainable Forestry (NCSF) | 15 mil P/yr for 1st 3 years, 3 mil P/yr from 3-5 years 2 mil P/yr beginning 3rd year and continuing carried under harmonization/policy reform Carried out in IEC, MIS, M & E carried under harmonization/policy reform |
| 2. Prioritization/watershed integrated land use planning - Prioritization - Watershed Landuse Planning - Forest Boundary Delineation/Mapping | 20 mil P/yr for 1st 2 years based on P167/ha, 12.4 mil ha 75:25 for the first 2 5-year period, resp. P243/ha for 12.4 mil ha, 75:25 for the first 2 5-year period, respectively |
| 3. MIS, IEC and R & D enhancement MIS Upgrading of Central PFA MIS - website installation, updating Upgrading of regional MIS facilities Regional Information gathering systems development IEC, Training Forestry and Environmental Education Forestry Training IEC R & D | 3 mil P 1st yr, 1 mil p/yr for succeeding years .5 mil P/yr 2 mil P per region for 1st year, .5 mil P/yr for maintenance 1 mil P/yr/region 70, 80, & 90 mil P/5 yrs for the next 15 years 120 mil P/5 yrs for next 15 years 60,70,& 80 mil P/5 yrs for the next 15 years 50 mil P/yr on top of what is current, in support of sustainable forestry |
| 4. Sustainable management of residual/other forests | |
| Delineation/demarcation of prot'n & prod'n forests | Carried under Watershed Programs |
| Development of JV, CP & PS models/mechanisms | 10 mil P first 5 years, 5 mil P next 5 years |
| Implementation of JV, CP & PS | Budget depends on area and development component for each site. |

Table 6.59. Continued . . .

| PROGRAMS | Basic Assumptions |
|--|---|
| 5. Forest area expansion - Commercial Plantation - Forest Rehabilitation | P29,000 per ha for 40,000 ha/year Ave. of P20,000/ha for 10,000 ha per year |
| 6. Protected area and biodiversity conservation program | to be determined during the action planning |
| 7. Forest industries development - Rationalization - Provision of new technologies in forest utilization - Improvement of infrastructures - Establishment of community-based Industries - Establishment of a Forest Industries Board | 5 mil P for policy study, 200 mil P assistance to industry for 5 years Carried out under research Carried under rationalization Carried under CBFM programs Carried under rationalization |
| 8. Sustainable management of grazing lands Identification, demarcation, planning Sustainable Management | Carried under Watershed Programs P40/ha/yr * 300,000 |
| 9. Full development and implementation of M&E, C M & E, satellite photos M & E systems upgrading/development C & I development for all types of forests/mgt | 5.5 mil P every 5 years, photos and interpretation 2 mil P/yr central PFA, 1 mil P/yr for each region 3 mil P/yr for the next 10 yrs |
| 10. CBFM - cross cutting strategy - Enhancement of CBFM implementation in existing sites - Identification and appraisal of new sites - Establishment and CO of new sites - Site Development (Agroforestry, other forest pltns) - Livelihood /Enterprise development | P100,000 enhancement budget/site for priority 1,000 sites, 1st 3 years 0.2 mil P/site for additional 1,500 sites, for next 5 years P2,000 CO cost/ha for 3.3 MI ha of new sites Ave. of P20,000/ha CSD cost for around .5 mil ha , 60:40 ratio for 10 yrs P150,000 per site for 500 priority sites, 50 sites/year |

6.5 Monitoring and Evaluation, and Communications

The monitoring and evaluation of the Revised Master Plan activities shall be conducted continuously. A designated office in the PFA (currently FMB) shall coordinate with the concerned sectors (e.g., LGUs, other GAs, private institutions, private sector groups, Regional Offices and other stakeholders) regarding the activities being conducted and progress made by all sectors, including problems encountered by particular sectors, subsectors and stakeholders in the implementation of the Plan. This office shall also assist field implementers in the dissemination of information available at the national level to the field implementers. Counterpart offices or units in the central, regional and other field levels and in other relevant government agencies shall also be established. Funding for the activities of these offices shall be integrated in their regular budget proposals. However, a seed funding for its operation is necessary to set up the whole system in to the bureaucracy.

6.6 Review and Revision

The review and revision of any plan is necessary basically because the relevant conditions and premises by which the plans were anchored may change through time. Likewise, future developments may render parts of the plans outdated or un-implementable. Hence, the Revised Master Plan shall be reviewed regularly. The first formal review shall be conducted in 2010 and to be repeated every 5 years thereafter. The review and revision process shall also be participatory as possible and may concentrate on the whole plan or only on components needing review and amendments. Other relevant processes (e.g., extensive use of information technology) not possible to do during these times may also be resorted to for efficiency.