

DENR Memorandum Circular
No. 2000 – 18
August 30, 2000

SUBJECT : Guidelines Amending MC No. 97-03 Otherwise Known as Guidelines and Procedures in the Processing of Payments for Community Organizing and Comprehensive Site Development of Subprojects Under the Forestry Sector Project

Pursuant to DENR Administrative Order No. 2000-57 providing for the "Guidelines Governing the Implementation of Mangrove Subprojects under the Forestry Sector Project", DENR Administrative Order No. 2000-65 providing for the "Guidelines Governing Creation of Subproject Site Management Office and its Institutionalization in the Forestry Sector Project Implementation" otherwise known as "SUSIMO" and further facilitate the processing of payments for the People's Organizations (POs) and the Assisting Organizations (AOs), the following amendments to MC 97-03 are hereby adopted:

SECTION 1. BASIC POLICY

It is the policy of the State to ensure the success of community-based forest management (CBFM) as the national strategy in the sustainable development of the country's forestlands and coastal resources. Likewise, it is the State's policy to promote equitable access to these natural resources and ensure the sustainability of broad-based community participation in their development, management and protection. The government, through DENR, contracts services of the communities and non-government organizations to effectively implement the CBFM. Consequently, it is the policy of the Department to improve fund utilization of programs and projects through the expeditious

payments of contracted services duly accomplished and in accordance with the standards specifically set for services tendered.

SECTION 2. OBJECTIVES

The general objective of this Circular is to further improve the billing system for the Forestry Sector Project (FSP) under the new SUSIMO set-up. The specific objectives are as follows:

- a. to ensure timely and efficient evaluation of monthly accomplishments;
- b. to streamline procedures for processing of billings of the POs and AOs under the new SUSIMO set up for expeditious payments of billings; and
- c. to enhance overall project financial management through improved fund utilization.

SECTION 3. DEFINITION OF TERMS

For purposes of this Circular, the following terms are hereby defined:

- a. **Assisting Organizations** - refers to non-government organizations (NGOs) contracted by the Department to conduct community organizing in Forestry Sector Project (FSP) sites;
- b. **Department** - refers to the Department of Environment and Natural Resources or DENR;
- c. **People's Organization (PO)** - refers to a group of people living within or adjacent to DENR-FSP subprojects which was organized to implement comprehensive site development of the subproject area who is also or shall be a recipient of the Community-Based

Forest Management Agreement (CBFMA) which grants sole and exclusive privilege to occupy, develop, and sustainably manage the area awarded;

- d. **Site Management Officer (SMO)** - refers to a DENR personnel designated as head of the SUSIMO;
- e. **Subproject Site Management Office (SUSIMO)** - an office based at the Subproject site that comprises a group of DENR personnel tapped to ensure the proper implementation and management of the FSP subproject through direct supervision and assistance.
- f. **Validation and Billing Unit (VBU)** - unit of the SUSIMO responsible for the inspection and validation of CSD and CO accomplishments and assists the AO and PO in the preparation of billing requests.

SECTION 4. COVERAGE OF BILLINGS

Only the accomplishments of the AOs in community organizing (CO) and the POs in comprehensive site development (CSD) of the FSP subprojects upon the effectivity of this Circular are covered under this billing system. Also covered in this system are the infrastructures (bunkhouse, look out towers/stations, nurseries) and site delineation and survey, which are part of POs' CSD accomplishments.

SECTION 5. VALIDATION OF ACCOMPLISHMENTS AND PROCESSING OF BILLING

5.1 Monitoring of Accomplishments. There shall be weekly monitoring of AO and PO accomplishments by concerned SUSIMO units. At the end of each month, the AO and PO shall submit an accomplishment report to the SUSIMO. The validation and billing unit (VBU) shall consolidate these accomplishment

reports together with the monitoring reports by relevant SUSIMO units. Formats for the conduct of the herein activity shall be developed by NFDO and adopted nationwide for purposes of consistency and uniformity.

5.2 Preparation of Needed Documents for Billing Purposes. The SUSIMO shall assist the AO and PO in preparing relevant documents for billing even before inspection starts. The AO and PO shall already prepare a draft billing request before the end of each month to be finalized within three (3) working days upon receipt of the inspection and validation report.

5.3 Automatic Inspection and Validation - The VBU shall automatically conduct inspection and validation of the AO and PO accomplishments within three (3) working days of the first week of the preceding month. In case of new plantations developed for the month, it shall conduct a perimeter survey and mapping of the area to determine actual area developed. A five (5) percent inventory of planted seedlings in areas covered by the accomplishments for the month such as new plantations and plantation areas being maintained shall be conducted for purposes of determining survival.

5.4 Assignment of RED and PENRO Representative - The RED and the PENRO shall assign a staff or representative from their respective offices as members of the VBU team during monthly inspection and validation process. In case where the RED or the PENRO fails to send their representatives, the VBU shall proceed with its inspection and validation activity and the results of the validation to be conducted shall be deemed final and revalidation shall no longer be required. Only in exceptional cases where result are obviously inaccurate or where there are complaints through a resolution from the PO shall there be revalidation to be approved by the RED.

5.5 Preparation of Inspection and Validation Report. Within three (3) working days after inspection, the VBU shall prepare validation and inspection report to be affirmed by contracting parties being evaluated including the representatives of the RED and the PENRO. The report shall contain, among others, major findings, observations or measurements detailing the quality and quantity of accomplishments based on the established set of standards. There shall also be a summary table showing the AO or PO's reported monthly accomplishments versus validated ones and accomplishment target considering their monthly or quarterly target or commitments. The report shall be prepared in five (5) copies. The original copy shall be given to AO or PO as the case maybe. One copy shall be for SUSIMO file and the rest are advanced copy to be sent each to the CENRO, PENRO and the RED for their initial review. SUSIMO shall officially endorse the reports after review and evaluation to the offices concerned.

5.6 Preparation and Submission of Billing. The AO or PO shall finalize their billing request with the assistance of the VBU reflecting the validated accomplishments covered by the approved work and financial plan. There shall in no case, be undue reduction in the eligible amount of billings if the standards for the accomplishments being billed have been satisfactorily complied with based on CSD manual and/or provisions of the contract of services. The VBU shall ensure that all necessary requirements and documents are complied with and attached to the billing request to avoid unnecessary delays in the processing of billings. The required documents that shall accompany the billings are the following:

5.6.1 For CSD accomplishments;

- a. Letter of request for payment duly signed by the PO President or duly authorized representative through a resolution;

- b. Statement of account covering the total validated accomplishments being billed; and
- c. Relevant documents necessary for billing such as:
 - i. Original copy of VBU inspection and validation report including inventory of all accomplishments being billed;
 - ii Copy of CSD contract (for first billing only);
 - iii Sketch Map showing the developments being billed with complete technical descriptions;
 - iv Photographs of accomplishments;
 - v Documents showing proof of purchase of eligible equipment and materials; and
 - vi Copy of Amended contract in case amendments has been made (as needed).

5.6.2 For CO accomplishments;

- a. Letter of request for payment duly signed by the authorized AO representative;
- b. Statement of account covering the total validated accomplishments being billed; and
- c. Relevant documents necessary for billing such as:
 - i Original copy of VBU inspection and validation report including inventory and documentation of all accomplishments being billed;

- ii Copy of CO contract (for first billing only); and
- iii Documents showing proof of purchase of eligible equipment and materials.

The AO and PO shall submit three (3) copies of the billings to the CENRO through the SUSIMO. In no case shall additional documents be required to support billings at any level of the organization other than those prescribed herein.

5.7 Routing Slip. The SUSIMO shall attach five (5) copies of the routing slip (**Annex A**) to each billing to be submitted to the CENRO. One copy shall be retained by the SUSIMO when the billing is submitted to the CENRO and a copy shall be retained each by the CENRO and PENRO upon forwarding the billings to the next office. The RED shall also have a copy of this slip. The last copy shall be attached to the **revised NFDO Form 2 (Annex B** as attached) as a supporting document in the submission of SOE to NFDO for monitoring purposes.

5.8 Endorsement and Processing Billings. The SUSIMO, upon receipt of the billing request shall make one final review of the billing documents before submitting the same to the CENRO. The CENRO, upon receipt of the billing shall properly authenticate the two (2) extra copies of the billing and send an advance copy to the RED and return the other copy to the AO or PO for filing. The original copy shall then be endorsed by the CENRO to the PENRO for review within two (2) working days from the date the same is received.

The PENRO shall endorse the billing to the Regional office within two (2) working days upon receipt of the request. In cases the PENRO cannot endorse the billing for valid or justifiable reason (s), he/she shall officially notify in writing the requesting party and the

CENRO/SUSIMO for necessary action(s) to be taken within two (2) working days upon receipt of the billing. The PENRO shall immediately inform also the RED about his/her findings and recommendations within the same period.

The Region shall facilitate the speedy processing of payment by strictly implementing the following procedures:

5.8.1 If the endorsed billing is received by the Region on or before the 20th day of the month;

- a. The records section of the Regional Office shall record receipt of the billing request and endorse the same documents to the office of the ARED for Operations within the same day.
- b. The ARED for Operations shall assign a technically competent focal person to review and evaluate the documents within two (2) working days and submit his/her recommendations to the ARED. In case of favorable recommendation, the focal person shall forward the billing request to the ARED for Operations together with a prepared voucher and accomplished copy of NFDO Form 2 as revised for signature. In case where there are questions or further actions required from the requesting party, the ARED focal person shall draft a memorandum to the requesting party specifying the actions required, to be signed by the ARED and forwarded immediately to the requesting party. The ARED focal person shall automatically alert the VBU to assist in the compliance of the said deficiency/ies.
- c. The ARED for Operations or his/her duly authorized representative signs the voucher recommending approval

and forwards the same within one (1) working day to the accounting office for processing.

- d. The accounting office evaluates the voucher and supporting documents for consistency of payment with existing government rules and regulations. Part 2 of the revised NFDO form 2 shall be filled up in triplicates (for file, COA and NFDO) by the concerned accounting staff for inclusion in the Statement of Expenditures (SOE). The processed voucher shall be forwarded to the cashier within the day for the preparation of the checks.
- e. The cashier, upon receipt of the processed voucher shall prepare and sign the checks (separate checks for Loan proceeds and GOP counterpart) and forward the same to the RED for his approval.
- f. The RED shall prioritize the speedy payment of the claims and shall therefore, upon receipt of the checks, vouchers and all pertinent documents, shall affix his signature to all spaces provided for his signature. The approved checks shall be forwarded to the cashier for release to the AO or POs authorized representative.

5.8.2 If no endorsement of billing is received by the Region after the 20th day of the month;

- a. The ARED focal person shall alert the ARED for Operation who shall request for authority from the RED to start the processing of the CENRO authenticated billing of the AO or PO;
- b. Processing shall commence following procedure b to f of Section 5.8. 1.

- c. In case endorsement is not received within one (1) week after processing, the RED shall immediately require the PENRO concerned to answer for the delay and/or initiate appropriate action on the matter,.

5.9 Allowable inspection, validation and payment processing time. The maximum allowable number of working days for inspection and validation of accomplishment and processing of billings is provided below:

Office	Maximum Number of Days
VBU (Inspect & Validates)	3 days
VBU (Prepares and Submits Report to CENRO & AO/PO); Assists AO/PO in Request for Billing; AO/PO Finalizes Billing Request Simultaneously	3 days
CENRO (Reviews and Endorses)	2 days
PENRO (Reviews and Endorses)	2 days
Records Section – Region (Records)	1 day
Focal Person – ARED for Operations (Reviews and Recommends)	2 days
ARED for Operations (Signs and Endorses Voucher for payment)	1 day
Accounting Office (Evaluates and Endorses)	1 day
Cashier (Prepares and Signs Check)	1 day
RED (Signs Checks/Documents)	1 day

The flowchart for this billing system is shown in **Figure 1**. The working days shall be counted from the time the document has been officially received by the office concerned.

SECTION 6. PENALTIES

Unreasonable delays in payment of billings shall be ground for disciplinary action against the concerned DENR officials/employees pursuant to Rule IV, entitled Discipline Book V of EO 292 and Section 23 of the Omnibus Rule of the Civil Service Law and Rules. In addition, RA 6713 otherwise known as Rules of Conduct and Ethical Standards for Public Officials and Employees shall be strictly adhered to in the implementation of these new guidelines.

SECTION 7. TRANSITORY PROVISIONS

The Regions may issue memoranda and specific instructions to its field units and personnel pursuant to this **Circular**. In cases where there are conflicting interpretation or vague understanding or the provisions of this Circular, the parties concerned are instructed to seek clarification from the Central Office through NFDO for referral to appropriate legal body for official interpretation before applying such provisions.

SECTION 8. REPEALING CLAUSE

All provisions of Memorandum Circular 97-03 inconsistent herewith are hereby amended, modified or repealed accordingly.

SECTION 9. EFFECTIVITY

This memorandum circular shall take effect immediately.

(Sgd.) ANTONIO H. CERILLES
Secretary

DENR Memorandum Circular

No. 2000-19

September 04, 2000

SUBJECT : Guidelines Governing The Updating Of Cost Estimates And Intensification Of Plantation Maintenance and Protection Activities For DENR-FSP Watershed Subprojects Under JBIC Funding.

Pursuant to Department Administrative Order 96-29 providing for the rules and regulations for the implementation of Executive Order 263 otherwise known as "Community-Based Forest Management (CBFMS) Strategy" and the thrust of the Department to improve implementation of all CBFM programs under the Forestry Sector Project (FSP), the following guidelines for the update of Watershed Subproject cost estimates under the Japan Bank for International Cooperation (JBIC) funding are hereby adopted:

SECTION 1. BASIC POLICY

It is the policy of the Department to ensure the efficient and effective implementation of all its foreign-assisted and special programs and projects. However, two constraining factors identified are the outdated cost estimates being used and the relatively low, intensity of maintenance and protection activities resulting to poor project output and plantation performance. It is, therefore, the policy of the department to update the cost estimates and intensify plantation

maintenance and protection activities to improve project implementation.

SECTION 2. OBJECTIVES

The following are the objectives of these guidelines:

- a. to update the cost estimates of Comprehensive Site Development (CSD) activities based on prevailing costs and prices;
- b. to improve the quality of forest plantations; and
- c. to revise the approved Annual Work and Financial Plan based on the updated cost estimates.

SECTION 3. COVERAGE

This Circular applies to all JBIC-funded Watershed Subprojects being implemented under the Forestry Sector Project. The herein guidelines shall also apply to all watershed programs and projects of the Department subject to the concurrence of the respective Project Management Offices/Units and/or funding institutions concerned.

SECTION 4. UPDATE OF COST ESTIMATES AND INTENSIFICATION OF MAINTENANCE AND PROTECTION ACTIVITIES

The updated cost estimates shall be the new standard costs to be used in the implementation of CSD activities. Among the new standard/ceiling costs are as follows:

CSD COMPONENT	SPACING	TOTAL COST
Reforestation	2 x 3	43,146
	5 x 2	33,267
	4 x 4	21,907
Agroforestry, mango w/ Fuelwood	10 x 10 2 x 2	29,945
Pure Agroforestry	4 x 4	23,580
Assisted Natural Regeneration (ANR)	5 x 5	19,837
Bamboo (Nursery Raised)	5 x 5	24,865
Enrichment Planting	5 x 5	13,202
Rattan	5 x 5	16,489
Timber Stand Improvement (TSI)	5 x 5	8,659

Note: The details of these updated cost estimates for different CSD component activities are provided in Annex A (Tables 1-11) of this Circular. A detailed explanation for the update of cost estimates is also provided in Annex B as attached.

The standard cost estimates uses an average labor wage rate of P170.0/manday. Each Region is required to use the prevailing minimum wage rate for plantation labor in their respective localities as determined by the Regional Wage Board or the Regional Office of the Department of Labor and Employment (DOLE). The standard/ceiling costs indicated above should be considered as the maximum costs and therefore the Regional computation must therefore not exceed the amount as indicated in each activity/component. Details for updated cost estimates for each component are shown in Annex A and procedures for each computation are contained in Annex B (hereto attached).

All people's organizations (POs) implementing JBIC-funded watershed subprojects with the assistance of the Regions, shall intensify and improve quality of maintenance and protection activities for all their plantations as necessary to ensure plantation success. Among these activities are:

- a. ring weeding and cultivation;
- b. replanting;
- c. fertilization; and
- d. patrol works to include general monitoring, surveillance and other protection activities

The adoption of the updated cost estimates and intensification of plantation maintenance and protection activities would require revision of the CY 2000 annual work and financial plan (AWFP).

SECTION 5. TRANSITORY PROVISIONS

The Regions may issue memoranda and specific instructions to its field units and personnel pursuant to this **Circular**. In cases where there are conflicting interpretations or vague understanding of the provisions of this Circular, the parties concerned are hereby instructed to seek clarification from the Central Office through the National Forestation Development Office (NFDO) or concerned PMO before applying such provisions such clarification shall be referred to appropriate legal body for official interpretations.

SECTION 6. REPEALING CLAUSE

All CSD cost estimates provided under DENR Memorandum Circulars No. 11, Series of 1989 (Implementing Rules and Regulations of Reforestation Contracts), No. 19, Series of 1989 (Additional Guidelines on Timber Stand Improvement in Dipterocarp Forests), No. 04, Series of 1990 (Updating of Cost Estimates for Reforestation Contracts and Providing Guidelines for Implementing Cost-Saving/Low Cost Approaches, Scheduling Disbursements and Establishing Duration of Contracts), DENR Administrative Order No. 31, Series of 1991 (Revised Guidelines For Contract Reforestation), and all others inconsistent herewith are hereby amended, modified or updated accordingly.

SECTION 7. EFFECTIVITY

This Circular shall take effect immediately.

(Sgd.) ANTONIO H. CERILLES
Secretary

DENR Memorandum Circular
No. 2000-22
December 19, 2000

SUBJECT : Prescribing the Operational and Fund Management Guidelines for the Implementation of Phase IV of the Water Resources Development Project-Watershed Management Improvement Component (WRDP-WMIC)

In order to have orderly effective and efficient implementation of the Phase IV of the Water-Development Project – Watershed Management Improvement ((WRDP-WMIC, referred hereinafter as the Project), the following operational and fund management guidelines are hereby provided, to wit:

ARTICLE I
Preliminary Provisions

Sec.1 Implementation Arrangements - The implementation of Phase IV of the WMIC shall be guided by the strategies and approaches formulated under the Phase I of the Project as outlined in the manual entitled “Philippine Strategy for Improved Watershed Resources Management,” Watershed Development and Management Plans formulated under Phase III of the Project, the provisions of PD 705 and other appropriate orders and issuance of the Department. Likewise, implementing offices/units shall be guided by the following:

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

- 1.2 In carrying out the project area development, the entire project activities may be contracted out through a singular contract (comprehensive site development/CSD-type). If the CSD-type contract is not feasible as determined by the Watershed Area Manager (WAM), a combination of activities or a specific activity only may be contracted out depending upon the practicability of each type and the constrains involved.
- 1.3 Funds for the implementation of site activities shall be, as far as practicable and as determined by the Secretary, downloaded to the concerned PENRO or Regional Office or the Forest Management Bureau. In this regard, obligations and disbursements of funds for the implementation of the project at the site level shall be through the concerned implementing offices.
- 1.4 Cost estimates on the implementation of work activities shall be based on the Watershed Development and Management Plans (Phase III output) and/or pertinent DENR issuance. It may also be based on any relevant Project document concurred in by the funding institution.

Sec. 2 Definition of Terms - As used in this guideline, the terms enumerated below shall mean as follows:

- 2.1 **Access Road** - A type of all weather-road linking a reforestation site to national or provincial or municipal roads used for the transport of personnel, supplies and materials.
- 2.2 **Comprehensive Site Development** - Plantation establishment activities in a reforestation site which include, among others: construction of infrastructure; seedling production; site preparation; planting; replanting; maintenance and protection; and silvicultural treatments such as covercrop planting, income enhancement planting and inter-cropping.

- 2.3 Community Contractor** – Refers to an association, organization, foundation, cooperative, or such other popular groupings or formations, duly registered with the appropriate government agency, consisting of 15 or more members who are residing within or adjacent to the Project’s watershed sites who entered into a contract with the Project involving any of the activities in the watershed sites appropriate to their capability.
- 2.4 Covercrop Planting** – The process of conditioning denuded areas which are highly cogonal, rocky or erodible by planting leguminous perennials such as kudzu, calopogonium, stylosanthes, desmodium, lablab bean, psophocarpus (winged bean), patani, or by planting suitable non-legumes such as morning glory vine, wild sunflower and kikuyu grass, in order to improve soil fertility, organic matter and water holding capacity prior to or concurrent with planting of trees and other perennials in such areas.
- 2.5 Graded Trail** - A path constructed along a carefully surveyed alignment on the ground generally wide enough to permit the use of animal-drawn carts, with gradient or slope normally not exceeding 10%.
- 2.6 Multiple Use** - It is a harmonized utilization of the numerous beneficial use of the land, soil, water, wildlife, recreation value, grass, and timber of forest lands.
- 2.7 Production Forests** – Areas with slopes from 0-50% developed to supply both timber and non-timber products such as bamboo, rattan, horticultural crops (e.g. fruit/nut trees, mangrove, gums and resins, spices, or a combination thereof.
- 2.8 Protection Forests** – Areas regardless of slope which are highly susceptible to erosion or too rocky for establishment of either production forest or limited production forests, developed for the

principal objective of establishing vegetative cover to prevent erosion, conserve water and nurture wildlife.

- 2.9 **Universal Transverse Mercator Grid (UTM)** – refers to the imaginary lines (i.e. latitude and longitude) that subdivide the earth into sections.

ARTICLE II

Survey and Delineation of the Project Sites

Sec. 3 Survey and Delineation - The activity includes actual delineation and establishment of the boundaries of the project sites as well as of the forestlands and the different management zones (e.g. reforestation sites, agro-forestry sites, enrichment planting sites, etc.) therein.

- 3.1 **Delineation of Forestland.** The delineation and establishment of forestland boundaries within the project sites shall be governed by DAO No. 2000-24 which prescribes the guidelines therefor.
- 3.2 **Delineation of Project Site Boundaries and Management Zones.** The actual survey of the project site boundaries and management zones therein shall be preferably contracted out to the stakeholder-community who shall hire technically qualified individuals/firms (e.g. licensed geodetic engineer or forester) to do such survey if they have none in their membership. In case the community/PO is not technically capable of conducting such survey and is not willing to hire qualified persons, the activity shall be contracted out to qualified persons/firms. The winning surveyor-contractor however shall hire laborers from and shall always coordinate with and consult the community and other stakeholders in the conduct of such survey/delineation.

Services of a professional, specifically, forest land use specialist, shall be contracted in each project site to assist in the conduct of delineating management zones. Such management zones to be delineated on the ground are, but not limited to, the following:

3.2.1 Reforestation Site

3.2.2 Agro-forestry Site

3.2.3 Virgin Forest/Protection Forest

3.2.4 Second Growth Forest

3.2.5 Settlement/Built-Up Area

3.2.6 Proposed Dam Site (if any)

3.3 Map and Technical Report Preparation – This activity shall include preparation of control and operations maps and technical report clearly indicating the results of the survey activities. Different management zones shall also be reflected in the map such as zones of the natural forest, reforestation areas, upland farms, settlement/built-up areas and areas unclaimed, if any.

ARTICLE III Physical Development

Sec. 4 Coverage - Consistent with the participatory approach to watershed management as recommended under Phase I (Strategy for Improved Watershed Resources Management) of WRDP-WMIC, the physical development of the project sites shall be undertaken primarily by the stakeholder-community through appropriate contract(s) with DENR. Physical development shall be based on the approved annual work and financial plan of the project and on the Watershed Management Plan prepared for each site under Phase III of

the Project. The physical development component consists of the following activities:

- 4.1 Reforestation Activity – involves the planting of trees and other perennials in the denuded forestland portions of the project sites.
- 4.2 Enrichment Planting/Assisted Natural Regeneration - involves the planting of trees within inadequately stocked forestlands to improve its stocks.
- 4.3 Agro-forestry Development - involves the management system that combines the production of agricultural crops/fruit-bearing trees and forest trees and/or livestock simultaneously or sequentially on the same unit of land. This activity shall be undertaken by the stakeholder-community, either collectively or individually.
- 4.4 Fireline construction - involves the establishment of a 10-m wide line cleared of any vegetation, debris and other combustible materials along the boundaries of reforestation sites, and old and second growth forests for purposes of protection from forest fires.
- 4.5 Riverbank stabilization - involves planting of trees in strips along banks of rivers to minimize occurrence of erosion and sedimentation.

ARTICLE IV

Support Services

Sec. 5 Nursery Operation - involves all activities in the production of planting stocks preferably to be undertaken by the stakeholder-community through a contract. However, production of planting stocks may be through procurement if and when the situation demands it or does not allow enough time for raising of planting stocks in the Project nursery. The planting stocks to be produced/procured shall include forest trees, fruit-bearing trees and other agricultural crops

suitable to the planting sites. It shall be used in the physical development activities of the project.

Sec. 6 Information, Education and Communication - The activity shall include a comprehensive plan on IEC campaign to enhance community awareness on the importance of the watersheds and the vast benefits that can be derived therefrom, as well as to generate support for the project from the general public. The activities shall include, but not limited to, use of tri-media, installation of billboards, and conduct of assemblies.

Sec. 7 Training - To ensure that the participating organizations and the project staff are equipped with knowledge and appropriate skills necessary for the implementation of the project, the project shall undertake seminars and training for such purpose. The activity shall also include seminars/training on livelihood and enterprise development

Sec. 8 Provision of Appropriate Land Tenure Instruments (LTI) - In consonance with the prescribed watershed management strategies of multiple use and participatory/community-based resource management the following arrangements on land tenure shall be adopted.

8.1 All existing land tenure arrangements (e.g. CBFMA, CSC, CFSA, usufruct) covering portions of the watershed project sites shall be respected.

8.2 Areas not covered by any land tenure instrument but are suitable and being applied for such purpose by legitimate claimants may be awarded through appropriate land tenure instrument in accordance with pertinent rules and regulations and guidelines prescribed therefor.

Sec. 9 Research and Development - the activity shall include the conduct of research studies to improve and approaches in watershed management; generation of database such as but not limited to, installation of telemetry stations; and the development of appropriate technologies for the implementation of the various activities of the project.

Sec. 10 Community Organizing/Strengthening - the activity involves the formation and strengthening of people's organization, cooperative or any other popular groupings. It shall be conducted by project staff with the assistance of a community development cum enterprise development specialist. This also involves the formation of Watershed Management Council to guide the implementation of the project.

Sec. 11 Forest Protection - This involves all activities necessary for the protection of the Project's watershed sites from all forms of destruction (e.g. timber poaching, forest fires, pest and diseases, inappropriate uses, etc.). Such activities may include foot patrol formation of community forest protection teams and fire brigades, establishment of forest products checkpoints, etc.

ARTICLE V Infrastructure Support

Sec. 12 Infrastructure Support - The Project shall provide the necessary infrastructure facilities in support of its various activities. The said facilities may include establishment of field offices, nursery facilities, structural measures for soil erosion control, look-out towers, graded trails, access road and road rehabilitation. Construction of such facilities shall be as far as possible contracted out to the community. Otherwise it may be contracted out to a competent individual/firm or undertaken by the project itself. In any case, however, the labor for the establishment/installation/construction of such facilities shall be tapped from the stakeholder-communities.

ARTICLE VI

External Linkages

Sec. 13 External Linkages - To ensure sustainability of the project, the various stakeholders to the watershed sites shall be involved in the entire process of project development cycle, that is, from the planning phase to implementation, from monitoring and evaluation to impact assessment. Such participation could be institutionalized through MOA/MOU between and among all stakeholders, or through any other appropriate means. Linkages with other entities (e.g. academic and research institutions, development NGOs) may also be established to generate support and assistance for the project.

ARTICLE VII

Monitoring and Evaluation

Sec. 14 Monitoring and Evaluation -Aside from the regular monitoring and evaluation of project accomplishments to be conducted by the project itself and concerned DENR offices (e.g. CENRO, PENRO, Regional Office, Forest Management Bureau), a ground validation/inspection of accomplishment(s) being billed for payment by a contractor shall be undertaken by the existing Composite Inspection Committee (CIC) based in the DENR field office. The FMB however shall be represented in and head the CIC in case the contract is signed by the Project Director. The report of CIC shall serve as basis of payment (or non-payment) for billed accomplishments.

In case the field office has no existing CIC, they shall create one following the composition of the CIC.

Sec. 15 Mode of Implementation - The validation by CIC shall be done primarily to determine the extent to which a contractor had attained the targets specified in their agreement. This shall form the

basis of determining the amount payable to the contractor. The CIC will conduct inspection and assess performance in response to progress billings submitted by the contractor. The CIC shall use standard procedures adaptable to a given area (e.g. ICM, random sampling, etc.) The CIC shall likewise identify implementation problems and recommend measure(s) to address such problems.

Sec. 16 Frequency of Inspection/Assessment - Inspection and assessment of accomplishment of contractor shall be undertaken upon request and submission of billing by the contractor.

ARTICLE VIII

Contract Management

Sec. 17 Mode of Awarding Contracts - Contracts of activities shall be awarded in accordance with applicable rules and regulations, and guidelines. Reforestation or watershed rehabilitation contract may be in the form of a) Family Approach Contract or b) Community Contract, or any other appropriate schemes depending upon the feasibility and practicability of each form as determined by the Watershed Area Manager.

Sec. 18 Performance Bond - In order to guarantee faithful compliance of the project contractor, community or otherwise, with the terms and conditions of the contract, they shall be required to post in favor of DENR a Performance Bond equivalent to 10% of the total contract cost. Said performance bond shall be issued by the Government Service Insurance System (GSIS) or any other legitimate and accredited insurance firm callable on demand. It shall be release to the contractor upon acceptance of the contracted services in accordance with DENR MC No. 24, Series of 1990.

Sec. 19 Payment of Mobilization Cost – Pursuant to the authority granted by the Office of the President on 10 January 1989 and

in May 1989, payment of mobilization cost shall be allowed in community-based reforestation contracts. The contractor community/family shall be entitled to the payment of mobilization cost which shall not exceed fifteen percent (15%) of the total contract cost.

The mobilization cost however shall be deductible from payments for the progress billings of the contractor in a prorated manner.

Sec. 20 Payment of Billings - Succeeding payments to the contractor shall be made only in response to written progress billings submitted to the WAM in accordance with the payment schedule. Upon receipt of the billing, the WAM shall immediately endorse, the same directly to the DENR contract-signatory official who shall dispatch the CIC within 3 days upon receipt of the endorsement from the WAM. The CIC shall, within 3 working days upon instruction by the concerned DENR official (signatory to the contract), inspect the accompaniment(s) being billed for. Within three (3) working days after inspection, the CIC shall submit their inspection report to the WAM who shall in turn endorse the same to the paying authority. The report may either recommend for payment of the bill in such amount as may be warranted by actual accomplishments, or for its rejection, as the case may be.

If payment is recommended, the billing shall be immediately processed and the payment shall be remitted to the contractor. If rejection is recommended by CIC, the concerned DENR official shall notify the contractor within three (3) working days from receipt of the Inspection Report informing the latter of such and the reasons therefor. The same DENR official shall have the right to suspend payment, or impose such conditions as may be appropriate, if the result of inspection by the CIC indicate that accomplishments are below the targets specified. Suspension, if imposed, shall last until such time that the contractor overcomes any shortfall in performance and compliance with the terms and conditions of the contract.

Sec. 21 Minimum Survival Rate - The minimum survival rate in contract reforestation that is acceptable to DENR upon completion and turn-over of the contracted reforestation site shall be 80% each of the final crop and nurse trees (the latter shall be if and when required) or other perennials based on the prescribed planting density.

Sec. 22 Retention Fee - To further guarantee accomplishment of the contracted activities/services, an amount equivalent to 10% of the total contract cost shall be retained by DENR office concerned. This amount shall be disbursed to the contractor as final payment upon satisfactory completion of the contracted services.

Sec. 23 Force Majeure - Under these guidelines, force majeure shall refer to those events which could not be foreseen, or which though foreseen, were inevitable so as to make it impossible for the contractor to carry out, in whole or in part, his/her/their obligations under the contract. These shall include the following:

- a) Those due to human causes as wars, armed invasion, revolution, rebellion, insurrection, armed blockades, riots, civil disturbance, strikes and other analogous causes; and
- b) Those due to natural causes such as earthquakes, typhoons, storms, floods, prolonged drought, epidemics and other similar phenomena.

In case of force majeure, the contractor shall notify the Project in writing within seven (7) days after its occurrence, describing the same and its effects upon the performance. The parties to the contract shall, within five (5) days after receipt of the notice by the Project, consult with each other to decide on the most appropriate course of action to take under the circumstances, which may include suspension of work or termination of the contract.

Considering the foregoing definition, forest fires regardless of cause of origin shall not be considered force majeure, especially since adequate funds for site preparation maintenance and protection (which include fire prevention and control) are provided for in the agreement. Thus, the contractor shall be fully responsible in the replanting of burned areas.

In case of suspension of work, the contract may be extended for a period equivalent to that for which the contractor was prevented from performing the work. In the event of termination, the beneficiaries, upon receipt of the notice, shall take immediate steps to bring the work to a close in a prompt and orderly manner minimizing expenditures as far as practicable. The Project are not liable to the community except for work or services performed prior to the date of termination and for actual costs incurred in connection with the liquidation of work.

Sec. 24 Resolution of Disputes - In case of issues arising from a contract entered into pursuant to these guidelines, the contractor shall submit in writing his/her/their concern(s)/issue(s) to the WAM who shall settle said concern(s)/issue(s) not exceeding fifteen (15) days thereafter. If and when the contractor is not satisfied with the decision rendered by the WAM, he/she/they may elevate their case to the WRDP-WMIC Project Director for resolution.

Issues that are policy in nature but specific to the watershed site shall be resolved by the Watershed Management Council which shall meet immediately to render resolution on such issues. The resolution shall be in writing furnishing the party(ies) concerned a copy thereof.

Sec. 25 Termination and Cancellation of Contracts - Contracts executed under these guidelines shall be terminated upon completion of the stipulated services in a manner acceptable to the project. Contracts may likewise be terminated and cancelled, after evaluation and due process has been observed, on the following grounds:

- 25.1 Fraud, misrepresentation or omission by the contractor of material facts in obtaining the contract which would otherwise disqualify him/her/them therefrom.
- 25.2 Failure to start the contracted services on the date specified in the contract without just cause.
- 25.3 Abandonment of the contracted site, or of the contracted work for a period of at least one month from the date of discovery by DENR of such fact.
- 25.4 Violation of, or failure to comply with, the terms and conditions of the contract, the pertinent provisions of this Guideline, and other rules and regulations, without just cause.

Sec. 26 Contract Supervision - The WAM with the supervision of the CENRO/PENRO shall be responsible for ensuring proper and faithful compliance with the terms and conditions of the contract as well as with all other pertinent rules and regulations. He/she shall provide overall direction, management and control of contracted activities. The WRDP-WMIC field office shall assist in preparing documents, provide technical assistance, process billings, monitor progress of implementation and perform other duties as may be necessary for effective supervision and management.

Sec. 27 Contract Integrity - Department of Environment and Natural Resources (DENR) policies, rules and regulation applicable to WRDP-WMIC shall be in effect at the time of signing of the contract and shall govern the same throughout its duration. New policies, rules and regulations, or provisions thereof, may apply only if they are not prejudicial to the contractor.

ARTICLE IX

Penalty Provision

Sec. 28 Liabilities of the Contractor - In case of failure of the contractor to undertake activities stipulated in the contract as determined by the Project after payment has been released, the contractor is liable to return to the government expenditures in cash or render services to the project corresponding to the amount paid without prejudice to filing an appropriate case against him.

ARTICLE Technical Assistance

Sec. 29 Technical Assistance - The DENR through the project shall ensure that the services of the contracted Assisting Professionals (APs) shall be made available to the project stakeholders. Funds for the procurement of the technical assistance shall be sourced from the project fund.

ARTICLE XI Management of Project Funds (Both Loan Proceeds and GOP Counterpart Funds)

Sec. 30 Release of Funds from DBM. All funds to be released to the implementing offices shall be covered by an approved Allotment from the Department of Budget and Management (DBM) for both the Loan Proceeds (LP) and the GOP Counterpart fund.

Sec. 31 Transfer of GOP Counterpart Fund to the Implementing Offices. A comprehensive General Appropriations Release Order (GARO) based on the approved Work and Financial Plan shall be released by DENR to FMB. In turn, FMB shall transfer GOP counterpart funds to the implementing field offices (Regional Office and PENRO) through Letter of Advice of Allotment (LAA) in such amount as allocated under the work and financial plan of the project field office.

Sec. 32 Transfer of LP to the Implementing Offices.

Transfer of funds out of LP to the implementing offices shall likewise be through a comprehensive LAA and shall be based on the approved Work and Financial Plan or approved Budget. Issuance of funding checks shall be upon request of the implementing office and shall not exceed the released comprehensive LAA. Said checks shall be transferred through Bank to Bank transaction. Hence, the implementing offices shall open an account for the loan proceeds transferred from the central office. All eligible expenditures shall be drawn through check issuance.

Sec. 33 Working Fund Management and Replenishment.

Management of the working fund shall be consistent with the DOF/DBM/COA Joint Circular No. 2-94/97. A Dollar Account shall be maintained at the Land Bank of the Philippines to be managed by the Project Management Office (PMO). A peso account shall also be maintained to serve as clearing account. All amounts withdrawn from the working fund dollar account intended to pay local transactions at the PMO and the transfer of funds from the Loan Proceeds to the implementing offices shall be deposited in the peso account. All funding checks to be released to the implementing offices shall be drawn from the peso account.

Sec. 34 The PMO shall, in coordination with the Accounting Unit of FMB, maintain proper control system, oversee and ensure the expeditious liquidation of all advances/releases.

Sec. 35 Disbursement by the implementing offices. The following shall be followed in the disbursement of project funds by the implementing offices:

35.1 Only eligible expenditures as provided in the loan agreement of the project shall be charged to the loan proceeds.

- 35.2 The disbursement voucher (DV) shall be processed in accordance with existing guidelines and procedures, indicating LP and GOP of the transaction if it involves both funding sources.
- 35.3 Only one Request for Obligation of Allotment (ROA) and one obligation number shall be assigned for each transaction.
- 35.4 Disbursement shall be covered by two separate checks: one check chargeable against the NCA directly released by DBM for GOP Counterpart, and another check chargeable against the Loan Proceeds. The hereunder steps shall be followed in disbursement procedure:
- 35.4.1 The concerned project personnel prepares DV; acknowledges funding/charging thru the use of project's stamp; and forwards the same to the authorized signatories and then to the budget section/unit.
- 35.4.2 The Budget Section/Unit prepares and approves the ROA with the segregation and clear identification of GOP and LP fund. The ROA and the DV shall then be forwarded to the accounting unit.
- 35.4.3 The Accounting Unit obligates the claim; enters it in the Journal of Analysis and Obligation (JAO) with the proper percentage sharing of GOP and LP; processes claim and certified the availability of funds; then forwards the same to the cashier.
- 35.4.4 The Cashier prepares the checks, signs and forwards the same to the approving official. Two checks shall be prepared if the transaction involves both funding sources, one is from MDS account for GOP counterpart, and the other is from Working Fund account for LP. In no case

the cashier shall prepare a check without the project's stamp on the voucher.

35.4.5 Cashier releases the check to the payee.

35.4.6 Auditor renders post audit to all transactions.

Sec. 36 Reporting. The following shall be followed in financial reporting:

36.1 All transactions shall be reflected in all the reports required under existing accounting and auditing rules and regulations.

36.2 Only one report of checks issued (RCI) shall be prepared using the form prescribed by the Commission on Audit.

36.3 The Statement of Expenditures (SOE) shall include all transactions eligible for reimbursement by the World Bank.

Sec. 37 Preparation of Statement of Expenditures.

37.1 The form attached hereto as Annex A shall be adopted in the preparation of the SOE.

37.2 The designated project accountant/finance officer prepares/fills up the SOE to be approved by the PENRO/Bureau Director.

37.3 The Project Accountant furnishes the Auditor a copy of the monthly SOE for post audit purposes.

37.4 Under the check column of the form, both checks (respectively charged against GOP and LP funds) issued for a certain transaction shall be indicated.

37.5 SOE shall be classified/sorted in accordance with World Bank categories and allowable expenditures (refer to Annex B – Chart of Account). The percentages of expenses to be financed under the Loan Proceeds are as follows:

Category	Percent of Expenditure To Be Financed by Loan Proceeds
(1) Works	100% of foreign expenditures and 72% of local expenditures
(2) Goods (a) for Part A.2 of the project (b) for Part A.3 of the project	100% of foreign expenditures. 100% of local expenditures (ex-factory cost) 80% of local expenditures for other items procured locally.
(3) Incremental Cost (a) For Part A.2 of the project (b) For Part A.3 of the project	25% 25%
(4) Consulting Services (Technical Assistance)	100% of foreign expenditures

ARTICLE XII
Final Provision

Sec. 36 Supplementary Rules and Regulations - The WRDP National Executive Committee is hereby authorized to issue such supplemental or interpretative rules and regulations, as may be necessary taking into account the peculiarities or unique conditions obtaining in the project area.

Sec. 37 Applicability Clause - Unless otherwise explicitly provided under this guideline, all other DENR issuance, rules and regulations, or provisions thereof, that are not inconsistent herewith shall apply.

Sec. 38 Separability Clause - In the event that any provision of this guideline is declared unconstitutional or null and void, the validity of the other provisions shall not be impaired by such declaration.

Sec. 39 Effectivity Clause - These guidelines shall take effect immediately and the Project shall undertake a systematic information/education campaign to ensure that all Project beneficiaries are clearly aware of and can understand the opportunities provided in these guidelines.

(Sgd.) ANTONIO H. CERILLES
Secretary

Recommended by:

(Sgd.) ARLEIGH J. ADORABLE

Assistant Director, FMB, and Concurrent
Project Director, WRDP-WMIC

(Sgd.) RAMON J.P. PAJE

Undersecretary
Policy and Technical Services

DENR Memorandum Order

No. 2000 – 05

October 05, 2000

SUBJECT : Establishing Region IX As Pilot Area For The "Plant And Study Altogether Program" Of The DENR

In order to showcase the effectiveness of the cooperation of the youth and women sectors in the campaign bannered under the "*Let's Go Green Program*" of the Department and in support to the Poverty Alleviation Program of the Government, Region IX is hereby established as a Pilot Area for the "*Plant and Study Altogether Program*" (PASAP).

RATIONALE

The "*Plant and Study Altogether Program*" (PASAP) aims to mobilize the youth, particularly the students, and the women's groups to actively participate in the greening program of the Department. It recognizes the importance of these sectors as potential effective partners in reforestation activities, environmental awareness and information and education campaign. By providing incentives that could help defray school expenses for the youth and augment family income for the women folks, it is anticipated that the program will enhance environmental efforts at the same time contribute to the poverty alleviation in the countryside.

OBJECTIVES

- 1 . To establish immediate cover for the rehabilitation, protection, and development of open and denuded watershed areas.

2. To actively integrate the youth and women sectors in environmental awareness thru participative involvement in the DENR re-greening project.
3. To provide employment and alternative livelihood to the student and women sectors.
4. To help government in its poverty alleviation program.

STRATEGY

PASAP will be implemented in identified watershed areas. Students and Women's groups will be contracted to undertake reforestation activities. Students work during weekends and school vacations while the women's groups fill the gaps by working during regular working days.

IMPLEMENTATION SCHEME

I. Areas for Planting

The CENRO shall identify areas which are available for the program. Areas may be parks, school grounds, urban areas and watershed areas.

II. Participants

The program is open to all poor but deserving college students and organized women folks in barangays and municipalities where the identified watershed is located.

Organized groups such as women's group, barangay council and others shall be responsible for the production of the planting materials while the students from primary and secondary schools of

the barangay shall be responsible for the pre-planting and planting activities.

The DENR shall provide training on the ABCs of seedling production.

III. Mechanics of Implementation

A. Accreditation Requirements

No application to avail of the PASAP shall be processed unless the concerned applicants are duly accredited by concerned PENROs where the watershed project is located.

For purposes of determining deserving college students and women's groups, interested applicants to support his/her/their application for accreditation shall submit the following requirements:

For College Students

- a) Proof of Enrollment
- b) Latest Income Tax Return of Parents
- c) Certificate of Good Moral Character issued by the Dean of School
- d) Police Clearance

For Organized Women's Groups

- a) Organizational Profile (list of Officers and Members, activities undertaken, track record, etc.)
- b) Constitution and By-laws
- c) Certificate of Good Community standing issued by at least two (2) reputable local leaders
- d) Police Clearance

B. Selection Criteria

For College Students

1. Eligible students to this program are those whose parents' income are below P 35,000 per annum.
2. Eligible students are physically and mentally fit to cope up with the strenuous work and study schedule as well as the type of labor needed for reforestation work.
3. Students should be willing to be reforestation worker.

For Organized Women's Groups

1. Priority to be given contract or work would be the locally organized women who are of good and active standing in the respective barangays and municipalities.
2. Good track record in project implementation.

A. Contracting

1. Contracting shall be done on a Contract "pakyaw" basis and may be implemented covering one or more specific activities to cater to as many students and women's organizations, as possible. Seedling production and plantation establishment contract will have a duration of 6 months, while the maintenance and protection will have a duration of 2 years. This will not, however, preclude the approving office to segment the duration of contracts into monthly/quarterly/semi-annual/annual basis, provided that the contracting does not hamper the scheduled activities of the project and, provided further, that the desired number of months/years will be met to complete the activity/ies.
2. For seedling production contracts, contracting shall be done 8 months before the first month of the rainy season when planting will commence at the project site. Plantation

establishment, on the other hand, shall be done 3 months prior start of planting season to give time for site preparation.

Planting shall commence during the month specified in the contract and shall be completed three months thereafter. However, the start of planting maybe advanced or delayed with the rainfall. Replanting shall be carried-out during the second year of the contract after planting and shall be implemented as often as needed to comply with planting density requirements. It must be completed two months prior to the onset of the dry season.

Maintenance and protection shall be implemented throughout the duration of the contract. However, establishment of firebreaks consisting of fire resistant trees/plants maybe undertaken immediately after site preparation.

3. A 15% Mobilization Fund will be paid upon perfection of the Contract and payments of progress billings will be done after the contractors accomplishments have been validated by the PENRO/CENRO Composite Inspection Teams (CIC) and based on the schedule of activities stipulated in the work and financial plan of the Contract. Likewise, a 15% retention fee also be deducted to the contract cost to ensure that the contractors have complied with the standards specified in the contract.
4. The contract shall be prepared at the CENRO level and shall be approved by the PENRO.

FUNDING SOURCE

A special fund for this program will be initially provided by the DENR and will be coursed through the NFDO. Funds from such other Special Projects where PASAP activities can apply will likewise be sourced. Release and downloading of funds would be on the quarterly basis based on the budgetary requirements and expenditures to the respective PENR Offices.

CONTRACT COST

The maximum amount of the contract for forest trees seedling production shall be P3,636.36 per hectare, P 6,000 for fruit tree seedling procurement, P5,597.40 per hectare for plantation establishment and P15,048.58 for maintenance and protection. Fifteen percent of the total operational cost shall be provided for project management costs.

PROJECT MANAGEMENT SUPERVISION

PENROs and CENROs will conduct the regular monitoring and supervision of the project. Counterpart Team from the Regional and Central Offices coming from the NFDO would also be created and organized for monitoring, supervision and documentation purposes.

SEPARABILITY CLAUSE

The Secretary, upon recommendation of the NFDO, shall issue subsequent guidelines relative to the implementation of the Program.

EFFECTIVITY

This Order shall take effect immediately.

(Sgd.) ANTONIO H. CERILLES
Secretary