

**Administrative Order  
No. 22  
April 27, 1993**

**SUBJECT : Revised Guidelines for Community Forestry Program**

Consistent with the policy of the state to ensure sustainable development of all public forest lands and in response to the lessons learned in the implementation of the Community Forestry Program (CFP), the guidelines for CFP are hereby revised as follows:

**GENERAL PROVISION**

**Section 1. Basic Policy.** The Department of Environment and Natural Resources (DENR) shall promote the protection management and sustainable development of natural resources within secondary/residual and old growth forests and the rehabilitation of open and degraded forest lands through proper management and sustainable development and at the same time improve the socio-economic condition of poor upland and coastal communities.

**Section 2. Objectives.** The Community Forestry Program shall:

- a. initiate community-based forest development management and utilization of natural resources within second growth upland forests and residual mangrove forest to promote social equity and prevent further degradation of natural resources.
- b. protect the remaining primary forests with the help of the community:
- c. enhance institutional capacity of the DENR, Local Government Units (LGUs), educational institutions and non-government organizations (NGOs) in catalyzing community-based forest management;

**Section 3. Definition of Terms.** As used in this Guidelines the terms enumerated below shall be defined as follows:

**Assisting Organization or AO** - refers to an organization contracted by DENR to assist in training and organizing local communities during the preparatory phase.

**ANR** - Assisted Natural Regeneration

**ARC** - Assistant Regional CFP Coordinator

**CENRO** - a Community Environment and Natural Resources Office/Officer of the DENR

**CFP-AO- Services Contract** - refers to the three-year contract awarded to an AO during the preparatory phase

**Community** - refers to persons/individuals residing within and/or adjacent to the CFP site

**Community Forestry Program (CFP)** - a forest management program launched by the DENR pursuant to this Order, which is geared towards developing organized communities that has the capability to sustainably managed natural resources.

**Community Participants** - refers to members of the community who are directly involved in CFP activities.

**CRMDP** - Community Resources Management and Development Plan

**CREF** - Contract Reforestation

**DENR** - the Department of Environment and Natural Resources

**HRDS** - Human Resources and Development Service

**ISFP** - Integrated Social Forestry Program

**MDC** - Municipal Development Council

**PENRO** - a Provincial Environment and Natural Resources Office/Officer of the DENR

**PMO** - Project Management Officer

**Project** - refers to areas developed under the CFP

**Regional Executive Director or RED** - a DENR Regional Executive Director

**Residual forests/Secondary forests - logged-over areas**

**RTD - a Regional Technical Director for Forestry of DENR**

**Secretary or OSEC - the Secretary of DENR**

**TSI - Timber Stand Improvement**

**Undersecretary of USEC - the DENR Undersecretary for Field Operations**

**Section 4. Principal Features of the Program.** Under this Program, organized community members residing within or adjacent to a second growth/residual forests, shall be awarded 25 years community forestry management agreement (CFMA) renewable for another 25 years. The CFMA provides the necessary long term security for utilization of natural resources that would motivate participating communities to develop and manage the natural resources on a sustainable basis. The CFP shall be implemented in three (3) phases: pre-implementation phase, preparatory phase and the community management phase.

- 4.1 **Pre-implementation phase.** Activities in this phase include information dissemination, site selection, census of forest occupants, selection of assisting organizations and orientation training. These shall be undertaken by DENR with active participation of LGUs and local communities.
- 4.2 **Preparatory phase.** This phase shall be geared towards developing the capabilities of participating communities to take on their new responsibilities as natural resources managers. Assisting organizations (AO) and the DENR will provide assistance to participating communities in the following areas: (a) establishing community organizations; (b) issuance of CFMA; (c) on-the-job training in forest management planning and conservation (i.e. resource inventory, surveying, preparation of management and development plan); (d) developing alternative livelihood opportunities; (e) preparation of Community Resources and Management Plan and (f) organizational development.
- 4.3 **Community management phase.** At this stage, the AO phases-out and the management responsibilities and utilization privileges shall be handled by the organized community participants with DENR assistance. In this stage, the community organization shall manage natural resources and other livelihood projects.

## **PRE-IMPLEMENTATION PHASE**

**Section 5. Information Dissemination.** All CENROs shall conduct information dissemination about the CFP to all communities in potential CFP sites explaining the main features of the program, its objectives, benefits and responsibilities of participating communities and the DENR. For this purpose, the Regional Distillation Groups created under DENR Special Order No. 1161, Series of 1992 shall organize a CFP orientation workshop among CENROs and PENROs in their respective region. The regional offices may use existing regional fund allocations for the production of information materials on CFP.

**Section 6. Coverage of the Program.** CFP sites must offer sufficient livelihood opportunities to encourage and sustain community participation. These opportunities may include backyard industries, contract reforestation, agroforestry, timber stand improvement (TSI), fishing and mangrove rehabilitation and others. The community forestry program may be implemented on all upland and coastal lands of public domain areas except the following:

- a. established critical watersheds covered by proclamations, legislation and specific administrative issuances;
- b. civil, military and other government reservations where forest products utilization is forbidden by law, decree, proclamation or administrative issuances; and
- c. areas covered by existing permits, leases and/or contracts except in cases where the permittee/lessee/contractee shall execute an appropriate waiver.

**Section 7. Site Identification.** Concerned PENROs and CENROs shall identify all potential sites for CFP development.

7.1 All sites for CFP shall have the following mandatory criteria:

- a. not within a prohibited area per Section 6 (above);
- b. presence of communities inside or nearby the project area who are willing to implement CFP;
- c. there is a potential to develop sources of livelihood that are not necessarily dependent on forest products extraction (e.g. contract reforestation, food processing);

- d. The area is endorsed by the Municipal Development Council for CFP development.

7.2 In addition to the mandatory criteria set forth in Section 7.1 priority shall be given to sites with the following features (i.e., preferable/optional criteria):

- a. the site is located no further than five (5) kms. from an existing road that provides market access;
- b. there is an ISF project within or adjacent to the forest, provided that if such project is already devolved to the Local Government Units, a waiver should be issued by the LGU in favor of DENR for CFP development;
- c. the site is part of an expired, abandoned or cancelled timber license agreement (TLA);
- d. approximately fifty percent (50%) of the site is forested;
- e. community organization work has previously been carried out by government or an NGO;
- f. there is an AO already operating within or nearby the site;
- g. near protection forest or protected areas and wilderness, provided that such areas shall form part of the protection area of the CFP project;
- h. the local government is perceived to be receptive to the PROJECT and no serious problems of negative political intervention are anticipated;  
and
- i. areas adjacent to existing CFP projects and reforestation projects established under the ADB Program Loan.

**Section 8. Area.** The initial area covered by a PROJECT shall not exceed five thousand hectares (5,000 ha.). However, this area may be increased in the future if the community demonstrates adequate managerial capability.

**Section 9. Site Selection.** Site selection under the program shall be in collaboration with the DENR Field Offices. Further, for sites considered for funding

under the Project Loan of DENR from ADB, site selection and approval of sites shall be in accordance with DENR Administrative Order No. 16, Series of 1993.

- 9.1 **Site verification.** Upon recommendation of the concerned CENROs and PENROs, the RED, in close coordination with the CFP National Secretariat/USEC, shall form team(s) to verify identified sites based on Sections 6 and 7 of this Order.
- 9.2 **Prioritization of verified sites.** The RED shall prioritize the verified sites and endorse the same to the USEC through the CFP National Secretariat.
- 9.3 **Approval of Sites.** The CFP National Secretariat shall process the documents for the approval of the USEC.

#### **Section 10. Selection of Assisting Organization and Award of CFP-AO Services Contract.**

- 10.1 **General Considerations.** No project shall be approved for implementation unless (i) a competent and credible Assisting Organization (AO) has signified its commitment to assist in project implementation; and (ii) the recognized leaders of the community have signified their acceptance of the AO.
  - 10.1.1 The CENRO in coordination with the PENRO and the RED, shall help recognized community leaders such as the barangay captain, parish priest or community elders verify the commitment of Assisting Organization. Preferably, the AO should be a local organization with its headquarters in the same region as the PROJECT.
  - 10.1.2 The AO shall provide assistance in community organization, resources inventory, preparation of the management/development plan, training, marketing and consultation with the community. It shall provide from its staff, or hire under contract, one (1) or more foresters and agriculturists to assist in resource inventory, preparation of the management/development plan, reforestation, agroforestry and other technical features of the PROJECT.
  - 10.1.3 The AO shall also take the lead in support activities beneficial to the community such as, but not limited to, sourcing of social service (e.g., medical services), initiating new livelihood opportunities (e.g., processing) and establishing credit and marketing linkages.

10.2 **CFP-AO Services Contract.** DENR shall contract the services of the AO approved by the community and pay for such services. However, the costs of the services of the AO shall be recovered pursuant to section 23 of this Order. CFP AO services contracts shall also be signed by authorized representative of the community.

10.2.1 The DENR signatory to contract with AO shall be the CENRO, PENRO, RTD or RED, depending on the amount of the contract and the authorized ceilings for contract approval by the signatory. The duties and responsibilities of the AO and the community shall be clearly defined in the contract.

10.2.2 In general, the duration of a contract shall be three (3) years. However, there shall be provision for early termination in case of non-performance or for other valid reasons. In case of default on the part of the AO, judicial remedies, civil or criminal, shall be taken by DENR if necessary.

10.3 **Creation of CFP - AO Selection Committee.** The Regional Executive Directors shall create a CFP-AO selection committee in their respective regions to be composed of the RTD for Forestry as Chairman, the CFP Regional Coordinator as vice chairman and the following as members:

- Chief, of Forest Resources Development Division
- Chief, of Forest Resources Conservation Division
- concerned PENRO
- concerned CENRO
- Chief, People-Oriented Forestry Division
- Regional NGO Desk Officer
- concerned barangay captains
- representative from the Municipal Mayor's Office

10.3.1 Representatives from the CFP National Secretariat may also be invited to participate during selection of assisting organizations. Other natural leaders (i.e. parish priests) may likewise be invited by DENR.

10.3.2 The CFP-AO Selection Committee shall strictly observe a criteria to be finalized within 90 days from the date of this order. The Committee shall further conduct the selection of AOs in the following manner.

- a. **Information Drive.** The Committee shall conduct an intensive information drive regarding the selection of AOs that

shall be contracted to assist the community in the approved sites. Interested AOs shall be invited for an orientation. Where possible, the invitation shall be published in a newspaper of general circulation within the region or announced through radio.

- b. **Orientation for AOs.** An Orientation on CFP shall be conducted by the Regional CFP Coordinator for the benefit of the invited AOs. The Terms of Reference (TOR) of the AOs shall be discussed during the orientation meeting. The RED shall issue certification that an AO has attended the orientation.
- c. **Submission of Proposals.** All interested AOs shall be required to submit their respective letters of intent and proposals based on the orientation conducted
- d. **Panel Interview.** The Committee shall conduct a panel interview of AOs that have submitted their letters of intents and proposals. Top three (3) to five (5) AOS shall be selected by the Committee following the set of criteria stated in Attachment 2.
- e. **Site Visit.** The selected top AOs shall be advised to conduct site visit to the respective sites and shall be introduced by the Assistant CFP Regional Coordinator and the Regional CFP Coordinator to the community.
- f. **Final Selection of AO.** Upon site visit, top AOs shall present their proposal to the Community in the presence of the Committee. The community, through their authorized representatives, shall rank the AOs accordingly to select the AO to assist the CFP development.
- g. **Cost Negotiation.** The RED, in coordination with the CFP National Secretariat, shall conduct cost negotiation with the selected AO to determine the cost of CFP-AO Services Contract. If the selected NGO could not meet the agreement with DENR in the negotiation, the next in rank AO shall be considered for cost negotiation.



**Section 11. Census of Forest Occupants.** A complete census of forest occupants shall be undertaken by the CENROs in selected AO to determine the cost of the CFP-AO Services Contract. If the selected NGO could not meet the agreement with DENR in the negotiation, the next in rank AO shall be considered for cost negotiation.

## **PREPARATORY PHASE**

**Section 12. CFP Orientation Training.** Prior to implementation of the preparatory phase, the CFP regional Coordinator shall conduct a CFP orientation training among the key leaders of participant community, the assisting organization, the PMOs, CENROs, PENROs and representatives of the LGUs for the purpose of clarifying the vision, and objectives of each actor in the project.

### **Section 13. Community and Organizational Development.**

- 13.1 Participatory management shall be the basic strategy to be used in all undertakings of the AO. Contracted AOs shall be cautioned not to adopt non-participatory strategies such as participatory by referendum, participation of few, participation buy cult leadership, participation thru mispacking, and participation thru misinformation.
- 13.2 As soon as the CFP-AO Services Contract between DENR and the assisting organizations is signed, community consultations and organizations work must be initiated. Key leaders in the community must be consulted and should participate in the identification of community problems that the project would address. For this purpose a rapid rural systems appraisal (RRSA) shall be undertaken by the assisting organization.
- 13.3 It is desirable that some type of organization be established at the earliest possible time so that a CFMA may be issued to a legal entity composed of the PROJECT participants. However, community organization work must strive for substance and not merely form. Neither the AO nor the DENR should attempt to impose a permanent organizational structure that is not suitable to or desired by the community. Where existing organizations are already in place, these should be strengthened rather than replaced. The organization should be set up in the manner that best suits the long term interests and needs of the community.
- 13.4 Community organizing shall be a continuous process. This activity should be able to develop the capabilities of community participants to manage their own resources and respond to their needs and problems.

- 13.5 One major out put of community organizing shall be the preparation and approval by the community of rules and regulations covering forest management operations and sharing of financial benefits. Bearing in mind, however, that the community organization will be managing funds, the assisting organization should help in drawing up the financial management procedures and ensure that these are clearly understood by all, written down and included in the management/development plan.

#### **Section 14. Issuance of CFMA**

- 14.1 Once sufficient orientation about the CFP have been undertaken, the assisting organization shall initiate series of consultations with the community participants on the CFMA. The assisting organization and the CENRO will jointly explain to the community all the terms and conditions of CFMA and shall ensure that all terms and conditions are clearly understood. Such activities shall be properly documented to justify that the community indeed understood CFP.
- 14.2 If an agreement is reached on the terms and conditions, the organized community shall file application for issuance of CFMA to the CENRO using the form appended hereto as Attachment 3.
- 14.3 The following shall be attached to the application:
- a. perimeter map of the applied area duly verified by the CENRO;
  - b. certificate of registration of the organized community (certified Xerox copy); and
  - c. Resolution authorizing the Officer(s) to file the application.
- 14.4 The application shall be reviewed by the CENRO and if found in order shall endorse the same together with the duly accomplished CFMA (Attachment 4) to the Regional Executive Director thru the PENRO. Upon processing of the application, the DENR Office/Officer concerned shall issue a CFMA in the name of the organized community.
- 14.5 CFMAs shall be issued by the RED for areas up to one thousand (1,000) hectares, the undersecretary for field operations for areas more than one thousand hectares (1,000) and up to five thousand (5,000) hectares and by the Secretary for areas larger than five thousand (5,000) hectares.

## **Section 15. Resource Inventory**

- 15.1 The resource inventory and the RRSA shall provide the basis for preparing the CRMDP. The inventory will also provide baseline data for monitoring and evaluation.
- 15.2 The resources inventory shall cover all resources including minerals, timber, bamboo, rattan, commercial vines and other minor forest products.
- 15.3 For areas that will be subject to forest products utilization during the first two years scheduled of the CRMDP, a 100% inventory of resources shall be undertaken. For areas to be operated from year 3 onward, an inventory of 5% sampling intensity or any statistically sound estimate may be conducted. The method to be used in the inventory shall be acceptable to DENR.
- 15.4 The resource inventory/evaluation shall also cover all non-forested areas and provide information needed to plan the development of these areas. For example: (i) how many hectares of grassland/brushlands the community can be set aside for contract reforestation, (ii) how many hectares in various slope categories will be developed into production forests and protection forest, (iii) how much of the land is occupied or claimed and by whom, (iv) what types of development are intended on the occupied claimed lands.
- 15.5 The CENRO, in collaboration with the PENRO and the AO, shall take the actions necessary to ensure that inventory and evaluation work is initiated promptly and that the work is carried out consistent with professional standards.
- 15.6 All expenses for services and materials required to conduct a 100% inventory and 5% evaluation (excluding DENR supervisory expenses) shall be included in the DENR AO contract. The CENRO shall assist in identifying competent foresters to be employed to carry out the inventory/evaluation.
- 15.7 However, if it is not feasible to include the inventory/evaluation in the CFP-AO contract, the CENRO may undertake the inventory/evaluation.
- 15.8 Optimum participation by the community shall be pursued in the conduct of the inventory. The AO and DENR shall organize the inventory/evaluation along the lines of an "on-the-job" training exercise for the community. For example, as trees are marked during the inventory/evaluation, the AO and/or DENR will identify the trees that may be harvested in the near term, mid-term and long-term. The objective will be to demonstrate by example the operating principles of

sustained-yield management. Similarly, by pointing out slope, soil and vegetative characteristics, it will be possible to explain the criteria for differentiating between management/development of protection forest and production forests.

- 15.9 Community residents shall be properly compensated to provide labor inputs for carrying out inventory/evaluation work.

**Section 16. Updating of Census of Forest Occupants.** The AO, in close coordination with the concerned CENRO, shall update the existing census of forest occupants in the CFP site every year. The updated data shall be furnished to all those who were furnished with the previous census.

**Section 17. Preparation of Community Resource Management and Development Plans (CRMDP).**

- 17.1 Each CFP Project shall have a comprehensive resource management and development plan (referred hereinafter as the PLAN) prepared jointly by the community and the assisting organization with DENR assistance. The Project Management Officer of CFP shall provide the necessary technical assistance in the plan preparation.
- 17.2 DENR shall provide an outline to guide the preparation of the CRMDP. The plan shall specify how the resources shall be managed and developed to meet the identified needs and problems of the community while ensuring the sustainability of these resources.
- 17.3 The CRMDP shall provide detailed information for the first 3 years of the project and indicative plans for the succeeding years. It shall be updated at the end of the third year and every 5 years thereafter. However, DENR may require more frequent updating if schedules are upset by circumstances beyond control (e.g. typhoons) or if the CFMA grantee is unable to keep up with the original schedule provided in the plan.
- 17.4 Forest extraction shall not be authorized until PLAN has been approved.
- 17.5 Application for approval of the PLAN shall be filed by the duly authorized representative(s) of the CFMA Holder.

- 17.6 The following requirements shall be submitted:
- a. Letter from the CFMA holder to the CENRO requesting approval of the PLAN;
  - b. Certified Xerox copy of Certificate of Registration with an appropriate government agency e.g. SEC, DENR, Bureau of Cooperatives Development or Bureau of Rural Workers; and
  - c. Resolution signed by two thirds (2/3) of the members, authorizing the signatory to file the application.
- 17.7 Fees:
- a. Application fee: Five pesos (P5.00) per hectare or one thousand pesos (P1,000) for the entire areas applied, whichever is higher.
  - b. Annual License Fee: Five hundred pesos (P500.00) to be paid upon approval of the PLAN and annually thereafter.
- 17.8 The procedures for processing and approval of the PLAN including any subsequent revisions thereof, are as follows:
- a. Application and required documents submitted to the Community Environment and Natural Resources Office (CENRO).
  - b. CENRO reviews and evaluates the application and the supporting documents, and checks to ensure that all requirements have been submitted. If found in order and satisfactory, issues 1st endorsement to the Provincial Environment and Natural Resources Officer (PENRO). The 1st endorsement shall be issued within ten (10) days after the application is submitted.
  - c. PENRO evaluates the application and supporting documents. If found in order and satisfactory, issues 2nd endorsement to the Regional Executive Director (RED) within ten (10) days from receipt of the 2nd endorsement.
  - d. The Regional Technical Director (RTD) of the Forest Management Sector (FMS) reviews and evaluates the application. If found in order

and satisfactory, endorses to the Regional Executive Director (RED) within ten (10) days from receipt of the 2nd endorsement.

- e. RED reviews the documents. If found in order and, if the area is not more than 500 hectares, approves the PLAN. If area is more than 500 hectares the RED endorses the applications to the USEC.
- f. The USEC, reviews and evaluates the applications for areas larger than 500 hectares and if found in order, approves the PLAN.
- g. The PLAN shall be recorded in the books of the approving officer and copies thereof, distributed as follows:
  - 1. Original - the applicant
  - 2. Duplicate - RED
  - 3. Triplicate - PENRO
  - 4. Quadruplicate - CENRO
  - 5. Quintuplicate - CFP National Secretariat
  - 6. Sextuplicate - Office of the USEC
  - 7. Septuplicate - Central Records

#### **Section 18. Participatory Training.**

- 18.1 All the activities in preparatory stage of CFP implementation shall be undertaken as a participatory on the job training for the community participants, on resource planning, management and conservation.
- 18.2 All CFP activities therefore should be conducted with active involvement of the community participants. Contracting of activities by the assisting organization to other NGOs or group shall not be allowed.
- 18.3 The CFP National Secretariat in coordination with the HRDS, shall conduct trainings among key leaders of CFP communities, field personnel of DENR and the assisting organization as may be necessary to upgrade their capabilities to implement CFP.

#### **Section 19. Alternative Livelihood.**

- 19.1 Ideally, alternative sources of livelihood should be implemented prior to forest resources utilization. To the extent possible, therefore, DENR shall provide "pump-priming" activities such as contract reforestation, TSI, ANR and Agroforestry to CFP participants.

- 19.2 The "pump-priming" funds should be used in such a way that it would accelerate community organizing while providing alternative employment to community members who would otherwise be engaged in kaingin making and other illegal forest products extraction.
- 19.3 If it is impossible to provide immediate livelihood alternatives through the "pump-priming" activities, CFP participants may be allowed to harvest forest products in accordance with the approved CRMDP and the annual operations plan.
- 19.4 In no case shall project implementation be confined to forest products utilization. All other livelihood opportunities which are not dependent on forest products extractions must be explored to reduce the pressure on the forest for example, backyard industries, crop and food processing activities should be stimulated using the community capital so generated.

#### **Section 20. Community Capital Formation**

- 20.1 The community participants shall be encouraged to save a percentage of their income from the "pump-priming" activities and from the sale of forest products to constitute a community capital.
- 20.2 The assisting organization shall help the organized community in formulating guidelines and procedures in capital formation and the use or disbursement of such capital.

### **COMMUNITY MANAGEMENT PHASE**

#### **Section 21. Phasing out of Assisting Organization**

- 21.1 Upon termination of the services contract of the assisting organization, the Project Management Officer (PMO) shall work closely with the organized community in the management of the CFP area until such time that the community organization can manage their internal affair with minimum DENR assistance.
- 21.1 To assure a smooth transition, the assisting organization shall submit to DENR their phase out plan during the second year of their services contract. This plan should be discussed thoroughly with the PMO and the community leaders.

- 21.3 The CFMA Holder shall manage their resources in accordance with the approved PLAN.

### **PROGRAM MANAGEMENT, COST RECOVERY, TRUST FUND AND FOREST CHARGES**

**Section 22. Program Management.** The Program shall be managed and implemented through the Office of the USEC, DENR Field Offices, and designated RCs, ARCs, PMOs. The DENR implementors shall execute its activities/functions and responsibilities in a spirit of partnership with the communities and the NGO's as follow:

- 22.1 **CFP National Secretariat.** The Secretariat shall provide the coordinative support to CFP at the national level and in collaboration with DENR Field Offices.
- 22.2 **Regional Offices.** The regional offices shall ensure both technical and administrative support to the program, more particularly on the processing and approval of the CRMDP and its implementation.
- 22.3 **Regional Distillation Groups (pursuant to DENR Special No. 1161, Series of 1992).** This group shall provide a mechanism to synthesis lessons learned, field reports, observations and experiences into usable CFP guidelines, procedures and policies. Decisions on CFP shall be facilitated by the group for the smooth implementation of the program.
- 22.4 **PENROs/CENROs.** Through the Technical Staff of the PENRO and Project Management Officers of the CENRO, CFP implementation shall be closely supported. Heads of Offices shall ensure the provision of necessary assistance particularly on the preparation of plan and its execution.

#### **Section 23. Cost Recovery.**

All costs advanced by DENR shall be recovered/reimbursed by participants to the government by requiring them to establish a **Community Forestry Development Trust Fund** pursuant to Section 24 of this Order.

#### **Section 24. Community Forestry Development Trust Fund.**

- 24.1 To ensure recovery of costs advanced for the community (per Section 23) the DENR shall require the community to deposit into a Community Forestry Development Trust Fund, thirty percent (30%) of gross revenues from sales of forest products. Withdrawals from this trust fund may be used to defray the



expenses of reforestation OR ANY FOREST REHABILITATION ACTIVITY to be carried out in a CFMA area by the CFMA Holder. When these advances shall have been fully recovered, trust fund deposits shall be used to pay the costs of reforestation, TSI and other activities required under prevailing rules and regulations. Any surplus thereafter shall be used for whatever, investments the community may wish to provide for the improvement of socio-economic or environmental conditions in the community (e.g. agroforestry or products processing) in consultation with DENR.

- 24.2 The trust fund shall be administered by the community. However, the community shall be required to submit quarterly reports to DENR on the use of the trust fund. Furthermore, DENR shall have the option to conduct a quarterly post audit of the fund.
- 24.3 Terms and conditions for cost recovery and operations of the trust fund must be clearly explained to the community. Additionally, DENR and the AO shall submit quarterly reports to the community covering expenditures that will be subject to cost recovery. The community shall have the option to conduct quarterly post audit of such expenditures. DENR and the AO shall provide the community with full access to all records of such expenditures.

**Section 25. Forest Charges.** Forest charges shall be collected pursuant to R.A. 7161 and DENR Administrative Order No. 56, Series of 1991.

#### **MONITORING AND PROCESS DOCUMENTATION ADDITIONAL GUIDELINES**

##### **Section 26. Monitoring and Process Documentation.**

- 26.1 All CFP project shall be closely monitored to document positive/negative experiences and the dynamics of PROJECT implementation. The results of this monitoring/documentation exercise shall be discussed by the Regional Distillation Groups and consolidated into quarterly reports submitted to the Secretary through the Undersecretary for Field Operations.
- 26.2 Responsibility for monitoring and process documentation shall rest with the concerned Regional Executive Director (RED). Preferably, this work should be contracted out to a competent independent organization or entity (e.g. a local university or college). However, if the RED is unable to secure the services of such an organizations/entity, monitoring and process documentation shall be done by the regional office with inputs from the concerned PENRO and CENRO.

26.3 Monitoring and process documentation reports will focus on areas for improving implementation, updating this Manual and replicating the project at additional sites.

**Section 27. Additional Guidelines.** The USEC shall issue additional instructions, and circulars as may be necessary for the effective implementation of this Order. Within ninety (90) days after the effectivity of this Order, the USEC shall issue a Manual of Operations pursuant to this Order.

#### **PROGRAM IMPLEMENTATION FUNDS**

**Section 28. Fund for Calendar Year 1993.** The maintenance and protection components of existing PROJECTS shall continue to be funded under the Program Loan of DENR from ADB and regular funds of DENR. While new developmental activities shall be considered for funding under the Project Loan of DENR from ADB.

**Section 29. Funds for Calendar Year 1994 onward.** Contracts which shall be approved under respective funds shall remain to be funded as such. However, other funds shall be sourced out by DENR.

#### **REPEALING CLAUSE AND EFFECTIVITY**

**Section 30. Repealing Clause.** This Order supersedes DENR Administrative Order No. 123, Series of 1989 and revises/amends accordingly all forestry regulations which are inconsistent herewith.

**Section 31. Effectivity.** This Order shall take effect fifteen (15) days after publication in a newspaper of general circulation.

**ANGEL C. ALCALA**  
Secretary