

DENR Memorandum Circular
No. 03
January 15, 1993

SUBJECT : Implementing Guidelines for Monitoring and Supervision of Technical Assistance/Consultancies under ENR-SECAL Program

The great bulk of project implementation of the ENR-SECAL is a shared responsibility of the DENR field operating units and the technical assistance team/consultants. Ergo, synchronization of work roles is very essential to the smooth execution of activities and successful attainment of the project goals. Moreover, it is a must responsibility of the DENR, through the ENR-SECAL Project Management Office, to ensure a suitable and effective working relationship at all management levels between and among the field implementors, consultants and project beneficiaries. Therefore, the following guidelines have been drawn specifically to monitor and supervise consultancy services with the end view of achieving the best outcome from each and every consultancy engagements.

Section 1. Objectives:

1. To keep management abreast of the consultant activities and to anticipate problems or bottlenecks which have to be addressed.
2. To facilitate the successful delivery of services and ensure that project funds are being spent in accordance with the Terms of Reference and other provisions of the approved contract.
3. To bring about a more synchronized delivery of organizational support and technical assistance.

Section 2. Major considerations in Consultancy Monitoring and Supervision.

1. The basic role assumed by the consultant as the management partner in the overall project implementation must be known and appreciated at every management level. Corollary roles of consultants as adviser, mobilizer and trainer should likewise be completely understood.
2. The Terms of Reference and Annual Work/Implementation Plan of consultancy services are important documents that should be explicitly defined, spelled out and clarified to the operating units at all management levels.

3. The TA Annual Work Plans shall contain among other things the activities to be undertaken for the year, the corresponding outputs and the responsible TA, the timing and schedule of delivery and the man-months required. Individual Quarterly Work Plans of each consultants should be appended as basis for assessment and monitoring progress of work.
4. The program organizational arrangements from the central management level down to the Watershed Management Units as well as the role and involvement of various offices and staff have to be clearly identified vis-a-vis the TA Organizational Structure. The DENR operating units counterpart staff have to be identified and specific responsibilities established with the TA team to enhance field coordination and optimize utilization of TA time and expertise.
5. Monitoring and supervision of TA/consultants shall focus on the tracking of the performance and programs of consultancy services that will adequately prompt management on the progress and issues encountered in project implementation.

Section 3. Reports and Reporting Flow

1. Technical Assistance/Consultants are expected to comply with all reporting requirements under their respective approved contract. The more common types of report are:
 - a) Inception Report
 - b) Monthly Progress Report (Individual Special Report to be appended)
 - c) Quarterly Progress Report (Individual Special Report to be appended)
 - d) Interim Report
 - e) Draft Final Report
 - f) Final Report
 - g) Special Reports e.g. Design Report, Alternative Decision Report, As-Built Drawings, etc..
 - h) Project Documentation
2. All reports of Region-based TA/Consultants should be coursed through the Regional Program Management Office for purposes of initial review, notation and endorsement to the Project Management Office. For the Central-based TA/Consultants, reports shall be submitted to the PMO, but where appropriate and/or needed, the concurrence of the Regional Program Director shall be obtained. Further, an exit conference meeting shall be conducted whenever regional/field works are undertaken and the report prepared by the TA/Consultants shall be duly certified by the Regional Program Director. The

report of the Program Management Consultant shall be submitted directly to the Office of the Secretary thru FASPO and PMO ENR-SECAL.

3. TA/Consultants monthly/quarterly progress report should present a comparison of planned and actual accomplishment of each consultant/specialist and reason for deviation from planned performance. Individual specialist monthly/quarterly report maybe required to provide management with detailed information on certain sector or aspects of projects implementation and the same should be submitted together with the consolidated consultancy monthly/quarterly report forwarded to the Central Project Management Office. The RPMO however, should have a complete record of the individual TA/Consultant's monthly/quarterly report to be made available anytime upon management demand.
4. Within a span of seven (7) working days after receipt of TA/Consultant report, the Regional Program Director should endorsed to the ENR-SECAL Program Director the results of their review especially on matters relating to unforeseen events and difficulties encountered in the TA/Consultant Work and the corresponding Certification of Work Accomplishment duly signed by the Regional Program Director.
5. The Program Management Office (PMO) upon receipt from the Regional Program Management Office (RPMO) of the TA/Consultant report shall process and/or further analyze the report and come up with its findings and recommendations within seven (7) working days.

For those reports directly submitted by Central-based TA/Consultant shall also be processed within seven (7) working days. Findings/comments and/or criticisms on the report shall be copy furnished the TA/Consultant for subsequent considerations/completion. The PMO recommendations shall be the basis for processing of billing payments.

Section 4. Performance Assessment and Field Validation

1. Performance assessment of TA/Consultant activities maybe done through review meetings, oral briefings and individual specialist presentation of the work and accomplishments made. This can be supplemented by project site visits and interviews with field operating staff and project participants to obtain first hand information on the TA work.
2. There shall be created a Technical Assessment and Review Team (TART) at the DENR-CO that will review the consultant's annual performance/outputs and

provide the appropriate technical/policy recommendations to the management. The team shall be composed of representative/s from the FASPO, PMO and DENR Finance and Management Service (FMS) and other concerned offices who shall be officially designated by their respective head of office.

3. Performance Assessment shall be conducted annually (every November) to provide the top management with proper information on the TA/consultants' performance for decision/policy formulation purposes. Review of performance shall be based on the Contract, Terms of Reference (TOR), Annual Work Plans and Monthly/Quarterly accomplishment reports and PMO analysis. The report of the Assessment and Review Team shall be reviewed, confirmed and endorsed by the Program Director to the Secretary through FASPO copy furnished the concerned TA/consultants.
4. Field validation shall be conducted by the PMO and/or the Technical Assessment and Review Team whenever necessary, in coordination with the field level technical coordinators and WMU Managers to confirm reported actual/physical accomplishments and/or slippages or backlogs in work targets. Slippages or backlogs should not be more than 25% of the target for the year under review.
5. A joint TA/Consultant and management meeting shall be held annually (every December) as a venue for exchange of views on the current status of the project; discussion of findings and issues necessary for sound understanding and decision making; and alternative courses of action with respect to the next phase of program implementation.

Section 5. Billings and Payments

1. Upon receipt of billing, PMO shall promptly process payment based on the schedule of payment set-out in the TA contract. However, amount due for payment shall be based on the amount recommended and work accomplishments endorsed to PMO by the Regional Office. The Regional Office should strictly observe the specified processing time for all TA reports so as to avoid delays and other repercussions relative to billing payments.
2. In cases where there are queries on some aspects of the billing and/or report submitted, the PMO shall recommend processing of billing only for the undisputed portion. The PMO shall inform the Consultant of the matter, whereupon the latter must undertake the appropriate adjustments and/or provide the necessary additional documentation in the subsequent invoices/billings.

3. Should there be no specific provision in the contract regarding the corresponding amount to be withheld for the disputed portion, the PMO has the right to deduct 10% of the total amount for the period due to the Consultant. This amount shall be paid only upon favorable acceptance by the PMO Central Office of the completed works by the TA/consultant. However, in the event that the TA/Consultant is unable to submit the required services/outputs in the subsequent billings, the amount deducted equivalent to 10% shall be paid only in the final billing provided further that the output is satisfactorily done and accepted by the PMO Central Office.
4. Final billing/claim shall be endorsed for approval by the PMO only after validation and assessment of accomplishments by the Technical Assessment and Review Team and recommendation for the issuance of Certificate of Completion and Acceptance by the Program Director. Said certification shall be the basis for final payment.

Section 6. Supplemental Rules and Regulations

The Program Director, ENR-SECAL, shall formulate rules and regulations as maybe necessary to carry out the objectives of this Circular. In addition, the Regional Program Director may promulgate supplemental rules and regulations which apply to their particular region. Provided, such rules and regulations shall be in accordance with this order and duly noted and approved by the Undersecretaries for Field Operations and Project Management.

Section 7. Effectivity

This order shall take effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

ROSALIO B. GOZE
Program Director, ENR-SECAL

RICARDO M. UMALI
Undersecretary, Natural Resources
Management and Field Operations Office

DENR Memorandum Circular
No. 04
March 04, 1993

SUBJECT : Guidelines and Procedures for Turn-Over of Contract Reforestation (CREF) Projects

Pursuant to the policy of insuring sustainability and institutionalization of people's participation in DENR programs and projects and to Department Administrative Order No. 31, Series of 1991 as amended by DAO No. 32, Series of 1992 and Memorandum Circular No. 11, Series of 1988, the following guidelines and procedures are issued to govern the turn-over of Contract Reforestation (CREF) projects.

Section 1. Basic Policy

The Department, considers Contract Reforestation (CREF) as the beginning of a long-term process to rehabilitate denuded forest lands and as an appropriate vehicle to generate rural employment and development. Wherever feasible, CREF projects shall be turned over to DENR and then to qualified beneficiaries who have organized themselves so that they may eventually protect, maintain and benefit from the investments made in contract reforestation. The benefits that will be derived from the project shall be shared with other sectors of society because of the environmental improvement accruing from restoration of forest cover. DENR shall henceforth, establish mechanisms to implement the turn-over.

Section 2. Objectives of the Turn-Over of CREF Projects

The turn-over of CREF projects shall adopt the following objectives:

- 2.1 To facilitate community participation in the management and sustainability of CREF projects;
- 2.2 To harness and utilize the community's capabilities in natural resource management; and
- 2.3 To implement smooth and effective mechanism for the transfer of CREF projects from the contractor to the DENR and eventually be awarded to qualified Forest Land Management Agreement participants.

Section 3. Definition of Terms

The terms, words and phrases in this circular are defined hereunder as follows:

- A. **Project Turn-over** - refers to the formal transfer of rights, privileges and responsibilities over CREF projects, from the Contractor to the DENR after the termination of the contract due to acceptance by DENR of all work accomplished or cancelled due to valid reasons, as the case may be.
- B. **Completed Project** - refers to CREF projects where all targets specified in the contract have been accomplished, consistent with standards and specifications set by DENR
- C. **Forest Land Management Agreement (FLMA)** - refers to an agreement between the DENR and a family or an association that is duly organized by bonafide residents of the community where the FLMA area is located. Among others, the FLMA grants qualified beneficiaries the sole and exclusive privilege to develop and manage said area, harvest and utilize its products for 25 years, with the obligation to pay production share to the government equivalent to the cost invested in reforestation such area, pursuant to DENR Administrative Order No. 71, Series of 1990, as amended.
- D. **Equipment** - refers to all fixed assets, costs of which will not be less than P1,500.00 with a serviceable life of more than one year and which is included in the Work and Financial Plan.

Section 4. Criteria for Turn-Over

CREF projects shall be considered qualified for turn-over after all pertinent criteria have been met:

- a) the area covered by the contract has attained the status of a "completed project" defined in Section 3 hereof;
- b) on the area scheduled for turn-over, trees planted, maintained and protected under the contract or through Assisted Natural Regeneration (ANR) are not less than two (2) years old, reckoning from the time of outplanting;
- c) the number of surviving trees on the area scheduled for turn-over should be at least 80% of the planting density and the surviving trees should have attained an average height of at least one (1) meter;

- d) for rattan, bamboo and other non-timber products, a survival rate of 80% is attained regardless of height; and
- e) all the structural improvements specified in the contract have been completed.

Section 5. Procedures for Turn-Over

5.1 Qualified for Turn-over

- a. Prior to the turn-over of the projects, the concerned PENRO/CENRO shall plan out its direction whether the project could be considered for FLMA, non-FLMA (critical watersheds, national parks, etc.) or devolved to other government units (OGAs) or to local government units (LGUs), if any. In cases where an FLMA will not be issued, the concerned CENRO shall submit to the RED, through the PENRO, an indicative Forest Protection Plan (FPP) for the area. (See Annex A for format)
- b. The concerned CENRO shall identify CREF projects for turn-over and inform the RED to schedule Monitoring and Evaluation (M&E) using Inspection Chart Mapping (ICM) to determine if it will qualify with the criteria stated herein. M&E shall be conducted three (3) months prior to the scheduled turn-over of the projects to give ample time for the preparation of necessary documents needed for the purpose. The DENR shall formally inform the contractor regarding the results of the ICM report. Further, the DENR shall also notify the bonding agencies in cases where projects have not met/satisfied the criteria stated herein.

A 5% systematic sampling using ICM results shall also be conducted as final inspection by the composite team composed of representatives from the DENR, non-government organization (NGO) who conducted the ICM (preferably), the contractor and COA. DENR office shall coordinate in writing with COA in this regard.

- c. The contractor shall request for project validation/inspection to the concerned CENR Office and the following documents shall be submitted before the last billing is released.

c.1 Project Completion Report (see Annex B for outline);

- c.2 Sworn statement to the effect that all bills for labor, other current wages and all bills for materials have been paid and all activities have been completed by the contractor; and,
- c.3 Final liquidation report in case of LGUs/OGAs.
- d. Based from validation/inspection results, the concerned CENRO shall prepare the following documents:
 - d.1 Certification of Completion and Acceptance signed by the contractor and the contracting DENR unit (see Annex C);
 - d.2 Copy of Final Inspection accomplished by the joint Inspection Team that validated project accomplishments; and,
 - d.3 Maps of sections and blocks, with a scale of 1:10,000.
- e. The DENR shall accept the project one (1) week earlier or on the exact date of the termination of the contract.
- f. Equipment shall be turned-over to the contracting DENR unit. In case of OSEC funded projects, same shall be turned-over to the Region or PENRO where funds have been transferred. After turn-over, the accounting unit concerned shall take-up the adjustments and book the corresponding entries to effect the turn-over.

5.2 Unqualified for Turn-over

Projects which are already scheduled for turn-over but have not satisfied the criteria provided herein due to force majeure, shall be taken over by DENR. For projects scheduled for turn-over which have not satisfied the criteria stated herein other than force majeure, the contracting DENR unit shall have the option to give the contractor an extension of one planting season but not more than twelve (12) months to complete the reported shortfalls. A supplemental Contract or Addendum shall be made to effect the extension.

- a. For extended projects without retention fees, a performance bond callable on demand which is equivalent to 10% of the remaining cost of the activities to be accomplished shall be required.

- b. For projects with retention fees, a performance bond callable on demand which is equivalent to the full amount of the retention fee or the remaining cost of the activities to be accomplished, whichever is higher shall be required.

Section 6. Retention Fee

The CENRO concerned, after the acceptance of the project, shall immediately prepare the necessary documents for the release of the retention fees for contractors who were deducted such on their previous billings. It shall be disbursed fifteen (15) days after the acceptance subject to the standard procedures of the office.

The RED/PENRO Planning officer shall coordinate with the RED/PENRO Accountant regarding the obligation of the third year cost including the retention fee of all active contracts.

Section 7. Performance Bond

The field office concerned shall furnish a copy of the Certificate of Completion and Acceptance to the bonding agency that issued the performance bond of the contractor. This will enable the bonding agency to cancel the performance bond posted by the contractor.

Section 8. Maintenance and Protection

In consonance with the Indicative Plan, the concerned CENRO shall assume responsibility for the maintenance and protection of the turned-over CREF projects until FLMA shall have been granted, if applicable.

Section 9. Special Cases

- 9.1 Plantations less than two (2) years old which met/passed the criteria stated in Section 4 hereof, except Section 4.b of this circular, may be considered for turn-over subject to the same procedures for the turn-over of completed projects. In this case, the DENR shall release the retention fee to the contractor, equivalent to 15 per cent of the total amount disbursed to them. Amendments to the Contract shall be reflected therein.
- 9.2 In extreme cases where this guidelines does not apply, the concerned Regional Office shall forward same to the Secretary copy furnished the Chairman, NFP Steering Committee for resolutions.

Section 10. Penalties

Delays in the conduct of the final inspection and the release of the retention fees shall be a ground for disciplinary action against DENR employees. This falls under the category of incompetence or inefficiency to perform official duties and failure to comply with the provisions of this guideline.

Pursuant to Section 36 (c) of PD 807, the disciplining DENR official may, after due notice and hearing, impose the penalty of removal from the service, transfer, demotion in rank, suspension for not more than one year without pay, fine in amount not exceeding six(6) months salary, or reprimand, upon any DENR employees who has committed any grounds for disciplinary action.

This administrative action is without prejudice to the institution of appropriate criminal case against DENR employees for acts and omissions which may constitute corrupt practices under Section 3 of Republic Act No. 3019, as amended, otherwise known as the "Anti-Graft and Corrupt Practices Act."

Section 11. Repealing Clause

Section 1, Article 7.09.d of the General Conditions of MC # 11, Series of 1988 states: "Guarantee Bond equivalent to 30% of the Contract Price covering a period of one year after the Final Acceptance to the work which guarantee the quality of the contract work and materials installed. The Guarantee Bond shall be in the form of securities as approved by the Employer. The Guarantee Bond will be required if the Employer upon acceptance of the plantation, releases to the Contractor the Performance Bond and Payment bond" is hereby repealed.

All other circulars and guidelines which are inconsistent herewith are likewise repealed.

Section 12. Supplemental Guidelines

The Regional Offices may promulgate supplementary guidelines in their respective regions regarding height requirement and other specific concern to effect smooth and orderly turn-over.

However, in all cases, minimum height requirement is set to act least one (1) meter. These additional guidelines shall be formulated subject to the climatic types of the regions and same shall be subject to the approval of the Secretary.

Section 13. Effectivity

This Order takes effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

RICARDO M. UMALI
Senior Undersecretary
For Field Operations, Policy
Planning and Resources Management

DENR Memorandum Circular
No. 05
March 08, 1993

**SUBJECT : Involving All Government Agencies in the
Reforestation Efforts and Environmental
Consciousness and Awareness Programs of
the DENR**

In the interest of the service and in order to maximize citizens' participation in the reforestation efforts and environmental consciousness and awareness programs of the government, you are hereby instructed to involve all other government agencies in your region to undertake natural resources protection and development activities during national celebrations such as the Civil Service Week.

The DENR Regional Office shall spearhead the tree planting activities of each and every government agency in the region by providing the necessary technical assistance and seedling requirements during this undertaking.

The Regional Executive Director shall instruct the PENROs and CENROs to identify ideal sites for tree planting, conduct briefings and establish liaison with the government agencies to ensure active participation in this particular activity during national celebrations.

You are, therefore, required to submit regular reports regarding this activity through the Office of the Undersecretary for Environment and Research.

This Memorandum Circular shall be in force starting this Civil Service Week Celebration for 1993.

ANGEL C. ALCALA
Secretary

Memorandum Circular

No. 06

March 15, 1993

**SUBJECT : Implementation of the Outreach Program
for People-Oriented Forestry (OPPOF)**

Pursuant to DAO 30 Series of 1992 (Guidelines for the Transfer and Implementation of DENR Functions Devolved to the Local Government Units), and in order to provide a mechanism for institutionalizing methods and procedures developed for effective participatory approaches to upland management, and bring about sustained development of all personnel involved in the implementation of the Integrated Social Forestry (ISF) and other community-based forestry programs, the DENR is hereby adopting and implementing the herein-described "Outreach Program for People-Oriented Forestry (OPPOF)".

A. Definition

The Outreach Program for People-Oriented Forestry (OPPOF), hereinafter referred to as OPPOF), is a nationwide program carried out by the DENR. It is designed to help provide a continuing program of assistance in building technical capability of project managers and field implementors in the participatory implementation of people-oriented forestry programs, as defined in the "Master Plan for Forestry Development", by the Local Government Units, as defined in the "Local Government Code", and other concerned individuals and groups. OPPOF shall likewise serve as a mechanism for institutionalizing technologies, methods and procedures developed through all knowledge generating activities of the DENR.

The implementation of OPPOF shall be coordinated at the Central Office by the National Coordinator for ISFP with the HRDS, FMB-SFD and the PAO providing the needed technical and secretarial support. At the regional level, OPPOF activities shall be under the coordination of the Regional HRD Coordinator utilizing the staff of the Regional Public Affairs Office, the Social Forestry Division, and/or other Offices the Regional Coordinator may deem appropriate and approval of the Regional Executive Director.

B. Objectives

The OPPOF is broadly aimed at building the capabilities of program managers and project implementors of the DENR, the LGU, and other concerned groups to effectively implement people-oriented forestry program, Specifically OPPOF shall:

1. Promote participatory implementation of national programs for upland development;
2. Sustain the growth of DENR's internal capacity for training and extension;
3. Help build the capabilities of LGUs and other concerned groups through a strong program and research training and extension; and
4. Strengthen the partnership between the DENR, the LGUs, and other concerned groups for more effective project implementation.

C. Components

1. Continuing Capability Building Component

The DENR through the Regional core OPPOF staff composed of representatives from the Regional ISF Division and the Regional Human Resource Development Units shall undertake a continuing program of building the training and extension capabilities of its own staff as well as the technical capabilities of the LGU and other groups concerned in the implementation of national people-oriented forestry programs. Specifically, the Continuing Capability Building Components of OPPOF will include the following set of activities:

- a. Conduct of national short-term training courses, on a regular basis, aimed at equipping the regional core DENR staff with the latest knowledge and skills in the participatory implementation of people-oriented forestry projects, as well as the required management and training skills in effective implementation of regional training courses;
- b. Periodic offering of regional short-term training courses for the LGUs and other concerned groups by the regional core OPPOF staff aimed at developing the right values and attitudes towards upland development as well as providing them the skills, needed in the participatory implementation of people-oriented forestry projects; and

- c. Conduct of orientation and briefing for newly appointed/elected and reshuffled/detailed personnel of the DENR and other concerned groups at all levels.

During the transition period estimated to last for at least two years from the signing into law of the Local Government Code, the national short-term training courses for DENR trainers shall be conducted as often as necessary until all the regional offices would have built sufficient strength for effective implementation of the regional short-term training courses. Similarly, the regional short-term training courses for personnel of the LGUs and other concerned groups shall be offered as often as necessary to maintain a high degree of competence among these groups.

2. **Extension and Support Services Component**

In coordination with the LGUs and other groups, the DENR shall provide extension and support services to the implementors of people-oriented forestry projects. These extension and other support services shall include:

- a. production, publication and dissemination of information, education, and communication (IEC) materials such as primer on various upland programs of government, "how-to manuals" of various upland technologies and livelihood project opportunities, and other information materials using various communication channel; and
- b. technical assistance on matters pertaining to land tenure, agroforestry farm production, marketing of farm products, community organizing and organization development, forest resources management, and the like.

3. **Review and Planning Workshop**

The DENR, with the collaboration of the LGUs and other concerned groups, shall initiate and facilitate the conduct of annual review and planning workshops at the provincial and regional levels to provide a mechanism for a systematic review of past project activities and planning for the coming year. The workshop program shall include:

- a. discussion of the results of the monitoring and evaluation of project sites;
- b. assessment of the effectiveness of the participatory implementation of social forestry and other people-oriented forestry projects;
- c. identify training and other support services needed by the LGUs and other concerned groups; and
- d. formulate action plans that respond to concerns related to collaborative work between the DENR and project implementors.

The initial review and planning workshop shall be organized at the provincial level jointly by the concerned regional core OPPOF staff of the DENR and LGU officials. At the regional level, participants shall discuss provincial action plans based on the M & E results of past OPPOF activities, and formulate regional OPPOF plans. At the national level, the workshop shall:

- a. review the output of provincial review and planning, workshop, and finalize regional plans; and
- b. recommend appropriate policy initiatives and changes for improved implementation of people-oriented forestry projects.

In each level, steering committees composed of representatives from the DENR and the LGU shall be formed to oversee the planning, implementation, and management of the DENR-LGU review and planning workshop. The DENR and LGU shares on the workshop expenses on a mutually agreed basis.

4. **Monitoring and Evaluation Component**

The DENR, through the regional offices, shall monitor and evaluate the delivery of technical and other support services indicated in the regional OPPOF plans. The M & E results will be used as bases for identifying:

- a. system in improving assistance to and coordination with project implementors; and
- b. policy initiatives and changes to improve the participatory implementation of people-oriented forestry projects at the field level.

D. Roles and Functions

The production and publication of IEC materials related to OPPOF, shall be mainly the responsibility of the DENR. However, the LGUs may be requested to share in the publication cost where feasible.

The short-term training courses for building the core DENR trainers at the regional level is the sole responsibility of the DENR for which funds should be provided from its current budgetary appropriations. In the case of the short-term training courses for the LGUs and other concerned groups, the planning, implementation and management, though led by the DENR, shall be shared responsibility between the DENR and the LGU on mutually agreed terms.

In the case of the technical assistance and other support activities, the DENR should be prepared to render services at no cost to the LGUs except perhaps the cost of transportation of the DENR staff where applicable.

The M & E of OPPOF activities shall be carried out by the regional offices of the DENR, in coordination with the concerned provincial officials of the LGU. Quarterly reports on the progress of OPPOF activities will be submitted to regional offices by the CDOs assigned at the provincial level.

E. Reporting

The Regional OPPOF Coordinator, through the RED shall submit periodic report on the program of training, orientation, briefing and workshop activities to the National OPPOF Coordinator, for coordination, control and monitoring purposes. Likewise, a report containing the activities objectives, duration, venue, participants, methodology, scope and coverage, highlights of activities/topics/modules, evaluation results, etc. should be submitted after the completion of an orientation, briefing, training, and workshop activities.

F. Effectivity

This circular shall take effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

LOPE D. REYES
Director

DENR Memorandum Circular
No. 08
March 31, 1993

SUBJECT : Guidelines for Referral of Illegal Logging Cases to the ENR-SECAL Special Prosecution Team

In line with the designation of ENR-SECAL lawyers as Special Counsels to assist in the prosecution of illegal logging cases per DOJ Special Order No. 217, Series of 1992, and to maximize assistance by said lawyers as well as systematize the referral of cases to them, the following guidelines are hereby promulgated:

Section 1. Priority Regions for Legal Assistance - Consistent with the project design of ENR-SECAL, assistance in the prosecution of illegal logging cases shall be mostly concentrated in Regions II, III and X, where rampant illegal logging activities has been observed. However, such assistance may likewise be extended in adjoining regions where illegal Regions IV, VII and NCR. This, however, shall not preclude the Secretary or the Undersecretary for Field Operations from referring cases to the ENR-SECAL Special Prosecution team originating from other regions of the country as the national interest may require and consistent with their authorization as Special Counsels.

Section 2. Criteria for Selection of Cases - Illegal logging cases to be referred to the ENR-SECAL Special Prosecution Team shall be chosen on the basis of the following criteria:

	Factor	Weight
1.	Value of confiscated logs/timber	25 %
2.	Reputation of alleged offender(s)	25 %
3.	Difficulty of case due to complexity/ novelty of legal/factual issue(s)	25 %
4.	Importance attached by DENR to the case as determined by the Secretary or his representative	25 %
	TOTAL	<hr/> 100 %

The distribution of points for each of the factors enumerated above is shown in Table 1 attached to this Circular as Annex "A".

Section 3. Procedure for Referral of Cases - Referral of illegal logging cases to the ENR-SECAL Special Prosecution shall subscribed to the following procedures:

- a. The Regional Executive Directors (REDs) of the priority regions as identified in Section 1 hereof shall be primarily responsible for referring cases to the ENR-SECAL Special Prosecution Team.
- b. For each case to be referred for prosecution assistance, the corresponding Case-Referral Rating Sheet shall be accomplished by the Chief, Legal Division of the Region concerned duly concurred by the RED. Only cases with a rating of at least 60 % shall be considered for assistance. Copy of the Case-Referral Rating Sheet is attached as Annex "B".
- c. Thereafter, the RED shall forward the duly-accomplished Case-Referral Rating Sheet with an appropriate covering memorandum addressed to the Secretary, Attention: The Program Director, ENR-SECAL Program, together with the case file containing and legible copies of all documents pertinent to the case.
- d. Upon receipt, the ENR-SECAL Program Director shall immediately refer the case to the Task Leader for Prosecution and Manual preparation who shall, thereupon, evaluate whether it qualifies for assistances bases on the approved criteria. After determining that the case merits assistance, the Task Leader for Prosecution and Manual Preparation shall then assign the same to any available member of the ENR-SECAL Special Prosecution Team.
- e. The above procedures shall not however preclude the Secretary or the Undersecretary for Field Operations from referring cases directly to the ENR-SECAL Special Prosecution Team taking into account the approved criteria and the national interest.

Section 4. Reporting of Cases - Quarterly status reports of all cases referred to the ENR-SECAL Special Prosecution Team for assistance shall be submitted to the ENR-SECAL Program Management Office using the form attached as Annex "C".

In addition, all ENR-SECAL lawyers shall be required to submit after-hearing reports as soon as they return from attending court/administrative hearings or preliminary investigations addressed directly to the Secretary and/or coursed through the ENR-SECAL Program Director, as the case may be.

Section 5. Effectivity - These guidelines shall take effect immediately.

ANGEL C. ALCALA
Secretary

DENR Memorandum Circular

No. 12

May 10, 1993

SUBJECT : Submission of the Medium-Term Forest Management Plan to the EIS System and Approval of CY 1993 IAOPs

Pursuant to the provisions of DENR Administrative Order No. 21, Series of 1992 and DENR Memorandum Circular No. 09, Series of 1992, the following rules are hereby issued for the guidance of all concerned:

1. The 10-year Medium-Term Forest Management Plan which is required of holders of Timber License Agreement (TLA) for submission this year shall be subject to the Environmental Impact Statement (EIS) System. The Environmental Management Bureau (EMB) shall prepare the scooping guidelines for logging operations which shall be used in the preparation of the Medium-Term Plan by all concerned.
2. After deliberations on and endorsement of the Medium-Term Plan by the DENR Field Offices concerned, the same shall be submitted to the EMB for processing and issuance of an Environmental Compliance Certificate (ECC) in accordance with Sec. 2A, 3 and 4 of DAO 021, S. 1992.
3. Pending the submission and approval of the Medium-Term Plan and in order to avoid the unnecessary delay in the commencement of logging operations, the CY 1993 Integrated Annual Operations Plan (IAOP) of TLA holders which is based on the former may be approved subject to the submission of the same as Project Description (PD) in accordance with Sec. 2B of DAO 021, S. 1992. The CY 1993 IAOP shall, therefore, be jointly endorsed by the RTDs for Forestry and Environment before the same is approved by the RED concerned.
4. Two (2) basic elements of the CY 1993 IAOP shall be the payment of silvicultural fees and the use of endemic forest tree species in the TLA's planned reforestation and enrichment planting activities. The suspension on the collection of silvicultural fee amounting to 300% of the regular forest charges pursuant to a radio message dated 19 March 1992 of then Undersecretary Victor O. Ramos is therefore hereby lifted. The interim rates of forest charges provided for under DENR Administrative Order No. 56, Series of 1991 shall be used as

the basis for computation. Moreover, the DENR Field Offices concerned shall see to it that the logged-over and open areas of TLA holders must be returned to the state that will approximate the original diverse forest stand by primarily planting native/endemic economic forest tree species (e.g., dipterocarps) and not the fast growing introduced varieties.

5. This Circular shall take effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval

CIRILO B. SERNA
Assistant Secretary
for Planning and Policy

DENR Memorandum Circular

No. 13

February 22, 1993

**SUBJECT : Share of Local Government Units (LGUs)
from the Utilization and Development of
Forest Resources within their Area of
Jurisdiction.**

1. In order to effectively and efficiently implement the provisions of Republic Act No. 7160, otherwise known as the Local Government Code, particularly on the remittances of the Share of Local Government Units (LGUs), quoted hereunder are pertinent provisions of the rules and regulations implementing the said Code, to wit:

"ART. 386. Share in the Proceeds from the Development and Utilization of the National Wealth. -

- (a) LGUs shall have an equitable share in the proceeds derived from the utilization and development of the national wealth within their respective areas, including sharing the same with the inhabitant by way of direct benefits.
- (b) The term national wealth shall mean all natural resources situated within the Philippine territorial jurisdiction including lands of public domain waters, minerals, coal, petroleum, mineral oils, potential energy forces, gas and oil deposits, forest products, wildlife, flora and fauna, fishery and aquatic resources, and all quarry products.

"ART. 387. Amount of Share of Local Government Units. -

- (1) Mining taxes, royalties, forestry and fishery charges, and such other taxes, fees, or charges, including related surcharges, interests, or fines and from its share in any co-production, joint venture or production sharing agreement in the utilization and development of the national wealth within their territorial jurisdiction.
- (2) Administrative charges enumerated herein accruing to the National Government whether collected by the National Government collecting agencies or, in certain cases, by LGUs.
- (3) Proceeds from the development and utilization of national wealth where the LGU actually collects and automatically retains its share of at least

forty percent (40%) of such proceeds shall not form part of the revenue base in the computation of the forty percent (40%) share.

"ART. 388. Share of the Local Government Units from Any Government-Owned or Controlled Corporations. - LGUs shall have a share based on the preceding fiscal year from the proceeds derived by any NGA or GOCC engaged in the utilization and development of the national wealth based on the following formula whichever will produce a higher share for the LGU.

- (a) One percent (1%) of the gross sales or receipts of the preceding calendar year, or
- (b) Forty percent (40%) of the mining taxes, royalties, forestry and fishery charges and such other taxes, fees or charges, including related surcharges, interests, or fines the NGA or GOCC would have paid if it were not otherwise exempt.

"ART. 389. Allocation of Shares. - The share in the immediately preceding Article shall be distributed in the following manner.

- (a) Where the natural resources are located in the province:

Province	-	Twenty percent (20%);
Component City or Municipality	-	Forty-five percent (45%);
		and
Barangay	-	Thirty-five (35%)

provided that where the natural resources are located in two (2) or more provinces, or in two (2) or more component cities or municipalities or in two (2) or more barangays, their respective shares shall be computed of the basis of:

Population	Seventy percent (70%); and
Land Area	Thirty percent (30%).

- (b) Where the natural resources are located in a highly-urbanized or independent component city:

City	-	Sixty-five percent (65%); and
Barangay	-	Thirty-five percent (35%)

provided that where the natural resources are located in such two (2) or more cities, the allocation of shares shall be based on the formula of population and land area as specified in paragraph (a) hereof.

"ART. 390. Computation and Remittance of the Shares of Local Government Units. - The computation and remittance of the shares of LGUs shall be in accordance with the following procedures;

- (a) The computation of the forty percent (40%) share of each LGU in the proceeds from the development and utilization of the national wealth from the preceding years, indicating the corresponding share of each province, city, municipality, and barangay where the national wealth is being developed and/or utilized, shall be submitted by the revenue collecting agencies to DBM not later than the fifteenth (15th) of March of each ensuing year.
- (b) The allotment representing the share of each LGU shall be released without need of any further action, directly to the provincial, city, municipal, or barangay treasurers, as the case may be, on a quarterly basis within five (5) days after the end of each quarter, and which shall not be subject to any lien or holdback that may be imposed by the National Government.
- (c) Share of LGUs from the proceeds derived by any NGA or GOCC engaged in the utilization and development of national wealth shall be directly remitted by such agency or corporation to the provincial, city, municipal, or barangay treasurer concerned within five (5) days after the end of each quarter. Within three (3) days from the date of remittance, the agency or corporation concerned shall furnish the Treasurer of the Philippines with a copy of the remittance advice.

"ART. 391. Development and Livelihood Projects. -

The proceeds from the share of LGUs referred to in Article 386 of this Rule shall be appropriated by their respective sanggunian to finance local development and livelihood projects provided that at least eighty percent (80%) of the proceeds derived from the development and utilization of hydrothermal, geothermal, and other sources of energy shall be applied solely to lower the cost of electricity in the LGU where such source of energy is located.

"ART. 392. Monitoring of Implementation. - The DILG, in coordination with DOF and in actual consultation with the leagues of LGUs, shall monitor the proper implementation of Part Two of this Rule."

2. For purposes of effectively implementing ART. 390, the PENROs shall handle the computation and remittance of the shares of municipalities, cities and barangays within the province which shall be done in consultation with their CENROs.

3. The DENR Central Office, particularly, the Office of Financial Management Service, DENR and Forest Economics Division, FMB shall monitor the proper implementation of this circular.

Please be guided accordingly.

ANGEL C. ALCALA
Secretary

**DENR Memorandum Circular
No. 18
May 19, 1993**

**SUBJECT : Addendum to DENR Memorandum Circular
19-92 Lifting the Suspension on the
Issuance/Processing of Private Land
Timber Permit (PLTP)**

In order to ensure the active participation of local government units (LGUs) in the implementation of the Department's rules and regulations on the utilization of timber resources sourced from areas covered by Private Land Timber Permit (PLTP), the following requirements prior to the issuance of the PLTP are hereby prescribed in addition to those required under DENR Administrative Order 121-89 and DENR Memorandum Order 22-90 for the compliance and guidance of all concerned:

- (1) Certification from the Barangay Captain concerned that the area applied for has natural grown trees; and
- (2) Clearance from the Office of the Mayor interposing no objection in the cutting of the subject trees.

This Circular takes effect immediately.

**ANGEL C. ALCALA
Secretary**

DENR Memorandum Circular
No. 19
May 24, 1993

SUBJECT : Monitoring of Selected Forest Products Pursuant to R.A. No. 7581 otherwise known as the "Price Act."

1. Pursuant to Republic Act No. 7581 otherwise known as the "Price Act of 1991," and its implementing Order (DTI, DENR, DOH, DA Joint Administrative Order No. 1, Series of 1993), the DENR has been tasked to monitor the supply and prices of the following forest products:
 - 1.1 Basic necessities
 - 1.1.1 Fuelwood
 - 1.1.2 Charcoal
 - 1.2 Prime commodities
 - 1.2.1 Plywood
 - 1.2.2 Plyboard
 - 1.2.3 Sawali
 - 1.2.4 Nipa shingles
2. The purpose of this monitoring exercise is to ensure availability of these products in the market in sufficient quantities and that prices do not increase beyond the limit set by law. R.A. 7581 provides that any price increase beyond ten (10%) percent over the previous month is considered profiteering and the firm's business permit may be subject to suspension or cancellation. Moreover, by periodically monitoring the supply of these products in the market, the agencies concerned are expected to institute measures that would avert shortage of the products they are tasked to monitor especially in calamity areas.
3. To effectively carry-out the tasks assigned to the DENR, the CENRO's are hereby directed to create teams that will monitor the supply and retail prices of the forest products listed in item 1 above in close coordination with the local government units. The existing Price Monitoring Units (PMUs) created pursuant to DENR Memo No. 16, Series of 1991, based at the regional offices should assist the CENRO teams in their assigned tasks.

4. The monitoring teams/units shall submit monthly and periodic reports to the PENRO and RED concerned, copy furnish the Forest Management Bureau.
5. The PENRO's who are supposed to be members of the Provincial Price Coordinating Council to be created by the Provincial Government as lead agency, shall see to it that the provisions of Joint Administrative Order No. 1 and this circular are carried-out effectively in their respective area of jurisdiction.
6. Strict compliance with this Memorandum Circular is hereby enjoined.

ANGEL C. ALCALA
Secretary

**DENR Memorandum Circular
No. 20
June 15, 1993**

**SUBJECT : Prescribing the Billing Procedures for
Community Forestry Program (CFP).**

Section 1. Basic Policy. In order to effectively implement the Community Forestry Program (CFP) as provided for under DAO 22, Series of 1993, the Department hereby affirms its commitment to facilitate the payment of billing to Assisting Organizations (AOs) such as Non-Government Organizations (NGOs) assisting in the implementation of CFP. To this end, the billing procedure as illustrated in Annex 1 shall be followed by all DENR offices concerned for all CFP projects. The effective maximum number of working days (Annex 1) for an AO billing to be paid is 28 days, provided all documentation requirements are complied and that there is sufficient cash allocation at the DENR Regional Office. Delay in any transaction not supported by any valid reason shall constitute prima facie evidence of purposely delaying payments, an act against the interest of public service.

Section 2. Creation of Composite Inspection Team (CIT).

- 2.1 A composite inspection team (CIT) composed of, but not limited to, the CFP Regional Coordinator (RC), PENRO CFP Action Officer (PCAO), CENRO CFP Action Officer (CCAO) and community representatives, shall be created at respective DENR field offices.
- 2.2 Community representatives (at least two) of concerned CFP shall be authorized by a community resolution to become members of the CIT and sign/concur in behalf of the community with regards to the performance of CFP. In case of change of representatives, corresponding resolution shall be furnished to the DENR Regional Office.
- 2.3 The CIT shall be responsible for the inspection and/or validation of all activities under CFP. Except for the representatives of the community, the CIT shall further act as staff personnel for the CENRO, PENRO and the RED with regards to any billing of the concerned AO in CFP.
- 2.4 The CIT members shall choose from DENR members a Team Leader during CFP validation.

Section 3. Request for Inspection and Payment, Evaluation and Validation and Processing of Validated Billings.

3.1 Submission of Request for Inspection and Payment and its approval.

- a. The authorized representative of the AO shall submit accomplished Form 1 (Request for Inspection and Payment) and documentation of CFP accomplishments to the CENRO at least ten (10) working days before the requested date of inspection. Copies of the document with mark as to when the document was received by the CENRO, must be furnished by the AO to RC and the PCAO.
- b. Together with Form 1 and all other attachments, the AO shall likewise submit partially (columns 1-9) accomplished Form 2 (Accomplishment and Validation Report Form).
- c. The CENRO or his Authorized Representative shall approve the request for inspection, within two (2) working days from receipt of said request. The date of the approval shall likewise be indicated. If the schedule of inspection will be changed, the new date will be written below the requested date of the AO.
- d. Immediately after the approval of the request for inspection, messages should be sent by the CENRO to activate members of the Composite Inspection Team. If members of the team at the PENRO and at the Regional Office are not available on the date of inspection, they can send their respective representatives. A memorandum shall likewise be submitted to the RED explaining unavailability of concerned personnel. If they fail to participate in the activity, then the result of the inspection as headed by the CCAO shall be honored at the PENRO and the Regional Office, UNLESS the RC has strong reasons to conduct a re-validation, in which case the RC shall conduct re-validation within five (5) days upon receipt of the billing documents from the PENRO.

3.2 Validation of Accomplishments, Preparation and Processing of Financial Documents at the CENRO and PENRO Levels.

- a. The CIT shall inspect/validate the accomplishments of the CFP as reported by the concerned AO, within eight (8) working days starting on the date as approved by the concerned CENRO.

- b. Form 2 (columns 10-12) shall be accomplished by the CIT in ink.
- c. Results of the inspection shall be discussed by the CIT, the representatives of the CFP community and assisting organization to avoid misunderstanding. They shall affix their respective signatures on Form 2 to signify concurrence to the validation results. The PCAO and the RC shall have advance copies of Form 2.
- d. Where there are disagreements among the CIT members on payment for certain activities, these shall be excluded from the validation report for the period but shall be included in the next billings once the issue in question has been clarified or resolved. However, notations shall be made on the report stating reasons for deferment of payment of activities under question.
- e. The CCAO and the concerned Project Management Officer (PMO) shall prepare and consolidate the financial documents (voucher, pictures, Form 1, 2 and 3, documentation report of the AO within three (3) working days from the submission of the validation report, for endorsement by the CENRO to the PENRO.
- f. The CENRO shall endorse payment of the validated billings (upon review of the documents) within two (2) working days, by affixing his/her signature on Form 3 and her/his initial below the name of the PENRO on the voucher.
- g. However, if there are glaring and unconvincing items in the reports, the CENRO may, at his/her discretion, hold payment for said items and conduct a revalidation. All other acceptable items in the same report shall be processed accordingly. Reinspection shall be conducted by the CENRO within five (5) working days from the receipt of the validation report.
- h. Within two (2) working days, from receipt of the financial documents from the CENRO, the PENRO shall review the documents and endorse the same to the RED by affixing his/her initial and signature as called for by the documents. (Item g. of Section 3.2 shall also be observed by the PENRO).

3.3 Review and Processing of Financial Documents at the Regional Office.

- a. The RC shall review the validated billings and voucher of the AO within three (3) working days from the receipt of the PENRO endorsement for the acceptance by the RED.
- b. Within three (3) working days, the RED shall accept the validation reports of the CIT. However, if there are glaring and unconvincing items in the reports, Section 3.1c shall apply.
- c. Upon acceptance by the RED of the validation reports, the voucher, together with the other financial documents, shall be immediately transmitted to the Finance Division of the Region. These documents shall be processed and forwarded back to the RED for approval within three (3) working days.
- d. Processed documents shall be approved for payment by the RED or his duly authorized official, within two (2) working days.

3.4 Issuance of Check and Receipt.

- a. Corresponding check for the approved voucher shall be prepared and issued by the Cashier of the Regional Office within two (2) working days, provided that there is sufficient funds available.
- b. Upon receipt of the check, the AO will issue a receipt in favor of the DENR.

Section 4. Documents Required.

- 4.1 Forms 1, 2 and 3 are designed to be attached to the voucher covering payments to be made to respective AOs.

FORM 1 (Annex 2) - is a request for inspection and payment form to be submitted by the AO to the CENRO. Copies shall be furnished to the PENRO and the RED.

FORM 2 (Annex 3) - is an Accomplishment and Validation Report form. This shall be accomplished by the AO (columns 1 - 9) upon their request for inspection and payment and shall be turned-over to the CIT during the inspection/validation. The CIT shall accomplish the form (columns 10 - 12) after inspection/validation activities.

FORM 3 (Annex 4) - is an acceptance report form. This shall be accomplished by the PMO based on Form 2 and previous billings). The CENRO and the PENRO shall recommend acceptance of CFP accomplishments to the RED.

- 4.2 In addition to the aforementioned forms, the AOs shall attach pictures of accomplishments, documentation reports of community organization and training activities, training plans, original attendance to meetings, maps, inventory report and other documents required under the CFP-NGO/AO contract of services.
- 4.3 Financial Payments shall be released only once there is final acceptance of the project by the DENR and the community, subject to usual accounting and auditing rules and regulations.

This Order takes effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

RICARDO M. UMALI
Senior Undersecretary

DENR Memorandum Circular

No. 21

June 30, 1993

SUBJECT : Revised Procedures on the Conduct of Performance Evaluation of Stewardship Agreement, Cancellation and Compensation of the Holders Thereof

Pursuant to DENR Administrative Order No. 04, Series of 1991, prescribing the revised regulations implementing the Integrated Social Forestry Program (ISFP) and in order to facilitate the evaluation of the performance of Stewardship Agreement holders and to further provide procedures in the cancellation thereof including the compensation of its holders, the following procedures are hereby promulgated for the guidance and compliance of all concerned:

Section 1. Coverage. All ISF participants who are holders of Stewardship Agreement for a period of at least two (2) years shall be subject of evaluation as provided for in this Order.

Section 2. Preliminary Procedures on the Conduct of Evaluation. Prior to the conduct of evaluation, the following procedures shall be observed by all concerned:

2.1 Team Composition - The evaluation team shall be composed of at least four (4) members, namely: (a) Representative from the Regional/Social Forestry Division as the team leader; (b) CENRO ISF Desk Officer; (c) PENRO ISF Coordinator; and (d) Representative/s from the community, local government units (LGUs) and the concerned Non-Government Organization (NGO), whenever possible.

The concerned Development Assistants (CDA) shall assist the team in the conduct of the evaluation.

2.2 Basis for Evaluation. To facilitate the evaluation process, the CENR Office shall provide the team with the file copy of CS/CCFS and the individual farm plan for CS and community plan for CCFS and ISF map of the area;

- 2.3 **Submission of Reports.** Within ten (10) days after the conduct of the evaluation, the team shall submit to the RED concerned a report thereon following the format prescribed in Annex A hereof, copy furnished the DENR Central Office and the CENRO concerned.

Section 3. Evaluation Procedures. The following procedures shall be complied with in the conduct of evaluation by all concerned;

- 3.1 The Social Forestry Division in the Regional Office shall conduct inventory of CS and CCFS holders, determine those to be evaluated in accordance with Section 1 hereof. The corresponding action plan informing then CENR office of the schedule of evaluation shall likewise be prepared;
- 3.2 The Regional Executive Director shall issue a special order designating the concerned Community Development Officers, PENRO ISF Coordinator and representatives from the Regional/Social Forestry Division as members of the Evaluation Team.
- The community to be evaluated shall be notified and informed of the purpose of the visit and shall be requested to designate a representative to the Team;
- 3.3 The team shall prepare sketches of the farmlots to be assessed based on the standard ISF map of each forest occupant including the Individual/Community Plan as basis for evaluation.
- 3.4 The team shall then proceed with the evaluation of grantees using the Performance Evaluation Sheet prescribed in Annex B hereof. The report shall be prepared in accordance with Section 2.3 hereof.
- 3.5 The RED concerned shall send written notice to holders of Stewardship Agreement with the poor ratings indicating the three specific remedial measures to be adopted by the farmers.
- 3.6 Participants recommended for remedial actions shall be re-evaluated after one (1) year. The result of such evaluation shall be the basis for reconsideration or termination of stewardship agreement.
- 3.7 The continuing evaluation shall be conducted once every year.
- 3.8 The Regional Executive Director shall set aside funds for the purpose chargeable against Project Management Supervision (PMS) allocations;

Section 4. Re-evaluation of the Area and Performance. A re-evaluation of the area and the performance of the holders of the Stewardship Agreement previously evaluated as unsatisfactory shall be undertaken by the DENR within one (1) year from the expiry date of the prescribed grace period. As much as possible, the same evaluation team who conducted the previous performance evaluation shall conduct the re-evaluation.

Section 5. Re-evaluation Procedures. To facilitate the conduct of the re-evaluation activities, the duly designated evaluation team shall discharge the following functions:

- 5.1 Determine the extent of cultivation/development made on the individual lot.
- 5.2 Determine any serious and continued violation of existing forestry laws, rules and regulations in the development of the area.
- 5.3 Conduct interviews and verification regarding the performance of the concerned holder of Certificate of Stewardship; and
- 5.4 Prepare recommendations to the CENRO and RED concerned in support of the findings of the team for the cancellation or termination of the Agreement.

Section 6. Ground for Cancellation/Termination. Upon the recommendation of the Evaluation Team, the CENRO concerned shall cause the cancellation of the Agreement based on the following grounds:

- 6.1 Failure of the program participants to comply with the terms and conditions of the Agreement within the prescribed grace of one (1) year after the issuance of the Notice of Neglect by the RED concerned;
- 6.2 Falsifying public documents to obtain Agreement;
- 6.3 Transferring the Certificate of Stewardship to other persons through sale;
- 6.4 For serious and continued violation of existing forestry laws, rules and regulations of the Stewardship Agreement; and
- 6.5 When public interest so requires as determined by the DENR Secretary.

Section 7. Compensation. In case of cancellation/ termination due to public interest as determined by the DENR Secretary, the concerned CS holders shall be entitled to reimbursement of the cost incurred for all the permanent improvements introduced on the land. The following criteria shall be used as a basis:

- 7.1 All permanent improvements shall be compensated based on the fair market value prevailing in the area as assessed by any disinterested third party, less all charge or other obligations accruing to the government, if any; and
- 7.2 The assessment to permanent improvement shall be based on the potential harvest of fruit/forest trees in the area, taking into consideration the season whether wet or dry and the accessibility of site to the nearest market.

Section 8. Cancellation Procedure. When the report of the evaluation team warrants the cancellation of the Agreement, the Secretary or his duly authorized representative shall issue the cancellation order (ANNEX C), provided that such representative shall always be higher than the officer who issued the Agreement.

The following procedures shall be followed in the execution of the cancellation order:

- 8.1 The CENRO shall send a written notice to the CS holders describing the violations that have been committed, identifying the penalties that will be imposed and giving the CS holders thirty (30) days within which to reply or to appeal thru the CENRO;
- 8.2 Immediate imposition of the penalties earlier identified shall be effected in case of failure to reply or appeal within the prescribed period;
- 8.3 Evaluation of the reply or appeal submitted and conduct further investigation/inspection. Within thirty (30) days from the conclusion of the investigation, corresponding notice shall be issued to the holder;
- 8.4 the recommendation/s of the evaluation team is final and executory. The concerned CS holder shall be duly informed of the decision for cancellation copy furnished the RED and PENRO concerned and the Social Forestry Division.

Section 9. Turn-over of Affected Areas for Proper Management. In the case where cancellation is due to the grounds listed under Section 3.1, 3.2, and 3.3 hereof, following factors may be considered by the Evaluation Team:

- 9.1 If the project site has no existing recognized farmers' organizations, the affected area shall be turned-over to the government.
- 9.2 If the project site has an existing organization, the area may be turned-over to the organization for proper management. The area may served as a demonstration site to showcase the different activities undertaken in the site; and
- 9.3 The association may allocate the area to any nominated person who possessing the necessary qualifications in managing and developing the area subject to the approval of the DENR Secretary or his duly authorized representative.

Section 10. Resettlement. If the cancellation is due to public interest as determined by the Secretary, the affected program participant, shall whenever practicable be resettled to another area. They shall also be given the opportunity to participate in the selection of alternative resettlement site.

Section 11. Penalties. Upon cancellation of the CS, the concerned upland farmers shall:

- 11.1 Vacate the area within sixty (60) days upon receipt of the notice of cancellation, otherwise, they shall be charged with the violations under Section 69 of PD 705 as amended and other liabilities as maybe prescribed applicable by Laws.
- 11.2 Be disqualified to participate and/or acquire Certificate of Stewardship and other license or permit from the DENR.

Section 12. Repealing Clause. All memorandum, circulars and order inconsistent with any of the provisions hereof are hereby repealed and or amended accordingly.

Section 13. Effectivity. This Circular takes effect immediately.

ANGEL C. ALCALA
Secretary

DENR Memorandum Circular
No. 22
July 08, 1993

SUBJECT : Revised Procedures on the Evaluation of Communal Forest and Pasture Areas for Purposes of Determining Areas to be Developed Under the ISFP and/or Other Similar Land Uses.

Pursuant to DENR Administrative Order No. 4 series of 1991, which provided for the conversion and development into Integrated Social Forest (ISF) area of all communal forest, communal pastures and other areas covered by leases which have been abandoned or ceased to serve the purpose the area had been declared for, the following procedures on the conversion into ISF areas are hereby promulgated for the compliance and guidance of all concerned.

Section 1. Creation of Study Team and its Functions. The Regional Executive Director (RED) concerned shall create a study team to be composed of representatives from the Regional Social Forestry Division as Team Leader, the representatives from Forest Resources Development Division, the concerned Community Development Officer/Assistant, and the local government units/s (LGUs) concerned as members. The study team shall have the following functions:

- 1.1 Study and review all documents relevant to the subject area, specifically information on the establishment data, legal use, extent of the areas, location, vegetative condition, dominant species, administrative jurisdiction, supervision and development scheme;
- 1.2 Conduct assessment of the area based on the review made on the documents and information gathered ascertaining the suitability and feasibility of converting and developing the subject area into ISF;
- 1.3 Conduct inventory on the number of occupants and the extent of occupation;
- 1.4 Prepare report on the findings and formulate recommendations to the DENR Secretary with due endorsement by the RED concerned.

Section 2. Evaluating Criteria. The Study Team shall in the performance of their functions be guided by the following criteria:

2.1 Purpose of the Communal Forest/Communal Pasture

The purpose for the establishment of the Communal Forest is to supply the construction need of the residents or supplement the wood/firewood needs of the community; protect, support and improve the condition of water resources, and other specific purposes benefitting the residents of the community/municipality while the communal pasture is to provide grazing area for raising livestock for domestic purposes.

2.2 Maintenance and Development of the Area

Protection and conservation measures being undertaken including the municipal government development plan for the maintenance/development of the communal forest/communal pasture.

2.3 Existence of CTF, FOM and other Social Forestry-oriented projects.

Existence of Forest Occupancy Management (FOM), Family Approach Reforestation (FAR), Communal Tree Farm (CTF), Communal Forest, Communal Pastures which have ceased to serve the purpose for which they were established, neglected or abandoned and other suitable reforestation/afforestation projects.

2.4 Occupancy

Extent of the area occupied, number of families, nature of occupancy whether for agricultural, industrial, residential, commercial, or other purposes.

2.5 Economic potential of the land

Suitability of the area for development into a productive ISF project and/or other similar land uses such as for school site, reforestation site, and other land uses of similar nature based on its bio-physical features and the establishment of such projects will contribute to the development and conservation of forest resources.

2.6 Attitude of the Occupants

Willingness of the occupants of the Communal Forest/Communal Pasture to develop the area by the qualified beneficiaries under the Integrated Social Forestry Program.

Section 3. Evaluation Procedures. To ensure effective implementation of this Order, the following general procedures shall be adopted by all concerned:

3.1 The Study team shall give priority to areas covered by requests for development under the ISFP, disestablishment, and for other purposes, by the Barangay Council or association of forest occupants or the Municipal Council.

Disestablishment of communal forest/communal pasture if warranted should come first before developing the area into ISFP and other suitable land use consistent with existing forest laws, rules, and regulations;

3.2 The Community Environment and Natural Resources Officer (CENRO) shall make preliminary evaluation of the area and endorse the same to the Secretary through the Regional Executive Director;

3.3 The Regional Executive Director (RED) shall deploy the designated Study Team to conduct evaluation of the area;

3.4 The Study Team shall coordinate with CENRO, the Municipal/Barangay Council, association of forest occupants, or group of forest occupants concerned before doing actual investigation and evaluation of communal forest/communal pasture.

3.5 The Study Team shall submit a report to the Secretary containing its comments and recommendations.

3.6 In case the area or any portion thereof shall be converted or allowed for development under ISF and/or other similar land use, the RED concerned shall send the Land Evaluation Survey Team to survey and exclude the areas occupied from the coverage of the Communal Forest/Communal Pasture, in case the subject area is not fully occupied.

Moreover, the RED concerned shall recommend to the DENR Secretary with due concurrence by the FMB Director, the disestablishment/amendment or conversion of communal forest/communal pasture or portion thereof as may be found suitable for the purpose, for the ISFP and/or other similar land use.

3.7 Upon approval of the Order, the DENR Secretary, through the RED concerned shall cause the immediate implementation of the project.

Section 4. Repealing Clause. All other, circulars and memoranda are hereby repealed and/or amended accordingly.

Section 5. Effectivity. This Circular takes effect immediately.

ANGEL C. ALCALA
Secretary

DENR Memorandum Circular

No. 23

July 08, 1993

SUBJECT : Revised Procedures on the Transfer of Certificate of Stewardship (CS) to the Next-of-Kin of the Holders Thereof

Pursuant to Section 11 of DENR Administrative Order No. 4 series of 1991, and in order to facilitate the transfer of rights and privileges of the holder of Certificate of Stewardship (CS) to his/her next-of-kin, the following procedures shall be complied with by all concerned:

Section 1. General Conditions on the Transfer of Certificate of Stewardship. In general, the transfer of Certificate of Stewardship to the next-of-kin shall be governed by the following conditions:

- 1.1 The rights and privileges conferred to the holder/s of a Stewardship Agreement may be transferred only to the next-of-kin of the original holder only under any of the following situation:
- a. Death or incapacity of the original Steward;
 - b. Movement outside of the area by the Steward;
 - c. Change of vocation of the Steward aside from upland farming; and
 - d. The steward cease to be the actual tillers of the area for whatever valid and acceptable reason/s.

Other nominated persons or party possessing the necessary qualifications may also be appointed by the original steward. PROVIDED, however, that prior approval of DENR Secretary or his duly authorized representative is sought;

- 1.2 In all cases appertaining hereto, the original CS number assigned to the grantee shall remain the same;
- 1.3 The concurring qualified heirs or next-of-kin shall enjoy the rights and privileges corresponding to the remaining unexpired term of the Stewardship Agreement; and

- 1.4 When the CS is named to both husband and wife, transfer to the next-of-kin can only be effected if both spouses are incapable of developing the area for reasons mentioned under Section 1.1 hereof.

Section 2. Qualification and Responsibilities of the Next-of-

Kin. The qualified next-of-kin eligible to receive the CS in their order of succession are:

- 2.1 **Children** - The rights and privileges emanating from the Stewardship Agreement shall pass on to the children of the grantee, provided that he/she is the only child and/or the eldest son/daughter of legal age. He or she shall be allowed to continue the remaining term of the agreement in behalf of the other children.

Upon the expiration of the term specified in the Stewardship Agreement, the children shall agree among themselves who shall be the steward of the area covered by the Agreement upon its renewal.

Subdivision of the farmlot into smaller portions shall in no case be allowed.

- 2.2 **Parents** - The surviving parents of the grantee shall succeed to the rights and privileges provided hereof provided that there are no concurring children of the grantee.
- 2.3 **Brothers and Sisters** - The rights and privileges of the grantee shall only pass on to his/her brothers or sisters in case the provisions in Items 2.1 and 2.2 are not applicable.

In case the concurring heirs are minor children, the surviving parents, the brother or sister of the grantee or in default thereof any person judicially appointed, shall act as the administrator of the land covered by the Agreement in behalf of the children of the grantee and shall relinquish their administratorship to the latter in the event the latter have already reached legal age in accordance with Item 2.1 hereof.

Section 3. Requirements - In order to support the claim for the transfer of the CS to the qualified next-of-kin, the following documents shall be submitted to the DENR Regional Office concerned:

- 3.1 Certificate of the Barangay Captain thru the recommendation of the association attesting to the incapacity of the grantee; or to the qualifications of the nominated person in case the original grantee has no next-of-kin.

- 3.2 Death Certificate of the grantee from the Registrar's Office of the municipality where the area is located;
- 3.3 Birth Certificate or Certification of Barangay Captain where a child is the concurring heir.

Section 4. Procedures. The following procedures shall be observed in the transfer of the CS:

- 4.1 The grantee and/or his next-of-kin shall notify the DENR through the CENRO concerned prior to the transfer of the Stewardship Agreement;
- 4.2 The CENRO Social Forestry Desk Officer or his representative shall conduct an investigation to determine the validity of the proposed transfer of the Stewardship Certificates to the next-of-kin and/or nominated person;
- 4.3 The provision on the acceptance of the CS by the qualified heir shall be indicated at the back of the Stewardship Certificates to be transferred including the duplicate and triplicate copies, as follows:

"I, (name of heir/next-of-kin) with postal address at (Sitio, Barangay, Municipality and Province) is the qualified heir/successor of the area described herein pursuant to Section 11 of DENR Administrative Order No. 4, Series of 1991, as amended, and hereby pledge to assume the duties and responsibilities in which (name of transferor) has been entrusted under the Stewardship Agreement.

Signature of Successor

Attested by:

CENRO

Date _____

Section 5. Repealing Clause. All circulars, orders and memoranda which are inconsistent herewith are hereby repealed and or amended accordingly.

Section 7. Effectivity. This Circular takes effect immediately.

ANGEL C. ALCALA
Secretary

DENR Memorandum Circular
No. 24
July 09, 1993

SUBJECT : Clarification on the Definition of Forest Charges and Administrative Fees Under Section 1 of DENR A.O. No. 15, Series of 1993

To ensure that all forest fees and charges being collected by DENR are properly recorded as envisioned under DENR Administrative Order No. 15, Series of 1993, the following clarification is hereby issued for the guidance and compliance of all concerned:

1. The definition of Forest Charge under item 1.1 of Sec. 1 should be amended to read as follows:
 - 1.1 "Forest Charges refer to a levy being imposed by the government on timber and other forest products cut in forestland by the permittee and TLA/TPSA holders the rate of which is provided under Sec. 70, 71 and 72 of Republic Act no 7161".
1. Under item 1.2 of Section 1, Administrative fees should include only the following:
 - 2.1 Application fee
 - 2.2 Permit/license fee
 - 2.3 Oath/certification/authentication fee
 - 2.4 Inspection fee
3. Rental performance bond, appeal fee and silvicultural fee should be recorded separately from administrative fees.
4. All other provisions of DENR A.O. no. 15, Series of 1993 shall remain in force.
5. This circular shall take effect immediately.

ANGEL C. ALCALA
Secretary

DENR Memorandum Circular
No. 26
July 15, 1993

SUBJECT : Guidelines in the Determination, Disposition and Titling of the Lands Formerly Covered by Proclamation No. 2262 dated March 29, 1983 in Accordance with Memorandum Order No. 107 dated 23 March 1993

Under Proclamation No. 2282 dated March 29, 1983, the President of the Philippines reclassified certain portions of the public domain as agricultural lands and declared the same as alienable and disposable for agricultural and resettlement purposes of the Kilusang Kabuhayan at Kaunlaran Land Resource Management Program of the defunct Ministry of Human Settlements. The parcels with a total area of 1,502,246 hectares are located in various municipalities and provinces.

This Proclamation NO. 2282 was revoked by Presidential Memorandum Order No. 17 dated June 17, 1986.

On March 23, 1993 President Fidel V. Ramos issued Memorandum Order No. 107 clarifying Memorandum Order No. 17 dated June 17, 1986 and providing the following guidelines, quoted hereunder to wit:

"Section 1. All lands covered by Proclamation No. 2282 which were classified as alienable and disposable agricultural lands prior to 19 March 1983 and used or administered by KKK-NISF as agricultural lands shall remain alienable and disposable agricultural lands.

"Section 2. All lands actually classified as agricultural lands prior to the effectivity of Proclamation No. 2282 and used or administered by KKK-NISF as agricultural land shall be turned over to the Department of Agrarian Reform for disposition to farmer-beneficiaries in accordance with Executive Order No. 407.

"Section 3. The Department of Agrarian Reform and the Department of Environment and Natural Resources shall jointly determine which areas were reclassified as alienable and disposable agricultural land previous to the effectivity of Proclamation No. 2282 for disposition by the Department of Agrarian Reform".

Accordingly these detailed guidelines are hereby promulgated for the information of and compliance by all concerned.

I. COVERAGE

These guidelines shall apply to public agricultural lands covered by Proclamation No. 2282 and classified as alienable and disposable (A & D) lands prior to 29 March 1983.

II. STATEMENT OF POLICIES:

- A. In general, all lands actually classified as agricultural lands prior to 29 March 1983 which is the effectivity of Proclamation No. 2282 and used or administered by the KKK (Now the National Livelihood Support fund, NLSF) as agricultural lands shall be turned over to the Department of Agrarian Reform (DAR) for disposition to farmer-beneficiaries in compliance with Memorandum Order No. 107.
- B. Alienable and disposable agricultural lands refer to land devoted to agricultural activity and within the A & D areas, and not classified as mineral, forest, residential, commercial or industrial lands.
- C. The areas to be transferred to DAR shall include claims of cultural communities or indigenous tribal groups, vacant or unoccupied lands within the alienable and disposable agricultural lands classified as such prior to March 29, 1983.
- D. CENROs shall ensure that the lands covered by Proclamation No. 2282 and which were reclassified as alienable and disposable agricultural lands prior to 29 March 1983 are documented and turned over to their DAR counterpart. Copies of the documentation shall be furnished the lands Management Bureau thru the Regional Executive Directors.
- E. The protection, development and rehabilitation of forest lands shall be emphasized so as to ensure their continuity in production condition.
- F. The following lands are not covered under the turn-over scheme as enumerated in DAR Memorandum Circular NO. 107, series of 1993.

1. Lands with adverse claims until the adverse claims are resolved administratively or judicially and when the adjudicate opts to be a CARP-Beneficiary.
- 2.. Parcel or forest lands which were already classified and titled shall be respected, except, when the area exceeds the retention limits allowed by law in which came they shall be covered by CARP following the schedule of priorities under Section 7 of R.A. 6657.
3. Parcels or lots covered by public land applications filed with the DENR or the DA (BFAR) shall be respected. The applicant concerned shall be allowed to pursue his application with the DENR. Applicants who wish to instead acquire their lots through CARP may be allowed to do so provided that they present proof that they have already requested the DENR to cancel or reject their application and that they possess all the qualifications of an ARB. The DAR shall immediately thereafter advise the DENR in writing about the receipt of such application to be CARP beneficiary.
4. Lands which have been proclaimed as reservations in favor of other government agencies or instrumentalities. The DAR may initiate for the acquisition of those portions that are not being used for the purpose of the reservation or not needed by the agency concerned, pursuant to E.O. 407 as amended by E.O. 448, subject to the usual land classification..
5. Poblacions, Townsites, Barangay sites and similar sites actually used for residential or non-agricultural purposes. Their titling shall be pursued under the DENR program thru cadastral proceedings or under the provisions of the Public Land Act 141 as amended.
6. All lands utilized as government sites, lands actually, directly or exclusively used and found necessary for parks, wildlife, forest reserves, etc., as specified in Section 10, RA 6657 to be exempted and excluded from the coverage of CARP are not covered by this transfer scheme.

7. Lands intended for or devoted to public use such as highways, roads, railroads, foreshores, public right-of-way, easements, and other similar uses, as well as lands under bodies of water such as rivers, creeks, bays, natural springs, irrigation canals, reservoirs and similar areas under water shall be retained.
8. All lands that are unclassified or classified as Timberland or Permanent Forestlands, National Parks, Mineral lands, even if fully occupied or cultivated shall not be transferred to DAR. The occupants shall be included in the ISF program of the DENR in accordance with Joint DAR-DENR Administrative Order No. 2, series of 1992.
9. Lands where actual occupants or claimant may already be entitled to a free patent under R.A. 6940 by reason of continuous occupation and cultivation by himself or thru his predecessors-in-interest for at least 30 years prior to April 16, 1990, shall not be covered by this transfer scheme. The claimant shall be allowed to protect his rights in the DENR under the provisions of the Public Land Act.
10. Fifty (50) meters strip of lands along edge of normal high waterline of rivers and streams with claimants of at least five (5) meters wide along streamlines facing oceans, lakes and other bodies of water, and strips of land at least 20 meters wide facing lakes are not covered.

III. PROCEDURES

1. Each CENRO concerned shall plot in the municipal base map the areas proclaimed for KKK-NISF under Proclamation No. 2282.
2. On an overlay, the boundaries of cadastral (CAD), Public Land Subdivision (PLS), and Group Settlement Surveys (GSS) are plotted. On the same overlay, the boundaries of A & D lands in the area as per the land classification maps are also plotted.
3. Ascertain if the cadastral, PLS lots are already titled thru judicial or administrative procedures, or covered by existing public land applications, or without applications.

4. The priority listing to be turned over to DAR shall include the claims of cultural communities or indigenous tribal groups, _____ or occupied lands, (i.e. not covered by public land applications) which are inside the alienable and disposable areas (A & D lands). The corresponding lot descriptions and cadastral maps/plans shall be turned over to their DAR counter-parts. Copies of the documentation shall be furnished the lands Management Bureau thru the Regional Executive Director, the DENR Provincial and Regional CARP project coordinators.
5. The second listing shall include the lots that are covered by subsisting public land applications, lands with adverse claims and lands proclaimed as reservations in favor or other government agencies (to be identified in the listing).
6. The third listing which is for DENR use shall include lands within the alienable and disposable areas (A & D) in the areas covered by Proclamation No. 2282 such as poblacions, townsites, barangay sites and similar sites actually used for residential or non-agricultural purposes; lands utilized as government sites, in addition to those lands specified in Section 10, RA 6657; and lands intended for public use such as highways, roads, public right-of-way, foreshores and other similar uses. These lots are not covered by CARP.
7. The CENRO shall certify to DAR the parcels located at the periphery of A & D areas whether they are outside of, partially or totally inside, the unclassified areas or forest lands.

IV. IMPLEMENTATION/DEFINITION OF RESPONSIBILITY.

As this project is to be accomplished as soon as possible, the CENROs are directly responsible in carrying out this order in their respective areas. Their activities shall be supervised by the RTD for Lands thru the PENROs. Sectoral issues which may arise shall be resolved by the RED.

V. EFFECTIVITY.

This Memorandum Circular shall take effect immediately.

ANGEL C. ALCALA
Secretary

DENR Memorandum Circular

No. 28

August 06, 1993

SUBJECT : Creation of the Coastal Environment Program Coordinating Office (CEPCO), CEP Bureau Support and Regional Coordinating Offices and Defining their Functions.

Pursuant to DAO Nos. 19 and 49 Series of 1993, and in order to promote efficiency and strengthen and oversee the implementation of the Coastal Environment Program (CEP) there is hereby created in the Department of Environment and Natural Resources a Coastal Environment Program Coordinating Office in the Office of the Secretary under the supervision of the Office of the Undersecretary for Environment and Research.

Section 1. Office Head and Location - The Coastal Environment Program Coordinating Office (CEPCO) to be headed by a National Coordinator (NCC) designated by the Secretary and shall hold office at the Department of Environment and Natural Resources, Visayas Ave., Diliman, Quezon City. In support to the CEPCO, Bureau Support Offices shall be established in all the Department's Bureau and relevant attached agencies, likewise Regional CEP Coordinating Office/Staff shall be established in all regions, including ARMM with proper representation from concern or appropriate authorities.

Section 2. The CEPCO shall have the following functions:

- 2.1 To develop, formulate and recommend coastal environment policies, issuances, rules and regulations, guidelines and procedures necessary to support and sustain the CEP;
- 2.2 To formulate a national CEP program with indicative targets and accomplishments;
- 2.3 To facilitate the allocation of financial resources, equipment and technical support to all regions;
- 2.4 To coordinate and liaise with other units of the Department, including National Coordinators and other government agencies units regarding projects, activities related to CEP;

- 2.5 To act as clearing house for all regional project proposals, feasibility and policy studies pertaining to coastal environment matters and make recommendations prior to their endorsement by the Undersecretary for Environment and Research for approval by the Secretary;
- 2.6 To develop a monitoring and evaluation system relevant to the coastal environment and maintain such systems in coordination with other DENR units;
- 2.7 To facilitate the conduct of trainings for personnel associated with the CEP in coordination with the Human Resource Development Service;
- 2.8 To oversee the implementation of the Coastal Environment Program;
- 2.9 To compile and constitute a library of existing and updated coastal-related documents for access of the regional coordinating offices;
- 2.10 To facilitate the establishment of a national coastal geographic information system; and
- 2.11 To provide the Secretary through the Undersecretary for Environment and Research with monthly updates of the CEP.

Section 3. The CEP Bureau Support Offices shall have the following functions:

The CEP Bureau Support Offices which shall be established in the different Bureaus and relevant attached agencies shall be under the Office of the Director and Administrator, respectively. It shall have the following functions:

- 3.1 Assist the CEPCO in providing technical expertise in the assessment of project proposals for regional offices, specifically in their area of technical expertise;
- 3.2 Assist in the conduct of field survey and evaluation of CEP project sites when necessary;
- 3.3 Recommend to the CEPCO coastal environment policies, issuances, regulations, and guidelines where their expertise apply;
- 3.4 Assist in the development of a monitoring and evaluation system of CEP projects in coordination with the CEPCO staff;

- 3.5 Compile and constitute a library of existing and updated coastal-related documents for immediate access of regional CEP staff and to augment the collections of the CEPCO; and
- 3.6 Submit a monthly report to the Undersecretary for Environment and Research through their respective Directors or Administrators as the case maybe and the CEPCO. With copies to their supervising Undersecretaries.

Section 4. CEP Regional Coordinating Office/Staff and Functions and Responsibilities of the CEP Regional Coordinators.

CEP Regional Coordinating Office in all regions shall be created under the Office of the Regional Executive Director and shall be headed by a Regional CEP Coordinator to be designated by the Secretary.

The Regional CEP Coordinator shall have the following functions and responsibilities:

- 4.1 Regional CEP Coordinators (RCCs) shall be the extension of the National Coordinator in the regions and are assigned with parallel functions within their designated regions;
- 4.2 RCCs shall supervise the progress of all CEP-related projects and prepare action programs and implementation strategies with the Project Managers at their designated regions;
- 4.3 RCCs shall coordinate with government agencies, non-government organizations and other entities at the regional level on matters vital to the implementation of CEP Programs at their respective regions;
- 4.4 RCCs shall coordinate with the NCC and the Budget and Financial Management Staff of the Department assigned to the CEP to facilitate the transfer of funds to their respective regions;
- 4.5 RCCs shall manage the operation of the Regional CEP Coordinating Office;
- 4.6 RCCs shall submit the region's monthly report of accomplishments to the CEPCO through the RED.

Section 5. Functions of the CEP Regional Project Manager

For the effective implementation of CEP Projects a CEP Regional Project Manager shall be designated and shall have the following functions:

- 5.1 Assist the Regional CEP Coordinator in the implementation of all his CEP-related functions;
- 5.2 Provide assistance and expertise to People's Organizations in the areas of project implementation in terms of problems identification and prioritization, technology needs and accessing of possible sources of funds;
- 5.3 Consolidate and prepare the region's monthly reports for submission to the CEP RCC as accessed from the Provincial and Community CEP Coordinators (PCCs and CCCs) where project sites are located;
- 5.4 Assist the PCCs and CCCs in accessing information and trainings relevant to the implementation of CEP.

Section 6. Provincial CEP Coordinators shall:

- 6.1 Assists, supervise and monitor the implementation of CEP projects in his area of jurisdiction;
- 6.2 Coordinate with and entertain CEP-related issues and concerns of other government agencies, local private institutions, non-government agencies, people's organizations and other stakeholders who are involved in the area's coastal environment program;
- 6.3 Initiate regular discussions on CEP matters with the CCC and recommend measures to effectively and judiciously implement the CEP;
- 6.4 Consolidate and prepare monthly reports of accomplishments for submission to the Regional Project Manager.

Section 7. Community CEP Coordinators (CCCs) shall:

- 7.1 With their assigned staff, implement approved CEP projects on site;

- 7.2 Initiate the documentation of activities, strategies, personnel involvement, linkages, data gathered, IEC (e.g. political, health and cultural profiles) and community organizing status and results, lessons learned and other information relevant to the CEP;
- 7.3 Provide the PCC with monthly updates of CEP project implementation;
- 7.4 Communicate and work with other CCCs where jurisdictional overlaps are concerned;
- 7.5 Entertain and address the concerns of other government organizations (GOs), non-government organizations (NGOs), people's organizations (POs), local government units (LGUs) and other stakeholders on issues relevant to the implementation of the CEP at the community level;
- 7.6 Suggest and elevate the PCC, guidelines, policies and site specific strategies, that may evolve in the course of project implementation;
- 7.7 Promote the attributes of the CEP through regular and sustained information and education campaigns in support to community organizing activities for the CEP; and
- 7.8 Identify and recommend areas for declaration as marine reserves or sites for future CEP activities in their areas of jurisdiction.

Section 8. Personnel Complements. The Regional Coordinators and Bureau Directors shall upon approval of this Order, submit the list of officials as Provincial and Community CEP Coordinators (PCCs and CCCs) and members of the bureau support offices for designation of the Secretary, and therefore shall report their compliance within ten (10) days from receipt of this Memorandum Order.

Section 9. Effectivity. This Order shall take effect immediately.

ANGEL C. ALCALA
Secretary

Recommended by:

BEN S. MALAYANG, III
USEC for Environment and Research

DENR Memorandum Circular
No. 29
August 11, 1993

**SUBJECT : Guidelines and Procedures in the
Cancellation of Reforestation Contracts
and Recovery Proceedings**

Pursuant to Section 59 of DAO 31, series of 1991 pertaining to the revised guidelines in Contract Reforestation particularly on the grounds for cancellation of contract, the following guidelines and procedures governing the cancellation of reforestation contracts are hereby promulgated:

Section 1. Basic Policy

It shall be the policy of the government to strengthen the national program for forest development and conservation especially the National Forestation Program through the institution of measures which will ensure the faithful execution of reforestation contracts and other agreements thereafter.

Section 2. Objectives

- 2.1 To provide a uniform and orderly procedure for the cancellation of reforestation contracts and the institution of the corresponding civil action for rescission and recovery of damages; and,
- 2.2 To protect the government's investment in the implementation of the National Forestation Program.

Section 3. Definition of Terms

As used in this Circular, the following terms are construed thus:

- 3.1 OSF - refers to Office of the Solicitor General;
- 3.2 NFDO-SAU - refers to National Forestation Development Office - Special Action Unit;
- 3.3 RLO - refers to Regional Liaison Officer;
- 3.4 Director - refers to Director of the National Forestation Development Office;

- 3.5 Complaint - refers to the sworn written statement setting forth the cause/s of action of the DENR against the contractor for the recession of the contract and/or recovery of damages (see Annex A);
- 3.6 Notice of Delinquency - refers to the letter notifying the contractor of the latter's failure to perform its obligations under the contract and giving it the opportunity to explain why the same should not be terminated (see Annex B);
- 3.7 Cancellation Order - final order from the CENRO, PENRO, RED, Secretary or his authorized representative cancelling the contract (see Annex C);
- 3.8 Reforestation Contracts - refers to all activity specific and comprehensive contracts entered into by the DENR and the contracts under the NFP.

Section 4. Grounds for Cancellation of Reforestation Contracts

After notice and opportunity to be heard, the contracts of reforestation entered into by the DENR may be cancelled on the following grounds:

- 4.1 Fraud, misrepresentation or omission by the contractor of material facts in obtaining the contract which would otherwise disqualify him therefrom;
- 4.2 Failure to start the project on the date specified in the contract without just cause;
- 4.3 Abandonment of the project area, or of the work stipulated in the contract for a period of at least one month from the date of discovery by DENR of such fact; or,
- 4.4 Violation of, or failure to comply with, the terms and conditions of the contract, the pertinent provisions of this guidelines, and other rules and regulations for contract reforestation without just cause.

Section 5. Authority to Cancel Contracts

- 5.1 The CENRO, PENRO and RED whoever, entered into the contract of reforestation pursuant to DAO 9, series of 1989 and DAO 116, series of 1989 shall have the authority to cancel the aforementioned contract; and,

- 5.2 the Secretary or his duly designated representative shall have the authority to cancel the contracts entered into by the aforementioned officials regardless of whether the funds were transferred/supervision delegated to the PENRO/Region.

Section 6. Steps in the Cancellation of Reforestation Contracts

6.1 Evaluation of Contract Reforestation Projects

Contracts entered into by the CENRO shall be evaluated by the PENRO while contract entered into by the PENRO shall be evaluated by the RED to determine whether or not grounds exist for cancellation.

However, all reforestation contract entered into by the RED or by the Secretary or his duly authorized representative shall be evaluated by the combined team of FMB, OSEC and NFDO staff.

6.2 Investigation of Contract Reforestation Projects

Finally, all investigating teams shall notify the Finance Unit of either the PENRO or the Regional Office which has financial control over the project for a representative to join the investigating team.

6.3 Conduct of Investigation

The joint investigation team shall forthwith conduct an on site inspection and evaluation of the project to determine the actual status and condition of the project area. The team shall take down the testimonies of witnesses, contractors, project managers and such other persons as may be deemed necessary.

Likewise, the team shall review the records and documents pertinent to the project including, but not limited to, the following:

- a. Contract or Memorandum of Agreement
- b. All vouchers/checks released by DENR to the contractor
- c. Accomplishment Reports with photographs
- d. Work and Financial Plan
- e. Schedule of Payments
- f. All undertakings executed by contractor
- g. Development Plan
- h. All relevant project inspection/evaluation reports submitted by DENR Monitoring and Evaluation teams and ICM reports.

Certified true copies of said documents along with pictures of the project site shall be attached to the report of the team;

6.4 **Power of the investigating team**

The investigating team are hereby authorized to:

- a. take the depositions of witnesses
- b. inspect all records, statements of accounts, vouchers, and checks pertaining to the contract.

All DENR employees are enjoined to provide full support and assistance to the investigation team who shall have the power to call on and require the presence and attendance of said employees;

6.5 **Submission of Report**

The report of the investigating team shall be signed and submitted within fifteen (15) days from the termination of the investigation to the CENRO or PENRO or RED whichever entered into the contract investigated, copy furnished the CENRO or PENRO and RED which has jurisdiction over the project site; **Provided that**, all reports on OSEC funded contracts shall be submitted to the NFDO Director.

6.6 **Notice of Delinquency**

Where grounds exist for cancelling the contract based on the findings of the investigating team, the CENRO, PENRO, RED or the Secretary or his duly designated representative, as the case may be, shall send to the contractor a Notice of Delinquency (see Annex B) requiring the latter to show cause within fifteen (15) days from receipt thereof, why the contract should not be terminated.

6.7 **Transmittal to the Legal Division for evaluation or comment**

Where the contractor fails to submit his explanation within the prescribed period or the same is not satisfactory, the CENRO, PENRO, RED, or Secretary or his duly authorized representative, as the case may be, shall prepare the Cancellation Order (see Annex C) and send it to the Legal Division of the Regional Office, together with the report of the investigating team and all the records and documents pertaining thereto. In case of OSEC funded contracts, said documents shall be sent to the NFDO-SAU:

6.8 Comment or Evaluation of the Cancellation Order

The Legal Division or NFDO-SAU shall review the records of the contract sought to be rescinded and return the Cancellation Order with their evaluation, comments and recommendations thereon within seven (7) days from receipt thereof.

6.9 Signing of the Cancellation Order

Where the legal division of the Regional Office or NFDO (if the project is awarded by the OSEC) recommends the cancellation of the contract, the Cancellation Order shall be signed by the CENRO, PENRO, RED or Secretary or his duly authorized representative which ever entered unto the contract and sent forthwith to the contractor.

The office cancelling the contract shall simultaneously notify the bonding company (see Annex D) of the cancellation of the contract attaching thereto a copy of the Cancellation Order and Notice of Delinquency. Same shall also move for the calling of the performance bond posted by the contractor.

Further, the said office shall blacklist all contractors, including the officers thereof, whose contracts have been cancelled. All persons blacklisted shall be barred from entering into any contracts and/or arrangements with DENR. The list shall be submitted to the Director, NFDO.

Where the cancellation of the contract is not recommended, the CENRO/PENRO/RED, may take such actions as may otherwise be recommended by the Regional Legal Division. However, the CENRO/PENRO/RED, may if not satisfied therewith, transmit the records of the case to the Office of the Secretary for further action.

6.10 Transmittal of records of the case to legal division

After the Order of Cancellation is sent to the contractor, the records of the contract together with the report of the investigating team and its attachments shall be transmitted to the Legal Division, copy furnished the Legal Services Division of Central Office, for the preparation of the complaint against the erring contractor.

After the cancellation order has become final in accordance with Section 6.12 hereof, the RED shall transmit the formal complaint with its annexes to the

OSG which shall prosecute the case or deputize the legal department to prosecute the same.

When an appeal has been taken from the Order of Cancellation in accordance with Section 6.12 hereof, the RED shall hold in abeyance the transmittal of the complaint until the appeal has been ruled upon by Secretary..

6.11 Monitoring of cases with Office of Solicitor General

The NFDO shall monitor the cases endorsed to the OSG and shall serve as DENR's liaison officer to the OSG.

6.12 Finality and appeal from the Order of Cancellation

The Order of Cancellation shall become final unless appealed to the Office of the Secretary within fifteen (15) days from receipt thereof. the CENRO, PENRO or RED concerned or the NFDO shall be notified by the contractor of the appeal within the prescribed period.

6.13 Service of the Notice of Delinquency and Order of Cancellation

The Notice of Delinquency and Order of Cancellation shall be served to the contractor personally or through registered mail. Where personal service is resorted to, the same shall be duly received and signed by the contractor or his representative. In case of registered mail, the registry receipt and registry return card shall be attached to the records;

Section 7. Local Government Units (LGU) Reforestation Contracts

7.1 LGU contracts shall undergo the same cancellation procedure in accordance with Section 6 of this guidelines.

7.2 After serving the cancellation order, copy furnished the NFDO, the office concern shall submit a letter complaint with the Secretary of Department of Interior and Local Government (DILG) for administrative or legal action.

Section 8. Status of Cref Project After Cancellation

8.1 The project site will be under the jurisdiction of the CENRO and all remaining seedlings and infrastructure paid for by the Department will be taken over by the CENRO and placed under his control.

The CENRO shall be responsible for the maintenance and protection of plantation established; and,

- 8.2 The remaining funds shall be treated as savings of DENR and utilization thereof shall be subject to guidelines and procedures to be set by the Secretary or his duly designated representatives.

Section 9. Repealing Clause

All memoranda, circular and orders not consistent herewith are hereby deemed repealed.

Section 10. Effectivity

This order shall take effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

RICARDO M. UMALI
Senior Undersecretary
Natural Resources Management
and Field Operations

DENR Memorandum Circular

No. 33

September 30, 1993

SUBJECT : Policy on the Exportation of Logs, Lumber, Boules, Finished and Semi-finished Wood Products from Plantations

Pursuant to the pertinent provisions of PO 705, as amended, Executive Order No. 192 and in line with the rationalization of the Forest-based Industry, the policy banning the exportation of logs, lumber, and boules from *natural forests*, and the policy allowing export of finished and semi-finished products are hereby affirmed and maintained; subject however, to pertinent provisions, to be interpreted as follows:

Section 1. Basic Policy and Objectives. It is the policy of the State to promote, develop and expand the forest resource-based industries. This shall be achieved through the following:

- 1.1 Rationalizing the Forest Industry in order encourage more investments in the development, efficient and productive utilization of forest resources; and,
- 1.2 Allowing the exportation of logs, lumber, and boules produced from tree plantations and finished and semi-finished products produced to provide incentives to the private sector to engage in the development of tree plantations.

Section 2. Definition of Terms. For the purpose of this Order, the following terms shall mean:

- 2.1 **Boule** - unedged lumber produced from a log which has been sawn without passing through the edger and stickered back into its approximate original form.
- 2.2 **Export** - the process of sale and shipment of goods and services to a foreign entity.
- 2.3 **Finished Wood Products** - products derived from the manufacture or conversion of forest products into forms which can be readily used without further processing, or end-products ready for use without need of further manufacturing such as, but not limited to, doors, door jambs, picture frames tool handles, wooden shoues, mouldings, toothpicks, chopsticks, boxes, plywood, toys, drawers sides, decorative articles, floor parquets, pallets (assembled) and other similar products.

- 2.4 **Knock-down Finished or Semi-finished Wood Products** - end products that have components or parts which are taken apart for ease in packing, handling and transporting to the market or the end-user such as, but not limited to, cabinets, tables, chairs and other similar wood products.
- 2.5 **Lumber** - solid wood not further manufactured other than sawing, resawing, kiln-drying, and passing lengthwise through a standard planing machine, edged and trimmed and has not been subjected to further pre-finishing.
- 2.6 **Private Forest Development Agreement (PFDA)** - is an agreement entered into by and between the DENR and a private land owner or his duly authorized representative for the establishment and development of forest plantation within his private property.
- 2.7 **Semi-finished Products** - whole-end products that require final stages of manufacture and/or assembly such as, but not limited to, window components, table tops, veneer and other similar products.

Section 3. Scope and Coverage. The following wood products are allowed for exportation:

- 3.1 Round logs, lumber and boules regardless of species produced from:
 - 3.1.1 tree plantations and contract reforestation areas designated as timber production sites, except government-owned reforestation projects; and,
 - 3.1.2 trees planted in privately-owned lands covered by a Private Forest Development Agreement pursuant to *DENR Administrative Order No. 16, Series of 1992*.
- 3.2 Finished Wood Products;
- 3.3 Semi-Finished Wood Products;
- 3.4 Knock-Down Finished or Semi-Finished Wood Products

Section 4. Effectivity. This Circular shall take effect immediately upon acknowledgement by the UP Law Center and fifteen days after its publication in a newspaper or national circulation.

ANGEL C. ALCALA
Secretary