

Bridging Investment and Conservation for Sustainable Forest Governance: The Sustainable Forest Land Management Agreement (SFLMA) of the Philippines

BACKGROUND

The Philippines has long pursued sustainable forest management through tenure-based instruments such as Community-Based Forest Management (CBFM), Industrial Forest Management Agreements (IFMA), and Socialized Forest Management Agreements (SFMA). However, persistent challenges including tenure fragmentation, weak private sector participation, and limited long-term investments have constrained the full potential of forestland development (DENR-FMB, 2025).

To address these issues, the Department of Environment and Natural Resources (DENR) introduced the Sustainable Forest Land Management Agreement (SFLMA) through DENR Administrative Order (DAO) No. 2025-22, as amended by DAO No. 2026-07 (DENR, 2025; DENR, 2026). The SFLMA represents a unified and modernized tenure instrument designed to harmonize forestland allocation, promote sustainable investments, and ensure environmental protection.

The SFLMA allows qualified entities, including corporations, cooperatives, People's Organizations (POs), and other stakeholders, to develop, manage, and utilize forestlands for a period of up to 50 years, renewable, subject to compliance with sustainable forest management principles (DENR, 2025; Inquirer, 2026).

This policy signals a major shift toward integrating economic development, climate action, and ecosystem restoration within a single, long-term forest governance framework (Ocampo & Suralvo, 2025).

Key Messages

1. Simplified forest tenure and sustainable investment: SFLMA establishes a more coherent forest tenure framework by simplifying forestland allocation and providing long-term tenure security of up to 50 years, thereby encouraging sustainable investment in plantations, agroforestry, ecotourism, and other forest-based enterprises (ResearchGate, 2025; Ocampo & Suralvo, 2025).
2. Strengthened environmental safeguards: SFLMA promotes science-based forest management through Sustainable Forest Land Management Plans (SFLMPs), stronger monitoring, reporting, and compliance mechanisms to protect biodiversity, maintain ecological integrity, and enhance climate resilience (DENR, 2025; DENR, 2026).
3. Inclusive governance and green development: SFLMA promotes participatory forest governance by involving People's Organizations, Indigenous People, private-sector actors, and Local Government Units, while aligning forest management with climate action, biodiversity conservation, rural development, and green growth (DENR-FMB, 2025; Ocampo & Suralvo, 2025).



Figure 1: A mountain view in Valencia City, Bukidnon, Philippines
Source: Gibe RC, 2025

COUNTRY TREND HIGHLIGHT

Structural Reform toward a Unified and Coherent Forest Tenure System

The SFLMA introduces a major institutional reform by consolidating fragmented forest tenure instruments into a single, harmonized framework. This reform addresses long-standing governance inefficiencies and overlapping mandates.

- 1. Policy harmonization and simplification: SFLMA streamlines procedures for forestland allocation, planning, and compliance, reducing administrative complexity and improving regulatory clarity for stakeholders (DENR, 2025).
- 2. Improved governance coordination: The unified framework strengthens alignment across national, regional, and local levels, enhancing policy coherence and reducing institutional fragmentation (ResearchGate, 2025).
- 3. Greater transparency and accountability: Standardized rules and processes contribute to more transparent decision-making and clearer accountability mechanisms in forestland management.



Figure 3 : Former DENR Secretary Rafael Lotilla inaugurates SFLMA
Source: DENR Facebook Page, 2025



Figure 4: The participants during the inauguration SFLMA in June 2025
Source: DENR Facebook Page, 2025

Catalyzing Long-Term Investments for Sustainable Forest-Based Economies

By providing tenure security of up to 50 years, SFLMA transforms the enabling environment for sustainable forest investments and long-term economic planning.

- 1. Enhanced investment security and predictability: Long-term tenure reduces risks associated with short-duration agreements, encouraging capital-intensive investments in forestry and related sectors (Inquirer, 2026).
- 2. Diversification of forest-based enterprises: The policy supports a broader range of economic activities, including agroforestry, ecotourism, and value-added processing, promoting diversified rural livelihoods (Ocampo & Suralvo, 2025).
- 3. Shift toward sustainable forest economies: SFLMA signals a transition from extractive practices to sustainable, productivity-oriented forest management systems that generate long-term economic and environmental benefits.

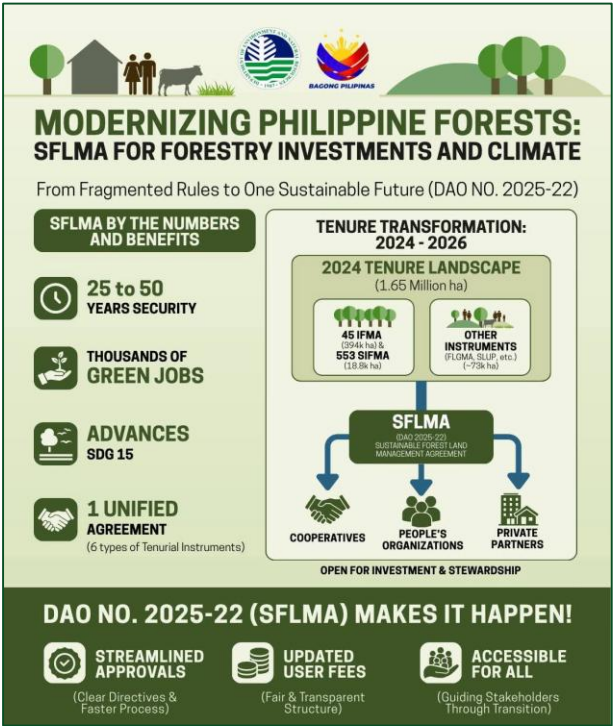


Figure 2: The policy infographic of SFLMA
Source: DENR Facebook Page, 2026

Advancing Climate-Responsive and Ecologically Sustainable Forest Management

SFLMA embeds sustainability and climate responsiveness at the core of forestland management through science-based planning and strengthened safeguards.

1. **Mandatory Sustainable Forest Land Management Plans (SFLMPs):** These plans ensure that forest use is guided by ecological principles, integrating conservation, restoration, and sustainable production objectives (DENR, 2025).
2. **Integration of climate and ecosystem priorities:** The policy promotes reforestation, watershed protection, biodiversity conservation, and carbon sequestration, aligning forestry practices with national and global climate commitments (DENR, 2026).
3. **Strengthened monitoring and compliance systems:** Enhanced reporting and oversight mechanisms improve accountability and enable adaptive management in response to environmental risks.



Figure 5: Panoramic view of mountain in Dauin, Negros Oriental
Source: Gibe RC, 2025

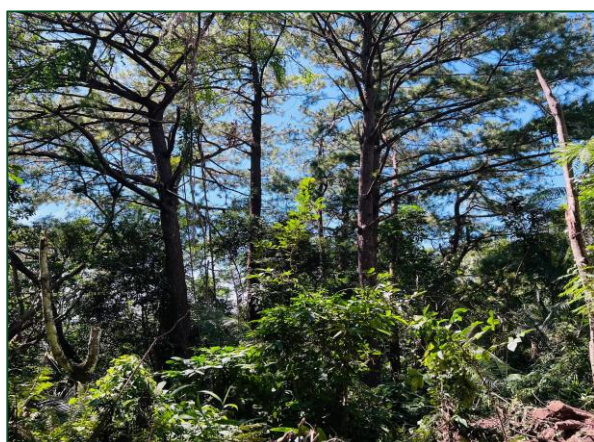


Figure 6: The mountain and forest in Dauin, Negros Oriental
Source: Gibe RC, 2025



Figure 7: The rocky forest in Negros Occidental, Philippines
Source: Gibe RC, 2022



Figure 8: A rubber plantation in Zamboanga del Norte
Source: Gibe RC, 2024

Strengthening Inclusive Governance and Multi-Stakeholder Partnerships

SFLMA promotes a more inclusive and participatory governance model by engaging diverse stakeholders in forestland management.

1. **Recognition of community and indigenous roles:** The policy reinforces the participation of People's Organizations and Indigenous Peoples, supporting equitable access and community stewardship (DENR-FMB, 2025).
2. **Public-private-community collaboration:** It encourages partnerships between government, private investors, and local stakeholders, facilitating shared responsibilities and benefits.
3. **Improved social equity and conflict management:** By institutionalizing participatory mechanisms and benefit-sharing arrangements, SFLMA helps address tenure conflicts and promotes more equitable outcomes.

CHALLENGES AND OPPORTUNITIES

Challenges	Opportunities
Transition and tenure harmonization: The shift to SFLMA may create uncertainties for existing tenure holders and require careful management of legal and administrative transitions (ResearchGate, 2025).	Sustainable and climate-aligned investments: SFLMA enables green investments in reforestation, agroforestry, and carbon initiatives, supporting climate goals (DENR-FMB, 2025).
Equity and access concerns: There is a risk that larger entities may dominate forestland access, potentially marginalizing local communities and Indigenous People (Ocampo & Suralvo, 2025).	Ecosystem restoration and resilience: The framework promotes landscape restoration, biodiversity conservation, and improved ecosystem services (DENR, 2025).
Capacity and enforcement limitations: Uneven institutional and technical capacity may affect effective implementation, monitoring, and compliance across regions (DENR-FMB, 2025).	Strengthened partnerships and governance: Multi-stakeholder collaboration enhances resource mobilization, innovation, and shared responsibility (Ocampo & Suralvo, 2025).
Balancing development and sustainability: Expanding investments must be carefully managed to prevent forest degradation and ensure alignment with ecological limits (DENR, 2026).	Inclusive livelihood development: Forest-based enterprises can generate employment and support sustainable rural livelihoods (Inquirer, 2026).

CONCLUSION

The Sustainable Forest Land Management Agreement (SFLMA) represents a major reform toward a more efficient and investment-ready forest governance system in the Philippines. By consolidating tenure instruments and promoting long-term management, it creates a more coherent and predictable framework for sustainable forestland development. This reform enhances governance efficiency while encouraging responsible investments in the forestry sector.

At the same time, SFLMA reinforces the balance between economic utilization and environmental sustainability. It encourages forest management practices that enhance ecological integrity, landscape resilience, and restoration outcomes. The policy also advances inclusive governance by recognizing the roles of communities, Indigenous People, private sector actors, and government institutions.

However, the effectiveness of SFLMA will depend on how well key implementation challenges are

addressed. Ensuring equitable access, strengthening institutional capacity, and maintaining robust monitoring and enforcement systems will be critical. If successfully implemented, SFLMA has strong potential to transform forest landscapes into productive, resilient, and sustainably managed ecosystems that contribute to national and global sustainability goals.

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Asian Forest Cooperation Organization (AFoCO)

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