

[DENR ADMINISTRATIVE ORDER NO. 33, June 25, 1991]

AMENDING DEPARTMENT ADMINISTRATIVE ORDER (DAO) NO. 71 SERIES OF 1990, OTHERWISE KNOWN AS THE "IMPLEMENTING GUIDELINES FOR THE AWARD AND ADMINISTRATION OF FOREST LAND MANAGEMENT AGREEMENT (FLMA)"

In order to make the FLMA program more economically — viable and attractive for its intended beneficiaries the following amendments to DAO No. 71 Series of 1990 are hereby promulgated:

1. *SECTION 16*, paragraph 16.1 of Article VI of the Implementing Guidelines for FLMA is hereby amended to read as follows:

"16.2 The government's production share shall be equivalent to thirty percent (30%) of the gross sales, computed at farm gate price, inclusive of any amount paid for forest charges or taxes arising from the sale, derived from harvests of trees and other perennials planted through contract reforestation or other modes of implementation financed by the government: *Provided*, That in no case shall the government's production share be more than the real value of the initial investment in plantation development. The government's production share shall be computed on the sale of the following products:

"a) Timber sold as poles, sawlogs, veneer logs or pulpwood logs; and

"b) Rattan, bamboo and all other non-wood products if the combined area planted to supply these products covers fifty percent (50%) or more of the total FLMA area."

2. Section 16, paragraph 16.6 of Article VI of the Implementing Guidelines for FLMA is hereby deleted in its entirety and a new paragraph 16.6 is substituted in lieu thereof, to wit:

"16.6 The FLM shall not be required to pay production share on the following products the proceeds of which shall pertain to him/it exclusively:

"a) Products derived as a result of thinning, pruning, rouging and related silvicultural treatments carried out to increase the quality or quantity of final harvests;

"b) Tops and branches derived as by - products of harvests conducted to produce sawlogs, veneer logs or pulpwood logs;