

**DENR Administrative Order**

**No. 98 - 44**

**June 24, 1998**

**SUBJECT : Guidelines on the Establishment and Management of the CBFM Special Account**

Pursuant to Section 8 of Executive Order No. 263 mandating DENR to establish a Community Based Forest Management Special Account (CBFMSA), the herein order is hereby issued for the guidance of all concerned.

**Section 1 Objectives of the CBFMSA.** The CBFMSA shall help promote the full, meaningful and indispensable participation of upland communities in the protection and management of the forest ecosystem. The CBFMSA shall support the CBFM Strategy, provide financial and professional incentives to deserving communities and government personnel and ensure the sustainability of the CBFM Program.

**Sec. 2 CBFMSA Sources.** The CBFMSA shall be deposited to a qualified Philippine Government Bank under the name of the CBFM Special Account. The following are the sources of the CBFM Fund:

- 2.1 The government share in the Production Sharing Agreements with the CBFM POs in the harvest and management of forest resources;
- 2.2 Interests and other charges imposed by the government to POs who borrow money from the CBFM Fund to pursue their operations;
- 2.3 Contributions, donations, endowments and grants from any source;

- 2.4 Other revenues as may be derived from the management of the CBFM projects; and
- 2.5 Such other funds as DENR may later identify or provide to the CBFMSA.

**Sec. 3 Uses of CBFMSA.** The CBFMSA shall be used solely to support the implementation of the CBFM Strategy. These include among others:

- 3.1 Establishment of new CBFM projects;
- 3.2 Assistance to POs in community organizing and formulation of Community Resource Management Frameworks (CRMF) and Annual Work Plans (AWP);
- 3.4 Financial assistance to the POs in implementing development projects contained in their affirmed CRMFs and AWP. These projects shall include but not limited to the following: enterprise development, ecotourism, agroforestry, plantation development and other activities that will expand the forest resource base, harvesting and processing of forest products and posting of bonds for forest charges;
- 3.5 Financial and professional incentives to deserving communities and government personnel involved in CBFM; and
- 3.5 Such other uses that the CBFM Fund Governing Board will allow.

**Sec. 4 Collection of Government Share in a Production Sharing Agreement.** The Regional Executive Director or his/her duly authorized representative shall be responsible for the collection of the government share in Production Sharing Agreements with the POs and shall remit the same to the CBFM Fund through the CBFMO. The Regional Executive Director or his/her duly authorized representative shall submit to the CBFMO a statement of collections during the preceding quarter within the first fifteen (15) days of each quarter. The CBFMO will prepare the consolidated report on

collections and status of funds for information and action by the CBFMSA Governing Board.

**Sec. 5 Disbursement of CBFMSA.** Disbursement of CBFMSA shall be used solely for the purposes set forth in Section 3 hereof, *provided* that at least fifty percent (50%) of the government share from the harvest of plantations collected by each region shall be used exclusively for the establishment of plantations in the same CBFM area.

The Regional Executive Directors together with the POs and other stakeholders shall submit to the CBFMSA Governing Board an annual proposal of activities for funding.

**Sec. 6 CBFMSA Governing Board.** There is hereby established a CBFMSA Governing Board composed of seven (7) members: the Secretary or his duly authorized representative as ex-officio Chairman of the Board; the CBFM Office Head; the Forest Management Bureau Director; the Director of the Finance Management Services of DENR; one from the Multisectoral Forest Protection Committees (MFPC) as recommended by the MFPC National Federation; and two (2) from CBFM POs. The MFPC and PO members shall have a term of two years.

**6.1 Functions of the CBFMSA Governing Board.** The Governing Board shall perform the following functions:

- 6.1.1 Determine and decide procedures on the management, allocation and disbursement of the CBFMSA and decide by a majority vote, on issues and problems concerning the same;
- 6.1.2 Issue guidelines to account and audit the funds released and disbursed to ensure the protection and maximum utility of the CBFMSA; and
- 6.1.3 Issue guidelines to govern the conduct of its business.

**6.2 Meetings.** The Governing Board shall meet at least once a quarter.

**6.3 Secretariat.** The CBFM Office shall serve as the Secretariat of the CBFMSA Governing Board.

**6.4 Funding Requirements of CBFMSA Governing Board.**

Members of the Governing Board shall serve without additional compensation from the government except for travel and actual expenses incurred in the performance of their duties and responsibilities. The financial requirements of the CBFM Fund Governing Board and the Secretariat shall come from DENR regular funds.

**Sec. 7 Effectivity.** This Order shall take effect fifteen (15) days upon publication in a newspaper of general circulation and submission to the UP Law Center.

**(Sgd.) VICTOR O. RAMOS**  
Secretary

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