

**DENR Administrative Order
No. 63
July 13, 1988**

**SUBJECT : Amendment of Certain Provisions of
DENR ADMINISTRATIVE ORDER
NO. 32 Series of 1988**

In order to achieve an effective and efficient implementation of the reforestation deposit requirement, the following provisions of DENR ADMINISTRATIVE ORDER No. 32, Series of 1988 are hereby amended and/or added to read as follows:

4. Option to Contract

Based on reforestation performance of the licensee/permittee, or in cases where the licensee/permittee waives his right to undertake the reforestation of his licensed area, the PWPA has the option to contract the reforestation work with other licensees/permittees or to other contracting third parties, to be duly noted by DENR.

6. Mechanics for Deposit

The timber licensee/permittee shall make the deposit within the first five (5) working days of each quarter. Each deposit shall be equivalent to twenty-five (25%) of the total annual reforestation deposit contribution per licensee/permittee; provided that for 1988, the deposit shall start at the third quarter; Provided further, that all licensees/permittees shall submit their sworn certification on their level of accomplishment for the first and second quarters in terms of percentage of accomplishment.

For those who have deficiency, the deposit for the first and second quarters shall be proportionate to the level of deficiency of the accomplishment based on the sworn certification.

The reforestation deposit shall be deposited in a reputable bank in Metro Manila under a private trust account of the Philippine Wood Products Association (PWPA) in accordance with the Memorandum of Agreement between the PWPA and the TLA holder or contractor to be duly noted by the DENR.

7. Management Committee

The PWPA shall set up a Management Committee to oversee the administration of the reforestation deposit. The Committee shall submit a monthly report to the DENR in this regard.

8. Procedure of Disbursement

Withdrawals against and disbursement on the reforestation deposit shall be based on the reforestation work and financial plan submitted under oath by the licensee/permittee or contractor to the Forest Management Bureau which shall endorse the same to the PWPA Management Committee.

The PWPA Management Committee shall disburse the amount to the licensee/permittee or contractor for the exclusive use in undertaking the reforestation required herein.

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 appropriate penalties in accordance with the pertinent provisions of the Civil Code and/or Revised Penal Code, as the case may be, shall be imposed against the contractor.

10. The preceding paragraphs notwithstanding, the general rule is that the TLA holder is under obligation to reforest open and denuded areas as indicated in his approved Integrated Annual Operation Plan (IAOP). However, for compliance with Paragraph No. 6.6, of DENR Administrative Order No. 79, Series of 1987, which requires the reforestation of one hectare for every hectare logged, accomplishments in Timber Stand Improvement (TSI) and enrichment planting shall be counted in favor of the TLA holder; provided that not less than 50% of the targeted open and denuded areas are reforested and the balance can compromise of TSI and enrichment planting.

In case the TLA holder decides to increase or reduce total area to be logged in his approved IAOP for justifiable reasons, the TLA holder must immediately inform the DENR in writing indicating the increase or reduction, as the case may be, so that

his corresponding obligation under the provisions of DENR Administrative Order 79, Series of 1987 shall be proportionately adjusted.

All others provisions of DENR ADMINISTRATIVE ORDER No 32, Series of 1988, which are not inconsistent herewith shall remain in full force.

This Order takes effect immediately.

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