

**DENR Administrative Order  
No. 32  
May 5, 1988**

**SUBJECT : Prescribing Guidelines for the Payment, Disbursements and Use of Reforestation Deposit Required Under DENR Administrative Order No. 79, Series of 1987**

Pursuant to Executive Order No. 192, dated July 10, 1987 and to effectively implement the reforestation deposit required under DENR Administrative Order No. 79, Series of 1987, the following guidelines are hereby prescribed:

**1. Who are Required to Put up Reforestation Deposit**

All timber licensees/permittees who, on the basis of existing policies and regulations, are required to submit an integrated annual operations plan (IAOP) shall put up a reforestation deposit.

**2. Area for Reforestation and Amount to be Paid**

Timber licensees/permittees required to make a deposit for reforestation shall, for the year 1988 put up the amount of P10,000 per hectare, based on the equivalent area programmed for reforestation of the open and denuded areas for the year as indicated in the IAOP/TMP.

In case there is no open and denuded portion within the license/permit area, payment shall be based on the equivalent area programmed for reforestation which shall not be more than 50% of the total planting goal as indicated in the approved IAOP/TMP. The DENR shall select an open and denuded area for reforestation outside the license/permit area.

The DENR however has the option to change the amount to be deposited based on current average reforestation cost.

### **3. Purpose of the Deposit**

The reforestation deposit shall be used to pay the reforestation cost in open and denuded areas within the timber concession and other areas requiring reforestation, the priority of which shall be determined by DENR in accordance with Item No. 2.

### **4. Option to Contract**

Based on past reforestation performance of the licensee/permittee, or in cases where the licensee/permittee waives his right to undertake the reforestation DENR has the option either to contract reforestation work to the licensees/permittees themselves or to other contracting parties.

### **5. Area Accomplishment and Survival Rate Requirements**

The reforestation undertaken by the timber licensee/permittee or reforestation contractor, as the case may be, shall at least be 80% of the total areas targeted/projected to be planted for the year with a required survival rate of 80% of the total target area for the current year.

### **6. Mechanics for Deposit**

The timber licensee/permittee shall make the deposit within the first five working days of each quarter. Each deposit shall be equivalent to 25% of the total annual reforestation deposit contribution per licensee/permittee, provided that for 1988, the deposit shall start at the second quarter. In such case, the one-quarter deficiency payment shall no longer be required for the good performers who have already expended said amount in the implementation of their reforestation plan but those not falling within this category shall pay the equivalent amount representing two (2) quarters.

The reforestation deposit shall be deposited in a private account in a reputable bank in Metro Manila in accordance with the Memo of Agreement between the DENR and TLA holder.

## **7. Management Committee**

A Management Committee composed of three (3) members from DENR and two (2) members from PWPA shall be created to oversee the administration of the reforestation deposit with the Secretary of DENR as Chairman.

## **8. Procedure of Disbursement**

Withdrawals against and disbursement on the reforestation deposit shall be through bank drafts signed by the authorized official to be based on the reforestation work and financial plan submitted under oath by the licensee/permittee or contractor.

The Management Committee shall disburse the amounts to each and every timber licensee/permittee concerned as a reforestation deposit for use in undertaking reforestation as required herein.

In cases where the reforestation work shall be undertaken by other contractors, the guidelines on contract reforestation shall apply.

## **9. Penalties**

- 9.1 For failure to put up the reforestation deposit within the prescribed period the following penalties shall be imposed:
  - 9.1.1 After the quarter prescribed, a fine of 0.1% of the amount due for the quarter for every day of delay;
  - 9.1.2 Beyond 90 day delay, a fine of a 0.15% per day of delay to be reckoned from the original deadline.
  - 9.1.3 Beyond 180 days delay, one month suspension of the cutting operations and the violator is given within said period to comply with the payment and penalties due;
  - 9.1.4 Inability to comply with the payment within the one-month suspension, license/permit shall be

cancelled.

9.2 For failure to accomplish the required hectarage as scheduled, the following penalties shall be imposed:

9.2.1 Deficiency during the first offense shall be doubled and added to the reforestation goal of the next year with the corresponding reforestation deposit, provided that if the performance is within the norm as indicated in Item No. 5, the deficiency shall be carried over for the next year without the corresponding reforestation deposit;

9.2.2 Failure to accomplish hectarage required for the second time below the norm of 80%, the license/permit shall be cancelled;

9.2.3 For failure of the reforestation contractors other than the timber licensee/permittee to carry-out the terms and conditions of the contract, the penalties imposed under the guidelines for contract reforestation shall be imposed.

## **10. Repealing Clause**

All orders, circulars, memoranda and instructions which are inconsistent with this Order are hereby repealed or modified accordingly.

## **11. Effectivity**

This Order shall take effect immediately.

**(Sgd.) FULGENCIO S. FACTORAN, JR.**  
Secretary