



Republic of the Philippines
Department of Environment and Natural Resources

FOREST MANAGEMENT BUREAU

Visayas, Avenue, Diliman, 1100 Quezon City

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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 : **COPY OF AUDIT QUERY RESPONSES**

DATE : **DEC 27 2021**

The Forest Management Bureau (FMB) has been receiving queries from the Office of the Resident Auditor on the implementation of the National Greening Program (NGP) and Enhanced National Greening Program (ENGP) in line with their ongoing compliance audit of the program.

In this regard, we are sharing with you the attached copies of our responses to Audit queries for your additional reference.

FOR YOUR INFORMATION AND GUIDANCE, PLEASE.


MARCIAL C. AMARO, JR., CESO III

*Copy Furnished:
Office of the Undersecretary for Field Operations and Environment*



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AUG 26 2021



MARITES A. ODTOJAN
Supervising Auditor

VIOLY Q. MOLINA
Audit Team Leader

Commission on Audit
NGS Cluster 8 - Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

SUBJECT : **AUDIT QUERY (AQ) NO. 2021-CA-001 (NGP/ENGP)**

Dear Supervising Auditor Odtojan and Audit Team Leader Molina,

Greetings!

This refers to your Audit Query dated 16 August 2021 on **DENR Memorandum Circular (DMC) No. 2013-06¹** dated 16 April 2013 specifically on the turn-over of NGP sites toward sustainable management of the area. Hereunder are our answers to your queries:

1. *Does DENR pay for the services of the interested parties for the long-term development/sustainable development of the turned-over NGP sites? Or will the interested parties pay the DENR for the sale of the NGP Projects?*

The turned-over NGP sites shall be subjected to bidding process having the cost of the plantation development as its bid floor price. The interested parties will undergo the bidding process, and the development and management of the NGP site will be awarded to the bidder with the highest bid.

The DENR will not pay the services of the interested parties that will bid. Instead, all of the expenses for the maintenance, protection and management of the turned-over site shall be shouldered by the winning bidder.

2. *What will happen to the Reforestation Projects after it has been disposed of or sold?*

The Reforestation Projects will not be disposed of or sold. The Reforestation Projects to be awarded to the winning bidders will be continuously managed under an appropriate tenurial instrument. Tenurial instruments have a duration of 25 years and can be renewed for another 25 years.

3. *What will the bidder profit from the purchase of the Reforestation Projects?*

The winning bidder will be able to reap the economic benefits of the plantation when the planted species reaches its maturity. For planted fruit trees, and other high value

¹ 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, People's Organizations/Indigenous People, Local Government Units and other Government Entities

crops such as coffee and cacao, the bidder will be able to sell the fruits to the local market or be able to enter into agreements with organizations or businesses e.g., coffee beans can be sold to local cafes or businesses producing coffee products.

For those that will be managing turned-over sites intended for timber production, timber can be harvested after reaching maturity and/or the most economically viable age, provided that the winning bidder has successfully applied for a tenurial instrument for the area, and that harvesting is part of the area's management plan.

Rubber plantations, upon reaching appropriate age, can be tapped in order to harvest their sap. Fuelwood plantations can also be harvested provided that planted species are given opportunity to coppice and recover.

4. *Where will the proceeds from the sale of Reforestation Projects go?*

All proceeds from the bidding and related activities will be remitted to the National Treasury.

5. *What is the responsibility and accountability of the DENR Officials as regards the reforestation projects turned-over by the Partners and bidded to interested parties?*

The DENR can provide technical assistance to the winning bidder in managing the area, if necessary. The Department shall also issue an appropriate tenurial instrument provided that the winning bidder satisfied all the legal, financial and/or technical requirements for the issuance of the appropriate tenurial instrument.

6. *How can the program achieve sustainability of the Reforestation Projects if sold to a private party?*

The responsibility to sustain and continue the development of the reforestation project shall be borne by the adopter/private party. Though the projects have been initially developed by the DENR through its partners, the rights to manage and develop these areas, after turn over to the DENR, will be granted/given to the winning bidders until the expiration of the approved and appropriate tenurial instrument. As such, the sustainability lies on the adopter. Moreover, this will be a safeguard of the government against abandonment of reforestation projects, as well as this can prevent further impairment or damage that can occur overtime when projects are not sustained.

Any activity that is not supported by their respective plans will constitute violation of the Presidential Decree (PD) No. 705 or the "Revised Forestry Code of the Philippines". Further, the role of the DENR in the evaluation and approval of the respective plans will ensure that all activities inside the area are sustainable and allowable ecologically and legally speaking.

7. *How does this mechanism work? What are the advantages on the part of the government in this scheme of Maintenance and Protection of Reforestation projects?*

This scheme of bidding out turned-over reforestation projects to interested parties has several advantages on the part of the government. Under this scheme, the government rests on the assurance that it will be able to recoup its investment since the minimum bid/floor price includes the total investment costs on a per hectare basis (i.e. survey, mapping, planning, seedling production, plantation establishment, and maintenance and protection).


In addition, considering that the funds that were allotted by the DENR for the maintenance and protection activities are limited only to three years, reforestation projects that are adopted by interested parties can maximize and expand the maintenance and

protection activities with corresponding funding from the winning bidder, without incurring additional cost in the part of the government.

DMC No. 2013-06 states that after the bidding process, the DENR shall then issue the appropriate legal instrument for the long-term sustainable management of the area. The allocation of public forests and forestlands to qualified entities through issuance of appropriate forest tenurial instruments is the government's strategy to effectively manage such areas owing to the fact that a majority of tenure holders are onsite. These tenurial instruments promote greater participation of local communities and other legitimate stakeholders in forest management. Ultimately, devolving management of forest resources is advantageous to the government since it provides security of tenure and it establishes the rights to and such other claims that can be enforced against it.

Thank you and we hope that this satisfies your concern.

Very truly yours,


MARCIAL C. AMARO, JR., CESO III
*Assistant Secretary for Policy, Planning and
Foreign Assisted and Special Projects, and
Director, in concurrent capacity*

Copy furnished:

The Secretary

The Undersecretary for Field Operations and Environment



Republic of the Philippines
COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

AQ No.: 2021-CA-001 (NGP/ENGP)

Date : August 16, 2021

AUDIT QUERY (AQ)

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City

Dear Secretary Cimat:

In connection with the compliance audit on the National Greening Program (NGP) under COA Office Order No. 2021-434 dated July 06, 2021, we would like to seek clarifications on the following based on our analysis of the provisions of DENR Memorandum Circular No. 2013-06 dated April 16, 2013 as regards the turn-over of NGP sites toward sustainable management of the area:

- 1) Does DENR pay for the services of the interested parties for the long-term development/sustainable development of the turned-over NGP sites? Or does the interested parties will pay the DENR for the sale of the NGP Projects?
 - 2) What will happen to the Reforestation Projects after it has been disposed of or sold?
 - 3) What will the bidder profit from the purchase of the Reforestation Projects?
 - 4) Where will the proceeds from sale of Reforestation Projects go?
 - 5) What is the responsibility and accountability of the DENR Officials as regards the reforestation projects turned-over by the Partners and bidded to interested parties?
 - 6) How can the program achieve sustainability of the Reforestation Projects if sold to private party?
 - 7) How this mechanism works? What are the advantages on the part of the government in this scheme of Maintenance and Protection of Reforestation Projects?
-



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SEP 07 2021

MARITES A. ODTOJAN
Supervising Auditor

VIOLY Q. MOLINA
Audit Team Leader

Commission on Audit
NGS Cluster 8 - Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

SUBJECT : **AUDIT QUERY (AQ) NO. 2021-CA-002 (NGP/ENGP)**

Dear **Supervising Auditor Odtojan** and **Audit Team Leader Molina**,

Greetings!

This refers to your Audit Query dated 26 August 2021 relative to the issuance of the **DENR Memorandum Circular (DMC) No. 2013-06¹** dated 16 April 2013 specifically on the guidelines used in the implementation of the NGP Projects with area below 100 ha.

Following the issuance of Executive Order (EO) No. 26 series of 2011, the DENR issued DMC No. 2011-01 dated March 8, 2011 on the guidelines and procedures in the implementation of the National Greening Program (NGP). According to Sec. 8.1 of the said policy on Organization and Implementation Mechanism,

“The implementation of the NGP shall be the primary responsibility of the Field Operations Office including all DENR field offices under the Undersecretary for Field Operations...”

As a precedent, the DENR then issued the NGP Implementation Manual for CY 2012 which included the reporting, and monitoring and evaluation mechanisms. Regardless of the area coverage, DENR field offices are mandated to submit physical and financial performance reports regularly, as well as notarized Annual Reports that are duly signed by concerned NGP Coordinators, CENROs, PENROs, and Regional Executive Directors. Further, Sec. 7 of the manual mentions the implementation of the regular maintenance and other protection activities in tenured areas planted in 2011, as the primary obligation of the tenure holder. Completed projects with less than 100 ha will be evaluated by the DENR Field Offices, through in-house validation. The same procedures follow the DMC No. 2013-06 for the turnover of NGP sites.

Monitoring and protection activities of those NGP sites that have already *graduated* or those with no more funding, will form part of the scope and coverage of the Lawin Forest and Biodiversity Protection System activities as mentioned in Sec. 2 of the DAO No. 2018-21 dated Oct 3, 2021 on the adoption of Lawin as the national strategy for forest and biodiversity protection in the Philippines.

¹ 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, People's Organizations/Indigenous People, Local Government Units and other Government Entities

For sites with areas equal to or more than 100 ha. and with a survival rate of 85% and above based on the results of a third-party validating team, these sites shall be open for bidding after the three (3)-year maintenance and protection activities pursuant to DMC 2013-06.

Following the issuance of the NGP Implementation Manual in 2012, the then DENR Undersecretary for Field Operations Atty. Ernesto D. Adobo, Jr., instructed all Regional Executive Directors through Memorandum dated 20 June 2012 (copy attached) to undertake seedling production activities of the NGP using the Community Participation approach. Moreover, per Memorandum dated 20 March 2012, the Regions were also instructed to,

“...ensure that all the preparatory activities such as a survey, mapping, and planning of targets, assessment of eligible POs, and preparation of documentary requirements (i.e. description of works, WFP, etc.) are undertaken to facilitate the engagement of the POs...”

In addition, the Government Procurement Policy Board (GPPB) approved the DENR Customized Procurement Manual Volume 5 – Community Participation Procurement Operations Manual through GPPB Resolution No. 13-2013 as enclosed in the Memorandum dated 12 May 2014 (copy attached). Said resolution covers the DENR’s Community Based Natural Resources Management activities through community participation procurement of Works and Services with an amount not exceeding Two Million Pesos, which engages People’s Organizations that are capable, ready and registered, within or closely adjacent to the target area. According to the Manual, works and services are activities performed by POs such as but not limited to seedling production, reforestation, agroforestry, maintenance and protection, mangrove rehabilitation, streambank rehabilitation, urban greening, establishment of soil and water conservation measures, construction of small water impounding systems, and the likes. However, the GPPB issued the GPPB Resolution No. 28-2016 on December 20, 2016 and the manual on Community Participation in Government Procurement, superseding the GPPB Resolution No. 13-2013.

There have been several revisions on the Implementing Rules and Regulation (IRR) of EO 26, s. 2011, DENR Administrative Order (DAO) No. 2019-03 being the latest of the revisions, which encapsulates the present implementation of the NGP in general.

Thank you and we hope that this satisfies your concern.

Very truly yours,



MARCIAL C. AMARO, JR., CESO III
*Assistant Secretary for Policy, Planning and
Foreign Assisted and Special Projects, and
Director, in concurrent capacity*

Copy furnished:

The Secretary

The Undersecretary for Field Operations and Environment



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COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

AQ No.: 2021-CA-002 (NGP/ENGP)

Date : August 26, 2021

AUDIT QUERY (AQ)

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City

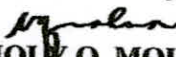
Dear Secretary Cimat:

In connection with the compliance audit on the National Greening Program (NGP) under COA Office Order No. 2021-434 dated July 06, 2021, we would like to seek clarification on the guidelines used in the implementation of NGP projects under contract with Partners with area of below 100 hectares because DENR Memorandum Circular No. 2013-06 dated April 16, 2013 applies only to the plantation development with area coverage 100 hectares and above within public forestlands.

We appreciate submission of your response on the above-mentioned clarification, within two (2) days from receipt hereof. Please email at denr1coa@gmail.com, ashley72702@yahoo.com and maodtojan1963@gmail.com.

Thank you.

Very truly yours,


VIOLAT Q. MOLINA
Audit Team Leader


MARITES A. ODTOJAN
Supervising Auditor



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MS. MARITES A. ODTOJAN

Supervising Auditor

MS. VIOLY Q. MOLINA

Audit Team Leader



SEP 21 2021

Commission on Audit
NGS Cluster 8 - Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

SUBJECT : **AUDIT QUERY (AQ) NO. 2021-CA-001 (NGP/ENGP)**
dated August 16, 2021

Dear **Supervising Auditor Odtojan** and **Audit Team Leader Molina**,

Greetings!

This refers to your response dated September 7, 2021 as a rejoinder to the FMB's reply to the Audit Query No. 2021-CA-001 on **DENR Memorandum Circular (DMC) No. 2013-06¹** dated 16 April 2013 specifically on the turn-over of NGP sites toward sustainable management of the area. Hereunder are our answers to your additional concerns:

1. What is the legal basis in bidding of turned-over NGP reforestation projects to interested parties?

The DENR may enter into management agreements with qualified parties per Section 2, Article XII of the Philippine Constitution, which states that,

"The State may directly undertake such activities, or it may enter into co-production, joint venture, or production-sharing agreements with Filipino citizens, or corporations or associations at least sixty per centum of whose capital is owned by such citizens. Such agreements may be for a period not exceeding twenty-five years, renewable for not more than twenty-five years, and under such terms and conditions as may be provided by law."

¹ 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, People's Organizations/Indigenous People, Local Government Units and other Government Entities

Moreover, per Section 4, Title XIV Book IV of the Administrative Code of 1987, the DENR has the power and authority to,

“Exercise supervision and control over forest lands, alienable and disposable public lands, mineral resources and, in the process of exercising such control, impose appropriate taxes, fees, charges, rentals and any such form of levy and collect such revenues for the exploration, development, utilization or gathering of such resources;”

The bidding of turned-over reforestation sites is done to recoup the investment of the government in rehabilitating the area. It shall be noted that the bidding floor price shall be equivalent to the total cost of plantation development for an area. However, these NGP sites primarily are not for disposal since what the DENR is giving through appropriate management arrangements are only exclusive rights to develop, manage, protect and utilize a specified area of forestland and forest resources, subject to existing rules and regulations.

2. *What specific technical assistance is being provided by the DENR to the winning bidder?*

The DENR shall provide technical assistance to our partners (winning bidders) on plantation development such as strategies and science on how to conduct any improvements on the area, maintenance and protection activities, tree health and care, and harvesting techniques, among others.

It shall be noted that even though harvesting of forest products may be allowed depending on the plans approved, such harvesting should be on a sustainable basis, and that trees felled, for example, shall be replaced in order to have a continuous cycle of replanting/replenishment, growth and harvest.

3. *Can you provide us an example of a tenurial instrument issued relative to NGP reforestation projects awarded to the winning bidder?*

Per Section 6 of the DMC No. 2013-06, after the NGP sites have been adopted by private parties, an appropriate tenurial instruments/management arrangements shall be issued by the DENR for sustainable management of the area. People's Organizations (PO) can apply for Community-Based Forest Management Agreement (CBFMA) which is the national strategy to ensure sustainable development of the country's forestland resources. Per DAO No. 2004-29, by definition, CBFM is an agreement entered into by and between the government and the local community, represented by POs, as forest managers which has a 25-year coverage and is renewable for another 25 years. A Community Resource Management Framework is crafted together with the five-year workplan wherein activities and strategies, including the physical and financial targets to be accomplished are laid out. The monitoring and evaluation of the CBFM through a composite team is mentioned in Section 30, Article IV of the said DAO.


In the case of NGP sites with area coverage of 100 ha and above, Regions have yet to finalize the turn-over of completed/graduated NGP projects to the DENR, and be classified as Land and Land Improvement. However, one modality in adopting graduated NGP sites is through engagement of different government agencies, private offices, and other stakeholders through Memorandum of Agreement wherein graduated NGP sites are being adopted regardless of area coverage for enhancement, and maintenance and protection activities. As stipulated in the contract, the adopter shall submit an annual report to the DENR, for sustainability and monitoring purposes. The enhancement of these sites shall entail no additional cost to the government.

4. *Monitoring mechanisms by the DENR when NGP sites are adopted by private parties.*

Project monitoring and supervision mechanisms are stipulated in governing policies and guidelines on tenurial instruments/management arrangements. The partners engaged/tenure holders are required to submit their regular reports to the DENR for monitoring purposes. These sites, although under the management of partners upon application of tenurial/management arrangement, are still being monitored and assessed by the DENR. Hence, sustainability of projects is still ensured.

Thank you and we hope that this satisfies your concern.

Very truly yours,



MARCIAL C. AMARO, JR., CESO III
*Assistant Secretary for Policy, Planning and
Foreign Assisted and Special Projects, and
Director, in concurrent capacity*

Copy furnished:

The Secretary

The Undersecretary for Field Operations and Environment



Republic of the Philippines
COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

September 7, 2021

Mr. MARCIAL C. AMARO, JR., CESO III
Assistant Secretary for Policy, Planning, and
Foreign-Assisted and Special Projects, and
Director, in concurrent capacity
Forest Management Bureau
Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City

Subject: Audit Query (AQ) No. 2021-CA-001 (NGP/ENGP) dated August 16, 2021

Dear Assistant Secretary Amaro:

We greatly appreciate your compliance on our AQ No. 2021-CA-001 (NGP/ENGP), however, based on your answers, may we request additional information/clarifications on the following:

Requirement of the AQ	Management Comment	Additional Query
What is the responsibility and accountability of the DENR Officials as regards the reforestation projects turned-over by the Partners and bidded to interested parties?	The DENR can provide technical assistance to the winning bidder in managing the area, if necessary. The Department shall also issue an appropriate tenurial instrument provided that the winning bidder satisfied all the legal, financial and/or technical requirements for the issuance of the appropriate tenurial instrument.	1. What is the legal basis in bidding of turned-over NGP reforestation projects to interested parties? 2. What specific technical assistance being provided by the DENR to the winning bidder? 3. Can you provide us an example of tenurial instrument issued relative to NGP reforestation projects awarded to winning bidder?


Requirement of the AQ	Management Comment	Additional Query
How can the program achieve sustainability of the Reforestation Projects if sold to private party?	<p>The responsibility to sustain and continue the development of the reforestation project shall be borne by the adopter/private party. Though the projects have been initially developed by the DENR through its partners, the rights to manage and develop these areas, after turn over to the DENR, will be granted/given to the winning bidders until the expiration of the approved and appropriate tenurial instrument. As such, the sustainability lies on the adopter. Moreover, this will be a safeguard of the government against abandonment of reforestation projects, as well as this can prevent further impairment or damage that can occur overtime when projects are not sustained.</p> <p>Any activity that is not supported by their respective plans will constitute violation of the Presidential Decree (PD) No. 705 or the "Revised Forestry Code of the Philippines". Further, the role of the DENR in the evaluation and approval of the respective plans will ensure that all activities inside the area are sustainable and allowable ecologically and legally speaking.</p>	<p>In the last sentence of the Management Comment, it only mentioned on the role of the DENR in the evaluation and approval of the respective plans, are there no monitoring mechanisms by the DENR if these plans are being implemented by the winning bidder? If Yes, may we be provided of the written policy.</p> <p>Also, the Management commented that the sustainability lies on the adopter. Please expand the answer because in our understanding, the DENR is giving full responsibility to the winning bidder on the sustainability of the NGP reforestation projects which are in the lands of public domain. Kindly provide us the written authority of the DENR and existing policy on such scheme.</p>

We appreciate submission of your response on the above-mentioned additional clarifications, within two (2) days from receipt hereof. Please email at denr1coa@gmail.com, ashley72702@yahoo.com and maodtojan1963@gmail.com

Thank you.

Very truly yours,


VIOLAY Q. MOLINA
Audit Team Leader


MARITES A. ODOJAN
Supervising Auditor

Copy furnished:

The Secretary, DENR

The Undersecretary for Field Operations and Environment, DENR

MAO/VQM
Rejoinder on Reply of DENR_Turn-over of NGP sites to DENR



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OCT 14 2021

MARITES A. ODTOJAN
Supervising Auditor

VIOLY Q. MOLINA
Audit Team Leader

Commission on Audit
NGS Cluster 8 - Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

SUBJECT : SUBMISSION OF UPDATED DATA IN RELATION TO THE COMPLIANCE AUDIT OF THE NATIONAL GREENING PROGRAM (NGP) AND THE ENHANCED NGP UNDER COA OFFICE ORDER NO. 2021-434

Dear **Supervising Auditor Odtojan and Audit Team Leader Molina,**

Greetings!

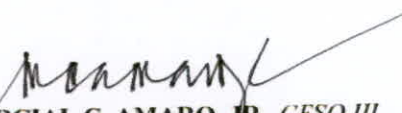
Further to our response to the above subject, we are respectfully submitting herewith the updated data on the Summary of NGP plantations covered by tenurial instruments.

Based on our record, a total of 37,050 sites were established within areas with existing tenurial instruments prior to the engagement of these sites to NGP. On the other hand, 598 sites were found to have tenurial instruments awarded during the implementation of NGP in the area (from plantation establishment until the Year 3 of the Maintenance and Protection).

For further details, attached in this letter is the breakdown of the data per year and per tenurial instrument. The same has been uploaded to the Google Drive link that we have shared in our previous response which you may access through: <https://bit.ly/3u8rgjt>.

Thank you.

Very truly yours.


MARCIAL C. AMARO, JR., CESO III
Assistant Secretary for Policy, Planning and Foreign Assisted and Special Projects, and Director, in concurrent capacity

Copy furnished:

The Secretary

The Undersecretary for Field Operations and Environment

NUMBER OF TENURIAL INSTRUMENTS ISSUED WITHIN NGP SITES

NGP YEAR	ISSUED TENURE BEFORE NGP IMPLEMENTATION					ISSUED TENURE DURING NGP IMPLEMENTATION*					ISSUED TENURE AFTER NGP IMPLEMENTATION**					TOTAL				
	CBFMA	FLGMA	IFMA	SIFMA	TOTAL	CBFMA	FLGMA	IFMA	SIFMA	TOTAL	CBFMA	FLGMA	IFMA	SIFMA	TOTAL	CBFMA	FLGMA	IFMA	SIFMA	GRAND TOTAL
2011	4,235	12	224	14	4,485	48				48					0	4,283	12	224	14	4,533
2012	7,389	31	851	168	8,439	170				170					0	7,559	31	851	168	8,609
2013	8,156	45	741	124	9,066	78		1		79					0	8,234	45	742	124	9,145
2014	1,890	32	133	121	2,176	12		1		13					0	1,902	32	134	121	2,189
2015	1,735	17	154	53	1,959	106			1	107					0	1,841	17	154	54	2,066
2016	2,537	23	281	37	2,878	75		1		76					0	2,612	23	282	37	2,954
2017	2,438	51	449	250	3,188	72				72					0	2,510	51	449	250	3,260
2018	2,789	35	420	86	3,330	28				28					0	2,817	35	420	86	3,358
2019	56			1	57					0					0	56	0	0	1	57
2020	1,169	6	255	42	1,472	5				5					0	1,174	6	255	42	1,477
TOTAL	32,394	252	3,508	896	37,050	594	0	3	1	598	0	0	0	0	0	32,988	252	3,511	897	37,648
No data indicated on the date of registration and expiration of the tenure	475	72	56	184	787					0					0	475	72	56	184	787
No NGP year indicated	2				2					0					0	2				2

TENURIAL INSTRUMENTS ISSUED WITHIN NGP SITES (AREA IN HA)

NGP YEAR	ISSUED TENURE BEFORE NGP IMPLEMENTATION					ISSUED TENURE DURING NGP IMPLEMENTATION*					ISSUED TENURE AFTER NGP IMPLEMENTATION**					TOTAL				
	CBFMA	FLGMA	IFMA	SIFMA	TOTAL	CBFMA	FLGMA	IFMA	SIFMA	TOTAL	CBFMA	FLGMA	IFMA	SIFMA	TOTAL	CBFMA	FLGMA	IFMA	SIFMA	GRAND TOTAL
2011	20,578.13	248.73	778.73	44.34	21,649.93	271.28				271.28					0.00	20,849.41	248.73	778.73	44.34	21,921.21
2012	31,337.97	477.92	3,786.88	422.93	36,025.70	369.87				369.87					0.00	31,707.84	477.92	3,786.88	422.93	36,395.57
2013	44,392.45	370.89	11,530.22	572.21	56,865.77	426.94		3.26		430.20					0.00	44,819.39	370.89	11,533.48	572.21	57,295.98
2014	40,384.90	858.80	4,856.38	727.98	46,828.06	78.13		35.31		113.45					0.00	40,463.03	858.80	4,891.69	727.98	46,941.51
2015	41,054.54	481.72	6,778.41	568.31	48,882.98	378.95			0.83	379.79					0.00	41,433.49	481.72	6,778.41	569.14	49,262.77
2016	33,773.08	669.18	7,070.88	222.88	41,736.02	507.80		7.64		515.44					0.00	34,280.88	669.18	7,078.52	222.88	42,251.46
2017	24,120.03	575.72	3,930.68	816.49	29,442.93	1,295.87				1,295.87					0.00	25,415.91	575.72	3,930.68	816.49	30,738.80
2018	18,504.73	386.59	3,626.00	452.55	22,969.87	770.85				770.85					0.00	19,275.58	386.59	3,626.00	452.55	23,740.72
2019	419.07			2.06	421.13					0.00					0.00	419.07	0.00	0.00	2.06	421.13
2020	6,844.67	52.03	2,236.61	56.31	9,189.62	1,163.90				1,163.90					0.00	8,008.57	52.03	2,236.61	56.31	10,353.52
TOTAL	261,409.57	4,121.58	44,594.79	3,886.06	314,012.01	5,263.60	0.00	46.21	0.83	5,310.65	0.00	0.00	0.00	0.00	0.00	266,673.18	4,121.58	44,641.00	3,886.90	319,322.66
of registration and expiration	2,688.32	649.31	1,176.60	640.99	5,155.22					0.00					0.00	2,688.32	649.31	1,176.60	640.99	5,155.22
No NGP year indicated	2.06				2.06					0.00					0.00	2.06				2.06

*Plantation Establishment until Year 3 Maintenance and Protection

**After Year 3 Maintenance and Protection



Republic of the Philippines
COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

September 13, 2021

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Avenue
Quezon City

Dear Secretary Cimat:

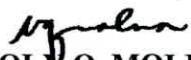
In connection with the ongoing Compliance Audit on the National Greening Program (NGP) and Enhanced NGP, please provide us with the Inventory/List of all Tenurial Instruments issued by the DENR to Contractee, which shall include information on the specific location with coordinates and geo-tagged photos, land area and date of expiration of the tenurial contract.

Likewise, the inventory/list of NGP plantations within areas covered by tenurial contract be provided to us and the Regional Audit Teams.

We expect to receive said documents not later than September 27, 2021.

Your prompt action is highly appreciated. Thank you.

Very truly yours,


VIOLAY Q. MOLINA
Audit Team Leader


MARITES A. ODTOJAN
Supervising Auditor



Republic of the Philippines
Department of Environment and Natural Resources
FOREST MANAGEMENT BUREAU

Visayas Avenue, Diliman, 1100 Quezon City

Tel. No.: (632) 8925-2141 / (632) 8927-4788

E-mail Address: fmb@denr.gov.ph

Website: <https://www.forestry.denr.gov.ph>



OCT 19 2021

MARITES A. ODTOJAN
Supervising Auditor

VIOLY Q. MOLINA
Audit Team Leader

Commission on Audit
NGS Cluster 8 - Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City

SUBJECT : **FOLLOW UP ON THE STATUS OF LETTERS BY COA
RELATIVE TO THE COMPLIANCE AUDIT ON THE
NATIONAL GREENING PROGRAM (NGP)**

Dear Supervising Auditor Odtojan and Audit Team Leader Molina,

Greetings!

This refers to your Letter dated October 6, 2021 following up on the status of your Letters sent to this Office on various dates relative to the Compliance Audit on the NGP.

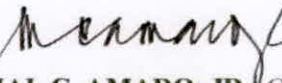
Please be informed that we have already responded to the Letters mentioned in your inquiry. Kindly refer to the table below:

INQUIRY OF COA	RESPONSE OF THE FMB
1. Letter dated June 2, 2021 for the Inventory of Damaged, lost reforestation projects;	Memorandum dated September 24, 2021 addressed to the Undersecretary for Finance, Information Systems and Climate Change (Annex A).
2. Letter dated June 25, 2021 request for information on the result of investigation conducted by the DENR as response to AOM issued by the special audit team created COA Office Order No. 2018-555 relative to the improper hiring of consultant from July 2013-June 2017	Memoranda dated September 7, 2021 addressed to the Undersecretary for Finance, Information Systems and Climate Change (Annex B) and to the Undersecretary for Legal, Administration, Human Resources and Legislative Affairs (Annex C).

INQUIRY OF COA	RESPONSE OF THE FMB
3. Follow up Letter dated July 12, 2021 on the status of the implementation of the recommendations on the AOM issued on the CY 2018 audit on the fund utilization of the NGP.	Memorandum dated August 11, 2021 addressed to the Undersecretary for Finance, Information Systems and Climate Change (Annex D); and attached Memorandum dated July 27, 2021 addressed to the Director of the Legal Affairs Service (Annex E).

Thank you.

Very truly yours,



MARCIAL C. AMARO, JR., CESO III
*Assistant Secretary for Policy, Planning and
 Foreign Assisted and Special Projects, and
 Director, in concurrent capacity*

Copy furnished:

The Secretary

The Undersecretary for Field Operations and Environment

The Undersecretary for Finance, Information Systems and Climate Change

The Undersecretary for Legal, Administration, Human Resources and Legislative Affairs

Legal Affairs Service



Republic of the Philippines
Department of Environment and Natural Resources
FOREST MANAGEMENT BUREAU
Visayas Avenue, Diliman, 1100 Quezon City
Tel. No.: (632) 8925-2141 / (632) 8927-4788
E-mail Address: fmb@denr.gov.ph Website: <https://www.forestry.denr.gov.ph>

MEMORANDUM

FOR : **THE UNDERSECRETARY**
Finance, Information Systems and Climate Change

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

SUBJECT : **DERECOGNITION IN THE BOOK OF ACCOUNTS OF VARIOUS REFORESTATION PROJECTS WHICH WERE DESTROYED AND/OR IMPAIRED BY FIRE OR OTHER CASUALTY OR FORCE MAJEURE**

DATE : **SEP 24 2021**

This pertains to your memorandum dated August 31, 2021 which was received by this Office on September 6, 2021 requesting for the review and evaluation of the submitted reports from the Region on the List of Reforestation Projects which were destroyed and/or impaired by fire or other casualty or force majeure.

Relative to this, please be informed that after the meeting with Commission on Audit (COA) last May 25-26, 2021, this office has also prepared a memorandum of instruction signed by the Undersecretary for Field Operations on June 17, 2021. Said memorandum enjoins all concerned CENROs and Implementing PENROs to immediately file a request/petition for relief from accountability before COA based on the provided documentation guideline and template.

However, this Office is still waiting for the reports in response to the said memorandum, a copy of which is attached herewith for your reference.

While the NGP Coordinating Office (NGPCO) maintains a database of reported disturbances in NGP sites, other data and details of the status of relief were not yet provided in their report.

Given that the submitted data provided by the Regions are the updated and with details as requested by the COA, may we recommend the submission of the said report to the Office of the Resident Auditor.

FOR THE UNDERSECRETARY'S INFORMATION AND CONSIDERATION, PLEASE.


MARCIAL C. AMARO, JR., CESO III



Republic of the Philippines
Department of Environment and Natural Resources
FOREST MANAGEMENT BUREAU

Visayas Avenue, Diliman, 1100 Quezon City
Tel. No.: (632) 8925-2141 / (632) 8927-4788

E-mail Address: fmb@denr.gov.ph Website: <https://www.forestry.denr.gov.ph>

MEMORANDUM

FOR : The Director
Legal Affairs Service

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

SUBJECT : **FOLLOW-UP ON THE STATUS OF THE INVESTIGATION
CONDUCTED BY DENR IN RESPONSE TO THE COA AUDIT
OBSERVATION MEMORANDUM NO. 2018-010**

DATE : **JUL 27 2021**



This is in reference to the Commission on Audit's (COA) request for information on the results of the investigation conducted by the DENR as response to COA's Audit Observation Memorandum (AOM) created under COA Office Order No. 2018-555 dated July 11, 2018. The mentioned AOM issued by COA was regarding the hiring of a consultant from July 2013 to June 2017 for setting up of forest nurseries in support of the National Greening Program (NGP).

Attached are the copies of COA's request for information and their AOM No. 2018-010 dated September 26, 2018.

In relation to this, we would like to follow-up the status and request for information on the result of the conducted investigation.

FOR YOUR CONSIDERATION AND APPROPRIATE ACTION, PLEASE.


MARCIAL C. AMARO, JR., CESO III

Copy furnished:
The Office of the Supervising Auditor, DENR I Audit Group C, COA
Visayas Avenue, Diliman, Quezon City



Republic of the Philippines
Department of Environment and Natural Resources
FOREST MANAGEMENT BUREAU

Visayas Avenue, Diliman, 1100 Quezon City

Tel. No.: (632) 8925-2141 (632) 8927-4788

E-mail Address: fmb@denr.gov.ph Website: <https://www.forestry.denr.gov.ph>

MEMORANDUM

FOR : The Undersecretary for Finance, Information Systems and Climate Change

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

SUBJECT : **FOLLOW UP ON THE STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS ON THE AUDIT OBSERVATIONS MEMORANDUM (AOM) ISSUED ON CY 2018 AUDIT OF THE FUND UTILIZATION OF THE NATIONAL GREENING PROGRAM (NGP) CONDUCTED BY SPECIAL AUDIT**

DATE : **AUG 11 2021**

This refers to your memorandum dated 27 July 2021 regarding the status of implementation of the recommendations on the Audit Observation Memorandum (AOM) issued on the CY 2018 audit on the fund utilization of the NGP. Please find attached updates on the AOM findings below:

Observation	Recommendation	Status
<i>Improper charging of expenditures to the NGP - Php 74.749 million</i> Funds for the NGP were used for expenses that did not contribute to the attainment of goals and objectives of the Program, such as: a.) compensation paid to Extension Officers (EOs) hired by the DENR-CO, FMB and FMB performing functions not related to NGP in the total amount of Php 16.990 million, net of tax; and b.) various expenditures in the total amount of Php57.759 million which were either improperly charged and/or the expenditures incurred were not used for the implementation of the Program.	1. We recommend and Management agreed to direct all Heads of Offices to ensure that appropriations intended for the implementation of the NGP are utilized only for the intended purpose. 2. We also recommended that Management direct: a. the DENR-CO, FMB and BMB to stop the practice of hiring Extension Officers whose duties and responsibilities are not in line with the implementation of NGP/ENGP; and b. the DENR-CO to redeploy the motor vehicles to the ROs and PENROs which are the Offices actually implementing the NGP/ENGP.	FMB stopped the practice of hiring Extension Officers and started hiring other technical staff (Project Development Officer/Project Monitoring and Evaluation Officer) to provide manpower to FMB as the oversight Bureau in NGP implementation. Further, FMB issued Technical Bulletin No. 29 or the TB on Hiring of Extension officers and/or technical personnel to support the implementation of ENGP. Based on TB 29, hiring of Extension Officers may be undertaken in three (3) different levels: at the Regional Offices, PENROs and CENROs. For item 2.b., this Office respectfully recommends to get the response from the DENR General Services Division since we believe that they are more knowledgeable on this matter.

Observation	Recommendation	Status
<p><i>Existence of lump sum allotments in CO and deficiencies on sub-allotments to Bureaus and ROs</i></p> <p>Out of the Php7.104 billion allotments of DENR-CO intended for the implementation of the NGP and ENGP for CY 2011-2018, P5.295 billion or 74.54% were sub-allotted to the ROs and Bureaus. Deficiencies were noted on these sub-allotments such as a.) non-alignment of the purpose of the sub-allotments amounting to Php168.101 million; b.) absence of WFP for the sub-allotment to FMB amounting to Php229.276 million; c.) subsequent transfer of Php20.067million by FMB to ROs and PENROs of the sub-allotment received from DENR-CO; and d.) purpose of fund transfer amounting to Php7.720 million was not in accordance with the purpose of sub-allotment from DENR-CO.</p>	<p>We recommended and Management agreed to direct:</p> <p>a. the DENR-CO to: i.) stop the practice of sub-allotting to DENR ROs, PENROs and Bureaus of its allotment for NGP/ENGP; and ii.) require the submission of approved WFP, which were the basis of the sub-allotment; and</p> <p>b. the FMB to: i.) prepare and submit the corresponding WFP; ii.) stop the practice of transferring its sub-allotment to ROs and PENROs; and iii) abide strictly with the documentary requirements for fund transfer.</p>	<p>Based on DENR-CO's response to COA's observations, the allotment lodged at the DENR-CO are for the targets which were not yet identified by the Regional Offices and were sub-allotted to the Regional Offices. They do not download funds without the approved attachments such as letter request and approved Work and Financial Plans (WFP).</p>
<p><i>Hiring of NGP Consultant</i></p> <p>The FMB paid Php11.447 million in engaging the services of a Filipino-Canadian consultant from July 2013 to June 2017 which is grossly disadvantageous to the agency due to: a.) inappropriate mode of procurement in hiring the services of the consultant; b.) exorbitant monthly consultancy fee paid to the consultancy fee paid to the consultant ranging from Ph100,000 to Php385,000; c.) payment of consultancy fee on a monthly basis despite non-submission of certain deliverable within the contract period; d.) lack</p>	<p>1. We recommended that the office of the DENR Secretary investigate on the manner and circumstances surrounding the procurement and questionable payment of consultancy services and other perks given to the subject consultant, and file appropriate charges against the FMB officials/personnel concerned, as warranted.</p> <p>2. We further recommend that, henceforth, the FMB management should:</p> <p>a. strictly adhere to the provisions of RA 9184 and Manual of Procedures for the Procurement of Consulting Services to</p>	<p>FMB sent a memorandum dated July 27, 2021, addressed to the Director of Legal Affairs Service requesting for the status of the investigation conducted by DENR in response to COA AOM No. 2018-010. The Bureau is yet to receive response from the DENR Legal Service.</p>

Observation	Recommendation	Status
of provisions in the consultancy contracts protecting the interest of the agency; and e.) lapses in implementing the terms of contracts, thereby casting doubt on the economical use of NGP funds in the payment of consultancy services towards effective implementation of the program.	obtain the most advantageous price for the agency; and b.be more circumspect in the use of NGP funds and ensure that the same is used for its intended purpose.	

Attached are our Memorandum for the Legal Affairs Service and FMB Technical Bulletin No. 29 for your ready reference.

FOR THE UNDERSECRETARY'S CONSIDERATION, PLEASE.


MARCIAL C. AMARO, JR., CESO III



Republic of the Philippines
COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

October 6, 2021

Secretary ROY A. CIMATU

Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City

Dear Secretary Cimatu:

Greetings!

This has reference to the following letters sent to your good office on various dates relative to the Compliance Audit on the National Greening Program (NGP) under COA Office Order No. 2021-434 dated July 06, 2021:

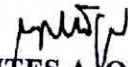
- 1) Letter dated June 2, 2021 for the Inventory of damaged, lost reforestation projects;
- 2) Letter dated June 25, 2021 request for information on the result of investigation conducted by the DENR as response to AOM issued by the special audit team created under COA Office Order No. 2018-555 relative to the improper hiring of consultant from July 2013-June 2017; and
- 3) Follow Up Letter dated July 12, 2021 on the Status of Implementation of the Recommendations on the AOM issued on the CY 2018 audit on the Fund Utilization of the NGP.

In this connection, please apprise us on the status of the above letter requests.

Your prompt action is highly appreciated.

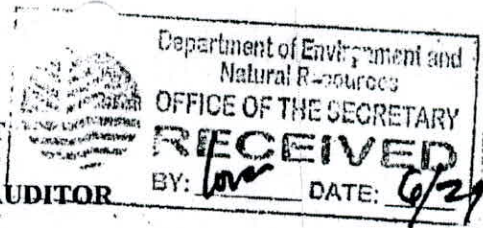
Thank you.

Very truly yours,


MARITES A. ODTOJAN
State Auditor V
Supervising Auditor
DENR 1 and 2 Audit Group



Republic of the Philippines
COMMISSION ON AUDIT
National Government Sector
OFFICE OF THE SUPERVISING AUDITOR
DENR 1, Audit Group C
Visayas Avenue, Diliman, Quezon City



June 25, 2021

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City

Dear Secretary Cimatui:

Greetings!

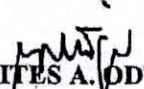
This has reference to the Audit Observation Memorandum (AOM) issued by the Special Audit Team created under COA Office Order No. 2018-555 dated July 11, 2018 relative to the improper hiring of consultant for the setting up of five mechanized forest nurseries and 11 nurseries nationwide in support of the National Greening Program (NGP).

In this connection, please apprise us on the results of the investigation conducted by the DENR on the matter as we are now validating the status of implementation by the DENR of the audit recommendations as embodied in the AOMs issued by the Special Audit Team.

Your prompt action is highly appreciated.

Thank you.

Very truly yours,


MARITES A. ODTOJAN
State Auditor V
Supervising Auditor
DENR 1 and 2 Audit Group



Republic of the Philippines
COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

June 2, 2021

Sec. ROY A. CIMATU

Department of Environment and Natural Resources
Visayas Avenue
Quezon City

Attention: **Atty. Analiza Rebuelta-Teh, CESO I**
Usec for Finance, Information Systems & Climate Change

Atty. Juan Miguel T. Cuna, Jr., CESO I
Under Secretary for Field Operations and Environment

Asst. Secretary Marcial C. Amaro, Jr., CESO III
Director, in Concurrent Capacity, FMB

Assistant Secretaries for Finance and Field Operations

Sir:

Greetings!

Based on the results of the CY 2020 financial audit with compliance to other legal and regulatory requirements, which was discussed extensively during the exit conference held last May 25 and 26, 2021, the non-derecognition in the books of accounts of various reforestation projects, which were destroyed and/or impaired by fire or other casualty or force majeure, materially affect the fair presentation of the accounts in the financial statements.

Pursuant to Section 73 of PD 1445¹, this projects cannot be derecognized without the approved relief from Accountability granted by the Commission on Audit. The

¹ Section 73. Credit for loss occurring in transit or due to casualty or force majeure. (1) When a loss of government funds or property occurs while they are in transit or the loss is caused by fire, theft, or other casualty or force majeure, the officer accountable therefor or having custody thereof shall immediately notify the Commission or the auditor concerned and, within thirty days or such longer period as the Commission or auditor may in the particular case allow, shall present his application for relief, with the available supporting evidence. Whenever warranted by the evidence credit for the loss shall be allowed. An officer who fails to comply with this requirement shall not be relieved of liability or allowed credit for any loss in the settlement of his accounts.

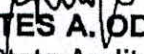
request/petition for relief in Accountability shall be filed by the accountable Officer to the COA or the auditor concerned within 30 days from the occurrence of the incidence together with all the documentary requirements required under COA Memorandum No. 92-751. For reforestation projects that were impaired by force majeure (fortuitous event beyond the control of man e.g. typhoon, flood, landslides, earthquakes, and the like), an impairment loss shall be taken up for the trees as soon as it is discovered that the trees in the area have been damaged as provided for in Section 36, Chapter 10 of the Government Accounting Manual (GAM) for NGAs, that is after the impairment loss have been established and relief for accountability have been granted pursuant to Section 73 of PD 1445.

To resolve this issue, we recommended that a directive be issued by the DENR to all Regional Executive Directors to direct all the CENROs concerned to immediately file a request/petition for relief from Accountability before the COA on all reforestation projects that were destroyed either by fire or other casualty or force majeure, if no request have been filed to date.

Likewise, we also request that we will provided with the inventory of all reforestation projects (format attached) that were totally and/or partially destroyed/impaired either by fire or other casualty or force majeure by Region and by PENRO, and to indicate the status as to whether request for relief have been granted, filed but no decision yet by COA and no request have been filed to date. For those filed but no decision yet, please provide us with the proof of request/petition for relief filed and follow-ups, if any, and together with the checklist of supporting documents submitted to COA.

Your prompt action is highly appreciated. Thank you

Very truly yours,


MARITES A. ODTOJAN
State Auditor V
Supervising Auditor

**INVENTORY OF REFORESTATION PROJECTS
TOTALLY DETROYED/IMPAIRED**

No.	Office	Date of Project Completion	Name of Project	Complete Location (Pls. state if geo- tagged)	Project Cost per Books	Amount of Loss/Impaired either for impairment or requested for Relief	Status of Relief (Granted/ Pending/no Request Filed	Remarks



Department of Environment and Natural Resources
Audit Group C
Visayas Avenue, Quezon City

July 9, 2021

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Avenue,
Quezon City

Handwritten signature: J. L. ... 7/12/21

Attention: CONCERNED OFFICIALS FOR NGP

Dear Secretary Cimatru:

In connection with the Compliance Audit of the National Greening Program (NGP), we would like to follow-up on the status of implementation of the recommendations on the Audit Observations Memorandum issued on the CY 2018 audit on the Fund Utilization of the National Greening Program (NGP) conducted by the Special Audit. The findings and recommendations are as follows:

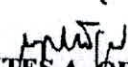
<p>1. <i>Improper charging of expenditures to the NGP – ₱74.749 million</i></p> <p>Funds for the NGP were used for expenses that did not contribute to the attainment of goals and objectives of the Program, such as: (a) compensation paid to Extension Officers (EOs) hired by the DENR-CO, FMB and BMB performing functions not related to NGP in the total amount of ₱16.990 million, net of tax; and (b) various expenditures in the total amount of ₱57.759 million which were either improperly charged and/or the expenditures incurred were not used for the implementation of the Program.</p>	<p>1. We recommended and Management agreed to direct all Heads of Offices to ensure that appropriations intended for the implementation of the NGP are utilized only for the intended purpose.</p> <p>2. We also recommended that Management direct:</p> <p>a. the DENR-CO, FMB and BMB to stop the practice of hiring Extension Officers whose duties and responsibilities are not in line with the implementation of NGP/eNGP; and</p> <p>b. the DENR-CO to redeploy the motor vehicles to the ROs and PENROs, which are the Offices actually implementing the NGP/eNGP.</p>
<p>2. <i>Existence of Lump sum allotments in CO and deficiencies on sub-allotments to Bureaus and ROs</i></p> <p>Out of the ₱7.104 billion allotments of DENR-CO intended for the implementation of the NGP and eNGP for CYs 2011-2018, ₱5.295 billion or 74.54 percent were sub-allotted to the ROs and Bureaus. Deficiencies were noted on these sub-allotment such as: (a) non-alignment of the</p>	<p>We recommended and Management agreed to direct:</p> <p>a. the DENR-CO to: (i) stop the practice of sub-allotting to DENR ROs, PENROs and Bureaus of its allotment for NGP/eNGP; and (ii) require the submission of approved WFP, which were the basis of the sub-allotment; and</p>

<p>the sub-allotment FMB amounting to P229.276 million, subsequent transfer of P20.067 million by FMB to ROs and PENROs of the sub-allotment received from DENR-CO; and (d) purpose of fund transfer amounting to P7.720 million was not in accordance with the purpose of the sub-allotment from DENR-CO.</p>	<p>practice of transferring its sub-allotment to ROs and PENROs; and (iii) abide strictly with the documentary requirements for fund transfer.</p>
<p>3. <i>Hiring of NGP Consultant</i></p> <p>The FMB paid P11.447 million in engaging the services of a Filipino-Canadian consultant from July 2013 to June 2017 which is grossly disadvantageous to the agency due to: (a) inappropriate mode of procurement in hiring the services of the consultant; (b) exorbitant monthly consultancy fee paid to the consultant ranging from P100,000.00 to P385,000.00; (c) payment of consultancy fee on a monthly basis despite non-submission of certain deliverable within the contract period; (d) lack of provisions in the consultancy contracts protecting the interest of the agency; and (e) lapses in implementing the terms of contracts, thereby casting doubt on the economical use of NGP funds in the payment of consultancy services towards effective implementation of the program.</p>	<ol style="list-style-type: none"> 1. We recommended that the Office of the DENR Secretary conduct an investigation on the manner and circumstances surrounding the procurement and questionable payment of consultancy services and other perks given to the subject consultant, and file appropriate charges against the FMB officials/personnel concerned, as warranted. 2. We further recommended that, henceforth, the FMB management should: <ol style="list-style-type: none"> a. strictly adhere to the provisions of RA No. 9184 and Manual of Procedures for the Procurement of Consulting Services to obtain the most advantageous price for the agency; and b. be more circumspect in the use of NGP funds and ensure that the same is used for its intended purpose.

May we have the status of implementation on the above audit recommendations within five (5) days from receipt hereof.

Your prompt and favorable action is highly appreciated. Thank you.

Very truly yours,


MARITES A. ODOJAN
State Auditor V
Supervising Auditor



Republic of the Philippines
Department of Environment and Natural Resources
FOREST MANAGEMENT BUREAU
Visayas, Avenue, Diliman, 1100 Quezon City
Tel. No.: (632) 8925-2141 / (632) 8927-4788
E-mail Address: fmb@denr.gov.ph Website: <https://www.forestry.denr.gov.ph>

MARITES A. ODTOJAN
Supervising Auditor

VIOLY Q. MOLINA
Audit Team Leader

Commission on Audit
NGS Cluster 8 - Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
denrcoa@gmail.com, ashley72702@yahoo.com, maodtojan1963@gmail.com



OCT 28 2021

SUBJECT : LIST OF MEMORANDA OF AGREEMENT ENTERED INTO BY AND BETWEEN DENR AND DPWH

Dear **Supervising Auditor Odtojan** and **Audit Team Leader Molina**,

Greetings!

This has reference to your Letter for the DENR Secretary dated 12 October 2021 requesting for the list of Memoranda of Agreement (MOAs) entered into by and between DENR and DPWH. In this regard, we are pleased to furnish you copy of the following MOAs regarding Tree Replacement Projects:

Table 1. Summary of MOA

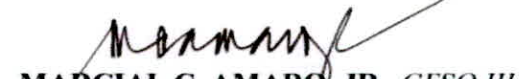
REGION/OFFICE	MOA TITLE/DATE
Central Office	Joint Memorandum Circular dated July 3, 2014 on the Guidelines for the Implementation of the DPWH-DENR-DSWD Partnership on the Tree Replacement Project
Central Office	Tripartite MOA by and between DPWH DENR, and DSWD in 2013
CAR	DPWH-DENR-DSWD Partnership on the Tree Replacement Project
R-01	DENR-DPWH Memorandum of Agreement dated March 27, 2014
R-01	DENR-DPWH Memorandum of Agreement dated April 24, 2017

REGION/OFFICE	MOA TITLE/DATE
R-02	DPWH-DENR Memorandum of Agreement dated December 21, 2020
R-03	DENR-DPWH Memorandum of Agreement dated April 16, 2021
R-06	DENR-DPWH Memorandum of Agreement June 30, 2015
R-07	DPWH-7-DENR-7 Agreement dated January 8, 2019
R-08	DPWH-DENR Memorandum of Agreement dated November 21, 2016
R-09	Draft Memorandum of Agreement for the guidelines of implementation of the DPWH-DENR-DSWD partnership on Tree Replacement Project (not signed)
R-13	DPWH-DENR-DSWD partnership on the Tree Replacement Project dated October 18, 2018

The individual MOAs are uploaded in the Google Drive this Office prepared. You may access the same through the link: <https://bit.ly/3aPPUN8>.

Thank you.

Very truly yours,


MARCIAL C. AMARO, JR., CESO III
 Assistant Secretary for Policy, Planning and
 Foreign Assisted and Special Projects, and
 Director, in concurrent capacity

Copy furnished:

The Secretary

The Undersecretary for Field Operations and Environment



Republic of the Philippines
COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

October 12, 2021

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City


Dear Secretary Cimat:

In connection with the compliance audit on the National Greening Program (NGP) and Enhanced NGP under COA Office Order No. 2021-434 dated July 06, 2021, we would like to request the list of Memoranda of Agreement (MOAs) entered into by and between the DENR and the Department of Public Works and Highways as regard the Tree Replacement Project, including the copy of the MOAs.

We appreciate submission of your response on the above request within five (5) days from receipt hereof. Please email at denr1coa@gmail.com, ashley72702@yahoo.com and maodtojan1963@gmail.com

Thank you.

Very truly yours,


VIOLAY Q. MOLINA
Audit Team Leader


MARITES A. ODTOJAN
Supervising Auditor



Republic of the Philippines
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FOREST MANAGEMENT BUREAU

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NOV 23 2021

MARITES A. ODTOJAN
Supervising Auditor



VIOLY Q. MOLINA
Audit Team Leader

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SUBJECT: DENR RESPONSE TO AUDIT QUERY NO.: 2021-CA-003 (NGP/ENGP)

Dear **Supervising Auditor Odtojan** and **Audit Team Leader Molina**:

Greetings!

This has reference to your Audit Query (AQ) No.: 2021-CA-003 (NGP/ENGP) dated 08 November 2021 regarding some clarifications on certain provisions of DENR Memorandum Circular (DMC) No. 2011-01 dated March 8, 2021 and DMC No. 2013-06 dated April 16, 2013. Hereunder are our answers to your queries:

1. On where the proceeds of the cut trees from NGP reforestation projects go

For areas that are covered with a Community-Based Forest Management Agreement (CBFMA), Section 27 of DENR Administrative Order (DAO) No. 2004-29¹ provides that "All products harvested from forest plantations established using government funds... shall be subject to a sharing agreement negotiated between the CBFMA holder and the DENR, pursuant to existing rules and regulations."

Meanwhile, Section 7.3.1 of DMC 2011-01 states that "All proceeds from **agroforestry plantations**, duly accounted by the DENR, shall accrue to the NGP beneficiary communities to address food security and poverty reduction."

¹ Revised Rules and Regulations for the Implementation of Executive Order 263, Otherwise Known as the Community-based Forest Management Strategy

Since these two provisions deal with the same subject matter, Section 7.3.1 of DMC 2011-01 is considered as an exception to Section 27 of DAO 2004-29 in order to give effectivity to both provisions. This means that all proceeds from agroforestry NGP plantations within CBFM areas shall accrue to the CBFMA holder. As to proceeds harvested from NGP plantations within CBFM areas with commodities other than agroforestry, e.g. Timber, fuelwood, etc., the government must have a share therein depending on existing rules and regulations.

2. On the principle of sustainable development

The concept of sustainable development, as used in the context of forestry, has always been defined as “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”² Under the Planning Stage of the Community Based Forest Management Strategy, particularly Section 18 of DAO 2004-29, a Community Resource Management Framework (CRMF) which is a strategic plan of the community on how to manage and benefit from the forest resources on a sustainable basis describes the community/PO's strategies for the development and utilization of forest resources. One of the many components of the CRMF is the land uses within CBFM areas which may include development of forest plantations such as the NGP in open areas. Consequently, in CBFMA areas, plantation establishment, maintenance and protection, and even future harvesting activities under NGP is integrated in the CBFMA holder's 5-year CRMF. Moreover, the CRMF needs the affirmation of the DENR, and its implementation is also closely monitored by the DENR in collaboration with the Local Government Units (LGU) concerned. This is the way of the DENR to determine whether the activities undertaken by the CBFMA holder is consistent with the CRMF, a comprehensive and strategic plan formulated to sustainably manage and develop the tenured area.

3. On potential areas for plantation development under Section 2 of DENR Memorandum Circular No. 2013-06

Under Section 2 of DMC 2013-06, there are three (3) main categories of potential areas for development: (i) degraded/denuded lands of the public domain; (ii) open access areas, which include cancelled, expired, and abandoned tenured areas; and lastly, (iii) undeveloped portions of areas managed by people's organizations/indigenous communities.

Open access areas are those which comprises the extent of forestlands that do not have any form of tenure or allocation arrangement³. Following this definition, it is indispensable that open access areas must include cancelled, expired, and abandoned tenured areas, for such areas are already considered as not having any form of tenure and thus squarely fall under the definition.

Areas covered by existing tenorial instrument/agreement such as the CBFM fall under the third category. The third category pertains to undeveloped areas in forestlands managed by POs. It is noteworthy to mention that the area that may be covered by a CBFMA tenure can range from five-hundred (500) to two-thousand (2,000) hectares, and more often than not, the vast extent

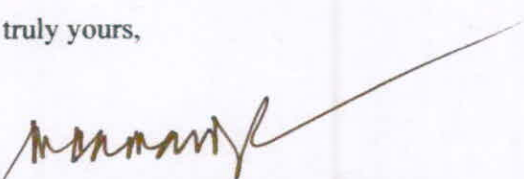
² Our Common Future, also known as the Brundtland Report

³ Mapping Guidebook for Forest Land Use Planning. Philippine Environmental Governance 2 Project, Pasig City, Philippines. Published with assistance from the American people through the United States Agency for International Development's (USAID) Philippine Environmental Governance 2 (EcoGov2) Project. Month and year of publication: May 2011.

of such area includes open areas that may still be developed into forest plantations. Therefore, there is no need to cancel the existing tenure such as the CBFMA in a particular area prior to implementation of NGP therein.

We hope our answers clarify your concerns. Thank you.

Very truly yours,



MARCIAL C. AMARO, JR., CESO III
Assistant Secretary for Policy, Planning, and
Foreign Assisted and Special Projects, and
Director, in concurrent capacity



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NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

AQ No.: 2021-CA-003 (NGP/ENGP)
Date : November 08, 2021

AUDIT QUERY (AQ)

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City

Dear Secretary Cimat:

In connection with the compliance audit on the National Greening Program (NGP) under COA Office Order No. 2021-434 dated July 06, 2021, we would like to seek clarification on certain provisions of DENR Memorandum Circular (DMC) No. 2011-01 dated March 8, 2011 and DMC No. 2013-06 dated April 16, 2013, as follows:

Specifically DMC No. 2011-01 or the Guidelines and Procedures in the Implementation of the NGP provide:

Section 6. Maintenance and protection. With Appropriate assistance from DA, DAR, DENR, DSWD, LGUs and other government agencies and instrumentalities, and the private sector, the members of POs concerned shall be primarily responsible for the maintenance and protection of the established plantations.

Based on our understanding, the POs involved in Section 6 are those holder of existing tenurial instrument with the DENR, such as the Community-Based Forest Management Agreement (CBFMA) wherein the local community, represented by a people's organization as managers, for a specific period of time is allowed to develop, **utilize** and manage a small tract of forest land consistent with the principle of sustainable development.¹

Considering that NGP Projects are capital investments or properties of the government, which are accounted for in the DENR books of accounts under the *Land Improvements, Reforestation Projects and Construction-in-Progress – Land Improvements*

¹ Section 1, paragraph 1.6 of E.O. No. 23

considering that expenditures for this program were charged to the allotment released for Capital Outlay, but the NGP tree plantations were established in tenured areas, may we be clarified on following:

1. How did the utilization/harvesting activities of trees on the said NGP reforestation projects by the POs accounted for in the books of accounts of the DENR? Where the proceeds of the cut trees go?
2. What will happen to the recorded *Land Improvements (LI), Reforestation Projects and Construction in Progress (CIP)– Land Improvements* in the books of accounts of the DENR if the holder of the tenurial agreements harvested the trees on the basis of the provisions in the CBFMA?
3. What is the criteria laid down by the DENR on the principle of sustainable development under the definition of CBFMA on the phrase "*is allowed to develop, utilize and manage a small tract of forest land consistent with the principle of sustainable development*"?

Further, **Section 2 of DENR MC No. 2013-06** specifically provides for **Potential areas for plantation development**. It states that:

"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 people's organizations/indigenous communities. The minimum area shall be 100 hectares and maximum of 1,000 hectares contiguous or clustered within the Municipality as identified by the DENR."

However, the data provided to us showed various NGP Tree Plantations established within tenured areas, please apprise on the deviation and possible negative outcome:

1. What is the basis for establishing tree plantations within tenured areas considering that it contradicts to the above-cited provision?
2. What will happen to the recorded amounts of government investments/assets under *LI, Reforestation Projects and CIP – Land Improvements* when the NGP tree plantations are harvested by the POs on the basis of the CBFMA?


In our opinion, the tenured areas are not degraded/denuded lands because per CBFMA, the holder of the instrument is allowed to develop the forest land consistent with the principle of sustainable development. Otherwise, said PO abandoned the tenured lands. If the tenured land are abandoned, it is but proper to cancel the tenurial instrument before said area can be used for NGP projects.

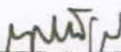
Are the tenured instruments of those areas used to establish NGP Tree Plantations cancelled prior to the establishment of the NGP Project?

We appreciate very much if you could answer our query and provide us the above-mentioned clarification, within **three (3) days from receipt hereof**. Please email at denrlcoa@gmail.com, ashley72702@yahoo.com and maodtojan1963@gmail.com.

Thank you.

Very truly yours,


VIOLAT Q. MOLINA
Audit Team Leader


MARITES A. ODOJAN
Supervising Auditor

MAO/VQM
Maintenance and Protection under DMC 2011-01



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NOV 23 2021

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VIOLY Q. MOLINA
Audit Team Leader



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SUBJECT : **ENGP/NGP PROGRAM DESIGN**

Dear **Supervising Auditor Odtojan** and **Audit Team Leader Molina**,

Greetings!

This has reference to your Letter addressed to the DENR Secretary dated 9 November 2021 regarding the Program Design of the NGP, and the Maintenance and Protection Plan upon turn-over to the DENR.

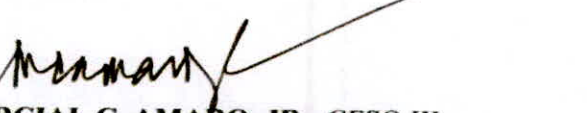
As part of our response Letter dated 1 October 2021 on the above-cited subject, we have submitted the approved DENR Operational Planning Guidelines by year from 2015 to 2021 which includes the NGP implementation. The guidelines encompass the implementation and activities included in the NGP for the particular year which include: (1) Survey, Mapping and Planning (SMP), (2) Seedling Production, (3) Plantation Establishment, and (4) Monitoring of ENGP.

In relation to the Maintenance and Protection Plan of NGP upon turn-over to the DENR, it shall be noted that the NGP sites will be subjected to appropriate management arrangement/tenurial instrument for sustainability purposes considering that winning interested parties shall develop the area for 25 years, subject to renewal of tenure for another 25 years. Each tenurial instrument shall follow the existing guidelines governing its implementation with the inclusion of the plans for maintenance and protection, and monitoring of the project awarded with tenure/management arrangement. The DENR ensures that the project, upon turn-over, shall still be monitored in accordance with existing rules and regulations.

As a way forward, the DENR will take cognizance of the inclusion of the crafting of the ENGP Program Design to its activities for FY 2022 that will include the overall conceptual framework of the Program, as well as the remaining targets to be accomplished for the forthcoming years.

Thank you.

Very truly yours,



MARCIAL C. AMARO, JR., CESO III
*Assistant Secretary for Policy, Planning and
Foreign Assisted and Special Projects, and
Director, in concurrent capacity*

Copy furnished:

*The Secretary
The Undersecretary for Field Operations and Environment*



Republic of the Philippines
COMMISSION ON AUDIT
NGS Cluster 8 – Agriculture and Environment
NCR Audit Group C & D
Department of Environment and Natural Resources
Visayas Avenue, Quezon City

November 9, 2021

Secretary ROY A. CIMATU
Department of Environment and Natural Resources
Visayas Ave., Diliman, Quezon City

Dear Secretary Cimatu:

In connection with your compliance on October 1, 2021 through Assistant Secretary Marcial C. Amaro Jr. on the submission of the Project Design of National Greening Program (NGP) and Enhanced NGP which we requested on September 13, 2021, we noted the following:

1. The Logical Framework for the Enhanced NGP was not duly approved by the Head of the Agency or his authorized representative as it was only presented during the Workshop on the Development of Theory of Change (TOC) for the Expanded NGP Monitoring and Evaluation Framework on May 3-4, 2018 at Sequia Hotel, Quezon City.
2. The submitted Logical Framework and the unsigned/unapproved NGP Monitoring and Evaluation Plan were dated May 27, 2016, which shows that it only started in CY 2017.

Hence, it does not conform to the Program Design for the NGP that we wanted. Per our understanding, the Program Design at the strategic level should have been prepared before the commencement of the program implementation as it contains the conceptual frame and the vision for the program towards achieving the desired outcomes.

We further request that we will also be furnished with a copy of the **NGP maintenance and protection plan** for the NGP at the point after the NGP projects are turned-over to the DENR.

We appreciate **submission of your response on the above request within five (5) days from receipt hereof.** Please email at denr1coa@gmail.com, ashley72702@yahoo.com and maodtojan1963@gmail.com

Thank you.

Very truly yours,


VIOLAY Q. MOLINA
Team Leader


MARITES A. ODOJAN
Supervising Auditor