



MAY 21 2021

**DENR ADMINISTRATIVE ORDER**  
**No. 2021- 13**

**SUBJECT : GUIDELINES FOR THE DEVELOPMENT AND RECOGNITION OF BIODIVERSITY-FRIENDLY ENTERPRISES (BDFEs) IN PROTECTED AREAS UNDER THE NATIONAL INTEGRATED PROTECTED AREA SYSTEM (NIPAS) AND CONSERVATION AREAS, PROVIDING FOR INCENTIVES AND SUPPORTING MECHANISMS**

Pursuant to the 1987 Constitution, the National Integrated Protected Areas System (NIPAS) Act of 1992 (Republic Act No. 7586), as amended by the Expanded National Integrated Protected Areas System Act of 2018 (RA No. 11038) and its implementing rules and regulations (DENR AO 2019-05); consistent with the Wildlife Resources Conservation and Protection Act (RA No. 9147), the Indigenous Peoples' Rights Act (RA No. 8371), the Go Negosyo Act (Republic Act No. 10644), the Ecological Solid Waste Management Act of 2000 (RA No. 9003), Adopting Integrated Coastal Management (ICM) as a National Strategy to Ensure the Sustainable Development of the Coastal and Marine Environment and Resources and Establishing Support Mechanisms for its Implementation (Executive Order No. 533), Establishing the Guidelines for Ecotourism Development in the Philippines (EO 111), Establishing the National Policy on Biodiversity (EO 578), Establishing an Environmental Impact Statement System including other Environmental Management Related Measures and for Other Purposes (Presidential Decree No. 1586), and in furtherance with DENR Administrative Order No. 2016-12, Adopting the Philippine Biodiversity Strategy and Action Plan (PBSAP) 2015-2028, DENR AO 2013-19, Guidelines on Ecotourism Planning and Management in Protected Areas, DENR AO No. 2016-26, Guidelines for the Implementation of Coastal and Marine Ecosystems Management Program (CMEMP), and DENR Memorandum Circular 2016-745, Integration of Biodiversity Conservation in the Planning, Implementation and Monitoring of all Infrastructure and Resource Extractive Development Programs and Projects of the DENR, this Administrative Order is hereby promulgated for the information, guidance, and compliance of all concerned.

**Section 1. Basic Policy.** It is the policy of the State to protect and advance the rights of the Filipino people to a balanced and healthful environment. The State shall protect and conserve natural resources and cultural heritage for the enjoyment of the present and future generations and improve their socio-economic conditions through the promotion of social justice, stewardship, equitable access to and sustainable use and development of the country's natural resources and biodiversity. In doing so, the state ensures provision of full institutional, scientific and technical support needed for the conservation of biodiversity and the integrity of ecosystems, culture and indigenous practices in protected areas. It recognizes and protects the rights of indigenous people, promotes the role of women in nation building and encourages the formation of Filipino enterprises.

**Section 2. Objectives.** This Guidelines shall have the following objectives:

- a. To establish procedures for the development and standards for recognition of biodiversity friendly enterprises;

- b. To provide the enabling environment to encourage upland and coastal communities, with priority on communities with tenurial instruments and indigenous peoples, to implement and demonstrate economic activities that are ecologically, socially and culturally responsible;
- c. To establish biodiversity-friendly standards to encourage consumers to make responsible purchases, supporting legitimate community enterprises recognized to be ecologically and economically viable, and socially and culturally responsible; and
- d. To heighten awareness and participation of communities within and around protected areas and conservation areas, on the sustainable use of biodiversity, and become effective partners in the protection and conservation of biodiversity.

**Section 3. Scope and Coverage.** This Guidelines shall primarily apply to Micro and Small Enterprises of People's Organizations dependent on ecosystem goods and services provided by biodiversity, within the multiple use zones and buffer zones of terrestrial and marine protected areas under the NIPAS and designated conservation areas. However, financial assistance, provided by DENR, as part of the enhancement shall be limited to Barangay Micro Business Enterprises.

BDFEs shall be consistent with the existing management and land use plans, including but not limited to Protected Area Management Plans (PAMPs), Forest Land Use Plans (FLUPs), Comprehensive Land Use Plans (CLUPs), Solid Waste Management Plans, Community-Based Resource Management Plans (CRMPs), Ancestral Domains Sustainable Development and Protection Plan (ADSDPP), Integrated Coastal Management (ICM) plans, and other related development plans.

**Section 4. Definition of Terms.** The following terms as used in this Order shall be understood and defined as:

- a. **Barangay Micro Business Enterprise (BMBE)<sup>1</sup>** - any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than Three Million Pesos (P3,000,000.00).
- b. **Biodiversity<sup>2</sup>**- the variability among organisms from all sources, including terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems.
- c. **Biodiversity-friendly enterprise (BDFE)** - involves the utilization of resources leaning towards sustainability and further enhancement of resources in which the community will have an increased appreciation of biodiversity through its ecosystem services.
- d. **Buffer zones<sup>3</sup>** - are identified areas outside the boundaries of and immediately adjacent to designated protected areas that need special development control in order to avoid or minimize harm to protected areas.
- e. **Business Development Services (BDS)** – are critical support services rendered by expert private individuals or company and government agencies that enhance, develop or strengthen an output of a sector or of the micro, small and medium sized enterprises, along the value chain in developing countries, including the Philippines.

<sup>1</sup> Section 3 (a) of Republic Act No. 9178

<sup>2</sup> Section 4 (a) of Republic Act No. 11038

<sup>3</sup> Section 4 c of Republic Act No. 11038

- f. **Certificate of Recognition**- certificate issued by the DENR Regional Executive Director upon validation from the BMB-led team that an eligible enterprise has been assessed and complied with the recognition standards laid down in this Order.
- g. **Conservation areas** - areas set aside for the protection and conservation of biodiversity outside the framework of NIPAS such as critical habitats, Ramsar sites, local conservation areas, indigenous community conserved areas.
- h. **Economic activities**- actions that involve the production, distribution and consumption of goods and services at all levels in a locality.
- i. **Ecosystem**<sup>4</sup> – a dynamic complex of plant, animal, microorganism communities and their non-living environment interacting as a functional unit.
- j. **Ecosystem goods and services**<sup>5</sup> - the multitude of material and nonmaterial provisions and benefits from healthy ecosystems necessary for human sustenance, well-being, and survival including support processes, provisioning and environment regulating services, and cultural resource preservation services.
- k. **Ecotourism**<sup>6</sup> - a form of sustainable tourism within a natural and/or cultural heritage area where community participation, protection and management of natural resources, culture and indigenous knowledge and practices, environmental education and ethics, as well as economic benefits are fostered and pursued for the enrichment of host community and satisfaction of visitors.
- l. **Enterprise** - economic activities that add value to existing product or service, are innovative and have the potential for semi-commercial or commercial operation.
- m. **Micro and Small Enterprises**<sup>7</sup> - any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories:
 

|       |   |                          |
|-------|---|--------------------------|
| Micro | : | not more than P3,000,000 |
| Small | : | P3,000,001 – P15,000,000 |
- n. **Multiple-use zone**<sup>8</sup> - area where settlement, traditional and sustainable land use including agriculture, agroforestry, extraction activities, and income generating or livelihood activities may be allowed to the extent prescribed in the Protected Area Management Plan.
- o. **National Integrated Protected Areas System (NIPAS)**<sup>9</sup> – is the classification and administration of all designated protected areas to maintain essential ecological processes and life-support systems, to preserve genetic diversity, to ensure sustainable use or resources found therein, and to maintain their natural conditions to the greatest extent possible.

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<sup>4</sup> Rule 4.1 (d) of DAO 2019-05

<sup>5</sup> Section 4 (i) of RA 11038

<sup>6</sup> Section 4 (1) of DAO 2013-19

<sup>7</sup> Section 3 of RA 9501

<sup>8</sup> Section 4(t) of RA 11038

<sup>9</sup> Section 4 (a) of RA 7586

- p. **People's Organization (PO)** - a group of people, which may be an association, cooperative federation or other legal entity, established by the community to undertake collective action to address community concerns and needs and mutually shared benefits from the endeavor.
- q. **Protected Area (PA)**<sup>10</sup> - identified portions of land and/or water set aside by reason of their unique physical and biological significance, managed to enhance biological diversity and protected against destructive human exploitation.
- r. **Recognition** - the process of validating if an eligible enterprise has met the standards as biodiversity-friendly under this Order.
- s. **Sustainable Use**<sup>11</sup> – the use of components of biological diversity in a way and at a rate that does not lead to the long-term decline of biological diversity, thereby maintaining its potential to meet the needs and aspirations of present and future generations.

**Section 5. Principles of Biodiversity-friendly enterprises (BDFEs).** Development and recognition of BDFEs shall be guided by the following principles:

- a. **Fair and equitable**<sup>12</sup>. The rights of communities are recognized in the use of biodiversity aimed at improving the overall human well-being.
- b. **Precautionary**<sup>13</sup>. Identifies and foresees imminent threats from economic activities to which mitigating measures are applied.
- c. **Sustainable**<sup>14</sup>. Efficient use of resources through responsible production and consumption is observed securing the availability of ecosystem services for the future generation.
- d. **Participatory and Inclusive**. Public participation through convergence and by engaging local stakeholders is encouraged to maximize conservation and community benefits.

**Section 6. Categories of Biodiversity Friendly-Enterprises.** BDFEs are enterprises that do not have significant adverse effects to the environment. These are economic activities that contribute in the maintenance of ecosystem resilience and promote the sustainable use of biodiversity. The enterprises within the following categories shall be considered for development and recognition:

**6.1. Sustainable Agriculture**<sup>15</sup>. Enterprises engaged in practices that sustainably use and conserve biodiversity including agriculture-important species, habitat networks and biological corridors. These practices ensure the attainment and continued satisfaction of human needs for present and future generations in a manner that are environmentally, economically and socially acceptable. The practices/enterprises under this category are the following:

- a. Application of biodiversity friendly agricultural practices like diversified farming (inter/multi-cropping);
- b. Growing of traditional/indigenous agriculture crops;
- c. Agroforestry including sloping agricultural practices;
- d. Production of organic products (integrated organic agriculture);

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<sup>10</sup> Section 4 (b) of RA 7586

<sup>11</sup> Convention on Biological Diversity (CBD)

<sup>12</sup> Aligned with the Output of the Philippine Biodiversity Strategic Action Plan Framework

<sup>13</sup> Aligned with the Conservation of Biological Diversity Precautionary Principle in its Preamble

<sup>14</sup> Aligned with the Sustainable Development Goals adopted as part of the 2030 Agenda for Sustainable Development

<sup>15</sup> fao.org

- e. Ornamental agriculture; and
- f. Growing and sustainable harvesting of raw materials for medicinal/pharmaceuticals use, among others.

**6.2. Sustainable Fisheries.** These are enterprises that reduce the pressure and overexploitation of aquatic resources while addressing food security, and are generally aligned with the Fisheries Code and the E-NIPAS Act. Enterprises engaged under this category simultaneously harvest and maintain aquatic population and set aside certain areas as protected spots in which extraction is prohibited. Sustainable fisheries and fish farming/aquaculture practices include:

- a. Seaweed farming;
- b. Integrated Multi-Trophic Aquaculture (IMTA);
- c. Closed-cycle fish-rearing systems; and
- d. Sustainable aquaculture, among others.

**6.3. Sustainable Forestry.** Enterprises which mainly use forest resources for its raw materials, and their activities directly contribute to biodiversity protection, management and restoration. Sustainable forestry balances the needs of the environment, wildlife, and forest communities and supporting decent incomes while conserving our forests for future generations. Enterprises in this category are those practicing the following:

- a. Sustainable harvesting of forest products in accordance to existing rules and regulations;
- b. Establishment of community-based nurseries of endemic, indigenous or native trees;
- c. Planting of endemic, indigenous or native trees; and
- d. Propagation of native and endemic wild flora, among others.

**6.4. Manufacturing, Processing and Distribution.** Enterprises engaged in processing of primary goods into finished goods of higher value for distribution. This includes economic activities that involve the use of non-timber forest products (NTFPs) as raw materials and such other non-endemic resources from the marine areas or seascapes. The practices/enterprises under this category are the following:

- a. Processing of fish and other dried foods;
- b. Processing of fruits into jam, vinegar and candies;
- c. Processing of Coffee and tea;
- d. Processing of agro-products to chips;
- e. Processing of fruits and vegetables into juices and wine;
- f. Production of handicrafts, bags, footwear, and other souvenir items/products;
- g. Production of clothing apparel using traditional/non-traditional raw materials abundant in the area;
- h. Manufacturing of non-timber forest products such as sap, resin and natural dyes; and
- i. Manufacturing of medicines, supplements, skin and body care products, and Essential oils, among others.

**6.5. Services.** These are economic activities that can generate fees for the biodiversity services to encourage maintenance and protection of biodiversity and provides income to communities. These enterprises shall be approved by the PAMB to ensure that the activities conform to the PAMP. The practices/enterprises under this category are the following:

- a. Agri-tourism;
- b. Community-based ecotourism and related services
- c. Public-private-community partnership for park development and management;
- d. Habitat restoration;

- e. Nature and landscape protection service/forest protection and maintenance/protection and maintenance of reforestation sites
- f. Health and wellness; and
- g. Indigenous Traditional Services (*Hilot...etc*), among others.

**Section 7. BDFE Standards.** To be recognized as biodiversity-friendly enterprise, the enterprise shall be measured against the ecological, economic, equity and legal standards. Each standard shall be measured based on identified indicators and parameters specified in the appraisal tool (*Annex F*).

**7.1. Ecological Integrity** measures how the enterprise considered the spatial and species use requirements in the area including the impact of their operations (inputs, process and outputs) to the ecosystem. Recognizing the variety of ecological indicators to represent this standard, an Ecological Impact Form (*Annex E*) is to be prepared and incorporated in the development of the BDFE Business Plan.

- a. The use of biodiversity resources and ecosystem services conforms to best management practices of conservation and sustainable use of biodiversity
- b. The use of biodiversity resources and ecosystem services maintains the natural integrity of the ecosystem.
- c. The enterprise contributes in the prevention of habitat fragmentation.

**7.2. Economic viability** refers to the soundness of the enterprise, including a range of activities aimed on the growth, profitability and sustainability of the community enterprise, and the people organization managing them, within market contexts. *Annex D* shall provide an overview of the PO assets and revenues which will form part in adhering to this standard.

- a. The enterprise is economically viable which is evident through a financial statement (e.g., ledger, logbooks) of enterprises, supported by other PO valuable assets and market coverage.
- b. The enterprise practices value addition and innovation of biodiversity towards positive financial returns that benefit the community, government and biodiversity.

**7.3. Equity** refers to socio-cultural benefits provided by enterprise, the manner of respecting the rights of labor, equal opportunities and benefit for men and women and rights of the indigenous peoples.

- a. The enterprise practices equitable sharing of benefits arising from the use of biodiversity and services.
- b. The enterprise supports the rights of indigenous peoples, tenured migrants and other upland and coastal communities.

**7.4. Legality** refers to compliance with the applicable national and local environmental laws and regulations (e.g., RA 11038, PD 1586<sup>16</sup>, RA 9275<sup>17</sup>, RA 8749<sup>18</sup>, RA 9003<sup>19</sup> and RA 6969<sup>20</sup>, etc.) and other business and other related laws, rules and regulations (e.g., RA 9178<sup>21</sup>, RA 9501<sup>22</sup> as amended by RA 8289 and 6977)

- a. The enterprise is legally permitted and due process leading to such permission has been complied with.

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<sup>16</sup> Establishing an Environmental Impact Statement System, Including Other Environmental Management Related Measures and For Other Purposes

<sup>17</sup> Philippine Clean Water Act of 2004.

<sup>18</sup> Philippine Clean Air Act of 1999

<sup>19</sup> Ecological Solid Waste Management Act of 2000

<sup>20</sup> Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990

<sup>21</sup> Barangay Micro Business Enterprises (BMBE's) Act of 2002.

<sup>22</sup> Magna Carta for Micro, Small and Medium Enterprises (MSMEs)

- b. The resources used in the enterprise can be traced back to its source.
- c. All documentary requirements have been complied.

**Section 8. Development of BDFEs.** The development of BDFEs shall consist of the following phases:

**8.1. Inventory of Existing Livelihood and Enterprises.** Within 1 year from the effectivity of this Order, the CENRO/PAMO in coordination with the PENRO, shall conduct an inventory of all community-owned/based livelihood and micro and small enterprises to come up with a list of potential enterprise for BDFE development. The CENRO/PAMO may tap the local DTI offices and check the availability of an inventory of enterprise within their jurisdiction. Using *Annex A* of this DAO, the inventory shall serve as the baseline of the number of enterprises, including business facilities, operating within multiple use zones and buffer zones in Protected Areas and conservation areas. The list shall be updated every five (5)<sup>23</sup> years.

**8.2. Rapid Assessment.** The concerned CENRO/PAMO in coordination with the respective PENRO, shall conduct a Rapid Assessment using *Annex B* of this DAO in order to come up with a **List of Eligible Enterprises**. Following the conduct of the Rapid Assessment, the PENRO shall complete the information required in *Annex C* through the conduct of an interview with the officers and members of the people's organization. A baselining of the PO assets and revenues are also to be recorded using *Annex D* and its potential ecological impacts should be profile using *Annex E*. The list shall be completed within three (3) months from the completion of the rapid assessment of the concerned enterprise. The Regional Office shall verify and endorse the list of eligible enterprise to BMB that shall undergo development/enhancement. Each eligible PO will then be subjected to a Benefit-sharing agreement stipulated in Section 11 of this DAO.

**8.3. Appraisal of Enterprises.** Using *Annex F* of this DAO, the assessment team composed of representatives from the Regional Office, PENRO, CENRO and PAMO shall conduct an appraisal of the enterprise to determine its level of Development. *Annex F* also provides the standards and indicators for each level which in consequence, identifies the enhancement needed.

**8.3.1. Level 1. Established.** This is the start -up stage where the community enterprise has secured the necessary *legal requirements* to operate in a protected area. In effect at this point, the standards of legality are fully met, and they are included in the list as an eligible enterprise.

**8.3.2. Level 2. Strengthened.** At this stage the development and adoption of a *BDFE Business Plan*, following *Annex G* as its outline, is prioritized. Further, POs have identified the linkage of their products and services to markets.

**8.3.3. Level 3. Developed.** The enterprise is implementing its BDFE business plan showing positive *net profits*.

**8.3.4. Level 4. Sustained.** This is the period when an enterprise has continued to *operate sustainably, both in ecological, economic and equitable manner* and shall be ready to apply for recognition.

Enterprises appraised falling under Levels 1-3 shall then undertake enhancement to achieve Level 4. For enterprises which were appraised as Level 4, they shall qualify for the recognition process following the steps provided below.

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<sup>23</sup> Estimated length of 1 full-cycle of BDFE Development and Recognition

Despite the need to assess the enterprise with the Regional Office, the PAMO together with the PO may initiate a self-assessment using *Annex F* to monitor their progress.

The DENR thru the Biodiversity Management Bureau (BMB) shall review the foregoing criteria every 4 years from the effectivity of this Order.

**8.4. Enhancement of Enterprises.** The CENRO/PAMO, in coordination with the PENRO shall be able to identify what are the enhancement activities which may be provided to the enterprise in order to achieve recognition. The PAMB shall also review undertakings on BDFE through the Technical Working Committee on Community Management and shall issue resolutions for the enhancement of PO enterprises. The support includes provision of technical and financial assistance.

- a. **Technical Assistance.** BMB shall develop plans for capacity building on enterprise development, organizational development for people organizations, value chain studies and other activities deemed appropriate. In order to maximize profit that could be generated, and to increase the value added, the communities shall be encouraged and assisted to further develop and upgrade the materials into higher value finished products. In addition, business development services may be provided in coordination with the Department of Trade and Industry (DTI), Technical Education and Skills Development Authority, and NGOs to promote entrepreneurial culture and competency. Business development services may include assistance in securing various government permits necessary for the operation of the enterprise and the creation of linkages between service providers that may enhance the PO operations. Value chain analysis shall be promoted in order to maximize the profit that could be generated with lower volume of extraction of biodiversity resources. All of these are to be integrated in the formulation of a PO business plan to be assisted by DENR in collaboration with DTI and other concerned agencies and organizations.
- b. **Financial Assistance.** POs shall be subjected to the process of accessing financial assistance as stipulated in Section 9 of this order. However, the provision of financial assistance will be subject to the availability of funds. Nevertheless, the DENR may establish linkage between POs and funding agencies to support the capital build-up of the enterprise.

**Section 9. Financial Assistance of BDFEs.** A maximum of one million pesos (P 1,000,000) may be granted by the DENR as financial assistance to eligible enterprises after the review of the required documents. POs who are appraised as Level 1 are to be considered, mainly, for provision of Financial Assistance.

#### **9.1 Procedure of Granting Financial Assistance.**

- a. The PENRO shall determine qualified Level 1 POs to be granted financial assistance. Qualified POs shall submit their project proposal using the template in Annex H.
- b. After determining POs that are compliant to the abovementioned conditions the PENRO shall secure from the PO the required documents listed in Annex I of this Order.
- c. The PENRO Bids and Awards Committee (BAC) shall evaluate the completeness of the submitted documents and the compliance of the Project Proposal with the standards set in Annex B. POs who are compliant with the conditions and the requirements will be issued with Notice of Award by the PENRO BAC. The PENRO shall ensure that items/activities in the Proposed Work and Financial Plan (WFP) shall be in accordance with the Allowable Uses in Section 9.2.



- d. The PENRO shall then enter into a Memorandum of Agreement (template in Annex J) with the selected PO. Given that both parties agreed to the terms and conditions stipulated in the MoA, the PENRO issues the Notice to Proceed (NTP).
- e. The Protected Area Superintendent, DENR RO, and BMB shall be furnished a copy of the MoA and WFP. The funds shall be released by the PENRO to PPO quarterly in accordance with the approved WFP.
- f. The PO shall submit progress reports on physical accomplishment and fund utilization quarterly. At the end of the financial assistance, the PO shall provide a final and liquidation report to the PENRO.

**9.2 Allowable Uses.** Financial Assistance to be granted to POs shall only be used to finance operational activities. Wages and salaries of the members of the PO shall not be charged from the financial assistance granted to them. Financial Assistance granted by the DENR shall be in accordance with accounting and auditing rules and regulations.

**Section 10. Recognition of BDFEs.** Recognition is the process of validating if an eligible enterprise has met the standards as biodiversity friendly under this Order. Recognition process shall consist of the following process:

**10.1. Endorsement.** PAMO, CENRO, and PENRO shall submit to the Regional Office the list of all eligible enterprises that achieved level 4 of the development process as defined by this DAO. This submission shall be supported by a PAMB resolution indicating its support towards the recognition of the identified enterprises. Only those Level 4 eligible enterprises with complete requirements/MOVs as required by the appraisal tool (*Annex F*) shall be endorsed by the Regional Office to BMB for validation.

**10.2. Validation.** The collected information shall then be validated by a team led by the BMB, in coordination with the Regional Office through the conduct of combination of an on-site biophysical, economic, and social assessment. Further, representatives of the PO should be available for an interview. The validation shall undergo the following process:

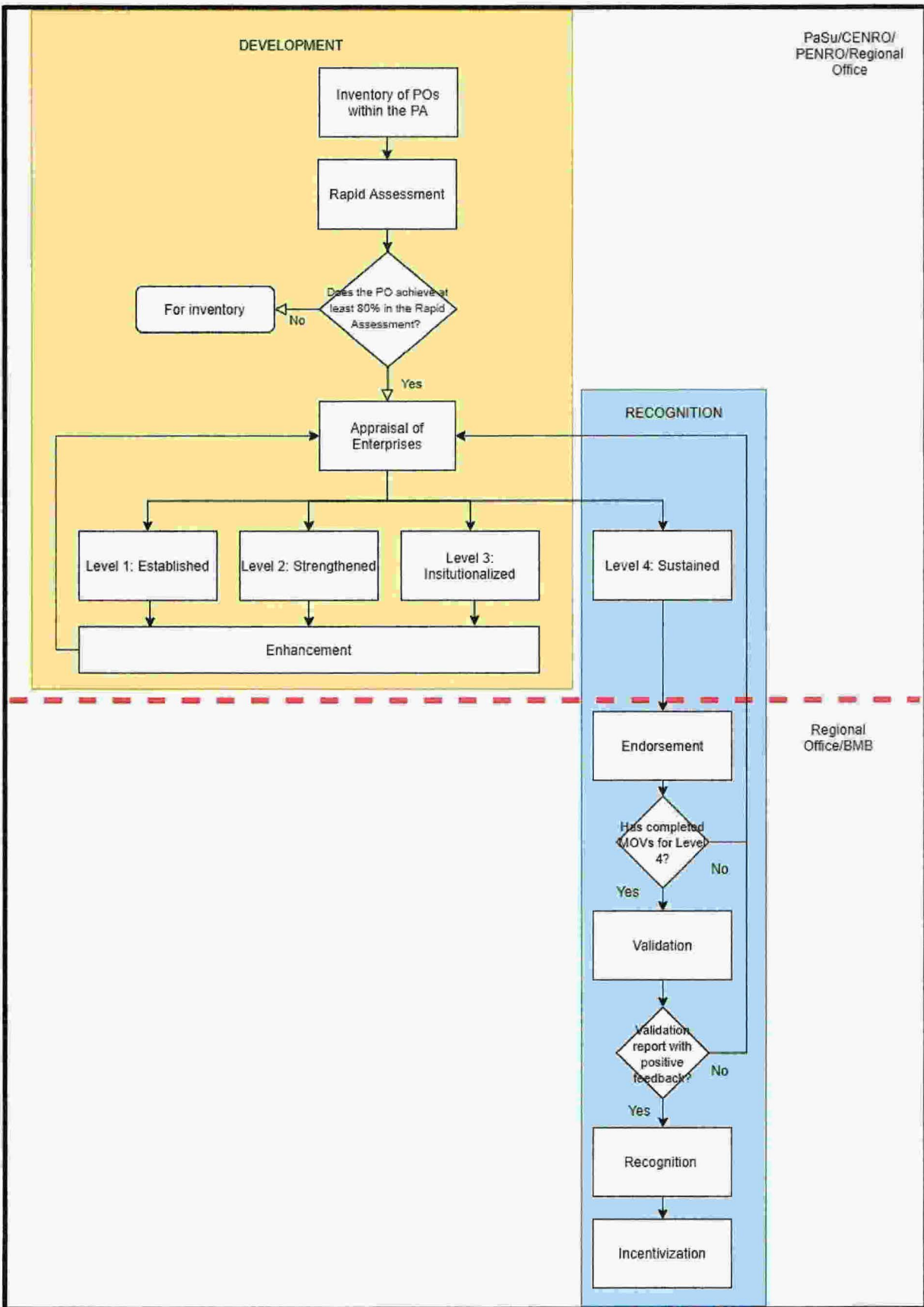
- a. The BMB, upon receipt of the endorsement with complete requirements, shall coordinate with the Regional Office to conduct an on-site validation within 20 days.
- b. The validation team shall be composed of at most 3 members coming from the BMB BDFE Core Group with representatives from the Regional Office.
- c. Upon the completion of the validation with positive feedback, the BMB shall submit their recommendation to Regional Office prior to the issuance of Certificate of Recognition.
- d. If the enterprise fails to pass the validation stage, representatives of the enterprise shall be invited by the Regional Office to discuss results, and to reach an agreement on how to comply with the standards. The enterprise shall be given sufficient time to put in place or implement measures to comply with the standards.
- e. BMB shall initiate the revalidation and the enterprise will be evaluated until it passes. In this period, enterprise can be advised to go through the enhancement process for further assistance. The PAMO and the CENRO offices shall provide assistance to the POs to put in place necessary measures to be complied with the standards.

**10.3. Issuance of Certificate of Recognition.** The DENR thru the Regional Executive Director (RED) shall have the authority to certify that an enterprise has met the standards laid down in this Order. The RED shall issue the Certificate of Recognition (CoR) upon the endorsement of the validation team, as per Section 10.2. The CoR is proof that the enterprise is biodiversity friendly and entitled to all incentives provided in this Order and other applicable rules. The CoR is valid for three years, and can be renewed thereafter, if still compliant. Upon monitoring, if there are violations, the CoR may be void.

**10.4. Incentives.** The CoR serves as the authority of the enterprise to be entitled to incentives under this Order. DENR may create additional incentives and another system of recognition for outstanding and exemplary BDFEs.

- a. **Biodiversity Friendly Label.** All BDFEs shall be identified thru a label provided by the BMB. The label is initially effective for three years and as long as the enterprise has complied BDFE standards. It shall be free of charge and shall be used in accordance with this Order. All products and services recognized as BDFEs shall consistently and prominently display the BDFE label for the purpose of identification and generating awareness and demand for BDFEs products and services. The control of BDFE logo printing and terms of use shall be detailed in a technical bulletin. DENR shall simplify documentary requirements for community enterprise and assists all eligible enterprises in business registration thru the Negosyo Centers. The Department, through the BMB, shall facilitate stronger collaboration through mutual agreements between DENR and DTI/ DOST;
- b. **Risk Insurance.** BDFEs inputs, products and services are mainly from natural resources which are vulnerable to impacts of climate change and natural disasters. The DENR, through the BMB, shall link with the other agencies such as the Philippine Crop Insurance Corporation, Landbank to facilitate risk insurance to BDFEs;
- c. **Market Linkages.** Biodiversity friendly enterprises shall be linked to international markets through extensive networks of partnerships in both the public and private sector. Value chain analysis shall be used to help the community understand how they can increase their revenues significantly using the same raw material.
- d. **Consolidated Marketing.** DENR Regional Office with the assistance of LGUs, DTI, private sector shall aim for a consolidated marketing effort with full logistical support that taps more advanced BDFEs to open and maintain mainstream markets for the smaller enterprises.
- e. **Other Incentive Systems.** In addition to the incentives provided by DENR, BDFEs are eligible for incentives and support services as Barangay Micro Business Enterprises (BMBEs) under Republic Act No. 9178, Go Negosyo Act, Republic Act 10644, Social Reform and Poverty Alleviation Act, RA 8425 and Ease of Doing Business Act under Republic Act 11032. The BMB, PAMO, PAMB, CENRO and PENRO shall coordinate with these NGAs to facilitate BDFEs access to said incentives and support services.

Figure 1 shows the steps that shall be followed for the development and recognition of enterprises.



**Figure 1. Flowchart for the Development and Recognition of the BDFE.**

**Section 11. Benefit-sharing agreement.** The PO and the PAMB shall enter into an agreement for the development and management of areas used for the implementation of BDFE projects, as well as for the benefit-sharing scheme and the schedule of contribution for income derived from BDFEs. The share of the Protected Area shall accrue to the Integrated Protected Area Fund (IPAF), and shall be considered as contribution of the PO in the protection and conservation of the PA. The establishment of income sharing scheme shall be anchored to Rules 2.2 c and 9.6 of the RA 11038 or ENIPAS Act of 2018 and Item 2.2.5 of DAO 2004-32 in the case of Protected Area Community-based Resource Management Agreement (PACBRMA).

**Section 12. Communication Education and Public Awareness.** DENR-BMB and all the DENR Regional Offices shall conduct public awareness campaigns to inform all potentially affected parties and all concerned government agencies of this program and strengthen support for biodiversity friendly enterprises.

**Section 13. Institutional Arrangements.** Development and Recognition of BDFE is a convergence program mainstreaming biodiversity conservation and sustainable use into livelihood programs primarily utilization and natural resources. In order to provide coordinated, efficient, and effective implementation of this Order, the BMB, DENR Regional Offices, PENRO, CENRO/PAMO shall have the following roles and responsibilities:

### **13.1. Roles and Responsibilities of Biodiversity Management Bureau**

- a. Creation of a BDFE Core Group overseeing the implementation of the DAO;
- b. Provide overall direction and guidance to the operationalization of the BDFE;
- c. Allocate funding for BDFEs, including for the development, recognition, and the facilitation cost for the provision of incentives as stipulated in Section 10.4.
- d. Develop and provide capacity building programs for DENR field personnel, Local Government Units, other agencies and people's organization engaged in BDFEs;
- e. Review and evaluate existing tenurial instrument/s of the PO (if applicable);
- f. Monitor, Measure and Report performance of the BDFEs recognition system in achieving PBSAP targets;
- g. Link the BDFEs to support services and programs of different partners, including but not limited to NGAs, CSOs and private institutions;
- h. Generate supporting information such as technical and markets studies to support BDFEs;
- i. Conduct on-site validation, in coordination with DENR Regional Office, to assess if the enterprise complied to the standards of BDFE;
- j. Validate assessment results and recommendation of the DENR Regional Office; and
- k. Issue supplemental guidelines as may be appropriate in order to improve the development and recognition of BDFE
- l. Coordinate and establish partnerships with other National Government Agencies (NGAs) such as the Department of Trade and Industry (DTI) for the provision of incentives and implementation of other activities in this Order.

### **13.2. Roles and Responsibilities of DENR Regional Office**

- a. Create the Regional BDFE Core Group to be composed of representatives from Conservation and Development Division (CDD), Licenses, Patents and Deeds Division (LPDD), Enforcement Division (ED), Survey and Mapping Division (SMD), Solid Waste Management Division of EMB, and concerned PENRO, CENRO, PAMO. The Group shall monitor and evaluate the implementation of this Guidelines within the region;
- b. Forge partnership with other NGAs, LGUs, NGOs, private sector and community for the promotion of BDFEs;

- c. Facilitate the participation of staff and field personnel handling BDFE in capacity building program on BDFEs;
- d. Ensure that enhancement of BDFE has corresponding budget allocation;
- e. Issue supporting instructions to PENRO and the CENRO to effectively implement this Guidelines;
- f. Promote and integrate BDFEs in the investment programs of other agencies, LGUs in the region thru the Regional Development Council;
- g. Link the BDFEs to support services and programs of different partners, including but not limited to NGAs, CSOs and private institutions;
- h. Include the information on BDFEs in its database;
- i. Assist and provide technical assistance to the Field Offices in the development of BDFEs;
- j. Monitor the progress of enterprises; and
- k. Award the Certificate of Recognition to the BDFE under this Guidelines.

### **13.3. Roles and Responsibilities of Provincial Environment and Natural Resources Office (PENRO)**

- a. Assess the enterprises' compliance with the standards;
- b. Facilitate the development of BDFE in coordination with Regional Office;
- c. Map out all information and services essential to prospective entrepreneurs and prospective investors of BDFEs within its jurisdiction;
- d. Provide periodic inspections and reports bi-annual;
- e. Ensure that enhancement of BDFE has corresponding budget allocation;
- f. Provide support to the PAMO/CENRO in assisting POs in enhancing their understanding and skills on BDFEs;
- g. Endorse the qualified enterprise to the Regional Office for recognition;
- h. Monitor the progress of enterprises; and
- i. Link the BDFEs to support services and programs of different partners, including but not limited to NGAs, CSOs and private institutions.

### **13.4. Roles and Responsibilities of Protected Area Management Office (PAMO)/ Community Environment and Natural Resources Office (CENRO)**

- a. Establishes the baseline of enterprises within the PAs;
- b. Through the Conservation and Development Section, conduct of rapid assessment and profiling of enterprises and facilities in their respective jurisdiction in coordination with the PENRO;
- c. Appraisal of the PO levels and assist the PO on the needed enhancement activity for BDFE Recognition;
- d. Assist the PO in filing an application for BDFE development and recognition;
- e. Disseminate information on BDFEs within PAs and on field;
- f. Link the BDFEs to support services and programs of different partners, including but not limited to NGAs, CSOs and private institutions;
- g. Liaise and Encourage LGUs to provide support to BDFEs (such as ordinance, programs and projects (skills training etc.) supporting BDFEs);
- h. Monitor the progress of enterprises; and
- i. Designate a person tasked to provide necessary guidance and assistance for peoples' organizations to comply with the foregoing criteria.

The Protected Area Management Office (PAMO) and the CENRO shall have additional staff, skilled at business development to provide support to BDFEs. Facilitators of the BDFE development shall continually embark on skills development related to enterprise and business development.

### **13.5. Roles and Responsibilities of the Protected Area Management Board and other Management Bodies**

- a. Ensure that a Technical Working Committee on Community Management is activated and their functions include the development and recognition of BDFEs as provided under this Order. The PAMB may invite other key agencies such as the Department of Trade and Industry, Department of Tourism, Cooperative Development Authority and National Commission of Indigenous People, LGUs and civil society engaged on social entrepreneurship;
- b. For small PAMB, which opted not to have technical working committees, the board may decide enhancement procedures for the development of the enterprises within their jurisdiction;
- c. Issuance of a PAMB resolution approving the BDFE development and benefit-sharing agreement with the PO, identifying enhancement procedures as well as its support in endorsing eligible enterprises for recognition, and other relevant concerns for BDFE as deem necessary;
- d. Issuance of PAMB Clearance through a PAMB Resolution requiring those POs with development projects to undergo scoping process under the EIS System or if eligible with the Certificate of Non-Coverage issued by EMB;
- e. Support and strengthen POs to establish and develop enterprises in a sustainable basis, and level up;
- f. Encourage Local Government Units to support BDFEs, include such in their Local Investment Plan and Executive Legislative Agenda;
- g. Support in identifying areas and resources that can potential biodiversity-friendly economic activities;
- h. Allocate funds for technical support to BDFEs such as feasibility and value chain analysis studies, among others;
- i. Endorses Level 4 Enterprises to undergo Recognition process; and
- j. Link the BDFEs to support services and programs of different partners, including but not limited to NGAs, CSOs and private institutions.

**Section 14. Site Monitoring and Updated Inventory.** The PAMO and the CENRO Office shall monitor operations of all enterprises at least twice a year, include said monitoring report in the annual report and shall maintain an updated inventory of all these enterprises and their facilities covered under this Order.

The BMB and the Regional Office shall schedule validation of monitoring reports and assessments through on-site visits.

PO enterprises shall allow the DENR entry to their business facilities for the conduct of the assessment of operations, appraisal and the validation should they be endorsed for recognition.

**Section 15. Reporting System.** The PENRO in coordination with the concerned PAMO/CENRO shall monitor compliance of the BDFEs with this Order. Inventory and profiling reports shall be submitted by the PENRO to the Regional Office for endorsement to BMB. The PENRO shall submit an annual progress report to BMB through the regional office.

**Section 16. Funding.** The Department shall allot regular funds to support the implementation of this Order.

**Section 17. Dispute Resolution.** Any complaints arising from the implementation of this Order including disputes over the recognition process shall be lodged at the DENR Regional Office. Within 15 days from receipt of a complaint, the Regional Office shall conduct an

investigation, and within 30 days from receipt shall issue a resolution. Any decision can be appealed to the Secretary pursuant to existing rules.

**Section 18. Liability.** All activities in the protected areas shall abide by the principles and best management practices on sustainable use and conservation of biodiversity. All persons with business operations in the PA shall be liable for any harm and damages caused by their operations pursuant to existing rules.

**Section 19. Separability Clause.** Should any of the provisions of this Order be subsequently or otherwise revised, modified or repealed accordingly, the same shall not affect the validity or legality of the other provisions so far as they could stand independently of the provisions so revised, modified or repealed. The BMB may issue supplemental guidelines in order to improve the recognition of BDFE.

**Section 20. Repealing Clause.** All other orders, circulars, memoranda and other issuances (i.e., DAO 2018-22, TB 2017-11, and TB 2018-03), or parts thereof, inconsistent with the provisions of this Order are hereby repealed, amended or modified accordingly.

**Section 21. Effectivity Clause.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and upon acknowledgement thereof by the Office of the National Administrative Registrar (ONAR).



**ROY A. CIMATU**  
Secretary







## ANNEX B. RAPID ASSESSMENT FOR BDFE ENHANCEMENT ELIGIBILITY

| INDICATORS   | YES | NO | NA |
|--|-----|----|----|
| Impact to Biodiversity   |     |    |    |
| 1. Enterprise is within the Multiple-Use Zone  |     |    |    |
| 2. Resources/Raw Materials are indigenous but not threatened, not indicator species  |     |    |    |
| 3. Complement the conservation of biodiversity-rich areas and its threatened, indigenous, and indicator fauna and flora species if any         |     |    |    |
| 4. Promote the rehabilitation of degraded/fragmented habitats of threatened, indigenous, and indicator fauna and flora                         |     |    |    |
| 5. Involvement in the prevention or mitigation against biodiversity damages/impact from natural and anthropogenic causes                       |     |    |    |
| 6. Discourage alteration of the natural landscapes   |     |    |    |
| INPUT INDICATOR (raw material sourcing, extraction process and assembly of product)  |     |    |    |
| 7. Awareness of raw materials' natural regeneration (e.g. maturity of timber and non-timber products, breeding season of fish)                 |     |    |    |
| 8. Method for extraction will not have impact on the genetic makeup/composition and population of flora and fauna species (e.g. crossbreeding) |     |    |    |
| 9. Mechanism for sustainability of raw material is in place  |     |    |    |
| 10. Promote the sustainable use of indigenous and traditional flora and fauna species  |     |    |    |
| 11. Promote efficient use of renewable energy and materials  |     |    |    |
| PROCESS INDICATOR  |     |    |    |
| 12. Do not cause any harm to the population and habitats of threatened, indigenous, indicator flora and fauna species                          |     |    |    |
| 13. Promote conservation of Philippine Biodiversity  |     |    |    |
| 14. Do not use strong and any harmful chemicals  |     |    |    |
| OUTPUT INDICATOR   |     |    |    |
| 15. Finished product may likewise serve as a raw material for another BD-Friendly product  |     |    |    |
| 16. By-products may be recyclable otherwise, the enterprise should have a system for proper disposal   |     |    |    |

### BIODIVERSITY-FRIENDLY ENTERPRISE INDEX

Enterprises should get an 80% - 100% YES answers in the 16 indicators above to eligible for biodiversity-friendly enterprise enhancement

**ANNEX C. LIST/PROFILE OF ELIGIBLE ENTERPRISES**

This form is to be accomplished by the **DENR REGIONAL OFFICES**

REGION: \_\_\_\_\_ PROVINCE/S \_\_\_\_\_

NAME OF PA/CONSERVATION

AREA: \_\_\_\_\_

| Name of Enterprise (Business Name/ Brand Name) | Name of Peoples' Organization | Location of the PO (sitio, barangay) | Contact Person, designation and Contact Details | Number and type (HH or Individual) of members (indicate if Male and female) | Location of enterprise | Number of workers (Indicate if Male and female) | Type of Enterprise | Registration | Category of Enterprise & Economic Activities (refer to BMB TB 2017-11 BDFE Form Annex C) | Size of Enterprise (Micro, Small and Medium) | Source of raw materials | Short Description of business (input materials, end product, services offered etc.) | Assets | Remarks |
|--|-------------------------------|--------------------------------------|---|---|------------------------|---|--------------------|--------------|--|--|-------------------------|---|--------|---------|
|  |                               |                                      |   |   |                        |   |                    |              |  |  |                         |   |        |         |
|  |                               |                                      |   |   |                        |   |                    |              |  |  |                         |   |        |         |
|  |                               |                                      |   |   |                        |   |                    |              |  |  |                         |   |        |         |

Prepared by: \_\_\_\_\_ Date : \_\_\_\_\_

Verified/ Approved by \_\_\_\_\_ Date: \_\_\_\_\_

**ANNEX D: ECONOMIC VIABILITY PROFILE**

**Date of monitoring:** \_\_\_\_\_

**Monitoring Team:**

- 1.
- 2.
- 3.

**A. PEOPLE'S ORGANIZATION DETAILS**

Name of PO: \_\_\_\_\_  
 Type of Registration: \_\_\_ SEC \_\_\_ CDA \_\_\_ DOLE \_\_\_ Others, pls specify \_\_\_\_\_  
 Enterprise Name: \_\_\_\_\_  
 Location (specify NIPAS Area and Province): \_\_\_\_\_  
 Number of members: \_\_\_ M \_\_\_ F  
 Date/Month FA funds downloaded: \_\_\_\_\_  
 Amount downloaded: \_\_\_\_\_ per SAA No: \_\_\_\_\_

**B. ENTERPRISE ASSETS**

| ITEM  | UNIT | NO. OF UNITS | UNIT COST | TOTAL COST |
|-------|------|--------------|-----------|------------|
|       |      |              |           |            |
|       |      |              |           |            |
|       |      |              |           |            |
| TOTAL |      |              |           |            |

**C. PRODUCT INVENTORY AND MARGINS**

| PRODUCT        | LANDED COST<br><br>(specify cost items if available) | NO. OF UNITS | PRICE | MARGIN |
|----------------|--|--------------|-------|--------|
|                |  |              |       |        |
|                |  |              |       |        |
| AVERAGE MARGIN |  |              |       |        |

**D. PO REVENUE**

| PRODUCT | NO. OF UNITS SOLD <i>(before FA)</i> | NO. OF UNITS SOLD <i>(after FA)</i> | TOTAL SALES <i>(from establishment to date)</i> |
|---------|--------------------------------------|-------------------------------------|---|
|         |                                      |                                     |   |
|         |                                      |                                     |   |
|         |                                      |                                     |   |
| TOTAL   |                                      |                                     |   |

**E. PO MEMBERS' INCOME**

| PO POSITION <i>(if applicable)</i> | NUMBER OF POSITIONS | MONTHLY SALARY <i>(before FA)</i> | MONTHLY SALARY <i>(after FA)</i> |
|------------------------------------|---------------------|-----------------------------------|----------------------------------|
|                                    |                     |                                   |                                  |
|                                    |                     |                                   |                                  |
|                                    |                     |                                   |                                  |
| TOTAL                              |                     |                                   |                                  |

Average Monthly Income of Members: \_\_\_\_\_

**F. WORKPLAN AUDIT**

Signed Memorandum of Agreement: \_\_\_\_\_

Date MOA Signed: \_\_\_\_\_

| Activity/Item * | Unit of Work Measure* | Estimated Cost* | Actual Cost | Target Date* | Actual Date | MOV's |
|-----------------|-----------------------|-----------------|-------------|--------------|-------------|-------|
|                 |                       |                 |             |              |             |       |
|                 |                       |                 |             |              |             |       |
|                 |                       |                 |             |              |             |       |
|                 |                       |                 |             |              |             |       |

\*Fields to be filled out by evaluator prior to the assessment

**ANNEX E: ECOLOGICAL IMPACT FORM**

**BDFE Facilitator Name:** \_\_\_\_\_ **Region:** \_\_\_\_\_ **Office:** \_\_\_\_\_

**Protected Area:** \_\_\_\_\_

**PO Name:** \_\_\_\_\_

**PO Enterprise:** \_\_\_\_\_

Describe PO Operations briefly:

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Target Resource (Biotic/Abiotic) for Management/Protection/Conservation (e.g., Water, Soil, Mangroves, wild flora and fauna):

- 1.
- 2.
- 3.

**Table 1. Target Resource Objective**

| Target Resource | Baseline | Target | Objective |
|-----------------|----------|--------|-----------|
|                 |          |        |           |
|                 |          |        |           |

**Table 2. Mitigating Measures**

| Target Resource | Existing Management/Protection/Conservation Activities | Planned Management/Protection/Conservation Activities |
|-----------------|--|---|
|                 |  |   |
|                 |  |   |
|                 |  |   |

**Table 3. Monitoring Method**

| Target Resource | Indicator | Means of Verification | Methodology for Monitoring | Possible Source/s of Support |
|-----------------|-----------|-----------------------|----------------------------|------------------------------|
|                 |           |                       |                            |                              |
|                 |           |                       |                            |                              |
|                 |           |                       |                            |                              |

**Prepared by:**

**Reviewed by:**

**Endorsed by:**

Name of BDFE Facilitator

Name of BBCore

Name of Immediate Supervisor of the BDFE  
Facilitator

## ANNEX F. ASSESSMENT TOOL FOR THE APPRAISAL OF PO ENTERPRISE

| <b>1. Level 1 – PO Enterprise is Established</b>  |                  |               |  |
|---|------------------|---------------|--|
| Criteria / Guide Questions  | Allowable Points | Actual Points | Remarks / Means of Verification  |
| <b>1.1. Enterprise Identification based on Participatory Process</b>                    |                  |               |  |
| 1.1.1. BDFE concept explained to stakeholders   | 0 or 1           |               | <ul style="list-style-type: none"> <li>• Minutes of the Meeting</li> <li>• Activity Report</li> </ul>  |
| 1.1.2. BDFE accepted and approved by the community or local government                  | 0 or 1           |               | <ul style="list-style-type: none"> <li>• Minutes of the Meeting</li> <li>• Resolution</li> <li>• Ordinance</li> </ul>  |
| 1.1.3. Identification of target resources for conservation                              | 0 or 1           |               | <ul style="list-style-type: none"> <li>• Assessment Report</li> </ul>  |
| 1.1.4. Rapid Resource Assessment/Habitat Assessment                                     | 0 or 3           |               | <ul style="list-style-type: none"> <li>• Assessment Report</li> </ul>  |
| 1.1.5. Source of raw material identified  | 0 or 1           |               | <ul style="list-style-type: none"> <li>• location map</li> </ul>   |
| <b>1.2. Business Plan Development</b>   |                  |               |  |
| 1.2.1. Vision, Mission, and Goals Statement of the PO Enterprise created                | 0 or 1           |               | <ul style="list-style-type: none"> <li>• Activity Report</li> <li>• Draft Business Management Plan</li> </ul>  |
| 1.2.2. Use of culture, local knowledge, traditional skill in the business appropriately | 0 or 3           |               | <ul style="list-style-type: none"> <li>• Activity Report</li> <li>• Draft Business Management Plan</li> </ul>  |
| <b>1.3. Registrations</b>   |                  |               |  |
| 1.3.1. Legal instrument recognizing the PO has been secured                             | 0 or 3           |               | <ul style="list-style-type: none"> <li>• Business Permit</li> <li>• Registration</li> </ul>  |
| <b>1.4. Management Body formed and functional</b>                                       |                  |               |  |
| 1.4.1. Management body determined and identified  | 0 or 1           |               | <ul style="list-style-type: none"> <li>• list of members of the enterprise</li> <li>• management body</li> <li>• management structure</li> <li>• appointment papers</li> </ul> |
| 1.4.2. Management body formed and roles clarified                                       | 0 or 3           |               | <ul style="list-style-type: none"> <li>• minutes showing committees</li> <li>• organizational chart with clear roles</li> </ul>  |

|  |        |  |  |
|--|--------|--|--|
|  |        |  | <ul style="list-style-type: none"> <li>enabling documentation</li> </ul>   |
| <b>1.5.Financial</b>   |        |  |  |
| 1.5.1. Capital has been provided for at least one-year implementation                    | 0 or 1 |  | <ul style="list-style-type: none"> <li>work and financial plan</li> <li>MOA</li> </ul>   |
| 1.5.2. Inventory of Assets, Liabilities and Credits created                              | 0 or 3 |  | <ul style="list-style-type: none"> <li>Draft Business Plan</li> <li>Recording of assets</li> </ul>   |
| <b>1.6.Social Preparation</b>  |        |  |  |
| 1.6.1. IEC activities coordinated by the PO to raise BDFE consciousness in the community | 0 or 1 |  | <ul style="list-style-type: none"> <li>Reports on IEC activities</li> <li>Photographs of billboards</li> <li>Banners</li> <li>Posters</li> </ul> |
| <b>TOTAL</b>   |        |  |  |

| <b>2. Level 2 - PO Enterprise is strengthened</b>                              |                  |               |  |
|--|------------------|---------------|--|
| Criteria / Guide Questions   | Allowable Points | Actual Points | Remarks / Means of Verification  |
| <b>2.1.Conservation measure in place</b>                                       |                  |               |  |
| 2.1.1. Strategies to determine how to preserve integrity of resources in place | 0 or 1           |               | <ul style="list-style-type: none"> <li>Activity Report</li> <li>Business Plan</li> </ul>   |
| 2.1.2. Studies supporting conservation strategies has been conducted           | 0 or 3           |               | <ul style="list-style-type: none"> <li>carrying capacity study</li> <li>limits of acceptable change</li> </ul>                   |
| 2.1.3. Surveillance conducted regularly  | 0 or 3           |               | <ul style="list-style-type: none"> <li>Attendance of patrollers</li> <li>patrol logs</li> </ul>                                  |
| 2.1.4. Violations documented   | 0 or 1           |               | <ul style="list-style-type: none"> <li>Logbook of apprehensions</li> <li>report of violations</li> <li>police blotter</li> </ul> |
| 2.1.5. Funds accessed and used   | 0 or 1           |               | <ul style="list-style-type: none"> <li>expenditure reports</li> <li>accounting ledger</li> </ul>                                 |
| <b>2.2.Registrations</b>   |                  |               |  |
| 2.2.1. Compliance to BIR requirements and specific enterprise requirements     | 0 or 1           |               | <ul style="list-style-type: none"> <li>transaction record</li> <li>permits</li> <li>clearances</li> </ul>                        |
| <b>2.3.Business Plan alignment to existing PAMP</b>                            |                  |               |  |
| 2.3.1. BAMS or other relevant bio-physical                                     | 0 or 3           |               | <ul style="list-style-type: none"> <li>Assessment</li> </ul>   |



|   |        |  |   |
|---|--------|--|---|
| assessment conducted  |        |  | Report                                      |
| 2.3.2. Strategies in the PAMP are aligned with the Business Plan                          | 0 or 1 |  | • Business Plan                             |
| 2.3.3. Partnership between PO and DENR field offices on conservation measures established | 0 or 1 |  | • activity report                           |
| 2.3.4. Marketing plan determined and is incorporated in the business plan                 | 0 or 3 |  | • Business Plan                             |
| <b>2.4.Participatory Management</b>   |        |  |   |
| 2.4.1. Benefit sharing established within PO  | 0 or 1 |  | • minutes of the meeting<br>• Business Plan |
| 2.4.2. Capacity Building on Bookkeeping and Basic Accounting conducted                    | 0 or 1 |  | • Certificate of Completion                 |
| 2.4.3. Costing of Inventory/Assets, Liabilities, and Credit                               | 0 or 3 |  | • Accounting Ledger                         |
| <b>2.5.Economic Status baselined</b>  |        |  |   |
| 2.5.1. Income status of members baselined   | 0 or 3 |  | • SEAMS                                     |
| <b>TOTAL</b>  |        |  |   |

| <b>3. Level 3 - PO is developed</b>  |                  |               |  |
|--|------------------|---------------|--|
| Criteria / Guide Questions   | Allowable Points | Actual Points | Remarks / Means of Verification  |
| <b>3.1.The enterprise is effectively sustained for at least 3 years</b>  |                  |               |  |
| 3.1.1. Business plan updating  | 0 or 3           |               | • Updated business plan  |
| 3.1.2. conservation measures reviewed and updated  |                  |               | • minutes of the meeting   |
| 3.1.3. Revenue are generated for last 2 years  | 0 or 1           |               | • Accounting ledger<br>• bank statements   |
| 3.1.4. Management Body able to supervise management activities of the enterprise and access technical assistance | 0 or 1           |               | • Letters with reply from partner for technical assistance report with other partners<br>• minutes of the meeting with action points |
| 3.1.5. Conservation measures fully operational in the last 3 years   | 0 or 3           |               | • Activity Reports<br>• annual allocation  |
| 3.1.6. IEC program enhanced  | 0 or 1           |               | • IEC program progress reports   |
| 3.1.7. Performance Monitoring of the of the PO conducted regularly   | 0 or 1           |               | • Appraisal reports of the PO  |
| 3.1.8. Regular participatory monitoring conducted  | 0 or 3           |               | • monitoring data showing trends<br>• attendance sheets showing names of   |

|  |        |  |   |
|--|--------|--|---|
|  |        |  | community members who participated in the monitoring activities               |
| 3.1.9. Socioeconomic monitoring conducted regularly or at least once a year    | 0 or 1 |  | • SEAMS   |
| 3.1.10. Expansion strategy established   | 0 or 1 |  | • Plan of expansion which should be aligned with the rules of the E-NIPAS law |
| 3.1.11. Sustainable financing strategy established                             | 0 or 3 |  | • Resolution, Private-public partnership agreements                           |
| 3.1.12. Timely renewal of permits and certificates for the last 3 years        | 0 or 3 |  | • permits/certificates  |
| 3.1.13. Capacity Building on Biodiversity Conservation conducted and evaluated | 0 or 1 |  | • activity reports, KAP survey  |
| 3.1.14. Performance monitoring for PO members established                      | 0 or 1 |  | • minutes of the meeting  |
| 3.1.15. Feedback system in place   | 0 or 3 |  | • Minutes of the meetings, presentations                                      |
| <b>TOTAL</b>   |        |  |   |

| <b>4. Level 4 – PO Enterprise is sustained</b>                                    |                  |               |   |
|---|------------------|---------------|---|
| Criteria / Guide Questions  | Allowable Points | Actual Points | Remarks / Means of Verification                                 |
| <b>4.1. PO management effectively institutionalized for at least 5 years</b>      |                  |               |   |
| 4.1.1. Political support from the provincial council or LGUs                      | 0 or 3           |               | • Resolutions, minutes of the meeting                           |
| 4.1.2. Business Plan incorporated and recognized in broader development plans     | 0 or 1           |               | • Higher level plans of LGUs recognizing the PO Business Plan   |
| 4.1.3. Management body capable of outsourcing funds for expansion                 | 0 or 1           |               | • Proposals submitted, Grants agreements, investment agreements |
| 4.1.4. Coordination with the PAMB and other groups clearly defined and formalized | 0 or 3           |               | • minutes of the meeting  |
| 4.1.5. Cost sharing in the management of the PAs established                      | 0 or 1           |               | • PAMB resolutions,   |

|   |        |  |  |
|---|--------|--|--|
|   |        |  | minutes of the meeting   |
| 4.1.6. Ecological and Socioeconomic impact assessment conducted                   | 0 or 3 |  | <ul style="list-style-type: none"> <li>• Trends and temporal assessments of ecological and socio-economic impact, impacts assessment report</li> </ul> |
| 4.1.7. Performance monitoring and evaluation system linked to an incentive system | 0 or 1 |  | <ul style="list-style-type: none"> <li>• minutes of the meeting, agreements of the PO</li> </ul>   |
| 4.1.8. Promotion of efficient use of renewable energy and materials               | 0 or 1 |  | <ul style="list-style-type: none"> <li>• inventory of assets</li> </ul>  |
| 4.1.9. Green jobs generated   | 0 or 3 |  | <ul style="list-style-type: none"> <li>• Payrolls</li> <li>•</li> </ul>  |
| 4.1.10. Income status improving   | 0 or 3 |  | <ul style="list-style-type: none"> <li>• SEAMS</li> </ul>  |
| 4.1.11. Market linkage expansion  | 0 or 1 |  | <ul style="list-style-type: none"> <li>• contracts</li> </ul>  |
| 4.1.12. Product diversification   | 0 or 1 |  | <ul style="list-style-type: none"> <li>• Inventory of products</li> </ul>  |
| 4.1.13. Feedback mechanism fully implemented                                      | 0 or 3 |  | <ul style="list-style-type: none"> <li>• Feedback forms</li> <li>• Feedback analysis</li> </ul>  |
| <b>TOTAL</b>  |        |  |  |

## ANNEX G. BDFE BUSINESS PLAN

### BIODIVERSITY-FRIENDLY BUSINESS PLAN

**Enterprise Name :**

**Address:**

- I. Executive Summary (contains the highlight of the business plan)
- II. Description of the business (contains the summary of Annex D and E results)
- III. Vision and mission of the business
- IV. Biodiversity significance of the business
- V. SWOT analysis for BDFE
- VI. Industry analysis
  - a. Trends and growth
- VII. Product description and market
  - a. Product description
  - b. Design
  - c. Current market
  - d. Sales forecast and marketing
  - e. Product operation
- VIII. Organizational management
  - a. Legal Form of Business
  - b. Organization Structure
  - c. Type of Organization
  - d. Labor Requirements (Manpower involved in the production, administration and management of the BDFE)
- IX. Socio-economic Benefits of the BDFE
- X. Cost and Return Analysis
- XI. Financial projections
- XII. Sources of Financing
- XIII. Trainings and Interventions
- XIV. Operational/ Technical Plan of the BDFE
  - a. Technical/Production Activities (Detailed description of the production process and methodology)
  - b. Raw materials requirement (Description of all raw materials required and methods of extraction)
  - c. Technology Requirement (Machineries, equipment, tools used in the production)
  - d. Labor Requirement (Manpower required in the production with work description)
  - e. Waste Disposal System (Description of all activities and actions required to properly dispose wastes in the production)
- XV. Regulations and Permits
  - a. Government Regulations (National and local regulations which require permits from different agencies)
  - b. All taxes and reports due to national and local governments
- XVI. Sustainability plan (*Enumerate plans developed to achieve the long-term goals of the project*)

## ANNEX H. PROPOSAL OUTLINE

|  |  |
|--|--|
| <b>A. TITLE OF THE PROJECT</b>   |  |
| <b>B. PROPONENT</b> (Name of the PO)   |  |
| <b>C. DURATION OF PROJECT</b>  |  |
| <b>D. PROPOSED PROJECT BUDGET</b>  |  |
| <b>E. Enterprise Description:</b> <ul style="list-style-type: none"><li>• <b>Type of Ecosystem</b> where raw materials are being sourced out (put a check to the corresponding answer)<ul style="list-style-type: none"><li>○ Forest</li><li>○ Grassland</li><li>○ Coastal and Marine (e.g mangrove, coral reef, seagrass beds mudflats)</li></ul></li><br/><li>• <b>Enumerate and describe main product/s</b><ol style="list-style-type: none"><li>1.</li><li>2.</li></ol></li><br/><li>• <b>Enumerate and describe secondary product/s</b><ol style="list-style-type: none"><li>1.</li><li>2.</li></ol></li></ul>                                    |  |
| <b>F. PROCESS DETAILS</b> <ul style="list-style-type: none"><li>• Outline the processes involved in producing the product/s; as for service enterprise, detail the delivery of the service. Detail the input-process-output of the production of the enterprise's product/s. (frequency of resource extraction, manner of extraction, method of extraction, mechanism for sustainability of raw materials, detail the resources needed for the production)</li><li>• How will the enterprise contribute to biodiversity conservation</li><li>• What is the biodiversity threat to the area and how can the enterprise reduce the said threat</li></ul> |  |
| <b>G. MARKET CONSIDERATIONS</b> <ul style="list-style-type: none"><li>• Who are the buyers of the product/s?<ul style="list-style-type: none"><li>– detail the profile of the buyers</li><li>– origin of the buyers</li></ul></li><li>• Estimate number of existing buyers</li></ul>   |  |

**H. FINANCIAL AND ECONOMIC VIABILITY**

- Discuss budget allocation and funding source/s
  - How will the grant be utilized
- How much is the expected income in the next 3 years?
- What are the economic benefits that can be derived from the expansion of the enterprise?

**I. SOCIAL CONSIDERATIONS**

- What are the perceived social impacts of the enterprise?
- How can the community participate in the enterprise?
- Who are the main beneficiaries of the enterprise?

**J. INSTITUTIONAL ARRANGEMENTS**

- Discuss the organizational chart of the People's Organization, management and staff functions
- What other assistance needed to ensure the success of the enterprise? Possible partners and their roles

**K. Attach Work and Financial Plan**

Prepared by:

\_\_\_\_\_

## **ANNEX I. REQUISITES FOR ENTITLEMENT TO FINANCIAL ASSISTANCE**

The PO recipient shall comply with the following requirements to be able to avail of the financial assistance:

- a. Duly accomplished Proposal Form signed by its officers (*Annex 1*)
- b. SEC/CDA/DOLE registration;
- c. Authenticated copy of Articles of Incorporation;
- d. Financial Report audited by an independent Certified Public Accountant, for the past three years preceding the date of project implementation. For POs which have been in operation for less than three (3) years, report of accomplishment or any equivalent proof certified by its President and Secretary that it has previously implemented similar projects shall be required, in addition to financial reports for the years it has been in operation;
- e. Disclosure by the PO of other related business, if any, and extent of ownership by the Board;
- f. Proposed Work and Financial Plan (WFP) specifying the time frame within which the activities are to be undertaken. The use of fund shall only be good for the current year;
- g. Business Plan;
- h. List and/or photographs of similar projects previously completed by the PO, if any, indicating the source of funds for their implementation;
- i. Resolution from the PO Board authorizing their President to enter into a Memorandum of Agreement (MOA) with DENR; and
- j. PO Board Resolution certifying that none of its officials or board of directors is an agent or related by consanguinity or affinity up to the fourth civil degree to the officials of BMB-DENR/DENR authorized to process and/or approve the proposal, MOA and the release of funds.

## ANNEX J. MEMORANDUM OF AGREEMENT TEMPLATE

### MEMORANDUM OF AGREEMENT

#### KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (MOA) made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, in \_\_\_\_\_, Philippines, by and between:

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES – PROVINCIAL ENVIRONMENT AND NATURAL RESOURCES OFFICE (DENR-PENRO) OF \_\_\_\_\_ PROVINCE**, a government entity with office address at \_\_\_\_\_, herein represented by its PENR Officer \_\_\_\_\_, and herein referred to as “*DENR-PENRO*”;

and

**(Name of PO)**, a people’s organization duly organized and registered under the laws of the Philippines, with office address at \_\_\_\_\_, herein represented by its President/Chairman, \_\_\_\_\_ and herein referred to as “*BDFE Partner PO*”.

#### WITNESSETH:

**WHEREAS**, it is the policy of the state to protect the nation’s natural resources and biodiversity as well as promote the right to a healthful and balanced ecology in accord with the rhythm and harmony of nature pursuant to Republic Act No. 11038 (Expanded National Integrated Protected Areas System Act), amending Republic Act No. 7586, Executive Order No. 533 the Integrated Coastal Management (*ICM*) Strategy, RA 9147 or the Wildlife Resources Conservation and Protection Act and DAO 2016-26 Coastal and Marine Ecosystems Management Program (*CMEMP*). One of the seven components of the Program is the development of Biodiversity Friendly Enterprise (*BDFE*) which shall promote the sustainable use of natural resources and biodiversity and at the same time create wealth and equitable sharing of benefits to the community through the People’s Organizations by supporting micro, small and medium enterprises;

**WHEREAS**, the BDFE shall be implemented in National Integrated Protected Areas System (NIPAS) sites in the country.

**NOW THEREFORE**, for and in consideration of the foregoing premises, both parties hereby agreed to enter into this MOA under the following terms and conditions:

#### Article I General Conditions

- 1.1. All proposed BDFE activities shall be anchored on Sustainable Development principles which shall contribute to the objectives of environmental protection, biodiversity conservation, economic growth and development and social equity;
- 1.2. The DENR-PENRO will make available to the BDFE Partner PO a financial assistance in the amount of \_\_\_\_\_ (**PhP** \_\_\_\_\_) to be used exclusively for the implementation of the BDFE consistent with the submitted



work plan duly approved by the concerned P.O. President/Chairperson and the DENR-PENRO which shall form an integral part of this Agreement.

**Article II**  
**Roles and Responsibilities of the DENR-PENRO**

The DENR-PENRO shall:

- 2.1. Allocate and obligate funds to the BDFE Partner PO in the total amount specified in the approved work plan;
- 2.2. Release funds amounting to the total cost for the operation / implementation of the BDFE quarterly in accordance with the approved WFP
- 2.3. Inspect / evaluate / monitor actual project accomplishments, reports, items and receipt certifications of the BDFE Partner PO through an inspection team upon receipt of billing request following the standard accounting and auditing rules and regulations;
- 2.4. Provide necessary technical assistance, capacity building and skills enhancement to the BDFE Partner PO to facilitate the effective implementation of the BDFE;
- 2.5. Provide over-all guidance, supervision, and oversight to the performance of the responsibilities of the BDFE Partner PO, ensuring that all activities are within the scope of the approved work plan;

**Articles III**  
**Roles and Responsibilities of the BDFE Partner PO**

The BDFE Partner PO shall:

- 3.1. Enhance the existing enterprise to be biodiversity-friendly in accordance with the TB No. 2017-11 on BDFE and approved Work and Financial Plan with due diligence and efficiency on the utilization of funds;
- 3.2. Receive funds from the DENR-PENRO quarterly in accordance with the approved WFP
- 3.3. Ensure that funds provided pursuant to this MOA shall be strictly used in accordance with the approved work plan and none may be used for any purpose other than those expressly set forth therein;
- 3.4. Submit the following documents and reports to the DENR PENRO concerned:
  - 3.4.1. Progress report (physical and financial) and photo documentation of the on-going Biodiversity-Friendly Enterprise Development which shall serve as basis for the release of payments after the conduct of validation/verification of the assessment team;
  - 3.4.2. Termination/Final Report;

- 3.4.3. Other documents and reports as may be required
- 3.5. Allow DENR PENRO to monitor the implementation of the project even beyond the effectivity of this Agreement for project sustainability purposes.

**Article IV  
Termination**

- 4.1. DENR-PENRO may terminate the MOA based on the following grounds:
  - 4.1.1. Fraud, misrepresentation or omission of material facts in obtaining the MOA;
  - 4.1.2. Failure on the part of BDFE Partner PO to start the project on the date specified in the MOA without valid and legal justification/s and with corresponding obligation to refund the initial amount released;
  - 4.1.3. Abandonment of the project for a period of at least one month from the date of discovery by the DENR of such fact with corresponding obligation to full refund the amount released;
- 4.2. Violation of any terms and condition of this MOA and pertinent environment and natural resources rules and regulations may cause the termination of this Agreement. The Partner shall be informed in writing within fifteen (15) days from the violations committed.
- 4.3. In case of disagreement on any of the terms of this MOA, the Parties may resort to Arbitration.

**Article V  
Delay**

The partner PO shall complete the implementation of the Project within the time prescribed. Should the PO incur delay in its performance, PO shall accomplish target at its own cost, without prejudice to other course of action that may be taken by DENR.

In the event of the BDFE Partner PO's non-compliance or partial compliance with the terms and conditions of this Agreement without valid and legal justification and after due process, it shall refund to the DENR-PENRO any payment already received in respect to activities that have not been performed by the recipient PO in accordance with the acceptable standard of DENR.

Only force majeure or fortuitous event/s are considered legal justifications that will except PO from liability.

**Article VI  
Settlement of Disputes**

- 6.1. Any dispute between DENR-PENRO and the BDFE Partner PO arising out of this MOA shall be settled amicably by the parties. If DENR-PENRO and BDFE Partner PO fail to reach an agreement, the matter shall be referred to Arbitration to be held within a month, in accordance with the Philippines laws. The cost and expenses of arbitration shall be borne by the party against whom the dispute is resolved;
  - 6.1.1. The party desiring Arbitration shall serve upon the other party a written notice specifying the question to be arbitrated and naming its chosen arbitrator;

- 6.1.2. During the arbitration, the implementation of the activities shall not be stopped except for such activities as may be the subject matter of the arbitration, or is directly affected thereby; and
- 6.1.3. The DENR and the BDFE Partner PO shall agree bound by any arbitration award rendered in accordance with the above, as the final adjudication of any such dispute.

**Article VII  
Amendments**

No modification of, or change in this MOA, or any waiver of any of its provisions, or any addition of contractual obligations shall be valid or enforceable, unless previously approved in writing by the parties hereto or duly signed in the form of a written amendment by the parties hereto, or their duly authorized representatives.

**Article VIII  
Entire Agreement and Severability**

This MOA constitute the entire agreement between the parties and supersedes any and all prior oral and written undertakings, considerations, agreements, representations or understanding between them in relation to the subject matter hereof.

If any provision of this MOA is held invalid, void or unenforceable by any competent court or authority for any reason, the other provisions of this MOA shall remain valid and shall continue to be in force and effect.

**Article IX  
Effectivity and Validity**

This MOA shall take effect upon signing of the Parties herein stated and shall be in force and valid for one (1) year.

**IN WITNESS WHEREOF**, the parties hereto acting through their representatives duly authorized for this purpose, affix their signatures, this \_\_\_ day of \_\_\_\_\_, 2018 at

\_\_\_\_\_  
**For DENR-PENRO:**

\_\_\_\_\_  
**For BDFE Partner PO:**

\_\_\_\_\_  
PENR Officer

\_\_\_\_\_  
PO President

**(witness)**

*Signed in the presence of:*

**(witness)**

Funds Availability:

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES . . . . .)  
PROVINCE OF . . . . .) S.S.  
CITY OF . . . . .)

BEFORE ME, this \_\_\_\_\_ day of \_\_\_\_\_ 2018 in \_\_\_\_\_ Philippines, personally appeared:

|               |               |
|---------------|---------------|
|               |               |
|               |               |
| CTC Number:   | CTC Number:   |
| Date Issued:  | Date Issued:  |
| Place Issued: | Place Issued: |