

SENATE

13 JUL -1 2017

S.B. No. 45

RE

BY: 

Introduced by Senator Sergio Osmeña III

EXPLANATORY NOTE

This Forest Resources Bill (FRB) prioritizes the conservation, protection, and rehabilitation (CPR) of the Philippines' remaining few forests. It institutionalizes some key provisions of President Benigno Simeon C. Aquino III's Executive Order No. 23 (issued in February 2011), which declared a national moratorium in the cutting and harvesting of timber in natural and residual forests.

A new comprehensive law governing the country's forests is long overdue. As early as the 1987 Philippine Constitution, Congress was mandated to determine, by law, the specific limits or boundaries of forest lands and to enact measures to prohibit logging in endangered forests and watershed areas.

Given the poor state of our environment and the disturbing realities of climate change, this new forest legislation is of prime importance and urgency. The massive flooding during typhoons *Ondoy*, *Sendong*, *Pablo*, and the unnamed "*habagat*" were mainly caused by the degraded state of our forests. As a result, thousands of lives were lost, millions worth of properties were destroyed, and billions of pesos were spent for rescue and rehabilitation. In the absence of a new forest legislation, more irreversible and costly ramifications will negatively impact our country's already fragile environment and vulnerable sectors.

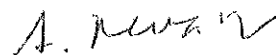
In pursuit of a paradigm shift appropriate to respond to these realities, this bill adopts a new framework that puts a higher premium on biodiversity conservation, rehabilitation, and participatory governance and veers away from the previous bias on a highly centralized forest management, utilization and exploitation by commercial large-scale extractive operations.

This bill attempts to rationalize a forest land use policy, management and strategy based on ecologically-sound science. Among the other key provisions of the bill are as follows:

- The use of a functional definition of "*forest*";
- Inclusion of a definition of "*protection forestlands*" which cover all natural (primary), residual (secondary), key biodiversity areas (KBAs) among others;
- Prioritization of forest restoration utilizing indigenous or native tree species;
- Recognition of "*watershed continuum*" as the basic forestland management unit;
- Strengthening of the role of local government units (LGUs) in forest management;
- Empowerment of indigenous people, local communities, and other civil society organizations through their active participation or engagement in the forest management, governance, and law enforcement.

This bill is urgently needed to save our few remaining forests as our country braces against the onslaught of future disasters such as floods, storms, and earthquakes brought about by climate change.

In view of the foregoing, the immediate passage of this bill is earnestly requested.

A handwritten signature in dark ink, appearing to read "S. Osmena III", is positioned above the printed name.

SERGIO OSMENA III

Senator

13 JUL -1 11:16

SENATE

S.B. No. 45

BY: *ji*

Introduced by Senator Sergio Osmeña III

**AN ACT TO PROTECT, CONSERVE, UTILIZE, DEVELOP AND SUSTAINABLY MANAGE
FOREST RESOURCES AND FOR OTHER PURPOSES**

*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

**CHAPTER I
GENERAL PROVISIONS**

1 **SECTION 1. Short Title.** This Act shall be known as the "**Forest Resources Act**
2 **of 2013**".

3 **SECTION 2. Scope and Coverage.** The provisions of this Act shall apply to all
4 lands of the public domain classified as needed for forestry purposes, all forestlands, all
5 forest resources found in untitled agricultural lands and in private lands: *Provided*, That all
6 forests and forest resources found in protected areas established under the National
7 Integrated Protected Areas System (NIPAS) shall be sustainably managed and developed
8 following the provisions of Republic Act No. 7586 or the NIPAS Act of 1992: *Provided*
9 *further*, That the rights of indigenous cultural communities or indigenous peoples to their
10 ancestral domains shall be respected.

11 All forestlands and forest resources therein under the administrative jurisdiction of the
12 Autonomous Region of Muslim Mindanao (ARMM) shall be managed, developed and
13 conserved in accordance with the Regional Sustainable Forest Management Act of 2003 of
14 the ARMM.

1 **SECTION 3. *Basic Policies.***

2 a. Pursuant to the provisions of the Constitution to promote the general welfare
3 and social justice in all phases of national development, to protect and advance the right
4 of the Filipino people to a balanced and healthful ecology in accord with the *rhythm and*
5 harmony of nature, and to conserve and develop the patrimony of the nation, the State
6 hereby adopts the following policies relative to the management, development and
7 conservation of forests and the resources therein:

8 i. Within five (5) years from the passage of this Act, the specific limits of
9 forestlands shall be fixed and demarcated and thereafter, shall not be altered
10 except through an Act of Congress. The Congress shall, as soon as possible,
11 also determine, by law, the specific limits of forestlands and national parks,
12 marking clearly their boundaries on the ground. Thereafter, such forestlands
13 and national parks shall be conserved and may not be increased nor
14 diminished, except by law. The Congress shall provide for such period as it
15 may determine, measures to prohibit logging in endangered forests and
16 watershed areas;

17 ii. The use and conservation of forest resources shall bear social, ecological,
18 biological and economic functions, responsibility, and accountability to promote
19 the common good of the present and future generations;

20 iii. The guiding principle in the sustainable and integrated management,
21 development, and conservation of forest resources shall be to focus on these
22 resources and on the people who manage, conserve, and benefit from them;

23 iv. Biodiversity protection and conservation of wildlife resources and their
24 habitats, consistent with Republic Act No. 9147 shall be a paramount
25 consideration in forest management.

26 v. Genetically Engineered (GE) and transgenic trees pose the gravest of
27 dangers to forest ecosystems and violate the Convention on Biological
28 Diversity.

b. The State shall protect the rights of indigenous cultural communities/indigenous peoples to their ancestral domains to ensure their economic and social and cultural well-being and shall recognize the applicability of customary laws in governing property rights or relations in determining the ownership and extent of ancestral domains;

c. The State shall promote social justice in all phases of national development;

d. The State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation;

e. The State shall ensure the autonomy of local governments; and

f. The State shall pursue an independent foreign policy. In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination.

In carrying out the above policies, the following strategies shall be pursued:

1. **The watershed continuum as the basic forestland management unit -**

Forestlands shall be managed, developed and conserved utilizing watershed continuum as the basic management unit and under the principles of sustainable and multiple-use management, including conservation of biological diversity;

2. **Multi-sectoral participation** - The participation of all direct and indirect, especially local, stakeholders in sustainable forestland conservation, management, and development shall be mandatory. Equitable sharing of the benefits derived from forestlands and the resources therein shall be ensured at all times;

3. **Community-based forest management (CBFM) as a principal strategy** - Vesting access rights and responsibilities to forest resident or forest-dependent families, local communities, and indigenous peoples to undertake the management and development of appropriate forestland resources on a sustainable basis shall have precedence over other strategies;

4. **Protection of forests and natural resources as a priority concern** - The protection of forests and the natural resources therein shall be given priority concern in order to ensure environmental stability, conserve biological diversity, improve

ecosystem functions and services, and provide long-term ecological and economic benefits;

5. **Reforestation as a priority measure**- Reforestation shall be undertaken as a priority measure to restore the ecosystem functions and services of forests as well as improve the economic and ecological benefits of local communities concerned;

6. **Security of tenure of stakeholders**- Pursuant to the principles of sustainable and multi-use forest management and equitable access to forest resources, a secured tenure shall be guaranteed to stakeholders concerned; and

7. **Professionalism in forest service** – A dynamic, professional and people-oriented forest service strongly adhering to conservation principles shall be established and fully supported by the State.

SECTION 4. Definition of Terms. As used in this Act, the following terms shall be defined as follows:

a. **"Agro-forestry"** refers to a strategy for the sustainable management of land which increases their overall productivity by properly combining agricultural crops and/or livestock with forest crops simultaneously or sequentially through the application of management practices which are compatible with the local climate, topography, slope, soil, as well as the cultural patterns or customary laws of the local communities;

b. **"Agricultural lands"** refer to Alienable and Disposable (A&D) lands of the public domain which have been delimited, classified and declared as such, pursuant to the provisions of Commonwealth Act No. 141, as amended, otherwise known as the Public Land Act;

c. **"Ancestral Domains"** refer to all areas generally belonging to indigenous cultural communities/indigenous peoples (ICCs/IPs) comprising lands, inland waters, coastal areas, and natural resources therein, held under a claim of ownership, occupied or possessed by ICCs/IPs, by themselves or through their ancestors, communally or individually since time immemorial, continuously to the present

except when interrupted by war, force majeure or displacement by force, deceit, stealth or as a consequence of government projects or any other voluntary dealings entered into by government and private individuals/corporations, and which are necessary to ensure their economic, social and cultural welfare. It shall include ancestral lands, forests, pasture, residential, agricultural, and other lands individually owned whether alienable and disposable or otherwise, hunting grounds, burial grounds, worship areas, bodies of water, mineral and other natural resources, and lands which may no longer be exclusively occupied by ICCs/IPs but from which they traditionally had access to for their subsistence and traditional activities, particularly the home ranges of ICCs/IPs who are still nomadic and/or shifting cultivators;

d. **"Ancestral Lands"** refer to land occupied, possessed and utilized by individuals, families and clans who are members of the ICCs/IPs since time immemorial, by themselves or through their predecessors-in-interest, under claims of individual or traditional group ownership, continuously, to the present except when interrupted by war, force majeure or displacement by force, deceit, stealth, or as a consequence of government projects and other voluntary dealings entered into by government and private individuals/corporations, including, but not limited to, residential lots, rice terraces or paddies, private forests, swidden farms and tree lots;

e. **"Assisted Natural Regeneration" or "ANR"** covers any set of activities that enhance the natural processes of forest regeneration. These include promoting the natural establishment and subsequent growth of indigenous forest trees, whilst preventing any factors that might harm them, e.g. competition from weeds, browsing by cattle, fire etc. ANR relies on existing natural processes; it requires less labor input than tree planting and is therefore a very cheap way to restore forest ecosystems. ANR is appropriate wherever the natural processes of forest regeneration are, to some extent, already happening. At least few seed trees/

1 mature seed-bearing rainforest trees should exist nearby to provide seed rain in
2 the area. Seed-dispersing animals should remain common in the vicinity. Sites
3 which already support a high density of tree saplings and sprouting tree stumps
4 are particularly suited to ANR.

5 f. **“Biological diversity or biodiversity”** refers to the variability and variety among
6 living organisms including, *inter alia*, terrestrial, marine and other aquatic
7 ecosystems and the ecological complexes of which they are part. This includes
8 diversity within the species (genetic diversity), between species (species
9 diversity), and among ecosystems (ecosystem diversity);

10 g. **“Climate change”** refers to a change in climate that can be identified by changes
11 in the mean and/or variability of its properties and that persists for an extended
12 period typically decades or longer, whether due to natural variability or as a result
13 of human activity;

14 h. **“Commercial logging”** refers to the cutting or felling of trees for the purpose of
15 disposing the cut or felled logs for monetary profits beyond survival and
16 subsistence;

17 i. **“Communal forest”** refers to a tract of forestland set aside and established for
18 and under the protection, administration, and management of a city, municipality,
19 or barangay as a source of wood material for fuel, shelter, and manufactured
20 products; as source of water for the community; and as an area for ecotourism
21 and/or environmental protection or socio-economic projects of local government
22 units consistent with the policies and objectives of this Act and principles of
23 sustainable development;

24 j. **“Community-Based Forest Management Strategy”** refers to the strategy to
25 improve the well-being of forest dependent communities, and at the same time
26 ensure sustainable management, rehabilitation and protection of forestlands and
27 the resources therein, through the active participation of various stakeholders;

28 k. **“Conservation”** refers to the planned protection and management of forests,

- wildlife and other forest resources so as to prevent waste and ensure future use;
- l. **"Conveyance"** refers to any vehicle, vessel, device or animal used in gathering and/or transporting forest products;
- m. **"Co-management agreement"** refers to an agreement entered into by the DENR and a local government unit/s to protect, restore, develop or manage forestlands, including mangroves and its forest resources, within the geographic jurisdiction of such local government unit/s consistent with the provisions of this Act;
- n. **"Co-production agreement"** refers to an agreement entered into by and between a qualified person and the government, in accord with the 1987 Constitution, for the former to develop, utilize, and manage, consistent with the principles of sustainable development, land or a portion of a forestland wherein both parties agree to provide inputs and share the products or their equivalent cash value;
- o. **"Critical habitat"** refers to a place or environment where species or subspecies naturally occur or has naturally established its population that are crucial to the survival of a species and essential for its conservation;
- p. **"Critical watershed"** refers to areas designated by the Secretary pursuant to the Wildlife Resources Conservation and Protection Act and for their ability to supply water for domestic, agriculture and/or industrial use;
- q. **"Degraded forests"** refer to forests with varying degrees of disturbance or loss of structure, function, species composition and productivity of less than 60% forest cover;
- r. **"Delimitation"** refers to the establishment of permanent boundaries between forestlands, national parks/protected areas and agricultural lands as a result of demarcation;
- s. **"Delineation"** refers to the establishment of boundaries between forestlands, national parks/protected areas and agricultural lands as a result of a conduct of site investigation, reconnaissance and field verification in accordance with the

- 1 criteria set by the Department;
- 2 t. **"Demarcation"** refers to the establishment of boundaries using visible markers,
3 monuments or known natural features/landmarks, among others, as result of the
4 actual ground delineation;
- 5 u. **"Denuded forestlands"** refers to forestlands that are devoid of forest tree cover;
- 6 v. **"Department"** refers to the Department of Environment and Natural Resources
7 (DENR);
- 8 w. **"Environmental Impact Assessment" or "EIA"** refers to the process of
9 predicting the likely environmental consequences of implementing a project or
10 undertaking and designing the appropriate preventive, mitigating, or
11 enhancement measures;
- 12 x. **"Environmental Compliance Certificate" or "ECC"** refers to the document
13 issued by the Department certifying that a proposed project or undertaking will
14 not cause a significant negative impact on the environment; that the proponent
15 has complied with all the requirements of the Environmental Impact Assessment
16 System; and that the proponent is committed to implement its approved
17 Environment Management Plan found in the Environmental Impact Statement
18 (EIS) or mitigation measures identified in the Initial Environmental Examination
19 (IEE);
- 20 y. **"Environmental Impact Statement System" or "EIS System"** refers to the
21 organization, administration, and procedures that have been institutionalized
22 pursuant to Presidential Decree No. 1586 for purposes of assessing the
23 significance of the effects of any project or undertaking on the quality of the
24 physical, biological, and social-economic environment and designing the
25 appropriate mitigating and enhancement measures;
- 26 z. **"Environmentally Critical Project"** refers to project or program that has high
27 potential for significant negative environmental impact;

- 1 aa. **"Forest"** refers to an ecosystem or an assemblage of ecosystems dominated by
2 trees and other woody vegetation; a community of plants and animals interacting
3 with one another and its physical environment. It shall consist of trees with
4 overlapping crown of 60-100% forest cover;
- 5 bb. **"Forest guard"** refers to any public officer who by the nature of his appointment
6 or the functions of the position to which he is appointed is delegated by law and
7 regulations or commissioned by competent authorities to execute, implement or
8 enforce the provisions of this Act and other related laws and regulations;
- 9 cc. **"Forest products"** refer to goods and services derived from forest such as, but
10 not limited to, timber, lumber, veneer, plywood, fiber board, pulpwood, bark, tree
11 top, resin, gums, wood oil, honey, bees wax, nipa, rattan, or other forest growth
12 such as grass, shrub and flowering plants, the associated water, fish, game, as
13 well as its scenic, historical, educational, social and ecological value;
- 14 dd. **"Forest resources"** refer to all resources, whether biomass such as plants and
15 animals including its by-products and derivatives, which can be a raw material, or
16 non-biomass such as soil, water, scenery, as well as the intangible services and
17 values present in forestlands or in other lands devoted for forest purposes;
- 18 ee. **"Forest/Forest-Dependent Community"** refers to a group of people residing
19 inside or immediately adjacent to a particular forestland who are largely or partly
20 dependent on the forest resources found therein for their livelihood;
- 21 ff. **"Forestlands"** refer to lands of the public domain classified as needed for forest
22 purposes. They shall include all forest reserves, forest reservations and all
23 remaining unclassified lands of the public domain;
- 24 gg. **"Genetic engineering"** refers to genetic modification, or a special form of
25 biotechnology in which a section of DNA from one organism is introduced into
26 another, in which it does not naturally occur, in order to produce a genetically
27 modified organism (GMO) with favorable properties based on the new
28 combination of genes. The new genes in the transgenic organism may be from

an entirely different type of organism, or from a closely related lineage.

hh. **"Genetically modified organisms" or "GMOs"** refer to organisms in which the genetic material has been altered in a way that does not occur naturally. GMOs can be bacteria, fungi, viruses, plants or animals, with the exception of human beings;

ii. **"Grazing land"** refers to a portion of the public domain which has been set aside, in view of its topography and vegetation, for the raising of livestock;

jj. **"Greenhouse gas"** refers to any gas that absorbs infrared radiation in the atmosphere. Greenhouse gases include water vapor, carbon dioxide (CO₂), Methane (CH₄), nitrous oxide (N₂O), halogenated fluorocarbons (HCFCs), ozone (O₃), perfluorinated carbons (PFCs) and hydrofluorocarbons (HFCs);

kk. **"Indigenous Cultural Communities/Indigenous Peoples" or "ICCs/IPs"** refer to a group of people or homogenous societies identified by self-ascription and ascription by others, who have continuously lived as organized community on communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed and utilized such territories, sharing common bonds of language, customs, traditions and other distinctive cultural traits, or who have, through resistance to political, social and cultural inroads of colonization, non-indigenous religions and cultures, became historically differentiated from the majority of the Filipinos. ICCs/IPs shall likewise include people who are regarded as indigenous on account of their descent from the populations which inhabited the country, at the time of conquest or colonization, or at the time of inroads of non-indigenous religions and cultures, or the establishment of present state boundaries, who retain some or all of their own social, economic, cultural and political institutions, but who may have been displaced from their traditional domains or who may have resettled outside their ancestral domains;

- 1 ll. **"Industrial Forest Management Agreement" or "IFMA"** refers to a production-
2 sharing contract entered into by and between the Department and a qualified
3 person, whether natural or juridical, wherein the former grants to the latter the
4 exclusive right and responsibility to invest in, develop, manage, and protect a
5 defined area of the production forestland, including the establishment,
6 management and utilization of industrial timber forest plantation, consistent with
7 the principle of sustainable development, primarily to supply the raw material
8 requirements of wood-based processing and energy-related industries and
9 wherein both parties share in the benefits therefrom;
- 10 mm. **"Industrial Tree Plantation" or "ITP"** refers to any tract of land planted
11 mainly to timber producing species, including rubber and/or non-timber species
12 primarily to supply the raw material requirements of forest-based industries,
13 energy-generating plants, and related industries.;
- 14 nn. **"Joint venture agreement"** refers to an agreement where a joint-venture
15 company is organized by the State and another person for protection, restoration
16 and utilization, development and management of forestlands consistent with the
17 prescribed activities allowed under this Act, with both parties having equity
18 shares. Aside from earnings in equity, the State shall be entitled to a share in the
19 gross output;
- 20 oo. **"Kaingin"** refers to a portion of the forest land, whether occupied or not, which is
21 subjected to shifting and/or permanent slash-and-burn cultivation having little or
22 no provision to prevent soil erosion;
- 23 pp. **"Kaingin making"** refers to a process employed to establish a *kaingin*;
- 24 qq. **"Key Biodiversity Areas"** refers to places of international importance for the
25 conservation of biodiversity;
- 26 rr. **"Master Plan for Forestry Development"** refers to the twenty-five (25) year
27 strategic program of the Forestry Sector envisioned to guide its long term
28 development. This program includes: (a) policy and institutional development; (b)

1 restoration and rehabilitation c) watershed and forestry development; (d)
2 livelihood and poverty reduction; and (e) timber/non-timber industry development;
3 ss. **"National Park"** refers to the land of public domain classified as such in the 1987
4 Philippine Constitution which includes all areas under the National Integrated
5 Protected Areas System (NIPAS) pursuant to RA 7586, primarily set aside and
6 designated for the conservation of native plants and animals, their associated
7 habitats and cultural diversity;
8 tt. **"Non-government organization" or "NGO"** refers to a non-stock, non-profit,
9 and voluntary organization;
10 uu. **"Non-timber based industries"** refer to various industries that are dependent on
11 raw materials or products derived from forests such as, but not limited to, rattan,
12 bamboo, vines, latex, resins, saps, essences, fruits, flowers or wild flora and
13 fauna;
14 vv. **"Non-timber charges"** refer to the levy imposed and collected by government on
15 various industries that are dependent on raw materials or products derived from
16 forests such as, but not limited to, rattan, bamboo, vines, latex, resins, saps,
17 essences, fruits, flowers or wild flora and fauna, as well ecological and aesthetic
18 services;
19 ww. **"Non-timber forest products"** refer to all products gathered from the forest
20 that are not timber, which include, but not limited to, rattan, bamboo, vine, herb,
21 exudates, gum, resin, beeswax, gutapercha, and almaciga resin;
22 xx. **"Permit"** refers to a short-term privilege or authority granted by the State to a
23 person to utilize any limited forest resource or undertake a limited activity within
24 any forest land without any right of occupation, possession, and ownership
25 therein;
26 yy. **"Person"** refers to a natural or juridical person, including local forest communities
27 and/or indigenous peoples organized in accordance with law or custom;

1 zz. **"Plantation forestry"** refers to the planting of one or two species for the sole
2 purpose of harvesting;

3 aaa. **"Primary forest"** refers to forest which has never been subject to human
4 disturbance or has been so little affected by hunting, gathering and tree cutting
5 that its natural structure, function and dynamics have not undergone any
6 changes that exceed the elastic capacity of the ecosystem;

7 bbb. **"Processing plant" or "Processing mill"** refers to any mechanical set-up,
8 device, machine or combination of machines used for the conversion of logs and
9 other forest raw materials into lumber, fiberboard, pulp, paper or other finished
10 wood products;

11 ccc. **"Production forestlands"** refer to the forestlands defined under Sec. 8(b) of
12 this Act;

13 ddd. **"Production sharing agreement"** refers to an agreement wherein the State
14 grants a person/s, who provides all the necessary financing, technology,
15 management and personnel, the exclusive right to conduct forestry development
16 activities within but not title over, the contract area and shares in the production
17 whether in kind or in value as owner of forest product therein;

18 eee. **"Protected Areas"** refer to identified portions of land and water set aside by
19 reason of their unique physical and biological significance, managed to enhance
20 biological diversity and protected against destructive human exploitation. They
21 shall constitute the areas established under the National Integrated Protected
22 Areas System (NIPAS) pursuant to RA 7586 and shall fall under the National
23 Park classification of public domain;

24 fff. **"Protection forestlands"** refer to the forestlands defined under Sec. 8 (a) of this
25 Act;

26 ggg. **"Reforestation"** refers to all land use activities directed towards restoration,
27 establishment and sustained management using native species of diversified
28 vegetation on denuded, degraded and/or marginal lands, including but not limited

1 to the planting and tending of timber, orchard and multi-use trees;

2 hhh. "**Reservation**" refers to an area of the public domain reserved by law for a

3 specific purpose;

4 iii. "**Restoration**" refers to the bringing back of the forestland to its original state in

5 terms of species composition, structure, function and productivity;

6 jjj. "**Restoration zones**" refer to the area where restoration activities are conducted

7 and where the original vegetation shall be restored;

8 kkk. "**Road**" refers to bulldozed land which is accessible by at least a two-wheel

9 motorized vehicle;

10 III. "**Rotation**" refers to the number of years between the initial establishment of a

11 plantation and the time when it is considered ready for harvesting;

12 mmm. "**Secondary forest**" refers to a former forest that was logged over and is

13 characterized by residuals;

14 nnn. "**Secretary**" refers to the Secretary of the DENR;

15 ooo. "**Semi-finished wood products**" refer to wood products requiring final stages

16 of manufacture and/or assembly such as, but not limited to, window components,

17 table tops, veneer, tongue and groove planks, steps for stairs, and other similar

18 products;

19 ppp. "**Silvicultural practices**" refer to any action by man to further improve or

20 enhance the stand growth as a whole or the single tree for future harvest

21 including assisted natural regeneration and tree surgery, among others;

22 qqq. "**Subdivision**" refers to a tract or parcel of land partitioned into individual lots,

23 with or without improvements thereon, primarily for residential purposes;

24 rrr. "**Sustainable development**" refers to development that meets the needs of the

25 present without compromising the ability of the future generations to meet their

26 own needs;

27 sss. "**Sustainable forest management**" or "**SFM**" refers to the process of

28 managing a forest to achieve one or more clearly specified objectives of

1 management with regard to production of continuous flow of desired forest
2 products and services without undue reduction of its inherent values and future
3 productivity and without undesirable effects on the physical and social
4 environment;

5 ttt. **"Tenure"** refers to the guaranteed peaceful possession and use of specific forest
6 land area and specific resources found therein, covered by an agreement,
7 contract, or grant which cannot be altered or abrogated without due process;

8 uuu. **"Timber-based industries"** refer to industries that are dependent on wood as
9 the principal raw material including but not limited to sawmilling, pulp and paper
10 making, and plywood and veneer manufacturing or the upstream wood-based
11 industries, as well as the secondary and tertiary wood processing or downstream
12 industry such as moldings and furniture manufacturing;

13 vvv. **"Timber charges"** refer to the levy imposed and collected by the government
14 on timber products cut, harvested, or gathered from production forestlands and
15 from alienable and disposable (A&D) lands in accordance with Republic Act No.
16 7161;

17 www. **"Timber License Agreement" or "TLA"** refers to a privilege granted by the
18 State to a person to utilize forest resources within an area with the right of
19 possession and occupation thereof to the exclusion of others except the
20 government, but with the corresponding obligation to develop, protect, and
21 rehabilitate the same in accordance with the terms and conditions set forth in the
22 said agreement;

23 xxx. **"Timber plantation"** refers to a tree stand established by planting and/or
24 seeding. The stand is either of introduced species (all planted stands), or an
25 intensively managed stand of any indigenous species, which meets all the
26 following criteria: one or two species at plantation, even-aged class, and regular
27 spacing for the primary purpose of harvesting timber or any of its by-product;

28 yyy. **"Transgenic"** refers to a genetically modified organism (GMO) or genetically

1 engineered organism (GEO) whose genetic material has been altered using
2 genetic engineering techniques. It is the process of introducing an exogenous
3 gene into a living organism so that the organism will exhibit a new property and
4 transmit that property to its offspring;

5 zzz. **"Watershed Continuum"** refers to an area consisting of the watershed and its
6 divide including its connection from the headwaters to the reef;

7 aaaa. **"Watershed Continuum Management" or "WCM"** refers to a management
8 system that will provide the optimum social, cultural, economic and
9 environmental benefits to the greatest number of people, particularly those living
10 in, adjacent to, or downstream of, individual watershed areas, while maintaining
11 the biological and cultural heritage of the country. It is the holistic multiple use
12 and sustainable management of all the resources within a spatial unit known as
13 the watershed. The Watershed Continuum Management is based on the
14 following guiding principles: (1) Ecological sustainability; (2) Social and cultural
15 sustainability; (3) Economic sustainability; and (4) Institutional sustainability;

16 bbbb. **"Watershed Reservation"** refers to a forestland reservation established to
17 protect or improve the conditions of water yield thereof or reduce sedimentation;

18 cccc. **"Wildlife"** refers to wild forms and varieties of flora and fauna, in all
19 developmental stages; and

20 dddd. **"Woodlots"** refer to a track or plot of land planted with fast growing tree
21 species basically for fuelwood purposes. Woodlot is the major component in
22 Rotational Woodlot Agroforestry Systems which aim to satisfy house and regional
23 fuelwood demand while reducing harvesting pressure on local forests. Rotational
24 Woodlot Agroforestry Systems include the following components: (1)
25 Establishment, which includes tree and crop intercropping; (2) Fallow, which
26 pertains to build up of wood and soil fertility; and (3) Post-fallow, which pertains to
27 wood harvesting and sequential cropping.

CHAPTER II

CLASSIFICATION OF PERMANENT FORESTLANDS

SECTION 5. *Permanent Forestlands.* All forestlands currently classified as such

SECTION 6. *Instruments within Permanent Forestlands.* Titles, settlements,

permits, lease, and/or agreements within critical habitats, critical watershed areas,

protected areas, important biodiversity areas (IBAs), and key biodiversity areas (KBAs),

shall be reviewed, and its legality determined. All erroneous titles, settlements, permits,

leases and/or agreements or non-compliance to and in violation of provisions of

agreements shall duly be cancelled or revoked; *Provided*, That the applicable provisions of

the Indigenous Peoples Rights Act of 1997 (IPRA) shall be respected. The LGU, upon

endorsement from the Forest Management Board or *motu proprio*, shall recommend to the

Secretary revocation of these instruments. The Secretary, upon recommendation or *motu*

proprio shall revoke such instrument.

SECTION 7. *Additional Areas to be Included as Permanent Forestlands* The

following lands are needed for environmental protection and forestry purposes and shall not

therefore be classified as agricultural lands or for other land use:

- a. Isolated patches of forest, regardless of size of area, with rocky terrain or which protect a spring for communal use;
- b. All mangroves and swamplands including twenty-meter wide strips thereof facing oceans, lakes and other bodies of water not yet classified as alienable and disposable lands;
- c. Ridge tops and plateaus regardless of size found within or surrounded wholly or partially by forestlands where headwaters emanate;
- d. Twenty-meter wide strips of land from the edge of the normal high waterline of rivers and streams with channels of at least five (5) meters wide which are not yet classified as alienable and disposable;
- e. Areas needed for other purposes of public interest such as research or experimental purposes and others; and

1 f. Areas considered environmentally critical because of their vulnerability to
2 damage from landslides, volcanic eruptions, and other natural causes.

3 Owners who have acquired vested rights over lands enumerated above are required to
4 implement soil and water conservation measures, in coordination with the Department and
5 the appropriate local government unit. An Environmental Compliance Certificate (ECC)
6 shall be required in these environmentally critical areas in accordance with existing law:
7 *Provided, That* the Department, in coordination with the concerned local government unit,
8 shall immediately take the necessary steps to expropriate the property concerned, to
9 impose the necessary fines, penalties and costs of rehabilitation and implementation of the
10 required soil and water conservation measures, and to cancel and/or amend any title used
11 thereon or impose fines or will be subject to cancellation or revocation under any of the
12 following conditions:

- 13 a. Failure of the owner, after due notice, to implement appropriate soil and water
14 conservation;
- 15 b. Failure of the owner/s to comply with ECC requirements when required;
- 16 c. The issuance of titles over such areas was accomplished through fraud,
17 deceit, misrepresentations or other anomalies; or
- 18 d. When public interest so requires.

19 *Provided further, That* the concerned LGUs may recommend to the DENR to file
20 expropriation proceedings given the conditions enumerated in this provision.

21 **SECTION 8. Sub-Classification of the Permanent Forestlands.** The permanent
22 forestlands shall be sub-classified into the following categories according to primary use:

- 23 a. **Protection forestlands** shall consist of all natural and restored forests including
24 areas identified as key biodiversity areas, critical habitats, freshwater, swamps,
25 and marshes, all areas along the bank of rivers and streams, and the shores of
26 the seas and lakes throughout their entire length and within a zone of three (3)
27 meters in urban areas, twenty (20) meters in agricultural areas, and forty (40)
28 meters in forest areas, along their margins which are subject to the easement of

public use in the interest of recreation, navigation, floatage, fishing and salvage shall also be sub-classified as protection forestlands. All extractive industries such as, but not limited to, logging and mining are banned in these protection forestlands; *Provided*, That the provisions of the IPRA shall be respected;

b. **Production forestlands** shall be all forestlands not sub-classified as protection forestlands defined in this Section, and shall be devoted to the production of timber and/or non-forest products or the establishment of industrial tree plantations, tree farms, communal forests, agroforestry, grazing, or as multiple-use forests including water-based energy areas such as but not limited to hydro and geothermal reservations: *Provided*, That they shall be managed, developed, and utilized in accordance with a LGU-approved management plan consistent with the prescribed Forestry Master Plan and based on sustainable forest management principles: *Provided, further*, That the department may change the sub-classification of specific areas of production forestlands into protection areas and recommend to Congress their establishment as part of the integrated protected area systems in accordance with the NIPAS Act, or as critical habitat under the Wildlife Resources Conservation and Protection Act: *Provided finally*, that ancestral domains located within protection and production forests shall be governed by customary laws;

c. **Restoration areas** are areas to be designated in the management plan as such. Designation of a restoration area is compulsory in all forest management plans.

SECTION 9. Demarcation and delimitation. Upon approval of this Act, the Congress shall provide funds for the Department to demarcate on the ground the actual land classification lines: *Provided*, That the Secretary, upon completion of the actual assessment of the demarcated land classification lines, shall recommend to Congress the delimitation of the forestlands found to be still suitable and capable for its purpose, *Provided further*, That the Department shall submit an annual accomplishment report and that within five (5) years, has caused the complete demarcation and delimitation of land

classification lines.

SECTION 10. *Availability of records.* Records pertaining to the specific limits of forestlands shall be made available to the public upon request. Moreover, the Department shall furnish all provincial, municipal and city government copies of the maps of permanent forestlands located within their respective territorial jurisdictions.

CHAPTER III

ADMINISTRATION AND MANAGEMENT OF FORESTLANDS AND ITS RESOURCES

SECTION 11. *Jurisdiction and control of forestlands.* The Department shall be the primary agency responsible for the conservation, restoration and the sustainable utilization of forestlands and the unclassified lands of the public domain. It shall formulate a national forestry master plan and the policies promulgated in this Act. In coordination with LGUs and other government agencies, it shall ensure that forestlands and unclassified lands of the public domain are managed, conserved, developed, utilized and protected consistent with the policies promulgated in this Act; *Provided*, that the management plan for protected areas shall be prepared in accordance with the provisions of the NIPAS Act, the Wildlife Resources Act, the Local Government Code, and the IPRA, and other relevant laws and international covenants, as well as other pertinent laws; *Provided further*, that certain functions and powers of the Department may be devolved to the local government units.

SECTION 12. *Co-Management Agreement for the Devolution of Functions.* The Department, the Department of Interior and Local Government, and the concerned LGUs shall execute a co-management agreement, which shall contain the program and schedule by which functions shall be strategically devolved, providing for capacity-building and empowerment mechanisms.

SECTION 13. *Powers and Responsibilities of the LGUs.* Pursuant to the pertinent provisions of Republic Act. No. 7160 or the Local Government Code, LGUs shall share the responsibility in the sustainable management and utilization of forest resources within their territorial jurisdiction including those assigned by law to other government agencies. The LGU and the Department shall jointly undertake the preparation and implementation of

1 forestland use and watershed continuum management plans, consistent with the Ancestral
2 Domain Sustainable Development and Protection Plan (ADSDPP) and in consultation with
3 other government agencies, local communities, non- government organizations and other
4 sectors. Partnerships with LGUs and local communities are highly encouraged. Such plans
5 shall be fully funded and made an integral component of the LGU's Comprehensive Land
6 Use Plan (CLUP).

7 The devolved functions include, but are not limited to, the following:

- 8 a) Implementation of community-based forestry projects, e.g. Community-based
9 Forest Management Agreements;
- 10 b) Establishment of reforestation projects except in protected areas and critical
11 watersheds;
- 12 c) Completed family and contract reforestation projects;
- 13 d) Forest Land Management Agreements;
- 14 e) Community Forestry Projects;
- 15 f) Management and control of forests located in the LGU's jurisdiction;
- 16 g) Management, protection, rehabilitation and maintenance of small watershed
17 areas which are sources of local water supply as identified or to be identified by
18 the DENR;
- 19 h) Enforcement of forestry laws; and
- 20 i) Prevention of forest fires, integrated pest management and protection against
21 forest invasive species.

22 **SECTION 14. *Multi-sectoral participation.*** In formulating conservation and
23 management plans and programs, multi-sectoral participation shall be required.

24 **SECTION 15. *Local Government Unit Consent and Consultation.*** – Proponents
25 of all forestry projects to be implemented in the LGUs' territorial jurisdiction shall strictly
26 comply with Sections 26 and 27 of the Local Government Code.

27 **SECTION 16. *Forest Board.*** A Forest board (Board) shall be created at the
28 municipal level which shall be composed of a representative from the LGU and

representatives of different sectors including but not limited to, women, farmers, fisherfolks, and indigenous peoples, shall set the policy direction for the management, utilization and development of forestlands and resources found within their respective jurisdictions in accordance with the watershed continuum plan.

SECTION 17. *Functions of the Forest Board.* The Board shall be responsible for the over-all policy direction for the management of the forestlands and forest resources found within their respective jurisdictions in accordance with the provisions of this Act. It shall review and recommend implementation of programs and projects and perform oversight functions on matters pertaining to environment and natural resources. It shall also participate in the review and recommend relevant policies for the protection, conservation and restoration efforts within the continuum and ensure the contribution of the forestry sector to national economy, ecological sustainability and sustainable development closely adhering to the principles and action plans set under Philippine Agenda 21 and its revised versions. It shall moreover facilitate the initiation of the LGU's participation in the devolution program and shall monitor the transfer and implementation of devolved functions at the LGU.

SECTION 18. *Creation of a Municipal Environment and Natural Resources Office.* A Municipal Environment and Natural Resources Office (MENRO) is hereby created, including the position for the Municipal Environment and Natural Resources Officer. The LGU shall ensure that funds are available for the operations and salaries of personnel for this Office.

SECTION 19. *Qualifications of a Municipal Environment and Natural Resources Officer.* The Municipal Environment and Natural Resources Officer should have a background in planning, natural and environmental science, and should be civil service eligible.

SECTION 20. *Functions of the MENRO.* The MENRO shall facilitate the preparation of management plans. It shall recommend to the Board relevant policies for the protection, conservation and restoration efforts within the continuum. It shall evaluate

1 applications for forest management agreements; monitor the performance of holders of
2 all tenorial instruments issued by the LGU and Department. The MENRO may
3 recommend to DENR appropriate action with regard to the implementation of pertinent
4 laws, rules and regulations. The MENRO shall exercise visitorial powers over the
5 forestlands.

6 **SECTION 21. *Forest Management Committee within a watershed continuum.*** A

7 forest management committee shall be created under the Municipal Development Council.
8 Municipalities/cities falling within the same watershed continuum shall form a forest
9 management committee within the Provincial Development Council. *Provided further*, that
10 provinces falling under the same watershed continuum will create a committee within the
11 Regional Development Council. These committees shall be responsible for the preparation
12 of the required overall management plans, in relation to the direction set by their respective
13 Forest Boards.

14 **SECTION 22. *Forestlands under Other Government Agencies.*** Forestlands

15 and/or portions thereof which have been assigned by law to the administration and
16 management of other government agencies for a specific purpose prior to the passage of
17 this Act shall remain under the administration and management of these government
18 agencies which shall be responsible for their conservation, protection, and restoration. The
19 Secretary and the concerned local chief executive or their respective duly authorized
20 representative shall exercise visitorial powers over these forestlands. Moreover, these
21 forestlands shall be administered in accordance with a forest management plan embodied
22 in the comprehensive forest management and land use plan of the LGU, which shall be
23 prepared by the concerned management committee of the watershed continuum level
24 within one (1) year from the effectivity of this Act. Said multi-sectoral body shall periodically
25 review, monitor, and evaluate the implementation of the said management plan. *Provided*,
26 that the harvesting of forest resources and building of roads and other infrastructure therein
27 shall be undertaken only with the prior approval of the LGU upon the endorsement of the
28 local forestry boards, and after compliance with EIS and ECC requirements: *Provided*

1 further, that the LGU shall endorse to the Secretary who shall recommend to Congress or
2 the President of the Philippines the reversion to the LGU of the jurisdiction and control over
3 forestlands that are no longer needed nor used for the purpose by which they have been
4 constituted or in case the agency concerned fails to rehabilitate, protect, and conserve the
5 forestland resources in accordance with the approved management plan. The LGU, in
6 coordination with its forestry board and consistent with the watershed continuum plan, shall
7 determine the use of the reverted forestlands.

8 **SECTION 23. *Forest Resources within Alienable and Disposable Lands.*** All
9 forest resources planted or raised within alienable and disposable lands belong to the
10 holder of the instrument giving rights to the claimant, who shall have the right to sell,
11 contract, convey or dispose of the same subject to a certification process to be developed
12 by the Department. The Department shall prepare the guidelines in coordination and
13 cooperation with LGUs and multi-sectoral consultations. Holders of said instruments who
14 register their forests lands for forestry purposes with the LGU shall be assisted in the
15 preparation of a management plan consistent with the watershed continuum management
16 plan, and shall be entitled to appropriate incentives provided under Section 44 herein, on
17 reforestation in private lands: *Provided, That* alienable and disposable lands devoted to the
18 planting and harvesting of forest resources shall remain subject to the provisions of
19 Republic Act No. 6657 or the Comprehensive Agrarian Reform Law or any other similar
20 laws that may be enacted.

21 **SECTION 24. *Forest Resources within Production Forestlands.*** Resources,
22 including non-timber forest products, its by-products and its derivatives, whether naturally
23 growing, planted or raised, which have been taken or have been applied with some
24 silvicultural practices, within production forestlands shall be issued the appropriate permit,
25 agreement or clearance. Any declaration of forest resources as threatened shall be in
26 accordance with the Wildlife Act and other relevant laws.

27 **SECTION 25. *Logging in Production Forestlands.*** To ensure the conservation and
28 sustainable use of forest resources in production forestlands, holders of timber licenses,

1 permits and/or agreements shall submit to the LGU an Integrated Operations Plan (IOP)
2 containing strict environmental guidelines such as ECC compliance. All forest development
3 activities such as logging, reforestation, timber stand improvement, forest protection, and
4 delivery of community service within an area covered by timber concessions shall be
5 consolidated under the IOP, which shall be prepared by or under the supervision of an
6 accredited private registered forester whose signature and dry seal shall appear in the plan
7 and the supporting documents submitted for this purpose.

8 **SECTION 26. *Forest Resources within Protection Forestlands.*** Only non-timber
9 forest products shall be allowed to be extracted from protection forestlands and shall be
10 issued the appropriate permit, agreement or license, *Provided*, that harvesting or gathering
11 of timber for subsistence use of indigenous communities and forest communities shall be
12 allowed but only in woodlots established by the communities. Any declaration of forest
13 resources as threatened, and other restrictions shall be in accordance to the Wildlife Act.

14 **SECTION 27. *Absolutely Prohibited Activities in Protection Forestlands.***
15 Commercial logging, mining and other similar extractive activities such as but not limited to
16 treasure hunting shall be absolutely prohibited in protection forestlands.

17 **SECTION 28. *Review of Reservations within Protection Forestlands.*** All
18 reservations made within protection forestlands shall be reviewed. Reservations which are
19 contrary to the provisions of this Act, including, among others, mineral or settlement
20 reservations, shall be withdrawn.

21 **SECTION 29. *Commercial Logging Ban in Protection forestlands.*** There shall be
22 a permanent ban on commercial logging activities in all protection forests defined,
23 categorized, and sub-classified in Section 8(a) herein. No licenses, permits, or agreements
24 to cut any timber therein shall be issued.

25 **SECTION 30. *Protection Forestlands covered by Existing Permits, Licenses***
26 ***and/or Agreements.*** All existing permits, licenses and agreements shall be reviewed, and,
27 if protection forestlands are found within an agreement or licensed area, such protection
28 forestlands shall be immediately excised from said permit, license and/or agreement, and

1 the holder of the agreement or license shall establish a buffer zone and delineate their
2 boundaries with the production forestlands, marking the same with concrete monuments,
3 road, or infrastructure, or any other visible, permanent, and practicable signs.

4 **SECTION 31. *Duty of the License Permit-holder.*** In coordination with the
5 concerned LGU, the agreement- or license-holders shall protect and conserve such
6 protection area following a plan consistent with the prescribed management plan for key
7 biodiversity areas or similar strategies by the Department. The agreement- or license-
8 holder concerned shall be accountable for the destruction of such protection forestlands
9 that did not result from *force majeure*, and such destruction shall serve as basis, in addition
10 to the other violations enumerated in this Act hereof, for the termination or revocation of the
11 agreement, license, or permit, and the filing of proper charges under the NIPAS Act and
12 pertinent forestry laws, rules and regulations. In the absence of a contractor or agreement
13 holder over such production forestlands, the delineation of said boundary shall be
14 undertaken and prioritized by the Department.

15 **SECTION 32. *Non-Extension of Timber License Agreements.*** No extensions
16 shall be made on any existing TLA, and the area covered by the agreement shall
17 automatically be sub-classified as protection forestland after the representatives of the
18 Department, the LGUs concerned, the Department of Agrarian Reform, NGOs, peoples'
19 organizations, and other stakeholders had excluded degraded areas that may be subject of
20 a reforestation project.

21 **SECTION 33. *Forest Resources within Ancestral Domains/Ancestral Lands.***
22 When forest resources are within ancestral domains/ancestral lands which are otherwise
23 production or protection forestlands, aside from the necessary permit, license or
24 agreement, the genuine free, prior and informed consent of the indigenous communities
25 shall also be secured. *Provided*, that if the indigenous communities will themselves harvest
26 these resources for their subsistence or survival use, the provisions of IPRA shall apply and
27 no permits shall be required as owners of such resources. *Provided finally*, that, if the
28 indigenous peoples will themselves harvest such resources for commercial purposes, they

shall be subject to the same limitations and conditions as provided by this Act.

The National Commission on Indigenous Peoples (NCIP) shall coordinate and consult the Department in providing assistance to the indigenous peoples in the sustainable management and development of forest resources within ancestral lands and domains.

SECTION 34. *Mandatory EIA.* Any permit, license, agreement or any other instrument to develop or use forestlands or resources therein, including those found within ancestral domains/lands that would result in severe soil erosion or environmental degradation shall be subject to the provisions of Environmental Impact Assessment (EIA) in accordance with Presidential Decree No. 1151 or the Philippine Environmental Policy, Presidential Decree No. 1586, Establishing an Environmental Impact Statement System, and this Act.

CHAPTER IV

FOREST MANAGEMENT PLANNING, MONITORING AND ASSESSMENT

SECTION 35. *Forestry Master Plan.* The Department shall periodically prepare the map, revisit or review the Forestry Master Plan in consultation with local stakeholders, and shall revise the said plan according to the provisions of this bill, taking also into consideration biodiversity conservation, carbon sequestration and other matters of the same import. The Forestry Master Plan shall be presented to all LGUs, and other stakeholders upon completion and shall be posted in conspicuous areas and made accessible to the public.

SECTION 36. *Sustainable Forest Management Planning.* Subject to vested or prior rights, the Department, in consultation and coordination with LGUs, other government agencies, local communities, non-government organizations, individual and corporate entities, private sectors, academic and research institutions, and other concerned sectors shall, within one (1) year from the effectivity of this Act, develop and adopt a sustainable forest management strategy for each well-defined watershed or other appropriate forest management unit based on criteria, indicators, and standards for sustainable forest management which, at their minimum, address the following requirements:

- a. Rational allocation of forestland uses and promotion of land use practices that increase productivity and conserve soil, water, and other forestland resources;
- b. Protection of existing forest resources and conservation of biodiversity;
- c. Restoration of denuded areas, making use of indigenous tree species for biodiversity conservation in protection forests and buffer strips of water channels and bodies;
- d. Establishment of tree plantations in production forest lands, private lands, and alienable and disposable lands;
- e. Enhancement of the socio-economic well-being of local communities including indigenous peoples who are largely dependent on the forest for their livelihood;
- f. Promotion of closer coordination between and among the Department, LGUs, other national agencies, non-government organizations, local communities, the private sector, academic and research institutions and other entities in the sustainable management of forestlands;
- g. Adoption of community-based forest management as a principal strategy in the management of forestlands and resources; and,
- h. Harmonization and integration of the forest management plan of forestlands and resources with other plans, such as the forest management plan and the land use plans of the LGUs, protected areas management plans in areas covered by the same, critical habitat management plan, barangay development plan, CLUP of cities and municipalities and physical framework plans of the provinces and the regional development plans, and be consistent with the ancestral domain management plans and protected area management plans areas covered.

The Department shall continue to adopt the Master Plan for Forestry Development subject to periodic review every five (5) years. .

SECTION 37. Watershed Continuum Management Strategy. The Watershed Continuum Planning and Management Framework in Environment and Natural Resources shall be adopted. The strategy for improved watershed resources management shall be

demand-driven, community-based, and multiple- and sustainable-use considering national priorities and concerns of local stakeholders. Watershed continuum management programs initiated by the government shall be guided by ecological, socio-cultural, economic, and institutional sustainability principles. A National Watershed Information System shall be developed to guide policy formulation, program development, and implementation of watershed continuum management initiatives. The Department in consultation with the LGUs shall identify the watershed continuum in the country and provide the maps for each.

SECTION 38. *Prioritization of watersheds.* A system of prioritization of watersheds shall be pursued considering the following:

- a. Biodiversity and environmental enhancement;
- b. Cultural and historical value;
- c. Water supply for domestic, irrigation, power, industrial, and commercial use;
- d. Contribution to the economy; and
- e. Effect on downstream areas.

SECTION 39. *Forest Resource Database and Monitoring System.* Areas identified by the Department as forests as defined under this Act shall be verified and validated by the Forest Development Center, including those within ancestral domains and lands. A centralized forestland resource database shall be made available to the public at all times, on-line if possible, which shall consist of comprehensive updated information on the physical, social, economic, biological, environmental and cultural components of the country's forestlands and shall include a log control monitoring or timber identification system to enable the Department and its field offices to track the movement or transfer of timber and other forest products from a forestland source to their end users. The Department shall conduct and/or update forest resource inventory at least once every five (5) years to ensure effective management.

SECTION 40. *Environmental Impact Assessment, Resource Accounting and Valuation.* All new environmentally critical projects to be implemented in forestlands, such as harvesting, grazing and other special uses, mineral prospecting and exploration, and

road, infrastructure, and mill construction, shall be subject to Environmental Impact Assessment (EIA) in accordance with Presidential Decree No. 1151 or the Philippine Environmental Policy, and Presidential Decree No. 1586, Establishing an Environmental Impact Statement System. A scientific resource valuation of impacts of affected biophysical and environmental elements, and an extended benefit cost analysis shall be used in the EISS. The Department shall design and implement a system of regular periodic monitoring and assessment using the Criteria and Indicators as framework and shall formulate appropriate standards as basis for assessing progress towards sustainable forest management. Furthermore, the Department shall design and implement an appropriate natural resources accounting and valuation system for various forestry initiatives. The Department shall establish the total value of forestlands based on multiple uses, including their environmental services.

CHAPTER V

REFORESTATION AND RESTORATION

SECTION 41. *Restoration in Protection Forestlands.* The restoration of all critical watersheds and critical, denuded, and degraded forests within protection areas shall be prioritized. Only the use of indigenous or native species in the restoration and rehabilitation of protection areas shall be adopted to enhance biological diversity therein. The LGUs in coordination with the Department, other government agencies, NGOs, local residents and communities, and other sectors concerned, shall identify and prioritize forestlands to be reforested. The LGU, consistent with the watershed continuum plan and the corresponding municipal forest land use plan may enter into agreements with qualified persons, including forest community organizations, in the restoration of protection forestlands.

SECTION 42. *Identification of Restoration Forestlands.* LGUs, in cooperation with the DENR and other government agencies, NGOs, local residents and communities shall identify and prioritize forestlands to be restored, *Provided*, priority restoration shall be a band of two hundred (200) meters from the boundary of protection areas and protected areas, abandoned mines and abandoned and idle fishponds for mangrove restoration. For

1 mangrove forests, the LGU shall prepare a rehabilitation plan to restore mangroves in their
2 area. *Provided further,* That an accelerated restoration program in such identified priority
3 protection forestlands shall be undertaken to raise the forest cover therein at least fifty
4 percent (50%) of the prioritized area within five (5) years and eighty percent (80%) of the
5 area within ten (10) years from effectivity of this Act. The LGU shall allot funds to effectively
6 accomplish restoration either by its own or through permit, license and/or agreement in
7 protection forestlands. The Department or other agencies responsible for restoration shall
8 give priority to local communities in the granting of technical and financial assistance for
9 restoration activities, *Provided finally,* That assisted natural regeneration (ANR) shall be
10 encouraged in protection forestlands.

11 **SECTION 43. *Reforestation or Tree Plantation Development in Production***
12 ***Forestlands.*** In accordance with Section 50 herein, the LGU may enter into joint venture,
13 co-production, or production-sharing agreement with qualified persons to reforest or to
14 develop tree plantations in production forestlands, *Provided,* that palm plantations and the
15 like shall not be allowed in production forestlands.

16 **SECTION 44. *Reforestation in Forestlands under the Jurisdiction of Other***
17 ***Government Agencies.*** Government agencies and institutions having management
18 control over forestlands pursuant to a law or grant shall be responsible for the reforestation
19 of denuded and degraded portions of such forestlands. The reforestation program of these
20 agencies shall aim to increase the vegetation of the degraded areas using native species,
21 to be identified jointly by the Department and agency concerned and multi-sectoral
22 stakeholders. The concerned agency in coordination with the LGU shall prepare the
23 reforestation plan, consistent with the watershed continuum plan and determine the ratio of
24 forested areas at any given time. Failure to reforest denuded and/or degraded forestland
25 identified in the reforestation plan within the period herein prescribed shall be sufficient
26 ground to request for reversion of the said forestlands to the jurisdiction and control of the
27 LGU: *Provided, however,* That in areas where Community-based Forest Management
28 Strategy (CBFMS) shall be implemented or where there are existing facilities for basic

1 services such as water and power as allowed by the Department pursuant to the provisions
2 of this Act, the completion of the reforestation program shall be subject to the conditions
3 provided in the instrument to be awarded by the Department and the agency concerned to
4 the participating local community or individual or in the Forest Management Agreement of
5 contractors operating such facilities for basic services, as approved by the Department.
6 *Provided finally, that whenever applicable, the use of ANR shall be preferred and*
7 *community-based forest management encouraged.*

8 **SECTION 45. *Reforestation in Alienable and Disposable Lands and/or Private***
9 ***Lands.*** Reforestation or the establishment of tree farms or tree plantations in private lands
10 guided by the watershed continuum Plan shall be encouraged: *Provided, that such private*
11 *lands and other alienable and disposable lands are not prime agricultural lands as*
12 *determined or certified by the Department of Agriculture (DA). The private landowner(s)*
13 *shall also be entitled to the incentives provided for under Section 44 herein: Provided, that*
14 *such private tree plantations are duly registered with the Department. Whenever applicable,*
15 *use of ANR shall be preferred and community-based forest management encouraged.*

16 **SECTION 46. *Incentives of Reforestation or Restoration within Production***
17 ***Forestlands.*** To encourage qualified persons to engage in restoration or reforestation
18 activities, the following incentives shall be granted:

- 19 a. Upon the premature termination of the agreement at no fault of the holder, all
20 depreciable permanent and semi-permanent improvements such as roads,
21 buildings, and nurseries including the planted and standing trees and other forest
22 crops introduced and to be retained in the area shall be properly evaluated and
23 the holder shall be entitled to a fair compensation thereof, the amount of which
24 shall be mutually agreed upon by both the LGU and the agreement holder, and in
25 case of disagreement between them, by arbitration through a mutually
26 acceptable and impartial third party adjudicator;
- 27 b. The agreement holder has the right to transfer, contract, sell, or convey his rights
28 to any qualified person following the guidelines to be issued by the Secretary,

1 *Provided*, that if such restoration or reforestation were conducted within ancestral
2 domains/ancestral lands, the transferee shall secure the free, prior and informed
3 consent of the indigenous communities of such ancestral domains/ancestral
4 lands prior to such transfer; and

5 c. In the event the area restored has provided ecological services to the community,
6 user fees shall be allowed as incentives.

7 The Secretary may provide or recommend to the President or to Congress other
8 incentives in addition to those granted herein and in existing laws in order to promote
9 reforestation and the establishment of tree plantations, *Provided*, That in no case shall the
10 Secretary provide incentives that shall put the State at a gross disadvantage, nor shall the
11 Secretary provide incentives of non-payment of taxes or other rightful fees due to the State
12 as provided by other laws.

13 **SECTION 47. *Reforestation in Ancestral Domains/Ancestral Lands.***

14 Reforestation in ancestral domains/ancestral lands, if not undertaken by the ICCs/IPs
15 themselves, shall require the free, prior and informed consent of the ICCs/IPs.

16 **SECTION 48. *Reforestation in Protection Forestlands.*** The Department may

17 contract out the reforestation and/or management of protection forestlands to any person,
18 *Provided*, that such persons should meet the qualifications enumerated in Section 54. The
19 Department shall reasonably compensate such persons for such reforestation and/or
20 management activities and extend the necessary assistance in the reforestation and/or
21 management of such protection forestlands.

22 **SECTION 49. *Voluntary Offer to Reforest.*** Private landowners, whether natural or

23 juridical persons, may participate in reforestation and plantation development or similar
24 programs of the LGU or the Department, with the landowner contributing his land and the
25 LGU or Department furnishing funds to reforest the area on a co-production agreement:
26 *Provided*, That the property shall be exclusively devoted to the planting of forest species for
27 at least one (1) rotation, which undertaking shall be annotated at the back of the title of the
28 property: *Provided*, further, That prime agricultural lands as determined or certified by the
29 DA shall not be the subject of a voluntary offer to reforest.

CHAPTER VI

COMMUNITY-BASED FOREST MANAGEMENT STRATEGY

SECTION 50. *Community-Based Forest Management Strategy (CBFMS).*

Whenever they are present, forest resident families, communities, indigenous peoples and other communities whose lives, culture and general well-being are intimately linked with the forests, shall be entrusted with the responsibility to protect, manage, develop and utilize resources limited to woodlots and non-timber forest products (NTFP) under the principle of stewardship. Timber harvesting shall only be allowed in production forestlands designated in the Community Resource Management Plans (CRMP). The Department together with the LGUs, and in consultation with affected stakeholders and sectors, shall develop policies, criteria, guidelines and tenurial instruments that will simplify and allow access of forest resident families, and local communities to forestland resources. The LGUs will review all CBFMAs in their jurisdiction to assess performance and determine membership status of the CBFMA-holder. The Department together with the LGUs, in consultation with affected stakeholders and sectors, shall furthermore develop policies, and guidelines that promote partnership between the private sector and forest-based communities in pursuit of sustainable community forest management activities.

SECTION 51. *Areas Available for CBFMS.* Subject to prior or vested rights, the CBFMS may be implemented on all appropriate forestlands excluding the ancestral domains/ancestral lands of ICCs/IPs. Priority will be given to degraded and denuded forestlands.

The LGU may only allow the implementation of CBFMS in watershed reservations if it shall promote their protection and rehabilitation; *Provided*, however that land-use practices and activities therein are in accordance with a management plan duly approved by the Secretary and shall not induce severe soil erosion and surface run-off: *Provided, further*, That no timber harvesting shall be allowed in forests; *Provided also*, That no CBFM agreements shall be issued to non-ICCs/IPs within ancestral domains/ancestral lands, *Provided finally*, CBFMAs shall not cover Certificate of Land Ownership Awards (CLOAs) and other tenurial instruments.

1 **SECTION 52. Community Resource Management in CBFM Areas.** The

2 management of forestland resources in CBFM areas shall be embodied in a community
3 resource management plan, which shall contain the community's vision, aspirations, and
4 strategies in the management of forestland resources, which shall be consistent with the
5 forestland use plan (FLUP). Qualified communities shall be provided with appropriate long-
6 term security of tenure, technical, managerial and financial assistance, training; and other
7 assistance, as the case may be, to empower them to manage and benefit from the
8 forestland resources on a sustainable basis.

9 **SECTION 53. Qualified Participants.** Organized forest communities shall be given

10 priority to participate in the CBFM program. Organizations eligible to participate in CBFM
11 shall have the following qualifications:

12 a. Members shall be Filipino citizens; and

13 b. Members shall be any of the following:

14 i. Traditionally utilizing the resource for their livelihood;

15 ii. Actually residing within the area for at least five (5) years; and

16 iii. Residing adjacent and actually tilling portions of the area to be awarded.

17 **SECTION 54. Modes of Management Agreements.** The conservation, protection,

18 development, utilization, and management of forestlands and/or forest resources shall be
19 undertaken under the supervision of the State through the LGUs. The State may directly
20 undertake such activities or it may enter into co-production, joint venture or production
21 sharing agreement with qualified Filipino citizens or corporations or associations over the
22 management of production forestlands, subject to relevant laws, rules and regulations,
23 *Provided*, that interested local communities through their organized and duly recognized
24 associations shall be given priority in the grant of appropriate instruments implementing the
25 said agreements. Such instruments and/or agreements shall have a duration of twenty-five
26 (25) years, renewable for another twenty-five (25) years, under such terms and conditions
27 as may be provided by the Secretary, after observing the qualification of the succeeding
28 sections; *Provided further*, that management agreements shall not be issued in favor of any

1 person covering ancestral domains/ancestral lands without the free, prior and informed
2 consent of the concerned ICCs/IPs and the recognition and protection of ICCs/IPs rights
3 under pertinent laws;

4 Current valid and subsisting licenses, contracts, or agreements granted by the
5 government for the development, management, and utilization of forest resources within
6 protection forestlands shall be allowed to continue under the same terms and conditions
7 until their expiry; *Provided*, that no cutting or felling of trees shall be allowed within the said
8 protection forestlands, *Provided further*, that such agreements issued within ancestral
9 domains should have had the free, prior, and informed consent of the ICCs/IPs involved,
10 otherwise, such license, contracts or agreements shall be cancelled and revoked for
11 violating the rights of said ICCs/IPs.

12 All agreements entered into pursuant to this section shall be subject to the approval of
13 and monitoring by the LGU, *Provided further*, that all applications and approved
14 agreements shall be posted in public places.

15 **SECTION 55. Terms and Conditions of Agreements.** The Department, in
16 coordination with the LGUs, and, having undergone multi-stakeholder consultations shall
17 formulate rules and regulations covering the relevant terms and conditions thereof.

18 **SECTION 56. Minimum Conditions for the Issuance of Co-Production, Joint**
19 **Venture and Production Sharing Agreement.** The following provisions shall be the
20 minimum conditions for the issuance of co-production, joint venture and production sharing
21 agreement:

- 22 a. The holder is a Filipino citizen;
- 23 b. The agreement holder shall furnish the necessary management, technology and
24 financial services when required, as determined by the Secretary;
- 25 c. Provision/s for government share of revenues and the manner of payment
26 thereof;
- 27 d. Provision/s on consultation and arbitration with respect to the interpretation of the
28 agreement;

- e. Provision/s for anti-pollution and environmental protection measures;
- f. Provision/s prescribing the preferential use of indigenous tree species for tree plantations: *Provided*, that in case of protection forestlands, only indigenous tree species shall be used;
- g. Provision/s for an effective monitoring scheme to be implemented by the LGU, which shall include, but shall not be limited to periodic inspection of all records and books of account of the agreement holders;
- h. Commitment to community development including capacity building of local stakeholders;
- i. The submission of a management and development plan to be approved by the LGU; and
- j. Other provisions that the LGU shall impose, upon the recommendation of the Director of the FMB, that will improve and sustain the development and management of the forestlands and its resources, which shall include, among others, a projection of annual income and revenues generated, to be used as basis in the determination of government shares.

SECTION 57. *Transfer.* No holder of a co-production, joint venture, or production sharing agreement or contract shall sub-contract, transfer, exchange, sell or convey the same or any of his right or interests therein without a written authority from the LGU. Moreover, no transfer shall be authorized unless the agreement or contract has been in existence and active for at least three (3) consecutive years from issuance thereof: *Provided*, that the transferor has faithfully complied with the terms and conditions of the said agreement or contract; the transferee has all the qualifications and none of the disqualifications to hold the same; and the transferee shall assume the obligations of the transferor. Failure to comply with these conditions shall be sufficient cause for the cancellation of the agreement or contract; *Provided further*, that if such agreement cover ancestral domains/ancestral lands, the free, prior and informed consent of the ICCs/IPs involved with regard to such transfer shall be secured, otherwise, said agreement shall be cancelled.

1 **SECTION 58. *Non-Timber Forest Products.*** Rattan, bamboos, vines, herbs,

2 exudates and other non-timber forest products are integral parts of the forest ecosystem.

3 The planting and sustainable management of non-timber producing species shall be

4 encouraged and supported. *Provided*, that they are indigenous species. The development,

5 management and utilization of non-timber forest products shall be allowed in accordance

6 with the FLUP, and corresponding laws and regulations enforced by the LGU and

7 consistent with guidelines to be promulgated by the Department in compliance with national

8 and international policy or agreements.

9 **SECTION 59. *Priority to Harvest, Utilize, Gather or Collect NTFP.*** In granting

10 permits to harvest, utilize, gather or collect non-timber forest products, in their natural or

11 original state from forestlands, priority shall be given to forest resident families, local

12 communities, and indigenous peoples living nearest the subject forestlands; *Provided*, that

13 the wildlings collected from the forests shall be utilized for nursery establishments, research

14 and development and shall be subject to guidelines formulated in the establishment of

15 nurseries.

16 **SECTION 60. *Silvicultural and Harvesting System.*** The Department shall

17 formulate the appropriate silvicultural and harvesting system and all measures shall be

18 taken to achieve an approximate balance between growth and harvest that is consistent

19 with the NBSAP. The use of forest products from production forestlands shall be promoted

20 and practiced.

21 **SECTION 61. *Mangrove forest.*** Cutting in mangrove forests shall be prohibited. The

22 Department shall formulate a program for the restoration of mangrove forests and shall

23 promote strategies that are consistent with biodiversity conservation or enhance

24 biodiversity.

25 **SECTION 62. *Grazing.*** Land for grazing purposes shall only be limited to production

26 forestlands. The Department shall identify and delimit areas suitable for grazing purposes:

27 *Provided*, that no forestland fifty percent (50%) in slope or over may be utilized for grazing

28 purposes: *Provided also*, that vegetation should be sufficient for livestock prior to the grant

1 of such permits, *Provided, further*, that existing pasture lease agreements or forestland
2 grazing lease agreements shall be allowed to continue under the same terms and
3 conditions until their expiry: *Provided also*, that burning of grass for the purpose of grazing
4 shall be prohibited; *Provided, finally*, that abandoned or idle, expired, or cancelled grazing
5 or pasture lands shall be subject to land use capability assessment and or land use
6 suitability assessment to determine their best use or combination of uses. No new grazing
7 or pasture permit, lease, or contract shall be issued, nor existing ones allowed to continue
8 unless covered by existing rules and regulations governing the Philippine EIS System and
9 subject to provisions in this Act.

10 Existing pasture lease agreements or forestland grazing lease agreements shall be
11 subject to review and monitoring by the LGU. Recommendations resulting from the review
12 shall be given primary basis for actions.

13 Applications for new pasture lease agreements or forestland grazing lease agreements
14 shall be reviewed and approved by the LGU and be covered by existing rules and
15 regulations governing the Philippine EIS System and subject to provisions of this Act.

16 **SECTION 63. *Mining and Power Generation Operations in Forestlands.*** Forest
17 resources inside mineral reservations and permitted areas and their management and
18 utilization are subject to the provisions of this Act. Power generation and small-scale mining
19 operations in forestlands, except in protection forestlands may be allowed only after the
20 issuance of an ECC and in compliance with other relevant laws. Mining and power
21 generation shall not be allowed in protection and restoration areas, *Provided*, that micro-
22 hydro or other renewable energy device may be allowed subject to the provisions of this
23 Act.

24 **SECTION 64. *Roads and Other Infrastructures.*** Roads and other infrastructure,
25 including the development of mineral reservations and energy resources inside forestlands,
26 shall be constructed with the least impairment to the resource values and with the least
27 impact and disturbance to biodiversity of the area found in such forestlands. Government
28 agencies and their contractors undertaking the construction of roads, bridges,

1 communication and other infrastructure facilities and installations inside forestlands shall
2 seek prior authority from the Department and shall comply with existing rules and
3 regulations governing the Philippine EIS System, *Provided*, That no roads or other
4 infrastructure shall be constructed in protection forestlands.

5 CHAPTER VII

6 WOOD-BASED INDUSTRIES

7 **SECTION 65. *Establishment and Operations of Timber-Based Industries.*** The
8 State, through the Department, may promote the establishment, operation, and
9 development of timber-based industries only in production forestlands.

10 **SECTION 66. *Incentives for Timber-Based Industries.*** All agreements pertaining
11 to timber-based industries shall also be subject to review by the Department under
12 procedures to be formulated by the Department with mandatory consultation with
13 stakeholders. The following incentives are hereby granted in addition to those already
14 provided by law:

- 15 a. All processing plants or mills shall be assured of their supply of raw materials,
16 preferably but not exclusively from local sources;
- 17 b. All processing plants or mills shall be granted operating permits for five (5) years
18 renewable for another five (5) years: *Provided*, that permits for processing plants
19 owned or operated by holders of timber plantation agreements or contracts shall
20 be co-terminus with said agreements or contracts.

21 Warranties to and agreements with existing integrated forest-based plants to ensure the
22 availability of raw materials shall be subject to the process for as long as such integrated
23 plants are operating. Agreements or licenses over production forestlands granted to timber-
24 based plants shall not be automatically converted into any mode authorized in this Act.
25 Holders of expired agreements may apply for a new permit, license or agreement subject to
26 the provisions of this Act. Permit holders are allowed a period of twenty-five (25) years,
27 renewable for another twenty-five (25) years, for a maximum of fifty (50) years. Expansion
28 in capacity of timber-based plants shall be encouraged and the same shall be given priority

1 access to production forestlands and other areas available for development as source of
2 raw materials.

3 **SECTION 67. *Export and Sale of Locally Produced Wood Products.*** No natural
4 grown trees shall be cut, gathered, harvested or removed from forests. Logs, lumber and
5 other finished products from tree plantations shall be exported only under such guidelines
6 as the Secretary may promulgate and certified as coming from the production forestlands
7 by LGUs. A certification process shall be formulated by the Department in consultation with
8 key stakeholders.

9 **SECTION 68. *Compliance of Grading Rules.*** No person shall sell or offer for sale any
10 log, lumber, veneer, plywood or other manufactured wood products in the international or
11 domestic market without complying with the grading rules established by the government.
12 Failure to adhere to the established grading rules and standards, or any act of falsification
13 on the volume of logs, lumber, veneer, plywood or other wood products sold in the
14 international or domestic market shall be sufficient cause for the cancellation of export
15 license, wood processing permit, or other license or permit authorizing the manufacture or
16 sale of such products.

17 **SECTION 69. *Importation and Sale of Logs and Other Forest and Wood Products.***
18 Logs, lumber, and other forest- and wood-based products may be imported to the country
19 subject to the authorization of the Secretary and to the tariff and duties under Presidential
20 Decree No. 1464 as well as quarantine regulations. Any product manufactured or re-
21 manufactured out of imported forest and wood materials shall be allowed to be sold in the
22 domestic or international market: *Provided*, That the grading rules and standards therefore
23 are complied with, otherwise the sanctions in Section 69 hereof shall be imposed.

24 **CHAPTER VIII**

25 **CHARGES, FEES AND GOVERNMENT SHARE**

26 **SECTION 70. *Fees and Government Shares for the Utilization, Exploitation,***
27 ***Occupation, Possession of and Activities within Forestlands.*** The Department shall
28 prescribe appropriate government shares, including and rentals for the different kinds of

utilization, exploitation, occupation, possession, or activities within forestlands: *Provided*, that payment of or collection of such fees and rentals shall be waived for parties/industries mandated by law to manage, conserve, develop and protect forestlands and forest resources found therein, except administrative fees for the filing and processing of applications for the issuance and renewal of licenses, permits, and agreements: *Provided, further*, that watershed administrators and/or service contractors that have forest management agreements with the Department as provided for under Section 84 of this Act shall also be entitled to the waiver of fees, except administrative fees.

The State shall collect government shares from income, rentals or other fees, as owner of the resource and for its regulatory function. The guidelines to be formulated should ensure equitable sharing between the national government and LGUs.

In order for the Department to prescribe appropriate and equitable fees for the use of water and other forest resources by parties/industries concerned for power generation, domestic and industrial irrigation, carbon sequestration and biodiversity benefits respectively, by parties/industries concerned taking into consideration natural resource valuation in the assignment of fees and ensuring equitable sharing of benefits between concerned national government agency and LGU, the Department shall initiate the creation of an inter-agency task force for this purpose.

SECTION 71. Timber Charges. There shall be collected charges on each cubic meter of timber cut in forestlands, using direct and indirect values, whether belonging to the first, second, third or fourth group, twenty-five percent (25%) of the actual freight of board (FOB) market price based on species and grading: *Provided, however*, that, in the case of pulpwood and matchwood cut in production forestland, forest charges on each cubic meter shall be ten percent (10%) of the actual FOB market price.

SECTION 72. Charges on Firewood, Branches and Other Recoverable Wood Wastes of Timber. There shall be collected timber charges of one percent (1%) of the market price on each cubic meter of firewood cut in production forestlands, branches and other recoverable wood wastes of timber, such as timber ends, tops and stumps, when

1 used as raw materials for the manufacture of finished products. *Provided*, that the cutting of
2 all mangrove species shall be prohibited. *Provided further*, that only third of fourth group
3 wood may be taken for firewood. *Provided finally*, that, if jointly authorized by the
4 Secretaries of both the Department and the DA, first and second group woods may be
5 removed from land which is more valuable for agriculture than for forest purposes, subject
6 to the charges in the preceding section.

7 **SECTION 73. Charges on Non-Timber Forest Products.** All other forest products of
8 forestlands which are not covered by the preceding section shall be exempted from any or
9 all forest charges, except rattans, gums resins, beeswax, guttapercha, almaciga, resin,
10 bamboo, vines, herbs, exudates and other species with commercial value, which shall be
11 charged at ten percent (10%) of the actual FOB market price.

12 **SECTION 74. Determination of Market Price of Timber and Non-timber**
13 **Products.** The actual FOB market price of timber products shall be justly determined once
14 a year by the Secretary: *Provided*, that the Secretary shall cause the creation of a
15 committee to be composed of representatives of the Department, the National Economic
16 and Development Authority, the Department of Trade and Industry, the Bureau of Internal
17 Revenue and the wood and furniture industry and consumers, LGUs, academe, NGOs and
18 other concerned sectoral representatives which shall formulate the criteria and/or
19 guidelines in the determination of the actual FOB market price taking into consideration
20 direct and indirect values to be used as the basis for the assessment of the *ad valorem* tax,
21 taking into consideration production cost (developing cost, contingencies, and
22 miscellaneous cost), species and grade of timber, government share, reforestation, tariff
23 duties, taxes, risk involved, and a reasonable margin of profit for domestic and export
24 market prices for timber and timber products.

25 Timber charges shall also be applied to naturally growing timber and timber products
26 gathered from alienable and disposable lands and private lands. Timber charges collected
27 shall be in lieu of the administrative charge on environment and other fees and charges
28 imposed thereon: *Provided*, That planted trees and other timber products harvested from

1 industrial timber plantations and private lands covered by existing tiller or by approved land
2 application are exempted from payment of timber charges.

3 The duties incident to the measuring of timber products and the invoicing and collection
4 of the charges thereon shall be discharged by the LGU who shall likewise provide for the
5 time, manner, and place of payment of such charges under regulations of the Department.

6 **SECTION 75. Fees for Administrative Services Rendered by the Department.**

7 Reasonable fees shall be collected for various services rendered by personnel of the
8 Department in connection with their duties and responsibilities as may be requested by
9 interested parties, including but not limited, to surveying, mapping and other similar service
10 activities: *Provided*, that administrative fees shall be waived for services rendered to local
11 communities or indigenous peoples in the preparation of their management plans, *Provided*
12 *further*, That a percentage of the fees collected shall support the furtherance of formal
13 forestry education.

14 **SECTION 76. Forest Conservation and Development Fund (FCDF).** A Forest

15 Conservation and Development Fund (FCDF) to be administered by the LGU is hereby
16 established to provide sustainable funds for forest protection, restoration and management,
17 including the operations of the municipal forest management boards, rehabilitation and
18 preservation of watershed areas, CBFM program, information and educational campaign as
19 well as scholarship programs, policy research and development. At least seventy percent
20 (70%) of the forest charges and government share in all products removed from the
21 forestlands, rentals, proceeds from sales of confiscated forest products including
22 conveyances, fines and penalties, and administrative fees collected shall be set aside for
23 the build-up of the FCDF. The fund may be augmented by grants, donations, endowment
24 from various sources, domestic or foreign for purposes related to their functions: *Provided*,
25 That fees collected by the LGU consistent with the management plans formulated shall
26 directly accrue to the said LGU's account: *Provided, further*, that a portion of the fees
27 collected shall also go to the host communities, which protect and maintain these
28 watersheds, from which the headwaters emanate.

Disbursements from the fund shall be subject to the usual accounting and budgeting rules and regulations: *Provided*, that no amount shall be disbursed to cover the operating expenses of the Department and other concerned agencies. The forest management board will recommend to the Municipal Council the thrusts for fund allocation.

SECTION 77. Fees from Payment for Environmental Services (PES). The ERDB shall formulate a certain value to environmental services, taking into account the positive and negative spill-overs of the use of such resources or externalities, and establish appropriate pricing, institutional and redistribution systems that will lead to sustainable and socially optimal land use practices. PES is a form of payment for ecosystem services as a method of internalizing the positive and negative externalities associated with a given ecosystem or a specific resource use.

CHAPTER IX

TREE PARKS

SECTION 78. Establishment of Tree Parks in Subdivision and Tree Planting on Roadsides. Every subdivision project to be developed after the passage of this Act shall include the establishment of a tree park of not less than fifty percent (50%) of the required total open spaces as provided in Section 2 of Presidential Decree No. 953, requiring the planting of trees in certain places. Guidelines for the establishment of tree parks within a subdivision shall be prepared jointly by the subdivision owner concerned, the Housing and Land Use Regulatory Board (HLURB) and the Department. The subdivision owner shall provide the funds for this purpose. These guidelines and allocation of funds shall be a condition precedent in the approval of the subdivision plan.

For every major public road or irrigation construction project, the Department of Public Works and Highways (DPWH) shall include the planting and maintenance of appropriate trees along the road/highway or irrigation canals as landscaped areas every twenty-five (25) kilometers thereof, whenever appropriate, and shall provide adequate funds for this purpose. Each city and municipality shall also allocate adequate funds for the planting, care and maintenance of trees or perennial shrubs in 'greenbelts' or 'green spaces' such as

road/street sides, center islands, among others.

CHAPTER X

PROTECTION

SECTION 79. *Assistance of Law Enforcement Agencies.* The LGUs and the Department may call upon law enforcement agencies and instrumentalities of the Government such as the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), and the National Bureau of Investigation (NBI) for the enforcement of the forest-related laws, rules and regulations.

SECTION 80. *Role of Local Residents.* It shall be incumbent upon LGUs concerned to render assistance in protecting and conserving forestlands within their respective territorial jurisdiction. Qualified local residents may be deputized by the LGUs to assist in the drive against illegal logging, *kaingin*-making and forestland occupation. These deputized residents shall likewise be authorized to arrest forest violators within their communities subject to existing laws and regulations on arrest and detention. The LGUs shall provide assistance to these deputized residents in cases instances of citizens' arrests.

SECTION 81. *Prevention of Forest Fires.* The concerned LGUs, in cooperation with the Bureau of Fire Protection (BFP) and the Department, shall formulate and implement a fire prevention and control program.

SECTION 82. *Control of Forest Pests and Diseases.* The Department shall likewise formulate and implement a national integrated forest pest and disease management program including quarantine procedures for imported forest seeds and forest products to prevent, minimize or control forest pests and diseases in the reforestation strategies.

SECTION 83. *Prohibition on Genetically Engineered and Transgenic Trees.* Planting/ introduction and/or use of genetically engineered (GE) and transgenic trees are prohibited in all forestlands.

SECTION 84. *Information and Rewards System.* The LGU shall establish an information and rewards system as part of the community's participation in the protection of

1 forest resources. The rewards shall be payable immediately upon the establishment of
2 *prima facie* proof of violation. When an information given leads to the seizure of logs or
3 timber and other forest product and results in a conviction, the informer shall also be
4 entitled to twenty percent (20%) of the gross value of the recovered or seized forest
5 resource. The implementation of the rewards system shall be in collaboration with the
6 Department, the Forest Management Board and the Philippine National Police.

7 CHAPTER XI

8 RESEARCH, EDUCATION, TRAINING AND EXTENSION

9 **SECTION 85. *Research and Technology Development Transfer.*** Research and
10 technology development transfer shall be strengthened to support sustainable
11 management of forest resources. The Department, the Department of Science and
12 Technology (DOST), the Commission on Higher Education (CHED), and the State
13 Universities and colleges shall, within one (1) year from the passage of this Act, prepare a
14 comprehensive sustainable national forestry and environmental research and technology
15 development and transfer program in furtherance of sustainable forest management which
16 shall be implemented, monitored, and reviewed in accordance with existing research
17 management systems. Adequate and sustainable funds to implement research and
18 technology development plans and transfer program shall be provided by each of the
19 aforementioned agencies and institutions under the General Appropriations Act.

20 Appropriate funds shall be allotted for research and development.

21 **SECTION 86. *Public Information, Education and Advocacy Campaign.*** With the
22 support from LGUs, NGOs, media and other organizations, the Department, the Philippine
23 Information Agency (PIA), the Department of Education (DepEd), CHED, State-owned and
24 private universities and colleges shall formulate and implement a nationwide program for
25 sustained public information and advocacy campaign for forest and natural resources
26 conservation and sustainable forest development and management. The DepEd shall
27 include subjects on environment, forest and natural resources in the curricula for
28 elementary and high school education. The CHED shall likewise include mandatory ecology

1 and environment courses in the general education curricula. Congress shall allocate funds
2 to the Department for the purpose of coordinating a systematic campaign to promote
3 community ecological awareness, including the preparation of informational and
4 educational materials therefore. A percentage of appropriations specified in Section 122
5 shall be set aside for this purpose.

6 **SECTION 87. *Formal Forestry, Agroforestry and environmental Education.***- The
7 CHED, in collaboration with the Department, the Board of Examiners for Foresters of the
8 Professional Regulations Commission (PRC), Philippines Forestry Education Network,
9 Philippine Agroforestry /education and Research Network, Environmental Education
10 Network of the Philippines and the duly accredited national professional foresters
11 organization shall actively pursue the rationalization of formal forestry education by
12 assigning higher weights on non-timber extraction subjects. The licensure exam shall
13 require minimum units on forest restoration related subject and the establishment of centers
14 of excellence in forestry and environmental education to ensure high quality manpower
15 output to meet the needs of the forestry sector and the country as a whole. The following
16 areas shall be strengthened:

- 17 a. Sustainable forest management;
- 18 b. Natural resource management;
- 19 c. Biodiversity conservation;
- 20 d. Wildlife conservation;
- 21 e. Wildlife management;
- 22 f. Entrepreneurship on non-timber forest resources;
- 23 g. Environmental laws;
- 24 h. Forest restoration technology;
- 25 i. Environmental science; and
- 26 j. Community development.

27 **SECTION 88. *Continuing Education on Forestry.*** A non-formal program of
28 continuing education shall be established to maintain the growth of the forestry profession.

1 The PRC Board of Examiners for Foresters and the Civil Service Commission (CSC) shall
2 provide the guidelines for a program in continuing education in forestry. In cooperation with
3 academic institutions, the Department shall develop the infrastructures to institutionalize
4 non-formal continuing education for the forestry sector.

5 **SECTION 89. *Training Centers.*** In coordination with TESDA, DepEd, CHED and
6 State Universities and Colleges (SUCs) and other relevant institutions, stakeholders and
7 local communities, the Department shall establish and institutionalize a network of training
8 centers in strategic parts of the country to provide *regular and up-to-date training on the*
9 *various aspects of sustainable forest management and restoration to forest guards,*
10 *LGUs, NGOs, local communities, and indigenous peoples.* Furthermore, the Department
11 shall ensure that personnel appointed to critical and sensitive positions undergo training to
12 prepare them to discharge their duties and responsibilities professionally, efficiently and
13 effectively.

14 **SECTION 90. *Policy Research and Development Network.*** The Department,
15 through the Ecosystem Research and Development Bureau (ERDB), and in collaboration
16 with the SUCs and private university and institutions, shall form part of a network to serve
17 as the primary policy research and development center for forestry and natural resources
18 management. The Network shall perform its functions in close coordination with the
19 Department and other policy research institutions in the country. It shall assist the
20 Department in the formulation, review, and evaluation of proposed and existing policies on
21 forestry and natural resources management.

22 CHAPTER XII

23 OFFENSES AND PENALTIES

24 **SECTION 91. *Non-Establishment of Tree Parks/Communal Forests.*** Any city,
25 municipality or subdivision owner who fails to establish tree parks as provided in Sections
26 76 herein shall be punished by a fine of not less than One Hundred Thousand Pesos
27 (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00). The
28 subdivision plan will not be given approval until guidelines have been formulated and funds

1 have been allocated for the purpose.

2 **SECTION 92. *Harvesting, Gathering and/or Collecting Timber or Other Forest***
3 ***Products without Authority.*** Any person who shall harvest, cut, gather, collect, or remove
4 timber or other forest products from any forestland, or timber from all forestlands, whether
5 protection or production forestlands, or inside alienable and disposable public land and
6 private lands except as provided, or forest resources in alienable and disposable lands
7 without authority from the Secretary or found to possess the same without pertinent
8 required legal documents shall be punished by imprisonment ranging from *prision mayor*
9 minimum period to *reclusion temporal* minimum period and/or a fine equivalent to ten (10)
10 times the value of the said forest product but not less than Fifty Thousand Pesos
11 (P50,000.00): *Provided*, that in the case of partnerships, associations or corporations, the
12 president, managing partner, and general manager shall be held liable, and if such officer is
13 an alien, he shall, in addition to the penalty, be deported without further proceedings on the
14 part of the Bureau of Immigration and Deportation. Offenders who are public officials shall
15 be deemed automatically dismissed from office and permanently disqualified from holding
16 any elective or appointive position.

17 All timber or any forest products cut, gathered, collected, removed, or possessed and all
18 the conveyances, machinery, equipment, implements, work animals, and tools used in
19 connection with this violation shall be seized and confiscated in favor of the State.

20 **SECTION 93. *Illegal Cutting as an Act of Economic Sabotage.*** Any of the acts
21 enumerated in the preceding section committed by an armed group or by any group
22 through organized and systematic manner, for commercial purposes, shall be considered
23 an act of economic sabotage punishable by *reclusion perpetua*.

24 The commission of any of the prohibited acts by two or more individuals with or without
25 the aid of any mechanical device shall constitute a *prima facie* evidence that the act is
26 organized and systematic.

27 Any permittee/agreement holder who shall buy logs from unlicensed loggers or loggers
28 operating without permits shall be considered in violation of this Act and, upon conviction,
29 shall also be punished with *reclusion perpetua*.

1 **SECTION 94. *Use of Illegally Cut Timber in Government Infrastructure Projects.***

2 Contractors of government infrastructure projects shall obtain certification from the
3 Department that the logs or lumber to be used therein were obtained from legitimate
4 sources. The use of illegally cut naturally grown timber from protection forests or illegally
5 cut timber from production forests in government infrastructure projects shall be sufficient
6 cause for the imposition of penalties provided in Section 88, on harvesting of forest
7 products without authority, and Section 89, on illegal cutting as an economic sabotage,
8 including the withholding of the payment to the contractor.

9 **SECTION 95. *Grazing Livestock on Forestlands without a Permit.*** Any person

10 found to have caused the grazing of livestock in forestlands and grazing lands without an
11 authority under a lease or permit to graze, upon conviction, shall be penalized with
12 imprisonment of not less than two (2) years nor more than four (4) years and a fine
13 equivalent to ten (10) times the regular rentals due in addition to confiscation of the
14 livestock and all improvements introduced in the area in favor of the government, and shall
15 restore the affected area into the original state of the natural resource; *Provided*, that in
16 case the offender is a corporation, partnership, or association, the officer or director thereof
17 who directly caused or ordered such shall be liable. In case the offender is a public officer
18 or employee, he shall, in addition to the above penalties, be deemed automatically
19 dismissed from office and permanently disqualified from holding any elective or appointive
20 position in the government service.

21 **SECTION 96. *Unlawful Occupation or Destruction of Forestlands.*** Any person

22 who, without authority from the Secretary, enters and occupies or possesses, or engages in
23 kaingin-making for his own private use or for others, any forestland or grazing land, or in
24 any manner destroys such forestland or part thereof, or causes any damage to the timber
25 stands and other forest product found therein, or assists, aids or abets another person to do
26 so, or sets a fire, or negligently permits a fire to be set therein, or refuses lawful orders to
27 vacate the area when ordered to do so shall, upon conviction, be punished with penalties in
28 the amount of not less than One Hundred Thousand Pesos (P100,000.00) nor more than

1 Five Hundred Thousand Pesos (P500,000.00) and imprisonment of not less than six (6)
2 years nor more than twelve (12) years for each offense: *Provided*, That in the case of an
3 offender found guilty of kaingin-making, the penalty shall be imprisonment of not less than
4 ten (10) years nor more than twelve (12) years and a fine equivalent to eight (8) times the
5 regular forest charges due on the forest products destroyed without prejudice to payment of
6 the full cost of rehabilitation of the occupied areas as determined by the Department:
7 *Provided, further*, that the maximum of the penalty prescribed herein shall be imposed upon
8 the offender who repeats the same offense, and double the maximum penalty upon the
9 offender who commits the same offense for the third time or more. In all cases, the court
10 shall further order the eviction of the offender from the area occupied and the forfeiture to
11 the government of all improvements made therein, including all vehicles, domestic animals
12 and equipment of any kind used in the commission of the offense. If not suitable for use by
13 the Department, said improvements, vehicles, domestic animals and equipment shall be
14 sold at public auction, the proceeds from which shall accrue to the FCDF. If the offender is
15 an alien, he shall be deported after serving his sentence and payment of fines, without any
16 further proceedings. An offender who is a government officer or employee, shall, in addition
17 to the above penalties, be deemed automatically dismissed from office and permanently
18 disqualified from holding any elective or appointive position in the government service.

19 **SECTION 97. *Illegal Conversion of City or Municipal Parks, Communal Forests,***
20 ***and Tree Parks in Subdivisions.*** Any person found to have converted or caused the
21 conversion of a city or municipal park or communal forest, or tree parks within subdivisions
22 established pursuant to Sec. 75 herein and Section 2 of Presidential Decree No. 953,
23 requiring the planting of trees in certain places, into other uses including the construction of
24 permanent buildings therein, or in any manner destroys or causes any damage to the
25 timber stands and other forest product found therein, or assists, aids or abets another
26 person to do so, or sets a fire, or negligently permits a fire to be set therein, upon
27 conviction, shall be penalized by imprisonment of six (6) years and one (1) day to twelve
28 (12) years or a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more

1 than Five Hundred Thousand Pesos (P500,000.00), or both fine and imprisonment at the
2 discretion of the Court. The offender shall likewise be imposed a fine equivalent to eight
3 times the commercial value of the forest products destroyed without prejudice to payment
4 of the full cost of rehabilitation of the areas as determined by the Department: *Provided,*
5 *further,* that the maximum of the penalty prescribed herein shall be imposed upon the
6 offender who repeats the same offense, and double the maximum penalty upon the
7 offender who commits the same offense for the third time or more. The court shall further
8 order the forfeiture to the government of all improvements made therein, including all
9 vehicles, domestic animals, and equipment of any kind used in the commission of the
10 offense. If not suitable for use by the Department, said improvements, vehicles, domestic
11 animals and equipment shall be sold at public auction, the proceeds from which shall
12 accrue to the FCDF. An offender who is a government officer or employee, in addition to the
13 above penalties, shall be deemed automatically dismissed from office and permanently
14 disqualified from holding any elective or appointive position in the government service.

15 **SECTION 98. *Misdeclaration or Falsification of Reports on Forest Resource***
16 ***Inventory, Scaling, and Survey by a Government Official or Employee.*** Any public
17 officer or employee who knowingly misdeclares or falsifies reports pertaining to forest
18 resource inventory, scaling, survey, and other similar activities which are contrary to the
19 criteria and standards established in the rules and regulations promulgated by the
20 Secretary thereof, after an appropriate administrative proceeding, shall be dismissed from
21 the service with prejudice to re-employment. Upon conviction by a court of competent
22 jurisdiction, the same public officer or employee shall further suffer an imprisonment of not
23 less than eight (8) years nor more than twelve (12) years and a fine of not less than One
24 Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos
25 (P500,000.00) and the termination of license to practice forestry if the offender is a
26 professional or registered forester: *Provided,* That the inventory, survey, scale,
27 classification, and similar reports referred herein shall be rendered null and void.

28 **SECTION 99. *Unlawful Operation of Sawmills.*** Any person operating a sawmill or

1 mini-sawmill without authority from the Secretary shall be punished by a fine of not less
2 than Two Hundred Fifty Thousand Pesos (P250, 000.00) and confiscation of the sawmill or
3 mini-sawmill and complementary equipment in favor of the government for appropriate
4 disposition.

5 **SECTION 100. *Unlawful Operation of Wood Processing Plants and Downstream***
6 ***Industries.*** Any person operating a wood processing plant or downstream forest-based
7 industry without authority from the Secretary, shall be punished by, upon conviction by a
8 court of competent jurisdiction, imprisonment of not less than eight (8) years nor more than
9 twelve (12) years and a fine of not less than Five Hundred Thousand Pesos (P500,000.00)
10 and confiscation of the wood processing plant and complementary equipment in favor of
11 the government. The Department shall promulgate the necessary guidelines, subject to the
12 provisions of this Act that will define the terms and conditions for the operation of a wood
13 processing plant and/or other downstream forest-based industries.

14 **SECTION 101. *Prohibition on the Issuance of Tax Declaration on Forestlands.*** –
15 Any public officer or employee who issues a tax declaration for any purpose on any part of
16 forestlands, upon conviction, shall be penalized with imprisonment for a period of not less
17 than four (4) years nor more than eight (8) years and perpetual disqualification from holding
18 an elective or appointive office. The tax declaration shall be considered null and void. Tax
19 declarations within protection forestlands shall be reviewed and be cancelled after due
20 process.

21 **SECTION 102. *Unlawful Possession of Implements and Devices Used by Forest***
22 ***Officers.*** Any person found possessing or using implements and devices used by forest
23 officers shall be penalized with imprisonment of not less than eight (8) years nor more than
24 twelve (12) years and a fine of not less than One Hundred Thousand Pesos (P100,000.00)
25 nor more than Five Hundred Thousand Pesos (P500,000.00) in addition to the confiscation
26 of such implements and devices and the automatic cancellation of any license agreement,
27 license, lease or permit.

28 Any forest officer who willingly allowed unauthorized person(s) to use these implements

1 and devices under his care shall be penalized with imprisonment of not less six (6) years
2 and one (1) day to no more than twelve (12) years and a fine of not less than One Hundred
3 Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos
4 (P500,000.00).

5 In addition, the said forest officer shall be dismissed from the service with prejudice to
6 reinstatement and with perpetual disqualification from holding an elective or appointive
7 position.

8 **SECTION 103. *Unauthorized Introduction of Logging Tools and Equipment***

9 ***Inside Forestlands.*** It shall be unlawful for any person or entity to possess, bring, or
10 introduce any logging tools or equipment inside forestlands without prior authority, from the
11 Secretary or his duly authorized representative. Any person found guilty of illegal
12 possession of said logging tools or equipment shall be liable to imprisonment of six (6)
13 years and one (1) day to twelve (12) years or a fine of not less than One Hundred
14 Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos
15 (P500,000.00) or both imprisonment and fine, and confiscation of said logging tools and
16 equipment in favor of the government.

17 **SECTION 104. *Non-Payment and Non-Remittance of Forest Charges.*** Any person

18 who fails to pay the amount due and payable as forest charges to the government shall not
19 be allowed to transport, convey, sell, nor use the timber or forest product. Moreover, failure
20 to pay within thirty (30) days upon assessment of forest charges shall be a ground for
21 confiscation of the said timber or forest product in favor of the government. Any person who
22 fails or refuses to remit to the proper authorities said forest charges collectible pursuant to
23 the provisions of this Act or the National Internal Revenue Code, as amended, or who
24 delays, obstructs or prevents the same, or who orders, causes or effects the transfer or
25 diversion of the funds for purposes other than those specified in said Acts shall, upon
26 conviction, be imprisoned for not less than six (6) years nor more than ten (10) years and
27 fined from One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred
28 Thousand Pesos (P500,000.00). If the offender is a corporation, partnership, or association,
29 the officers and directors thereof shall be liable.

1 **SECTION 105. *Institution of Criminal Action by Forest Officers.*** Any forest officer

2 shall arrest any person who has committed or is about to commit, or is committing in his
3 presence any of the offenses defined in this chapter. The tools, animals, equipment and
4 conveyances used in committing the offense, and the forest products cut, gathered, taken
5 or possessed by the offender in the process of committing the offense shall also be seized
6 and confiscated in favor of the government. The arresting forest officer shall thereafter
7 deliver within thirty-six (36) hours from the time of arrest or seizure both the offender and
8 the confiscated forest products, conveyances, tools and equipment, or the documents
9 pertaining to the same, and file the proper complaint with the appropriate official designated
10 by law to conduct preliminary investigation and file information in court. If the arrest and
11 seizure are made in the forest far from authorities designated by law to conduct preliminary
12 investigations, the delivery to and filing of the complaint with the latter shall be done within
13 a reasonable time sufficient for ordinary travel from the place of arrest to the place of
14 delivery. The seized forest products, materials, conveyances, tools and equipment shall be
15 immediately disposed of in accordance with the regulations promulgated by the Secretary.

16 The Secretary may deputize any agency, barangay official, or any qualified person to
17 protect the forest and exercise the powers or authority provided for in the preceding
18 paragraph. Reports and complaints regarding the commission of any of the offenses
19 defined in this chapter not committed in the presence of any forest officer or any of the
20 deputized officers shall immediately be reported to the forest officer assigned in the area
21 where the offense was allegedly committed. Thereupon, the investigating officer shall
22 receive the evidence supporting the report or complaint and submit the same to the
23 appropriate official authorized by law to conduct a preliminary investigation of criminal
24 cases and file the information in court.

25 The Secretary of Justice shall designate in every city and province a special prosecutor
26 who shall file charges against forest violators to ensure their speedy prosecution.

27 **SECTION 106. *Liability of Custodian of Confiscated Forest Products.*** Any public

28 officer who fails to produce the timber or forest products, including tools, conveyances,

equipment, and devices in his custody pursuant to a seizure or confiscation made thereon, or who shall appropriate, take, misappropriate, or shall permit another person to take such timber forest products wholly or partially, shall suffer the penalty provided for in Article 217, on Malversation of Public Funds or Property, of the Revised Penal Code. In addition, the said public officer shall be dismissed from service with prejudice to reinstatement and with perpetual disqualification from holding any elective or appointive office.

CHAPTER XIII

ADMINISTRATIVE PROVISIONS

SECTION 107. *Strengthening of the Forest Management Sector.* Only qualified environmental management professionals and practitioners shall be appointed to the positions of Director and Assistant Director of the FMB as well as to all other positions where the services of professional foresters e.g. CENRO are required in accordance with existing laws and the relevant rules and regulations issued by the Civil Service Commission (CSC) and the Professional Regulations Commission (PRC).

SECTION 108. *Administrative Authority of the Secretary or his Duly Authorized Representative to Order Confiscation.* In all cases of violations of this Act or other forest laws, rules, and regulations, the Secretary or his duly authorized representative may order the confiscation of forest products illegally harvested, cut, gathered, removed or possessed or abandoned, and all conveyances used either by land, water, or air as well as all machinery, equipment, implements, and tools used in the commission of the offense and to dispose of the same in accordance with pertinent laws, regulations, or policies on the matter.

The Secretary may order that the sale of confiscated perishable forest resources at public auction even before the termination of the judicial proceedings, following the applicable Rules on Evidence, with the proceeds of such sale kept in trust to await the outcome of the judicial proceedings.

No court of the Philippines shall have jurisdiction to issue any Writ of Replevin, restraining order, or preliminary mandatory injunction in any case involving or growing out

1 of any action by the Secretary or his duly authorized representative in the exercise of the
2 foregoing administrative authority.

3 **SECTION 109. Cancellation of Permits, Licenses, Agreements.** The Secretary
4 *motu proprio* or upon the filing of a petition, may cancel any permit, license or agreement.

5 **SECTION 110. Administrative Authority of the Secretary to Impose Fines.** In all
6 cases of violations of this Act and other forest laws, rules and regulations where fine is the
7 principal penalty, the Secretary is hereby authorized to impose administratively the penalty
8 consisting of the amount and the schedules of the fine which shall be officially published in
9 a national newspaper of general circulation.

10 **SECTION 111. Authority of Forest Officers.** When in the performance of their official
11 duties, forest officers or other government officials or employees duly authorized by the
12 Secretary or deputized as such shall have free entry into areas covered by a contract,
13 agreement, license, lease or permit. Forest officers are authorized to inspect and to open
14 closed vans suspected to contain illegally harvested, collected or transported forest
15 product: *Provided*, that it is done in the presence of the shipper or consignee or two (2)
16 responsible public officials in the locality, *Provided further*, That in cases where entry shall
17 be in ancestral domains/ancestral lands, said persons shall secure the free, prior and
18 informed consent of the ICCs/IPs therein. Forest officers are authorized to administer oath,
19 take acknowledgment in official matters connected with the functions of their office, or take
20 testimony in official investigations conducted under the authority of this Act and the
21 implementing rules and regulations issued by the Secretary pursuant thereof.

22 **SECTION 112. Visitorial Powers.** The Secretary or his duly authorized
23 representative shall, from time to time, investigate, inspect, and examine records and other
24 documents except bank records related to the operation of any person granted the
25 privilege, contract, or agreement to utilize forest resources to determine compliance with
26 the terms and conditions stipulated in the grant, contract or agreement, this Act, and
27 pertinent laws, rules, and regulations.

1 **SECTION 113. *Transparency.*** Records, agreements, applications and all other
2 pertinent documents as well as conditions to the same shall be made available to the public
3 at all times. Records pertaining to the specific limits of forestlands shall also be made
4 available to the public. Moreover, the Department shall furnish all provincial, municipal and
5 city government units copies of the maps of permanent forestlands located within their
6 respective territorial jurisdictions.

7 **SECTION 114. *Other Incentives.*** Twenty percent (20%) of the value of confiscated
8 materials shall be used as incentives to informants, forest management council, forest
9 management boards, including Department personnel. They shall also be entitled to free
10 legal assistance should legal cases be filed against them in the performance of official
11 duties.

12 **SECTION 115. *Suits and Strategic Legal Actions against Public Participation***
13 ***and the Enforcement of This Act.*** Where a suit is brought against a person who filed an
14 action as provided in Section 113 of this Act, or against any person, institution or
15 government agency that implements this Act, there being no grave abuse of authority, it
16 shall be the duty of the investigating prosecutor or the court, as the case may be, to
17 immediately make a determination not exceeding thirty (30) days whether said legal action
18 has been filed to harass, vex, exert undue pressure or stifle such legal recourses of the
19 person complaining of or enforcing the provisions of this Act. Upon determination thereof,
20 evidence warranting the same, the court shall dismiss the case and award attorney's fees
21 and double damages. This provision shall also apply and benefit public officers who are
22 sued for acts committed in their official capacity, there being no grave abuse of authority,
23 and done in the course of enforcing this Act.

24 **SECTION 116. *Citizens' Suits.*** For purposes of enforcing the provisions of this Act or
25 its implementing rules and regulations, any citizen may file an appropriate civil, criminal or
26 administrative action in the proper court against:

27 a. any person who violates or fails to comply with the provisions of this Act or its
28 implementing rules and regulations; or

- 1 b. the Department or other implementing agencies with respect to orders, rules and
2 regulations issued inconsistent with this Act, and
- 3 c. any public officer who willfully or grossly neglects the performance of an Act
4 specifically enjoined as a duty by this Act or its implementing rules and
5 regulations, or abuses his authority in the performance of his duty, or in any
6 manner, improperly performs his duties under this Act or its implementing rules
7 and regulations: *Provided, however,* That no suit can be filed until after a thirty-
8 day notice has been given to the public officer and the alleged violator concerned
9 and no appropriate action has been taken thereon.

10 The court shall exempt such action from the payment of filing fees, and shall, likewise,
11 upon *prima facie* showing of the non-enforcement or violation complained of, exempt the
12 plaintiff from the filing of an injunction bond for the issuance of a preliminary injunction.

13 **SECTION 117. *Protection to Witnesses in Cases Involving Violation of Forestry***

14 **Laws.** Witnesses to violations of this Act or other forestry laws and regulations, including
15 the immediate members of the family of said witnesses shall be given protection, security
16 and benefit, subject to the provisions of Republic Act No. 6981, otherwise known as "The
17 Witness Protection, Security and Benefit Act" and its implementing rules and regulations.

18 **SECTION 118. *Rule-Making Authority.*** In consultation with the NCIP, the DILG, the

19 Department of Finance, the leagues of provinces, cities, and municipalities, other
20 government agencies mentioned herein and other relevant stakeholders (i.e. academic
21 institutions, NGOS), the Department shall promulgate the implementing rules and
22 regulations within one (1) year from the effectivity of this Act.

23 **SECTION 119. *Congressional Oversight Committee.*** There is hereby created a

24 Congressional Oversight Committee composed of seven (7) members from the Senate
25 Committee on Environment and Natural Resources and seven (7) members from the
26 House of Representatives Committee on Natural Resources. The Chairpersons of the
27 corresponding committees shall also be the Co-chairpersons of the Oversight Committee.

28 The Secretariat of the Oversight Committee shall be drawn from the existing secretariat

1 personnel of the committees comprising the oversight and the funding shall be taken from
2 the appropriations of both the House of Representatives and the Senate.

3 CHAPTER XIV

4 FINAL PROVISIONS

5 **SECTION 120. *Transitory Provisions.*** Upon the approval of this Act, the Department
6 shall evaluate the conditions of all forestlands covered by existing TLAs, licenses, or
7 permits and the like, which shall be allowed to continue until their expiry; *Provided, That*
8 cutting or felling of trees in forests shall be prohibited, *Provided further,* that such TLA,
9 license, permits and other instruments shall be terminated for the following grounds:

- 10 a. When the licensee has been found to be a dummy of an otherwise disqualified or
11 unqualified person;
- 12 b. When the licensee has been found to be farming out the license or receiving
13 royalty of any kind;
- 14 c. When the licensee has been found to be cutting or operating outside the limits of
15 the license or within an area specifically designated or sub-classified by the
16 Department as protection forestland;
- 17 d. When the licensee has been found to be allowing illegally-cut timber to be
18 invoiced under its license;
- 19 e. When the licensee has been found to be inducing any other person to log in
20 other areas in violation of the Department's regulations;
- 21 f. Failure to submit to the Department the required copies of auxiliary invoices
22 covering timber manifested under the license;
- 23 g. Failure to leave undamaged an adequate stand of young trees for residual
24 growing stock or for seeding purposes and to employ the necessary number of
25 laborers needed for timber management work;
- 26 h. When the licensee has, for the third time after written warning, intentionally cut,
27 injured or destroyed trees marked by forest officers and unmarked poles and
28 saplings for future growing stock, seeding, or protection;

- i. Failure to employ the required number of concession guards as determined by the Department;
- j. Failure to protect the concession or license area or parts thereof from being converted into *kaingin*, or from illegal timber cutting, and other forms of trespass;
- k. When the licensee has been found to have failed to put up the processing plant for the area within the required period, when made a condition in the award of the area and the grant of the license;
- l. Failure to pay pending forest accounts;
- m. Failure to maintain and make conspicuous the approved and established boundaries of his concession or license area;
- n. Failure to suspend operations within a conflicted area when so required by the Department or its authorized representatives, pending final decision of the conflict;
- o. Allowing a contractor to operate the license area or concession; and
- p. Violation of any of the terms and conditions of the license, the NIPAS Act and its implementing rules and regulations, the Wildlife Resources Conservation and Protection Act, or any of the provisions of law on internal revenue and labor, and Department regulations.

Any of the violations enumerated above will be cause for the immediate cancellation of the permit, timber license agreement or any other similar instrument.

Provided, That the Department shall immediately take control of the land and consult with the concerned LGU and/or local communities for the proper management of the area covered by the said cancelled permit, TLA or instrument.

The relevant agencies shall formulate the appropriate rules and regulations for the implementation of this Act.

SECTION 121. Appropriations. The amount necessary to initially implement the provisions of this Act shall be charged against the appropriations of the Department of Environment and Natural Resources in the current General Appropriations Act. *Provided*

1 further that a share from the VAT on oil and natural gas, emission testing tax, flood control
2 tax, road users tax, and the Reforestation, Watershed Management, Health and/or
3 Environment Enhancement Fund, pursuant to Section 4 of Republic Act No. 9136,
4 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and its
5 Implementing Rules and Regulations (IRR), shall be appropriated to fund provisions in this
6 Act. Thereafter, such sums as may be necessary to fully implement the provisions of this
7 Act shall be included in the annual General Appropriations Act. For local government units,
8 the funding requirements shall be taken from their internal revenue allotment (IRA) and
9 other sources of income including the income derived from the shares from the different
10 modes of agreement.

11 **SECTION 122. *Separability Clause.*** Should any provision herein be declared
12 unconstitutional or invalid, the same shall not affect the validity or legality of the other
13 provisions.

14 **SECTION 123. *Repealing Clause.*** Subsections (b), (d), (e), (f), (g), and (i) of Section
15 4 of Act No. 3915; Republic Act Nos. 460 and 7161; Presidential Decree Nos. 705, 1153,
16 1515, 1559, 1775 and 1998; Letter of Instruction No. 818; Executive Order Nos. 277, series
17 of 1987, and Executive Order No. 725, series of 1981, are hereby repealed, and all laws,
18 orders, rules and regulations, or any part thereof which are inconsistent herewith are
19 likewise hereby repealed or amended accordingly: *Provided*, That this Act shall not in any
20 manner amend the IPRA, NIPAS law and the Wildlife Resources Act.

21 **SECTION 124. *Effectivity.*** This Act shall take effect thirty (30) days from the date of
22 its publication in the Official Gazette or in at least two (2) national newspapers of general
23 circulation.