

Memorandum Circular

No. 98 - 04

April 27, 1998

SUBJECT : Guidelines and Procedures in the Collection, Utilization and Management of Rattan Special Deposit.

The following guidelines and procedures on the collection, utilization and management of Rattan Special Deposit (RSD) are hereby issued pursuant to Chapter IX of DAO 4, Series of 1989.

Section 1. Collection of Rattan Special Deposit.

Section 50 and 51, Chapter IX of DAO 4, Series of 1989 provides that RSD shall be collected from rattan cutting licensee to generate fund for rattan plantation development. RSD shall be collected by the Regional Executive Director (RED), Provincial Environment and Natural Resources Officer (PENRO), Community Environment and Natural Resource Officer (CENRO), as the case maybe. Collection shall accrue to a specific trust fund deposit of the DENR which shall be deposited in any government accredited bank under the name of DENR. Remittance of the fund shall be in accordance with Section 5 of the General Appropriations Act (GAA).

Sec. 2 Utilization of Rattan Special Deposit.

The RSD shall be used to fund the rattan plantation development of rattan cutting licensees or other parties contracted by the DENR. Priority shall be given to rattan cutting licensees, *provided that* they have complied with the conditions stipulated in the rattan cutting license issued to them.

The RED, PENRO, or CENRO, as the case maybe, in accordance with pertinent regulations on delegation of authority, shall enter into contract with qualified rattan cutting licensees or other parties

who are qualified to implement Rattan Plantation Development Plan. The contract shall be obligated by the PENRO or the RED, as the case maybe. The PENRO or the RED, as the case maybe, shall request the Department of Budget and Management to release the fund for actual development, administration and supervision of the rattan plantation.

The utilization of RSD shall require a three-year Rattan Plantation Development Plan (RPDP) to be approved by the RED. The CENRO, PENRO and rattan cutting licensees or other contracted parties shall jointly prepare the plan. The CENRO and PENRO shall see to it that the schedule of payments is explicitly stated in the plan including the release of fifteen percent (15%) mobilization and fifteen percent (15%) retention fee.

Ten percent (10%) of the total cost of rattan plantation development based on Annex A for administration and supervision expenses shall be allocated to the concerned Regional Office, Provincial Environment and Natural Resource Office. It will be distributed as follows:

- Regional Office, three percent (3%);
- Provincial and Natural Resource Office, three percent (3%); and
- Community Resource and Environment Office, four percent (4%).

The DENR shall reimburse expenses of rattan cutting licensees who have established their rattan plantation within their licensed area prior to the release of RSD. The reimbursement shall be based on the following:

1. recommendation of the Inspection Team referred to under section 3 of this circular.

2. amount which should not exceed the rattan plantation development cost estimated in Annex A which shall form part of this Circular.
3. approval of the RED.

Sec. 3 Management of Rattan Special Deposit. A Rattan Special Deposit Committee shall be created to consist of the following:

- PENRO, chairperson;
- Provincial Environment and Natural Resource Office Accountant, member; and
- Forest Management Specialist of CENRO and PENRO, members.

The committee shall have the following functions:

1. Prioritize and recommend identified areas for plantation development in consonance with the provision of Section 45.5.1 of DAO 4, Series of 1989.
2. Screen prospective rattan plantation development contractors and endorse to the RED the accreditation of the qualified contractor(s) pursuant to Section 42 of DAO 4, Series of 1989.
3. Call anybody from the CENRO and PENRO to assist in the implementation of RPDP as the need arises.
4. Evaluate the RPDP jointly prepared by the CENRO, PENRO and rattan cutting licensees.
5. Prepare and submit report on the collection, withdrawal and disbursement of RSD including the accomplishment report per project. The report shall be submitted to Forest Management Bureau and Finance Management Service through the Undersecretary for Field Operations.

The DENR shall require rattan cutting licensees or contracted parties to post surety bond equivalent to ten percent of the assessed RSD to ensure full implementation of RPDP.

The RED shall organize **Inspection Teams** to be composed of registered foresters from the Regional Office, Provincial Environment and Natural Resource Office, Community Environment and Natural Resource office to evaluate the performance of the rattan cutting licensees or contracted parties. The Team shall recommend payment based on the result of its evaluation. Payment shall be made at the PENR Office or Regional Office, as the case maybe. Fifteen percent (15%) of the total cost of implementing the RPDP shall be retained and shall be released only after at least eighty-five percent (85%) survival rate has been attained upon turn over of the plantation.

Sec. 4 Special Provision. The Finance Management Service of DENR shall cause the inclusion of RSD as a Trust Receipt in accordance with the General Appropriations Act for DENR pursuant to Section 45 of Book VI, Executive Order No. 292 with the specific purpose of implementing the RPDP.

Sec. 5 Effectivity. This circular takes effect immediately and supercedes all circulars, memorandum and memorandum orders inconsistent herewith.

(Sgd.) VICTOR O. RAMOS
Secretary

Annex A omitted