

**DENR Administrative Order
No. 48
December 29, 1994**

SUBJECT : Amending Department Administrative Order (DAO) No. 35, Series of 1992 and Prescribing Guidelines for Community Reforestation and Agroforestry Development for the Low-Income Upland Communities Project (LIUCP)

In the interest of the service and in order to incorporate the lessons learned in LIUCP's Community reforestation experience particularly in fostering greater community/family responsibility in the maintenance and protection of established plantations and noting that some provisions are less responsive to the present conditions, the following amendments are hereby promulgated.

**Article I
Preliminary Provisions**

Sec. 1 Implementation Arrangements - The implementation of reforestation and agroforestry component of the DENR's Low-Income Upland Communities Project (LIUCP) shall be guided by implementation strategies and principles provided by the Project Document and appropriate administrative orders in the issuance of land tenure instrument (LTI).

- 1.1 The Project will target around 30,000 hectares for forestation (15,000 for agroforestry and 15,000 for reforestation) within the Project areas primarily those covered by an appropriate land tenure instrument.
- 1.2 In the absence of an NGO in certain Project areas, the DENR Field Office shall directly deal with existing/interested People's Organization (PO).

PART I. COMMUNITY REFORESTATION COMPONENT

Sec. 2 Definition of Terms - As used in these Guidelines, the terms enumerated below shall be defined accordingly:

CENRO - refers to the Community Environment and Natural Resources Office/Officer of the DENR.

Community Forestation - refers to the undertaking by targeted communities of various forms of forestation such as reforestation, agroforestry development, assisted natural regeneration, rattan plantation and other means of rehabilitating the watersheds.

Community Forestation Agreement (CFA) - refers to an agreement between the DENR and a duly recognized People's Organization (PO) acting for and in behalf of residents of a community located in or adjacent to a reforestation site, whereby the supervision of the PO, which would in turn be directly responsible to the DENR. *As much as possible, the agreement shall be written in Pilipino to ensure that this is fully understood by the PO.*

Certificate of Ancestral Land/Domain Claim (CALC/CADC) – refers to the Certificate issued by the DENR which identified, delineated and recognized the ancestral land/domain claims of Mangyan communities where their rights and privileges are defined as provided under Department Administrative Order No.2, series of 1993.

Comprehensive Site Development - refers to the undertaking of a comprehensive number of activities to physically develop the sites under forestation. .

Covercrop Planting - The process of conditioning denuded areas which are highly cogonal, rocky or erodible by planting creeping leguminous perennials such as kudzu, calopogonium, stylosanthes, des modium, lablab bean, psophocarpus (winged beans), patani, or by planting suitable non-legumes such as morning glory vine, wild sunflower and kikuryu grass, in order to improve soil fertility, organic matter and water holding capacity prior to or concurrent with the replanting of trees and other perennials in such areas.

DENR Field Office - refers to the PPMO/PENROs/CENROs concerned.

Enrichment Planting - The process of interplanting fuelwood, timber and non-timber crops in inadequately-stocked reforestation projects previously implemented for the purpose of increasing wood supply for the people and enhancing the income-generating potential of such projects.

Family Approach Forestation Agreement (FAFA) - refers to an agreement entered into by and between the government represented by the DENR and the head of a family.

Forest Land Management Agreement (FLMA) - refers to an agreement between the DENR and a bonafide PO providing for usufruct rights over reforestation plantations pursuant to DENR Administrative Order (DAO) No. 71, series of 1990.

Income-Enhancement Planting - the practice of interplanting fuelwood and food crops in reforestation areas to produce additional income.

Intercropping - the process of interplanting food crops, such as: camote, bantanas, cassava, peanuts, etc.. in portions of a reforestation project cultivated as part of site preparation.

Learning Process Approach - refers to a phased and flexible implementation approach that allows easier community participation and where lessons derived from the process are used to modify policies and implementation approaches for efficiency and effectiveness.

Limited Production Forests - areas with slopes greater than 50% developed primarily to supply non-timber products such as bamboo, rattan, anahaw, pandan, medicinals, fruits, gums and resins, spices and other horticultural crops.

Local Government Units (LGUs) - refers to the provincial and municipal government officers involved in the Project.

LIUCP National Executive Committee - refers to a committee created under DENR Special Order No. 198, series of 1994 tasked to supervise Project implementation management.

Minimum Survival Rate - the number of final crop and nurse tree species or other perennial growing at a reforestation project that is acceptable to DENR upon completion of a comprehensive site development contract, and which is fixed at 80% each for final crop and nurse species per hectare based on the prescribed planting density.

Monitoring and Evaluation (M & E) - inspection and assessment procedures employed in reforestation projects simultaneous with or upon completion of either the whole or part of the site development activities, for the main purpose of determining their status and progress.

National Project Office (NPO) - refers to an office/ institution established within the DENR's office at national /central level and responsible for coordinating the operations of both Provincial Project Management (DBM), National Economic Development Authority - Regional Development Council (NEDA-RDC).

National Project Steering Committee (NPSC) - refers to an inter-agency policy making body composed of senior officers of DENR, Governors from Oriental and Occidental Mindoro, Department of Budget and Management (DBM), and National Economic Development Authority - Regional Development Council (NEDA-RDC).

PENRO - refers to the Provincial Environment and Natural Resources Office/ Officer of the DENR.

People's Organization (PO) - refers to targeted Mangyan and migrant community organizations duly recognized by law. Interchangeably used with community or steward or beneficiary organization.

Planting Density - the total number of final crop and nurse trees or other perennial prescribed per hectare for a particular reforestation project following the standards provided for in the Guidelines.

Production Forests - areas with slopes from 0-50% developed to supply both timber and non-timber products such as bamboo, rattan, horticultural crops (e.g., fruits/nuts trees), gums and resins, species, or a combination thereof.

Project Development Plan - A concise write-up that presents in a systematic and organized manner the objectives, detailed activities, planting design/choice of species, schedule of activities, organization and manpower, estimated costs, and such other matters necessary for the full operation and establishment of a reforestation project.

Protection Forests - areas regardless of slope which are highly erodible or too rocky for establishment of either production forests or limited production forests, developed for the principal objectives of establishing vegetative cover to prevent erosion, conserve water and nurture wildlife.

Provincial Project Management Office (PPMO) - implementing unit established at the provincial level responsible for coordinating, supervising, monitoring and providing technical assistance to the WMU, SMU, and the community.

Provincial Project Steering Committee (PPSC) - the advisory council at the provincial level composed of the following members, namely: Provincial Governor as the chairman, PENRO, PPMO Project Manager, Provincial Planning and Development Officer (PPDO) and NGO representatives.

Reforestation by Administration - the implementation of reforestation activities by DENR field offices through the traditional method of directly hiring laborers or workers instead of contracting such activities.

Sectioning and Blocking - sectioning refers to the process of establishing Universal Transverse Mercator (UTM) grid control points on the ground. A section consists of 100 ha with a dimension of 1 km x 1 km which is equivalent to 10 blocks. Blocking is the process of subdividing the area, usually a section, into blocks consisting of 10 ha each with a dimension of 200 m x 500 m, the short end oriented along the east-west direction while the long end is oriented along the north-south direction.

Site Management Unit (SMU) - the ecologic and socio-economic unit composed of one (1) or two (2) barangays and adjoining sitios in a watershed system where a simple community development plan will be developed. The frontline functional unit of the project responsible for facilitating the implementation of basic goods and services.

Socio-Economic Development Plan (SEDP) - an integrated development plan prepared by the community and facilitated by the Watershed Management Unit containing, in a systematic manner, the goals, objectives, socio-economic and resource profile, strategies, action plans and funding requirements in developing specified area or Site Management Unit.

Surveying, Mapping and Planning (SMP) - Pre-establishment activities in reforestation which include, among others, sectioning and blocking, monumenting and marking of corner posts, perimeter survey, contour mapping/slope classification, preparation of operations maps, gathering of benchmark data for planning, and preparation of recommended strategies for site development.

Tree Farming - a mode of forestation similar to the objectives of a production forest but undertaken on a smaller scale and initiated by a community/family rather than through a contract and to be undertaken particularly within the Project area. This shall be encouraged by the Project through the provision of free planting materials and technical assistance to bonafide project beneficiaries.

Universal Transverse Mercator (UTM) Grid - refers to the imaginary lines (i.e., latitude and longitude) which subdivide the earth into sections.

Watershed Management Council (WMC) - a group of advisory people composed of the following members: the CENRO as the chairman, Municipal Planning Development Officer (MPDO), representative from the NGOs and POs responsible for supervising and monitoring the progress of activities under the operation of WMUs and SMUs.

Watershed Management Unit (WMU) - refers to a unit managed by the contracted NGOs composed of watershed manager, training specialist and other support staff. Its main function is to coordinate and monitor the management of SMU operation and responsible for coordinating/linking with the concerned agencies/organizations.

ARTICLE II

Survey, Mapping and Planning

Sec. 3 Survey, Mapping and Planning - shall be undertaken by a composite team created by the PENRO upon the recommendation of the Project Manager to be composed of representatives from the PENRO, CENRO and PPMO. However, in case the LCT cannot accommodate all survey works, a third party shall be contracted to undertake survey and mapping which will be conducted immediately after the community has identified the reforestation areas.

- 3.1 **Sectioning, Blocking and Monumenting** - This shall be carried out in applicable areas following the procedures prescribed by the DENR Monitoring and Evaluation System for Contract Reforestation. The corners of the UTM 100-hectare grids shall be identified on the ground by concrete UTM monuments at all locations within contract reforestation areas and adjacent locations whenever possible. Thereafter, blocks consisting of ten (10) hectares each with a dimension of 200 meter x 500 meter with the short/long ends following east-west/north-south directions, respectively, shall be delineated within the project area. The actual planting may not follow the blocks delineated under this.
- 3.2 **Map and Technical Report Preparation** - This involves preparation of control map, operations map, and technical report and recommendations in areas where sectioning, blocking and monumenting is possible *subject to DAO No. 35, series of 1993*.
- 3.3 **Planning** - Planning shall be done by the community to be facilitated by the Site Management Units with technical assistance from PENRO/CENRO/PPMO. The concerned community may opt to avail the services of third parties such as professional foresters on terms and conditions acceptable to both parties.

Sec. 4 Detailed Planting Survey - In cases where Survey, Mapping and Planning (SMP) is not applicable, detailed planting survey shall be undertaken.

ARTICLE III

Comprehensive Site Development and Management

Sec. 5 Coverage - Comprehensive Site Development and Management shall cover the following:

- 5.1 **Covercrop Planting** - Covercrop planting may be implemented as part of CSDM contracts. Covercrops may be established under any of the situations described in Annex A.

After the area has been conditioned with the covercrops, it shall be planted with trees and other perennials.

- 5.2 **Fuelwood Production** - In the development of production forest, planting of fuelwood crops with high calorific value shall be introduced in response to increased demand for firewood and charcoal due to high costs of fuel.
- 5.3 **Inclusion of Fruit Trees** - The planting of fruit trees shall be allowed in production, limited production and protection forests. Provided, that no more than 20% of the production forest areas shall be planted to fruit trees. Provided further, that in limited production forests, timber trees shall be planted within a 20 meter strip on both sides of gullies and banks of rivers and streams. Provided furthermore, that fruit trees shall not be planted in a contiguous area of more than one hectare.
- 5.4 **Enrichment Planting** - Enrichment planting may be allowed under contracts when necessary to improve forest stands.
- 5.5 **Planting and Harvesting of Intercrops** - Intercropping of food crops compatible with the trees and perennial shall be allowed and encouraged in CSDM Contract. The beneficiary may interplant food crops in any areas cultivated during preparation and all benefits derived therefrom shall accrue exclusively to the cultivator without restrictions.
- 5.6 **Procurement of Intercrop Materials** - The family/ community shall procure planting materials for intercropping. The DENR Field Offices, however, are enjoined to assist the beneficiaries in securing seeds and other planting materials by establishing linkages with the Department of Agriculture and other government and private institutions that can supply such materials.
- 5.7 **Plant Density** - The contracted PO shall abide with prescribed planting density and provide for adequate survival so that the resulting forest shall have the proper number of trees.

- 5.8 **Minimum Survival Rate** - The survival rate that is acceptable shall be 80% each of the final crop and nurse trees or other perennial based on the prescribed planting density. In addition, for timber species, the minimum acceptable height for surviving seedlings shall be one-and-a-half (1.5) meters for slow growing species and tree (3) meters for fast growing species.
- 5.9 **Duration of Activity Implementation** - The implementation of activities under the plan normally shall be undertaken within a period of thirty-six (36) months or depending on the provisions of the Community Reforestation Agreement.

Sec. 6 Mode of Implementation - Comprehensive Site Development and Management (CSDM) shall be undertaken by the project beneficiaries thru the People's Organization formed and/or strengthened. Comprehensive site development shall commence upon approval of the community SEDP or when the community has determined the necessity to start community forestation activities or after thorough community agreement to start reforestation activities. Provided, all pertinent requirements have been duly accomplished and approved by the signing authority as provided under existing guidelines on delegation of authority. In case there are no functional POs or are not technically capable to undertake the work activities, CSDM shall be implemented by Administration upon recommendation of the Watershed Management Council (WMC) and approval of the Provincial Project Steering Committee (PPSC) in consultation with the People's Organization nearest the reforestation site.

Sec. 7 Protection, Maintenance and Utilization - In consonance with the intent and spirit of the Project in promoting community based resource management, the following arrangements for the protection, maintenance and utilization of products of forestation areas shall be explicitly defined in the Community Forestation Agreement.

- 7.1 **Areas covered by CCFS and/or CADC/CALC** - Protection and maintenance responsibilities shall be vested to steward organizations in as much as these organization have already been vested with the same obligations under said instruments.

- 7.2 **Areas not covered by a CCFS and/or CADC/CALC - In areas not covered by a CCFS and/or CADC/CALC and where usufructory rights are not defined, particularly in areas established by migrant organizations, a Forest Land Management Agreement (FLMA) provided under DENR Administrative Order No. 71, series of 1990 shall be the defining instrument. This Agreement shall be executed by and between the DENR and the community organization for the protection, maintenance and utilization of products of forestation areas. Funds shall be provided under LIUCP and applied to forestation areas under regular DENR projects as well as those established under the National Forestation Program upon completion of the contracts under which these were established and their turnover to the DENR shall have been effected.**

ARTICLE V Monitoring and Evaluation

Sec. 8 Inspection Chart Mapping (ICM) - Monitoring and Evaluation of community reforestation contracts shall be conducted by the Technical Inspection Team. The Technical Inspection Team shall accomplish the Inspection Chart Maps for the Project Monitoring and Evaluation System in triplicate copies to be submitted each to the PENRO, CENRO and PPMO.

ARTICLE IV Cost and Budgets

Sec. 9 General Budgeting Guidelines - Budgets for activities under this guidelines shall be consistent with the family and community reforestation objectives and be governed by the following guidelines:

1. Budgets for social preparation may vary depending on population, population density, cultural homogeneity, degree of organization, experience in project implementation, size of reforestation areas,

remoteness and/or accessibility, and presence of other upland development programs.

- ii. Budgets for reforestation activities may vary depending on edaphic, climatic and biological conditions. In view of the need to make the forest financially viable, a larger budget may be allotted to production forests.

Sec. 10 Cost Ceilings for Reforestation - Cost of reforestation under this guideline is shown in Annex D.

Sec. 11 Method of Computing Contract Budgets - The cost ceilings established shall not be exceeded in the computation of the cost estimates for a particular project or activity to be contracted. In computing planting costs, the PPMO/CENRO concerned shall first determine the number of hectares for each development category i.e. production forest (timber, bamboo, rattan), limited production forest and protection forest, before the budgets are computed using the cost estimate worksheet provided in Section 18.

Sec. 12 Adjustment of Activity Cost Ceilings - Notwithstanding the cost ceilings set under this guideline, the cost estimates for specific activities or types of work may be increased or decreased by 25% of the applicable cost ceiling for such activity/type of work at the option of the community/family during the preparation of the Work and Financial Plan or Development Plan as the case may be: Provided further, that the budget prepared by the community/ family is approved by the designated authority which awards and administers the agreement.

ARTICLE V Contract Management

Sec. 13 Mode of Awarding Contracts - Comprehensive Site Development and Management shall be awarded through negotiation in accordance with the existing guidelines on the delegation of authority.

Sec. 14 Timing of Implementation of Contracts - The implementation of contract particularly CSDM, shall be consistent with the seasonal

climatic variables prevailing in the site covered by the contract, and shall also take into account the date of release and availability of funds that may be obligated for implementation.

Sec. 15 Approval of Contracts - Contracts for Comprehensive Site Development and Management (CSDM) shall be approved in accordance with the existing guidelines on the delegation of authority.

Sec. 16 Performance Bond Exemption - Considering the marginal status of the Project beneficiaries, the family or community shall be exempted from posting performance bond. Notwithstanding this exemption, the success or failure of forestation activities shall be equally borne by the contracted organization as well as the facilitating organizations.

Sec. 17 Payment of Mobilization Lost - Pursuant to the authority granted by the Office of the President on 10 January 1989 and in May 1989, payment of mobilization cost shall be allowed to the community/family reforestation. The PO/family shall be entitled to the payment of mobilization cost which shall not exceed fifteen percent (15%) of the first year budget target requirement for Comprehensive Site Development and Management to be disbursed upon approval of the contract.

Sec. 18 Payment of Billings - Succeeding payments to the family/community shall be made only in response to written progress billings submitted to PPMO in accordance with the payment schedule. Upon receipt of the billing, the Technical Inspection Committee (TIC) shall within five (5) working days, inspect the work. Within three (3) working days after inspection, the Technical Inspection Committee shall submit their inspection report. The report may either recommend for payment of the bill in such amount as may be warranted by actual accomplishments, or for its rejection, as the case may be.

If payment is recommended, the billing shall be immediately processed and the payment shall be remitted to the family/community. Otherwise, the PPMO/CENRO/PENRO/RED concerned shall notify the community within three (3) working days from receipt of the Inspection Report informing the latter of such fact explaining the reasons therefore. The DENR/PPMO shall have the right to suspend payments or impose such conditions as may be appropriate, if the result

of inspections by the composite team indicate that accomplishments are below the targets specified. Suspension if imposed shall last until such time the community/family overcomes any shortfall in performance and complies with the terms and conditions.

Sec. 21 Mode of Implementation - Monitoring and evaluation (M & E) of reforestation projects shall be undertaken by the Technical Inspection Committee (TIC) created by the concerned PENRO. Implementation of M & E by these groups shall be done primarily to determine the extent to which family and community have attained the targets specified in their agreement, and to identify implementation problems. The Technical Inspection Committee will conduct inspection and assess performance in response to progress billings submitted by the family/community. The principal purpose of M & E implementation will be to determine amounts due and payable to these families/communities for services rendered or work accomplished.

Sec. 22 Monitoring and Evaluation Procedures - Monitoring and evaluation of the various site development activities, such as: seedling production, site preparation, planting/replanting, maintenance and protection, etc. shall be carried out by the Technical Inspection Committee (TIC) with the use of standard M & E procedures adaptable to a given area (e.g., ICM, random sampling). Results of monitoring and evaluation shall be used by the Technical Inspection Committee in deciding on the most appropriate course of action.

Sec. 23 Frequency of Inspection and Assessment - Inspection and assessment of site development activities shall be undertaken as per request by the concerned PO/family or pursuant to the approved Work and Financial Plan.

Sec. 24 Force Majeure - Under this Guidelines, force majeure shall refer to those events which could not be foreseen, or which though foreseen, were inevitable so as to make it impossible for the community to carry out, in whole or in part, the obligations. These shall include the following:

- a) Those due to human causes such as wars, armed invasion, revolution, rebellion, insurrection, armed blockades, riots, civil disturbance, strikes and other analogous causes; and

- b) Those due to natural causes such as earthquakes, typhoons, storms, floods, prolonged drought, epidemics and other similar phenomena.

In case of force majeure, the community/family shall notify the DENR office concerned in writing within seven (7) days after its occurrence, describing the same and its effects upon the performance. The parties shall within five (5) days after PPMO/DENR notice, consult with each other to decide on the most appropriate course of action to take under the circumstances, which may include suspension of work or termination.

Considering the foregoing definition, forest fires regardless of cause of origin, shall not be considered force majeure, especially since adequate funds for site preparation, maintenance and protection (which include fire prevention and control) are provided for in the agreement. Thus, community/family shall be fully responsible in the replanting of burned areas.

In case of suspension of work, the contract may be extended for a period equivalent to that for which the community/family was prevented from performing the work. In the event of termination, the beneficiaries, upon receipt of the notice, shall take immediate steps to bring the work to a close in a prompt and orderly manner minimizing expenditures as far as practicable. The PPMO/DENR are not liable to the family/community except for work or services performed prior to the date of termination and for actual costs incurred in connection with the liquidation of work.

Sec. 25 Resolution of Disputes - In case of major issues arising from an agreement entered into pursuant to the guideline, the community/family shall call the attention in writing the WMC & PPMO Manager or his duly authorized representative which shall act as the Advisory Committee to settle the issue not exceeding fifteen (15) days thereafter. This body shall render its decision in writing furnishing a copy thereof to the concerned community/family.

In case of appeal, the aggrieved party within fifteen (15) days after the resolution of the case shall appeal to PPSC and/or higher authorities.

Sec. 26 Termination of Work Agreement - The agreement executed under this guideline shall be terminated upon completion of the stipulated

services. Work activities may likewise be terminated if the WMC/PPMO Manager found out that the beneficiaries failed to comply with their obligations/responsibilities stipulated in this agreement.

Sec. 27 Contract Supervision - Implementing Unit Heads (PENRO/CENRO/PPMO) shall be responsible for ensuring proper and faithful compliance with this guidelines as well as with all other pertinent rules and regulations for CSDM, within the area. The PENRO/CENRO/WMU/PPMO shall assist in preparing documents, providing technical assistance, processing billings, monitoring progress of implementation of reforestation and other duties as may be necessary for effective supervision and management.

Sec. 28 Contract Integrity - Department of Environment and Natural Resources (DENR) policies, rules, and regulation applicable to LIUCP setting shall be in effect at the time of signing of the contract and shall govern the same throughout its duration. New policies, rules and regulations may apply only upon the written consent of the contractor.

ARTICLE XI Penalty Provision

Sec. 29 Liabilities of People's Organization - In case of failure of PO to undertake reforestation activities which had been determined by the WMC after payment has been released, PO is liable to return back the government expenditures in cash or render services to the project corresponding to the amount advanced.

PART II. AGROFORESTRY DEVELOPMENT COMPONENT

Sec. 30 Definition of Terms - As used in this guidelines, the following agroforestry terms shall be defined accordingly:

Agroforestry - is a land-use management system which combines the production of agricultural crops, forest trees and/or livestock simultaneously or sequentially on the same unit of land for the purpose of creating employment

opportunities for upland farm labor, producing raw materials for cottage industries, providing food and other products for home consumption and improving ecological conditions in the watersheds. It applies management practices that are compatible with the cultural practices of the local population. Examples of agroforestry systems include (1) randomly mixed agroforestry; (2) row inter-crop agroforestry; and (3) agrisilvipasture.

Randomly Mixed Agroforestry - involves different species of forest and fruit trees and short to medium term agricultural crops with no definite pattern of arrangement within the farm. It takes advantage of the existing vegetation including leftover forest tree species.

Row Intercrop Agroforestry - involves the integration of forestry species with agricultural crops simultaneously on the same unit of land. Unlike a randomly mixed agroforestry, it follows a definite pattern of arrangement. Example of this system is the Sloping Agricultural Land Technology (SALT).

Agrisilvipasture - involves the integration of forestry species, agricultural crops and livestock component.

Agroforestry Demonstration Farm - refers to the demonstration farm established under ADB Technical Assistance (TA) Grant No. 1243. (Agroforestry Research and Development)

ARTICLE VI

Agroforestry Development Project Proposals

Sec. 31 Implementation Arrangement - In order to foster genuine participation from upland farmers and ensure efficient delivery of support services to the recipients of CCFS/CS and or CADC/CALC, the Project shall encourage their organizations to discuss among themselves ways and means on how they can be supported to introduce and institutionalize soil conserving agroforestry technologies and semi-permanent land use patterns. This will be contained in an agroforestry project proposal to be submitted by the People's Organization to the Project for consideration of funding requirements.

Sec. 32 Scope and Coverage - The Project will facilitate agroforestry development in about 15.00 hectares of farmlots particularly those subjected to slash and burn agriculture through the introduction and institutionalization of soil conserving agroforestry technologies and semi-permanent land use patterns.

The agroforestry project proposal may provide for the following, among others:

1. Provision for the establishment, operation and maintenance of community nurseries.
2. Provision for the procurement and distribution of farm animals and other farm inputs particularly for agri-silvipasture as well as other basic inputs such as farm tools and implements, insecticide, organic and inorganic fertilizers, vegetable seeds and others.
3. Provision for training and agricultural extension for farmer cooperators in soil-conserving agroforestry technologies particularly the establishment of model farms by the proponent organization themselves. The role of the other supporting agencies such as the Provincial Agriculture Office (PAO), the Social Forestry Technicians of the Local Government Units (ENRO) and the Department of Agriculture shall likewise be defined.
4. Provision on the number of farmer cooperators (aggregated by gender in compliance with Republic Act No. 7192) and the extent of their involvement in agroforestry development to monitor DENR's contribution in generating and more importantly sustaining employment opportunities through the KABUHAYAN 2000 Program of the Department.
5. Provision for the exclusive utilization rights of farmer cooperators over their produce.
6. Provision for technical supervision and monitoring and evaluation by the Project as well as management costs to facilitate the implementation of the proposal at the field level.

7. Provision for the counterpart of the proponent people's organization.

ARTICLE VII

Cost and Budget

Sec. 33 Cost Ceiling - Cost ceilings under these guidelines shall be in accordance with the project's prevailing development cost per hectare of agroforestry area.

Sec. 34 Approval - Project proposals shall be approved in accordance with existing guidelines on the delegation of authority.

Sec. 35 Mobilization Cost - Pursuant to the provisions of existing DENR circulars, the contracted People's Organization/family is entitled to the payment of mobilization cost not exceeding fifteen percent (15%) of the first year budget requirement to be disbursed upon approval of the contract.

Sec. 36 Payment of Billings - Succeeding payments to the contracted People's Organization/family shall be effected pursuant to the provisions of existing guidelines and upon an evaluation of the progress of work under the contract is made by the DENR Composite Team.

ARTICLE VIII

Technical and Administrative Assistance

Sec. 37 Technical Assistance - The DENR shall ensure that the services of qualified agroforestry farm technicians, either from the DENR Field Offices, ENRO and the PAO shall be made available to farmer cooperators.

Sec. 38 Technical Reference - Annex D shall be used by the farm technicians as a technical guide in undertaking their tasks.

Sec. 39 Orientation/Training - To ensure that the proponent organizations understand and comply with agreed upon administrative requirements particularly in the submission of financial reports, the project shall undertake a series of orientation seminars on these aspects. It shall also assign a

qualified staff to periodically monitor compliance to these administrative requirements.

ARTICLE XI
Final Provisions

Sec. 40 Supplementary Rules and Regulations - The LIUCP National Executive Committee is hereby authorized to issue such supplemental or interpretative rules and regulations, as may be necessary taking into account the peculiarities or unique conditions obtaining in the project area.

Sec. 41 Repealing Clause - Unless otherwise explicitly provided under these guidelines, all other DENR issuances, rules and regulations which are inconsistent herewith shall not be applied.

Sec. 42 Separability Clause - In the event any provision of these guidelines is declared unconstitutional or null and void, the validity of the other provisions shall not be impaired by such declaration.

Sec. 43 Effectivity - These guidelines shall take effect immediately and the Project shall undertake a systematic information/education campaign to ensure that all Project beneficiaries are clearly aware of and can understand the opportunities provided in these guidelines.

ANGEL C. ALCALA
Secretary

Recommended By:

RICARDO M. UMALI
Undersecretary and Chairperson
LIUCP National Executive Committee