

**DENR Memorandum Circular**

**No. 01**

**January 18, 1994**

**SUBJECT : Guidelines for the Prosecution of Illegal Logging and Related Cases**

In line with the present policy of the DENR to vigorously prosecute illegal logging and related cases pursuant to its mandate as the primary government agency responsible for the conservation of the country's environment and natural resources, and in accordance with DENR Special Order No. 1580, Series of 1993 creating a Special Prosecution Task Force codenamed "Task Force T AGA-USIG", the following guidelines in the prosecution of illegal logging and related cases are hereby promulgated,:

**Sec. 1 Responsibility for Prosecution** - As a general policy, the prosecution of illegal logging and related cases shall be the primary responsibility of the Regional Offices, through their Legal Officers, subject to the supervision and control of the Assistant Secretary for Legal Affairs. In this connection, the Regional Legal Officers shall actively collaborate with the City/Provincial Prosecutors in the various regions designated to compose the Special Task Force on Environment and Natural Resources pursuant to Department Order No. 205 dated June 17, 1993 of the Department of Justice.

However, with respect to high-profile cases as determined in accordance with this Circular, they shall be directly referred to the Office of the Assistant Secretary for Legal Affairs at the DENR Central Office for prosecution assistance.

**Sec. 2 Criteria for Determination of High-Profile Cases** – Illegal logging and related cases to be referred to the DENR Central Office for prosecution shall be chosen on the basis of the following criteria:

Factor	Weight
Value of confiscation forest products / conveyances/equipment	25%
Reputation of alleged offender(s)	25%

Difficulty of case due to complexity/ novelty of legal/factual issue(s)	25%
Importance of the case as determined by the DENR	25%
Total	<hr/> 100%

**Sec. 3 Procedure for Referral of Cases** - Referral of illegal logging and related cases to the DENR Central Office shall subscribe to the following procedures:

- a) The Regional Executive Directors (REDs) shall be primarily responsible for referring cases to the Central Office for prosecution.
- b) For each case to be referred for prosecution assistance, a 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.
- c) Thereafter, the RED shall forward the duly-accomplished Case-Referral Rating Sheet with an appropriate covering memorandum addressed to the Secretary, Attention: Assistant Secretary for Legal Affairs, together with the draft of the complaint including the case file/folder containing complete and legible copies of all affidavits and documents pertinent to the case.
- d) Upon receipt, the Assistant Secretary for Legal Affairs shall immediately determine whether the case merits assistance by the Central Office. Thereafter, he shall assign the case to any member of Task Force TAGA-USIG or to 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 Task

Force TAGA-USIG or to the ENR-SECAL Special Prosecution Team, taking into account the approved criteria, among others, if in their opinion the national interest so warrants.

- f) As a general rule, all prosecutors assigned to handle illegal logging and related cases shall submit to the Assistant Secretary for Legal Affairs after-hearing reports as soon as they return from attending the hearing of such cases.

**Sec. 4 Reporting of Cases** - The Assistant Secretary for Legal Affairs shall submit to the Secretary, copy furnished the Undersecretary for Field Operations quarterly status report, to be prepared by the Team Leader of Task Force TAGA-USIG, within the first seven (7) days of the succeeding quarter of all high profile cases referred to the DENR Central Office for assistance.

Likewise, all REDs shall submit to the Secretary, through the Undersecretary for Field Operations and the Assistant Secretary for Legal Affairs, quarterly status report of all illegal logging and related cases being handled by the Region, within the said period, to be prepared by the Chief, Legal Division, using the same format.

**Sec. 5 Repealing Clause** - This Circular repeals, revokes or supersedes DENR Memorandum Circular No. 8, Series of 1993, otherwise known as "Guidelines for Referral of Illegal Logging Cases to the ENR-SECAL Special Prosecution Team".

**Sec. 6 Effectivity** - This Circular takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommending Approval:**

**BEN S. MALAYANG III**  
Undersecretary for Field Operations

**DENR Memorandum Circular**

**No. 04**

**January 26, 1994**

**SUBJECT : Implementing Guidelines for the Selection, Contracting, Monitoring and Evaluation of NGOs Under the ENR-SECAL Program.**

Pursuant to the Department Administrative Order Nos.120 and 52, Series of 1989 and 1992, respectively, on the rules and regulations governing the participation of NGOs in DENR programs, the following implementing guidelines for the ENR-SECAL Program are hereby promulgated:

**Sec. 1 Basic Policy**

1.1 It is the policy of the DENR to adopt a standard set of rules and regulations governing the **selection, contracting, monitoring and evaluation** of development NGOs participating in the ENR-SECAL Program in order to:

- a) Achieve maximum efficiency and economy in the implementation of the ENR-SECAL Program;
- b) Enhance DENR and NGO collaboration in mobilizing upland development and sustainable resource management;
- c) Provide the framework to facilitate NGOs involvement in the ENR-SECAL projects and activities; and
- d) Promote the successful attainment of the goals and objectives of the ENR-SECAL Program.

1.2 It is also the policy of the DENR to maintain transparency in all its transactions particularly in the implementation of ENR-SECAL Program.

**Sec. 2 Objectives of the ENR-SECAL**

The following are the objectives of the ENR-SECAL;

2.1 General Objective: To preserve what remains of the biological diversity of the Philippines; to reestablish degraded or destroyed biological diversity wherever practicable and financeable; and to introduce sustainable land use practices.

2.2 Specific Objectives:

2.2.1 Sector Adjustment

- a. To determine what areas of the Philippines must be preserved undisturbed and introduce an effective management system;
- b. To impose user fees for public resources which discourage rent-seeking behavior;
- c. To improve enforcement of logging regulations;
- d. To provide secure tenure rights to users in return for sustainable resource use;
- e. To provide extension service to upland populations; and
- f. To establish mechanisms for support of community-based resource management and livelihood projects.

2.2.2 Investment Component

- a. To design an Integrated Protected Area System, including a suitable legislative framework;
- b. To provide program support for management of ten (10) priority protected areas;
- c. To improve the monitoring of logging operations and enforcement of forestry laws and regulations through provision of equipment, training, and technical assistance

to selected DENR regional and local offices (i.e., Regions II and X and Samar in Region VIII); and

- d. To develop in four regions (i.e., Regions I, CAR, II, IX, and X) the capacity of local governments and line agencies to generate and service small-scale community-based resource management and livelihood projects in watershed areas, combining community organizing and pre cooperative development; improvement in tenure and resource management; introduction of sustainable means of livelihood; and improvement of infrastructures and services.

### **Sec. 3 Definition of Terms**

- a. **Agreement** - The document for NGO services between the DENR and the NGO together with all the Annexes and attachments is defined as the "Agreement".
- b. **NGOs** - refer to private, non-profit, voluntary organizations that are committed to the task of socio-economic development and established primarily for service. Cooperatives and people's organizations shall be considered as NGOs for purposes of this definition.
- c. **Track record** - refers to the actual status of activities/projects undertaken (i.e. advocacy work, project implementation, etc.) by the concerned NGO involving environmental and social issues.
- d. **Accreditation of NGOs** - refers to the process of identifying and screening NGOs for purposes of classifying and categorizing according to area of operation, target clientele, field of expertise and complementation of programs with that of the DENR.
- e. **Management and technical related services** - these services include project management, planning, systems and procedures, institutional strengthening, organization development, training and transfer technology, productivity improvement and marketing management.

- f. **Quarterly Commitment Plan (QCP)** - refers to a periodic set of activities and outputs which the NGO will implement and attain within the indicated period.
- g. **Pre-investment or Feasibility Studies** - these are studies which normally precede decisions to go or not to go forward with specific projects.
- h. **Design Services** - these types of services include the pre-design phase (establishes the general size and scope of the project and its location on the site); the basic design phase (includes the preparation of detailed plans, designs, working drawings, specifications, detailed cost estimates and tender documents); and support services during construction (this phase includes assistance and advice in securing bids, tabulation and analysis of bid results, making recommendations on the awards of construction contracts, preparation of contract documents, checking detailed construction and as-built drawings, making periodic visits to check on the general progress of work and quality of materials and workmanship; and making report of completed project)
- i. **Reimbursable costs/expenses** - these are defined as all cost other than billing rates which are associated with the execution of the services and categorized as costs based on agreed fix rates and actual costs which are supported by receipts.
- j. **National NGO Desk** - refers to the coordinating body between DENR and NGOs at the DENR Central Office.
- k. **Regional NGO Desk** - refers to the regional coordinating bodies between the DENR and the NGOs.
- l. **Locally-based NGO** - refers to the non-government organization (NGO) whose organization and headquarters or homeoffice is in the same locality (municipal/provincial/regional) as the PROJECT.

**Sec. 4 ENR-SECAL Regional Prequalification, Evaluation and Awards Committee**

4.1 The Committee for this purpose shall be called the ENR-SECAL Regional Prequalification, Evaluation and Awards Committee (ENR-SECAL RPEAC) for NGO services.

4.2 This Committee shall be constituted as follows:

RTD for Forestry	-	Chairman
Legal Division Chief	-	Member
SFD Chief	-	Member
FRDD/FRCD Chief	-	Member
Regional NGO Desk Officer	-	Member

4.3 The Committee shall be responsible for the conduct of the pre-qualification of NGOs, final evaluation of proposals, selection and recommending award of contract.

**Sec. 5 ENR-SECAL Technical Working Group**

5.1 The ENR-SECAL Technical Working Group (TWG) shall be formed and be composed of Senior Staff from the following offices/units:

ENR-SECAL Technical Coordinator	-	Head
ENR-SECAL PDO V	-	Member
FRDD/SFD	-	Member
Finance Division	-	Member
Planning Division	-	Member
PENRO/CENRO	-	Member

5.2 The TWG shall undertake initial review of documents submitted by pre-qualified NGOs; prepare evaluation and recommendation reports to the ENR-SECAL RPEAC; perform secretariat and documentation work for the Committee; and shall maintain a file for each NGO interested to participate in the ENR-SECAL Program.



## **Sec. 6 Criteria for the Selection of NGOs**

- 6.1 Preparation of the Terms of Reference.
  - 6.1.1 The requirements of the project for NGO services shall be announced for at least two (2) times within a period of not more than two (2) weeks in at least two (2) local newspapers of general circulation. Notices shall likewise be published and posted in conspicuous places in the regional office/PENRO/CENRO concerned and local government unit concerned.
  
- 6.3 Requirements for DENR accreditation and long listing of NGOs
  - 6.3.1 The following requirements must be submitted for accreditation purposes:
    - a. SEC/CDA/DSWD Registration
    - b. Track Record
    - c. Certificate of good community standing from:
      - i. Local leaders (Mayor or Governor)
      - ii. Head of religious organization
      - iii. Endorsement from credible networks
      - iv. Duly filled NGO Profile form
      - v. Audited Financial Statement
      - vi. Resume of key implementing staff
  
  - 6.3.2 Priority of Long Listing of NGOs
    - a. First priority shall be given to capable and locally-based NGOs with office and staff members residing in the barangay/municipality /city/province/region where project is to be implemented.
  
    - b. Second priority shall be given to capable NGOs which are not locally-based but have existing community operations/ projects in the RRMF identified areas.

## 6.4 Issuance of Prequalification Statements/Forms.

6.4.1 The NGOs who qualify for the accreditation and are long listed shall be requested to submit prequalification statements and may include among other things, the qualifications and experience of the key project staff who may be assigned to the undertaking.

6.4.2 The prequalification statements shall be duly notarized.

## 6.5 Drawing up the short list of NGOs.

6.5.1 The prequalification statements submitted by the NGOs shall be processed and evaluated by the Technical Working Group in terms of the following criteria:

a.	Applicable experience	-	30%
i.	Completed Projects/Services Similar to job under Consideration	-	10%
ii.	Other management & technical related projects/services	-	10%
iii.	Known cases of performance including quality of work conforming to obligation and cost of services	-	10%
b.	Qualification of NGO Project Staff to be Assigned	-	50%
i.	Experience	-	25%
ii.	Education	-	10%
iii.	Trainings	-	10%
iv.	Affiliation/Technical Publication	-	5%

- c. Job capacity or the absorptive ability of NGO to do additional work other than their ongoing projects 20%

Below is a table for the percentage weight/scores for job capacity.

No. of Ongoing Projects/Services Weight	Percentage
10 & up	11
9	12
8	13
7	14
6	15
5	16
4	17
3	18
2	19
1	20

The total weight/score for Job Capacity is 20%.

- 6.5.2 if necessary, a background investigation of the prospective NGO shall be conducted by the ENR-SECAL RPEAC to ascertain their credibility and competence.
- 6.5.3 A short-list consisting of three (3) to five (5) of pre-qualified NGOs shall be prepared by the TWG and shall be submitted to the ENR-SECAL RPEAC for final review and endorsement to the Regional Program Director for his approval.
- 6.5.4 All approved short-listed NGO shall be informed of the schedule of the pre-bidding orientation in which the following subjects shall be discussed:
  - a. ENR-SECAL Program

- b. Terms of Reference (TOR)
- c. Format of the Technical and Financial proposal to include:
  - i. experience and capability of personnel in the type of services under consideration;
  - ii. proposed methodology and discussion of activities to be performed;
  - iii. work plan and schedule of activities and PERT/CPM diagram or equivalent;
  - iv. manning schedule, staff functions and responsibilities in the undertaking and organizational structure;
  - v. current work commitments and current assignments of key personnel; and
  - vi. budget cost estimates for salaries, reimbursable costs, other costs required for the completion of the service.
- d. Bidding procedure
- e. Project Area Profile

6.5.5 An ocular inspection of the project area shall be required from all the approved short listed NGOs in order to familiarize them with the area.

## 6.6 Invitation for Technical and Financial Proposals

- 6.6.1 Upon approval of the short list of NGOs by the Regional Program Director, the ENR-SECAL RPEAC shall issue invitations to the short listed NGOs to submit proposals.
- 6.6.2 A two-stage procedure shall be adopted whereby each short listed NGO is required to submit technical and financial proposals simultaneously in separate sealed envelopes to the ENR-SECAL

RPEAC.

6.6.3 Information required to be submitted by the NGO in its proposals shall include the following:

- a. Terms of Reference and other documents as mentioned in item 6.1 of Section 6 above.
- b. Information that should be included by the NGO in its technical proposals which shall include the following:
  - i. Experience and capability of the NGO and its project staff in the type of services and the field under consideration;
  - ii. Proposed methodology and discussions of activities to be performed, including, comments on the data requirements vis-a-vis their availability and assessment of the data gathering activities and on the TOR itself;
  - iii. Work Plan and Schedule of Activities including estimates of man-months. PERT/CPM diagram or equivalent maybe used to illustrate work schedules;
  - iv. Project personnel/staff to be assigned to the job (manning schedule) with their curriculum vitae; duties and responsibilities in the undertaking and organizational structure; and
  - v. Current work commitments and current assignments of key project personnel/staff.

6.7 Evaluation of Technical Proposal.

6.7.1 The Technical Proposal shall be evaluated based on the following criteria:

- a. Overall Experience and Capability of NGO - 20%
- b. Plan of Approach and Methodology - 30%
- c. Quality of Project Personnel/Staff to be assigned - 50%

6.7.2 The TWG shall conduct the preliminary evaluation and shall submit its recommendation on the ranking of NGOs to the ENR-SECAL RPEAC for deliberation and concurrence.

6.7.3 Evaluation of proposals by ENR-SECAL RPEAC shall be completed within thirty (30) working days. The ENR-SECAL RPEAC may opt to conduct an oral presentation of the Technical Proposal by the short-listed NGOs.

6.7.4 Final evaluation results and draft Resolution of Award shall be submitted by ENR-SECAL RPEAC within five (5) working days to the RED for consideration and endorsement to the Secretary thru the ENR-SECAL PMO and DENR-PEVAC.

6.7.5 In line with the policy objective under item 1.2 of Section 1, short-listed NGOs shall likewise be furnished and other interested parties shall be given access to the results of the evaluation after the Resolution of the Award is approved by the Secretary.

## 6.8 Evaluation of Financial Proposals

6.8.1 The financial proposal of the first in rank NGO shall be opened only after the ranking has been established and approved. If negotiation with the first in rank NGO fails, the financial proposal of the second in rank NGO indicated in the envelope shall be made as the basis of subsequent negotiations and the

total amount shall not exceed the amount indicated in the envelope.

- 6.8.2 The opening of the financial proposal of the first ranked NGO shall be done in the presence of the NGO concerned and the sealed price proposals of the unsuccessful NGO shall be returned unopened to them after contract negotiation with the successful NGO is completed.

## 6.9 Direct Selection/Negotiation

- 6.9.1 Direct selection/negotiation of NGO may be conducted only when any of the following conditions exists upon joint recommendation by the Regional Program Director concerned and the Program Director of ENR-SECAL and approval by the Secretary.

- a. Failure to award the contract after open competitive selection process for valid cause or causes;
- b. Take-over of NGO contract, which has been rescinded or terminated partly or wholly; and
- c. In times of emergencies or when time is of the essence arising from natural calamities or other causes where immediate action is necessary.

- 6.10 The selection and awarding process shall always be conducted under the presence of the Regional COA Auditor/representative who shall witness the proceedings. A community representative or media representative may also be invited as observer to the entire process.

## **Sec. 7 Notification for Negotiation of Selected NGO**

- 7.1 After approval of the Resolution of Award by the Secretary, the ENR-SECAL RPEAC shall within five (5) working days notify and invite the selected NGO for negotiation. In the letter of notification, the Committee

shall inform the NGO of the issues in the technical proposal needing clarification during negotiations.

7.2 The negotiation shall cover the following:

- 7.2.1 Discussion and clarification of the Terms of Reference and Scope of Services;
- 7.2.2 Discussion and finalization of the methodology and detailed work and financial plan of the NGO;
- 7.2.3 Personnel to be assigned to the job; personnel compensation; number of man-months and schedule of activities or manning schedule;
- 7.2.4 Discussion of the services, facilities, and data to be provided by the Department/field units; local government unit concerned, if any;
- 7.2.5 Discussion of the financial proposal submitted by the NGO; and
- 7.2.6 Provision of the contract.

**Sec. 8 Preparation of Contract Agreement**

8.1 The ENR-SECAL RPEAC assisted by the TWG shall draft the contract. The agreement shall basically include the following:

- a. Definition of Terms;
- b. Services covered under the contract agreement;
- c. Personnel to be involved;
- d. Cost of services;
- e. Method of payments to the NGO;
- f. Obligation of the NGO and the Department/Field Units concerned;
- g. General conditions;
- h. Disputes, arbitration and termination; and
- i. Execution



8.2 The following documents shall form part of the NGO contract agreement:

- a. Term of Reference;
- b. NGO's Technical Proposal including adjustment as agreed upon between the contracting parties;
- c. DENR Accreditation Certificate;
- d. License and joint venture agreement;
- e. Certificate of availability of funds; and
- f. Resolution of Award approved by the Secretary

### **Sec. 9 Approval and Signing of Contract Agreement**

- 9.1 The final NGO contract and all documents required as per item 8.2 of Section 8 above shall initially be endorsed by the Regional Executive Director concerned to the Secretary through the Program Director of ENR-SECAL and the Chairman, DENR, PEVAC.
- 9.2 The Program Management Office (PMO) and DENR PEVAC shall jointly review and check the documents submitted if consistent with this Memorandum Circular and that documents are properly accomplished and in order. Endorsement of the same to the Office of the Secretary through proper channels shall be done within a period of seven (7) working days after receipt thereof unless otherwise the documents are found inconsistent with or are incomplete. In this case, the PMO shall return immediately the documents to the Region concerned for rectification.
- 9.3 The NGO contract together with the Notice to Proceed shall be signed either by the Regional Program Director or the Secretary as soon as possible but not later than fifteen (15) working days from receipt. Approval of Contract Agreement shall be in accordance with existing laws, rules, regulations and delegation of authority regarding implementation of DENR FAPS specified in MO No. 5, series of 1993.

### **Sec. 10 Issuance of Notice to Proceed**

The RENRO/PENRO concerned, shall hand over the Notice to Proceed in favor of the selected NGO after the contract shall have been notarized and

approved by the Commission on Audit (COA) and availability of funds certified by the Accounting Division of DENR Central Office.

**Sec. 11 Advance Payment of Mobilization**

- 11.1 Advance payment to the NGO in the amount which shall not exceed fifteen percent (15%) of the total contract price shall be allowed provided that a surety bond equal to the advance payment shall be issued by the NGO.
- 11.2 The advance payment shall be repaid by the NGO by deducting from their quarterly progress payments the sum as agreed upon during contract negotiations until fully liquidated within the duration of the contract.

**Sec. 12 Performance Guarantee**

- 12.1 In order to ensure faithful performance of the NGO under contract, an amount equivalent to five percent (5%) of the total amount due to the NGO for every quarterly billings/payments shall be retained by the PENRO, hereinafter referred to as the retention money, until fifty percent (50%) of the work/services as determined by the PENRO, is satisfactorily completed and on schedule, otherwise, the retention money of five percent (5%) shall continue to be imposed.
- 12.2 The total retention money shall be due for release to the NGO only upon final acceptance of the works/services by the DENR.

**Sec. 13 Administrative Resource in Cases of Misrepresentation.**

- 13.1 The DENR shall have a right of administrative recourse or action against any NGO who is found to have committed any of the following acts:
  - 13.1.1 Misrepresentation of any information in the sworn prequalification statements; and
  - 13.1.2 Misrepresentation of any information in the technical and financial proposal.

- 13.2 The DENR shall have the following courses of action if the NGO is found to have committed the above misrepresentation:
- 13.2.1 Disqualify NGO from participation in any DENR projects for a period of two (2) years for the first offense and perpetual disqualification for the second offense.
  - 13.2.2 Cancel the contract agreement fifteen (15) days after the discovery of misrepresentation during the implementation period of the contract agreement. The amount due to be paid to the NGO shall be adjusted equitably to the work accomplished but if amount received already by the NGO exceeds the amount corresponding to the work done, the NGO shall refund the DENR within ten (10) days after cancellation of the contract agreement.
- 13.3 The right of recourse of the DENR as herein above provided shall be without prejudice to the liability that the NGO may incur under the pertinent provisions of the Revised Penal Code.

**Sec. 14 Extension of Services Under Supplemental Agreement.**

- 14.1 The contract services of the NGO may be extended through supplemental agreement for the performance of additional work (man-months) not covered under the original contract agreement. The terms and conditions of the original agreement for the performance of the additional services shall also govern.
- 14.2 Supplemental agreements shall under no circumstances, be entered into for more than two consecutive durations. Procurement of NGO services after a second supplemental agreement shall be done through the usual process of selecting and contracting NGO herein provided as if the services are to be needed for the first time.

**Sec. 15 Monitoring and Evaluation.**

- 15.1 The PENRO concerned shall create a 3-man Provincial Inspection Team (PIT) to be composed of Forestry Supervisors I of PENRO and CENRO

and a municipal LGU representative. The team shall conduct quarterly validation and assessment of activities undertaken by the implementing NGO. The NGO shall provide the DENR a copy of its Quarterly Action Plan (QAP), at the beginning of every quarter and corresponding accomplishment report in prescribed format which shall be the basis for evaluation of the PIT.

- 15.2 The ENR-SECAL, Project Management Office (PMO) may form an M&E Team composed of the Senior Technical Staff of PMO, RPMO and National NGO Desk who shall evaluate the annual over-all performance and effectiveness of the NGO based on indicators provided by PMO; identify operational problems and issues, and recommend facilitating measures regarding the improvement of the ENR-SECAL Program implementation.

**Sec. 16 Supplemental Rules and Regulations.**

The Senior Supervising Official for ENR-SECAL, upon the recommendation of the Regional Program Director and the Program Director, shall formulate rules and regulations as may be necessary to effectively carry out the objectives of this Circular.

**Sec. 17 Repealing Clause.**

The provisions of previous Circulars inconsistent herewith are hereby repealed or amended accordingly.

**Sec. 18 Effectivity.**

This Order shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**DENR Memorandum Circular**  
**No. 05**  
**January 26, 1994**

**SUBJECT : Prescribing the NGO Billing and Payment Procedures for the RRMP Component of the Environment and Natural Resources Sectoral Adjustment Loan (ENR-SECAL) Program.**

**Sec. 1 Basic Policy.**

In order to effectively implement the ENR-SECAL Program as provided for under AO 48, Series of 1992, the Department hereby affirms its commitment to facilitate the payment of billing to Non-Government Organizations (NGOs) assisting in the implementation of ENR-SECAL RRMP Component. To this end, the billing procedure herein prescribed shall be followed by all DENR Offices concerned for all ENR-SECAL projects. The effective maximum number of working days for an NGO billing to be paid is 28 working days, provided all documentation requirements are complied and that there is sufficient cash allocation at the PENRO. 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.

**Sec. 2 Creation of Provincial Inspection Team (IPT).**

- 2.1 A Provincial Inspection Team composed of PENRO-FS I as Team Leader, CENRO-FS I and LGU representative as members shall be created at concerned PENRO.
- 2.2 Community representatives (at least two) of concerned WMU sites shall be authorized by a community resolution to concur and sign in behalf of the community with regards to the accomplishment and validation report of RRMP ENR-SECAL. In case of change of representatives, corresponding resolution shall be furnished to the DENR PENRO Office.
- 2.3 The PIT shall be responsible for the inspection and/or validation of all activities under ENR-SECAL. Except for the LGU representative, the

PIT shall further act as staff personnel for the PENRO with regards to any billing of concerned NGO.

**Sec. 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 NGO shall submit accomplished Form 1 (Request for Inspection and Payment) and documentation of 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 NGO to PENRO.
  - b. Together with Form 1, the Quarterly Action Plan Form 2 (QAP) and all other attachments, the NGO shall likewise submit partially (column 1-9) accomplished Form 3 (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 NGO.
  - d. Immediately after the approval of the request for inspection, messages should be sent by the CENRO to activate members of the PIT. If members of the team at the PENRO and at the Municipal Office are not available on the date of inspection, they can send their respective representatives. A memorandum shall likewise be submitted to the PENRO explaining unavailability of concerned personnel. If the explanation submitted is accepted, then the result of the inspection participated in by the representative shall be honored at the PENRO unless the PENRO has strong reasons to conduct a re-

validation, in which case the PENRO shall conduct re-validation within five (5) days upon receipt of the billing documents from the CENRO.

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

- a. The PIT shall inspect/validate the accomplishments of the RRMP as reported by the concerned NGO within five (5) working days starting on the date as approved by the concerned CENRO.
- b. Form 2 (columns 10-12) shall be accomplished by the PIT in ink.
- c. Results of the inspection shall be discussed by the PIT, the representatives of the community and assisting organization to avoid misunderstanding. They shall affix their respective signatures on Form 3 to signify concurrence to the validation results. The PENRO shall have advance copies of Form 3.
- d. Where there are disagreements among the PIT members on payment for certain activities, these shall be excluded from the validation report for the period. However, proper notations shall be made on the report stating reasons for deferment of payment of activities under question.
- e. In cases that the NGO incurred budget savings for the year, the same shall be carried-over to succeeding year and could be programmed for the year's activities.
- f. Upon acceptance by the PENR Office of the validation reports, the voucher together with the other financial documents, shall be immediately transmitted to the Accounting Unit of the PENRO. These documents shall be processed and forwarded back to the PENR Office for approval within two (2) working days.

- g. Processed documents shall be approved for payment by the PENRO or his duly authorized official, and shall issue notarized Certificate of Acceptance (Form 4) within two (2) working days.
- h. In case the amount is beyond the level of authority of the PENRO, the documents shall be forwarded to the Region for approval within two (2) days.

#### 3.4 Issuance of Check Receipt

- a. Corresponding check for the approved voucher shall be prepared and issued by the Cashier of PENRO within two (2) working days, provided that there are sufficient funds available.
- b. Upon receipt of the check, the NGO will issue a receipt in favor of the PENRO.
- c. In case the check amount is beyond the authority of the PENRO, the same should be forwarded to the Regional Office to be countersigned by the RED.

### **Sec. 4 Documents Required.**

- 4.1 Forms 1, 2, 3 and 4 are designed to be attached to the voucher covering payments to be made to respective NGOs.

Form 1 - is a request for inspection and payment form to be submitted by the NGO to the CENRO. Copies marked as received by the CENRO shall be furnished to the PENRO;

Form 2 - is a Quarterly Action Plan of NGO. The activities reflected in this form should be consistent with the approved NGO Work and Financial Plan;

Form 3 - is an Accomplishment and Validation Report Form. This shall be accomplished by the NGO (columns 1-9) upon their request for inspection and payment and shall be turned-over to the PIT during the



inspection/validation. The PIT shall accomplish the form (columns 10-12) after inspection/validation activities. IPMES Form No. 5 Spot Report shall also be accomplished to reflect the PIT's field observations; and

Form 4 - is a Certificate of Acceptance Report Form. This shall be approved by the PENRO based on Form 2 and previous billings. The CENRO and the PENRO-FS I shall recommend acceptance of RRMP accomplishments.

- 4.2 In addition to the aforementioned forms, the NGOs shall attach authenticated pictures of accomplishment, documentation reports of community organization and training activities, training plans and documentation of procedures, original attendance to meetings and minutes, maps, inventory report and other documents required under the NGO contract of services.
- 4.3 Final Payments shall be released only upon approval of the Certificate of Acceptance of the project by the PENRO, subject to usual accounting and auditing rules and regulations.

This Order takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

Recommending Approval:

**BEN S. MALAYANG III**  
Undersecretary for Field Operations  
and Senior Supervising Official for ENR-SECAL

**RICARDO M. UMALI**  
Undersecretary for Natural Resources Management  
and Senior Supervising Official for PPO and FASPO

**ROSALIO B. GOZE**  
Program Director, ENR-SECAL

**DENR Memorandum Circular**  
**No. 06**  
**January 28, 1994**

**SUBJECT : Temporarily Suspending the Implementation of the Waiving of the Guarantee Bond on Industrial Forest Management Agreement (IFMA) Pursuant to DAO 68, Series of 1993.**

In connection with the implementation of DENR Administrative Order No. 68, Series of 1993, amending DAO 60, Series of 1993, and pending further consultation with concerned parties and the refinement of the provisions thereof, the waiver of guarantee bond as basis in the award of IFMA as embodied in Section I (27.7) thereof is hereby temporarily suspended. Likewise, the implementation of all the provisions of Sec. 2 thereof, except sub-sec. 21.4, is temporarily suspended.

In the meantime, all the provisions of DAO 60, Series of 1993, related to the use of guarantee bond as basis in the award of IFMA is temporarily restored in order not to disrupt the processing of the IFMA applications.

This Circular takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

**DENR Memorandum Circular**  
**No. 09**  
**February 17, 1994**

**SUBJECT : Additional Requirements on the Processing/  
Issuance of Private Land Timber Permits.**

As a supplement to DENR Memorandum Circular No. 18 dated 19 May 1993 re: Addendum to DENR Memorandum Circular 19-92 lifting the Suspension on the Issuance/Processing of Private Land Timber Permit (PLTP), the following additional requirements are hereby issued:

- a) No new Private Land/Special Private Land Timber Permit, including the renewal thereof shall be issued/granted unless endorsed by the Governor of the Province where the area is located.
- b) As part of the conditions stipulated in the PLTP, an authority secured from the Regional Executive Director concerned that the timber harvested shall be milled/processed by a nearby sawmill with a valid and subsisting permit.

This Circular shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommended by:**

**BEN S. MALAYANG III**  
Undersecretary for Field Operations

**DENR Memorandum Circular**  
**No. 10**  
**February 14, 1994**

**To : All REDs, PENROs, CENROs**

**SUBJECT : Report on Illegal Logging and Extraction,  
Trafficking of Contraband Natural Resources.**

1. Please submit to this office by no later than 28 February 1994, a consolidated confidential report on reported and/or suspected extractors and traffickers of contraband logs, wood products and other natural resources in your respective areas of operation; include names of suspected financiers and their agents; attach any or all documents, information or reports you now have, including verbal/oral reports of citizens; pinpoint activities on a map.
2. Ensure that your reports are as complete and comprehensive as possible so that any other report we receive on the same matter from elsewhere would have been already cited in your report; failure to cite names and events which others may do will run the risk of others interpreting the failure as an attempt on our part to cover up illegal activities.
3. Anticipatng your full compliance. Thank you.

**BEN S. MALAYANG III**  
Undersecretary for Field Operations

**DENR Memorandum Circular**

**No. 11**

**February 23, 1994**

**SUBJECT : Operating Procedure in the Establishment of the Community Revolving Fund (CRF) by Beneficiary Associations/ Cooperatives under the ENR-SECAL Regional Resource Management Projects in Regions 9 and 10.**

**RATIONALE**

The Regional Resources Management Project aims to organize self-reliant communities, strengthen the capabilities of community institutions to plan and implement small-scale community based projects and eventually halt and reverse the vicious cycle of natural resource degradation and rural poverty in the project areas. In line with these objectives, there is a need to install a mechanism by which these communities can participate in sustainable development activities whereby financing can be made available through the mobilization of pooled savings, and provision of revolving seed funds for on-farm development and micro-credit for non-farm livelihood projects.

Furthermore, by organizing rural communities and assisting them to develop a track record of successful funds management through training in the principles and practices of savings, credit and accounting, the RRMP intends that these fully registered community credit institutions will, after two or three years, qualify for financing under existing rural finance schemes (e.g., with Land Bank), thereby ensuring their members of continued access to further rural financing for farm development and other livelihood initiatives after the project period.

Now, therefore, in order to encourage the development of social responsibility and meaningful community participation, institutionalize community financing and savings and concretely translate the declared national policy of people empowerment in resource management activities, the operating procedure in the establishment of the Community Revolving Fund (CRF) by beneficiary associations/cooperatives under the Regional Resource Management Project is hereby promulgated.

## 1.0 Objectives

- 1.1 To support livelihood development projects and farm-based activities of the community and other income generating projects.
- 1.2 To generate capital build-up of the upland community to sustain community-based resource development activities.
- 1.3 To develop the capabilities of the beneficiaries in fund management and entrepreneurship
- 1.4 To implement a savings and credit program that will be generated, managed and accessed by the community.

## 2.0 Installation of the CRF Facility

A Community Revolving Fund facility shall be installed within the beneficiary associations and/or cooperatives participating or organized under the Regional Resource Management Project of ENR-SECAL. The CRF shall be owned and managed by the associations or cooperatives in accordance with these guidelines and those which may hereafter be promulgated by the associations or cooperatives themselves.

The CRF facility shall be installed and operated within the framework of the existing structure of the association or cooperative subject to certain conditions contained in these guidelines. As intended in the project design, the CRF shall initially be the conduit of RRMP project funds provided for community resource management. Its start-up capital and initial build-up shall be derived from the contributions of the associations/cooperative's members, utilizing a portion of their incomes generated from their provision of contracted labor for the implementation of other project components, particularly the infrastructure and community resource management components and other sources.

## 3.0 Selection of Association or Cooperative to Handle CRF

The association or cooperative which will be assigned to manage and operate the CRF shall be the beneficiary association or cooperative organized by the contracted NGO or identified from among the existing association or cooperative to handle the CRF shall be open to all interested qualified residents of the community. To ensure that documentary and project implementation requirements can be easily complied with by the association or cooperative:

- 1) It must endeavor to possess a juridical personality by registering with the appropriate government agency;
- 2) Its members should actively attend and participate in CRM and cooperative development trainings;
- 3) The Association/Cooperative and its members should concretely demonstrate willingness to adhere to the terms and conditions of the CRF guidelines; and
- 4) Simplified administrative and financial management systems and procedures are in place and made known to all members.

#### **4.0 Operationalization of the CRF**

##### **4.1 Creation of the CRF Committee**

A CRF Committee composed of at least three (3) members of the association or cooperative shall be created. The Project Manager (Watershed Manager) of the NGO's Watershed Management site shall be the fourth member of the committee in a supervisory but non-voting capacity.

##### **4.2 Selection of the Members of the CRF Committee**

The members of the community association/cooperative shall be chosen from among the members-at-large (i.e., those who are not officers of the association or cooperative) the three (3) members who shall sit on the CRF Committee. Selection shall be by voting in

an assembly called for this purpose with at least two-thirds (2/3) of the general membership present.

The three nominated members garnering the highest votes shall compose the committee together with the NGO Project Manager. The chairman of the committee shall be chosen by the elected members from among themselves. The period within which the members will serve shall be determined by the members-at-large. The manner of selection for the subsequent set of members of the CRF Committee shall likewise be determined including the system of replacement or recall.

#### 4.3 Functions of the Committee

- a) The CRF committee shall ensure that the CRF facility is properly installed within the association or cooperative in accordance with the agreed structure.
- b) It shall also ensure that the activities being funded out of the funds sourced and generated by the association or cooperative in connection with RRMP are in accordance with the contracted activities of the association or cooperative.
- c) The committee shall evaluate and approve or disapprove or require revision of all proposals/loan applications submitted for funding out of the CRF. For this purpose, the committee shall schedule regular meetings and agree on conditions necessary for special meetings.
- d) It shall oversee the management of the funds of the CRF facility in accordance with the guidelines and those which may subsequently be approved and adopted by the association or cooperative.
- e) It shall continuously assess and evaluate the systems and procedures used for managing the CRF, and prepare recommendations for revisions of existing guidelines or adoption



of new guidelines for presentation to the general membership including those proposals or recommendations submitted by the members-at-large.

- f) It shall regularly prepare and render a report on the status of fund management during the regular meetings of the officers of the association, the board of directors or the members assembled. It shall also prepare reports as maybe required.

## 5.0 **CRF Build-up and Usage**

### 5.1 Fund Sources

- 1) Funds for the CRF shall come from the following:
  - a) RRMP-CRM Seed Fund. Generated from the RRMP investments in community resource management including community forest management and other livelihood activities which will be contracted by the association or cooperative with the DENR.
  - b) Members Savings Generated from the individual savings of the members of the association or cooperative participating in and deriving income from the wages or contracted labor provided by the association members for the construction of infrastructures or conduct of community resource management activities and any other activities funded under the RRMP.
  - c) CRM Harvests. As stipulated in other guidelines and/or as agreed by the community association or cooperative, a percentage (not less than 10%) of the net income derived from the harvest of natural resources under community resource management (e.g., forest products from the CRM area, thinnings from the contract plantations) shall be retained to

provide funds for further operations or expansions of the CRM activity.

- d) Funds from Other Sources. Generated from interest incomes, service fees, donations and grants or contracted activities other than RRMP.

## 5.2 Fund Management

- 1) The CRF funds thereby generated shall be managed by the community as owners and legal holders through the CRF Committee.
- 2) A separate bank account shall be opened by the association or cooperative in the nearest bank for the deposit of the various funds generated and shall be designated as the "RRMP-CRF Special Account".
- 3) There shall be three (3) signatories to authorize the disbursements under the RRMP-CRF Special Account. These shall be the President and the Treasurer of the local association or cooperative and the Project Manager of the NGO contracted by DENR to facilitate RRMP implementation in the communities in that particular site.
- 4) Disbursements of funds shall only be authorized by the signatories based on the recommendations of the CRF committee per approved proposals/applications.

## 5.3 Fund Usage

- 1) On-farm Agroforestry

Assistance for on-farm will be limited to P2,500.00 per hectare. Assistance shall be in the form of agricultural inputs such as farm tools, seeds/seedlings, fertilizer or other related inputs which will be given to the beneficiary based on

certain agreed conditions.

2) Off-farm Agroforestry

Assistance will be limited to P10,000.00 per hectare to cover the cost of nursery and plantation establishments. Maintenance of the nursery and the plantations will be the Beneficiary counterparts.

3) Non-farm Livelihood

Project subsidy for the non-farm livelihood activities will be limited to P60,000.00 per barangay or P20,000.00 per set of livelihood project.

5.4 Fund Availment

1) Availment by Members of the Associations or Cooperative of RRMP-CRM Funds.

- a) To fully support infrastructure development and resource management activities of the community and to provide a seed fund for the purpose, all project investments in community forest management, on-farm and off-farm agroforestry development and livelihood project activities shall be released by the DENR-PENRO to the association or cooperative.
- b) A consolidated farm development plan for all on-farm activities, a forest management plan for community forest management, a consolidated site development plan for all off-farm agroforestry activities, and a consolidated plan for all livelihood activities proposed to be funded shall be submitted by the association or cooperative to the DENR to support the application for the release of DENR-CRM funds to the CRF. These plans shall be in addition to the legal documentation

requirements, which includes the association's board resolution authorizing the officers to enter into a contract with DENR and basic letter of intent of the president of the association to undertake and contract CRM activities.

- c) After evaluation and approval by the DENR-PENRO of the documents submitted, Memorandum of Agreements shall be executed by and between the DENR-PENRO and the Association or Cooperative containing therein the commitments for the undertaking, the scope and program of work involved and budget for the activities contracted.
- d) To ensure that sufficient funds are made available in the implementation of the contracted community forest management (CFM), on-farm, off-farm and livelihood activities, the scheme of fund release by DENR to the CRF shall be as follows:

First Release - 50% of the total amount contracted upon signing of the Memorandum of Agreement;

Second Release - 30% of the remaining 50% of the total amount contracted upon satisfactory completion of 80% of the scope of work per approved plan.

Third Release - the remaining 30% of the total amount contracted upon satisfactory full completion of the scope of work per approved plan.

- e) An accelerated scheme of payment for the contracted activities may be agreed upon by the DENR-PENRO and the Association or Cooperative based on the nature of the activities and as warranted by the work program submitted. However, in either case, the release of funds shall be subject to the availability of funds and full

compliance with the appropriate accounting and auditing procedures.

2) Availment of the CRF by Individual Members.

a) On-farm Agroforestry

- i) Individual members of the association or cooperative can avail of the RRMP-CRM Seed Fund for financing on-farm agroforestry development by submitting a proposal in the prescribed form to the CRF Committee supported by a farm plan.
- ii) The CRF Committee shall evaluate the proposal and ensure that the proposed farm development activities are based on sound resource management and upland farming systems principles and are in accordance with the contracted activities with DENR.
- iii) After evaluation and approval, with revision or no revision, the CRF Committee shall recommend for the funding of the farm development activities.
- iv) The individual member shall execute a simple agreement with the Association or Cooperative for the undertaking of the on-farm activities in accordance with the farm plan. The agreement shall specify the manner of repayment for the value of the inputs to be provided.
- v) The farm inputs required for farm development shall be provided to the member who shall formally acknowledge receipt of the same.

- b) Off-farm Agroforestry
- i) Individual Sitio groups or groups of members can avail of the CRF for off-farm agroforestry development by submitting a proposal in the prescribed form to the CRF Committee and a reforestation plan for that year's target area.
  - ii) The CRF Committee shall evaluate the proposal and make sure that the activities are in accordance with the activities contracted with DENR.
  - iii) After evaluation and approval, the CRF Committee shall recommend for the funding of the off-farm agroforestry activities to be undertaken.
  - iv) The member-proponents shall execute a simple agreement with the Association or Cooperative containing among others the committed undertakings, the repayment scheme and the agreed sharing of future benefits which may be realized from the off-farm development activities.
  - v) Out of the wages/labor component of the off-farm development, an agreed percentage shall be deducted and deposited in the Member Savings Fund in the name of the members participating to the off-farm activities. The percentage of the wages/labor retained should not be less than 10% of the wages/labor as earned to ensure that the members will have at least a substantial savings out of their labor.

c. Non-Farm Livelihood

- i) Member-proponent/s can avail of the non-farm RRMP-CRM Fund upon submitting a proposal in the prescribed form for a specific livelihood development plan/ enterprise development.
- ii) The CRF Committee shall assess the feasibility of the proposal and approve, disapprove or require revision of the plan in accordance with the contracted livelihood activities with DENR.
- iii) Upon approval, the Committee shall recommend for the funding of the livelihood project.
- iv) The member-proponent/s shall execute a simple agreement with the Association or Cooperative containing the commitments for the undertaking of the livelihood project and the agreed repayment scheme. The funds shall then be released.

5.5 Fund Disbursement

- 1) A separate bank account with the nearest bank for the deposit of the CRM seed fund, savings fund and funds from other sources shall be opened by the Association or Cooperative.
- 2) There shall be three signatories of the bank account which shall be designated as RRMP-CRF Special Account. The three signatories shall be the President and the Treasurer of the Association or Cooperative and the NGO Project Manager.

- 3) Funds shall be disbursed only for the proposals projects approved by the CRF Committee and recommended for funding under these CRF guidelines.
- 4) The CRF shall have a separate set of accounting records where sources and uses of the CRF shall be distinguished by assigning specific account titles/codes for each source or use.
- 5) The CRF shall be treated as a trust fund of the community and as such, shall be used only for the specific purpose for which it is intended.
- 6) Adequate accounting control systems shall be established ensuring separation of non-compatible duties and responsibilities (book-keeping-cashing-recording).
- 7) Pre-numbered Official Receipts of the association or cooperative must be issued for all collections made.
- 8) Funds from other sources shall be separately accounted for from the project seed funds and the member savings fund. Disbursements shall be in accordance with the agreements signed with the funding agency/institution or as agreed by the members whichever is applicable.
- 9) All disbursements of members' savings shall be in accordance with the agreements, decisions, rules and regulations set forth by the members themselves and not inconsistent with this regulations.
- 10) When a checking account is available from the depository bank, the same shall be availed of. Checks shall be made payable to specific payee and not to CASH. All supporting documents relative to disbursements shall be attached to the disbursement vouchers.
- 11) All cash disbursements shall be recorded in the cash disbursement book.



- 12) On a monthly basis, the bookkeeper/accountant shall prepare the following reports:
  - a) Bank reconciliation report
  - b) Cash flow statement
  - c) Balance sheet
  - d) Income statement
  - e) List of member contributions; and.
  - f) Aging schedule of loans receivable

#### 5.6 Fund Repayments

- 1) Repayment of loans shall be in accordance with the amortization/repayment schedule prescribed in the original agreement between the member and the association or cooperative.
- 2) All payments shall be properly recorded and pre-numbered Official Receipts of the association or cooperative shall be issued by the Cashier.
- 3) Defaults will be subject to measures agreed upon by the members and may cover penalty interest, legal recourse with respect to collateral, co-maker liability and application of member-savings to pay/partly repay defaults, etc.

#### 5.7 Capital Built-up Members' Savings Fund

- 1) Out of the wages/labor income of the members participating in the Infrastructure, Community Resource Management and other related activities, a percentage of the individual wages/labor as agreed by the members but not less than 10% of the total wages/labor, shall be retained and deposited in the Member Savings Fund in the name of that member. Pre-numbered official receipts shall be issued in favor of the member or the amounts reflected in a passbook issued to the member.
- 2) The members savings' shall be continuously deposited in the RRMP-CRF Special Account and may not be withdrawn under

ordinary circumstances. The members shall agree on the guidelines regarding accessing by the individual members to the CRF funds against their savings for livelihood, farm enhancement or personal loan. In no case, however, may a member access funds against his savings if he has remaining outstanding obligations equivalent to 25% of the total CRM seed fund originally made available to the member, extraordinary circumstances shall be agreed upon by the members.

## 6.0 **Formulation/Revision of Guidelines**

- 1) The members assembled shall formulate guidelines to govern their Community Revolving Fund. However, such guidelines shall not be inconsistent with this guidelines and should enhance but never diminish the objectives of and the funds under CRF.
2. The CRF Committee shall prepare recommendations for revision of existing guidelines/procedures or adoption of new guidelines for presentation to the general membership including those proposals or recommendations submitted by the members at large.
- 3) All proposed guidelines shall be deliberated upon and made known to the members assembled who should comprise at least two-thirds (2/3) of all members. A two-thirds (2/3) vote by the members assembled in favor of a proposal will be required for the proposal to be adopted.
- 4) Except for the original internal guidelines which shall take effect immediately upon approval by the members, all subsequent guidelines adopted shall take effect fifteen days after approval by the members. Guidelines approved by the members shall be furnished the BRMC, C/MRMC and the DENR for their information and reference.

## 7.0 Technical Assistance

- 1) The NGO contracted to facilitate the implementation of the RRMP in each site shall provide the following technical assistance in support of smooth implementation:
  - a) The Project Manager shall sit as non-voting member of the CRF Committee. He shall facilitate the deliberations of the committee and ensure that the proposals/projects approved and recommended for funding are in accordance with this guidelines/procedures and the agreements/contracts entered into by the association or cooperative. He shall attest to and sign the approval and recommendation sheets of the CRF Committee.
  - b) The Project Manager shall be a co-signatory to the RRMP-CRM Special Account together with the President and the Treasurer of the association or cooperative. He shall see to it that the disbursements made are supported by the required documents.
  - c) The NGO together with the RTAT, shall provide assistance in the dissemination of information regarding the CRF concept and the operating guidelines/procedures.
  - d) The NGO together with the RTAT shall provide assistance in the installation of financial and recording systems and ensure that systems are in place and functioning.
  - e) The NGO shall provide assistance to the association and its members in designing of forms that will facilitate availment by the members of project funds already released by DENR.
  - f) Appropriate trainings in financial management and accounting/recording systems shall be undertaken by the

NGO in coordination with the RTAT, for the association/ cooperative officials and staff handling the CRF. Funds for this purpose shall be sourced from the appropriated and unappropriated amounts under the NGO contract of services with DENR.

- 2) The Regional Technical Assistance Team (RTAT) shall provide the following technical assistance:
  - a) Assist the NGO in the dissemination of information regarding the concept of CRF and operating guidelines/ procedures.
  - b) Assist in the installation of financial and recording systems.
  - c) Assist the NGO in the conduct of trainings in financial management and accounting/recording systems for the Association/Cooperative's official and staff.
  - d) Assist the community members, together with the NGO in the formulation of their internal guidelines on CRF.
  - e) Assist the Association or Cooperative in the perfection of their contracts/MOAs with the DENR-PENRO.
  
- 3) The CENRO/PENRO/RPMO shall provide the following technical assistance:
  - a) Assist the association or cooperative or individual member in the preparation of on-farm development plans and off-farm management and development plans.
  - b) Facilitate the perfection of the agreements and MOAs between the DENR and the Association or Cooperative for the accessing of the funds allocated for the CRM activities.

- c) Through the Site Officers, in coordination with the NGO and RTAT, assist in the installation of the management and accounting /recording systems to effectively operationalize the CRF.
- d) Provide direct technical assistance in plantation establishment, community forest management and forest protection.
- e) Put in place an effective contract management system for the contracted activities of the association or cooperative and disseminate information on proper documentation and reporting of contracted activities to facilitate monitoring and evaluation.

#### 8.0 **Special Provisions**

- 1) Non-members of the RRMP Beneficiary Association or Cooperative cannot avail of the CRF Seed Funds.
- 2) All economic activities should be ecologically sound and shall have no negative impact on women and the youth.
- 3) In case of dissolution of the association or cooperative, the CRF funds and assets shall not accrue to any individual member but shall be transferred to and managed by the new beneficiary association or cooperative organized for the purpose and subject to the approval of the DENR.
- 4) No member of the CRF Committee shall gain personal benefit resulting from his functions as member of the committee except for his direct participation in the CRM activities as member of the association or cooperative.
- 5) Interest rates, penalty charges, collateral requirements and default conditions which maybe adopted by the association or

cooperative shall not be onerous nor violative of existing laws, rules and regulations.

- 6) These regulations are issued specifically for the establishment phase of the Regional Resource Management Project and maybe revoked, amended or modified as the associations or cooperatives mature and are fully empowered.
- 7) In project areas where a qualified association or cooperative still has to be organized or identified, an interim CRF facility shall be established by the NGO who shall act as custodian of the community contributions generated from the beneficiaries participation in the infrastructure projects. Appropriate administrative and financial management systems and procedures should be established. In the meantime, the CRM funds from DENR shall not be transferred until a qualified association or cooperative has been organized or identified and chosen to handle the CRF.

#### 9.0 **General Provision**

The Regional Program Director concerned is hereby authorized to issue clarificatory, supplemental guidelines/procedures and implementing rules and regulations, as necessary.

#### 10.0 **Effectivity**

This order takes effect immediately and remains in force unless modified or revoked.

**ANGEL C. ALCALA**  
Secretary

Recommending Approval:

**BEN S. MALAYANG III**  
Undersecretary for Field Operations and  
Senior Official for ENR-SECAL Program

**DENR Memorandum Circular**

**No. 14**

**February 28, 1994**

**SUBJECT : Provision of Seeds/Seedlings and Technical Assistance to the Christian Children's Fund and its Affiliates Nationwide.**

In connection with the series of activities to be undertaken as part of the World Environment Day Celebration on June 5, 1994, the Christian Children's Fund, Inc., (CCF), a non-profit, non sectarian organization serving the needs of around 40,000 children nationwide and a National Coordinator of the "Think Clean, Think Green" campaign of the United Nations Associations of the Phil. (UNAP) requested the aforementioned subject from DENR.

Among the activities to be undertaken are the following:

1. "LAKAD TANIM" (Walk for a Cause or Walk for a Tree) to be held nationwide on May 1, 1994 involving 40,000 children and youth. For the purpose, they would require provision of seeds/seedlings.
2. Lectures on environmental enhancement and protection including nursery establishment and proper planting techniques.

DENR as the lead agency tasked to implement same activities would like to ensure the success of such undertakings by enjoining our field offices to provide the necessary assistance to CCF.

The regional/provincial coordinators of the CCF will coordinate with your respective offices in accordance with their program requirements.

Please submit report of DENR-CCF Collaboration to the undersigned through the Office of the Undersecretary for Environment and Research.

For your preferential attention.

**ANGEL C. ALCALA**  
Secretary

**DENR Memorandum Circular**  
**No. 18**  
**May 25, 1994**

**SUBJECT : Approval of Log/Lumber Supply Contract.**

In furtherance to the provisions of DENR Administrative Order No. 08. Series of 1994 on the additional requirements on the issuance of new sawmill permits and certificates of registration as lumber dealers, including renewals thereof, and in accordance with DENR Administrative Order No. 38. Series of 1990 on the revised guidelines, the following clarificatory guidelines on the approval of Log/Lumber Supply Contracts are hereby issued for the information and compliance of all concerned:

1. Log Supply Contracts or Lumber Supply Contracts to be submitted by applicants for a new sawmill permit or certificate of registration as lumber dealer, respectively, or for their renewal, shall be approved by the Regional Executive Directors. Log/lumber supply contracts entered into by and among TLA/IFMA/PLTP/SPLTP holders, sawmill owners/operators and lumber dealers within the same region shall be approved by the RED concerned. For contracts entered into by and between parties from different regions, the RED who has jurisdiction over the suppliers, i.e. TLA/IFMA/PLTP/SPLTP for Log Supply Contract and sawmill for Lumber Supply Contract, shall approve the same.
2. The REDs who shall approve the supply contracts shall see to it that the volume committed by the TLA/IFMA/PLTP/SPLTP holders and sawmill owners/ authorized volume/capacities and therefore can be complied with. Holders of TLA/IFMA/PLTP/SPLTP or sawmill permits who shall commit to supply logs/lumber beyond their capacities shall be warned as this implies cutting/milling outside the limits of the license/permit which is one cause for the suspension, cancellation or non-extension of the same in accordance with pertinent guidelines on the matter.
3. For supply contracts entered into with an exporter of logs from a foreign country with the port of entry in the Philippines, the RED who has



jurisdiction over the sawmill/lumber dealer shall approve the said contracts.

4. Applicants for a new sawmill permit and/or certificate of registration as lumber dealer or for their renewal which have back-up TLAs or IFMAs may not submit approved Log/Lumber Supply Contracts, provided that the rated capacities of the sawmills are within the allowable cut/authorized volume granted to their TLA or IFMA.
5. The REDs shall submit on a quarterly basis a report on the Log/Lumber Supply Contracts their respective offices have approved indicating therein the sawmills/lumber dealers and their suppliers with the corresponding volume commitments and a separate list of operating TLAs/IFMAs/PLTPs/SPLTPs and the sawmills with which they have entered into supply contracts.

This Order takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

**DENR Memorandum Circular  
No. 21  
June 22, 1994**

**SUBJECT : Supplementary Guidelines and Instructions on the Implementation of DAO No. 07, S. 1994, Anent Issuance of Certificates of Origin for Forest Products.**

Pursuant to DENR Administrative Order No. 07 and DENR Memorandum Order No. 01 both dated 17 February 1994, the following supplementing guidelines and instructions for the effective implementation of the above DENR Orders are hereby issued for the information and guidance of all concerned.

1. Regional Executive Directors shall submit to the Office of the Undersecretary for Field Operations within seven (7) working days from issuance hereof, a list of DENR officials within their respective regions who are authorized to issue and approve Certificates of Origin for logs, timber, lumber and other forest products, together with their specimen signatures, initials and right-hand thumbmarks;
2. The names of In-Charge of the Office of the authorized issuing officials duly designated consistent with the provisions of DAO No. 38, S-1994, as amended, shall likewise be submitted within seven (7) days from the issuance of such designation together with the requirements called for in the immediately preceding Section;
3. The CENRO of origin shall notify through the fastest available means the CENRO of destination of forthcoming shipment(s) indicating, among others, the Certificate of Origin number, kind and volume/quantity of forest products being transported/shipped, date of departure and expected arrival at specific port, type of carrier, and such other information as may be necessary to guide the latter in his actions;
4. The CENRO of destination shall notify the CENRO of origin within 72 hours after arrival of the forest products. In the event, however, that the forest products failed to arrive at the expected date of arrival (EDA), the

CENRO of origin shall likewise be notified within 48 hours reckoned from the EDA;

5. The CENRO, before issuance of the Certificate of Origin, shall see to it that the following, among others, have been ascertained or verified;
  - 5.1 the forest products are legally cut;
  - 5.2 the volume is within the licensee's/permittee's allowable cut;
  - 5.3 the forest products have been physically verified as to the quantity or volume, species, personality/authority of the shipper, and that the application fees therefor have been paid;
  - 5.4 the forest charges pursuant to RA 7161 have been paid;
  - 5.5 in case it is in compliance with the shipper's obligation or commitment by virtue of a log/lumber supply contract, that said contract is duly approved by the RED concerned or his duly authorized representative.
  
6. In line with the DENR policy on the transparency, the subscription of the Certificate of Origin shall as much as possible be administered by a Notary Public and/or elected local government official. In case the subscription is administered by an elected local government official, only the following shall be authorized:
  - 6.1 Provincial Governor
  - 6.2 Vice-Governor
  - 6.3 Mayor
  - 6.4 Vice-Mayor
  - 6.5 Barangay Captain

PROVIDED, that the origin of the forest products being shipped/transported are within the administrative jurisdiction of the said local government officials.

7. In no case shall unauthorized erasures be allowed. Should erasures be unavoidable, the same shall be initialed by the authorized issuing official. In the event that the mistake of entries in the form are very significant, the form shall be stamped "SPOILED" and report thereof be included in the required Report on Accountable Forms specified in DAO No.7, S. 1994, and a new Certificate of Origin shall be accomplished and issued in lieu thereof.
8. Only one (1) extension of Certificate of Origin shall be allowed by the nearest CENR Officer concerned, the validation of which shall be for a period not exceeding the expected time that the repair of the vehicle/conveyance shall have been completed, or the circumstances causing the delay in the completion of the delivery to the destination/consignee such as typhoons and other force majeure situations have passed, but in no case shall the extension exceed, fifteen (15) days. Further extensions, based on justifiable reasons, maybe issued subject to prior clearance by the Undersecretary for Field Operations or his duly authorized representative;
9. To address the present problem of insufficiency of available new COF, and until further advice from the Secretary or his authorized representative one (1) CTO/CLO may. be issued to a given commodity lot as an exemption to the per-shipment rule on CO issuance, subject to the following conditions:
  - 9.1 A scaling and marking of the logs/timber has been undertaken and entered into the log landing/cold deck list. (Appendix A).
  - 9.2 The pre-issuance requirements set forth in Sec. 5 hereof have been satisfied;
  - 9.3 The CTO/CLO for multiple-vehicle land transport shall be for a volume which can be transported to the log pond, mill site, or consignee within a period of not more than five (5) consecutive days;
  - 9.4 The CENRO of origin shall issue a trip ticket (Appendix B) for each vehicle indicating the following information:

- 9.4.1 The number of the mother CTO/CLO;
  - 9.4.2 The kind and volume/quantity of the forest products being transported;
  - 9.4.3 The type and plate number of the carrier/conveyance;
  - 9.4.4 The name of the consignee and/or destination point;
  - 9.4.5 The number of the trip ticket in relation to the total number of trip tickets to be issued for the particular CTO/CLO, e.g. for the first trip ticket of an expected number of tickets of 10, it will be designated as 1/10, and so forth;
  - 9.4.6 The remaining balance (number of pieces and volume) of the commodity covered by the certificate of origin.
- 9.5 The original CTO/CLO shall accompany the first truckload and the trip ticket for the succeeding loads/shipment shall be accompanied by a machine copy of the original CTO/CLO duly certified by the CENRO concerned;
- 9.6 The CTO/CLO shall be valid only for a single consignee/destination;
- 9.7 The CTA and Bill of Particulars required under existing regulations have been properly complied with;
- 9.8 In the event that the products delivered to the logpond/shipping point will be transhipped, the CENRO concerned shall issue a Certificate of Transhipment, after verifying that the data and information contained in the CTO/CLO tally with products being transhipped. The transhipped products shall invariably be accompanied by the original CTCs/CLOs.

- 9.9 The CENRO at the point of destination shall be guided by the provisions of DAO No.7, S. 1994, particularly Sec. 7 thereof, and DMC No, 01, S. 1994.
10. Pursuant to the Memorandum of Agreement between the officials of DENR and the Autonomous Region in Muslim Mindanao (ARMM), the policy on the joint documentation of all logs, timber, lumber and other forest products originating from ARMM by the concerned field units of DENR and DENR-ARMM is reiterated;
  11. The document tracking system for CTOs/CLOs as previously agreed upon shall be followed for ease of monitoring and records maintenance (Annex C);
  12. Forest products shipped/transported which are found in excess of the quantity/volume specified in the Certificate of Origin/Certificate of Transshipment Certificate of Verification and/or other related transport documents, the whole shipment shall be seized and confiscated in favor of the Government if the excess volume is beyond allowable error of 5% for logs and timber, and 2% for lumber and non-timber products.
  13. The Regional Executive Directors are hereby authorized to issue additional instructions, PROVIDED, that such issuances are within the spirit and intents or this Circular; PROVIDED FURTHER, that such instructions shall be for the effective implementations of DAO No.7, S-1994, and these instructions; PROVIDED FINALLY, that copies of such issuances/instructions, shall be furnished the Undersecretary for Field Operations for information and record.
  14. DENR Officials found verified to have violated the provisions of this Circular shall be dealt with accordingly.

This Circular shall take effect immediately.

BEN S. MALA YANG III  
Undersecretary

**DENR Memorandum Circular**  
**No. 23**  
**July 06, 1994**

**SUBJECT : Interim Guidelines in Coordinating the Activities of Devolved ISF Projects.**

Pursuant to the provisions of Republic Act No. 7160 mandating the devolution of community-based projects including the Integrated Social Forestry Program (ISFP) to the Local Government Units (LGUs), and to strengthen linkages with LGUs for more effective implementation of ISFP at the local levels, the following interim guidelines are hereby promulgated pending the issuance of ISF Manual of Operations:

**Sec. 1 Objectives**

- 1.1 To have a clear picture on how ISF Program is being operationalized at the local level.
- 1.2 To determine areas and project concern that need to be strengthened.
- 1.3 To determine and resolve issues/problems encountered in the implementation of ISF activities.
- 1.4 To properly document and cull-out lessons which will serve as basis in generating appropriate and timely policy interventions for effective inter-agency coordination.

**Sec. 2 Scope/Coverage**

Monitoring of ISF implementation at the local level will focus on the overall operation of the program on a particular province in the region. Possible areas of concern to be looked into include the following:

- a) Implementation and Coordination System - this pertains to the activities undertaken by DENR in support to LGU like Parcellary Survey, CS Issuance and other Support Services. The Social Forestry Desk Officer

(SFDO) shall take note on how a certain activity is carried out, who are involved and what resources are shared.

- b) Supervision and Control Mechanism - focuses on how feedback mechanism to and from DENR is being transmitted, the communication flow within ISF-LGU units and between DENR - and LGU-ISF units.
- c) Planning System - looks at how activities of DENR and LGU are scheduled and synchronized to achieve goals and how financial, human and material resources are distributed over ISF projects managed by LGU - ISF.
- d) Training Programs/Capability Building - pertains to the conduct of Social Forestry Training on specific topics according to needs/demands articulated by the user-local governments.
- e) Organizing and Staffing System - describes working units within CENRO, PENRO and Regional Office: what are some of the activities undertaken to help LGU in the creation of appropriate structure for the LGU-ISF.
- f) Documentation of Project Activities - pertains to the systematic and regular recording of the process adopted in the implementation of project activities. This shall focus and highlight information that will promote sustainability and enhance institutionalization of projects/program results.
- g) Other Issues/Problems - refers to the identified issues and problems perceived by the local government as implementor and the beneficiaries that need attention/intervention of DENR, other government agencies and Non-Government Organizations (NGO).

### **Sec. 3 Preparatory Activity**

The Regional ISF Division shall spearhead the preparation of plan of activities to be carried out within a period of one year on how they can strengthen their tie-up with the Local Government Units and how they can effectively respond to the needs of the LGU-ISF in the implementation of the Program. An overall direction will be prepared by the Regional Office as basis in the preparation of a detailed action plan to be prepared by the PENR and CENR Offices.



**Sec. 5      Transitory Clause**

This interim guidelines shall be revised after the issuance of the ISF Manual of Operations.

**Sec. 6      Effectivity**

This Circular shall take effect immediately and supplement existing orders and instructions consistent herewith.

**BEN S. MALAYANG III**  
Undersecretary for Field Operations

**Recommending Approval:**

**LOPE D. REYES**  
Director  
Forest Management Bureau

**DENR Memorandum Circular**

**No. 24**

**July 13, 1994**

**SUBJECT : Implementing Guidelines for the Conversion of Timber License Agreements (TLAs) to Industrial Forest Management Agreements (IFMAs).**

Pursuant to the provisions of DENR Administrative Order Nos. 60, Series of 1993 and 15, Series of 1994 which provide for conversion of Timber License Agreements (TLAs) to Industrial Forest Management Agreements (IFMAs), the following implementing guidelines are issued for the information and compliance of all concerned.

**Sec. 1 Areas That May be Converted.** The area of TLA that may be converted to IFMA are the following:

- 1.1 Open and Denuded areas;
- 1.2 Brushland areas;
- 1.3 Adequately Stocked Logged-Over areas (ASLO);
- 1.4 Inadequately Stocked Logged-Over areas (ISLO);
- 1.5 Existing Reforestation Areas of the TLA; and
- 1.6 Existing Plantation of the TLA in compliance with its terms and conditions.

**Sec. 2 Size of the Area.** The maximum area that may be converted to IFMA shall not exceed the total area currently covered by the TLA. The concerned RED may, however, prescribe reductions in the area to take into account the protection forest as defined in section 3.9 of DAO No. 60, Series of 1993, community claims including but not limited to claims for certification of ancestral land and ancestral domain as provided for in DAO No. 02, Series of 1993.

**Sec. 3 Who May Apply.** The following may apply for conversion to IFMA:

- 3.1 All current TLA Holders who are in good standing;
- 3.2 All expired TLA holders who filed their application or letter of intent prior to the expiration of their TLA and after the effectivity of DAO No. 60, Series of 1993. Areas of expired TLAs which did not file an application prior to the expiration of their license may be disposed thru competitive bidding pursuant to existing regulations on the matter; and
- 3.3 All existing TLA Holders whose areas are covered by a logging ban and/or logging moratorium may apply for conversion to IFMA I. However, once the ban and/or moratorium is lifted they can apply for conversion to IFMA II.

**Sec. 4 Application Requirements.** In addition to the requirements as listed under Section 16 of DAO No. 60, Series of 1993, the following must also be submitted by the applicants;

- 4.1 Aerial Photography as prescribed in DAO No. 17 (Series of 1992) for the entire TLA area or other cost effective methodology that will show current conditions of the forest;
- 4.2 An Area Map of scale not less than 1:50,000 showing the current TLA boundaries and the boundaries of Old Growth Forest, Blocks I to VI Residual Production Forest, Degraded Forest, Open and Denuded areas and Brushland areas, kaingin, etc.
- 4.3 Timber Inventory Results as prescribed in DAO No. 24, Series of 1991 for the entire TLA area. The inventory already completed for Block I to determine the current AAC shall be sufficient for Block I, but results of a five percent (5%) inventory for Blocks II to VI must also be submitted. This undertaking should be conducted by REGISTERED FORESTERS and all expenses to be incurred shall be shouldered by the applicant. The results should be under oath and shall include the following:

- a) individual plot tally sheets clearly labelled as to strip line number and numbers of plots along each strip line;
  - b) block map showing the location of all strip lines and the position of each plot along each strip line; and
  - c) summary of stand and stock tables for each of Blocks I - VI.
- 4.4 Census of Forest Occupants residing within the TLA area broken down by statutory and/or locally recognized community (Municipality/Barangay/Sitio) and, where Indigenous Cultural Communities are involved, a list of the names of the recognized traditional community leaders (datus).
- 4.5 Articles of Incorporation and By-Laws of the corporation holding the TLA, including a list of the present Officers and Stockholders;
- 4.6 Audited Financial Statements of the corporation for the preceding two (2) years.
- 4.7 Receipt of Income Tax Payments of the corporation for the preceding two (2) years;

The Secretary, upon the recommendation of the Director, Forest Management Bureau (FMB) may waive the immediate submission of some requirement(s) needed in the approval of the application. However, no cutting operation shall be allowed unless the 5% Timber Inventory together with the other waived requirement(s) have been submitted and the final AAC has been computed.

#### **Sec. 5 Processing of Application**

- 5.1 In the Regional Office - The application shall be filed at the regional offices where the application shall be evaluated/reviewed as to completeness of requirements including status of the TLA and qualifications of the applicants. Thereafter, the RED shall, in coordination with the concerned PENRO and CENRO carry out the following:

- 5.1.1 Public Notification. The RED shall issue a public notice to ensure that communities dependent on the TLA area and other interested members of the public in the province concerned are fully informed of the proposed conversion and have the opportunity to register objections to the conversion. The notice shall be posted at the PENR and CENR Offices concerned as well as all concerned municipal and barangay halls. It shall also be broadcasted at least twice a week for two consecutive weeks on a local radio station widely received in the area.
- 5.1.2 Contents of Notice. The written notice shall be both in English and the dialect in common used in the region and shall include:
- a) Name, Address (Office and Residence) and other personal circumstances of the applicant;
  - b) A sketch map of the area showing the TLA boundaries and the relative locations of generally recognized communities (barangays, sitios) as well as municipal boundaries;
  - c) The objectives of IFMA as a land management instrument and the difference between IFMA and TLA;
  - d) The rights and responsibilities of IFMA Holders;
  - e) The rights and responsibilities of individuals and communities dependent on IFMA Areas; and
  - f) A provision for individuals or communities to submit objections with respect to the proposed IFMA Area or portions of it within thirty (30) days from the last publication of the notice.

- 5.1.3 Action on Objections. Within thirty (30) days of the last publication of the notice of application for conversion, the RED shall meet with all individuals or representatives of communities who have submitted their objections. On the basis of these meetings, the RED may modify the boundaries of the proposed IFMA area or prescribe special conditions to be included in an IFMA covering the area. In cases where the objections arise from claims in respect of Ancestral Domain or Ancestral Land, the RED shall initiate procedures to check on the validity of the claims and thereafter verify such claims in accordance with DAO No. 02 (Series of 1993). The RED shall notify in writing the concerned individuals the action to be taken with regard to the conversion within one (1) week after meeting with them.
- 5.1.4 Recommendation. On the basis of the review of all application requirements submitted and consultation with communities and other groups, the RED shall forward the application with all the necessary documents together with his recommendations, giving reasons, for conversion to IFMA or continuation of the TLA covering the area.
- 5.2 In the Central Office - The application is evaluated by the IFMA Screening and Award Committee (IFSAC) pursuant to DAO No. 60, Series of 1993 taking into consideration the following:
  - 5.2.1 Aerial photo-interpretation and Forest Cover Typing
  - 5.2.2 Community Positions and Claims for Ancestral Land and Ancestral Domain
  - 5.2.3 Inclusion of Protection Forest Areas in the IFMA area, if any.
  - 5.2.4 Environmental Assessment of the impacts of activities under an IFMA, including the proposed level of continued timber harvesting in the area,
  - 5.2.5 Other consideration that may be deemed necessary.

5.2.6 **Secretary's Decision.** Based on the IFSAC's recommendation, the Secretary shall decide on the conversion and notify the applicant in writing of his decision within five (5) working days from his receipt of the recommendation. If conversion is approved, the notification shall include specification of any conditions pertaining to exercise of the IFMA that are not stated in the standard IFMA form, including the performance bond ceiling which shall be the basis for negotiation of the final value of the Performance Bond.

5.3 **Performance Bond for TLAs Converted into IFMA.** As an incentive for good performance as TLA holder, the floor price of performance bond as provided in DAO No. 60, Series of 1993 shall be the ceiling price for the negotiated bidding. Performance bond shall be calculated using the formula as provided in Section 14.2 of DAO No. 60, Series of 1993.

5.3.1 **Negotiation of Performance Bond.** Negotiation of the final value of the Performance Bond shall be conducted within thirty (30) days from issuance of the Secretary's notification to the TLA holder of approval for conversion. The DENR shall be represented at the negotiations by the IFSAC which shall in all cases include a representative of the Commission on Audit as an observer. Within fifteen (15) days after the approval of the negotiated value of the performance bond, the applicant shall post the herein required Performance Bond and comply with any other relevant conditions. Failure to do so shall cause the denial of the application.

5.3.2 **Bond Document.** The Performance Bond document shall be in the form specified in Annex "C" of DAO No. 60, Series of 1993.

**Sec. 6 Preparation and Issuance of IFMA.** An IFMA, together with the final map of the area shall be prepared in the standard form shown in Annex "F" of DAO No. 60, Series of 1993 with modifications pertaining to other conditions as appropriate and executed by the Secretary and the applicant's duly

authorized officer. IFMA may be issued upon compliance with the requirements set forth herein.

**Sec. 7 Requirements Upon Approval of TLA Conversion.** In exercising the IFMA, the IFMA Holder shall comply with all conditions set out in DAO No. 60 (Series of 1993) and DAO 15, (Series of 1994) and in the IFMA documents, including submission of a 25-year Comprehensive Development and Management Plan.

**Sec. 8 Authority to Issue Additional Guidelines.** The Undersecretary for Natural Resources Management is hereby authorized to issue any clarificatory guidelines for the effective implementation of this Memorandum Circular.

**Sec. 9 Effectivity.** This Circular shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary



**DENR Memorandum Circular  
No. 25  
July 13, 1994**

**SUBJECT : Guidelines on the Partial Turn-over of Contract Reforestation (CREF) Projects Qualified for Forestland Management Agreement (FLMA) Issuance.**

To achieve optimum utilization of Contract Reforestation (CREF) areas, the contract of which have expired or been terminated but cannot satisfy turn-over criteria except in some portions and, therefore, cannot be awarded with a Forestland Management Agreement (FLMA); and to effectively promote a more responsive and sustained development of upland communities, the following guidelines on the partial turn-over of contract reforestation project areas qualified for FLMA issuance are hereby promulgated.

**Sec. 1 Areas Qualified for Partial Turn-Over.** All CREF projects, except the Family Approach type with partial areas which have met turn-over criteria as provided in Memorandum Circular No. 04, series of 1993, (except Section 4.a thereof), qualify for partial turn-over. Such areas are potential sites for FLMA issuance and should satisfy the following conditions:

1. The area is contiguous covering at least fifty (50) hectares; and,
2. Existence and willingness of communities to undertake Forestland Management Program (FLMP) activities with its conditionalities.

**Sec. 2 Procedures for Partial Turn-over.** The following steps shall be followed in the partial turn-over:

- 2.1 The CENRO shall identify CREF projects qualified for partial turn-over based on the latest Inspection Chart Map (ICM) and field observations and whether or not there are communities which are potential FLMA recipients. Upon identification, the CENRO shall inform the contractors/developers in writing regarding the plan.

- 2.2 Contractors/developers who concur with the partial turn-over shall submit an application and a proposal for partial turn-over to the CENRO for evaluation.
- 2.3 The CENRO shall submit to the Regional Executive Director, through the PENRO, a list of areas recommended for partial turn-over and simultaneously request from the Regional Forestation Development Office (RFDO), on a case-to-case basis, the conduct of ICM or a perimeter survey. The ICM or perimeter survey would determine whether subject partial areas qualify under the criteria in Section 1 of this circular.

Procedures enumerated in Section 5.1 of Memorandum Circular No. 04, series of 1993 otherwise known as "Guidelines and Procedures for Turn-Over of Contract Reforestation Projects" shall apply.

- 2.4 Based on the ICM conducted or to be conducted by a non-government organization (NGO), validation shall be done by a composite team composed of representatives from the CENRO, ICM contractor, and the project contractor/developer using a 5% systematic sampling. A validation report shall then be submitted to the RED through the RFDO Action Officer, containing recommendation on whether or not the area is qualified for partial turn-over.
- 2.5 Should an area qualify for partial turn-over, the CENRO shall inform the CREF contractors/developers to prepare and submit the following:

- 2.5.1 Partial Project Completion Report;

- 2.5.2 Sworn Statement to the effect that all bills for labor, other current wages and materials have been paid and all activities have been completed by the CREF contractor/developer only within partial areas to be turned-over; and,

- 2.5.3 Partial liquidation report in case of local government units (LGU) and other government agencies (OGAs) and contractors.
- 2.6 The CENRO concerned shall then prepare the following documents:
  - 2.6.1 Certification of partial completion and Acceptance signed by the contractor/ developer and the contracting DENR unit;
  - 2.6.2 Maps of 1:10,000 scale indicating sections and blocks of partial areas to be turned-over; and,
  - 2.6.3 Proposed amended contract properly reviewed and signed by the developer.
- 2.7 The CENRO shall endorse the completed documents together with the proposed amendment to the authorized/detailed DENR officials for further review and approval. The proposed amendment shall be accompanied by a revised Work and Financial Plan (WFP) if there are still funds left for the CREF Project or simply a work plan if funds are no longer available.
- 2.8 Infrastructure and equipment used during the implementation of the previous reforestation contract shall likewise be turned-over to DENR upon completion of the amended contract.

**Sec. 3 Retention Fee.** The retention fee shall only be released to the contractor upon completion of the amended reforestation contract and acceptance by the DENR.

**Sec. 4 Performance Bond.** The performance bond for the area based on the amended contract shall remain in full force and effect throughout the duration of the amended contract and shall be released to the contractor only upon acceptance by DENR of the contracted services or project.

**Sec. 5 Repealing Clause.** All provisions of previous memorandum circulars inconsistent herewith are hereby repealed or amended accordingly.

**Sec. 6 Effectivity.** This Circular shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**DENR Memorandum Circular**  
**No. 26**  
**July 08, 1994**

**SUBJECT : Flagship Program for the Indigenous Cultural Communities under the Social Reform Agenda.**

The Government has adopted a Social Reform Agenda in support of Philippines 2000, the Administration's blueprint for attaining NIC status by the year 2000.

Under the said Agenda, our Department is tasked with the implementation of the flagship program for indigeous cultural communities i.e. Protection of Ancestral Domains. The specific activities which the DENR is mandated to implement are the following:

1. Review of all policy issuances pertaining to ICC concerns;
2. Full and immediate implementation of DENR Administrative Order No. 02, Series of 1993 in the priority areas for 1994 (Bukidnon, Agusan del Sur, Davao del Sur, Occidental Mindoro and the Cordillera Region);
3. Interfacing of political/legal structures of governance with ICC traditional socio-political structures; and
4. Creation of appropriate mechanisms for an Integrated Area Development (IAD) program for priority ICC settlements.

In view hereof, the following instructions are hereby issued, to wit:

1. For Regions 4, 10 and 11, CARP funds allocated for the implementation of DAO No. 02, S-1993 shall be utilized in the identified priority provinces.
2. For CAR, the CARP funds shall be utilized as counterpart to the funds committed by the Gaston Z. Ortigas Peace Institute for the seven (7) sites identified under the Memorandum of Agreement dated 15 April 1994.

3. All Regions shall prepare a comprehensive Work and Financial Plan for the implementation of DAO No. 02 in 1995. The Plan shall include development and management of recognized ancestral domain claims as called for under Article VI of said Order. It shall be submitted to the Special Concerns Office not later than 31 July 1994.
4. All activities shall be concentrated on the identification, delineation and recognition of ancestral domain claims except for Baguio City wherein priority shall be on ancestral land claims.
5. Henceforth, the terms “indigenous cultural communities” and “indigenous peoples” shall be consistently used to refer to this sector of our society.
6. All Regional Offices and Provincial Special Task Forces on Ancestral Domain including the Community Special Task Force on Ancestral Lands in Baguio City are encouraged to undertake initiatives relative to the concerns of the ICCs provided that the Special Concerns Office shall be duly informed of such undertaking and the activities involved are supportive of DAO No. 02. This is necessary to ensure that all activities are coordinated and in accordance with the Social Reform Agenda.
7. In all Regional Offices and PENR Offices with ICC concerns including CENRO Pacdal, Baguio City, an ICC Concerns Desk shall be created under the direct supervision of the Regional Executive Director and the concerned Task Force Chairman, respectively. Funds for said Desk shall come from the DENR regular funds allotted for the implementation of DAO No. 02. The Desk Officers shall preferably come from those who have undergone the ICC Orientation and Immersion in February, 1990. The names of the assigned Regional, Provincial and Baguio CENRO Desk Officers shall be submitted to the Special Concerns Office within one week upon receipt of this Memorandum.
8. All field activities in the implementation of DAO No. 02 shall be coordinated with the concerned Provincial Special Task Force on Ancestral Domain.
9. In the implementation of all projects/activities on environment and natural resources, the concerns of the ICCs shall always be considered.

10. A monthly status report shall be submitted to the Special Concerns Office. The report shall include a list of ancestral domain/land claim applications, name of the ICC group and its bonafide leader/s, estimated number of beneficiaries, location, indicative area and affected land-use/s.
11. As a reminder, the implementation of DAO No. 02 is a **MUST KEY RESULT AREA**.
12. These instructions should be relayed to all of your units and field offices. Copies of the Special Reform Agenda shall also be provided to said offices.

**FOR IMMEDIATE AND STRICT COMPLIANCE.**

**ANGEL C. ALCALA**  
Secretary

## **THE SOCIAL REFORM AGENDA**

### **I. THE FRAMEWORK FOR SOCIAL REFORM**

The government's goal of human development has two dimensions: economic growth and social reform. One is meaningless without the other. Economic growth without social reform is unacceptable. Social reforms without an enlargement and more equitable sharing of the "economic pie" will inevitably fail to uplift of their intended beneficiaries.

Thus Philippines 2000, the Ramos Administration's blueprint for national economic recovery, seeks to balance global competitiveness and people empowerment. It aims for economic development that will be propelled and sustained not only through the promotion of efficiency in the marketplace but more importantly, through the advancement of social equity in terms of asset reforms, just sharing of the benefits of growth, and effective people participation in the political and economic mainstream.

For these measures to be effective, they have to be focused on properly identified target participants through a people-driven process at all levels. The government has thus set up two kinds of targets: (1) sectoral-farmers, fisherfolk, indigenous cultural communities, urban poor, workers especially in the informal sector, and other disadvantaged groups — women, persons with disabilities, youth and disadvantaged students, elderly, and victims of disasters — that cut across all sectors; and (2) geographical - the country's twenty-five (25) poorest provinces and/or poverty pockets.

#### **A. Key Guiding Principles**

1. Social reform is a continuing process that addresses the basic inequities in Filipino society through a systematic, unified, and coordinated social reform package.
2. The social reform agenda (SRA) will not be defined by government alone, but in equal partnership with the different sectors through appropriate and eaningful consultations and participation.



3. The social reform agenda must address disadvantaged sectors' minimum basic needs: health and nutrition, water and sanitation (for survival); income security, shelter, peace and order (for security); basic education and literacy, and participation (for enabling needs).
4. Commitments from both government and the private sector shall be delineated to ensure a workable implementation of the SRA.
5. A policy environment conducive to a sustainable SRA shall be pursued.

**B. Sectors**

The Ramos Administration is committed to address the primary concern of the disadvantaged sectors of society.

It has focused on specific disadvantaged sectors, bearing in mind the specific needs and characteristics of each sector.

1. For Farmers and Landless Rural Workers: limited rural infrastructure; uncertain land tenure; limited access to science and technology and limited access to markets.
2. For the Fisherfolk: destruction and overexploitation of their coastal resources and fishing grounds; encroachment into municipal waters by local and foreign commercial fishing vessels and reduction of freshwater fishing grounds by illegal infrastructure;
3. For the Urban Poor: the slow implementation or spotty observance of the Urban Development and Housing Act (UDHA); as well as the continuing basic injustice of classifying squatting as a criminal offense;
4. For Indigenous Cultural Communities (ICCs): the non-recognition of their ancestral domain; violation of their cultural integrity and lack of infrastructure and support services, especially in education, justice and health;

5. For workers especially in the Informal Sector: the low level of organization of the labor force, prevalence of irregular employment, exposure to exploitative terms and conditions of employment, lack of social security; lack of technology and access to market;
6. Other Disadvantaged Groups, that cut across all sectors, such as:
  - a. Women, whose contribution to the economy have not been recognized and who are treated as second-class citizens;
  - b. Disadvantaged Students: Children and Community Youth, whose basic rights and welfare have always been neglected;
  - c. Persons with Disabilities who are faced with countless obstacles in joining the mainstream of society such as discrimination in work and education, and the failure to implement the Accessibility Law;
  - d. The Elderly; and
  - e. Victims of Disasters and Calamities.

There is also a common need for programs concerning credit, livelihood, education, health, and justice as well as interventions in these areas.

### **C. Visions for the Sectors**

Specifically, for the:

1. Farmers and Landless Rural Workers: ownership, access to and control of tillable lands by the tillers, higher productivity, channels for productivity, and fair prices for produce;
2. Fisherfolk: empowerment and recognition, broader access to and control of aquatic resources, rational and sustainable management of fishery resources, wider availability of post-harvest facilities, attainment of sustainable development and participation in the planning and implementation thereof.

3. Urban Poor: broader access to and security in basic needs, particularly housing and land, and broader opportunities for increased income;
4. Indigenous Cultural Communities: recognition and protection of their ancestral domain rights, basic service, cultural integrity and full participation in the Philippine body politic;
5. Workers, especially in the Informal Sector: absorption into the formal sector, protection by labor laws; access to programs and services for workers in the formal sector; participation in decisions affecting their interests; and organization into unions, cooperatives, and other forms of associations;
6. Other Disadvantaged Groups that cut across all sectors: legal protection of women and children against all forms of violence (rape, pornography, sexual harassment and domestic abuse), accessibility, mainstreaming and rehabilitation of persons with disabilities; educational reform, and youth representation in both community and national development. For these visions to become reality, the sectors must be granted access to quality basic services and to productive resources and economic opportunities. For the sectors to be able to choose and sustain these visions, they must have strong grassroots institutions that can effectively participate in self-governance.

#### **D. The Three-Point Agenda**

Thus, the Social Reform Agenda consists of three main points:

1. Access to Quality Basic Services: The Imperatives of Survival  

These are reforms that are critical to enable the citizens to meet their basic human needs and to survive and live decent lives.
2. Asset Reform and Sustainable Development of Productive Resources and Access to Economic Opportunities: The Means to Work and Earn a Living

These are reforms that widen citizens' share to resources, both natural and man-made, from which they can earn a living or increase the fruits of their labor.

Such reforms necessarily address existing inequities in the ownership, distribution, management and control over such resource.

3. **Institution-Building and Participation in Governance: Toward Self-Governance**

These are reforms that enable the citizens to effectively participate in decision-making processes that affect their rights, interests, and their welfare. In effect, these are reforms that enhance the democratic processes.

Since the individual can not effectively act alone to promote or defend his/her interests, but has to act in coordination with other like-minded citizens, strengthening the democratic processes thus also means strengthening the social organizations that represent such collective interests so that they can actively get involved in managing the socio-economic and political affairs of their communities with other sectors and institutions.

**E. Substantive Indicators**

1. The marginalized sectors actively take part in the formulation, implementation, and evaluation of policies, programs, and structures in government at all levels.
2. Structural problems such as representation in the government and control over productive resources, are addressed to bridge the gap between the rich and the marginalized sectors;
3. Benefits concretely and substantially improve and enhance the quality of life of the sectors;

4. Mechanisms are in place to institutionalize, monitor and sustain the benefits derived from these policies, programs, and structures; and to protect and uphold the interests and rights of the marginalized sectors;
5. Economic development that recognizes environmental protection and conservation.

## **II. THE SOCIAL REFORM PACKAGE**

Most government programs and services are already designed to help improve the lives of Filipinos. Foremost among these are in the areas of health and sanitation, access to basic education and literacy programs, justice, and welfare services. However, in the face of specific acute needs of the marginalized sectors of society, the government has decided to highlight particular programs as FLAGSHIPS.

### **A. The Proposed Nine (9) Social Reform Flagship Programs**

#### **The Sector-Specific Flagship Programs**

1. For farmers and landless rural workers, Agricultural Development including, but not limited to, the following:
  - \* intensifying the implementation of the Comprehensive Agrarian Reform Program (CARP) by increasing funding for the CARP;
  - \* concentration of available resources on Key Production Areas (KPAs), which are the geographical priority areas for implementation using the Agrarian Reform Communities (ARCs) as the main conduits for implementation;
  - \* increasing budget for basic infrastructure, e.g., irrigation systems, post-harvest facilities, farm-to-market roads.
  - \* increasing technology input for improved productivity.

2. For the fisherfolk, Fisheries and Aquatic Resources Conservation, Management and Development including, but not limited to, the following:
- \* active lobbying for the immediate passage of the Comprehensive Fisheries Code, and, the Magna Carta for the fisherfolk;
  - \* approval of the E.O. on the formulation of the Fisheries Resource Management Council (FRMC) at the local levels;
  - \* establishment of specific implementing guidelines on the Local Government Code's provision to give preferential treatment to Fisherfolk sector on the use of municipal, fishing grounds;
  - \* implementation of the Seven (7) Laguna Lake Reform Program covering 10-12% total area to be used for fish culture; control of stock-density from 15-20 pieces per square meter according to the carrying capacity of the lake; implement the anti-pollution control; and, the creation of Seven (7) Lakes Conservation Development Fisheries Resource Management (CDFRMC);
  - \* review and conduct consultation on projects/ programs on CALABARZON reclamation areas regarding water conversion, demolitions, dislocations, and tourism;
  - \* strengthening of on-going projects, specifically:
    - provision of post-harvest facilities and credit to fisherfolk cooperatives;
    - better enforcement of fisheries law including deputization of fisherfolk leaders as Bantay-Dagat/ Lawa/Karagatan officers;

- provision of basic education services and literacy programs for the fisherfolk.

For the urban poor, Socialized Housing including, but not limited to, the following:

- \* faster implementation of the Urban Development and Housing Act (UDHA);
- \* improvements in the community mortgage program (CMP);
- \* decentralization of socialized housing efforts;
- \* provision of resettlement areas with basic services;
- \* implementation of the Slum Improvement Program;
- \* strengthening the Presidential Commission on Urban Poor;
- \* certification as urgent the passage of the Integrated Shelter Financing Act and the Magna Carta for the Urban Poor.

4. For the indigenous cultural communities, the protection of the Ancestral Domain including, but not limited to, the following:

- \* certification of HB 595 as urgent;
- \* review of all policy issuances pertaining to ICC concerns;
- \* full and immediate implementation of Department of Environment and Natural Resources (DENR) DAO # 02, series of 1993 in the priority areas for 1994 (Bukidnon, Agusan del Sur, Davao del Sur, Mindoro Occidental and the Cordilleras - Abra, Kalinga-Apayao, Mt. Province, Benguet, Ifugao);

- \* interfacing of political/legal structures of governance with ICC traditional socio-political structures;
  - \* creation of appropriate mechanisms for an Integrated Area Development (IAD) program for priority ICC settlements.
5. For workers especially in the informal sector, Workers' Welfare and protection including, but not limited to, the following:
- \* enhancing institution-building and removing obstacles to effective union organizing;
  - \* stricter and improved enforcement of labor standards and social welfare legislation;
  - \* expansion of coverage and benefits in Social Security and other legislation;
  - \* improvement of workers' conditions in the informal sector;
  - \* certification as urgent of the passage of laws on workers' welfare and protection, specifically on the following:
    - regulation of sub-contracting;
    - limitations on the hiring on non-regulars (especially part-time, temporary workers).
  - \* provision of access to employment and livelihood programs in the formal sector
6. For members of other disadvantaged groups consisting of disadvantaged families, women, children, youth, person with disability, elderly and victims of natural and man-made calamities, the Comprehensive Integrated Delivery of Social Services (CIDSS) including, but not limited to, the following:



- \* convergence of social welfare services in the identified 25 provinces based on the minimum basic needs (MBN) approach;
  - \* intensified implementation of safety net measures to the sector such as SEA-Kaunlaran, Food Security, Parent Effectiveness, Responsible Parenthood, Assistance to individuals in Crisis Situation (AICS), Day Care, Education assistance;
- a. For disadvantaged children and youth including disadvantaged students and out of school youth, Kabataan 2000 including the following:
- \* Program for Children in Especially Difficult Circumstances;
  - \* Child Placement and Protective Services;
  - \* Sunong Dunong Para sa Kabataan
  - \* Integrated Human Resource Development Program for Youth;
  - \* enhancing the quality and relevance of education;
  - \* broadening the accessibility of education
- b. For Persons with Disabilities and Senior Citizens, Accessibility Program;
- \* advocating for the implementation of accessibility law (B.P. 344);
  - \* nationwide implementation of Community-based Integrated Rehabilitation;
  - \* Tulay 2000;

- \* advocate to LGUs to allocate funds for PWD programs and for organizing self-help groups;
  - \* social mobilization of Persons with Disabilities and their Families and Senior Citizens.
- c. For disadvantaged women, an Integrated Welfare Program;
- \* Productivity Skills Capability Building Cum Livelihood;
  - \* Services for Women in Especially Difficult Circumstances;
  - \* Strengthen Responsible Parenthood Information and Service for Family Planning and Reproductive Health of LGUs.
- d. For Victims of Disasters, Rehabilitation Programs
- \* capability-building and disaster preparedness;
  - \* food-for-work schemes;
  - \* resettlements;
  - \* basic services for restoration and rehabilitation;
  - \* core shelter.

### **Cross-Sectoral Flagship Programs**

7. For all sectors, Institution-Building and Effective Participation in Governance including, but not limited to, the following:
- \* expansion of national government agency programs that provide financial assistance and incentives to cooperatives;
  - \* strengthening of local government capabilities to undertake social reform programs;

- \* opening of ODA windows for the capacity-building of NGOs and POs;
- \* provision of a package of local tax and other forms of incentives for the growth and establishment of community-based organizations in local government units;
- \* encouragement of “joint ventures” and other “cooperatives undertakings” between government on one hand and NGOs and POs on the other for the delivery of basic services, as mandated by the Local Government Code;
- \* establishment of a Center for Institution Building that will assist in strengthening people’s organizations and cooperatives;
- \* appointment of sectoral representatives to Congress and in other policy-making bodies;
- \* implementation of the Local Government Code provisions on sectoral representation and on a preferential option for the poor and marginalized sectors.

8. For all sectors, Credit including, but not limited to, the following:

- \* launching a “Credit-for-the-Poor” program, using a strategy of clientele segmentation by economic brackets, with a socialized credit program using the Grameen Bank Approach for the ultra poor, an active and sustained cooperative formation and development program for the average poor, and a dynamic mainstreaming program for the near-poor;
- \* establishing partnerships between Government Financial Institutions, e.g., the Land Bank of the Philippines (LBP), and cooperatives and other non-government organizations, with the LBP acting as the trustee bank for socialized credit programs and cooperatives and NGOs/POs as actual program implementors;

- \* designating specific roles for different players in the financial system, e.g., for the LBP to provide credit for small farmers and fisherfolk, commercial banks to mobilize financial resources; rural banks and thrift banks to lend small and medium-scale entrepreneurs;
9. For all sectors, Livelihood Programs including, but not limited to, the following:
    - \* creation of more opportunities to train individuals for more and better incomes;
    - \* strengthening of the community-based aspect of livelihood creation;
    - \* building institutions responsive to the need for livelihood.

## **B. Implementing Strategies**

1. Energizing and reorienting the bureaucracy to effectively address the social reform concerns of the basic sectors;
2. Encouraging, developing, and institutionalizing concrete mechanisms for basic sector, NGO/PO, church, and business sector participation, on both local and national levels, in the whole process of governance;
3. Synchronizing, systematizing, and integrating all social-reform policy and program initiatives of government to optimize the use of limited resources and benefits;
4. Mobilizing all possible internal and external resources to sustain the gains derived from these reforms; and
5. Local government to assist in the implementation, institutionalization, and localization of the Social Reform Agenda.

**DENR Memorandum Circular**  
**No. 31**  
**August 31, 1994**

**SUBJECT : Streamlining of Procedures in the Processing of Applications for Forest License/Permits.**

In order to promote transparency in our operations, and involve the community in the processing/review of applications for licenses/permits, the following guidelines are hereby promulgated:

1. All applications for forest licenses/permits including renewal applications at the Regional Office shall be evaluated by the Regional Technical Staff Group of the DENR pursuant to existing regulations together with a member of the Regional Multi-sectoral Forest Protection Committee (RMFPC), which member shall have been agreed upon by the RMFPC to be a member of the evaluation group.
2. Result of such evaluation shall be the basis of the RED or the USEC/Secretary for the approval or disapproval of such applications.
3. All applications for forest licenses/permits which need the CENRO/PENRO approval or endorsement should likewise be evaluated by the CENRO/PENRO Technical Staff Group of the DENR in accordance with existing regulations, together with a member of the local MFPC, which member shall have been agreed upon by the local MFPC to be a member of the evaluation group.
4. MFPCs referred to herein are those which have been established under the ENR-SECAL Program, to wit:

- Region II - Regional
- Isabela (Provincial)
- Cagayan (Provincial)
- Nueva Vizcaya (Provincial)
- Quirino (Provincial)
- Nagtipunan, Quirino (Municipal)

- IV - Regional
  - Quezon (Provincial)
  - Aurora (Provincial)
- NCR - Regional
- VII - Regional
- VIII - Regional
  - Catbalogan, Samar (Provincial)
  - Borongan, Samar (Municipal)
  - Catarman, Northern Samar (Municipal)
  - Calbayog City (Municipal/Community)
- IX - Regional
- X - Regional
  - Agusan del Sur (Provincial)
  - Agusan del Norte (Provincial)
  - Nasipit, Agusan del Norte (Municipal)

5. This Circular takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommended by:**

**BEN S. MALAYANG III**  
Undersecretary for Field  
Operations and Senior Official  
ENR-SECAL Program

**DENR Memorandum Circular  
No. 38  
October 18, 1994**

**SUBJECT : Amending DENR Memorandum Circular No. 29,  
Series of 1993, Otherwise Known as "Guidelines and  
Procedures in the Cancellation of Reforestation  
Contracts and Recovery Proceedings."**

In response to the recommendaitons of the participants on the National Workshop on Recovery Proceedings in Reforestation Contracts conducted in Olongapo City, the lessons learned in the implementation of the National Forestry Program, the following amendments are hereby promulgated:

1. The initial phrase "after notice and opportunity to be heard" of Section 4 of DENR Memo Circular No. 29 is hereby deleted and to read as follows:

"The contracts of reforestation entered into by the DENR may be cancelled on the following grounds: x x x

2. Section 6.14 of DENR Memo Circular No. 29 is hereby added and to read as follows:

6.14 In all cases of investigation of contract reforestation projects, the Legal Division shall always be included in the investigating team.

3. Section 7.2 of DENR Memo Circular No. 29 is hereby amended to read as follows:

"Section 7.2 After serving the cancellation order, copy furnished the NFDO, the office concerned shall submit a letter complaint with the Secretary of the Department of Interior and Local Government a proper disciplinary authority for administrative or legal action.

4. This Order shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**DENR Memorandum Circular  
No. 44  
December 21, 1994**

**SUBJECT : Guidelines in the Payment Procedure of the  
Technical Assistance under the ENR-SECAL  
Working Fund.**

In consonance with DAO 48 series of 1992 creating the ENR-SECAL Program and DOF/DBM/COA Circular No. 2-94 and in order to effectively implement the operation of the Special Account for the ENR-SECAL and facilitate payment of the Consultancy Services under the Program, the following procedures for payment are hereby prescribed, to wit:

**A. Request for Obligation:**

1. The ENR-SECAL Program Management Office (PMO) shall initiate the preparation of the Request for Obligation of Allotment (ROA) to cover the budget requirement of the Technical Assistance Contract in the first month of the current year;
2. The Budget Division shall prepare, record and facilitate approval fo the ROA;
3. USEC for Field Operations, the designated Senior Supervising Official for the ENR-SECAL shall recommend the approval of the ROA;
4. The Secretary shall approve ROA; and;
5. The Department Chief Accountant certifies availability of funds.

**B. Payment Processing**

1. The Technical Assistance firms shall submit their billing/s every 10th day of the following month together with the supporting



documents required under Memorandum dated July 15, 1994  
re: requirements for TA Payments;

2. The Program Management Office (PMO) shall review the billings and prepare evaluation within five (5) working days after submission of the billings. However for billings which correspond to the month/period with which reports should be submitted, the consultant shall be required to include as part of the supporting materials said reports. The quarterly reports of the Technical Assistance Teams shall be required after which the same shall be processed within fifteen (15) working days.

The PMO shall likewise use as basis in the review and evaluation of the billings the Work and Performance certificates and evaluation to be submitted by Regional Offices.

If within the fifteen (15) working days, the Regional Offices failed to submit the Work Performance Certificate and evaluation report, PMO shall proceed with the processing of the payment. However, if there are recommended disallowances resulting from the evaluation the necessary deductions shall be made in the subsequent billings of the TA.

In full disapproval of payment, the billing shall be returned to the Consulting firm for rectification. On the other hand, if only portions of the billing are not eligible for payment, said portions shall be deducted from the billing; after which PMO shall forward the billing with deductions to the USEC for Field Operations for approval of payment.

3. The PMO shall endorse the payment for the billings and the supporting documents to USEC for Field Operations together with the following attachments needed for the payment:

- a) Notice to Pay addressed to the Land Bank as indicated in Attachment A

b) Statement of Account

PMO shall inform the TA firms of any action taken on their billings.

4. The USEC for Field Operations shall approve the Notice to the Land Bank of the Philippines (LBP) to effect payment to the concerned TA firm:
5. The Accounting Division shall have the following responsibilities:
  - a) receive from PMO all documents such as the billings and supporting documents (one original copy and one xerox) and the xerox copies of PMO's billing evaluation and Notice to Pay endorsed to the Land Bank of the Philippines.
  - b) the particular transaction shall be recorded disbursed upon receipt of the Debit Memo from LBP. The Accounting Division shall draw the Journal Voucher to be approved by USEC for Field Operations. Once approved, they shall notify PMO for inclusion of the disbursement in the Statement of Expenditures (SOE) for submission to the World Bank.
  - c) The Accounting Division shall be responsible for furnishing the COA of the particular transactions and all supporting documentations.
6. The LBP shall, upon receipt of the Notice To Pay and other documentations, remit the amount to the Creditor's Bank. At the same time, the LBP issue Debit Memo to the DENR-Accounting Division, to advise transfer of such payment.

Attachment B shows the Flow Chart for the Payment Procedure for the Technical Assistance.

All other provisions contained in the TA contracts shall remain valid and shall form part of this guidelines.

This Order shall take effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommending Approval:**

**BEN S. MALAYANG, III**  
Undersecretary for Field Operations

**ROSALIO B. GOZE**  
ENR-SECAL Program Director

**MILAGROS CASTRO**  
Department Chief Accountant

**DENR Memorandum Circular**

**No. 48**

**December 29, 1994**

**SUBJECT : Amendment to DENR Memorandum Circular No. 29 Series of 1993 Re: Guidelines and Procedures in the Cancellation of Reforestation Contracts and Recovery Proceedings.**

In order to facilitate the institution of the corresponding civil action for recission and recovery of damages against delinquent/erring reforestatin contractors, Section 6.1, Paragraph 2 of DENR Memorandum Circular No. 29 is hereby amended as follows:

“All reforestation contracts entered into by the RED or by the Secretary or his authorized representative shall be evaluated by the RED or his duly authorized representative and copy furnished the Office of the Secretary Attention: The Project Director, NFDO of the result of evaluation. However, the Secretary or his representative moto proprio may conduct its own investigation on the result of evaluation conducted by the RED or his representative”.

This Order takes effect immediately.

**ANGEL C. ALCALA**  
Secretary

**Recommending Approval:**

**RICARDO M. UMALI**  
Undersecretary for Natural  
Resources Management

**DENR Memorandum Order**

**No. 01**

**February 17, 1994**

**SUBJECT : Adoption of Revised Procedures on the Issuance of  
Certificate of Origin Forms**

Pursuant to the sustainable resources development mandate of the DENR and in consonance with its unrelenting drive to curb the unauthorized cutting, transport, and movement of timber, lumber and other forest products, the following guidelines are hereby issued for the information and compliance of all concerned; viz.,

1. All Certificates of Timber Origin (CTO), Certificate of Lumber Origin (CLO) and Certificates of Minor Forest Product Origin (CMFPO), unused as of 28 February 1994, shall be surrendered by all DENR issuing officers to the Secretary, through the Office of the Undersecretary for Field Operations not later than 15 March 1994, accompanied by a complete Inventory Report to be signed by the Regional Executive Director concerned. The inventory shall indicate the category and serial numbers of the Certificates of Origin. All unused but unsurrendered CO forms as of 15 March 1994 are deemed cancelled or invalid.
2. Beginning 16 March 1994, no shipment of timber, lumber or minor forest products shall be allowed unless these shipments are covered by the newly-printed Certificates of Origin.

However, Certificates of Origin issued on or before 28 February 1994 shall be considered valid up to the expiry date specified therein, or upon delivery of the commodity covered thereby, whichever comes first. These new certificates are printed in six (6) copies each copy to be distributed as follows:

- a. Original copy to accompany the shipment, color-coded, red