



Republic of the Philippines  
Department of Environment and Natural Resources

**FOREST MANAGEMENT BUREAU**

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**MEMORANDUM**

FOR : All Regional Executive Directors

FROM : The Assistant Secretary for Policy, Planning and Foreign Assisted and Special Projects, and Director, in concurrent capacity

SUBJECT : **HIGHLIGHTS OF THE MEETING WITH THE COMMISSION ON AUDIT (COA) ON SEPTEMBER 03, 2021 RE TURN-OVER AND ENHANCEMENT OF GRADUATED REFORESTATION SITES**

DATE : **NOV 18 2021**

We are providing you a copy of the highlights of discussion and agreements made during the meeting with the Commission on Audit (COA) regarding the turn-over and enhancement of graduated reforestation sites held last September 3, 2021 at 10 AM via Zoom Teleconference.

**FOR YOUR INFORMATION AND RECORD, PLEASE.**

  
**MARCIAL C. AMARO, JR., CESO III**

*Copy furnished:*

*The Undersecretary for Field Operations and Environment*

*The Assistant Secretary for Finance, Information Systems*

*The Director, Financial and Management Service*

*The Chief, Accounting Division*

*The Chief, PAMD-FASPS*

*The Project Manager, FMP*

*The Project Manager, INREMP*

Meeting with the Commission on Audit (COA) re Turnover and  
Enhancement of Graduated Reforestation sites  
September 03, 2021  
Via Zoom Teleconferencing

**Highlights of the Meeting**

**I. Background**

A meeting with Commission on Audit (COA) was held on September 03, 2021 to clarify the procedures with regard to the turn-over of graduated reforestation sites to DENR and subsequent bidding by interested parties. Such clarification of the aforementioned concern would prevent technical and accounting deficiencies in the part of the DENR. In his opening message, Assistant Secretary Marcial C. Amaro Jr. emphasized Sec. Cimatu's directive to prioritize enhancement of graduated sites.

**II. Participants**

1. Regional Executive Directors
2. Regional NGP Coordinators
3. PENRO NGP Coordinators
4. Regional Accountants
5. PENRO Accountants
6. Assistant Secretary for Finance, Information Systems and Mining Concerns
7. Director for Financial and Management Service
8. Accounting Division Chief
9. Project Accounts Management Division Chief
10. FMP Project Manager
11. INREMP Project Manager
12. FRCD Chief
13. Staff of the NGP Coordinating Office (NGPCO) and Reforestation Rehabilitation Section (RFRS).

**III. Discussions**

Supervising Auditor Marites Odtojan of COA raised concerns from auditors regarding the issuance of relief of accountability for NGP sites destroyed by forest fire or force majeure. She pointed out that requests for relief of accountability should be filed per incident and not as a consolidated report as exemplified by a report from DENR CAR. There are two documentary requirements that COA should receive: (1) third party or inhouse report and (2) petition for relief of accountability. However, field offices often fail to submit validation reports when requesting for relief of accountability. Technical and field divisions should cooperate in order to resolve this non-compliance and to formalize the necessary reclassification.



Below is the tabulated list of issues raised by concerned offices and the corresponding agreements and recommendations made:

Concerned Official	Issues and Concerns	Response/Agreements
1.Elizabeth C. Galit Chief, CDS Region IV-A CALABARZON	The CENRO can't adhere to Sec. 34 of GAM pertaining to the three-year contract of planting activities, saying that the contract with partners is yearly/annually based on approved GAA. She also reasoned that this is the case because the costing of planting activities per hectare changes depending on the maintenance costs per hectare.	Supervising auditor Ms. Marites Odtojan clarified that the situation is the allocation was given on an annual basis, and the CENRO will need to rectify the availability of funds when contracting.
2.PENRO Sorsogon Region V	When to derecognize assets in case of impairment?	Supervising Auditor Odtojan explained that assets can only be derecognized once relief is granted by COA.
3.PENRO Sorsogon Region V	What are the processes involved if the assessment and validation attested by COA was not signed by RED?	COA should have a separate report on this. It was agreed that FMB will have a formal reaction regarding this concern.
4.PENRO Ilocos Norte Region I	Will the conduct of in-house validation serve as the basis for POs to receive their retention fees?	As per DENR MC 2013-06, retention fee will be based on the Third-Party validation for above 100 hectares and in-house validation for 100 hectares and below.
5.PENRO Camarines Sur Region V	Can we have a copy of the Guidelines re: replanting of cut trees along highways?	FMB will provide a copy of DMO 2012-02 and DAO 2018-16 via email.
6.Marites Odtojan Supervising Auditor	As per <i>Sec. 7: Bidding on Turn-over areas towards sustainable</i>	Any interested parties may bid in the areas and ensure the

Concerned Official	Issues and Concerns	Response/Agreements
COA	<i>management of the area</i> , how to ensure the sustainability of the areas and where will the money go?	sustainability by providing tools/instruments to maintain the area. As for the money, it will go back to the national treasury. It was then agreed that an audit query will be sent to FMB.
7.PENRO Sorsogon Region V	Can we request for an extension of the reglementary period for the request for relief from accountability in reforestation projects because they weren't able to assess all the damages in the projects within 30 days only?	PENRO needs to submit a request to COA within 30 days or they will be obliged to provide a justification report.
8.Melody Po COA Region 6	Can the 10% retention fee be released if there's a report from the IAC team?	It is the recommendation of the IAC team that will serve as the basis for sites with an area below 100 hectares.
9.Melody Po COA Region 6	What is the Technical Bulletin to be followed for the cost of coffee? TB no. 4 or TB no. 10?	FMB TB no. 4 since it is applied to high-value crops. Unless the variety is specified, the appropriate TB should be followed.
10.PENRO Sorsogon Region V	Can records on NGP projects be per project instead of per site?	Recording should be per project.
11.Herminigildo Jocson Regional NGP Coordinator Region IV-A CALABARZON	Sec. 34 of the GAM does not provide derecognition as a requisite for rehabilitation of existing plantations or enhancement. Do we need to derecognize these plantations that will be subjected to enhancement?	NGPCO should recommend what areas should be rehabilitated and the number of trees to be planted (as per geotag data before submitting WFP). Supervising Auditor Marites Odtojan recommended that DENR be responsible for this.



Further, listed below are issues and concerns recorded through chatbox:

Concerned Official	Issues and Concerns	Answer
1.Marilou P. Sumcad Audit Team Leader Region VI	If there were no third-party validators, can we consider the Validation and Monitoring Report of the IAC?	No. As per DENR MC 2013-06, only a third-party validator shall be engaged for sites 100 hectares and above.
2.Charito Rosario Aggabao State Auditor IV COA	If the contract is awarded annually, will there be a possibility that the 2nd and 3rd year maintenance and other activities will be awarded to other interested partners/contractors other than the one who established the plantation?	Yes, this depends on the performance of the partner/contractor and their ability to comply with the requirements of the agreement with the DENR.
3.Herminigildo Jocson Regional NGP Coordinator Region IV-A CALABARZON	Are drought and volcanic eruptions within the purview of force majeure?	Yes, drought and volcanic eruptions are considered as force majeure under Sec. 36 of the Government Accounting Manual (GAM).
4.Jhahidah L. Guiling COA DENR Region X	Re: item C of Section 35 of GAM: "cost of replacing trees shall be expensed where small numbers of trees are being replaced in any one particular area" -- How do we determine the small numbers? Does it depend on the judgement of accountants and auditors?	GAM Section 35 item C does not specify any amount that will qualify as a "small number" of trees. For clarification with the appropriate office.
5.Nilda G. Ebron Regional NGP Coordinator Region XIII	What will be the mode of release of the 10% retention fees for the established plantations for 2019-2021 covered with the cash-based budgeting system, which provides that all undisbursed funds after the end of the validity period shall be reverted to the General Fund? This will affect the turn-over of completed projects after 3 years.	FMB forwarded several inquiries regarding this concern to FMS of DENR CO and is still awaiting response.

#### IV. Agreements


Presented below are the agreements made during the discussion:

1. An audit query regarding the bidding on turn-over areas towards sustainable management of the area will be sent to FMB by the COA.
2. FMB will provide a copy of guidelines to Region 5 for replanting of cut trees along highways.
3. FMB will have a formal reaction regarding the assessment and validation of Region 5 that was attested by COA but not signed by the RED.

The meeting was formally closed by Assistant Secretary Amaro at 5:00 pm with a short message thanking everyone who participated and stayed in the meeting

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**DENR Administrative Order**  
**No. 2018- 16**

**JUL 18 2018**

**SUBJECT : GUIDELINES IN THE PROCESSING AND ISSUANCE OF PERMITS ON THE REMOVAL AND RELOCATION OF TREES AFFECTED BY DPWH PROJECTS**

Pursuant to the Presidential Decree 705 as amended, Presidential Decree No. 953, Executive Order No. 23 S. 2011, Executive Order No. 26 S. 2011, other relevant laws, rules and regulations, and in order to fast track the processing and issuance of permits on the removal or relocation of trees affected by infrastructure projects of the Department of Public Works and Highways (DPWH), the following guidelines are hereby prescribed for compliance of all concerned.

#### **Section 1. Scope and Coverage**

This Order shall cover all applications for removal and relocation of trees for the construction of roads, bridges, flood control and other infrastructure duly certified as government projects of the DPWH.

#### **Section 2. Application Requirements**

The following requirements shall be submitted by the DPWH to the CENRO with jurisdiction over the projects, to wit:

1. Appropriate infrastructure plan with tree charting (e.g. Road Alignment Plan, Building Plan) indicating the geotagged location of individual trees affected by the project, to be numbered sequentially, and shall be vetted by the DPWH as basis of validation by the DENR during actual cutting operations;
2. Appropriate Environmental Clearance (CNC/ECC);
3. Endorsement from the concerned Local Government Units;
4. Waiver/Consent corresponding to appropriate infrastructure plan in the case of tree cutting within private lands; and
5. Appropriate Land Tenure Instruments (LTIs) for tree cutting within forestlands.

#### **Section 3. Guidelines in Tree Removal and Relocation.**

- 3.1 Evaluation of the complete requirements shall be done upon receipt thereof. Application with incomplete requirements shall not be acted upon and returned to the applicant immediately.



The concerned CENR Office shall issue the corresponding Tree Cutting Permit and/or Earth-balling Permit (TCP/EP) within three (3) working days indicating the number of trees based on the analysis of the appropriate infrastructure plan with tree charting or if necessary, on the result of actual ocular inspection.

The CENR Office may conduct ocular inspection to verify the correctness of the submitted requirements in coordination with the DPWH before issuance of the TCP/EP on the third day as may be warranted.

- 3.2 Determination of the number of trees, location and its species nomenclature/common name, classification if naturally grown or planted, and corresponding volume shall be verified and determined upon the conduct of geotagging and tree scaling by CENRO concerned during the actual tree cutting activities. These shall serve as basis for determining the tree replacement and schedule of hauling logs and to the concerned DENR office, computation of forest charges, among others.
- 3.3 Tree removal and relocation operations, including turnover and transport of logs, shall only be done under the presence and close supervision of the DENR. Correspondingly, the DPWH shall shoulder all operational costs.


**Section 4. Other Considerations.** The following shall be considered in the processing and issuance of tree removal and relocation permits:

- 4.1 In case of tree removal and relocation in public forestlands, TCP/EP applications shall only be processed upon issuance of appropriate LTI secured by the DPWH from the concerned Regional Directors, subject to existing regulations.
- 4.2 To further facilitate issuance of TCP/EPs, concerned DENR Office are required to attend consultation meetings during pre-project activities of the DPWH.
- 4.3 The design of the road projects should always consider the least number of trees to be affected.

**Section 5. Transitory provisions.** All existing regulations in earth-balling and tree replacement shall remain in force and executory.

**Section 6. Repealing Clause.** All circulars, orders, memoranda, and issuances inconsistent herewith shall be amended or repealed accordingly.

**Section 7. Effectivity Clause.** This Order shall take effect fifteen (15) days after publication in at least two (2) newspapers of general circulation and upon submission of three (3) copies thereof to the Office of the National Administration Registrar (ONAR) from the UP Law Center.

  
**ROY A. CIMATU**  
Secretary

**PUBLICATION:** The Manila Times  
August 16, 2018

**ACKNOWLEDGEMENT:** UP Law Center  
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**MEMORANDUM ORDER**  
No. 2012- 02

**SUBJECT : UNIFORM REPLACEMENT RATIO FOR CUT OR RELOCATED TREES**

For uniformity of application of regulations pertaining to the replacement ratio for cut or relocated trees, the following specifications are hereby issued:

1. Tree cutting permits covered by exemptions under "similar activities" of Section No. 2, Item 2.2 of Executive Order No. 23 shall be governed by the Memorandum from the Executive Secretary dated 20 October 2011, or a replacement ratio of 1:100.
2. All tree cutting permits excluded in the said Memorandum dated 20 October 2011 shall be governed by the following:
  - 2.1 NO replacements shall be applied to planted trees within private lands and forest lands exclusively established for tree plantations/timber production purposes;
  - 2.2 For planted trees in private and forest lands not covered under item 2.1 tree replacement shall be 1:50 while naturally growing trees on the same areas, including those affected by development projects shall have 1:100 ratio in support of the National Greening Program (NGP) and climate change initiatives of the Government; and
  - 2.3 In order to facilitate the implementation of tree replacements, seedling donation and identification of common planting sites shall be encouraged for more impact, especially in urban areas. Planted trees removed shall be replaced preferably with indigenous tree species while naturally growing trees shall be strictly replaced with indigenous tree species. All donated seedlings shall be properly recorded and turned-over to the CENRO concerned with jurisdiction over the area while tree planting sites shall be delineated on the ground with the corresponding technical description and map using GPS for ease of monitoring and evaluation purposes.
3. All orders, circulars and/or instructions inconsistent herewith are hereby repealed and/or modified.

**FOR GUIDANCE AND STRICT COMPLIANCE.**

  
**RAMON J. PAJE**  
Secretary



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES

