

**DENR Memorandum Circular**  
**No. 99-17**  
**June 02, 1999**

**SUBJECT : Guidelines on the Conduct of Monitoring and Evaluation (M & E) of Forestry Sector Projects Under Loan II.**

Pursuant to the provisions of Executive Order No. 263 and DENR Administrative Order No. 96-29, the Department shall adopt and implement community-based forest management (CBFM) strategy to ensure the sustainable development of the country's forest lands. One of the Programs under CBFM is the Forestry Sector Project (FSP) being implemented by the Department through Loan Agreements between the Asian Development Bank (ADB) and the Overseas Economic Cooperation Fund of Japan (OECF) and the Government of the Republic of the Philippines. Pursuant to these Agreements, the following guidelines are hereby adopted for the conduct of Monitoring and Evaluation (M & E) of the community-based Forestry Sector Projects:

**Section 1 BASIC POLICY**

It is the policy of the government to enlist the broadest spectrum of participants in the development, conservation, management and utilization of forests and forest resources. Likewise, the agreement under the FSP is to engage the services of Non-government Organizations (NGOs) in the monitoring and evaluation of the accomplishments and benefits of the project. This is also to provide greater sectoral participation and independent outlook towards implementation efficiency and impacts of the projects.

## **Sec. 2 OBJECTIVES**

The following are the objectives of these guidelines:

- a. To verify the actual accomplishments of the project;
- b. To monitor project benefits and impacts;
- c. To provide independent analysis of overall project implementation efficiency; and
- d. To provide valuable inputs and recommendations towards policy formulation, project planning and needed improvement of project implementation.

## **Sec. 3 DEFINITION OF TERMS**

To provide consistent interpretation of terms and acronyms used in this Memorandum Circular, the following words are hereby defined:

- a. Assisting Organization (AO) – refers to a non-government organization (NGO) contracted by DENR to conduct community organizing in Forestry Sector project (FSP) sites.
- b. Cooperative Development Authority (CDA) – refers to a government agency that handles organizational, recognition and development of cooperatives
- c. CENRO – refers to the Community Environment and Natural Resources Office
- d. CO – Community Organizing
- e. CONTRACT – refers to the agreement entered into by and between the DENR and another party for the conduct of M & E contract by the Department
- f. CONTRACTOR - - an NGO which has been awarded an M & E contract by the Department
- g. CSD – refers to the Comprehensive Site Development activities generally contracted to the POs. This covers the development of the approved area through reforestation, agroforestry, assisted natural regeneration, etc.

- h. DEPARTMENT OR DENR – refers to the Department of Environment and Natural Resources
- i. DOLE – Department of Labor and Employment
- j. FSP – the Forestry Sector Project funded by the Asian Development Bank (ADB) and the Overseas Economic Cooperation Fund (OECF) of Japan
- k. LGU – Local Government Unit
- l. M & E – refers to the monitoring and evaluation
- m. NFDO – the National Forestation Development Office based at DENR Central Office in charged of coordinating the activities of all FSP subproject sites, nationwide
- n. NGO – refers to a private non-profit and voluntary organization which are committed to the task of socio-economic development and established primarily for services
- o. PENRO – refers to the Provincial Environment and Natural Resources Office
- p. POs – refers to People’s Organization established primarily to conduct CSD activities in approved FSP subproject sites and who shall be the beneficiaries of CBFM projects and manage them in the long term
- q. RED – refers to the Regional Executive Director
- r. RTD – refers to the Regional Technical Director for Forestry
- s. SEC – Securities and Exchange Commission
- t. SECRETARY – Secretary of DENR
- u. TECHNICAL CAPABILITY – refers to the competence of a prospective contractor to handle and sustain contracted activities as reflected in their track record, current manpower and financial liquidity
- v. UNDERSECRETARY OR USEC – the Undersecretary for Field Operations

#### **Sec. 4 QUALIFIED CONTRACTORS**

The following entities are qualified to apply as contractors for monitoring and evaluation of subproject sites under the FSP:

4.1 An NGO with juridical status which is registered under the SEC, DOLE and/or the CDA and are classified under the following:

- a. Academe-Based Organization
- b. Professional organization
- c. PO-based cooperatives
- d. Other non-profit organizations concerned with environmental and social issues

4.2 Known to be with integrity and commitment to environmental, social and community development issues.

4.3 Accredited by the DENR Regional Office concerned.

4.4 NGOs based in the region where the project site is located is preferred especially with the added good track record as an organization in similar or related projects; having adequately-trained manpower and with sufficient financial resources; and

4.5 Technical capable in implementing the M & E requirements.

## **Sec. 5 M & E NOTICE OF BIDDING**

The concerned Regional Office shall publish a notice of bidding or invitation for M & E services for particular subproject areas under its jurisdiction for three (3) consecutive days in at least three (3) newspapers with regional circulation (may include papers with national circulation). This shall be accompanied by announcements posted in conspicuous places within the Regional and DENR field office premises, and the municipalities where the subprojects are located.

## **Sec. 6 REQUIREMENTS FOR APPLICATION**

The following are required when applying for an M & E contract:

- 6.1 An application letter for M & E of a particular project site shall be submitted to the Regional Executive Director (RED), attention The Regional Selection Committee, not later than two (2) weeks after the last publication date of the bidding notice;
- 6.2 NGO profile to include SEC Registration, name and address of organization, name of officers, board members and stockholders, financial statement, statement of its track record in implementing similar or related projects, and list and *curriculum vitae* of current technical and other support staff who will implement the M & E.
- 6.3 Certifications of good community standing from at least two of the following:
  - 6.3.1 Head of local religious organization
  - 6.3.2 LGU officials such as, the mayor, governor, etc.
  - 6.3.3 Head of local civic group
  - 6.3.4 Head of academic/research institutions

The NGO shall get the certification from an organization different in category from their own.

- 6.4 Other information/documents which may help the NGO show proof of their capability or relative advantage in handling the project (Optional).

## **Sec. 7 SELECTION AND AWARDING OF M & E CONTRACTS**

Consistent with the existing policies and guidelines on awarding service contracts as stipulated in Section 6.0 of MC No. 20, Series of 1992, the following additional specific procedures shall be observed in selecting the NGOs for M & E contract activities:

- 7.1 The Regional Selection Committee which shall be composed of the following:

Chairperson - Regional Technical Director  
Members - PENRO Concerned  
                  CBFM Head or FRDD Head  
                  CENRO Concerned  
                  Regional NGO Desk Officer  
                  PO Representative

Shall evaluate the applications and notify the **top three (3) qualifier**. The top three qualifiers shall be invited to visit the site and shall submit detailed project proposal not later than 15 days after the site visits.

7.2 The committee shall evaluate the proposals and select the most qualified NGO.

7.3 The committee shall notify the selected NGO for contract signing.

## **Sec. 8            PREPARATION AND SIGNING OF CONTRACT**

The RED shall prepare an M & E contract within three (3) working days after having notified the chosen NGO. This shall be reviewed by the NGO and referred to the Office of the RED within three (3) working days. The RED, as the representative of the DENR, shall approve all M & E contracts. A pro-forma contract is provided in **Annex A** of this Order.

## **Sec. 9            DURATION OF M & E CONTRACTS**

Under the OECF-funded component of the FSP, the contract shall be valid for a maximum of one and half (1 ½) years while for the ADB funded component, the contract shall be valid for a maximum of three (3) months only. The contractors are required to submit their M & E report three (3) months after receipt of notice to proceed and every quarter, thereafter. For ADB sites, all reports shall be submitted not later than October 30, 1999.

## **Sec. 10 NOTICE TO PROCEED**

The RTD, as authorized by the RED, shall issue a notice to proceed within five (5) working days after signing have been completed.

## **Sec. 11 THE MONITORING AND EVALUATION SYSTEM**

For FSP-subproject areas, the DENR adopts a new M & E System described as follows:

- 11.1 The Contractor shall locate and verify on the ground the project boundaries, UTM's and corner/block markers.
- 11.2 The Contractor shall conduct a 10% systematic sampling (strip sampling method) of all developments accomplished by the PO. The sampling design is shown in **Annex B** of this Memorandum Circular.
- 11.3 A 10% sampling intensity for seedling height evaluation of all tree-based project components shall be conducted.
- 11.4 Other physical accomplishments, such as, graded trails, bunkhouses, fire look-out towers and other structures shall also be inspected and evaluated with respect to DENR standards.
- 11.5 The Contractor shall conduct a monitoring and evaluation survey of various environmental and socio-economic impacts of the subproject based on **Annex C** of this Memorandum Circular.
- 11.6 The Contractor shall analyse the project organization, budget flow and the financial management systems and correlate these with the efficiency of overall project implementation.
- 11.7 The Contractor shall submit a comprehensive and detailed report of its M & E activities and a financial report of its overall findings and evaluation at the end of the contract period. The outline of the report is provided in **Annex D**.

- 11.8 The Contractor shall field adequately-trained technical personnel during the peak survey periods to accomplish the data gathering requirement. Among the technical manpower needed in these surveys are:
- a. licensed geodetic or civil engineer;
  - b. licensed forester;
  - c. livelihood and community/household economics specialist;
  - d. social forestry/community development specialist
  - e. trained enumerators
- 11.9 The PO and the DENR representative shall accompany the M & E Team during the actual field works. The Contractor shall initially present the results of the evaluation of the DENR, PO and AO (if its contract is still in force) to validate/review its findings before the report is finalized. The PO and DENR representatives shall sign the report to confirm their participation whenever they join the team. (PO and DENR representative's expenses shall be charges to their respective offices).

## **Sec. 12 ORIENTATION AND TRAINING**

The NFDO shall conduct orientation and training on the new M & E System for concerned DENR personnel and members of prospective NGO Contractors in coordination with the DENR Regional Offices. The prospective NGOs shall provide the funds for the cost required for training their personnel.

## **Sec. 13 COST OF M & E ACTIVITIES**

- 13.1 The cost ceiling for monitoring and evaluation of FSP-OECF Subproject is ₱ 1,045.00 per hectare with a maximum of three passes (based on the actual area developed) broken down as follows:



|   |                    |
|---|--------------------|
| <b>13.1.1 Physical Accomplishments</b>  | <b>- ₱ 745.00</b>  |
| a. Verification of Boundaries, UTM<br>Monuments and Block Corner Post   | - 15.00            |
| b. Seedling Production Inventory/<br>Analysis   | - 25.00            |
| c. 10% systematic sampling<br>(3 passes, ₱ 200/pass)  | - 600.00           |
| d. Height Measurement (3 passes,<br>₱10/pass)   | - 30.00            |
| e. Other Activities (Inspection of<br>Infrastructures and other support<br>activities) (3 passes, ₱ 25/pass)  | - 75.00            |
| <b>13.1.2 Organizational/Institutional/<br/>Financial Analyses and Economic<br/>And Environmental Impacts</b> | <b>- 200.00</b>    |
| <b>13.1.3 Project Management (Analysis and<br/>Report Writing)</b>  | <b>- 100.00</b>    |
| <b>T O T A L</b>  | <b>- ₱1,045.00</b> |

13.2 For ADB funded FSP subprojects, the ceiling cost for monitoring and evaluation is ₱ 445.00 per hectare for one pass (based on final target), broken down as follows:

|  |                   |
|--|-------------------|
| <b>13.2.1 Physical Accomplishments</b>                                 | <b>- ₱ 300.00</b> |
| a. Verification of Boundaries, UTM<br>Monuments and Block Corner Posts | - 25.00           |
| b. Seedling Production Inventory/<br>Analysis                          | - 200.00          |
| c. 10% systematic sampling<br>(one pass at ₱ 200)                      | - 200.00          |

|   |            |               |
|---|------------|---------------|
| d. Height Measurement (one pass at ₱25)   | -          | 25.00         |
| e. Other Activities (Inspection of Infrastructures and other support Activities) (one pass, ₱ 25)     | -          | 25.00         |
| <b>13.2.2 Organizational/Institutional/ Financial Analyses and Economic And Environmental Impacts</b> | <b>-</b>   | <b>75.00</b>  |
| <b>13.2.3 Project Management (Analysis and Report Writing)</b>  | <b>-</b>   | <b>70.00</b>  |
| <b>T O T A L</b>  | <b>- ₱</b> | <b>445.00</b> |

13.3 For ADB subprojects, the contractor may monitor a number of separate individual small subprojects up to a maximum total area of 1,000 hectares.

13.4 In the event that there are no bidders for the M & E of ADB subprojects, the region shall undertake the M & E by administration following the same technical procedure. This will serve as the final validation of the subprojects. The NFDO shall be informed of this development for the necessary realignment of funds.

#### **Sec. 14 MOBILIZATION FUND**

The Contractor shall be provided a mobilization fee (MF) of not more than fifteen (15) percent of the first year cost of OECF funded subprojects while for ADB, the MF shall not be more than fifteen (15) percent of the total contract cost upon signing of the contract. This shall be deducted from the Contractor's periodic payments the amount of which shall be proportionate to the progress payments.

**Sec. 15 SCHEDULE OF M & E**

- 15.1 The first monitoring and evaluation of each subproject shall be conducted not later than 2 years before the expiration of the CSD contract. The second M & E shall be conducted not later than 15 months before the expiration of the CSD contract and the final M & E shall be conducted not later than six months before the expiration of the CSD contract.
- 15.2 In cases where the CSD contract has been completed more than two (2) years earlier, the frequency of undertaking the M & E activities shall be reduced, accordingly.

**Sec. 16 RETENTION FEE**

Fifteen (15) percent of the total contract cost shall be retained as Retention Fee. This shall be paid upon completion of the requirements under Section 18 of this Circular stipulating Schedule of Payments.

**Sec. 17 SCHEDULE OF PAYMENTS**

The following schedules shall be observed for billing and payment purposes:

**17.1 OECF – Funded Subprojects**

- 17.1.1 First Payment – upon submission and acceptance of the First Report
- 17.1.2 Second Payment – upon submission and acceptance of the Second Payment
- 17.1.3 Final Payment – upon submission and acceptance of the Final Report
- 17.1.4 The Retention Fee shall be paid after the contractor has submitted a comprehensive report of the over-all findings on the implementation of the subproject.

## 17.2 ADB – Funded Subprojects

17.2.1 The single payment shall be made upon the submission and acceptance of the Final Report.

17.2.2 The Retention Fee shall be paid after the contractor has submitted the comprehensive report of the overall findings on the implementation of the subproject.

### **Sec. 21 SUPPLEMENTAL RULES AND REGULATIONS**

The Undersecretary, on his own initiative or upon the recommendation of the Program Director of NFDO and/or the RED, shall formulate supplemental rules and regulations as may be necessary, to effectively carry out the objectives of this Memorandum Circular.

### **Sec. 22 TECHNICAL AND OTHER ASSISTANCE**

The concerned Regional Office shall provide the Contractor the necessary technical assistance and relevant information for the smooth conduct of monitoring and evaluation. Moreover, the AO and the PO shall provide relevant reports and other information as may be required by the M & E Team for the objective evaluation of the progress of the project.

### **Sec. 23 REPEALING CLAUSE**

The provisions of any administrative order, memorandum, circular and related DENR issuances which are inconsistent with this order are hereby repealed or are amended, accordingly.

**Sec. 24 EFFECTIVITIY**

This order shall take effect immediately.

**(Sgd.) ANTONIO H. CERILLES**  
Secretary

Note: Annexes omitted