



Republic of the Philippines
Department of Environment and Natural Resources
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929-70-41 to 43

MEMORANDUM CIRCULAR
NO. 2002- 01

JAN 23 2002

SUBJECT: INITIAL DESIGNATION OF AIRSHED FOR METRO MANILA

Pursuant to Section 9 of the Philippine Clean Air Act of 1999 (RA 8749) and Sections 1 to 11, Rule XIV, Part V of the Implementing Rules and Regulations (DENR Administrative Order 2000-81) the following areas are hereby and initially designated part of Metro Manila airshed:

Region III Province of Pampanga to include the municipalities/cities of Mabalacat, Balibago, Angeles City, San Fernando City, San Simon, Apalit, Sta. Rita, Bacolor, Lubao, Guagua, Sasmoan, Prado and San Roque;

Province of Bulacan to include the municipalities/city of Calumpit, Malolos, Balagtas, Marilao, Meycauayan, Sta. Maria, Angat, Baliuag, San Rafael, Norzagaray, San Jose Del Monte City, and Muzon;

Province of Bataan to include the municipalities/city of Hermosa, Orani, Samal, Abucay, Balanga, Pilar, Orion, Limay and Mariveles.

National Capital Region

The National Capital Region to include the municipalities/cities of Valenzuela, Navotas, Malabon, Manila, Mandaluyong, Makati, San Juan, Pasig, Marikina, Quezon City, Caloocan, Muntinlupa, Las Pinas, Paranaque, Pasay, Taguig and Pateros;

Region IV-A Province of Rizal to include the municipalities/city of Taytay, Angono, Cainta, San Mateo, Montalban, and Antipolo City;

Province of Cavite to include the municipalities/cities of Kawit, Cavite City, Bacoor, Imus, Noveleta, Tanza, General Trias, Naic, Ternate, Maragondon, Magallanes, Indang, Alfonso, Dasmariñas, Carmona, and Trece Martirez City;

Province of Laguna to include the municipalities of San Pedro, Sta. Rosa, Cabuyao, Canlubang, Calamba, and Los Banos;

Province of Batangas to include the municipalities/cities of Sto. Tomas, Tanauan, Malvar, Lipa City, Batangas City, Cuenca, San Jose, Bauan, San Pascual, Nasugbu, and Lian

This designation is based on the criteria set forth under DAO 2000-81 and Article II, Section 1.02 (c) of the Metro Manila Air Quality Improvement Sector Development Program Loan Agreement having the same or almost similar topography (i.e. few meters difference in elevation), physical development (i.e. urbanization, industrialization activities etc.), affected by a common meteorological condition (i.e. wind velocity, wind speed, temperature), and results of ambient air monitoring (per baseline air quality data).

Further, pursuant to Section 12, Rule XV, Part V of the DAO 2000-81, the airshed shall be re-designated upon consultation with appropriate local government authorities, the Secretary of the Department, upon recommendation of the Bureau shall, from time to time, review, revise, amend and/or expand the designation utilizing eco-profiling, approved air monitoring techniques, validation and scientific studies.

This Circular takes effect immediately and shall remain enforced unless repealed or revoked in writing.



HEHERSON T. ALVAREZ
Secretary



DEPARTMENT OF
ENVIRONMENT AND
NATURAL RESOURCES

MEMORANDUM CIRCULAR
No. 2002 - 02

TO : ALL DENR REGIONAL/PROVINCIAL DIRECTORS
MANUFACTURERS/IMPORTERS/TRADERS/
DEALERS/DISTRIBUTORS AND OTHER CONCERNED

FROM : THE SECRETARY

SUBJECT : WITHDRAWAL OF THE ANNOUNCEMENT TO THE
PUBLIC SIGNED ON 24 JULY 2001 REGARDING THE
BAN OF CARBON DIOXIDE FOUND IN FIRE
EXTINGUISHERS, SUPPRESSORS, FIRE FIGHTING
PARAPHERNALIAS, REFRIGERANTS AND THE LIKE

DATE : FEB 13 2002

As a result of an in-depth evaluation on the *Announcement to the Public*, we are pleased to inform all concerned that DENR *withdraws* the implementation of the Announcement dated 24 July 2001 concerning the ban of carbon dioxide found in fire extinguishers, suppressors, fire fighting paraphernalias, refrigerants and the like.



HEHERSON T. ALVAREZ

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929-70-11 to 43.

ANNOUNCEMENT TO THE PUBLIC

The Department of Environment and Natural Resources - Environmental Management Bureau announces that the recovery and substitution of CHLOROFLUOROCARBONS (CFCs) and HALONS, identified as among the major ozone-depleting substances (ODSs) including CARBON DIOXIDE (CO₂) fire extinguisher identified as a major producer of greenhouse gases will take effect on June 1, 2001. This is in compliance with the Philippine's commitment to the Montreal Protocol on Substances that deplete the ozone layer and contribute to global warming.

Meanwhile, the importation and consumption of CHLOROFLUOROCARBON (CFCs) for servicing old equipment may be allowed until the year 2010.

The recovery of halon and carbon dioxide in commercial operation and substitution with environment-friendly and zero ozone-depleting potential (ODP) will be administered and led by the Philippine Clean Air Foundation, Inc. and its duly authorized affiliates.

Below is the recovery and substitution schedule as mandated by Republic Act 8749 or the Philippine Clean Air Act of 1999:

PHASE 1

Inventory of Recoverable Banned Substances April 10, 2001 - June 10, 2002

PHASE 2

Substitution of Recovered Banned Substances July 10, 2001 - December 10, 2003

PHASE 3

Total Phase-Out of Banned Substances January 10, 2008

The term *banned substances* being used in this announcement cover Halon and Carbon Dioxide found in fire extinguishers, suppressors, fire fighting paraphernalias, refrigerants and the like.

This Schedule has been presented to the importers/industries as early as 1993 including Republic Act 6969.

Failure to comply with the above provisions shall be construed as violation of Republic Act 8749.


HERERSON T. ALVAREZ
Secretary



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MEMORANDUM CIRCULAR NO. 2002 - 03
Series of 2002

JUN 19 2002

SUBJECT: Interim Guidelines for the Designation of an Airshed

Pursuant to Section 8 (f) and 9 of Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999 (the "Act") and Sections 2 and 3, Rule XV of Department Administrative Order ("DAO") No. 2000-81, the following interim guidelines in the designation of airsheds are hereby promulgated.

Section 1. Basic Policy

It is the policy of the State to formulate a holistic national program of air pollution management that shall be implemented by the government through proper delegation and effective coordination of functions and activities. To achieve said policy, airsheds are to be designated as part of the air quality control action plan mandated under the Act and consistent with the Integrated Air Quality Improvement Framework.

Section 2. Objectives

- The objectives of these guidelines are the following:
1. to subdivide the national ambient air into manageable subsets and recognize broader public participation in the management thereof;
 2. to allow various meteorological conditions for the prediction of air quality and bring source emissions into compliance with the standards;
 3. to recognize geo-political implementation requirements for national attainment of air quality targets and goals by complying with the national ambient air quality guideline values or the protection of public, health, safety and welfare;
 4. to recognize regional differences in terms of public needs and standards such as bubble standards and programmatic compliance and;
 5. to complement and support the proposed land use regulations of the country.

Let's Go Green!

Section 3. Definition of Terms

- (a) Department – refers to the Department of Environment and Natural Resources.
- (b) Bureau – refers to the Central Office of the Environmental Management Bureau and its Regional Offices under the Department.
- (c) Major sources – refer to air pollution source equipment that emit equal to or more than 100 tons of pollutant per year.
- (d) Urban areas – refer to areas with population equal to or greater than 200,000 and having at least P50 million annual income.
- (e) Area sources – refer to sources of emission which, in themselves do not emit significant air pollutants, but when considered collectively with other similar sources becomes significant. Paint processing and residential combustion are example of area sources.

Section 4. Criteria for the Designation of Airshed

4.1 General Requirements

The following information/documents shall be used as reference in the designation of airshed:

- a) Meteorology data (wind speed and direction) of the area or areas under consideration;
- b) NAMRIA-generated topographic maps; or GIS, if available; and
- c) Population distribution.

4.2 Other Data Requirements

If available, the following additional data/document shall also be referred to in the determination and designation of an airshed:

- a) Land-use map;
- b) Major sources of emission, point and non-point, or emission inventory; and
- c) Air quality data, if available.

4.3 Screening Procedures for the Identification of an Airshed

The screening procedure shall be applied by the Bureau for purposes of designating an airshed, as required by Section 9 of RA 8749, in areas without, or those with incomplete air quality data.

- a) Using a NAMRIA-generated topographic map or land-use map, divide the areas which have similar geographic features and sharing common boundaries such as those which are bounded by mountain ranges or similar features that may affect dispersion, movement, or diffusion of atmosphere pollutants;
- b) Meteorological data (wind speed and direction) or wind rose shall be used to determine areas which have similar characteristics or profiles that affect dispersion, movement or diffusion of atmospheric pollutants.
- c) Hotspots areas or areas that may possibly be affected by highly irregular or occasional events. This may include but not limited to special economic zones, industrial parks, highly urbanized cities or municipalities, geothermal explorations and reservations, or other economic activities, which in the opinion of the Bureau may significantly affect air quality in that particular area.
- d) An area with a total population of at least one (1) million people [Ref.: Appendix 4, Title 17, California Code of Regulations, Section 7033000-70306]
- e) If available, the total annual emission in any of the following shall be considered:
 - i) Total annual NOx emissions of 40,000 tons per year
 - ii) Total annual SOx emission of 19,000 tons per year
 - iii) Maximum annual Lead emissions of 0.5 ton per year[Ref.: Appendix 4, Title 17, California Code Regulation, Section 703000-70306]
- f) Data profiles from items (a) to (d) shall be evaluated to assess and determine the boundaries or limits of an airshed. However, if the Bureau finds that there are areas with distinctly different air quality deriving from sources and conditions not affecting airsheds, the Bureau may designate, identify or determine a smaller airshed using political boundary lines to the extent practicable.
- g) Other information such as emission inventories or air quality data are additional determining factors in the boundaries or limits of the airshed, provided that representative data are available.

Section 5. Responsible Agencies

Pursuant to Section 9 of RA 8749, the Department through the Bureau shall be mainly responsible for the designation of airshed. Local government units shall be consulted by the Department, as necessary, in order to designate an airshed.

Section 6. Review of Designation


Pursuant to Section 9 of RA 8749, the Department shall review the designation of airshed boundaries as more data become available or as the need arises. The change of pollution control technology shall also warrant the review of the airshed designation.

Further to Section 9 of RA 8749, revision of the designation of an airshed shall be done upon consultation with appropriate local government authorities.

Section 7. Effectivity


This Order shall take effect immediately.

Approved by:


HEHERSON T. ALVAREZ
Secretary

JUN 19 2002

Recommending Approval:


JULIAN D. AMADOR
Director



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DENR Memorandum Circular

No. 04

Series of 2002

JUN 24 2002

SUBJECT: LIST OF CLASSIFIED WATER BODIES IN 2001

Pursuant to DENR Administrative Order (DAO) No. 34, Series of 1990 which amended Sections 68 and 69, Chapter III of the NPCC Rules and Regulations specifically Section 68 (c) - General Provisions of Water Classification and in accordance with the Manual of Procedure for Water Classification, the following water bodies are hereby officially classified as follows:

Name	Station	Location	Region	Class
1. Alaminos River		Pangasinan	1	C
2. Marang River		Nueva Vizcaya	2	C
3. Akutan River		Apayao	CAR	A
4. Budacao River		Benguet	CAR	A
5. Depanay River		Benguet	CAR	A
6. Pugo River	Upper	Benguet	CAR	B
7. Kamanitohan River		Albay	5	C
8. Banate Bay		Iloilo	6	SB
9. Bago-Pulupandan Coastline		Negros Occidental	6	SB
10. Coastal Waters of Dumaguete City		Negros Oriental	7	SB
11. Coastal Waters of Danao City		Cebu	7	SC
12. Bacan River		Leyte	8	C
13. Pagsangaan River		Leyte	8	C
14. Tigbao River	Upper	Zamboanga del Sur	9	A
	Lower	Zamboanga del Sur	9	B
15. Salug Daku River	Upper	Zamboanga del Sur	9	A
	Lower	Zamboanga del Sur	9	B
16. Luait River	Upper	Misamis Oriental	10	A
	Lower	Misamis Oriental	10	C
17. Malita River		Davao del Sur	11	B
18. Marbel River		South Cotabato	12	C
19. Taguibo River	Upper	Agusan del Norte	13	A
	Middle	Agusan del Norte	13	C
	Lower	Agusan del Norte	13	D

Henceforth, all industrial establishments, business, commercial and agricultural firms, political subdivisions, government-owned or controlled corporations and other similar entities and instrumentalities, including persons discharging liquid wastes into the said water bodies are hereby required to observe and comply with the foregoing classification.

This Memorandum Circular shall take effect immediately.


HEHERON T. ALVAREZ

Secretary

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MEMORANDUM CIRCULAR NO. 2002-05
Series of 2002

JUL 12 2002

SUBJECT : CLARIFICATION ON THE INCINERATOR BAN IN THE PHILIPPINE
CLEAN AIR ACT OF 1999 (REPUBLIC ACT NO. 8749)

Pursuant to Section 20 of Republic Act No. 8749 otherwise known as the "Philippine Clean Air Act of 1999," incineration for treating municipal, bio-medical and hazardous wastes, which process emits poisonous and toxic fumes is prohibited. Further, Section 5t of the same Act defines poisonous and toxic fumes as emissions and fumes which are beyond internationally - accepted standards, including but not limited to World Health Organization (WHO) guideline values.

Further, in a decision of the Supreme Court in the case of the Metro Manila Development Authority (MMDA) versus Jancom Environmental Corporation G.R. No. 147465 dated 30 January 2002, it held in agreement with the ruling of the Court of Appeals on 13 November 2001 that Section 20 of RA 8749 does not prohibit incineration of wastes except those burning processes which emit poisonous and toxic fumes. Quoted hereunder is an excerpt of said decision.

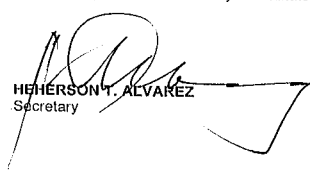
"Section 20 does not absolutely prohibit incineration as a mode of waste disposal; rather only those burning processes which emit poisonous and toxic fumes are banned."

In view of the Supreme Court decision, this Memorandum Circular hereby clarifies that any thermal treatment technology, whether burn or non-burn as defined in DAO 2000-81, that meets the emission standard for stationary sources as listed in Section 19 of RA 8749 and complies with all other relevant provisions of RA 8749 and other applicable laws of the Republic, is allowed to be operated in the country.

However, in the meantime that this office has insufficient capabilities with respect to the monitoring of emission from municipal solid waste incineration, i.e. personnel, equipment, infrastructure, etc., this Memorandum Circular covers only the incineration of toxic and hazardous as well as medical and bio-medical wastes, in view of the limited appropriate disposal techniques and procedures for said wastes. Toxic and hazardous wastes are those defined in RA 6969 while medical and bio-medical wastes are those indicated in RA 8749 and its Implementing Rules and Regulations (DENR Administrative Order No. 2000-81, Series of 2000).

Moreover, incineration of said wastes shall only be allowed in state-of-the-art facilities which are proven to emit minimal air pollutants, the concentrations of which shall meet the standards as provided for in RA 8749 and its Implementing Rules and Regulations.

The Environmental Management Bureau (EMB) shall issue the appropriate technical and procedural guidelines necessary to facilitate implementation of this Circular.


HEHERSON T. ALVAREZ
Secretary



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MEMORANDUM CIRCULAR

No. 2002 - 06

JUL 30 2002

SUBJECT: Designating Undersecretary MANUEL D. GEROCHI as DENR Focal Person for Special Task Force for Indigenous Peoples (STFIP) per Memorandum Order 63

Pursuant to Memorandum Order No. 63 creating the Special Task Force for Indigenous Peoples (STFIP) issued by Her Excellency, President Gloria Macapagal-Arroyo dated June 04, 2002, Undersecretary MANUEL D. GEROCHI is hereby designated DENR Focal Person for STFIP in addition to his present duties and responsibilities.

As such, he is authorized to call on all DENR officials on matters regarding indigenous peoples (IPs) specifically in Regions 4, 6, 9, 10 and in other regions as may be identified by the Task Force from time to time.

As part of his function as Focal Person, he shall recommend policies for the approval/disapproval of any development project in areas occupied and/or claimed by IPs.

He shall be entitled to traveling, per diems, representation and other allowable expenses that may be incurred in the discharge of his duties and responsibilities as Focal Person of this Task Force.

This Order takes effect immediately.


HEHERSON T. ALVAREZ
Secretary



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MEMORANDUM CIRCULAR
No. 2002 - 07

AUG 20 2002

SUBJECT: IMPLEMENTATION OF EO 103 DIVIDING REGION IV INTO
REGION IV-A AND REGION IV-B AND TRANSFERRING THE
PROVINCE OF AURORA TO REGION III

Pursuant to Executive Order No. 103 dated 17 May 2002, "Providing for the Division of Region IV into Region IV-A and Region IV-B, Transferring the Province of Aurora to Region III and for Other Purposes", the following guidelines are hereby prescribed:

Division of Region IV into IV-A and IV-B:

DENR Region IV-A and IV-B shall have separate Regional Executive Directors and corresponding staffing pattern with respect to other key officials and personnel.

The assignment of personnel with corresponding responsibilities and allocation of equipment and other resources shall be worked out through consultations between the Regional Executive Directors of Regions IV-A and IV-B and their respective AREDs, including arrangements for a transitional staffing until 31 December 2002.

The corresponding PENROs and CENROs shall fall under the jurisdiction of the respective DENR Regional Office as follows:

IV-A (CALABARZON)

Cavite
Laguna
Batangas
Rizal
Quezon

IV-B (MIMAROPA)

Mindoro Occidental
Mindoro Oriental
Marinduque
Romblon
Palawan

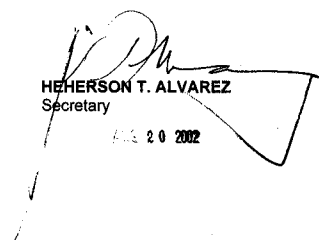
Transfer of the Province of Aurora to Region III

The PENRO and respective CENROs of Aurora shall fall under the jurisdiction of the DENR Region III offices.

For an orderly transfer of needed personnel and resources, a Committee shall oversee the inventory, auditing and transfer of Aurora to Region III.

All records/documents pertaining to Aurora including those of MGB and EMB shall be transferred to Region III upon the effectivity of this Memorandum except those pending in the offices of the concerned Directors for their signature.

This Memorandum Circular shall take effect immediately.



HEHERSON T. ALVAREZ
Secretary

MAR 20 2002



MEMORANDUM CIRCULAR FROM THE OIC, SECRETARY

No. 2002 - 08

TO : ALL DENR OFFICIALS AND EMPLOYEES

SUBJECT : GUIDELINES IN THE GRANT OF SONA INCENTIVE

DATE : SEP 02 2002

Pursuant to Rule X of the Omnibus Civil Service Rules, the grant of SONA Incentive to all DENR officials and employees not to exceed the amount of Seven Thousand Pesos (P7,000) is hereby authorized.

The grant of this benefit is in recognition of their efficient and effective contributions, and untiring efforts in the successful attainment of the DENR State of the Nation Address (SONA) targets for the CY 2001-2002.

I. COVERAGE

The benefit authorized under the aforementioned CSC Omnibus Rules shall apply to all officials and employees of the DENR nationwide, including its Bureaus and Attached Agencies, whether regular, casual, temporary or full time contractual personnel whose employment is in the nature of regular personnel:

- 1.1 Those who have rendered at least a total of four (4) months of continuous service including leave of absence with pay;
- 1.2 Those who are on approved leave without pay but have rendered a total of at least four (4) months of service;
- 1.3 Detailed personnel from the Regional Offices/Bureaus/Attached Agencies to the Central Office and vice-versa shall receive their SONA Incentive from the Office where they are presently assigned;
- 1.4 Employees who are on scholarship/study leave;
- 1.5 Employees who entered the government service after May 15, 2002 and are still in the service as of September 15, 2002 who have rendered less than four (4) months of service shall be entitled to an amount proportionate to actual services rendered as follows:

<u>Actual Length of Service</u>	<u>Amount</u>
Less than 4 months but not less than 3 months	75% of P7,000 or P5,250
Less than 3 months but not less than 2 months	50% of P7,000 or P3,500
Less than 2 months but not less than 1 month	25% of P7,000 or P1,750
Less than 1 month	0% or not entitled

- 1.6 Those who have retired after May 15, 2002 and have rendered service for at least four months as of September 15, 2002 shall receive the full incentive allowance. Otherwise, they shall be entitled to a proportionate amount equivalent to the number of months of service rendered.

2. EXEMPTIONS

The exemptions on the grant of SONA Incentive under this Memorandum Circular are as follows:

- 2.1 Those with pending cases until exonerated, namely:
- 2.1.1 When under preventive suspension;
 - 2.1.2 When formally charged in an administrative case, i.e., their office has found after preliminary investigation, that a prima facie case exists against them and the requisite written formal charge has been issued by the disciplinary authority;
 - 2.1.3 When there is pending criminal information filed against them in court which relate to acts or omissions in connection with official duties or functions; and
 - 2.1.4 When they have pending case before the Office of the Ombudsman, the Prosecutor's Office or other administrative bodies which relate to acts or omissions in connection with their official duties or functions and where it has already been resolved by the office concerned that there exists a prima facie case.
- 2.2 Those who are finally charged in administrative cases and/or meted penalties:
- 2.2.1 In this regard, if the penalty meted out to an employee is only a reprimand, such penalty is not one that can be made as basis of disqualification to receive the said benefit.
- 2.3 Those who are absent without leave (AWOL); and
- 2.4 Those who are not hired as part of the organic manpower of government entities but act as consultants or experts for a limited period.

3. RULES AND REGULATIONS

- 3.1 The SONA Incentive shall be given in two (2) tranches by September 15 and November 15, 2002:

<u>For the periods from -</u>		<u>To be given on -</u>
January - June 2002	P3,500	September 15, 2002
July - December 2002	P3,500	November 15, 2002

4. FUNDING

Funding for this purpose shall be subject to the availability of savings of respective Offices/Bureaus/Attached Agencies/Regions/PENROs/CENROs and the existing accounting and auditing rules and regulations.

5. DISALLOWANCE

In case of disallowance, the employees shall refund the said incentive pay through salary deduction.

6. EFFECTIVITY

This Memorandum shall be effective not earlier than September 15, 2002.


RAMON J. PAJE

SEP 02 2002



DEPARTMENT OF
ENVIRONMENT AND
NATURAL RESOURCES

PROGRAM ON AWARDS AND INCENTIVES FOR SERVICE
EXCELLENCE (PRAISE) RESOLUTION NO. 1
SERIES OF 2002

Approving the Grant of SONA Incentive to All Qualified Officials and
Employees of the DENR

WHEREAS, the DENR has targetted 83,333 lots equivalent to 100,000 hectares
Certificate of Allocation for the entire country;

WHEREAS, the Department has achieved 122,388 lots/beneficiaries equivalent
to 155,710.38 hectares of Certificate of Allocation as of August 21, 2002;

WHEREAS, the DENR overshot its nationwide targets by 39,055 lots and
55,710.38 hectares Certificate of Allocation;

WHEREAS, the DENR PRAISE Committee has undergone thorough
consultations on the background of the SONA Incentive to all qualified DENR
officials and employees considering existing laws, rules and regulations pertinent
thereto;

WHEREFORE, the DENR PRAISE Committee recommends to the Honorable
Secretary Heherson T. Alvarez and thus resolves as it hereby resolves that
SONA Incentive not to exceed the amount of Seven Thousand Pesos (P7,000) to
qualified DENR officials and employees be granted. This shall be chargeable
against the DENR funds subject to the usual accounting and auditing rules and
regulations and the attached guidelines.

Adopted this 28th day of August 2002 in Quezon City, Philippines.



ERLINDA P. MERAM

OIC, Assistant Secretary
Finance and Management Services



JANE B. BAUTISTA
Rank and-file Representative



ERIBERTO C. ARGETE
Director, Planning and Policy
Studies Service

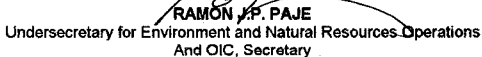


RAMON M. EZPELETA
Director, Administrative Service



ANN CHRISTINE T. ROJO
Head Executive Assistant

ADELUISA G. SIAPNO
OIC-Director, Human Resource
Management Service



RAMON J.P. PAJE
Undersecretary for Environment and Natural Resources Operations
And OIC, Secretary

SEP 02 2002



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MEMORANDUM CIRCULAR

SEP 09 2002

No. 202-09

**SUBJECT : INTERIM FINANCIAL GUIDELINES AND
PROCEDURES IN THE RECEIPT AND
DISBURSEMENTS OF FUNDS FROM
THE DIWALWAL GOLD RUSH AREA**

In line with Memorandum Order No. ~~2002-10~~ and to effect immediately the collection of the government share in the Diwalwal Direct State Development Project, the following are the interim guidelines and procedures regarding the receipt and disbursement of funds from the said project:

1. The Natural Resources Development Corporation (NRDC) shall open an account in any Government Financing Institution in Davao City with NRDC as the signatory and the Regional Director of the Mines and Geosciences Bureau, Regional Office No. XI as counter signatory;
2. Revenues/funds/fees derived and/or collected from the Diwalwal Direct State Development Project shall be deposited in the said account;
3. Prior to any fund disbursements, except for Item No. 5 below, the necessary clearance shall be secured from the DENR Secretary and upon the recommendation of the Project Director of the Diwalwal Direct State Development Project pursuant to DENR Special Order No. 2002 - 638 dated August 11, 2002;
4. Until such time that NRDC has set up its field office in Davao, processing of disbursement vouchers shall be in MGB Regional Office No. XI in accordance with the existing Manual of Approvals, subject to the usual auditing and accounting rules and regulations.
5. Traveling and transportation allowance and other certain expenditures of field personnel authorized by the Project Director of the Diwalwal Direct State Development Project, NRDC President, DENR Region XI Regional Executive Director, MGB Regional Office No. XI Regional Director and/or the Team Leader of the Diwalwal Technical Working Group created under DENR Special Order No. 2002 - 619 dated August 12, 2002 shall be chargeable against the said account specifically the 5% Management Fee, subject to the usual accounting and auditing requirements;

This Circular shall take effect immediately.


HEHERON T. ALVAREZ
Secretary



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MEMO CIRCULAR
No. 2002 - 10

TO : ALL DENR OFFICE/EMPLOYEES CONCERNS
FROM : The OIC Assistant Secretary for
Finance and Management Services
SUBJECT : PROPER ACCOUNTING OF WASTE MATERIAL
DATE : SEP 13 2002

It has come to the attention of this office that some offices are not surrendering the waste material of their upgraded computer. This practice is contrary to the existing government accounting and auditing rules and regulations.

Henceforth, the General Services Division will no longer process disbursement voucher for payment of upgraded computer without surrendering the waste materials to the Property Section GSD.

For information and compliance.


ERLINDA P. MERAM

Let's Go Green!

7788 F. 9/13/02



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MEMORANDUM CIRCULAR NO. 2002 - 11
Series of 2002

OCT 07 2002

SUBJECT: **INITIAL DESIGNATION OF AIRSHED FOR METRO
CEBU**

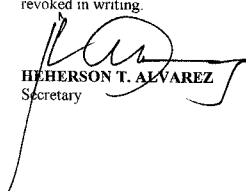
Pursuant to Section 9 of the Philippine Clean Air Act (RA 8749) and Section 1 to 11, Rules XIV Part V of the Implementing Rules and Regulations (DENR Administrative 2000-81), the following areas are hereby and initially designated as part of the Metro Cebu Airshed:

1. Naga
2. Minglanilla
3. Talisay City
4. Cebu City
5. Mandaue City
6. Lapu-lapu City
7. Cordova
8. Consolacion
9. Liloan
10. Compostela

This designation is based on the initial characterization of the Metro Cebu area, showing the same to have complied with the criteria set forth under Section 2 of DAO 2000-81.

Further, pursuant to Section 12, Rule XV, Part V of DAO 2000-81, the airshed shall be re-designated upon consultation with appropriate local government authorities. The Secretary of the Department, upon recommendation of the Bureau, shall from time to time, review, revise, amend and/or expand the designation utilizing eco-profiling, approved air monitoring techniques, validation and scientific studies.

This Circular takes effect immediately and shall remain enforced unless repealed or revoked in writing.


HEHERSON T. ALVAREZ
Secretary

Let's Go Green!



MEMORANDUM CIRCULAR
No. 2002-12

OCT 23 2002

SUBJECT: DELEGATION OF AUTHORITY TO THE EMB REGIONAL OFFICES TO ISSUE "PERMIT TO TRANSPORT" FOR HAZARDOUS WASTES, AND "CERTIFICATION" AND "IMPORTATION CLEARANCE" FOR CHEMICALS AND CHEMICAL SUBSTANCES

In order to facilitate the issuance of permits, certification and clearances as required by Republic Act 6969, the Toxic Substances and Hazardous and Nuclear Waste Control Act and pursuant to Section 8 of the Implementing Rules and Regulations of said Act (DENR Administrative Order No. 92/29), the following are hereby delegated to the EMB Regional Offices:

A. Chemicals and Chemical Substances (Title II)

1. Validation and Issuance of Certification of chemicals in the Philippine Inventory of Chemicals and Chemicals Substances (PICCS);
2. Evaluation and issuance of Small Quantity Importation (SQI) for Chemicals;
3. Registration and Issuance of Importation Clearance for chemicals under Chemical Control Order (CCO) with the exemption of Ozone Depleting Substances which is within our obligations under an international convention.

B. Hazardous Waste (Title III)

4. "Permit to Transport" for hazardous wastes. Permit to Transport shall only be granted to Transporter/Treater duly registered and recognized by the EMB.
5. Registration of Hazardous Waste Generators

Processing/evaluation procedures of the above applications shall be in conformity with DENR Administrative Order 92/29, Procedural Manuals and Guidelines set by the EMB Central Office (CO).

EMB Regional Offices shall submit monthly report regarding the delegated authority.

This Memorandum Circular shall take effect immediately.



HEHERSON T. ALVAREZ
Secretary



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Memorandum Circular No. 2002- 13

NOV 13 2002

Subject: ESTABLISHMENT OF GEOTHERMAL AREAS AS AIRSHEDS

Pursuant to Sections 8 and 9 of Republic Act 8749, Rule XV of DENR Administrative Order 2000-81, and Sections 4c and 4f of Memorandum Circular 2002-03, the Department hereby provides the guidelines for the establishment of geothermal airsheds in the country.

Section 1. Rationale for the Designation of Geothermal Airsheds. Geothermal areas are being declared as airsheds based on the following considerations:

- a. Philippine geothermal areas are located in volcanic setting that is geologically different from other areas in the country. The development of geothermal areas involves the utilization of the geothermal fluids below ground for *in-situ* power generation, which requires a large contiguous area.

A geothermal project area is an integrated system consisting of the underground geothermal reservoir, the fault complexes conducting the steam/hot water from below, surface thermal manifestations, steam gathering and collection system and the power plant with its auxiliary structures. Thus, in addition to the plant, the air quality of the geothermal area is influenced by the natural emissions from the surface thermal manifestations such as but not limited to hot springs, sulfataras and fumaroles as well as vents integral to the project system for the safety of the operation. The natural emissions evolve in time and may change in number, location and intensity. Because of the nature of the geothermal project and its influence over a large area, it is an area emission source that can be segregated as an airshed in itself.

- b. Recognizing the environmental and economic contribution of geothermal resources to the country, these guidelines are being issued to facilitate compliance of the sector with RA 8749. Geothermal energy, a renewable and indigenous resource that provides power security to the country, is a vital component of the Philippine Energy Plan (PEP). It also replaces substantial quantities of imported fossil fuel, providing foreign exchange savings for the country that can be reallocated to much-needed basic social services for the people. Geothermal projects also address the problem of global warming through reduced greenhouse gas emissions.
- c. Consistent with Sec. 9 of RA 8749, a geothermal area has its own development prospects and problems for electric and non-electric uses, which

are different from other areas in the Philippines, thus, qualifying the area to be declared as a separate airshed.

Section 2. Definition of Terms. The following terms as used in this Memorandum Circular are defined as follows:

- a. **Airsheds** refer to areas with similar climate, meteorology and topology, which affect the interchange and diffusion of pollutants in the atmosphere, or areas which share common interest or face similar development programs, prospects or problems;
- b. **Bureau** refers to the Central Office Environmental Management Bureau and its Regional Offices under the Department;
- c. **Department** refers to the Department of the Environment and Natural Resources;
- d. **Department of Energy** refers to the agency created under RA 7638 of 1992;
- e. **Existing projects** refer to those projects that have been designed, bidded out or constructed or in operation before approval of RA 8749, promulgated on 23 June 1999;
- f. **EIS System** refers to the Environmental Impact Statement system as prescribed in PD 1586 and DENR Admin Order 96-37 and other relevant issuances;
- g. **Indigenous energy resources** refer to energy resources which originate or occur naturally in the Philippines, such as but not limited to geothermal, hydro power, biomass and natural gas;
- h. **Renewable energy resources** refer to energy resources that are replenishable and are in areas where energy can be extracted through a working medium or process without any measurable change or effect in the total energy content of the resource over a prolonged period of time;
- i. **Geothermal project** refers to the facilities including but not limited to geothermal wells, pipelines, power plants, non-electric facilities and auxiliary structures and equipment;
- j. **Geothermal area** refers to the geothermal reservoir, the fault complexes conducting the steam/hot water from below, surface thermal manifestations, geothermal project consisting of facilities including but not limited to geothermal wells, pipelines, power plants, non-electric facilities and auxiliary structures and equipment which is delimited by the geothermal block covered by an Environmental Compliance Certificate (ECC) per PD1586;

- k. **Geothermal resource** refers to all geothermal fluids existing naturally or formed by artificial introduction of fluids to naturally hot formations, heat energy from the earth, and any by-product derived from these;
- l. **Governing Board** refers to the Board that manages airsheds, consisting of representatives from local government units concerned, the private sector, people's organizations, NGOs and concerned government agencies, chaired by the Department Secretary;
- m. **New/modified project** refers to any plant, equipment or installation in any trade, business or establishment which generates, emits or disposes air emissions into the atmosphere and constructed after the effectivity of the Implementing Rules and Regulations of RA 8749; and
- n. **Stack** refers to a vertical conduit where concentrated waste gases from the power plant are discharged directly to the environment.

Section 3. Coverage of the Geothermal Airshed. The guidelines in defining the area of the geothermal airshed shall be as follows:

- a. The coverage of the geothermal airshed shall be the geothermal area as defined in this circular and the adjacent area that may be affected by the dispersion of the air pollutants from geothermal operation.
- b. Geothermal airshed is hereby provided for geothermal areas with existing projects and those listed in the Philippine Energy Plan and other geothermal areas certified by the Department of Energy thereafter.
- c. The areal coverage of the geothermal airshed can be amended consistent with the evolution of the geothermal project, in consultation with appropriate local government authorities and upon approval by the Department pursuant to Sec. 9 of RA 8749 and Rule XV, Sec. 12 of its IRR.

Section 4. Procedures in the Establishment of the Geothermal Airshed. The procedures in the establishment of the geothermal airshed are hereby provided:

- a. The Department shall undertake the inventory of all sources of hydrogen sulfide emissions in the geothermal areas and other pollutants that may be identified as critical in the future based on actual sampling, engineering estimates or other academic approaches, with the assistance of the project operator;
- b. The project operator shall conduct air dispersion modeling studies to determine the airshed boundary;
- c. The project operator shall submit to DENR-EMB the air dispersion modeling studies, management measures and the proposed air quality monitoring program;

- d. The Department, through the Bureau, shall delineate the boundaries of the airshed, upon consultation with the stakeholders;
- e. Upon consultation with appropriate local government authorities, the Secretary of the Department, upon recommendation of the Bureau shall, from time to time, revise the designation of airsheds utilizing eco-profiling techniques and undertaking scientific studies.

Section 5. Air Quality Standards. The following are the guidelines for compliance with air quality standards:

- a. Consistent with Sec. 1a of this Circular, the geothermal project shall be classified as area emission source and shall comply with ambient standards as provided for in R.A. No. 8749 and its Implementing Rules and Regulations. In cases where the geothermal project employs technologies that use a stack for the disposal of waste gases to the environment, the project shall comply with both emission and ambient standards.
- b. Hydrogen sulfide (H₂S) as the critical gas may be the emission indicator that will be regulated for geothermal projects and other gaseous pollutants, which may be determined by the Department within the geothermal airshed.

Section 6. Installation of Air Quality Monitoring Equipment. The project operator shall install and maintain the following equipment:

- a. At least two continuous H₂S ambient monitors for each major facility, (e.g. power plant) the location of which shall depend on the air dispersion model. If warranted, stations shall be established within the nearest population. In the case of several geothermal plants in a project within the airshed, monitoring equipment shall be strategically located between plants. Where practicable, the continuous stations shall be approximately co-linear with the geothermal facility.
- b. Meteorological stations to complement the continuous H₂S ambient monitors.
- c. Discrete ambient monitors in case of breakdown or preventive maintenance of the ambient continuous monitors. The stations shall be monitored on a daily basis.

Data quality assurance must be observed and whenever necessary or as the need arises, auditing by a third party may be requested to ensure acceptability of data comparable with the standards.

Section 7. Permits. Operators of geothermal projects are required to secure Authority to Construct and/or Permit to Operate from the Department as provided for in RA 8749 and its Implementing Rules and Regulations.

Section 8. Annual Reports. At the end of every year, the operators of geothermal projects are required to submit a performance report to the Regional EMB, which shall include the monitoring results, compliance assessment with the air quality standards, status of the buffer zone, initiatives towards the improvement, status of monitoring equipment, and relevant maps.

Section 9. The Governing Board and Its Composition. The composition and functions of the Governing Board shall abide by the provisions of RA 8749 and its Implementing Rules and Regulations, provided that the geothermal operator shall be represented in the Governing Board.

Section 10. Emission Charges and Air Quality Management Fund. Geothermal areas shall be subject to provisions on Emission Charge System and Air Quality Management Fund, pursuant to Sections 13 and 14 of RA 8749 and its Implementing Rules and Regulations.

Section 11. Review of Geothermal Airshed. Review shall comply with the relevant provisions of RA 8749.

Section 12. Effectivity. This Memorandum Circular shall take effect immediately.



HEHERSON T. ALVAREZ
Secretary

NOV 13 2002



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NOV 18 2002

DENR
MEMORANDUM CIRCULAR
No. 2002- 14

SUBJECT : Prescribing the Guidelines for the Implementation of Southern Philippines Irrigation Sector Project – Watershed Management Sub-Component (SPISP-WMS)

Pursuant to the Memorandum of Agreement entered into by and between the DENR and the National Irrigation Administration (NIA) relative to the Southern Philippines Irrigation Sector Project and consistent with the thrusts and priorities of the Department, the following guidelines for the implementation of the Southern Philippines Irrigation System Project – Watershed Management Sub-Component (SPISP-WMS) is hereby provided for the guidance of all concerned.

ARTICLE I

Preliminary Provisions

Sec. 1. Scope and Coverage. This Memorandum Circular shall govern the implementation of the different activities of the Watershed Sub-component of the Southern Philippines Irrigation Sector Project, located in Regions VI, VII and CARAGA.

Sec. 2. Implementation Arrangements - The implementation of the SPISP-WMS shall be guided by the strategies and approaches outlined in the Philippine Strategy for Improved Watershed Resources Management, Guidelines for Watershed Management and Development in the Philippines, provisions of EO 263, PD 705 as amended, and other appropriate orders and issuances of the Department. Implementing offices/units shall be guided by the following:

2.1 The over-all implementation of the Watershed Management Sub-component of the SPISP shall be administered by the Forest Management Bureau (FMB) thru the Central Project Management Office (CPMO) in close coordination with the National Irrigation Administration. Project activities shall be implemented by the DENR field office(s) thru the Site Project Management Office(s) concerned.

2.1.1 Implementation of project activities shall be in accordance with the duly approved Work and Financial Plan of the Project.

2.1.2 In carrying out the project area development, project activities may be carried out directly by the SPMO (by administration) or contracted to on-site People's Organizations (PO's) depending on the type of activity and the capability of the PO.

- 2.1.3 In accordance with the approved supplement to the DENR-NIA MOA, funds for the implementation of site activities shall be transferred directly from NIA to the concerned PENRO while funds intended for DENR-CPMO shall be transferred to the Forest Management Bureau (FMB). Obligations and disbursements of funds for the implementation of the project shall be through the implementing office concerned and in consonance with the duly approved Work and Financial Plan. Subsequently, liquidation of expenses and/or Statement of Expenditure (SOE) shall be submitted directly to NIA, copy furnished FMB CPMO, by the respective implementing offices following the format and specific guidelines prescribed by NIA and the Bank (ADB) for the purpose.
- 2.1.4 Costing for the implementation of the work activities shall be based on pertinent DENR issuance or prevailing rates.
- 2.2 Upon termination of the project (SPISP), the management of the watershed shall be turned-over to the Peoples' Organization/s (POs) concerned who shall be organized, strengthened and capacitated for the purpose.

Sec. 3. Definition of Terms – As used in this guidelines, the terms enumerated below shall mean as follows:

- 3.1 Comprehensive Site Development – Plantation establishment activities in a reforestation site which include, among others; construction of infrastructure; seedling production; site preparation; outplanting; replanting; maintenance and protection; and silvicultural treatments such as covercrop planting, income enhancement planting, inter-cropping, and other on-farm livelihood activities by the peoples' organization.
- 3.2 Peoples' Organization/Community Contractor – Refers to an association, organization, foundation, cooperative, or such other popular groupings or formations, duly registered with the appropriate government agency, consisting of 15 or more members who are residing within or adjacent to the Project site who entered into a contract with the Project involving any of the activities in the project sites.
- 3.3 Force Majeure - 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 contractor to carry out, in whole or in part, his/her/their obligations under the contract. These shall include the following:
 - 3.3.1 Those due to human causes as wars, armed invasion, revolution, rebellion, insurrection, armed blockades, riots, civil disturbance, strikes and other analogous causes; and

- 3.3.2 Those due to natural causes such as earthquakes, typhoons, storms, floods, prolonged drought, epidemics and other similar phenomena.
- 3.4 High Value Agroforestry (HVA) – agroforestry system that combines high value crops such as mango, mahogany and ilang-ilang with cash crops such as corn/rice and vegetables. As used in this guideline, HVA refers to forest trees and/or fruit trees planted along the boundary of cultivated farms in the watershed.
- 3.5 Natural Vegetation Strips (NVS) – natural or planted vegetation strips along the contour within cultivated farms in the watershed.
- 3.6 Stream Bank Stabilization – enrichment planting on the 10-meter wide strip on both sides of the stream using Bamboo, Ipil-ipil and other suitable species.
- 3.7 Graded Trail - A path constructed along a carefully surveyed alignment on the ground generally wide enough to permit the use of animal-drawn carts, with gradient or slope normally not exceeding 10%.
- 3.8 Production Forests – Areas with slopes from 18%-50% developed to supply both timber and non-timber products such as bamboo, rattan, horticultural crops (e.g. fruit/nut trees, gums and resins, spices, or a combination thereof.
- 3.9 Protection Forests – Areas regardless of slope which are highly susceptible to erosion or too rocky for establishment of either production forests or limited production forests, developed for the principal objective of establishing vegetative cover to prevent erosion, conserve water and nurture wildlife.

ARTICLE II

Administrative and Financial Management

Sec. 4. As indicated in Section 2 of this memorandum circular, the over-all implementation of the Watershed Management Sub-component of the SPISP shall be administered by the Forest Management Bureau (FMB), in close coordination with NIA. Project activities shall be implemented by the DENR field offices concerned through the respective Sub-Project Site Management Offices (SPMO) created for the purpose.

Sec 5. All administrative concerns in the implementation of the Watershed Management Sub-component of SPISP shall be governed by applicable rules and regulations administered by the Civil Service Commission.

Sec. 6. Financial Management. Funds for the implementation of the site activities shall be transferred directly to the concerned PENRO while funds intended for the operations of the DENR-CPMO shall be transferred to the Forest Management Bureau. Obligations and disbursements of funds shall be covered by the ADB-NIA Project Administration Management Guidelines adopting the 70 % Loan Proceeds (LP) and 30% GOP/PC utilization of funds following the Category 08 – Community Action Activities (Direct Costs) and Category 09-A –

Water Management Administration (Indirect Costs). Charging of expenses shall be in accordance with the approved Work and Financial Plan. Subsequently, financial reports like the Statement of Expenditures (SOE), Cost Summary Report for LP and GOP/PC, Reports of Check Issued shall be submitted directly to NIA for liquidation purposes, and in like manner, the site Project Management Offices shall submit documents to NIA copy furnished the FMB-CPMO. Financial reports shall be certified correct by the Chief Accountant verified and attested as correct by the Resident Auditor.

ARTICLE III

Survey and Delineation of the Project Sites

Sec. 7. Survey and Delineation – The activity includes actual delineation and establishment of the boundaries of the project sites as well as of the different management zones and other zones as may be assigned (e.g. reforestation sites, agroforestry sites, enrichment planting sites, etc.) therein.

- 7.1 Delineation/Validation of Project Site Boundaries and Management Zones. The actual survey of the project site boundaries and management zones therein may be contracted out to the stakeholder-community who may hire technically qualified individuals/(e.g. licensed geodetic engineer or forester) to conduct the survey if they have no capability to do so. In case the community/PO is not technically capable of conducting such survey and is not willing to hire qualified persons, the same shall be manifested in writing and submitted to the Sub-project Site Manager. In such case, the activity shall be contracted to qualified persons/firms through appropriate selection process. The surveyor-contractor however, shall hire laborers from, and shall always coordinate with the community and other stakeholders in the conduct of such survey/delineation. The management zones to be delineated on the ground are, but not limited to, the following: a) Reforestation Site, b) Agroforestry Site, c) Virgin Forest/Protection Forest, d) Second Growth Forest, e) Settlement/Built-Up Area, and f) Proposed Dam Site (if any). Validation of the management zones shall be conducted, if and when necessary.
- 7.2 Map and Technical Report Preparation - This activity shall include preparation of control and operations maps and technical report clearly indicating the results of the survey activities. Different management zones shall likewise be reflected in the map such as zones of the natural forest, reforestation areas, upland farms, settlement/built-up areas and unclaimed areas, if any.

ARTICLE IV

Physical Development

Sec. 8. Coverage – Consistent with the participatory approach to watershed management as prescribed under the Strategy for Watershed Resources Management, the physical development of the project sites shall be undertaken primarily by the stakeholder-community through appropriate contract(s) with DENR. Physical development shall be based on the approved annual

work and financial plan of the project and on the Watershed Management Plan prepared for each site. The physical development component consists of the following activities:

- 8.1 Reforestation Activity – involves the planting of trees and other perennials in the denuded forestland portions of the project sites.
- 8.2 Enrichment Planting/Assisted Natural Regeneration – involves the planting of trees within inadequately stocked forestlands and farm boundaries to improve its forest stock.
- 8.3 Agroforestry Development – involves the management system that combines NVS, HVA, production of agricultural crops/fruit-bearing trees and forest trees and/or livestock simultaneously or sequentially on the same unit of land. This activity shall be undertaken by the stakeholder-community, either collectively or individually. Planting and/or seedling production under this activity may be contracted to a community or family contractor.
- 8.4 Stream Bank stabilisation – involves planting of bamboo and other prescribed species in strips along banks of rivers to minimize occurrence of erosion and sedimentation.

ARTICLE V Support Services

Sec. 9 Nursery Operation – involves all activities in the production of planting stock preferably to be undertaken by the stakeholder-community through a contract. However, production of planting stock may be through procurement if and when the situation demands it or does not allow enough time for raising in the Project nursery. The planting stock to be produced/procured shall include forest trees, fruit-bearing trees and other agricultural crops suitable to the planting sites. It shall be used in the physical development activities of the project.

Sec. 10 Information, Education and Communication (IEC) – The activity shall include the preparation of a comprehensive plan on IEC campaign to enhance community awareness on the importance of the watersheds and the benefits that can be derived therefrom, as well as to generate support for the project from the general public. The activities shall include, but not limited to, installation of billboards, production of print materials, conduct of house-to-house visits and community assemblies.

Sec. 11 Training - To ensure that the participating organizations and the project staff are equipped with knowledge and appropriate skills necessary for the implementation of the project, the project shall undertake series of seminar-training for such purpose. This activity shall also include capacity building on livelihood and enterprise development. A comprehensive training needs assessment shall be conducted by the project staff to determine the training needs of the participating communities who will be the eventual managers of the project.

Sec. 12 Provision of Appropriate Land Tenure Instruments (LTI) - In consonance with the prescribed watershed management strategies of multiple use and participatory/community-based resource management, the following arrangements shall be adopted:

- 12.1 All existing land tenure arrangements (e.g. CBFMA, CSC, CFSA) covering portions of the watershed project sites shall be respected.
- 12.2 Areas not covered by any land tenure instrument but are suitable and being applied for such purpose by legitimate claimants may be awarded through appropriate land tenure instrument in accordance with pertinent rules and regulations and guidelines prescribed therefor.

Sec. 13 Research and Development – research and development activity shall include the conduct of appropriate research studies to improve strategies and approaches in watershed management, generation of database such as but not limited to, the development of appropriate technologies for the implementation of the various activities of the project.

Sec. 14 Community Organising/Strengthening –community organising is a continuing process that involves the formation, and/or strengthening of people’s organization, cooperative, federation or any other popular groupings. It shall be conducted by project in-house staff with the assistance of potential community leaders that may be identified. In order to facilitate the formation of responsible groups, value formation, leadership and other appropriate training programs may be provided to the participants.

Sec. 15 Formation of Watershed Management Council- This council shall serve as an advisory body composed of representatives from the community, DENR (PENRO), concerned LGU, NGOs (if there are any) to provide assistance to the community in cases of conflict and other matters that the community cannot decide on its own. The WMC is an oversight and advisory body. Decisions on the day-to-day operations of the community will be a responsibility of the organizations. WMC shall meet regularly at a date agreed upon by the members.

Sec. 16 Forest Protection – This involves all activities necessary for the protection of the watershed sites from all forms of destruction (e.g. timber poaching, forest fires, pest and diseases, inappropriate uses, etc.). Such activities may include deputation of community members as forest environment and natural resources officers, foot patrol, formation of community forest protection teams and fire brigades, and establishment of forest product monitoring centers.

ARTICLE VI

Infrastructure Support

Sec. 17 Infrastructure Support – The Project shall provide the necessary infrastructure facilities in support of its various activities. The said facilities may include establishment of field offices, nursery facilities, structural measures for soil erosion control, look-out towers, graded trails and other appropriate infrastructure support in coordination with other appropriate agencies. Construction of such facilities shall be as far as possible contracted to the community. Otherwise it may be contracted to a competent individual/outfit or undertaken by the project itself. In such

case, however, the labor for the establishment/installation/construction of such facilities shall be tapped from the stakeholder-communities.

ARTICLE VII

External Linkages

Sec. 18 External Linkages – To ensure sustainability of the project, and to ensure that the community may avail of other basic services from other government and non-government entities, academic and research institutions, the capability of the community to access support from these groups will be hastened. When necessary, participation or involvement of other groups will be through MOA/MOU between and among all stakeholders, or through any other appropriate arrangements.

ARTICLE VIII

Monitoring and Evaluation

Sec. 19 Monitoring and Evaluation – Regular monitoring and evaluation of project sites will be conducted by the CPMO in close coordination with the SPMO and concerned DENR offices (CENRO/ PENRO/ Regional Office) and NIA. There will also be a mid-project and end-of-project assessment to be conducted by CPMO, SPMO, NIA, PENRO /Regional Office in close coordination with the concerned Local Government Units. Periodic review missions may be conducted by ADB, the funding agency. The cut-off date for the submission of report by the SPMO to the CPMO of its regular monitoring of project accomplishments shall be every 15th day of the month. The CPMO, on the other hand, shall consolidate the reports and submit the same to NIA not later than the 25th day of the month under review.

Sec. 20 Billing and Validation/Inspection- In case of contracted activities to the community, the PENRO shall create/dispatch an inspection/validation team in cases where ground validation/inspection of accomplishment(s) being billed for payment by the contractors is needed. In cases where there is no existing inspection/validation team, the same shall be created through a PENRO Special Order. The report of the inspection/validation team shall serve as the basis of the payment or non-payment of the billed accomplishments.

Sec. 21 Mode of Implementation – The validation by above-evaluation team shall be done primarily to determine the extent to which the community contractor had attained the targets specified in their agreement. This shall be the basis for determining the amount payable to the community contractor. The validation team will conduct inspection and assess performance in response to progress billings submitted by the contractor. The team shall use standard procedures adaptable to a given area. They shall likewise identify implementation issues and concerns and recommend measure(s) to address the same.

Sec. 22 Frequency of Inspection/Assessment – Inspection and assessment of accomplishment of contractor shall be undertaken upon request/submission of billing by the contractor based on the approved contract.

ARTICLE IX
Contract Management

Sec. 23 Mode of Awarding Contracts -- Contract of activities shall be awarded in accordance with applicable rules and regulations, and guidelines. Reforestation or watershed rehabilitation contracts may be in the form of the following: a) Service Contract (Pakyaw), b) Family Approach Contract, c) Community Contract/Peoples Organization Contract or any other appropriate schemes depending upon the feasibility and practicality of each form as determined by the Sub-project Site Manager.

Sec.24 Performance Bond - Contractors of the Project activities shall be required to post in favor of DENR a Performance Bond equivalent to 10% of the total contract cost issued by the Government Service Insurance System (GSIS) or any accredited bonding agency callable on demand in order to guarantee the faithful performance of the contractor. It shall be released to the contractor upon acceptance of the contracted services in accordance with DENR MC No. 24, Series of 1990.

Sec. 25 Payment of Mobilization Cost - 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 in community-based reforestation contracts. The contractor community/family shall be entitled to the payment of mobilization cost which shall not exceed fifteen percent (15%) of the first year cost. The mobilization cost however shall be deductible from the payments for the progress billings of the contractor in a prorated manner.

Sec. 26 Payment of Billings - Succeeding payments to the contractor shall be made only in response to written progress billings submitted to the Sub-project Site Manager in accordance with the payment schedule. Upon receipt of the billing, the Sub-project Site Manager shall immediately endorse the same directly to the PENRO concerned who shall dispatch the inspection/validation team (IVT) within 3 days upon receipt of the endorsement. The IVT shall, within 3 working days upon instruction by PENRO, inspect the accomplishment(s) being billed for. Within three (3) working days after inspection, the IVT shall submit their inspection report to the Sub-project Site Manager who shall in turn endorse the same to the paying authority. The report may either recommend for payment of the bill in such amount as may be warranted by actual accomplishments, for adjustment, or 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 contractor. If rejection is recommended by IVT, the Sub-project Site Manager shall notify the contractor within three (3) working days from receipt of the Inspection Report informing the latter of such and the reasons therefor. The Sub-project Site Manager shall have the right to suspend payment, or impose such conditions as may be appropriate, if the result of inspection by the IVT indicate that accomplishments are below the targets specified. Suspension, if imposed, shall last until such time that the contractor overcomes any shortfall in performance and compliance with the terms and conditions of the contract.

Sec. 27 Minimum Survival Rate – The minimum survival rate in contract reforestation that is acceptable to DENR upon completion and turn-over of the contracted reforestation site shall be 80% each of the final crop and nurse trees, the latter shall be if and when required or other perennials based on the prescribed planting density/design.

Sec. 28 Retention Fee – To further guarantee accomplishment of the contracted activities/services, an amount equivalent to 15% of the total contract cost shall be retained by DENR office concerned. This amount shall be disbursed to the contractor as final payment upon satisfactory completion of the contracted services.

Sec. 29 Force Majeure - In case of force majeure, the contractor shall notify the Project in writing within seven (7) days after its occurrence, describing the same and its effects upon the performance. The parties to the contract shall, within five (5) days after receipt of the notice by the Project, 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 of the contract. Forest fires regardless of cause or 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, the contractor 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 contractor 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 DENR is not liable to the 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. 30 Resolution of Disputes - In case of issues arising from a contract entered into pursuant to these guidelines, the contractor shall submit in writing his/her/their concern(s)/issue(s) to the Sub-project Site Manager who shall settle said concern(s)/issue(s) not exceeding fifteen (15) days thereafter. If and when the contractor is not satisfied with the decision rendered by the Sub-project Site Manager, he/she/they may elevate their case to the CENRO/PENRO or the Watershed Management Council for resolution. Issues that are policy in nature but specific to the watershed site shall be resolved by the Watershed Management Council which shall meet immediately to render resolution on such issues. The resolution shall be in writing furnishing the party(ies) concerned a copies thereof.

Sec. 31 Termination and Cancellation of Contracts - Contracts executed under these guidelines shall be terminated upon completion of the stipulated services in a manner acceptable to the project. Contracts may likewise be terminated or cancelled, after evaluation and due process has been observed, on the following grounds:

- 31.1 Fraud, misrepresentation or omission by the contractor of material facts in obtaining the contract which would otherwise disqualify him/her/them therefrom.
- 31.2 Failure to start the contracted services on the date specified in the contract without just cause.

- 31.3 Abandonment of the contracted site, or of the contracted work for a period of at least one month from the date of discovery by DENR of such fact.
- 31.4 Violation of, or failure to comply with, the terms and conditions of the contract, the pertinent provisions of this Guideline, and other rules and regulations, without just cause.

Sec. 32 Contract Supervision - The Sub-project Site Manager with the supervision of the CENRO/PENRO shall be responsible for ensuring proper and faithful compliance with the terms and conditions of the contract as well as with all other pertinent rules and regulations. He/she shall provide overall direction, management and control of contracted activities. The SPISP Sub-project Management Office shall assist in preparing documents, provide technical assistance, process billings, monitor progress of implementation and perform other duties as may be necessary for effective supervision and management.

Sec. 33 Contract Integrity - Department of Environment and Natural Resources (DENR) policies, rules and regulations applicable to SPISP-WMS 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, or provisions thereof, may apply only if they are not prejudicial to the contractor.

ARTICLE X

Penalty Provision

Sec. 34 Liabilities of the Contractor - In case of failure of the contractor to undertake activities stipulated in the contract as determined by the project after payment has been released, the contractor is liable to return to the government expenditures in cash or render services to the project corresponding to the amount paid without prejudice to filing an appropriate case against him.

ARTICLE XI

Final Provision

Sec. 35 Supplementary Rules and Regulations - The SPISP-WMS Central Project Management Office is hereby authorized to issue such supplemental or interpretative rules and regulations, as may be necessary taking into account the peculiarities or unique conditions in the project area.

Sec. 36 Repealing Clause - Unless otherwise explicitly provided under these guidelines, all other DENR issuances, rules and regulations that are inconsistent herewith shall not be applied.

Sec. 37 Separability Clause - In the event that 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. 38 Effectivity - These guideline shall take effect immediately and the Project shall undertake a systematic information/education campaign to ensure that all Project implementors and beneficiaries are fully aware of and can understand the provisions provided in these guidelines.




HEHERSON T. ALVAREZ

Secretary

NOV 18 2002

Recommending Approval:



ROMEO T. ACOSTA

Director, FMB, and Concurrent
Project Director, SPISP-WMS



DEMETRIO D. IGNACIO

Undersecretary for ENR Policy and Planning



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MEMORANDUM CIRCULAR
No. 2002-15

NOV 25 2002

TO : All DENR Regional Executive Directors
All EMB Regional Directors
All Heads of EIA Unit/Division
All Concerned

FROM : The Secretary

SUBJECT : Scope of Violations and Guidelines for the Imposition
of Penalties for Violations under the Philippine EIS
System (P.D. 1586)

Consistent with the DENR's thrust to strengthen the procedure in the imposition of fines and penalties upon persons or entities found violating provisions of P.D. 1586 or its implementing rules and regulations, the following procedures and guidelines shall be implemented:

SCOPE OF VIOLATIONS

A. Projects which are established and/or operating without an ECC

- a. For projects classified as Environmentally Critical

ECP and other projects classified as critical based on the nature of activity/process posing significant environmental risk (i.e. hazardous waste disposal facility, sanitary landfills, etc.) found operating without a valid ECC and after observing the due process shall be ordered closed, through a Cease and Desist Order (CDO) as cited in Section 6.0 of DAO 96-37. However, for projects that pose danger to life and property, a Cease and Desist Order (CDO) shall be immediately issued.

- b. For projects located in Environmentally Critical Areas (ECAs)

The following criteria for the reduction of the Php50, 000.00 maximum penalty shall be implemented for projects located in an ECA:

1. Nature of ECC Application

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25% reduction of the maximum penalty if the proponent has applied for an ECC before issuance of Notice of Violation (NOV).

2. % Completion

10% reduction of the maximum penalty if the project is not more than 25% completed; and

5% reduction of the maximum penalty if the project is more than 25% completed but less than 50% completed.

No reduction if project is more than 50% completed.

Note: The proponent shall submit a certified scope of work with supporting documents. In case the proponent submitted an unverified certification, it cannot avail of the above reduction.

3. Project Cost

20% reduction of the maximum penalty if the project cost is less than or equal to Php5.0M; and

10% reduction of the maximum penalty if the project cost is not more than Php10M.

Note: A certification from the proponent shall be submitted regarding the project cost with supporting documents, i.e., SEC Registration showing capitalization. In case the proponent submitted an unverified certification, it cannot avail of the above reduction.

4. Project Impact on the Environment

25% reduction of the maximum penalty if the project does not cause adverse environmental impacts.

A maximum of 80% reduction in penalty can only be imposed provided that the project proponent meets all of the above criteria.

B. Projects Violating ECC conditions or rules and regulations

Projects violating any of the conditions in the ECC or rules and regulations pertaining to the EIS System shall be subject to suspension or cancellation of its ECC and/or a fine in an amount not to exceed Php50, 000.00 for every violation of the ECC condition or the EIS System rules and regulations for projects classified as ECP and ECA.

This excludes the penalty for Telecommunication Projects found operating without an ECC as per Memorandum Circular No. 02, Series of 2000.


This Memorandum Circular shall take effect immediately.



HEHERSON T. ALVAREZ

NOV 25 2002

Recommending Approval:



JULIAN D. AMADOR
EMB Director

cc: Office of the EMB Director
Office of the Undersecretary for Environment and Natural Resource Operations, DENR
Office of the Undersecretary for Legal, Lands and International Affairs, DENR

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DENR MEMORANDUM CIRCULAR
NO. 2002 - 16

NOV 29 2002

**SUBJECT : GUIDELINES GOVERNING THE FUND SUPPORT
SYSTEM TO SUBPROJECT SITE MANAGEMENT
OFFICE OF FORESTRY SECTOR PROJECT**

In consonance with DAO 2000 - 65, entitled "Guidelines Governing the Creation of Subproject Site Management Office (SUSIMO) and its Institutionalization in the Forestry Sector Project (FSP) Implementation", the following guidelines establishing the Fund Support System to SUSIMOs of FSP subprojects funded under the Japan Bank for International Cooperation (JBIC) loan are hereby adopted.

SECTION 1. BASIC POLICY

It is the policy of the State to ensure the sustainable management of forestland and coastal areas by providing technical and financial support to communities dependent on these lands and resources. In pursuance of this policy, the DENR by virtue of DAO 2000 - 65, created SUSIMOs in all JBIC-FSP subprojects. To sustain the operation of these SUSIMOs, it is necessary to provide adequate financial support systems.

SEC. 2. OBJECTIVES

The objectives of the fund support system are:

- 2.1 To provide adequate and timely financing for the operation of the SUSIMOs; and
- 2.2 To ensure efficiency in the utilization of funds by providing the appropriate financial systems and procedures.

SEC. 3. SUSIMO PETTY CASH FUND

In order to provide a channel for continuing financial support, a Petty Cash Fund Account shall be opened and maintained at the nearest on-line Land Bank of the Philippines (LBP) branch for each SUSIMO. The Petty Cash Fund shall be used to finance the operation of each SUSIMO. The initial amount of deposit (cash advance) to the Petty Cash Fund shall be FIFTY THOUSAND PESOS (P 50,000.00) subject to replenishment upon submission of liquidation report to the Regional Office/PENRO.

SEC. 4. DEFINITION OF TERMS

For the purpose of this circular, the following terms and phrases are defined:

- 4.1 Requisition & Issue Voucher (RIV) – a prescribed form indicating items and quantity of supplies and/or services needed by the SUSIMO duly accomplished by a SUSIMO unit and must be approved by the Subproject Management Officer (SMO) before any procurement of supplies and/or services is undertaken.

- 4.2 Canvass of Quotations - prices quoted by at least three (3) suppliers / contractors to support procurement of supplies and/or services.
- 4.3 Official Receipts - documents (cash invoices/sales invoices registered with BIR) to support payment of supplies and/or services procured by SUSIMO.
- 4.4 Reimbursement & Expenses Receipt (RER) - COA prescribed form to support miscellaneous expenditures (usually less than P 100.00) not covered by official receipt.
- 4.5 Communication Services (200-03) - object of expenditure against which the SUSIMO can charge postal fee, courier's fee, telephone bills (wireless and cables) and telegraph / fax messenger services, cellphone bills.
- 4.6 Repair & Maintenance of Government Vehicle (200-05) – this object of expenditures covers the cost of repairing and maintaining the official SUSIMO vehicle in running condition. Not included herein are spare parts, gasoline and oil which are chargeable against objects 200-07 or 200-23.
- 4.7 Supplies & Materials (200-07) – this object of expenditures covers office supplies and other materials of SUSIMO including minor office equipment costing less than P 10,000.00.
- 4.8 Gas, Oil and Lubricants (200-23) - operating cost and maintenance of vehicle assigned for the use of SUSIMO can be charged against this expense object.
- 4.9 Other Services (200-29) - this object of expenditure includes the cost of services which are not classified under other accounts defined under this circular but are necessary in the pursuance of the SUSIMO mandate, and eligible as official expenditure under government accounting and auditing rules and regulations.
- 4.10 SUSIMO Petty Cash Fund Account - a special joint savings account maintained by SUSIMO, SMO and a staff designated as Special Disbursing Officer at any online Land Bank of the Philippines branch nearest to the subproject; Provided, that the SMO and SDO are properly bonded.
- 4.11 Subproject Management Officer (SMO) – the designated head of the SUSIMO.
- 4.12 Special Disbursing Officer (SDO) – a SUSIMO staff preferably the head of the Administrative Support Unit (ASU) designated as custodian of the Petty Cash Fund; Provided, that the SDO shall be properly bonded.
- 4.13 Liquidation - preparation and submission of report of disbursement to the Regional Office/PENRO together with all the supporting documents for purposes of replenishment.
- 4.14 Replenishment - succeeding cash advances to replace the amount disbursed and liquidated by the SUSIMO out of its Petty Cash Fund.
- 4.15 Work and Financial Plan - the approved plan of activities with the corresponding budgetary requirement approved for each SUSIMO which shall be the guide for disbursing the fund intended for SUSIMO operation.

NOV 29 2002

SEC. 5. ESTABLISHMENT OF PETTY CASH FUND

- 5.1 The SMO and the duly designated SDO of the SUSIMO shall apply for bonding as accountable officers of SUSIMO. They shall fill up and submit a Request for Bonding (General Form Nos. 57 A and 58 A) to the Bureau of Treasury together with the following:
- 5.1.1 Appointment and/or designation as accountable officer.
 - 5.1.2 Written character references by at least three officials of the Agency one of whom is the Administrative and/or Legal Officer, other than the official who appointed/designated him.
 - 5.1.3 Statement of assets and liabilities as of the end of the preceding year.

The foregoing documents shall be submitted, together with the application for bond, to the Fidelity Bond Division of the Bureau of Treasury.

- 5.2 A copy of the Request for Bonding shall be submitted to the Regional Office/PENRO which shall be the basis for processing of initial cash advance of P 50,000.00 for the SUSIMO Petty Cash Fund.
- 5.3 The SMO and the designated SDO shall open a joint savings account with an on-line LBP branch nearest to the subproject. The Regional Office/PENRO shall be informed of the savings account number where the region/PENRO shall deposit the initial cash advance and the succeeding replenishment.
- 5.4 The Regional Office/PENRO shall release the initial cash advance to the SUSIMO Petty Cash Fund only upon submission by the concerned SUSIMO staff of their Bureau of Treasury (BTr) approved Certificate of Bond.

SEC. 6. EXPENDITURES ELIGIBLE FOR PETTY CASH FUND FINANCING AND LIQUIDATION REQUIREMENTS

The SUSIMO expenditures shall not exceed the budget allotted for each expense class per approved Work and Financial Plan.

Object of Expenditures	Supporting Documents
6.1 Comm. Services (200-03)	Official Receipts and/or Cash Invoices
6.2 Repairs and Maintenance of SUSIMO Vehicles (200 - 05)	Official Receipt, Statement of Account, RIV, Inspection Report, Report of Waste Materials and Certificate of Acceptance
6.3 Supplies and Materials (200-07)	Official Receipt or Cash Invoice, RIV and Canvass of Quotations, Memo Receipt for minor equipment and Certificate of Acceptance
6.4 Gas, Oil & Lubricants (200-23)	Official Receipt or Cash Invoice, RIV and or Trip Ticket and Travel Order if outside of subproject
6.5 Other Services (200-29)	Cash Invoice and Statement of Accounts, Canvass of Quotations, Contract of Service, Certificate of Acceptance and Attendance Sheets (for meetings and/or workshops only)

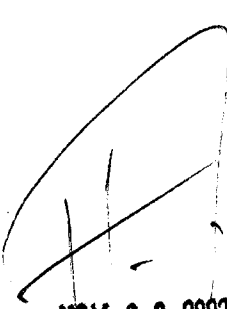
NOV 29 2002

SEC. 7. DISBURSEMENT OF SUSIMO FUND

- 7.1 Each SUSIMO unit shall prepare monthly Work and Financial Plan (including RIV's) for submission to the ASU Head and to be approved by the SMO.
- 7.2 Procurement shall strictly conform with the planned expenses. To facilitate liquidation, withdrawal and procurement shall be made twice per month, preferably every 15th and 30th day of the month.
- 7.3 Before any procurement, the ASU Head shall conduct canvass of quotations from at least three suppliers / dealers of supplies and materials and/or contractors of services. Procurement shall be made only from the supplier/dealer who has lowest quoted canvass / most advantageous to the government.
- 7.4 Payment to supplier or contractor shall be made only upon the complete delivery of the items/services procured from them, upon presentation of official receipt / cash invoice and statement of account, and upon written acceptance of the supplies and/or services by the SMO or his/her duly authorized representative.

SEC. 8. PROCEDURE FOR LIQUIDATION AND REPLENISHMENT OF SUSIMO PETTY CASH FUND

- 8.1 If SUSIMO Fund is at the Regional Office,
 - 8.1.1 The SDO, at every half-month or whenever 50% of the Petty Cash Fund has been disbursed, shall consolidate all disbursements and classify each expenditure by object (i.e. communication services, supplies and materials, etc.). He/she shall then prepare a Report of Disbursement summarizing all expenditures for the period.
 - 8.1.2 A photocopy of the updated bankbook shall be attached to the liquidation report.
 - 8.1.3 The SDO shall then prepare a memorandum to be signed by the SMO addressed to the RED, attention FSP Focal Person and Finance Officer, requesting the Regional Office to facilitate replenishment of the SUSIMO Petty Cash Fund. The memorandum including the liquidation report shall be submitted to the Regional Office, copy furnished the CENRO, together with all the supporting documents (i.e. O.R., Invoice, etc.).
 - 8.1.4 The FSP Focal Person, upon receipt of the request, shall initiate the preparation of voucher for additional cash advance to replenish the SUSIMO Petty Cash Fund and forward the same to the ARED for Operation within the day.
 - 8.1.5 The RED or in his/her absence, the designated OIC, shall approve (or disapprove) the voucher within the day and forward the same to the Finance Division for immediate processing.



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- 8.1.6 The Finance Officer, thru the Budget and Accounting units, shall facilitate the processing of SUSIMO cash advance within the day and forward the same to the Cashier for check preparation.
- 8.1.7 The Cashier shall immediately prepare the check and have it signed by the authorized signatories pursuant to DAO 2000-11 (Manual of Approvals) and within one day release it to the SMO/SDO.

8.2 If SUSIMO Fund is at the PENR Office,

- 8.2.1 The SDO, at every half-month or whenever 50% of the Petty Cash Fund has been disbursed, shall consolidate all disbursements and classify each expenditure by object (i.e. communication services, supplies and materials, etc.). He/she shall then prepare a Report of Disbursement summarizing all expenditures for the period.
- 8.2.2 A photocopy of the updated bankbook shall be attached to the liquidation report.
- 8.2.3 The SDO shall then prepare a memorandum to be signed by the SMO addressed to the PENR Officer, attention PENRO Accountant, requesting the PENRO to facilitate replenishment of the SUSIMO Petty Cash Fund. The memorandum including the liquidation report shall be submitted to the PENRO thru the CENRO, together with all the supporting documents (i.e. O.R., Invoice, etc.).
- 8.2.4 The CENR Officer, upon receipt of the request, shall initiate the preparation of voucher payable to the concerned SMO/SDO for additional cash advance to replenish the SUSIMO Petty Cash Fund. The same shall be forwarded to the PENRO the following day.
- 8.2.5 The PENR Officer or in his/her absence, the designated OIC, shall approve (or disapprove) the voucher within the day and forward the same to the Budget and Accounting Units for immediate processing.
- 8.2.6 The PENRO Budget and Accounting Units shall facilitate the processing of SUSIMO cash advance within the day and forward the same to the Cashier for check preparation.
- 8.2.7 The Cashier shall immediately prepare the check and have it signed by the authorized signatories and within one day release it to the SMO/SDO.

SEC. 9. CASH AUDIT

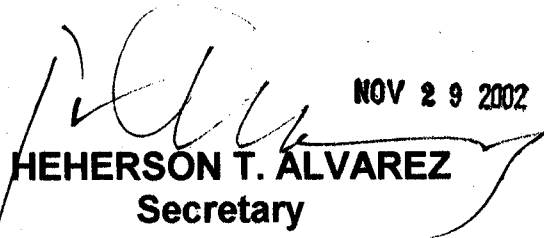
The SDO shall make available pertinent records related to the Petty Cash Fund to the visiting Regional Finance and or NFDO Finance staff for purposes of conducting a cash audit, without prejudice to the periodic audit to be conducted by the Commission on Audit.

SEC. 10. REPEALING CLAUSE

All provisions of previous memorandum circulars, memorandum orders, and other regional memoranda inconsistent herewith are hereby repealed, modified or amended accordingly.

SEC. 11. EFFECTIVITY

This Circular shall take effect immediately.


NOV 29 2002
HEHERSON T. ALVAREZ
Secretary



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MEMORANDUM CIRCULAR
No. 2002- 17

DEC 09 2002

SUBJECT: **ERRATA TO THE DENR ADMINISTRATIVE ORDER
NO. 2000-81, SERIES OF 2001**

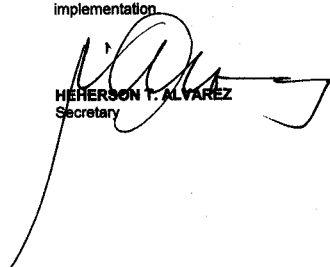
Revisions are hereby made of some portions of Table 13, Part IX, Rule XXXI of DENR Administrative Order No. 2000-81, Series of 2001 (Implementing Rules and Regulations of RA 8749), due to typographical errors, to wit:

The last line, columns 4 and 5 shall be stated/corrected as follows:

			6	8.4

All the other data in this Table are maintained.

The above modifications shall be published as required by law prior to implementation.


HEHERON T. ALVAREZ
Secretary

PUBLICATION:

MANILA STANDARD - DECEMBER 13, 2002

Let's Go Green!



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MEMORANDUM CIRCULAR

NO. 2102-18

DEC 12 2002

**SUBJECT : AMENDING MEMORANDUM CIRCULAR No. 2002-09
DATED SEPTEMBER 9, 2002**

In order to expedite fund disbursement so as not to hamper operations in the Diwalwal Direct State Development Project (DDSDP), paragraph 3 of Memorandum Circular No. 2002-9 dated September 9, 2002 Re *Interim Financial Guidelines and Procedures in the Receipt and Disbursements of funds from the Diwalwal Gold Rush Area*, is hereby amended in so far as securing clearance from the DENR Secretary is concerned, and to read as follows:

3. Except for item no. 5 below, fund disbursement shall be approved as follows:

- A. For the following activities, by the DDSDP Project Director or his designated representative:
 - 1. Geological surveys and underground mine surveys;
 - 2. Regular monitoring of the mining operations;
 - 3. Training of mine safety, first aid and environmental protection to small scale miners and mineral processors; and
 - 4. Other activities of the DDSDP Technical Working Group.

- B. For the following activities, by the NRDC President or his designated representative:
 - 1. Implementation of the mine management plan for the Diwalwal mining operations;
 - 2. Construction, operation and management of the Mabatas Mine Tailings Dam;
 - 3. Such other expenses relative to the administrative, financial and marketing operations of the DDSDP.

This Circular shall take effect immediately.


HETHERON T. ALVAREZ
Secretary



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DEC 12 2002

DENR MEMORANDUM CIRCULAR

No. 2002-19
Series of 2002

SUBJECT : Guidelines for the Selection, Appraisal, Approval and Monitoring and Evaluation of Projects Implemented under the DENR CLASP

Pursuant to DENR Special Order No. 2001-660 dated November 5, 2001, creating the Committees/Teams for the Development and Implementation of the DENR-Community Livelihood Assistance Special Program (CLASP), the following guidelines governing the selection, appraisal, approval and monitoring and evaluation of DENR-CLASP projects are hereby adopted:

Section 1. Rationale

DENR-CLASP is in response to the government's call for wealth creation and poverty reduction in resource-dependent communities of the country. CLASP aims to provide livelihood opportunities to local communities, peoples organizations (POs), non-government organizations (NGOs) and local government units (LGUs) by serving as an information exchange and coordinating center for facilitating access to available technologies and funding from the DENR.

Through the CLASP, DENR shall identify and introduce environment and natural resources related livelihood technologies; provide information and extend technical support for the selection of appropriate technologies; prepare business plans; source funds for the development of projects; provide support services such as training, research and development of model sites; market assistance; and dissemination of necessary information. DENR shall also continuously provide the necessary policies to sustain the implementation of CLASP.

Section 2. Objectives

The objectives of this Circular are as follow:

- 2.1 to provide an orderly and clear procedure in the selection, appraisal and approval of project proposals under CLASP
- 2.2 to establish appropriate procedures and methodologies in the monitoring and evaluation of the physical and financial aspects of projects



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DENR MEMORANDUM CIRCULAR

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Through the CLASP, DENR shall identify and introduce environment and natural resources related livelihood technologies, provide information and extend technical support for the selection of appropriate technologies; prepare business plans; source funds for the development of projects; provide support services such as training, research and development of model sites; market assistance; and dissemination of necessary information. DENR shall also continuously provide the necessary policies to sustain the implementation of CLASP.

Section 2. Objectives

The objectives of this Circular are as follow:

- 2.1 to provide an orderly and clear procedure in the selection, appraisal and approval of project proposals under CLASP
- 2.2 to establish appropriate procedures and methodologies in the monitoring and evaluation of the physical and financial aspects of projects

- 2.3 to guide program participants, field staff and other concerned units on the implementation of CLASP livelihood projects.
- 2.4 to secure maximum management intervention to sustain the nationwide implementation of the program.

Section 3. Scope and Coverage

This order shall cover sustainable livelihood activities proposed and initiated by the DENR Field Offices with the POs, LGUs and other stakeholders. The activities shall be within the scope of the government's call for poverty reduction and wealth creation in the Philippines.

Section 4. Services Provided by CLASP

The following specific services shall be provided by the CLASP:

- 4.1 Identification and introduction of ENR-related livelihood/wealth creating projects that can be adopted by upland, coastal, urban, and other communities;
- 4.2 Provision of technical assistance for selection of appropriate technology, preparation of livelihood or business plan, sourcing of funds to start the implementation of livelihood projects or to expand existing ones that have the potential for sustainability and commercial viability;
- 4.3 Provision of support services on skills training for project beneficiaries and cooperators, project management, product development, marketing strategies, and networking/linkaging, among others.
- 4.4 Conduct of policy, operation, and necessary researches and strengthening the CLASP Information Management System that aims to ensure the sustainability of the ENR livelihood programs and projects;
- 4.5 Establishment of livelihood prototype/demonstration or model sites, documentation of success stories, and conduct of Information, Education and Advocacy campaign.
- 4.6 Formulation and preparation of general livelihood guidelines and standards for strategic interventions of all sectors concerned in support to the National CLASP Framework Plan of the DENR.

Section 5: Criteria/Requirements for the:

5.1 Selection of Livelihood Projects

The criteria for the selection of livelihood projects for promotion by the CLASP are the following:

- 5.1.1 Development of ENR in an environmentally sound and sustainable way
- 5.1.2 Technological viability, e.g., applies technologies and/or indigenous knowledge developed, tested and validated by the DENR and other institution.
- 5.1.3 Market/economic viability, or can potentially lead to a commercially viable project that can contribute to wealth creation in the local communities
- 5.1.4 Local adaptability and acceptability
- 5.1.5 Practical applicability and has the confidence of the CLASP implementation Committees about its potential success
- 5.1.6 Can potentially elicit support from other sources of assistance, e.g., LGUs, business companies, NGOs, etc.

5.2 Selection of Beneficiaries

The following are the target beneficiaries of the project:

- 5.2.1 Local Communities/Indigenous Peoples (IPs)
- 5.2.2 People's Organizations (POs)
- 5.2.3 Non Government Organizations (NGOs)
- 5.2.4 Local Government Units (LGUs)
- 5.2.5 Other Government and Non-Government Institution

5.3 Selection of Sites

The sites for the project should have all of the following:

- 5.3.1 Committed and supportive LGU
- 5.3.2 At least one functional and good performing people's organization (PO) that is actively involved in ENR or poverty alleviation projects

5.3.3 Public Land, e.g., within CBFM and NIPAS Multiple Use Buffer Zones and other suitable areas

5.3.4 Accessible areas

Section 6: Prescribed Format for Project Proposals

Attached, as Annex 1 is the prescribed outline for proposals whose funding is requested through the DENR-CLASP. It includes the instructions/guide on how to fill up various items in the said outline.

Section 7: Process Flow For The Preparation, Processing And Approval Of Project Proposals

- 7.1 Attached as Annex 2 is the process flow indicating the Offices, Committees/Teams, actions to be taken by concerned Officials including the pertinent documents for project proposals under the DENR-CLASP.
- 7.2 The aforementioned process flow also includes the roles and responsibilities of the DENR-CLASP Steering and Technical Committees, and the Regional/Provincial Livelihood Assistance Teams as per DENR Special Order No. 2001-660.

Section 8: Monitoring and Evaluation

- 8.1 The DENR-CLASP Steering Committee is mandated to oversee the development and implementation of DENR-CLASP. As such, it shall coordinate the periodic assessment of the overall plan of the program.
- 8.2 The Technical Committee created through the aforementioned DENR Special Order shall assist the Steering Committee in the performance of their functions as well as in monitoring and evaluation of livelihood projects and other related functions.
- 8.3 The Regional/Provincial Livelihood Assistance Teams is also authorized to monitor and evaluate the progress of program implementation within their areas of responsibility and shall provide support to the authorized personnel from the National Steering and Technical Committees.
- 8.4 Attached as Annex 3 is the Monitoring and Evaluation flow chart for approved livelihood projects.

Section 9: Incentives

In recognition of the successful implementation of projects by various stakeholders, the DENR shall provide incentives and/or rewards to CLASP project implementers. The CLASP Technical Committee shall prepare specific guidelines on rewards and incentives in consultation with all concerned parties/offices.

Section 10: Funding

- 10.1 The guidelines in the reprogramming of programs, projects and activities authorized the regional offices to set aside an operational budget for the CLASP. Likewise, the DENR Central Office is authorized to earmark some amount to serve as seed money for livelihood projects and the operational requirements of the CLASP Steering and Technical Committees.
- 10.2 For succeeding years of program implementation, the concerned DENR Regional Offices are authorized to include DENR CLASP in their list of priority programs and thrusts and such shall be included in their respective PPAs/MFOs.

Section 11: Sustainability

All foreign and special programs/projects of the DENR adopting community based ENR management, as a strategy should include a livelihood-CLASP component consistent with the provisions of his circular.

The CLASP National Steering Committee, Technical Steering Committee and Regional Teams shall provide management interventions and other institutional support system to sustain the program.

This Order shall take effect immediately.



HEHERSON T. ALVAREZ
Secretary

PROJECT PROPOSAL FOR FUNDING UNDER CLASP

☐ *Date of Submission*

1. **PROJECT TITLE** (state the name of the project. The title should be concise and captures what the project is all about)
2. **PROJECT PROPONENT** (state the name, designation and office of the person proposing the project)
3. **TARGET BENEFICIARIES** (state the name of group or organization, number and location)
4. **IMPLEMENTING AGENCIES** (indicate the lead and cooperating agencies or entities implementing the project)
5. **PROJECT SITES/LOCATION** (indicate the barangay, municipality/city, province, and region where the project is located)

6. **PROJECT BACKGROUND/RATIONALE** (state the background and importance of the project, identification of core/problem/need to be addressed, the problem's causes and effects)

7. **PROJECT'S RELATIONSHIP TO NATIONAL AND DENR PRIORITIES**
(discuss how the project will support or contribute to national and DENR priorities)

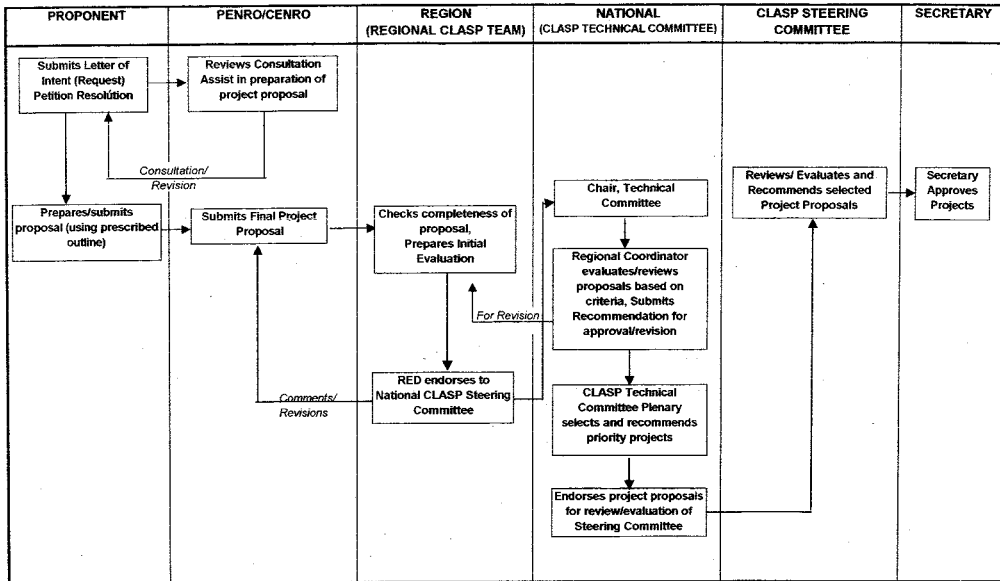
8. **PROJECT OBJECTIVES** (state the goal or purpose of the project)

9. **METHODOLOGY** (describe how the project will be undertaken or the process involved in implementing the project)

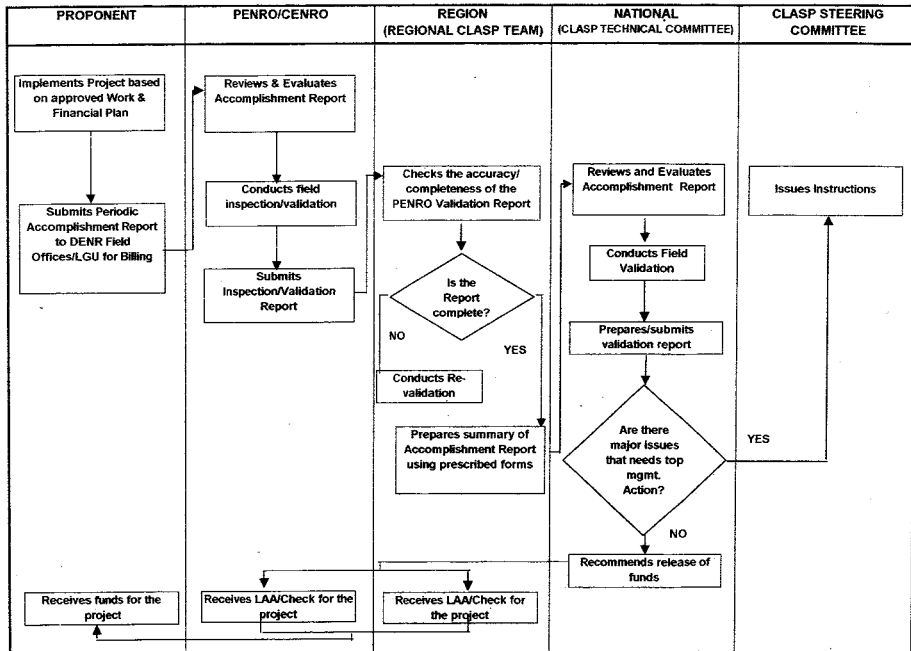
10. **EXPECTED BENEFITS** (state social, economic, environmental benefits that can be derived from the project. Make a projection of future economic/financial benefits or income)

11. **PROJECT MANAGEMENT** (define organizational structure, staff requirements and working procedure)

Process and Documents Flow: Selection, Appraisal and Approval of CLASP Projects



Process and Documents Flow: Monitoring and Evaluation of CLASP Projects





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Department of Environment and Natural Resources

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DEC 27 2002

MEMORANDUM CIRCULAR

NO. 2002-20

**SUBJECT : STRICT ENFORCEMENT OF "NO SMOKING
POLICY" INSIDE ALL DENR OFFICES**


Pursuant to the provisions of Section 1, Rule XXIX OF Republic Act 8749 or the Philippine Clean Air Act of 1999, all Undersecretaries, Assistant Secretaries, Bureau Directors, Regional Executive Director and Heads of Attached Agencies are hereby instructed to implement and strictly enforce a ban on smoking inside their respective offices.

This is primarily aimed to safeguard the health of our personnel and to uphold the right of the people to a balanced and healthy ecology, since we are the government agency mandated to conserve and manage the proper use of our natural resources where air is considered a valuable common property that should be preserved.

Furthermore, the Implementing Rules and Regulations of the Clean Air Act of 1999 clearly states that a "No Smoking" policy shall be enforced inside a public building or an enclosed public place or private place of work or any enclosed area outside of one's private residence. As such, each office shall designate a specific smoking area within their vicinity but outside enclosed office spaces.

All DENR personnel are hereby enjoined to support this permanent ban on smoking within office premises.

This Order shall take effect immediately.


ELISEA G. GOZUN
Secretary