

**DENR Memorandum Circular**

**No. 25**

**July 13, 1994**

**SUBJECT : Guidelines on the Partial Turn-over of Contract Reforestation (CREF) Projects Qualified for Forestland Management Agreement (FLMA) Issuance.**

To achieve optimum utilization of Contract Reforestation (CREF) areas, the contract of which have expired or been terminated but cannot satisfy turn-over criteria except in some portions and, therefore, cannot be awarded with a Forestland Management Agreement (FLMA); and to effectively promote a more responsive and sustained development of upland communities, the following guidelines on the partial turn-over of contract reforestation project areas qualified for FLMA issuance are hereby promulgated.

**Sec. 1 Areas Qualified for Partial Turn-Over.** All CREF projects, except the Family Approach type with partial areas which have met turn-over criteria as provided in Memorandum Circular No. 04, series of 1993, (except Section 4.a thereof), qualify for partial turn-over. Such areas are potential sites for FLMA issuance and should satisfy the following conditions:

1. The area is contiguous covering at least fifty (50) hectares; and,
2. Existence and willingness of communities to undertake Forestland Management Program (FLMP) activities with its conditionalities.

**Sec. 2 Procedures for Partial Turn-over.** The following steps shall be followed in the partial turn-over:

- 2.1 The CENRO shall identify CREF projects qualified for partial turn-over based on the latest Inspection Chart Map (ICM) and field observations and whether or not there are communities which are potential FLMA recipients. Upon identification, the CENRO shall inform the contractors/developers in writing regarding the plan.

- 2.2 Contractors/developers who concur with the partial turn-over shall submit an application and a proposal for partial turn-over to the CENRO for evaluation.
- 2.3 The CENRO shall submit to the Regional Executive Director, through the PENRO, a list of areas recommended for partial turn-over and simultaneously request from the Regional Forestation Development Office (RFDO), on a case-to-case basis, the conduct of ICM or a perimeter survey. The ICM or perimeter survey would determine whether subject partial areas qualify under the criteria in Section 1 of this circular.

Procedures enumerated in Section 5.1 of Memorandum Circular No. 04, series of 1993 otherwise known as "Guidelines and Procedures for Turn-Over of Contract Reforestation Projects" shall apply.

- 2.4 Based on the ICM conducted or to be conducted by a non-government organization (NGO), validation shall be done by a composite team composed of representatives from the CENRO, ICM contractor, and the project contractor/developer using a 5% systematic sampling. A validation report shall then be submitted to the RED through the RFDO Action Officer, containing recommendation on whether or not the area is qualified for partial turn-over.
- 2.5 Should an area qualify for partial turn-over, the CENRO shall inform the CREF contractors/developmers to prepare and submit the following:
  - 2.5.1 Partial Project Completion Report;
  - 2.5.2 Sworn Statement to the effect that all bills for labor, other current wages and materials have been paid and all activities have been completed by the CREF contractor/developer only within partial areas to be turned-over; and,

- 2.5.3 Partial liquidation report in case of local government units (LGU) and other government agencies (OGAs) and contractors.
- 2.6 The CENRO concerned shall then prepare the following documents:
  - 2.6.1 Certification of partial completion and Acceptance signed by the contractor/ developer and the contracting DENR unit;
  - 2.6.2 Maps of 1:10,000 scale indicating sections and blocks of partial areas to be turned-over; and,
  - 2.6.3 Proposed amended contract properly reviewed and signed by the developer.
- 2.7 The CENRO shall endorse the completed documents together with the proposed amendment to the authorized/detailed DENR officials for further review and approval. The proposed amendment shall be accompanied by a revised Work and Financial Plan (WFP) if there are still funds left for the CREF Project or simply a work plan if funds are no longer available.
- 2.8 Infrastructure and equipment used during the implementation of the previous reforestation contract shall likewise be turned-over to DENR upon completion of the amended contract.

**Sec. 3 Retention Fee.** The retention fee shall only be released to the contractor upon completion of the amended reforestation contract and acceptance by the DENR.

**Sec. 4 Performance Bond.** The performance bond for the area based on the amended contract shall remain in full force and effect throughout the duration of the amended contract and shall be released to the contractor only upon acceptance by DENR of the contracted services or project.

**Sec. 5 Repealing Clause.** All provisions of previous memorandum circulars inconsistent herewith are hereby repealed or amended accordingly.

**Sec. 6 Effectivity.** This Circular shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary