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EnterpriseWorks Worldwide and EnterpriseWorks Worldwide/Philippines  
Annual Report**

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**Project Period: September 30, 2001 – September 30, 2006**

**Reporting Period: October 1, 2002 – September 30, 2003**

## Introduction

The “Capacity Building for the Community Based Forest Management (CBFM) Project”, implemented by EnterpriseWorks Worldwide (EWW), was amended in 2003 to extend the project period until September 2008 and add/expand activities to better address the threats to biodiversity. A more explicit learning component was also added. The overall goal of the amended project is to:

- 1) bring 300,000 hectares under effective management (up from 225,000) in Region 2 and Palawan already in the CBFM Program (a national land tenure program administered by the Philippine Department of Environment and Natural Resources) and
- 2) build a sustainable mechanism within the CBFM province level federations for providing CBFM resource management services that conserve biodiversity while providing for sustainable economic activities.

## Progress on Year Two Work Plan

Overall the project made good progress in year two with all planned activities on track or completed. Table 1 give an overview by each objective and activity and Table 2 summarizes the major activities and accomplishments vis-à-vis the project’s goals and objectives.

**Table 1 – Activity Status for Year Two**

Activity Number	Activity Title	Status*
<b>Objective 1 – Disseminate results of baseline assessments to Region 2 and Palawan CBFM PO Federations</b>		
1.a	Present and validate analysis of tabulated baseline data to Region 2 Federations and multi-sectoral task force	Completed
1.b	Finalize Palawan data analysis incorporating inputs from results of year one activities	Completed
1.c	Finalize Region 2 data analysis incorporating inputs from results of activity 1.a	Completed
1.d	Continue coordination with Conservation International (CI) and Eco-Governance Program for project integration	On Track
<b>Objective 2 – Institutionalize the Multi-Sector Task Forces and continue training programs</b>		
2.a	Formalize Palawan Multi-Sectoral Task Force	Completed
2.b	Prioritize and implement training activities for Palawan Task Force	On Track
2.c	Formalize Region 2’s four Multi-Sectoral Task Forces (one per Province)	On Track
2.d	Prioritize and implement training activities for Region 2 Task Forces	Ongoing
<b>Objective 3 – Undertake capability building activities for Federations and CBFM members</b>		
3.a	Prioritize CBFM areas in Region 2 and Palawan	Completed
3.b	Implement training programs for Palawan	On Track
3.c	Implement training programs for Region 2	On Track
<b>Objective 4 – Do monitoring, adaptive management and replication promotion</b>		
4.a	Continue biological assessment (including threats reduction tool) and monitoring in Palawan and Region 2	On Track
4.b	Affirmation/Approval of CBFM paperwork requirements	On Track
4.c	Document progress of CBFM POs gaining improved and effective management status	On Track
4.d	Cross visits to other successful CBFM sites	Completed
4.e	Attend annual GCP meeting to learn from other GCP partners	Completed

\*Status may include activities that are Completed, On-track, Delayed, Mixed Performance, or Canceled.

**Table 2: Year Two Goal and Objectives Vis-à-Vis Major Accomplishments  
Highlights – October 1, 2002 – September 30, 2003**

<b>Year Two Goal Movement Toward Effective Management</b>	<b>Year Two Achieved Movement Toward Effective Management</b>
130,000 hectares (cumulative) within 5 Federations	<ul style="list-style-type: none"> <li>• 190,935.16 hectares covering 73 sites in Region 2</li> <li>• 56,250.22 hectares covering 28 sites in Palawan</li> </ul>
<b>Year Two Objectives</b>	<b>Major Accomplishments</b>
1) Disseminate results of baseline assessments to Region 2 and Palawan CBFM PO Federations	<ul style="list-style-type: none"> <li>• Completed assessments for 73 sites (67% sampling) in Region 2 &amp; 24 sites in Palawan (80% sampling)</li> <li>• Presented Palawan assessment findings to the Provincial CBFM Technical Working Group/Task Force and the members of the Palawan Federation of CFMA/CADC Holders Cooperative on January 22, 2003</li> <li>• Presented regional findings to the Regional CBFM-PO Assembly attended by CBFM POs in Sierra Madre, DENR officials from Central to field offices, and NGOs (September 29-30, 2003)</li> <li>• Presented Cagayan assessment findings to the Provincial Task Force (Cagayan Council for Sierra Madre Biodiversity Corridor or CCSMBC, August 13, 2003) and the Cagayan Provincial PO Federation (United Cagayanos Movement for Sustainable Environment and Economic Development or UCMSEED on August 19).</li> </ul>
2) Institutionalize the Multi-Sector Task Forces and continue training programs	<ul style="list-style-type: none"> <li>• Creation and Formalization of the Provincial Technical Working Group/Task Force (PFCBFMTWG/TF) through the Executive Order No. 8, signed by the Provincial Governor on October 10, 2002, “An order creating the PCBFM/TF for Palawan, providing for its composition, functions and operations”</li> <li>• Signing of MOU between the PCBFM TWG/TF and the PFCBFMA/CADCHC on March 3, 2003, to formalize the commitment and support of each TWG members to the Palawan Federation in the CBFM project implementation.</li> <li>• Formalization of the CCSMBC through a MOA among the stakeholders in Cagayan. Signing of the document was undertaken on August 13, 2003 during the 5<sup>th</sup> regular meeting of the CCSMBC. The Governor, who chairs the CCSMBC, has passed an Executive Order that further institutionalizes the Provincial Task Force.</li> <li>• Signing of the MOA among stakeholders in Quirino for “Strengthening the CBFM Multi-Sectoral Collaboration, and Creating a Foundation for Cross-Sectoral Services in the Province of Quirino.” The document aims to sustain CBFM in the province and improve resource use in terms of personnel and budget allocation.</li> </ul>
3) Undertake capability building activities for Federations and CBFM members	<ul style="list-style-type: none"> <li>• Trainings on organizational, resource and financial management carried out for the five provincial federations. Complete list of trainings held available upon request. All training activities as planned are on track.</li> </ul>

Year Two Goal Movement Toward Effective Management	Year Two Achieved Movement Toward Effective Management
4) Do monitoring, adaptive management and replication promotion	<ul style="list-style-type: none"> <li>• Introduced threats tool and biological monitoring to a wider audience (POs, DENR, LGUs, NGOs) in Region 2 and in Palawan.</li> <li>• Prepared community maps reflecting threats for CARAMPCO, ATO, IAAV, AAFDC, BAFDA, GESCI in Region 2 and MMPC, SMFMPC, NSCFMPC, SMPC, NZISFBMPC in Palawan.</li> <li>• Incorporated biological monitoring plans in Community Resource Management Framework (CRMF)/ Annual Work Plan (AWP) preparations for AAFDC, NZISFBMPC, SMPC, NSCFMPC, CMPC &amp; CADC-Cabayugan.</li> <li>• Initiated discussions on individual property rights (IPR) in AAFDC, CFPCI, QSEED – BCFDC, CVRDPF – Region 2 and in Palawan initiated discussions on the issuance of ISF and Certificate of Stewardship Contract (CSC) among members of NSCFMPC</li> <li>• Contributed Baseline Assessment tool for adoption by the Multi-Sectoral Ad Hoc Committee in assessing CBFM areas under resource use permit (RUP) suspension order.</li> <li>• Palawan-included the Baseline Assessment tool in the list that the PFCBFM will use to formulate its own M&amp;E tool that should be used officially for the CBFM.</li> </ul>

\*All acronyms that are not spelled out are names of CBFM groups.

### Success Stories

The main achievements of the first two years were raising the profile for the need to:

- 1) address threats to biodiversity in a more coordinated manner (i.e. communities, NGOs, and government working together) and,
- 2) continue to strengthen the CBFM mechanism and enforce forest use rules.

The stakeholders are now meeting on a regular basis, greater enforcement (coupled with need to provide higher quality CBFM services) is recognized by the government as a higher priority, and communities are receiving skills to better manage the resource base. The two success stories below (one from Palawan and one from Region 2) illustrate how in year two the project made good progress in these areas.

#### 1) Resource Use Permit (RUP) Suspension and EWW's Role on the Assessment Team

DENR Region 02 started issuing RUPs in 1997, initially benefiting about 20 People's Organizations, with a combined harvested volume of 14,692.86 cubic meters of timber, 862,285 linear meters of rattan, and 50,000 polls of *boho*. Sadly, after almost three years of implementation, particularly in (timber) extraction activities or RUP-related activities, reports and allegations of abuses by some POs came out incessantly. One immense abuse of a CBFM-PO was published January 12, 2003 by a national paper, unveiling the illegal logging activities of Zion Multi-Purpose Cooperative (Zimafulco) in Sarangani

province. (*article available upon request*). EWW had also been exposing and putting pressure on CBFM groups that were mismanaged as well as local official and DENR official that were aiding and abetting the illegal activities. EWW has also sought media exposure to bring national level attention to the issue. This, and other reported abuses in other regions and NGO-published articles questioning the negative practices in PO harvesting, triggered an immediate nationwide suspension of all Resource Use Permits (RUPs) by Secretary Elisea Gozun.

While this was a controversial move, it was intended by the DENR to assess where CBFM groups need assistance and restart the RUP mechanism with only groups that can effectively manage the forests. Unfortunately a few CBFM groups that were into extensive illegal operations were tainting the entire CBFM program effort. But they were not doing it alone and had help from various rogue officials. Suspension of the RUP was intended as a kind of “time out” to stop the bad behavior, assess where more support is needed, and phase back in the best performing CBFM areas.

Secretary Gozun in her letter to all DENR Regional Executives dated 17 February 2003 she said:

*“It is indeed urgent to institute appropriate measures to stop the alleged abuses in the processing and affirmation of RUPs and strengthen the implementation of the CBFM strategy. At the same time, it is necessary for the DENR to maintain its support for the POs in the CBFM areas. Aside from the environmental concerns, the DENR also needs to facilitate the social and economic activities of the POs. In this connection, you are directed to conduct a thorough assessment of all the RUPs already granted by the CENR Officers under your jurisdiction.”*

The EWW GCP project has been advocating for just such support and lobbying that the CBFM program needs clearer implementation guidelines and support from the top down at DENR. Because of the good working relationship EWW/Philippines has cultivated with the Region 2 DENR official, EWW was invited to be on the assessment team. A documentary report is attached of the events that took place from January 2003 to Present (see attachment 1). Noteworthy are:

### **Transparency and participatory Assessment in Cagayan**

- In the Feb.17-memo, Sec. Gozun specifically ordered the review of the Resource Use Permits (RUPs) of the POs, their performance and compliance with the guidelines of CBFM. She also stressed the collaboration of all concerned LGUs in the evaluation to make it transparent and participative. Hence, the assessment became very unique as it involved all the various stakeholders of CBFM that include the DENR and its provincial offices, concerned Local Government Units (LGUs), NGOs, media, academe, religious group, Philippine National Police, and Philippine Army.
- Aside from the transparent-participative nature of the assessment, it was also noteworthy that it was the first time that all the actors of CBFM program (from government & private sector) came together, shared a common purpose & brought

together each others efforts & resources to achieve the vital objective of the assessment. The CBFM groups assessed did not pass and recommendations have now been drawn up for the POs and DENR to improve. EWW has included these recommendations in its work plan and DENR officials now have a wake up call from the top to improve. It is interesting that there was also a CBFM evaluation, simultaneously done in CARAGA region but it was **solely undertaken by the DENR**. The evaluation led to a positive assessment and the immediate lifting of RUP suspension of said region.

#### **Formulation of the Evaluation Tool (a merit to EWW/P)**

- The assessment process began in the formulation of an evaluation tool. Formats were gathered from the Department of Agriculture (DA) that could serve as basis of PO assessment; however, the DA format only deals with the organizational capacity of a cooperative or association. Hence, the baseline assessment form of EWW/P that was used for the GCP work (that covers all aspects: financial, organizational, technical capacities of POs) was adopted and enhanced for use by the evaluation teams.
- With appreciation to the essential substance & depth of the Evaluation Tool, the DENR Undersecretary for Field Operations issued a memorandum to DENR region 02 on June 20, 2003, asking for the complete documentary procedure of the evaluation tool, **to be used by other regions**. In response, DENR sent the documentary along with the results of the pilot assessment for Cagayan on July 16, 2003.
- Finally, several NGOs, including EWW were recognized by DENR Region 2 for the contributions they have made to improve the CBFM program. A Plaque of Appreciation was given to Susan Naval, Philippines Program Director for EWW that stated “in sincere appreciation of her participation in the implementation of the CBFM by sharing her invaluable ideas and expertise so vital in bringing about well-organized and active POs.” DENR insiders reveal that the plaques were given to NGOs who have provided significant technical and financial assistance for the implementation of the CBFM Program in the Region.

#### **2) Creation of Palawan Provincial CBFM Technical Working Group and MOA signing between the Palawan CBFM Federation (PFCBFM) and the Provincial CBFM Technical Working Group/Task Force (PCBFMTWG/TF)**

Perhaps not an easy set of acronyms, but the parties are working together and have tackled some tough Community-Based Forest Management (CBFM) issues this year. CBFM is a national strategy of the Department of Environment and Natural Resources (DENR) which guarantees tenure in exchange for sustainable forest management by peoples organizations (POs) and the community within the area of coverage. In Palawan, to motivate the people to protect and conserve the resources, commercial activities that use salvaged logs and non-timber forest products are allowed.

In Palawan there are 32 CBFM sites, all of which have been awarded Community-Based Forest Management Agreements (CBFMA). However, a number of these sites still face

problems in acquiring legal documents necessary for them to be able to start with their project implementation (i.e. effective resource management and sustainable use of select products). Conflicting, overlapping, or inactive mandates of various government bodies made it often impossible for even well organized POs to sort out implementation and compliance issues. Without coordination it is almost impossible for each entity to counter the threats to biodiversity.

The need for more effective collaboration between the CBFM holders and the DENR, the local government units (LGUs), and other agencies led EnterpriseWorks Worldwide (EWW) to facilitate the re-organization of the inactive Multi-Sectoral Group under the Global Conservation Program (GCP). Before GCP, there existed a Multi-Sectoral Group for CBFM in Palawan. Organized by the Department of Environment and Natural Resources and the Palawan Council for Sustainable Development Staff (PCSDS) in 1998, it had long been in inactive status. With the start of EWW's Global Conservation Program in Palawan, the Multi-Sectoral Task Force was revived. EWW initiates the re-organization and strengthening of the Task Force's Technical Working Group as it sees the need to have a group dedicated to support the CBFM POs in the implementation of CBFM Program.

- **Provincial Executive Order No. 10**

After a series of meetings with the Multi-Sectoral Task Force, to have its official identity and mandate finalized in a Memorandum of Understanding (MOU), it was the group that decided an executive order would give more long term commitment. The group therefore officially created through the Executive Order No. 10, which was signed by the Provincial Governor Joel T. Reyes, "An Order Creating the Provincial CBFM Technical Working Group/Task Force (PCBFMTWG/TF) providing for its composition, functions & responsibilities and scope of operations.

- **MOU between the PFCBFM & the PCBFMTWG/TF (a.k.a. TWG)**

The members of the Technical Working Group have agreed to work together in implementing project activities dealing with local community activities, thereby avoiding unnecessary duplication of efforts and confusion created by separate activities conducted by each party. The Palawan Federation of CBFMA and Certificate of Ancestral Domain Claim (CADC) holders, on behalf of the 32 POs they represent, has signed a Memorandum of Agreement with the Provincial CBFM Technical Working Group (PCBFMTWG). Commitments and support from the members of the Technical Working Group for the CBFM POs were formalized to:

- provide technical support to the province's development and biodiversity conservation activities of local communities working within the forest areas;
- provide approaches on sustainable livelihood systems; and
- to mobilize the cooperation and support of the various sectors for the implementation of CBFM programs.

Aside from the provision of technical and logistical support to the CBFM communities, the technical working group has a big role in policy and advocacy

concerning CBFM and biodiversity conservation issues. From a long list of complaints and issues in the implementation of CBFM program, the technical working group is already prioritizing and taking action (see list below). Also with the Technical Working Group, proper coordination and good partnership with other concerned agencies is strengthened and established.

- **PCBFMTWG/TF (a.k.a. TWG) Accomplishments**

- ✓ ***Review of Forest Charges on salvaged logs***

Forest Charge levels on lumber products from CBFM areas have been a big issue. With the Technical Working Group intervention, this issue was elevated to the Regional Office of the Department of Environment & Natural Resources for their immediate action. The main complaint is that forest charges are based on recovery rates for healthy standing trees that are harvested using efficient post harvest processing methods. This has been a complaint for years, but never got passed up the chain for review. Now the DENR is looking into the issue.

- ✓ ***Case Study on volume Standard Computation for salvaged logs***

A case study was done to show average lumber recovered from salvaged logs. From this case study the Technical Working Group recommended to the Provincial Environment and Natural Resources Officer (PENRO) of DENR to use the “254 computation” considering that the logs are usually damaged inside. Previously “424 computations” were applied and these were intended for sound logs only.

- ✓ ***CBFM Orientations***

Orientations and information dissemination on CBFM were conducted at the PO and Barangay level for them to better understand the intent of CBFM.

- ✓ ***EWV works with Technical Working Group (TWG) to provide technical services***

With some of the members of the TWG - the Environmental Legal Assistance Center (ELAC), the DENR-PENRO, DENR-Provincial Environmental Management Office, and Community Environment and Natural Resource Officer (CENRO) in each municipality – EWW conducted the following technical trainings:

- Threats Analysis and threat abatement strategies and activities
- Paralegal Trainings,
- Timber & Resource Inventory & Scaling,
- Initial Environmental Examination (IEE) Preparation,
- Community Resource Management Framework (CRMF) & Annual Work Plan (AWP) Orientation & Formulation,
- Forest/Ground Delineation/Survey Using the Old & New Technology & relocation of CBFM area/corners.

- ✓ ***Recommendations ECAN Map related problems***

The use of Environmentally Critical Areas Network zoning (ECAN maps), developed by a Japanese funded project, has become the basis for the development the entire Province of Palawan according to the Palawan Council for Sustainable Development Staff (PCSDS). Palawan is unique in the Philippines in that there are two government bodies that address environment issues, PCSDS and DENR. Prior to reactivation of the TWG by EnterpriseWorks the two organizations' coordination was sporadic. The CBFM program is an area where coordination was lacking. Numerous CBFM areas were awarded to POs by the DENR without consulting the ECAN Maps and the ECAN process did not take into account local inhabitants (e.g. tribal groups) when zoning the land they. Most of CBFM areas are being affected by this, having core zones (i.e. no touch zones) within their areas.

Following the ECAN guidelines, CBFM areas that have core zones must be protected and should not be touched or should be excluded from the total area awarded to the PO. However, the satellite images used to prepare the maps were taken several years ago and are sometimes not correct when it comes to interpretation of the images or the vegetation on the ground. For example some areas have been color coded core, but are actually logged over areas. The ECAN map process also did not go out and find out who has been living in the area and core zones also include tribal groups that have been there for centuries. The project that includes the ECAN map process advocates sustainable development and alleviation of poverty, but only offers eco tourism as an option, something that will not sustain all the CBFM groups. Through the TWG, the ECAN map mandate that PCSDS follows and the CBFM program that DENR implements are seeking rationalization. This is a major step, since most CBFM groups feel caught in the middle and were stuck on having required CBFM paperwork processed since on Palawan PCSDS and DENR signatures are required.

- ✓ ***Palawan Tropical Forestry Protection Programme (PTFPP) Assistance***  
From previous meetings/discussions of the TWG, the PCSDS representative informed the group that the Palawan Tropical Forestry Protection Programme (PTFPP), a special project of PCSDS funded by European Union, shall soon open their extension program. As part of PTFPP's work plan, it will assist in ground delineation of all CBFM and CADC/CALC areas within and adjacent catchments and special focused areas of the programme. This commitment would be a great help to the Federation in the provision of additional technical services for its members.

**Attachment 1**  
**Documentary from Region 2**

**RESOURCE USE PERMIT (RUP) SUSPENSION**  
**January 2003 to present**

***CBFM as a national strategy***

- In July 19, 1995, by virtue of Executive Order (EO) 263 issued by former President Fidel V. Ramos, the Community-Based Forest Management (CBFM) Program was adopted as the national strategy for the sustainable management of the country's forest resources. The essential community-based approach of the program was considered as the last line of defense to save the only 18 per cent remaining forests in the country (DENR, ESSC, 1999).
- Pursuant to EO 263, Administrative Order 96-29 was promulgated in October 1996, setting forth the rules and regulations governing the implementation of the CBFM Program. Thus, the program was implemented in 1997, which resulted to the issuance of 116 CBFM agreements (CBFMAS) in region 02, covering a total forestland area of 274,841.98 hectares.

**DAO-96-29 -RUP issuance**

- One of the policies/requirements before the conduct of any utilization, development activities in the CBFMAs (as per DAO 96-29) is the submission of a Community Resource Management Framework (CRMF) and issuance of the interim resource utilization rights of the CBFMA holders. Hence, the Resource Use Permits (RUPs).
- DENR Region 02 started issuing RUPs in 1997, initially benefiting about 20 People's Organizations, with a combined harvested volume of 14,692.86 cubic meters of timber, 862,285 linear meters of rattan, and 50,000 polls of *boho*.
- Sadly, after almost three years of implementation, particularly in (timber) extraction activities or RUP-related activities, reports and allegations of abuses by some POs came out incessantly.

**RUP-related anomalies by POs**

- One immense abuse of CBFM-PO was published on January 12, 2003 by a national paper, unveiling the illegal logging activities of Zion Multi-Purpose Cooperative (Zimafulco) in Sarangani province. (*please see attached copy of the article*). This, and other reported abuses of other regions and NGO-published articles questioning the negative practices in PO harvesting, has triggered an immediate nationwide suspension of all Resource Use Permits (RUPs) by Secretary Elisea Gozun.

**RUP suspension – Secretary Gozun**

- New to her position, she considered polishing the negative CBFM issues as her main concern. Thus, on January 13, 2003, her first suspension order in a memorandum, deferring all timber-harvesting operations on both forest plantations and natural forests was issued to all DENR Regional Offices. Also stated in the memo is “all existing timber stocks **that have already been harvested** are allowed to be disposed provided that it is **in compliance to certain**

**conditions” stated in the memorandum.** Furthermore, *all* Regional Executive Directors (REDs) were to instruct their field offices to conduct inventories, validation and subsequent monitoring of the disposal of such stocks. (*please see attached copy for your reference*).

#### **Creation of Regional Task Groups (to conduct stock inventory/validation)**

- In compliance with this directive, RED Antonio Principe of DENR region 2 immediately issued Special Order 27 dated January 16, 2003, creating Regional Task Groups in each province (Cagayan, Isabela & Quirino), composed of DENR regional & provincial office personnel, to undertake said inventory and verification. (*please see attached copy of the SO*).

#### **Creation of (first) Multi Sectoral Assessment Team; First region-wide CBFM assessment**

- Immediately after the suspension, Director Romeo Acosta of Forest Management Bureau (FMB) sent a telefax message dated January 17, 2003 to DENR Regional 2 informing that a multi-Sectoral team, created under Special Order 2003-26 would be arriving in the region to conduct an assessment of the implementation of the CBFM strategy. (*please see attached copy of the message*). SO 2003-26 was signed by RED Principe on January 16, 2003, creating the multi-Sectoral assessment team. Hence, the assessment of five POs was done on January 22- 25, 2003.
- The assessment team was composed of DENR Central office and region 2 personnel, Non-Government Organizations (EWW/P, Haribon Foundation, Conservation International, Environmental Science for Social Change, Cagayan Valley People’s Partners for People Empowerment & Development, World Wildlife Fund, Foundation for the Philippine Environment & Sierra Madre Outdoor Club), academe and Media representatives. Six CBFM sites in region 2 were pre-selected for evaluation- 2 in Cagayan, 3 in Isabela, and 1 in Quirino. Forest Management Bureau Vicente Paragas led the assessment activity.

#### **Assessment tool; assessment result**

- Three assessment teams were deployed per province. The discussions used the Assessment Outline provided by the Central Office team as a working document. This outlines the basic information, biophysical profile, and socio-economic profile of the assessment. Another document outlines the PO evaluation to include business and financial management capability, forest area development and management, organizational stability, gender awareness and relations, and PMO relations. The evaluation was done through interviews with the PO officers & members, PMOs; observations using PO documents; inspection of the areas of the PO.

#### **Creation of Adhoc Committee; pilot assessment of Cagayan CBFM Projects**

- With the general findings of the above-mentioned assessment, re: technical, organizational and financial incapacity of POs in implementing the CBFMP, Secretary Gozun issued a memorandum dated February 17, 2003 to conduct a more thorough assessment of all RUP’s already granted by the CENRO Officers under the jurisdiction of DENR Region 2. (*please see attached copy of the memorandum*). Prior to this, a Multi-Sectoral Adhoc Team (which EWW/P was part of) was created in October 11, 2002 thru DENR Special Order #456 signed by RED Principe, which is specifically set to perform activities that aim to improve and

prosper the implementation of the CBFM program. Other members of the committee include the DENR, CENRO, PENRO, NGOs, and members of media, academe.

- In compliance to the February 17-order of the Secretary, a Multi-Sectoral assessment team was immediately created through Special Order 130 dated April 29, 2003, whose members are also from the Adhoc committee.

#### **Disposal of existing harvested timber/logs**

- ❖ Meanwhile, as a follow through to the Secretary's memorandum dated January 13, 2003, a memorandum from Undersecretary Renato de Rueda of Environment & Natural Resources Operations (ENRO) was issued on February 11, 2003 **reiterating** to all Regional Executive Directors (REDs), the permission of disposal of all existing timber stocks that have been already harvested subject to the conditions stated in the January 13 memo of the Secretary. *(please see attached copy of memo)* In connection to this, it further instructed the REDs to submit a memo/circular regarding their conducted inventories and validations to include report of validated inventory and any product allowed for transport, with support documents.
- ❖ In response, on February 18, 2003, DENR region 2 forwarded a memorandum to the Secretary with the attached affirmation documents of AWP and RUPs of some CBFM projects in region 02, including the inventory reports and endorsement documents related to RUP affirmation. *(Inventories & validations were done by the Regional Task Groups mentioned in the 8<sup>th</sup> paragraph of this report)* Furthermore, RED Principe signed a memo addressed to the PENROs and CENROs, containing the guidelines for the disposition of timber/lumber stocks of CBFMAs with RUPs.
- ❖ To ensure the proper compliance with the earlier directives, Secretary Gozun asked compliance report from DENR region 02 regarding RUP suspension and so the latter submitted its January-to-March summary of actions. *(please see attached copy of memo).*

#### **Lifting of RUP suspension for plantation species**

- ❖ And on March 7, 2003, realizing the needs of POs to generate financial capital to support their social, economic and developmental activities, Secretary Gozun issued a memorandum order authorizing the DENR to issue RUPs for the harvesting and utilization of **plantation species** in CBFMAs provided that the **existing regulations and guidelines are strictly followed**. As such, only the POs already granted with CBFMA, CRMF & AWP should be issued with RUPs. On the other hand, suspension of RUP issuance in **natural forests** shall continue in effect & must strictly be complied with. *(please see copy of the memo)*

#### **Transparency and participatory Assessment in Cagayan**

- In the Feb.17-memo, Sec. Gozun specifically ordered the review of the Resource Use Permits (RUPs) of the POs, their performance and compliance with the guidelines of CBFM. She also stressed the collaboration of all concerned LGUs in the evaluation to make it transparent and participative.

- Hence, the assessment became very unique as it involved all the various stakeholders of CBFM that include the DENR and its provincial offices, concerned Local Government Units (LGUs), NGOs, media, academe, religious group, Philippine National Police, and Philippine Army.
- Aside from the transparent-participative nature of the assessment, it was also note worthy that it was the first time that all the actors of CBFM program (from government & private sector) came together, shared a common purpose & brought together each others efforts & resources to achieve the vital objective of the assessment. *(There was also a CBFM evaluation, simultaneously done in CARAGA region but it was **solely undertaken by the DENR**. The evaluation led to the immediate lifting of RUP suspension of said region).*

#### ***Formulation of the Evaluation Tool (one major merit to EWW/P)***

- *The assessment process began in the formulation of an evaluation tool. Formats were gathered from the Department of Agriculture (DA) that could serve as basis of PO assessment; however, the DA format only deals with the organizational capacity of a cooperative or association. Hence, the **baseline assessment form of EWW/P** (that covers all aspects: financial, organizational, technical capacities of POs) was **adopted and enhanced for use by the evaluation teams**.*
- *It took three meetings for the Adhoc committee to polish the consolidated assessment tool and discuss the procedures of the assessment. Ten CBFM sites that have been granted with RUPs on timber and non-timber resources were chosen for evaluation. Thus, on May 6-9, 2003, the multi-Sectoral assessment teams conducted the comprehensive assessment in the eleven CBFM-POs in Cagayan.*

#### ***Assessment process***

- *The assessment was done in three methods, namely: Focused Group Discussion (FGD), Key Informant Interviews (KII) and CBFM site inspection. Each of the assessment teams was divided to conduct the above-mentioned methods.*
- For the KII, non-PO members, i.e. financier and PMOs were the respondents. In the FGD, some group officers and members representing the PO served as participants/respondents. A structured questionnaire prepared were used for both FGD and KII, cross interviews with other barangay residents were also done. Site evaluation was likewise conducted within the CBFM area. Then performance of the organization in forest management was evaluated based on the approved AWP and RUP issued.

#### ***General findings/ analysis on Cagayan CBFM assessment***

- *Each team prepared an assessment report and presented their findings to the Multi-Sectoral Ad Hoc Committee on June 24, 2003. Again, in general, the assessment did not produce favorable results. The common observations/findings of the assessment teams were as follows:*
  - POs are not yet fully/ adequately capable to manage the CBFM projects
  - Inadequate information and knowledge of the PO on CBFM concept
  - Monopoly of PO leadership (e.g. family-oriented; barangay-captain-driven, etc.)
  - PO not technically prepared to do harvesting operations
  - Limited members of PO vis-à-vis barangay population

- Forest residents are non-members / PO members lie in buffer zones
- No growth of share capital – CBU analysis
- Poor sharing of benefits / income from logging operations

#### **Adoption of Evaluation Tool (merit to EWW/P)**

- *For information & reference, the Evaluation Tool was submitted to the Secretary on May 23, 2003.*
- *With appreciation to the essential substance & depth of the Evaluation Tool, the DENR Undersecretary for Field Operations issued a memorandum to DENR region 02 on June 20, 2003, asking for the complete documentary procedure of the evaluation tool, **to be used by other regions**. In response, DENR sent the documentary along with the results of the pilot assessment for Cagayan on July 16, 2003.*
- *Four EWW/P staff actively participated in the assessment. The CBFM-PO aspects evaluated were the following:*
  - Organizational maintenance: governance, management planning, monitoring and evaluation, project development & management
  - Financial management
  - Enterprise Development
  - CBFMA resource & community management
  - Threats and Causes of Biodiversity
  - Technical Forestry Evaluation- field validation of the cutting and developmental areas
- *With the negative results of Cagayan pilot assessment, nine POs (except for Bolos Point MPC I which was recommended for cancellation) were given 6 months to two years grace period to improve their associations (based on the activities mentioned in the assessment report), be subjected to another evaluation, before they would be issued with another RUP.*

#### **Extension for disposition of remaining timber stocks in CBFMAs**

- *Meanwhile, in relation to the January 13-memo of the Secretary allowing the disposition of already harvested and **inventoried** timber stocks, some POs failed to haul and dispose all their stocks within the given period due to the non-availability of Certificates of Lumber Origin (CLO), onset of crop harvesting and a torrential rain. With this, DENR requested for an extension of 3 months, which was granted by the Secretary.*

#### **Pilot Assessment of Quirino CBFM Projects**

- *After the comprehensive evaluation of the CBFM-POs in Cagayan, PENRO-Quirino requested for the Adhoc assessment team to conduct same evaluation in Quirino province. Hence, on August 20, 2003, DENR Special Order 274 was signed by RED*

*Principle, creating the team to conduct the assessment of CBFM projects on said province.*

- *Adopting the same group of assessment teams, evaluation tool & procedure, the Adhoc committee had its two meetings on August 12 & 29, 2003 in preparation for the activity. Eight CBFM sites were identified for evaluation based on the same criteria with Cagayan.*
- *Again, based on the analysis & findings of the teams, all the assessed POs failed. However, this does not mean that they had to be disliked or be considered enemies of the forests. What they need is capacity-building support, not ostracisms. After all, the three evaluations done in all the provinces unfolded not only the weaknesses of the POs, but also of the DENR. That is why in recommendations of the assessment, some reforms were mentioned and addressed to the DENR, particularly to its ailing personnel who are held responsible in closely monitoring and assisting the POs and their activities.*