

**[ DENR MEMORANDUM CIRCULAR NO. 98-08, June 24, 1998 ]**

**GUIDELINES ON CONTRACTING INSIDE COMMUNITY-BASED FOREST MANAGEMENT (CBFM) AREAS**

Pursuant to Executive Order No. 263 Series of 1995 and DENR Administrative Order No. 96-29 and other pertinent laws, rules and regulations and in order to hasten and systematize contracting inside CBFM areas, the following guidelines are hereby promulgated for the guidance of all concerned:

*SECTION 1. OBJECTIVES* — The Community-Based Forest Management (CBFM) Program grants to People's Organizations (POs) the privilege to enter into contracts with private and government entities and individuals for the utilization and/or development of portions, or the entire CBFM area to:

- a) facilitate the attainment of the PO's plans to develop and manage forestlands and resources;
- b) enhance their socio-economic conditions; and
- c) encourage investments by the private sector in the CBFM Program.

This contracting privilege is one of the strategies being pursued by the government to empower local communities to sustainably manage and benefit from the forest resources.

*SECTION 2. KINDS OF CONTRACTING INSIDE CBFM AREAS* — There are two major kinds of contracting inside CBFM areas.

*2.1 Service Contract* — This takes the form of extraction of forest resources and associated activities such as road construction, major and minor transport, processing, and marketing of forest products.

*2.2 Development Contract* — This involves the development of portions of CBFM areas into plantations for timber, latex, fruits and other forest products, agroforestry, livestock production, eco-tourism and other developmental activities as contained in the affirmed Community Management Resources Framework (CRMF) of the Pos.

*SECTION 3. WHO MAY BE PARTIES TO CONTRACTS INSIDE CBFM AREAS* — Parties to contracting inside CBFM areas may be:

- 3.1 Between the PO and a PO member or group of members, hereinafter referred to as the "PO-designate"; and