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Department of Environment and Natural Resources
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APR 16 2013

DENR Memorandum Circular
No. 2013- 06

SUBJECT: GUIDELINES AND PROCEDURE FOR PLANTATION DEVELOPMENT FOR THE NATIONAL GREENING PROGRAM WITH AREA COVERAGE OF 100 HECTARES AND ABOVE WITHIN PUBLIC FORESTLANDS THROUGH THE ENGAGEMENT OF SERVICES OF PRIVATE SECTORS, CIVIL SOCIETY ORGANIZATIONS, NON GOVERNMENT ORGANIZATIONS, PEOPLE'S ORGANIZATIONS/INDIGENOUS PEOPLE, LOCAL GOVERNMENT UNITS AND OTHER GOVERNMENT ENTITIES

In order to ensure the smooth implementation and attainment of the target of 1.5 million hectares with 1.5 billion seedlings under the National Greening Program (NGP) pursuant to Executive Order No. 26 and its Implementing Rules and Regulations (IRR) embodied in Department Memorandum Circular Nos. 2011-01 and 2012-01 dated 08 March 2011 and 02 May 2012 respectively, the following guidelines is hereby issued as guidance in the engagement of the services of Private Sectors, Civil Society Organizations, Non Government Organizations, People's Organizations/Indigenous People, Local Government Units and Other Government Entities in the implementation of the National Greening Program with area coverage of 100 hectares and above.

Section 1. Objective

The objective of this guidelines is to accelerate/hasten the attainment of 1.5 billion seedling production and a minimum 1.5 million hectares plantation establishment at the end of 2016 of the National Greening Program through the the engagement of services of Private Sectors, Civil Society Organizations, Non Government Organizations, People's Organizations/Indigenous People, Local Government Units and Other Government Entities, herein referred to as Partners.

Section 2. Potential areas for plantation development

Potential areas for plantation development are degraded/denuded lands of the public domain, open access areas, which include cancelled, expired, and abandoned tenured areas; and undeveloped portions of areas managed by peoples' organizations/indigenous communities. The minimum area shall be 100 hectares and maximum area of 1,000 hectares contiguous or clustered within the municipality as identified by the DENR.

Section 3. Development Mechanism and Modality

Available areas shall be developed consistent with the NGP Commodity Roadmap for CY 2013-2016 in accordance with an approved Work and Financial Plan. The engagement shall be for comprehensive site development (CSD) activities which shall include **seedling production, site preparation** (brushing, staking and hole digging), **planting and maintenance and protection**. Funds for the purpose shall be provided by the DENR. The unit costs represent the price ceiling and shall be consistent with existing guidelines, rules and regulations on the matter and payment thereof shall be done through progress billing.



3.1 Modes of Engagement

- 3.1.1 For NGP sites with existing POs/IPs, the contracting shall be made with the PO/IP through a Memorandum of Agreement (MOA) with the DENR pursuant to Section 53.12 of RA 9184.
- 3.1.2 Concerned local government units and other government entities may enter into MOA with the DENR for the development of degraded/denuded open access lands of the public domain within their political areas of jurisdiction pursuant to Agency to Agency mode of procurement.
- 3.1.3 Foundations, Non Government & Civil Society Organizations and Private Corporations may enter into contract with the DENR for the comprehensive site development of degraded/denuded open access (untenured) areas within forestlands thru competitive bidding in accordance with RA 9184.

The PENRO shall be authorized to sign MOA/Contract for areas covering less than 500 hectares while the Regional Executive Director shall be the signatory for 500 hectares and above. Annexes 1 and 2 are templates of the MOA/Contract.

3.2 Duration of MOA/Development Contract

The MOA/Development Contract shall be for a period of three (3) years commencing 15 days from receipt of notice to proceed issued by the DENR. The first year includes seedling production and actual planting & maintenance; the second and third years are devoted to maintenance and protection of established plantations.

Section 4. Qualifications and Bidding Procedure.

4.1 Partners identified under Section 3.1.3 above shall undergo competitive bidding and shall comply with the following qualifications:

- 4.1.1 Any Filipino Citizen of legal age
- 4.1.2 Partnership, single proprietors, association, cooperative or corporation registered under Philippine Laws, at least 60% of the capital of which is owned or controlled by Filipino citizens
- 4.1.3 Technically and financially capable to implement the project

4.2 The bidding procedure shall be consistent with RA 9184.

- 4.2.1 Posting and publication of identified NGP sites duly reflected in a GIS generated map indicating suitable species
- 4.2.2 Procurement of bid documents
- 4.2.3 **Pre-bid conference which shall** include discussion on the Terms of Reference
- 4.2.4 Submission of bid proposal and indicative development plan
- 4.2.5 Evaluation of bid proposals should highly consider the proposed area (in hectares) to be developed and the submitted development plan
- 4.2.6 Post-qualification
- 4.2.7 **Award shall be given** to the winning bidder that offers the lowest calculated and responsive bid.



Section 5. Responsibilities of Parties

5.1 The DENR shall:

- 5.1.1 Conduct survey, mapping and planning (indicative plan)
- 5.1.2 Ensure compliance of the development partners to the terms and conditions of the MOA/Contract;
- 5.1.3 Provide funds for the comprehensive site development subject to the approved Work and Financial Plan (WFP); and
- 5.1.4 Conduct regular monitoring and evaluation

5.2 The Partner shall:

- 5.2.1 Submit the Work and Financial Plan (WFP) for approval of the DENR which shall form part of the Memorandum of Agreement/Contract;
- 5.2.2 Produce planting materials following the standards prescribed by the DENR;
- 5.2.3 Establish plantations as required under the MOA/Contract;
- 5.2.4 Maintain and protect established plantations;
- 5.2.5 Ensure at least 85% survival of established plantations;
- 5.2.6 Prioritize the employment of indigenous peoples (IPs) and members of organized upland communities within the area vicinity, whenever possible;
- 5.2.7 Provide equal opportunities for both men and women to participate in the development process;
- 5.2.8 Conduct photo documentation (before, during and after planting) and geo tagging of established plantations;
- 5.2.9 Submit to the DENR monthly physical and financial Accomplishment Reports; and
- 5.2.10 Submit annual audited financial report and notarized accomplishment report.

Section 6. Turn over of the Project Area to the DENR

After the contract duration, the area shall be subjected to performance evaluation by a third party to be identified by the DENR. If conditions in the contract have been complied, the area shall be turned-over to the DENR. All areas turned over to the DENR shall be bidded to interested parties in accordance to RA 9184 for long term development of the area. Thereafter, an appropriate legal instrument shall be issued by the DENR for the sustainable management of the area.

On the other hand, should the Partner fail to comply with the terms and conditions of the contract, the area shall likewise be turned-over to the DENR; and the unreleased funds and retention fee amounting to 10% of the contract shall be forfeited in favor of the government without prejudice to the filing of appropriate sanction against the contractor and they shall not be allowed to engage in any similar activity or project in the future. The DENR may invite interested parties to continue the development of the area.

For PO/IP-managed areas, management of same shall remain with the concerned PO/IP and shall be co-terminus with the tenure instrument issued to them.

The Local Government Units may opt to avail of the co-management agreement with the DENR. Under the co-management agreement, the LGUs shall not be allowed to sublease the area to a third party.



Section 7. Bidding of Turned over Areas towards Sustainable Management of the Area

Areas turned over to the DENR shall be disposed of to interested and qualified parties to ensure sustainable management and continued maintenance and protection of the established plantations thru public bidding. The DENR shall determine the minimum bid/floor price by computing the total investment costs (i.e. survey, mapping & planning and comprehensive site development) of the government on a per hectare basis.

Qualifications of bidders and bidding procedures indicated in Section 4 hereof shall be followed except that award shall be given, this time, to the winning bidder that offers the highest bid. Previous partner/contractor of the planted area subject of bidding may exercise his pre-emptive rights by equalling the highest offered bid.

DENR shall then issue the appropriate legal instrument for the long term sustainable management of the area.

Section 8. Cancellation

The MOA/Contract may be cancelled for violation of any of the terms and conditions of, or failure to comply with or perform the obligations imposed in the agreement/contract or other forestry laws, rules and regulations, subject to due process of law.

Section 9. Effectivity and Repealing Clause

This Memorandum Circular takes effect immediately and shall modify or revoke other circulars inconsistent with it.


DEMETRIO L. IGNACIO, JR
Officer-In-Charge, DENR



ANNEX 1
(For PO, LGUs and other government entities)

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into by and between:

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**, a National Government Agency duly organized and existing under the laws of the Republic of the Philippines with principal office address at Visayas Avenue, Diliman, Quezon City, represented herein by its Regional Executive Director/PENRO, herein referred as “**DENR**”;

and

_____, a _____ duly organized and existing under the laws of the Republic of the Philippines with principal office address at _____ herein represented by its _____, hereafter referred to as the “**Partner**”;

WITNESSETH THAT

WHEREAS, His Excellency President Benigno S. Aquino III issued Executive Order No. 26 on 24 February 2011 ordering and declaring the implementation of the National Greening Program (NGP) as government priority for poverty reduction, food security, biodiversity conservation, and climate change mitigation and adaptation;

WHEREAS, E.O. No.26 prescribes the harmonization of all greening efforts and similar initiatives of the government, private sector, LGUs and the civil society;

WHEREAS, the NGP includes among others the development of forestlands (production and protection), mangrove areas and protected areas, ancestral domain, civil and military reservations, urban areas under the greening plan of the LGUs, inactive and abandoned mine sites, and riverbanks, stream banks, and other suitable public lands;

WHEREAS, _____ signified its interest to participate in the NGP as called for under DENR Memorandum Circular No. 2013- _____.

WHEREAS, there is a realization on the part of the DENR to correct and adapt corrective measures to ensure continued maintenance and protection of established plantations by recognizing pre-emptive rights of contractors/development partners in the sustainable management of areas subject of the contract;

WHEREAS, both parties recognize the importance of collaboration and partnership in order to achieve the objectives of the NGP, and have agreed to work together to implement this partnership agreement.

NOW THEREFORE, for and in consideration of the above premises, the Parties mutually agree on the following terms and conditions:

**ARTICLE I
OBJECTIVES, SCOPE AND COVERAGE**

Section 1. Objectives. The Partnership Agreement/contracting intends to accelerate/hasten the attainment of 1.5 billion seedling production and 1.5 million hectares plantation establishment at the end of 2016 of the National Greening Program through the engagement of services of People’s Organizations, Local Government Units and Other Government Entities, herein referred to as Partners.

Section 2. Scope and Coverage. The DENR shall engage services of the Partner for comprehensive site development of degraded/denuded forestlands covering _____ hectares located in _____ (indicate barangay, town and province)

**ARTICLE II
FUNDING**

Section 3. For the execution of this undertaking under this Agreement, the DENR shall make available financial assistance of _____ Pesos (Php _____). The payments shall be made as follows:

Schedule of Release	Activities	Schedule
1 st release	15% of the project cost for mobilization to be released for seedling production	Upon signing of the agreement/contract
2 nd release	40% of the project cost to be released to support the care and maintenance of seedlings and site preparation.	Two months after 1 st release
3 rd release	20% of the project cost after completion of activities in the 2 nd release. This amount shall be used for the plantation establishment and first cycle care and maintenance;	Five months after 2 nd release
4 th release	15% of the project cost for 2 nd and 3 rd year maintenance and protection of established plantations	Start of year 2
5 th release	10% of the project cost after performance evaluation is completed by a third party and at least 85% survival is attained	After end of the 3 rd year

**ARTICLE III
ROLES AND RESPONSIBILITIES**

Section 4. The DENR shall be responsible for the following:

- a. Conduct survey, mapping and planning and prepare GIS-generated maps of the area which shall form as integral part of this Agreement.
- b. Ensure compliance of the development partners to the terms and conditions of the MOA/contract;
- c. Provide technical and financial assistance subject to the approved Work and Financial Plan (WFP); and
- d. Conduct regular monitoring and evaluation

Section 5. The Partner shall:

- a. Submit the Work and Financial Plan (WFP) for approval of the DENR which shall form part of this Memorandum of Agreement;
- b. Produce _____ quality seedlings of _____ (indicate species) following the standards prescribed by the DENR;

- c. Establish plantations covering _____ hectares in _____;
- d. Maintain and protect established plantations covering _____ hectares;
- e. Ensure at least 85% survival of established plantations;
- f. Prioritize the employment of indigenous peoples (IPs) and members of organized upland communities within the area vicinity, whenever possible;
- g. Provide equal opportunities for both men and women to participate in the development process;
- h. Conduct photo documentation (before, during and after planting) and geo tagging of established plantations;
- i. Submit to the DENR monthly physical and financial Accomplishment Reports; and
- j. Submit annual audited financial report and notarized accomplishment report.

**ARTICLE IV
SETTLEMENT OF DISPUTES**

Section 6. Any dispute between the DENR and _____ arising out of the interpretation or execution of this MOA shall be settled by mutual agreement.

**ARTICLE V
AMENDMENTS**

Section 7. This MOA shall not be revoked, revised, amended or modified in any respect except by the mutual consent in writing of the parties thereto.

**ARTICLE VI
EFFECTIVITY AND TERMINATION**

Section 8. This AGREEMENT shall take effect upon signing of both parties and shall remain in force for a period of three (3) years, unless revoked, revised, or amended upon expressed mutual agreement by all parties thereto.

Violation of any of the terms and condition of this MOA and pertinent forestry rules and regulations may cause the termination of this Agreement. The Partner shall be informed in writing of the violations committed. Should the Partner fail to make amends regarding violations committed after three (3) notices, this MOA shall have been deemed terminated.

All improvements made on the area shall be forfeited in favour of the Government including all other rights attached to the MOA, without prejudice to the filing of appropriate case and they shall not be allowed to engage in any similar activity or project in the future.

IN WITNESS WHEREOF, the parties have set their hands this _____ day of _____, 2013 at _____

Signed for and on behalf of:

Department of Environment and
Natural Resources
By:

Signed for and on behalf of:

By:

RED/PENRO

AFFIRMING PARTY WITNESSESS:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

BEFORE ME, this _____ day of _____, 2012,
personally appeared the following:

Name	Complete Evidence of Identity	Date/Place of Issuance

Known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed as well as that the entities herein represented.

This instrument refers to a Memorandum of Agreement, which consists of four (4) pages, including this acknowledgment page, and which is signed by the parties and their instrumental witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____;
Series of 2012

ANNEX 2
(For NGOs, CSOs and private sector)

NGP DEVELOPMENT CONTRACT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into by and between:

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**, a National Government Agency duly organized and existing under the laws of the Republic of the Philippines with principal office address at Visayas Avenue, Diliman, Quezon City, represented herein by its Regional Executive Director/PENRO, herein referred as “**First Party**”;

and

_____, a _____ duly organized and existing under the laws of the Republic of the Philippines with principal office address at _____ herein represented by its _____, **hereafter** referred to as the “**Second Party**”;

WITNESSETH THAT

WHEREAS, His Excellency President Benigno S. Aquino III issued Executive Order No. 26 on 24 February 2011 ordering and declaring the implementation of the National Greening Program (NGP) as government priority for poverty reduction, food security, biodiversity conservation, and climate change mitigation and adaptation;

WHEREAS, E.O. No.26 prescribes the harmonization of all greening efforts and similar initiatives of the government, private sector, LGUs and the civil society;

WHEREAS, the NGP includes among others the development of forestlands (production and protection), mangrove areas and protected areas, ancestral domain, civil and military reservations, urban areas under the greening plan of the LGUs, inactive and abandoned mine sites, and riverbanks, stream banks, and other suitable public lands;

WHEREAS, _____ signified its interest to participate in the NGP as called for under DENR Memorandum Circular No. 2013- _____.

WHEREAS, there is a realization on the part of the DENR to correct and adapt corrective measures to ensure continued maintenance and protection of established plantations by recognizing pre-emptive rights of contractors/development partners in the sustainable management of areas subject of the contract;

WHEREAS, both parties recognize the importance of collaboration and partnership in order to achieve the objectives of the NGP, and have agreed to work together to implement this partnership agreement.

NOW THEREFORE, for and in consideration of the above premises, the Parties mutually agree on the following terms and conditions:

**ARTICLE I
OBJECTIVES, SCOPE AND COVERAGE**

Section 1. Objectives. This Development Contract intends to accelerate/hasten the attainment of 1.5 billion seedling production and 1.5 million hectares plantation establishment at the end of 2016 of the National Greening Program through the engagement of services of Private Sectors, Civil Society Organizations and Non Government Organizations , herein referred to as Second Party.

Section 2. Scope and Coverage. The First Party shall engage services of the Second Party for comprehensive site development of degraded/denuded forestlands covering _____ hectares located in _____ (indicate barangay, town and province)

**ARTICLE II
FUNDING**

Section 3. For the execution of this undertaking under this Agreement, the First Party shall make available financial assistance of _____ Pesos (Php_____). The payments shall be made as follows:

Schedule of Release	Activities	Schedule
1 st release	15% of the project cost for mobilization to be released for seedling production	Upon signing of the agreement/contract
2 nd release	40% of the project cost to be released to support the care and maintenance of seedlings and site preparation.	Two months after 1 st release
3 rd release	20% of the project cost after completion of activities in the 2 nd release. This amount shall be used for the plantation establishment and first cycle care and maintenance.	Five months after 2 nd release
4 th release	15% of the project cost for 2 nd and 3 rd year maintenance and protection of established plantations	Start of year 2
5 th release	10% of the project cost after performance evaluation is completed by a third party and at least 85% survival is attained	After end of the 3 rd year

**ARTICLE III
ROLES AND RESPONSIBILITIES**

Section 4. The First Party shall be responsible for the following:

- a. Conduct survey, mapping and planning and prepare GIS-generated maps of the area which shall form as integral part of this Development Contract.
- b. Ensure compliance of the development partners to the terms and conditions of the Development Contract;
- c. Provide technical and financial assistance subject to the approved Work and Financial Plan (WFP); and
- d. Conduct regular monitoring and evaluation

Section 5. The Second Party shall:

- a. Submit the Work and Financial Plan (WFP) for approval of the DENR which shall form part of this Development Contract;
- b. Produce _____ quality seedlings of _____ (indicate species) following the standards prescribed by the First Party;

- c. Establish plantations covering _____ hectares in _____;
- d. Maintain and protect established plantations covering _____ hectares;
- e. Ensure at least 85% survival of established plantations;
- f. Prioritize the employment of indigenous peoples (IPs) and members of organized upland communities within the area vicinity, whenever possible;
- g. Provide equal opportunities for both men and women to participate in the development process;
- h. Conduct photo documentation (before, during and after planting) and geo tagging of established plantations;
- i. Submit to the First Party monthly physical and financial Accomplishment Reports; and
- j. Submit annual audited financial report and notarized accomplishment report.

**ARTICLE IV
SETTLEMENT OF DISPUTES**

Section 6. Any dispute between Parties arising out of the interpretation or execution of this Development Contract shall be settled by mutual agreement.

**ARTICLE V
AMENDMENTS**

Section 7. This Development Contract shall not be revoked, revised, amended or modified in any respect except by the mutual consent in writing of the parties thereto.

**ARTICLE VI
EFFECTIVITY AND TERMINATION**

Section 8. This Development Contract shall take effect upon signing of both Parties and shall remain in force for a period of three (3) years, unless revoked, revised, or amended upon expressed mutual agreement by Parties thereto.

Violation of any of the terms and condition of this Development Contract and pertinent forestry rules and regulations may cause the termination of this Agreement. The Second Party shall be informed by the First Party in writing of violations committed. Should the Second Party fail to make amends regarding violations committed after three (3) notices, this Development Contract shall have been deemed terminated. All improvements made on the area shall be forfeited in favour of the Government including all other rights attached to the Development Contract without prejudice to the filing of appropriate case against the Second Party and they shall not be allowed to engage in any similar activity or project in the future.

IN WITNESS WHEREOF, the parties have set their hands this ____ day of _____, 2013 at _____

Signed for and on behalf of:

Signed for and on behalf of:

Department of Environment and
Natural Resources

By:

By:

RED/PENRO

AFFIRMING PARTY WITNESSES:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

BEFORE ME, this _____ day of _____, 2012,
personally appeared the following:

Name	Complete Evidence of Identity	Date/Place of Issuance

Known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed as well as that the entities herein represented.

This instrument refers to a Memorandum of Agreement, which consists of four (4) pages, including this acknowledgment page, and which is signed by the parties and their instrumental witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL on the date and at the place first written above.

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