

**DENR Administrative Order
No. 15
April 29, 1994**

**SUBJECT : Further Admendments/Clarification to the
Provisions of DAO 68, Series of 1993, Re-
Additional Incentives to IFP.**

In line with the policy of the Government of ensuring continuous supply of raw materials for the forest industries from both the natural and plantation forest, thru the sustainable management of the remaining natural forest and establishment of plantations, the following amendments and/or clarifications to the provisions of DAO 68, Series of 1993, are hereby promulgated for the information and guidance of all concerned:

Sec. 1 Performance Guarantee Bond. The use of performance guarantee bond as provided in sub-section 13.2 and 21.1 and Sections 14 and 33 of DENR Administrative Order No. 60 and which was waived in Item No. 27.7 under Section 1 of DAO 68, Series of 1993 as basis in the award of IFMA areas with residual forest is hereby restored. All provisions in DAO 60, Series of 1993 related to the use of guarantee bond as basis in the award of IFMA are likewise deemed restored.

Sec. 2 Performance Bond for All IFMAS. Performance Bond as provided in DAO 60, Series of 1993 is a surety bond primarily to guarantee the proper management and protection of residual forest and other types of natural forest within the IFMAs. With the restoration of the guarantee bond as basis of award of IFMA areas with residual forests, Item No. 14 under Sec. 2 of DAO 68, requiring all IFMA holders to maintain a performance bond of P 20.00/ha. or fraction thereof and other sections thereof related to the maintenance of said bond is hereby revoked.

Sec. 3 Additional Areas for IFMA. IFMA holders who have completed the development of plantations within the period specified in their Comprehensive Development and Management Plans and have complied with all other terms and conditions of their IFMAs shall be entitled to annex additional area to their IFMAs; PROVIDED, that such areas are adjacent to their current

IFMA areas; and PROVIDED FURTHER, that such areas do not contain residual production forest which shall in all cases be subject to public bidding as provided for in Section 14 of DAO 60.

Sec. 4 Conditions for TLA Holders Converting to IFMAs. Existing TLA holders of good standing who wish to convert their timber license into IFMA shall be given the full term of twenty five (25) years renewable for another twenty five (25) years and shall be allowed to continue their timber harvest operations in accordance with the approved Comprehensive Development and Management Plan and/or the Integrated Annual Operations Plan; PROVIDED, that all other conditions of their IFMAs shall have been fully complied with.

Sec. 5 Compensation for the Fair Market Value of Improvements. Item No. 27.12 under Section 1 of DAO 68 regarding incentive package to Industrial Forest Plantation developers is hereby amended to read as follows:

27.12 IFMA holders shall be entitled to receive compensation for the fair market value of improvements, including plantation forest crops, in case of expiration or termination/reduction of area when public interest demands.

Sec. 6 Enforceability Clause. All other provisions in DAO Nos. 60 and 68 consistent herewith shall remain in full force and effect.

Sec. 7 Repealing Clause. This order amends pertinent provisions of DENR Administrative Order No. 68 as above-cited.

Sec. 8 Effectivity. This order shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

ANGEL C. ALCALA
Secretary