

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 747



Introduced by
HON. LEOVIGILDO B. BANAAG (1st District, Agusan del Norte)

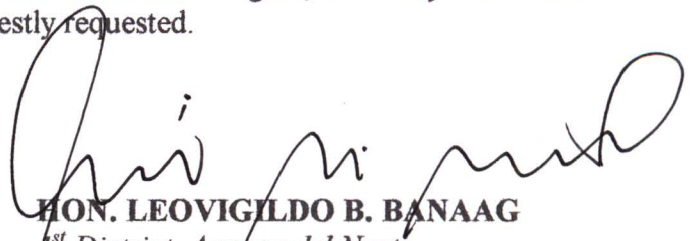
EXPLANATORY NOTE

This is a refiled Bill from **H.B. 11856** during the Eleventh Congress and **H.B. 18** during the Twelfth Congress.

For various unavoidable reasons, the Senate during both the 11th and 12th Congresses could not immediately act on this Bill.

Hence, the filing of this measure for the third consecutive term, most especially since CARAGA Region has been proclaimed as the Timber Corridor of the country.

For the common good and the benefit of the CARAGA Region, the early and immediate passage of this measure is most sincerely and earnestly requested.


HON. LEOVIGILDO B. BANAAG
1st District, Agusan del Norte
(Butuan City – Las Nieves)

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HOUSE BILL No. **747**

Introduced by HON. LEOVIGILDO B. BANAAG
1st District, Agusan del Norte

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

BASIC POLICY, PURPOSE AND OBJECTIVES

SEC. 2. Declaration of Policy. – In conformity with the provisions of the Constitution, it is hereby declared the policy of the State to:

(b) bring about social justice in all phases of national development;

(d) protect, conserve, and develop the patrimony of the country; and

In pursuit thereof, and consistent with the pertinent provisions of the Constitution and applicable laws, the State shall:

(ii) promote industrialization and full employment based on a sound and sustainable socio-economic development that makes full and efficient use of human and natural resources;

1 (iii) allow small-scale utilization of natural resources by Filipino citizens, as well as
2 cooperative fish farming and small-scale mining;

3 (iv) apply the principles of agrarian reform or stewardship in the disposition or utilization of
4 natural resources subject to prior rights or the rights of indigenous cultural communities to their
5 ancestral lands; and

6 (v) afford opportunity for local governments to group themselves, consolidate or
7 coordinate their efforts, services and resources for purposes commonly beneficial to them.

8 The State shall likewise adopt the strategy of sustainable development of all natural
9 resources in order to protect and ensure the integrity of the environment for the interest and
10 enjoyment of intergenerational Filipinos.

11 SEC. 3. *Purposes and Objectives.* – The purposes and objectives of this Act are to:

12 (a) use the entire Caraga Region as a model or pilot area for sustainable development of
13 natural resources wherein the carrying capacity of each natural resource shall not be abused by
14 over-exploitation that will untimely exhaust or jeopardize the sustainability of the same and
15 degrade the ecology or environment of the Region;

16 (b) apply land use planning in the entire Caraga Region on a river basin or watershed area
17 basis regardless of provincial, municipal, city or barangay territoriality that will guide the
18 coordinated and holistic development of natural resources therein;

19 (c) manage or transform the natural resources that are for commercial development and
20 production purposes into economic-scale units to bring about their economies of scale;

21 (d) promote the flow of local and foreign investments into the developmental aspects of
22 natural resources through co-production, joint venture, production-sharing or financial/technical
23 assistance agreements, and the financial and industrial cooperation between the Region and
24 interested foreign corporations through technical-intensive industries to be established in the
25 Region's economic zones or industrial sites; and

26 (e) establish the legal framework and administrative machinery, as well as allocate funds to
27 implement the aforementioned purposes and objectives.

28 SEC. 4. *Definition of Terms.* – For purposes of this Act, the following terms shall mean:

29 (a) "Agro-forestry" refers to a sustainable management of lands which increases their
30 overall productivity by properly combining agricultural crops and/or livestock with forest crops
31 simultaneously or sequentially through the application of management practices which are
32 compatible with the local climate, topography, slope and soil, as well as with the cultural patterns
33 or customary laws of the local population.

1 (b) "Agrarian reform" refers to the comprehensive agrarian reform program of the
2 government pursuant to Republic Act No. 6657 or the Comprehensive Agrarian Reform Law of
3 1988.

4 (c) "Agricultural land" refers to land devoted to agricultural activity not otherwise classified
5 as mineral, forest or timber lands and national parks.

6 (d) "Ancestral lands" refer to all lands occupied or possessed by indigenous cultural
7 communities as recognized and delineated pursuant to Republic Act No. 8371 or the Indigenous
8 Peoples Rights Act of 1997.

9 (e) "Biological diversity" means the variability among living organisms including, *inter alia*,
10 terrestrial, marine and other aquatic ecosystems and ecological complexes of which they are part;
11 this includes diversity within species, between species and ecosystems.

12 (f) "Buffer zones" are identified areas outside the boundaries immediately adjacent to
13 designated protected areas that need special development control in order to avoid or minimize
14 harm to the protected area.

15 (g) "Caraga Region" refers to the Caraga Administrative Region or Region XIII,
16 composed of the provinces of Agusan del Norte, Agusan del Sur, Surigao del Norte and Surigao
17 del Sur and the cities of Butuan and Surigao constituted in accordance with Republic Act No.
18 7901.

19 (h) "Commercial logging" refers to the cutting or felling of trees in all types of natural
20 forests for the purpose of disposing of the cut or felled logs for monetary profits beyond survival
21 and livelihood means.

22 (i) "Communal forest" refers to a tract of forestland set aside and established for cities and
23 municipalities as source of wood materials for fuel, shelter and other forest products for
24 individual, family and community use and for infrastructure projects of local government units.

25 (j) "Carrying capacity" refers to the capacity of natural and human environment to
26 accommodate or absorb change without experiencing conditions of instability and attendant
27 degradation.

28 (k) "Co-production agreement" is an agreement entered into by and between a qualified
29 person and the government for the former to develop, utilize and manage, consistent with the
30 principle of sustainable development, a specified portion of the forestland wherein both parties
31 agree to provide inputs and share in the products or their equivalent cash value.

32 (l) "Critical watershed" is that portion of a watershed reservation which has been classified
33 as strict protection zone and closed to all human activity except for scientific studies, traditional,
34 ceremonial or religious use by indigenous peoples.

(m) "Department" refers to the Department of Environment and Natural Resources.

(n) "Economic scale" refers to the minimum quantity or volume of goods required to be efficient.

(o) "Economies of scale" refers to the decrease in unit cost as more units are produced due to the spreading out of fixed costs over a greater number of units produced.

(p) "ECOZONE or Special Economic Zone" refers to areas designated and developed pursuant to Republic Act No. 7916 or the Special Economic Zone Act of 1995.

(q) "Environmental Compliance Certificate (ECC)" refers to the document issued by the Department certifying that a proposed project or undertaking will not bring about an unacceptable environmental impact and that the proponent has complied with the requirements of the Environmental Impact Statement system.

(r) "Environmental Impact Statement (EIS)" refers to the document which aims to identify, predict, interpret and communicate information regarding changes in environmental quality associated with a proposed project and which examines the range of alternatives for the objectives of the proposal and their impact on the environment.

(s) "Financial or technical assistance agreement" means a contract involving financial or technical assistance for large-scale exploration, development and utilization of mineral resources.

(t) "Forest" refers to either natural vegetation or plantation of forest crops such as trees, or both, occupying a definable, uninterrupted or contiguous area exceeding but not less than one (1) hectare in size with tree crown covering at least ten percent (10%) of the area, exclusive of the associated seedlings, saplings, palms, bamboo's and other undercover vegetation. A natural forest is a stand dominated by trees whose structure, functions and dynamics have been largely the result of natural succession process. It includes such stand types as dipterocarp, pine, mossy, molave, beach and mangrove. For the purpose of this Act, natural forests may be classified according to (1) primary use and management objective, and (2) growth formation. In terms of primary use and management, a forest shall either be classified as (1) protection forest or (2) production forest, after its most suitable function has been determined by this Act. In terms of growth formation, a natural forest is classified as either (1) primary or old growth forest which refers to forest which has never been subjected to human disturbance, or has not been affected by hunting and gathering of forest products that its natural structure, functions and dynamics have undergone any unnatural change, or (2) managed forest as herein defined.

(u) "Forestland" refers to lands of the public domain which have been classified pursuant to Presidential Decree No. 705, as amended, and all unclassified lands of the public domain.

1 (v) "Forest plantation" refers to any tract of land and other public and private lands planted
2 to timber producing species, including rubber and/or non-timber producing species such as rattan
3 and bamboo, primarily to supply the raw material requirements of existing or proposed forest-
4 based industries, energy-generating plants and related industries.

5 (w) "Forest resources" refer to all natural resources whether biomass such as plants and
6 animals or nonbiomass such as soil and water, as well as the intangible services and values present
7 in forestlands or in other lands devoted for forest purposes.

8 (x) "Idle or abandoned land" refers to land defined as such in Republic Act No. 6657 or the
9 Comprehensive Agrarian Reform Law of 1988.

10 (y) "Indigenous cultural community" refers to a group of people or tribe of indigenous
11 Filipinos as defined or described under Republic Act No. 8371 or the Indigenous Peoples Rights
12 Act of 1997.

13 (z) "Joint-venture agreement" refers to an agreement where a joint-venture company is
14 organized by the government and a qualified person, with both parties having equity shares, to
15 develop and manage, consistent with the principles of sustainable development, a portion of a
16 forestland. Aside from earnings on the equity, the government shall be entitled to a share in the
17 gross output computed at a certain percentage mutually agreed upon and beneficial to both
18 parties.

19 (aa) "Land-use planning" refers to the act of defining the allocation, utilization,
20 development and management of all lands within a given territory or jurisdiction according to the
21 inherent qualities of the land itself and supportive of sustainable, economic, demographic,
22 sociocultural and environmental objectives as an aid to decision-making and legislation.

23 (bb) "Local government units" refer to the territorial and political subdivisions of the
24 country: the provinces, cities, municipalities and barangays, as defined in the Constitution and
25 Republic Act No. 7160 or the Local Government Code of 1991.

26 (cc) "Minerals" refer to all naturally occurring inorganic substance in solid, gas, liquid, or
27 any intermediate state excluding energy materials such as coal, petroleum, natural gas, radioactive
28 materials and geothermal energy.

29 (dd) "Mineral processing industries" refer to industries defined in Republic Act No. 7942
30 or the Philippine Mining Act of 1995.

31 (ee) "Multiple-use" refers to the harmonized utilization, development and management
32 of the forestland for the production of two (2) or more products, goods and/or services in
33 conformity with the principle of sustainable development.

(ff) "National park" refers to a forest reservation essentially natural wilderness in character which has been withdrawn from settlement, occupation or any form of exploration except in conformity with an approved management plan and set aside as historic objects, wild animals and plants therein and to provide enjoyment of these features in such areas.

(gg) "Natural resources" refer to lands of the public domain, waters, minerals, coal, petroleum, other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna and other natural resources as enumerated in the Constitution.

(hh) "Production sharing agreement" refers to a contract wherein the government grants to a person the privilege to manage, develop and utilize forest resources within a specific area and period of time. The government shall share in the gross output at a pre-determined value of the forest products so harvested and utilized by the agreement holder upon execution of the contract. The contractor shall provide the financing, technology, management, personnel and all other inputs necessary for the implementation of the agreement.

(ii) "Protected areas" refer to those areas defined and designated as such pursuant to Republic Act No. 7586 or the NIPAS Act.

(jj) "Sustainable development" means meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.

(kk) "Small and medium enterprise or (SME)" refers to any business or enterprise defined as such in Republic Act No. 8435 or the Agriculture and Fisheries Modernization Act of 1997.

(ll) "Wood-based industries" refer to various industries that are dependent on wood as the principal raw material including, but not limited to, the sawmilling industry, pulp and paper industry, plywood and veneer manufacturing industry, as well as the secondary and tertiary wood processing industries such as moldings and furniture manufacturing, among other things.

CHAPTER II

STRATEGY AND CRITERIA

SEC. 5. *Principles of the Strategy.* – The basic concern for the sustainability of natural resources, the protection of the integrity of the environment, and the welfare and well-being of people at all times shall be the governing principles of the strategy of the development of natural resources in the Region. All aspects of natural resources development shall have the following basic criteria:

(a) Judicious use and sustainability. – The optimum productivity of renewable natural resources shall not be impaired and that of the non-replaceable natural resources shall not be untimely exhausted;

1 (b) Ecological viability. – The physical and biological factors that maintain the productivity
2 of natural resources shall always be safeguarded in order not to cause hazards, degradation and
3 danger to the ecosystems or environment;

4 (c) Social acceptability. – The people themselves, through consultation and participatory
5 process, shall be fully committed to support natural resources development by fostering equity in
6 access to natural resources and benefits derived therefrom;

7 (d) Social function. – The development or use of natural resources shall bear a social
8 function or responsibility for the mutual benefit of all concerned economic agents – individuals,
9 families, local government units and private groups, including corporations, cooperatives and
10 similar collective organizations; and

11 (e) Integrated approach, plan-based and time-framed. – In the formulation or preparation of
12 plans, programs and projects, elements or forces involved in natural resources development that
13 are in conflict shall be minimized while those that offer opportunities shall be maximized through
14 an integrated, comprehensive situation analysis and collegial decision-making.

15 SEC. 6. *Main Components of the Strategy.* – The main natural resources components that
16 shall be given priority are:

17 (a) forest resources and their products; e.g., timber and non-timber such as rattan, bamboo,
18 exudates, nuts and fruits, flowers or essences, barks, and wild flora and fauna;

19 (b) mineral and quarry resources, including coal;

20 (c) lands, particularly agricultural lands;

21 (d) water and marine resources; and

22 (e) aesthetic, recreational or tourism resources.

23 SEC. 7. *Natural Resources Mapping.* – The location, condition and present uses of the
24 main components of natural resources in the Region, as enumerated in the preceding section, shall
25 be precisely mapped using an appropriate and acceptable map-scale. Once mapped and validated
26 by concerned agencies of the government, the demarcation of their boundaries on the ground
27 shall be given priority attention by the Department, particularly the specific limits of the
28 forestland and national parks that shall be considered as final and shall automatically be included
29 as parts and parcels of the national government process and program of establishing the forest
30 limits that Congress shall act upon.

31 Essential features of the natural resources such as topography, slope, drainage, soil and soil
32 cover, and climate shall be characterized in the form of thematic maps from which the land-use or
33 natural resources-use for the Region shall be prepared.