

DENR Memorandum Circular

No. 21

June 30, 1993

SUBJECT : Revised Procedures on the Conduct of Performance Evaluation of Stewardship Agreement, Cancellation and Compensation of the Holders Thereof

Pursuant to DENR Administrative Order No. 04, Series of 1991, prescribing the revised regulations implementing the Integrated Social Forestry Program (ISFP) and in order to facilitate the evaluation of the performance of Stewardship Agreement holders and to further provide procedures in the cancellation thereof including the compensation of its holders, the following procedures are hereby promulgated for the guidance and compliance of all concerned:

Section 1. Coverage. All ISF participants who are holders of Stewardship Agreement for a period of at least two (2) years shall be subject of evaluation as provided for in this Order.

Section 2. Preliminary Procedures on the Conduct of Evaluation. Prior to the conduct of evaluation, the following procedures shall be observed by all concerned:

2.1 Team Composition - The evaluation team shall be composed of at least four (4) members, namely: (a) Representative from the Regional/Social Forestry Division as the team leader; (b) CENRO ISF Desk Officer; (c) PENRO ISF Coordinator; and (d) Representative/s from the community, local government units (LGUs) and the concerned Non-Government Organization (NGO), whenever possible.

The concerned Development Assistants (CDA) shall assist the team in the conduct of the evaluation.

2.2 Basis for Evaluation. To facilitate the evaluation process, the CENR Office shall provide the team with the file copy of CS/CCFS and the individual farm plan for CS and community plan for CCFS and ISF map of the area;

- 2.3 **Submission of Reports.** Within ten (10) days after the conduct of the evaluation, the team shall submit to the RED concerned a report thereon following the format prescribed in Annex A hereof, copy furnished the DENR Central Office and the CENRO concerned.

Section 3. Evaluation Procedures. The following procedures shall be complied with in the conduct of evaluation by all concerned;

- 3.1 The Social Forestry Division in the Regional Office shall conduct inventory of CS and CCFS holders, determine those to be evaluated in accordance with Section 1 hereof. The corresponding action plan informing then CENR office of the schedule of evaluation shall likewise be prepared;

- 3.2 The Regional Executive Director shall issue a special order designating the concerned Community Development Officers, PENRO ISF Coordinator and representatives from the Regional/Social Forestry Division as members of the Evaluation Team.

The community to be evaluated shall be notified and informed of the purpose of the visit and shall be requested to designate a representative to the Team;

- 3.3 The team shall prepare sketches of the farmlots to be assessed based on the standard ISF map of each forest occupant including the Individual/Community Plan as basis for evaluation.

- 3.4 The team shall then proceed with the evaluation of grantees using the Performance Evaluation Sheet prescribed in Annex B hereof. The report shall be prepared in accordance with Section 2.3 hereof.

- 3.5 The RED concerned shall send written notice to holders of Stewardship Agreement with the poor ratings indicating the three specific remedial measures to be adopted by the farmers.

- 3.6 Participants recommended for remedial actions shall be re-evaluated after one (1) year. The result of such evaluation shall be the basis for reconsideration or termination of stewardship agreement.

- 3.7 The continuing evaluation shall be conducted once every year.

- 3.8 The Regional Executive Director shall set aside funds for the purpose chargeable against Project Management Supervision (PMS) allocations;

Section 4. Re-evaluation of the Area and Performance. A re-evaluation of the area and the performance of the holders of the Stewardship Agreement previously evaluated as unsatisfactory shall be undertaken by the DENR within one (1) year from the expiry date of the prescribed grace period. As much as possible, the same evaluation team who conducted the previous performance evaluation shall conduct the re-evaluation.

Section 5. Re-evaluation Procedures. To facilitate the conduct of the re-evaluation activities, the duly designated evaluation team shall discharge the following functions:

- 5.1 Determine the extent of cultivation/development made on the individual lot.
- 5.2 Determine any serious and continued violation of existing forestry laws, rules and regulations in the development of the area.
- 5.3 Conduct interviews and verification regarding the performance of the concerned holder of Certificate of Stewardship; and
- 5.4 Prepare recommendations to the CENRO and RED concerned in support of the findings of the team for the cancellation or termination of the Agreement.

Section 6. Ground for Cancellation/Termination. Upon the recommendation of the Evaluation Team, the CENRO concerned shall cause the cancellation of the Agreement based on the following grounds:

- 6.1 Failure of the program participants to comply with the terms and conditions of the Agreement within the prescribed grace of one (1) year after the issuance of the Notice of Neglect by the RED concerned;
- 6.2 Falsifying public documents to obtain Agreement;
- 6.3 Transferring the Certificate of Stewardship to other persons through sale;
- 6.4 For serious and continued violation of existing forestry laws, rules and regulations of the Stewardship Agreement; and
- 6.5 When public interest so requires as determined by the DENR Secretary.

Section 7. Compensation. In case of cancellation/ termination due to public interest as determined by the DENR Secretary, the concerned CS holders shall be entitled to reimbursement of the cost incurred for all the permanent improvements introduced on the land. The following criteria shall be used a basis:

- 7.1 All permanent improvements shall be compensated based on the fair market value prevailing in the area as assessed by any disinterested third party, less all charge or other obligations accruing to the government, if any; and
- 7.2 The assessment to permanent improvement shall be based on the potential harvest of fruit/forest trees in t he area; taking into consideration the season whether wet or dry and the accessibility of site to the nearest market.

Section 8. Cancellation Procedure. When the report of the evaluation team warrants the cancellation of the Agreement, the Secretary or his duly authorized representative shall issue the cancellation order (ANNEX C), provided that such representative shall always be higher than the officer who issued the Agreement.

The following procedures shall be followed in the execution of the cancellation order:

- 8.1 The CENRO shall send a written notice to the CS holders describing the violations that have been committed, identifying the penalties that will be imposed and giving the CS holders thirty (30) days within which to reply or to appeal thru the CENRO;
- 8.2 Immediate imposition of the penalties earlier identified shall be effected in case of failure to reply or appeal within the prescribed period;
- 8.3 Evaluation of the reply or appeal submitted and conduct further investigation/inspection. Within thirty (30) days from the conclusion of the investigation, corresponding notice shall be issued to the holder;
- 8.4 the recommendation/s of the evaluation team is final and executory. The concerned CS holder shall be duly informed of the decision for cancellation copy furnished the RED and PENRO concerned and the Social Forestry Division.

Section 9. Turn-over of Affected Areas for Proper Management. In the case where cancellation is due to the grounds listed under Section 3.1, 3.2, and 3.3 hereof, following factors may be considered by the Evaluation Team:

- 9.1 If the project site has no existing recognized farmers' organizations, the affected area shall be turned-over to the government.
- 9.2 If the project site has an existing organization, the area may be turned-over to the organization for proper management. The area may served as a demonstration site to showcase the different activities undertaken in the site; and
- 9.3 The association may allocate the area to any nominated person who possessing the necessary qualifications in managing and developing the area subject to the approval of the DENR Secretary or his duly authorized representative.

Section 10. Resettlement. If the cancellation is due to public interest as determined by the Secretary, the affected program participant, shall whenever practicable be resettled to another area. They shall also be given the opportunity to participate in the selection of alternative resettlement site.

Section 11. Penalties. Upon cancellation of the CS, the concerned upland farmers shall:

- 11.1 Vacate the area within sixty (60) days upon receipt of the notice of cancellation, otherwise, they shall be charged with the violations under Section 69 of PD 705 as amended and other liabilities as maybe prescribed applicable by Laws.
- 11.2 Be disqualified to participate and/or acquire Certificate of Stewardship and other license or permit from the DENR.

Section 12. Repealing Clause. All memorandum, circulars and order inconsistent with any of the provisions hereof are hereby repealed and or amended accordingly.

Section 13. Effectivity. This Circular takes effect immediately.

ANGEL C. ALCALA
Secretary