

**DENR Memorandum Circular
No. 2000-19
September 04, 2000**

SUBJECT : Guidelines Governing The Updating Of Cost Estimates And Intensification Of Plantation Maintenance and Protection Activities For DENR-FSP Watershed Subprojects Under JBIC Funding.

Pursuant to Department Administrative Order 96-29 providing for the rules and regulations for the implementation of Executive Order 263 otherwise known as "Community-Based Forest Management (CBFMS) Strategy" and the thrust of the Department to improve implementation of all CBFM programs under the Forestry Sector Project (FSP), the following guidelines for the update of Watershed Subproject cost estimates under the Japan Bank for International Cooperation (JBIC) funding are hereby adopted:

SECTION 1. BASIC POLICY

It is the policy of the Department to ensure the efficient and effective implementation of all its foreign-assisted and special programs and projects. However, two constraining factors identified are the outdated cost estimates being used and the relatively low, intensity of maintenance and protection activities resulting to poor project output and plantation performance. It is, therefore, the policy of the department to update the cost estimates and intensify plantation

maintenance and protection activities to improve project implementation.

SECTION 2. OBJECTIVES

The following are the objectives of these guidelines:

- a. to update the cost estimates of Comprehensive Site Development (CSD) activities based on prevailing costs and prices;
- b. to improve the quality of forest plantations; and
- c. to revise the approved Annual Work and Financial Plan based on the updated cost estimates.

SECTION 3. COVERAGE

This Circular applies to all JBIC-funded Watershed Subprojects being implemented under the Forestry Sector Project. The herein guidelines shall also apply to all watershed programs and projects of the Department subject to the concurrence of the respective Project Management Offices/Units and/or funding institutions concerned.

SECTION 4. UPDATE OF COST ESTIMATES AND INTENSIFICATION OF MAINTENANCE AND PROTECTION ACTIVITIES

The updated cost estimates shall be the new standard costs to be used in the implementation of CSD activities. Among the new standard/ceiling costs are as follows:

CSD COMPONENT	SPACING	TOTAL COST
Reforestation	2 x 3	43,146
	5 x 2	33,267
	4 x 4	21,907
Agroforestry, mango w/ Fuelwood	10 x 10 2 x 2	29,945
Pure Agroforestry	4 x 4	23,580
Assisted Natural Regeneration (ANR)	5 x 5	19,837
Bamboo (Nursery Raised)	5 x 5	24,865
Enrichment Planting	5 x 5	13,202
Rattan	5 x 5	16,489
Timber Stand Improvement (TSI)	5 x 5	8,659

Note: The details of these updated cost estimates for different CSD component activities are provided in Annex A (Tables 1-11) of this Circular. A detailed explanation for the update of cost estimates is also provided in Annex B as attached.

The standard cost estimates uses an average labor wage rate of P170.0/manday. Each Region is required to use the prevailing minimum wage rate for plantation labor in their respective localities as determined by the Regional Wage Board or the Regional Office of the Department of Labor and Employment (DOLE). The standard/ceiling costs indicated above should be considered as the maximum costs and therefore the Regional computation must therefore not exceed the amount as indicated in each activity/component. Details for updated cost estimates for each component are shown in Annex A and procedures for each computation are contained in Annex B (hereto attached).

All people's organizations (POs) implementing JBIC-funded watershed subprojects with the assistance of the Regions, shall intensify and improve quality of maintenance and protection activities for all their plantations as necessary to ensure plantation success. Among these activities are:

- a. ring weeding and cultivation;
- b. replanting;
- c. fertilization; and
- d. patrol works to include general monitoring, surveillance and other protection activities

The adoption of the updated cost estimates and intensification of plantation maintenance and protection activities would require revision of the CY 2000 annual work and financial plan (AWFP).

SECTION 5. TRANSITORY PROVISIONS

The Regions may issue memoranda and specific instructions to its field units and personnel pursuant to this **Circular**. In cases where there are conflicting interpretations or vague understanding of the provisions of this Circular, the parties concerned are hereby instructed to seek clarification from the Central Office through the National Forestation Development Office (NFDO) or concerned PMO before applying such provisions such clarification shall be referred to appropriate legal body for official interpretations.

SECTION 6. REPEALING CLAUSE

All CSD cost estimates provided under DENR Memorandum Circulars No. 11, Series of 1989 (Implementing Rules and Regulations of Reforestation Contracts), No. 19, Series of 1989 (Additional Guidelines on Timber Stand Improvement in Dipterocarp Forests), No. 04, Series of 1990 (Updating of Cost Estimates for Reforestation Contracts and Providing Guidelines for Implementing Cost-Saving/Low Cost Approaches, Scheduling Disbursements and Establishing Duration of Contracts), DENR Administrative Order No. 31, Series of 1991 (Revised Guidelines For Contract Reforestation), and all others inconsistent herewith are hereby amended, modified or updated accordingly.

SECTION 7. EFFECTIVITY

This Circular shall take effect immediately.

(Sgd.) ANTONIO H. CERILLES
Secretary