

DENR Memorandum Circular
No. 09
April 11, 1995

SUBJECT : Guidelines Implementing the Turn-Over Process to Local Government Units (LGUs) and Communities Under the Regional Resource Management Project (RRMP) for Regions 1, CAR & 2.

Sec. 1 Premises

- 1.1 Whereas, RRMP has adopted a community-based resource management approach as a basic implementation strategy in stemming environmental degradation in the uplands;
- 1.2 Whereas, the strategy calls for the building of the capacity of the LGUs and community institutions to develop poor upland farmers into organized and self-reliant communities through the introduction of technical and management approaches that are both economically productive and environmentally sustainable;
- 1.3 Whereas, in accordance with the RRMP design, the LGUs and the communities are the main beneficiaries and active partners of the DENR in Project implementation;
- 1.4 Whereas, the institutional activities of RRMP are focused on LGUs, to build their capacities to plan, coordinate, and support the implementation of rural community-based forestry projects.
- 1.5 Whereas, the institutional strengthening objective is consistent with and supportive of Section 17 of the Local Government Code which devolves to the LGUs the implementation of community-based forestry projects.

Sec. 2 Purpose

For, and, in consideration of the above premises, this Circular is being issued to formalize and start the process of turning-over pertinent management and implementation responsibilities, facilities, equipment, and other resources of the project to the LGUs.

Sec. 3 Specific Items Covered Under the Turn-Over

- 3.1 Facilities and Other Capital Improvements

- 3.1.1 Multi-purpose centers/buildings
- 3.1.2 Multi-purpose pavements
- 3.1.3 Graded trails
- 3.1.4 Access roads, bridges and revetments
- 3.1.5 Social Infrastructure (e.g. water system, sanitation facilities)
- 3.1.6 Key barangay project sites
- 3.1.7 Off-farm development (e.g. communal agro-forestry, reforestation, riverbank/roadside plantations, agro-silviculture, trailside planting etc.)
- 3.1.8 Community nurseries
- 3.1.9 Community fishponds

3.2 Equipment Support

- 3.2.1 Heavy equipment
- 3.2.2 Motor vehicles
- 3.2.3 Vehicle spare parts
- 3.2.4 Office equipment
- 3.2.5 Farm tools

3.3 Financial Resources

- 3.3.1 Infrastructure funds
- 3.3.2 MOOE for PPC/MPC meetings
- 3.3.3 MOOE for vehicle repair and maintenance
- 3.3.4 Project Funds (as provided in MOAs effecting sub-contracting arrangement)

3.4 Other Resources

Trained staff from WMUs and BDUs (for possible absorption by provinces and municipalities)

3.5 Management and Implementation Responsibilities

These are responsibilities that are to be turned over during Project life and are expected to be carried on by LGUs after Project completion particularly in expansion barangays. (For details refer to Attachment B)

Sec. 4 Turn-Over Process

- 4.1 Implementation Mode. The turn over to the LGUs of Project resources, as itemized under Section 3 above, shall be pursued in consideration for the

assumption by the LGUs of management and implementation responsibilities. This shall be done through a sub-contracting arrangement between the DENR and the concerned LGU. Such arrangement shall be effected through a Memorandum of Agreement (MOA) spelling out the terms and conditions governing the sub-contract, the duties and responsibilities of each party and other applicable rules and regulations. The MOA shall also include a budget specifying the eligible items of expenditure, contract cost and the procedures for funds management and disbursement.

4.2 Timetable

- (a) There are two sets of timetable that shall be followed in the turn-over implementation process. The first applies to LGUs which from Project start-up have shown consistent support, interest and commitment to the Project's activities and other ENR-related concerns. In the case of these LGUs the turn-over shall be fast-tracked which means that the sub-contracting arrangement shall be initiated and completed within the first three years of Project life.
- (b) The other set of timetable follows a gradual and phased approach. The turn over shall be pursued in three major phases over the seven year life span of the Project with some overlaps among the phases.

The Phases are as follows:

CAPACITATION PHASE (years 1 to 3 or 1992, 1993, 1994 and 1995)

At the project management level, this involves the initiation of LGUs into their respective implementing roles and their active involvement as participants/beneficiaries of the institutional strengthening activities of the Project.

At the site development level, this phase includes the activities pursued in the nucleus or key barangays primarily consisting of the following components or initiatives: Local Social Development, Community Resource Development, Infrastructure and Livelihood. It shall be the expectation that during this phase, the DENR shall play the lead role in field-level project management and implementation.

PHASING-IN PHASE (years 3 to 6 or 1994 or 1995; 1996 and 1997)

During this Phase, the scenario shall be that of the LGUs assuming management responsibilities. An example would be the shifting of the burden of chairing or directing the activities and meetings of the Project Management

Committees from the DENR to the LGUs. Also, during this Phase, the first cycle of the training program prepared for LGUs shall have been completed together with the outputs expected from the training program. This Phase shall also witness the full assumption by some committed LGUs of project management and implementation responsibilities as described in Section 4.2 (a) of this Circular.

At the site level, critical activities shall include the turn over of pertinent facilities and nucleus sites to the LGUs and the replication of site-level development activities in radiation barangays. In the replication of such activities, it shall be the expectation that the LGUs having already been capacitated shall assume the lead role with DENR providing the necessary technical assistance services.

FULL ASSUMPTION (years 5 to 7 or 1996; 1997 and 1998)

The main scenario during this phase shall primarily be the LGUs fully assuming project management and implementation responsibilities accompanied by an almost complete turn-over of Project facilities and resources to the LGUs. This Phase shall also involve the preparation of detailed phase-out plans and the transition to regular government operations and financing. During the period, it shall be the expectation that LGUs have provided in their own local budgets, funds for the proper maintenance and operation of Project facilities and continuity of Project initiatives. Or, if such funds have not been made available, assurances have been made to that effect.

At the site level, the LGUs shall have undertaken similar activities in expansion barangays with the DENR providing its regular services consistent with its mandate.

- (c) A graphical illustration of the above Phases including the participation level of DENR and the LGUs in the whole turn-over implementation process is shown as Attachment A of this Circular. The presentation also depicts over the life of the Project how the development activities introduced at the nucleus barangays are replicated in the radiation barangays and sustained in the expansion barangays.

4.3 General Milestones, Events and/or Activities. The milestones, events, activities characterizing the above phases are enumerated below.

(a) Capacitation Phase

1992 and 1993

Project Management

- Organization of PPCs and MIPCs
- Signing of MOAs with LGU executives
- Holding of regular PPC/MPC meetings (continuous)
- PPCs/MPCs meetings as fora for inter-agency coordination and complementation of projects in pilot barangays and in other upland barangays, (continuous)
- Conversion of PPCs/MPCs into sectoral committees of PDCs/MDCs
- Implementation of PPC/MPC - initiated project activities (continuous)
- Designation of LGU coordinators
- Setting-up of Project offices at site level with LGU assistance
- Signing of MOAs with Governor for the implementation of infrastructure plans
- Preparation of infrastructure plans
- Prioritization of infra projects
- Actual implementation by PEOs of civil works either by administration or forced account and
- Opening and operationalization of Provincial Trust Account for infrastructure assistance

Site Development (for nucleus barangays)

Barangays/Communities

- Organization of BDPCs/BDCOMs either by Barangay Council or by community/target participants (for nucleus and radiation barangays but will be extended by LGUs to expansion barangays to be undertaken also in radiation and expansion barangays)
- Registration of Community Association/Organization (also in radiation barangays)
- Preparation of barangay socio-economic profiles
- Formulation of barangay development plans
- Training of key farmer leaders
- Establishment and operationalization of Community Revolving Fund (CRF) at all project sites
- Operationalization of CRF
- Establishment of Agro-forestry model farms
- Establishment and operationalization of nurseries
- Identification of priority livelihood projects
- Validation of priority livelihood projects

- * Establishment and operationalization of “sweat” funds
Identification/linkaging with funding institutions.

1994

Project Management

- * Preparation by PPCs/MPCs of Area-based ENR policy agenda (continuous)
- * Prioritization/endorsement by PPCs/MPCs of a CBRM project
- * Identification/prioritization of radiation sites by PPCs/MPCs
- * Endorsement/concurrence of performance indicators for turning-over of project management responsibilities and resources to LGUs
- * Concurrence with the design of the turn-over process
- * Adoption and installation of operational guidelines for infrastructure contracting arrangement between DENR and LGUs
- * Adoption and installation of monitoring, evaluation and billing systems for infrastructure works at community and LGU levels.

Site Development

- * Organized community associations (e.g. with corresponding operating systems and procedures which include rules on membership, discipline, conduct of meetings, capital formation and financial management) in nucleus sites
- * Establishment of a community information and planning system for participating barangays to institutionalize community review and update of development plans (nucleus barangays)
- * Transformation of umbrella associations and possibly transform these into cooperatives (in nucleus barangays)
- * Conversion of the BDPCs/BDCOMs into regular structures of Barangay Development Councils. (in nucleus barangays)
- * Replication of the LSD/CO process in radiation barangays
- * Activated and better functioning CRF (in nucleus barangays)
- * Introduction of appropriate agro-forestry systems in the micro-watershed farm and the radiation barangays
- * Maintenance and protection of established plantations (in nucleus barangays)
- * Expansion of participatory applied research system
- * Conduct of pre-investment studies on prioritized livelihood projects
- * Endorsement of prioritized livelihood projects for external financing

b. Phasing-In Phase

1994 and 1995

- * Organization of LGU core groups
- * Completion of the first cycle of the sequential and specialized skills training designed for the LGUs at provincial and municipal levels
- * Adoption and installation of management systems by LGUs
- * Chairmanship of all PPCs/MPCs shifted to local chief executives (DENR PENROs/CENROs will serve as Vice-Chairmen or simply as members)
- * Drafting of MOAs for sub-contracting arrangement with LGUs (those LGUs identified for the fast track mode)
- * Drafting of umbrella and area-specific MOAs (LGUs under the sequential and phased mode)

Site Development

- * Turn-over of pertinent facilities and nucleus sites to concerned LGUs
- * Maintenance and operation of completed infrastructure facilities of site levels by LGUs
- * Maintenance and operation of key barangays or nucleus sites by LGUs
- * Identification and prioritization of expansion sites by PPCs/MPCs

1996 and 1997

- * Drafting of revised or supplemental MOAs to include expanded turn-over to LGUs under the phased mode
- * Turn-over of radiation sites to LGUs by DENR
- * Turn-over/transfer of WMU and BDU personnel to pertinent offices at provincial and municipal levels
- * Preparation by LGUs of budgetary requirements for management and operation of nucleus and radiation barangays with DENR assistance
- * Fund sourcing for expansion barangays
- * Assistance to LGUs by DENR and other NSAs in the development of expansion sites
- * Continuing technical assistance to LGUs by DENR and NSAs in the implementation of nucleus and radiation barangays
- * Management by LGUs of project funds directly related to implementation responsibilities turned-over to them and as specified in MOAs

(c) Full Assumption Phase

1996 and 1997

- * Drafting and approval of detailed Project phase-out plans.
- * Inclusion of Project resource requirements in regular agency budgets and also in LGU budgets. (The percentage of budgetary inclusions will grow at an accelerated rate throughout the withdrawal phase).
- * PPCs/MPCs assume field level management and administration responsibilities over the Project. (Such responsibilities vis-a-vis DENR will be specified in MOAs)
- * Preparation of pertinent documentations for turn-over of Project properties to LGUs and other eligible NSAs
- * Housing of WMUs and BDUs at pertinent offices (e.g. PPDOs and MPDOs) of the LGUs
- * ENR Plan and Investment Programs form part of the development plans and investment programs of pilot provinces and municipalities
- * Possible absorption of WMU and BDU personnel and assurance of continuity in LGU plantilla

1997 and 1998

- * Implementation of all aspects of phase-out plans
- * Full assumption by LGUs of Project management and implementation responsibilities
- * Replication by LGUs of site development activities in expansion sites subject to availability of LGU funds or other fund sources
- * Continuing site management and implementation responsibilities in nucleus and radiation barangays
- * Provision of funding support under LGU budget for operation and maintenance of turned-over sites and facilities

4.4 Region-Specific Milestone Events and/or Activities

In order to enhance the relevance of the turn-over process, the Regional Executive Directors of Regions 1, 2 and CAR using item 4.3 above as framework shall identify and/or delete specific milestones and/or activities deemed applicable (non-applicable) to their respective regions. The PMO, however, through the RED shall be properly informed of revisions or changes made.

4.5 Delineation of Specific Roles and Responsibilities of Each Implementing Unit/Office and LGU

Attachment b of this Circular shows the specific roles and responsibilities of each implementing unit/office and LGU. In order to avoid confusion, the functions and responsibilities defined thereat shall be strictly adhered to throughout the Project's life.

4.6 Assessment Criteria

From the above milestones, indicators that specifically measure LGUs response to Project interventions shall be selected. These shall then serve as the criteria from which to assess the level of preparedness and LGUs to assume management and implementation responsibilities including transfer of specific equipment, facilities and other capital improvement. These criteria including the procedural guidelines in the assessment process shall be issued by the designated senior official of ENR-SECAL.

4.7 Turn-Over of Project Facilities, Other Capital Improvements and Funds

As a matter of policy, the transfer of Project facilities and resources to LGUs shall be accompanied by the assumption by LGUs of Project management and implementation responsibilities as defined in detail Attachment B.

In this connection, the following guidelines with regard the timing of the turn-over/transfer of Project facilities and resources shall be strictly followed:

- (a) At the end of the Capacitation Phase the following facilities and equipment shall have been turned-over to LGUs
 - * Facilities and other capital improvements as itemized in Section 3.1 of this Circular.
 - * Equipment support except service vehicles as itemized in Section 3.1 of this Circular.
 - * Financial resources except MOOE for PPC/MPC meetings, some infrastructure funds and project funds (depending on sub-contracting arrangement) as itemized in Section 3.1 of this Circular.
- (b) During the Phasing-In phase the following items shall have been turned-over/transferred to LGUs:
 - * Remaining infrastructure funds
 - * Service vehicles

- * Other facilities not covered above
- * MOOE for PPC/MPC meetings
- (c) During the Full Assumption Phase the following shall have been transferred/turned-over the LGUs:
 - * Remaining Project properties/resources as determined by phase-out plans
 - * Remaining Project funds as per MOA/sub-contracting arrangement

4.8 Mechanism for Funds and Resources Transfer

The turning-over of facilities, resources and other Project funds shall be governed by the terms and conditions set under the MOA as specified in Section 4.1 of this Circular. Attachment C provides the mechanisms and procedures governing such transfers.

4.9 Deployment and/or Recipients of Equipment, and Other Project Properties

The Project Implementation Volume (PIV) shall serve as guide in determining the deployment and/or recipients of equipment, facilities and other capital improvement procured/constructed/established under the Project.

In addition, the senior designated official for ENR-SECAL with the recommendation of the PMO and in consultation with the RPMOs shall provide the necessary guidelines and decision with regards the deployment, transfer and ownership of equipment and other properties not specifically defined in the PIV.

Similar questions/issues arising at the LGU level shall be deliberated upon and resolved by the concerned PPCs/MPCs following a participatory and consultative process. In such deliberations, the concerned RPMOs and the Technical Assistance Team (TAT) shall provide the necessary supporting documents and back-up support.

Sec. 5 Supplementary Circulars/Guidelines

5.1 Issuance of Regional Memorandum Circulars (RMCs)

In recognition of the differences in the institutional settings prevalent at the field/LGU levels and DENRs commitment to participatory decision-making, the

REDs of 1, 2 and CAR are allowed to issue region-specific Circulars implementing the turn-over process, specifically, with regards Section 4.4. In the preparation of the RMCs, the REDs using the relevant provisions of this Circular as basis shall actively solicit and consult with the pertinent LGUs.

5.2 Issuance of Joint DENR-LGU Circulars

In order to enhance the active involvement of the LGUs in the turn-over process, the issuance of a Joint Circular (JC) between DENR and the concerned LGUs is strongly encouraged. This JC shall spell out the specific roles and responsibilities of each party (as defined in Attachment B). The signatory of the DENR's side shall be the DENR official pertinent or commensurate to the level of the concerned LGU (e.g. the PENRO and Governor or the CENRO and the Municipal Mayor).

5.3 Issuance of Supplementary and Other Operational Guidelines

The designated senior official for ENR-SECAL is hereby authorized to issue other operational guidelines not specifically mentioned here for the efficient implementation of the Circular.

Sec. 6 Effectivity

This Circular takes effect immediately.

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