

**[ DENR MEMORANDUM CIRCULAR NO. 2000 -18,  
August 30, 2000 ]**

**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 vev 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 theAO 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 proceeding 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 results 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 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;