



Republic of the Philippines  
**Department of Environment and Natural Resources**

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**DENR ADMINISTRATIVE ORDER**  
**NO. 2005- 24**

**NOV 17 2005**

**SUBJECT : GUIDELINES ON THE GRANT OF COASTAL AREA SPECIAL  
USE AGREEMENT**

Pursuant to Executive Order No.192 and pertinent provision of Republic Act No. 9147 (Wildlife Act), the following guidelines are hereby promulgated:

**SECTION 1. BASIC POLICY** - It is the policy of the state to conserve biodiversity, promote ecological balance and enhance the economic and social well-being and sustain their use through the promotion of active partnership with private sector for sustainable development

**SECTION 2. OBJECTIVES** – The following are the objectives of this Order :

- 2.1 To encourage trade and investment in biodiversity to further sustainable development
- 2.2 To provide biodiversity products and services as alternative source of income of local communities; and
- 2.3 To develop and optimize the special use of degraded coastal areas consistent with the principles of sustainable use and biodiversity conservation

**SECTION 3. SCOPE AND COVERAGE** - This Order shall cover the development of unproductive (idle) and degraded areas for aquasilviculture and non-extractive activities by business enterprises committed in promoting sustainable use and conservation of biodiversity.

**SECTION 4. DEFINITION OF TERMS** - For the purpose of this Order, the following terms shall mean as follows:

- 4.1 aquasilviculture – management strategy which combines and harmonizes fishery production and vegetation enhancement/reforestation
- 4.2 biodiversity – is short for biological diversity, the variability among living organisms from all sources including, inter *alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems
- 4.3 business plan – serves as the firm's resume to include a current balance sheet, an income statement, and a cash flow analysis
- 4.4 coastal zone – is legally defined to extend one (1) kilometer inland from the shoreline and to seaward areas covered within 200-m isobath or 15 kilometers

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- 4.5 sustainable development – meeting the needs of today without compromising the ability of future generations to meet theirs
- 4.6 sustainable resource use – utilization of resources in a way and at a rate that would maintain their potential to meet the needs and aspirations of the present and future generations
- 4.7 non-extractive-refers to non-cutting/removal of mangroves, seagrasses, corals and minerals within coastal areas

**SECTION 5. COASTAL AREA SPECIAL USES AGREEMENT** - the Coastal Area Special Use Agreement shall be executed between the concerned Regional Executive Director (RED) with an individual or establishment pursuant to the qualifications under Section 6 thereof.

**SECTION 6. QUALIFIED APPLICANTS** – The following are qualified to apply for the Coastal Area Special Use Agreement:

- 6.1 A Filipino citizen of legal age
- 6.2 An association, corporation, cooperative or partnership or juridical person, including non-government organizations at least 60 percent (60%) of the capital of which by Filipino citizens, whether private or public, duly created and/or registered under the Philippine laws;
- 6.3 Local Government Units; or
- 6.4 Other Government Agencies

**SECTION 7. APPLICATION REQUIREMENTS AND PROCEDURE** - The following procedures shall be followed in the processing of application :

- Duly accomplished application form; (pro-format)
- For an individual applicant/single proprietorship – a certified copy of birth certificate or any other evidence of Filipino citizenship, DTI registration
- Business plan

If found complete and in order, a reconnaissance survey/site evaluation, including consultation with the local communities and other stakeholders, shall be conducted by the Community Environment and Natural Resources Office (CENRO), in close coordination with the Department of Agriculture - Bureau of Fisheries and Aquatic Resources (DA-BFAR), on the proposed site. From the outcome of the said activities, the recommendation shall be formulated and indorsed to the concerned RED through the Regional Technical Director, (Protected Areas, Wildlife and Coastal Zone Management Services (RTD for PAWCZMS) within thirty (30) working days.

The RED shall either approve or disapprove of the recommendation. The applicant shall be notified in writing the decision within seven (7) working days.



**SECTION 8. ALLOWABLE ACTIVITIES** – The following practices, among others, shall be allowed and encouraged:

- Use of non-polluting organic substances
- Non-extractive utilization
- Use of local/traditional methods in harvesting
- Use of selective fishing gears

Activities to be implemented on the site shall be subject to DENR approval. Examples of possible sustainable activities are:

- Aquasilviculture
- Mud crab culture/fattening
- Oyster culture
- Blue crab culture/fattening
- Ecotourism
- Salt water crocodile rearing
- Seaweed farming
- Pearl culture/farming
- etc.

**SECTION 9. PROHIBITED ACTS** - the following activities and practices shall be prohibited under this Order:

- Cutting of mangrove trees
- Use of harmful chemicals and other hazardous materials/substances
- Use of invasive alien species (both flora and fauna)
- Use of destructive fishing and/or harvesting methods, such as use of fine mesh nets, cyanide-fishing, dynamite fishing, among others
- Destruction of corals
- Illegal collection of wildlife pursuant to RA 9147

**SECTION 10. MINIMUM TERMS AND CONDITIONS** - The minimum terms and conditions of the Coastal Areas Special Uses Agreement are:

- Provide priority employment to the local communities
- At least five (5) hectares minimum area for development where 30% of which shall be developed for the first year and 100% development be completed after the third year of operation
- Confine development activities within area defined in the agreement
- Commit to manage, protect and restore portions of mangrove area



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**SECTION 11. BENEFIT SHARING SCHEME** - The DENR shall be entitled to a three percent (3%) share of the net revenues and other benefits from the coastal area development undertakings based on the approved business plan. Taxes on the developments introduced in the coastal and marine areas shall be paid by the grantee/permittee to the concerned Local Government Units in accordance with the provisions of the Local Government Code.

**SECTION 12. DURATION** – The duration of the agreement shall be twenty five (25) years renewable for another twenty five (25) years subject to the review, in terms of the significance and impact of the ecosystem as well as compliance to the terms and conditions stipulated, and recommendation by the RED.

**SECTION 13. MONITORING AND EVALUATION** – The CENRO, shall conduct periodic monitoring and evaluation in close coordination with the DA-BFAR, local communities and interested stakeholders, and shall submit results of such to the RED through the RTD PAWCZMS, duly endorsed by the PENRO. The PAWB in consultation with the concerned field offices shall establish the monitoring indicators.

**SECTION 14. GROUNDS FOR CANCELLATION** - The agreement may be cancelled by the RED for violation or non-compliance with any of the terms and conditions stipulated in the Agreement.

**SECTION 15. ARBITRATION** - In the event of any dispute between the DENR and the other contracting parties that cannot be settled by mutual accord, the dispute may be submitted to arbitration pursuant to the rules provided in RA 9285, otherwise known as the “ADR Law”, and the decision shall be binding to both the DENR and the other contracting party.

**SECTION 16. PENALTY** – Violation of the provisions of this Order shall be penalized in accordance with applicable laws, rules and regulations.

**SECTION 17. EFFECTIVITY** - This Order shall take effect immediately.

  
**MICHAEL T. DEFENSOR**

Secretary  


