

HOUSE OF REPRESENTATIVES

House Bill No. **84**

Introduced by Representative Susan A. Yap

EXPLANATORY NOTE

Land classification data from the Department of Environment and Natural Resources Forestry Management Bureau (DENR-FMB) indicates that as of the latest count, total forest land accounts for about 50 percent (15 million hectares) of the total land area (30 million hectares) of the country.

However, according to a study released in 2001 by the Food and Agriculture Organization of the United Nations, the Philippines had the highest rate of deforestation in the Asia-Pacific region at 3.5 percent annually. The same study revealed that "the incidence of upland migration and illegal harvesting is high. Low royalty charges, and abuses of logging concessions led to over-cutting of forests. Ineffective operational management and population pressures have resulted in highly degraded natural forests. More than 5 million hectares of public timberland have no clear form of tenure or management, essentially creating 'open-access'."

Forests house diverse species and natural resources that contribute to economic well-being, them being the source of income for many local communities as well as for daily consumption. It is in this regard that they need to be protected and managed properly, in accordance with the State policy to conserve and develop the patrimony of the nation, as the Constitution provides.

In order to fulfill such objectives, this bill proposes the following strategies:

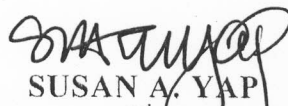
- (1) Watershed as the Basic Forestland Management Unit. - Forestlands shall be conserved, developed and managed utilizing watershed as the basic management unit and under the concepts of sustainable and multiple-use management, including the conservation of biodiversity;
- (2) Multi-sectoral Participation. - The participation of all sectors of society in sustainable forestland conservation, management and development shall be promoted. Equitable sharing of the benefits derived from forestlands shall be ensured at all times;
- (3) Community-based Forest Management as a Principal Strategy. - Vesting access rights and responsibilities to dependent families, local communities and indigenous peoples to undertake the management and development of appropriate forestland resources on a sustainable basis shall be the principal strategy;
- (4) Protection of Forestlands and Natural Resources as Priority Concern. - The protection of forestlands, especially protected areas and the natural resources in these areas, shall be given priority concern in order to ensure environmental stability, enhance biological diversity, increase productivity and provide economic benefits;
- (5) Reforestation as a Priority Measure. - Economic and ecological reforestation shall be given priority emphasis in order to rehabilitate and restore the usefulness or

productivity of open and/or denuded and degraded forestlands as well as increase the income of communities concerned;

- (6) Security of Tenure of Stakeholders. - In pursuance of 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 the Forest Service. - A dynamic, professional and people- oriented forest service shall be established and fully supported by the government.

The country is endowed with natural resources that afford us opportunities for growth and development. However, the use of such requires a balancing act between present and future consumption, especially amidst scarcity and depletion. The government must be mindful of the needs of future generations and must therefore practice conservation to ensure long-term sustainability.

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


SUSAN A. YAP
Representative, 2nd District of Tarlac

6 HOUSE OF REPRESENTATIVES

7
8 House Bill No. 84
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11 Introduced by Representative Susan A. Yap
12

13 AN ACT
14 PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT
15
16

17 Be it enacted by the Senate and the House of Representatives of the Philippines in
18 Congress assembled:
19

20 CHAPTER I
21 BASIC FORESTRY POLICIES
22

23 SECTION 1. *Short Title.* - This Act shall be known as the "Sustainable Forest Management Act
24 of 2010".
25

26 SECTION 2. *Basic Policies.* - In conformity with the provisions of the Constitution to promote
27 the general welfare and social justice in all phases of national development, to protect and
28 advance the right of the Filipino people to a balanced and healthful ecology in accord with the
29 rhythm and harmony of nature, and to conserve and develop the patrimony of the nation, the
30 State hereby adopts the following policies relative to the conservation and management of
31 forestlands and their resources:
32

33 (a) The specific limits of forestlands after these have been fixed and demarcated shall not be
34 altered except through an act of Congress;
35

36 (b) The use of forest resources shall bear a social function, responsibility and accountability to
37 promote the common good; and
38

39 (c) Integrated and sustainable, focusing on the resource and the people who manage, conserve
40 and benefit from it, shall be the guiding principle in the management, protection, conservation
41 and development of forest resources.
42

43 In carrying out the above policies, the following strategies shall be pursued:
44

45 (1) Watershed as the Basic Forestland Management Unit. - Forestlands shall be conserved,
46 developed and managed utilizing watershed as the basic management unit and
47 under the concepts of sustainable and multiple-use management, including the conservation of
48 biodiversity;
49

50 (2) Multi-sectoral Participation. - The participation of all sectors of society in sustainable
51 forestland conservation, management and development shall be promoted. Equitable sharing of
52 the benefits derived from forestlands shall be ensured at all times;
53

1 (3) Community-based Forest Management (CBFM) as a Principal Strategy. – Vesting access
2 rights and responsibilities to dependent families, local communities and indigenous peoples to
3 undertake the management and development of appropriate forestland resources on a sustainable
4 basis shall be the principal strategy;

5
6 (4) Protection of Forestlands and Natural Resources as Priority Concern. – The protection of
7 forestlands, especially protected areas and the natural resources in these areas, shall be given
8 priority concern in order to ensure environmental stability, enhance biological diversity, increase
9 productivity and provide economic benefits;

10
11 (5) Reforestation as a Priority Measure. - Economic and ecological reforestation shall be given
12 priority emphasis in order to rehabilitate and restore the usefulness or productivity of open and/or
13 denuded and degraded forestlands as well as increase the income of communities concerned;

14
15 (6) Security of Tenure of Stakeholders. - In pursuance of the principles of sustainable and multi-
16 use forest management and equitable access to forest resources, a secured tenure shall be
17 guaranteed to stakeholders concerned; and

18
19 (7) Professionalism in the Forest Service. - A dynamic, professional and people- oriented forest
20 service shall be established and fully supported by the government.

21
22 SECTION 3. *Definition of Terms.* - As used in this Act, the term:

23
24 (a) "Afforestation" shall refer to the planting of trees or the artificial establishment of a
25 forest in areas that were not previously forested.

26
27 (b) "Agro-forestry" shall refer to a strategy for the sustainable management of lands
28 which increases their overall productivity by properly combining agricultural crops and/or
29 livestock with forest crops simultaneously or sequentially through the application of
30 management practices which are compatible with the local climate, topography, slope, soil, as
31 well as the cultural patterns or customary laws of the local population.

32
33 (c) "Agricultural lands" shall refer to lands of the public domain which have been
34 delimited, classified and declared as such, and are available for disposition under the provisions
35 of Commonwealth Act No. 141, as amended, otherwise known as the Public Land Act.

36
37 (d) "Ancestral domains" shall refer to all areas generally belonging to indigenous cultural
38 communities (ICCs) or indigenous peoples (IPs) as defined in Republic Act No. 8371 or the
39 Indigenous Peoples Rights Act (IPRA) of 1997.

40
41 (e) "Ancestral lands" shall refer to lands occupied, possessed and utilized by members of
42 the ICCs/IPs as defined in the IPRA.

43
44 (f) "Biological diversity or biodiversity" shall refer to the variability among living
45 organisms including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the
46 ecological complexes of which they are part. This includes diversity within and between species
47 and ecosystems.

48
49 (g) "Buffer zones" shall refer to identified areas outside the boundaries of and
50 immediately adjacent to protected areas pursuant to Section 8 of Republic Act No. 7586 or the
51 National Integrated Protected Areas System Act of 1992 (NIP AS Act) that need special
52 development control in order to avoid or minimize harm to the protected area.
53

1 (h) "By-product" shall refer to any part taken from wildlife species such as hides, antlers,
2 feathers, fur, internal organs, roots, trunks, branches, leaves, stems, flowers and the like.

3
4 (i) "Commercial logging" shall refer to the cutting or felling of trees for the purpose of
5 disposing of the cut or felled logs for economic gains beyond survival and livelihood means.

6
7 (j) "Communal forest" shall refer to a tract of forestland set aside and established for and
8 under the protection, administration and management of a city, municipality or barangay as a
9 source of wood material for fuel, shelter and manufactured products; as a source of water for the
10 community; and area for ecotourism and/or environmental protection or socioeconomic projects
11 of local government units consistent with sustainable development.

12
13 (k) "Community-based Forest Management Strategy" shall refer to all organized efforts
14 of government to work with forest-dependent families and communities inside and adjacent to
15 public forestlands with the intent to empower them and entrust to them the protection,
16 rehabilitation, management, conservation and utilization of forestlands and their natural
17 resources.

18
19 (l) "Conservation" shall refer to planned protection and management of forests and their
20 resources so as to prevent waste and ensure future use.

21
22 (m) "Conveyance" shall refer to any vehicle, vessel, device or animal used in gathering or
23 transporting forest products.

24
25 (n) "Co-production agreement" shall refer to an agreement entered into by and between a
26 qualified person and the government for the former to develop, utilize and manage, consistent
27 with the principles of sustainable development, a private land or portion of a forestland wherein
28 both parties agree to provide inputs and share the products or their equivalent cash value.

29
30 (o) "Critical watershed" shall refer to a drainage area of a river system supporting
31 existing and proposed hydroelectric power, irrigation works or existing water facilities needing
32 immediate protection and rehabilitation to minimize erosion and improve water yield.

33
34 (p) "Department" shall refer to the Department of Environment and Natural Resources
35 (DENR).

36
37 (q) "Denuded forestlands" shall refer to former forested lands but are now devoid of trees
38 due to human activities.

39
40 (r) "Degraded forests" shall refer to all forestlands containing less than five (5) square
41 meters in basal area per hectare of commercial tree species with diameters at breast height or
42 diameter above buttress of less than sixty-five (65) centimeters.

43
44 (s) "Environmentally critical project" shall refer to a project or program that has high
45 potential for significant negative environmental impact.

46
47 (t) "Environmental Compliance Certificate (ECC)" shall refer to the document issued by
48 the Department certifying that a proposed project or undertaking will not cause a significant
49 negative impact on the environment; that the proponent has complied with all the requirements
50 of the Environmental Impact Assessment (EIA) System in accordance with Presidential Decree
51 No. 1151 or the Philippine Environmental Policy and Presidential Decree No. 1586, establishing
52 an Environmental Impact Statement System; and that the proponent is committed to implement

1 its approved Environment Management Plan found in the Environmental Impact Statement (EIS)
2 or mitigation measures identified in the Initial Environmental Examination (IEE).

3
4 (u) "Environmental Impact Assessment" shall refer to the process of predicting the likely
5 environmental consequences of implementing a project or undertaking and designing the
6 appropriate preventive, mitigating or enhancement measures.

7
8 (v) "Environmental, Impact Statement System" shall refer to the organization,
9 administration and procedures that have been institutionalized pursuant to Presidential Decree
10 No. 1586 for purposes of assessing the significance of the effects of any project or undertaking
11 on the quality of the physical, biological and socioeconomic environment and designing the
12 appropriate mitigating and enhancement measures.

13
14 (w) "Forest" shall refer to land with tree crown cover or equivalent stocking level of more
15 than ten percent (10%) and an area of more than half a hectare. The trees should be able to reach
16 a minimum height of five (5) meters at maturity *in situ*. It may consist either of closed forest
17 formations where trees of various storeys and undergrowth cover a high proportion of the ground
18 or open forest formation with a continuous vegetation cover in which tree crown cover exceeds
19 ten percent (10%). Young natural stands and all plantations established for forestry purposes
20 which have yet to reach a crown density of ten percent (10%) or tree height of five (5) meters are
21 included under forest, as are areas normally forming part of the forest area which are temporarily
22 unstocked as a result of human intervention or natural causes but which are expected to revert to
23 forest. Forests include such stand types as dipterocarp, pine, mossy, molave, beach and
24 mangrove. For the purpose of this Act, natural forests may be classified according to: (1)
25 primary-use and management, a forest shall be classified as either protection forest or production
26 forest after its most suitable and dominant multi-use function has been determined pursuant to
27 this Act; and (2) growth formation, a forest is classified as either closed forest or open forest.
28 Closed forests have trees in various storeys and undergrowth that cover a high proportion,
29 greater than forty percent (40%) of the ground and do not have a continuous dense grass layer.
30 Closed forests are either managed or unmanaged forests, primary or in advanced state of
31 reconstitution, and may have been logged over one or more times but have kept their
32 characteristics of forest stands, possibly with modified structure and composition. Open forests
33 have trees that are of discontinuous layer, with a coverage of at least ten percent (10%) and less
34 than forty percent (40%).

35
36 (x) "Forest charges" shall refer to the levy imposed and collected by the government on
37 naturally growing timber and other forest products cut, harvested or gathered from the
38 forestlands and from "alienable or disposable (A&D)" lands in accordance with Republic Act
39 No. 7161.

40
41 (y) "Forest-based industries" shall refer to various industries that are dependent on raw
42 materials or products derived from forests such as, but not limited to, wood, rattan, bamboo,
43 vines, latex, resins, saps, essences, fruits, flowers or wild flora and fauna.

44
45 (z) "Forest-based community" shall refer to a group of people residing inside or
46 immediately adjacent to a particular forestland who are largely or partly dependent on the forest
47 resources found in the area for their livelihood.

48
49 (aa) "Forestlands" shall refer to lands of the public domain that have been classified as
50 such and all unclassified lands of the public domain.

51
52 (bb) "Forest officer" shall refer to any public officer who, by the nature of his
53 appointment or the functions of the position to which he is appointed, is delegated by law and

1 regulations or commissioned by competent authorities to execute, implement or enforce the
2 provisions of this Act and other related laws and regulations.

3
4 (cc) "Forest plantation" shall refer to a forest stand established by planting and/or seeding
5 in the process of afforestation and reforestation. The stand is either of introduced species or of
6 any indigenous species, or both.

7
8 (dd) "Forest products" shall refer to goods and services derived from the forest such as,
9 but not limited to, timber, lumber, veneer, plywood, fiberboard, pulpwood, firewood, bark, tree
10 top, resin gum, wood oil, honey, beeswax, nipa, rattan or other forest growth such as grass, shrub
11 and flowering plant, the associated water, fish, game, scenic, historical and educational.

12
13 (ee) "Forest resources" shall refer to all resources whether biomass such as plants and
14 animals, including its by-products and derivatives, which can be raw materials to produce value-
15 added products or non-biomass such as soil, water, scenery, as well as the intangible services and
16 values present in forestlands or in other lands devoted for forest purposes.

17
18 (ff) "Forest-resource derivatives" shall refer to substances/materials extracted, or as
19 exudates of the trees or part thereof such as, but not limited to, resins, gums tanning, beeswax,
20 rosin and alike.

21
22 (gg) "Grazing land" shall refer to a portion of the public domain which has been set aside,
23 in view of the suitability of its topography and vegetation, for the raising of livestock.

24
25 (hh) "Indigenous cultural community (ICC)" shall refer to a group of people or
26 homogenous societies as defined in the IPRA Law. Indigenous cultural community is
27 synonymous with indigenous people.

28
29 (ii) "Industrial Forest Management Agreement (IFMA)" shall refer to a production-
30 sharing contract entered into by and between the Department and a qualified person, whether
31 natural or juridical, wherein the former grants to the latter the exclusive right and responsibility
32 to invest in, develop, manage and protect a defined area of the production forestland, including
33 the establishment, management and utilization of industrial forest plantation, consistent with the
34 principle of sustainable development, primarily to supply the raw material requirements of
35 wood-based processing and energy-related industries and wherein both parties share in the
36 benefits therefrom.

37
38 (jj) "Industrial forest plantation" or "IFP" shall refer to any tract of land, whether public
39 or private, planted to timber-producing species, including rubber and durian trees and/or non-
40 timber species such as rattan and bamboo, primarily to supply the raw material requirements of
41 forest-based industries, energy-generating plants and related industries.

42
43 (kk) "Integrated forest-based industry" shall refer to a rationalized forest resource
44 industry which is characterized by the presence of complementary timber processing plants such
45 as sawmills, plywood and veneer mills, particleboard and fiberboard plants, pulp and paper mills
46 as well as secondary and/or tertiary wood processing plants.

47
48 (ll) "Integrated wood processing plant" shall refer to a combination of two (2) or more
49 wood-based processing facilities, whether mechanical or chemical or both, such as sawmill,
50 veneer and plywood mills or pulp and paper mills, including other facilities in the manufacture of
51 semi- or completely finished wood products.

1 (mm) "Joint venture agreement" shall refer to an agreement wherein the government and a
2 qualified person organize a joint venture company, with both parties having equity shares, to
3 develop and manage a portion of forestland. Aside from earnings on the equity, the government
4 shall be entitled to a share in the output computed at a certain percentage mutually agreed upon
5 by and beneficial to both parties.

6
7 (nn) "Kaingin" shall refer to a portion of the forestland, whether occupied or not, which is
8 subjected to a farming system based on shifting or slash-and-burn clearing of forest for the
9 planting of agricultural and agro-forest crops.

10
11 (oo) "Managed forest" shall refer to a forestland under a deliberate system of protection,
12 rehabilitation, development and utilization of resources to ensure sustainable production of
13 desired forest products and/or services as well as the conservation of soil, water, wildlife and
14 other natural resources.

15
16 (pp) "Multiple-use forestry" shall refer to the harmonized utilization, development and
17 management of forestlands for the production of two (2) or more products, goods and/or services
18 in conformity with the principle of sustainable development.

19
20 (qq) "National park" shall refer to an area of the public domain essentially natural
21 wilderness, scenic or historic in character which has been withdrawn from settlement, occupancy
22 or any form of exploitation except in conformity with an approved management plan and set
23 aside exclusively to conserve the area or preserve the scenery, the natural and historic objects,
24 wild animals and plants mainly for the purpose of biodiversity conservation and/or human
25 enjoyment.

26
27 (rr) "Natural forest" shall refer to a forest composed of naturally growing indigenous
28 trees, not planted by man, whose structure, composition and dynamics have been largely the
29 result of natural succession processes.

30
31 (ss) "Nongovernment organization (NGO)" shall refer to a nonstock, nonprofit and
32 voluntary organization established primarily to provide assistance or service.

33
34 (tt) "Non-timber forest products" shall refer to all biological materials and derivatives
35 other than timber which are extracted from forests for human use.

36
37 (uu) "Permit" shall refer to a short-term privilege or authority granted by the State to a
38 person to utilize any limited forest resources or undertake a limited activity within any forestland
39 without any right of occupation and possession.

40
41 (vv) "Person" shall refer to a natural as well as juridical person, including local forest-
42 based communities or IPs organized in accordance with law or custom.

43
44 (ww) "Processing plant or mill" shall refer to any mechanical setup, machine or
45 combination of machines used for the conversion of logs and other forest raw materials into
46 semi-finished or finished products.

47
48 (xx) "Production sharing agreement" shall refer to a contract between the government and
49 a person, whether natural or juridical, wherein both parties exercise the right to manage, develop
50 and utilize forest resources within a specific area of production forestlands and the period of time
51 with the person providing the financing, technology, management, personnel, marketing and
52 other inputs necessary to implement the agreement, and both parties sharing the benefits under
53 the terms and conditions set forth in said agreement.

1
2 (yy) "Protected areas" shall refer to identified portions of land and water set aside
3 pursuant to the NIP AS Act.
4

5 (zz) "Reforestation" shall refer to the planting of trees or artificial establishment of forest
6 in areas that were previously forested.
7

8 (aaa) "Reservation" shall refer to a forestland that has been reserved by the President or
9 by law for any specific purpose.
10

11 (bbb) "Rotation" shall refer to the number of years between the initial establishment of a
12 plantation and the time when it is considered ready for harvesting.
13

14 (ccc) "Second-growth forest" shall refer to the status or condition of a forest subsequent
15 to commercial logging of which there is more or less sufficient volume of residuals of the desired
16 species of trees for future harvest. A second-growth forest is synonymous to a residual forest.
17

18 (ddd) "Secretary" shall refer to the Secretary of the Department of Environment and
19 Natural Resources.
20

21 (eee) "Semi-finished wood products" shall refer to wood products requiring final stages
22 of manufacture and/or assembly such as, but not limited to, window components, tabletops,
23 veneer and other similar wood products.
24

25 (fff) "Silvicultural practices" shall refer to any scientific intervention to further improve
26 or enhance the growth of trees or forest as a whole for future harvest.
27

28 (ggg) "Sustainable development" means meeting the needs of the present generation
29 without compromising the ability of the future generations to meet their own needs.
30

31 (hhh) "Sustainable forest management" shall refer to the process of managing a forest to
32 achieve one (1) or more clearly specified objectives of management with regard to the
33 production of a continuous flow of desired forest products and services without undue reduction
34 of its inherent values and future productivity, and without undesirable effects on the physical and
35 social environment.
36

37 (iii) "Tenure" shall refer to guaranteed peaceful access to and use of specific forestland
38 area and the resources found in the area through an agreement, contract or grant, which cannot be
39 altered or abrogated without due process.
40

41 (jjj) "Timber License Agreement (TLA)" shall refer to a privilege granted by the State to
42 a person to utilize forest resources within a forestland with the right of possession and
43 occupation thereof to the exclusion of others except the government, but with the corresponding
44 obligation to develop, protect and rehabilitate the same in accordance with the terms and
45 conditions set forth in the said agreement.
46

47 (kkk) "Trade" shall refer to the act of engaging in the exchange, purchase or sale of forest
48 products locally or internationally.
49

50 (lll) "Urban forestry" shall refer to the establishment and management of forest in urban
51 environment for the physiological and psychological well-being of the people.
52

1 (mmm) "Watershed" shall refer to a land area drained by a stream or a fixed body of
2 water and with tributaries having a common outlet for surface runoff.

3
4 (nnn) "Watershed reservation" shall refer to a forestland that has been proclaimed by the
5 President or by law as such, primarily for water production purposes although other compatible
6 uses may be allowed under sustainable and multiple-use management concepts.

7
8 (ooo) "Wildlife" shall refer to wild forms and varieties of flora and fauna in all
9 developmental stages.

10
11 (ppp) "Wood-based industries" shall refer to various industries that use wood as the
12 principal raw material such as, but not limited to, sawmilling, pulp and papermaking, and
13 plywood and veneer manufacturing, the upstream wood-based industries, as well as the
14 secondary and tertiary wood processing such as, but not limited to, moldings and furniture
15 manufacturing.

16 17 CHAPTER II 18 CLASSIFICATION OF THE PERMANENT FORESTLANDS 19

20 SEC. 4. *The Permanent Forestlands.* - All lands of the public domain classified as forestlands
21 under the Department's land classification program, including the remaining unclassified lands of
22 the public domain, shall be maintained as permanent forestlands.

23
24 SEC. 5. *Subclassification of the Permanent Forestlands.* - The permanent forestlands shall be
25 subclassified into the following categories according to primary use:

26
27 (a) Protection Forestlands. - All areas within the forestlands designated or set aside as
28 such shall constitute the protection forestlands. All mossy and primary/old-growth forests and
29 natural beach; all areas one thousand (1,000) meters above sea level, areas above fifty percent
30 (50%) slope; areas regardless of slope which are highly erodible or too rocky for the
31 establishment of either production forests or limited production forests, developed for the
32 principal objectives or establishing vegetative cover to prevent erosion, conserve water and
33 nurture wildlife, freshwater, swamps and marshes; all areas along the bank of rivers and streams;
34 and the shores of the seas and lakes throughout their entire length and within a zone of three (3)
35 meters in urban areas, twenty (20) meters in agricultural areas and forty (40) meters in forest
36 areas, along their margins which are subject to the easement of public use in the interest of
37 recreation, settlements, navigation, floatage, fishing and salvage shall also be subclassified as
38 protection forestlands: *Provided*, That reclassification shall be approved by an act of Congress;
39 and
40

41 (b) Production Forestlands. - All forestlands not subclassified as protection forestlands,
42 defined in this section, shall constitute the production forestlands to be devoted to the production
43 of timber and/or non-timber forest products or the establishment of industrial tree plantations,
44 tree farms, communal forests, agro-forestry, grazing or as multiple-use forests, including water-
45 based energy areas such as, but not limited to, hydrothermal and geothermal reservations:
46 *Provided*, That they shall be managed, developed and utilized in accordance with a Department-
47 approved management plan based on sustainable forest management principles.
48

49 CHAPTER III 50 ADMINISTRATION AND MANAGEMENT OF FORESTLANDS 51 AND THEIR RESOURCES 52

1 SEC. 6. *Jurisdiction and Control of Forestlands.* - The Department shall be the primary agency
2 responsible for the conservation, management, development and utilization of all forestlands and
3 the unclassified lands of the public domain, including all the resources found or growing in these
4 lands. In coordination with the local government units (LGUs) and other government agencies,
5 the Department shall ensure that forestlands and unclassified lands of the public domain are
6 managed, conserved, developed, utilized and protected consistent with the policies and strategies
7 promulgated in this Act. The utilization and development of forestlands and unclassified lands of
8 the public domain, including their natural resources, shall be undertaken in accordance with
9 Department-approved management plans: *Provided,* That the management plan for protected
10 areas shall be prepared in accordance with the provisions of the NIPAS Act. Records pertaining
11 to the specific limits of forestlands shall be made available to the public upon request. Moreover,
12 the Department shall furnish all provincial, municipal and city governments copies of the maps
13 of permanent forestlands located within their respective territorial jurisdictions.

14
15 SEC. 7. *Forestlands Managed by Local Government Units (LGUs).* - Pursuant to the pertinent
16 provisions of Republic Act. No. 7160 or the Local Government Code, LGUs shall share the
17 responsibility in the sustainable management and utilization of forest resources within their
18 territorial jurisdiction, including those assigned by law to other government agencies. Subject to
19 vested rights, LGUs and the Department, in consultation with other government agencies, local
20 communities, nongovernment organizations, academic and research institutions and other
21 sectors, shall jointly undertake the preparation of forestland use and watershed management
22 plans, particularly the identification of multiple-use areas and production forestlands within the
23 territorial jurisdiction of each LGU which shall be made an integral component of the latter's
24 Comprehensive Land Use Plan (CLUP). The LGUs shall be consulted on all forestry projects to
25 be implemented in their territorial jurisdiction and shall have equitable share of incomes derived
26 therefrom. For this purpose, the Department, the Department of the Interior and Local
27 Government (DILG), the leagues of provinces, cities, municipalities and barangays shall
28 formulate a joint strategy and program to implement this provision within one (1) year from the
29 passage of this Act.

30
31 SEC. 8. *Forestlands Under Other Government Agencies.* - Forestlands and/or portions thereof
32 which have been assigned by law to the administration and management of other government
33 agencies for a specific purpose, including those devolved to the LGUs prior to the passage of this
34 Act, shall be subclassified as production forestlands and shall remain under the administration
35 and management of these government agencies which shall be responsible for their conservation,
36 protection, rehabilitation and subclassification into forestland, and the specific purpose for which
37 the entire area has been assigned or reserved unless said assignment or reservation is consistent
38 with the use of such area as protection forestland. The Secretary or a duly authorized
39 representative shall exercise oversight functions over these forestlands. Moreover, these
40 forestlands shall be administered in accordance with a forest management plan, which shall be
41 prepared by the government agency or the concerned LGU in coordination with the Department
42 and local communities and organizations within one (1) year from the effectivity of this Act:
43 *Provided,* That the Department and the LGU or the government agency concerned shall
44 periodically review, monitor and evaluate the implementation of the said management plan:
45 *Provided, further,* That the harvesting of forest resources and the building of roads and other
46 infrastructure shall be undertaken only with the prior approval of the Secretary and after
47 compliance with EIS and ECC requirements: *Provided, finally,* That the Secretary shall
48 recommend to Congress or the President of the Philippines the reversion to the Department of
49 the jurisdiction and control over forestlands that are no longer needed nor used for the purpose
50 by which they have been constituted or reserved or in case the agency or the LGU concerned
51 fails to rehabilitate, protect and conserve the forestland and its resources in accordance with the
52 approved management plan. The Department shall determine the use of the reverted forestlands.

1
2 SEC. 9. *Forest Resources Within Alienable and Disposable Lands.*- All forest resources,
3 including trees planted or raised within alienable and disposable lands, belong to the owner of
4 the land who shall have the right to harvest, transport, sell, contract, convey or dispose of the
5 same without the necessity of any clearance from the Department. The Department shall
6 encourage and provide incentives to landowners of alienable and disposable lands to develop,
7 maintain and manage forests on their lands or to develop and maintain a tree plantation on such
8 lands. Landowners who register their lands for forestry purposes shall be assisted by the
9 Department in the preparation of a management plan and shall be entitled to appropriate
10 incentives provided under Section 24: *Provided, That* agricultural lands devoted to the planting
11 and harvesting of forest resources shall remain subject to the provisions of Republic Act No.
12 6657 or the Comprehensive Agrarian Reform Law.

13
14 SEC. 10. *Forest Resources Within Forestlands.* - All forest resources, including non-timber
15 forest products, its by-products and its derivatives, whether naturally growing, planted or raised
16 which have been taken of or have been applied with some silvicultural practices, within
17 forestlands including those forest resources within the areas covered by a Certificate of Ancestral
18 Domain Title (CADT) or a Certificate of Ancestral Land Claim (CALC), shall be issued with a
19 permit, agreement or clearance that are deemed necessary and appropriate by the Department, as
20 recommended by the Forest Management Bureau (FMB). The transport of these forest resources
21 from forestlands, including those from the areas of the ICCs or IPs covered by a CADT or a
22 CALC, shall be covered by a separate permit, agreement or clearance duly issued by the
23 Department. Any declaration of forest resources as endangered, threatened, vulnerable and other
24 restriction shall be done in coordination, consultation and clearance from the FMB.

25
26 SEC. 11. *Forest Resources Within Ancestral Domains.* - The recognition, ownership and
27 management of ancestral lands and domains shall be governed by the provisions of the IPRA, but
28 any project of a holder of a CADT or any such similar instrument to develop or use forestlands
29 or forest resources that would result in severe soil erosion or environmental degradation, shall be
30 subject to the provisions of Presidential Decree No. 1151 or the Philippine Environmental
31 Policy; Presidential Decree No. 1586, establishing an Environmental Impact Statement System;
32 and this Act. The National Commission on Indigenous Peoples (NCIP) shall coordinate and
33 consult the Department in providing assistance to the IPs in the sustainable management and
34 development of forest resources within ancestral lands and domains. For this purpose, a multi-
35 sectoral task force shall be created, to be composed of representatives from the Department, the
36 NCIP, the Department of Agrarian Reform (DAR) and the concerned LGU to evaluate and
37 validate the authenticity of all CALT/CALC claims and applications of the IPs prior to the
38 conduct of all survey activities and the issuance of corresponding titles.

39
40 CHAPTER IV
41 FOREST MANAGEMENT PLANNING,
42 MONITORING AND ASSESSMENT
43

44 SEC. 12. *Sustainable Forest Management Planning.* - Subject to vested or prior rights, the
45 Department, in consultation and coordination with LGUs, other government agencies, local
46 communities, nongovernment organizations, individual and corporate entities, private sectors,
47 academic and research institutions and other concerned sectors shall, within one (1) year from
48 the effectivity of this Act, develop and adopt a sustainable forest management strategy for each
49 well-defined watershed or other appropriate forest management unit based on criteria, indicators
50 and standards for sustainable forest management which, at their minimum, address the following
51 requirements:
52

1 (a) Rational allocation of forestland uses and promotion of land-use practices that
2 increase productivity and conserve soil, water and other forestland resources;

3
4 (b) Protection of existing forest resources and conservation of biodiversity;

5
6 (c) Rehabilitation or development of denuded areas to expand the forest resource base
7 and promote food production activities;

8
9 (d) Enhancement of the socioeconomic well-being of local communities including IPs
10 who are largely dependent on the forest for their livelihood;

11
12 (e) Promotion of closer coordination between and among the Department, LGU's, other
13 national agencies, nongovernment organizations, local communities, the private sector, academic
14 and research institutions, and other entities in the sustainable management of forestlands;

15
16 (f) Adoption of community-based forest management as a principal strategy in the
17 management of forestlands and resources; and

18
19 (g) Integration of forest management and land-use plans at the barangay or community
20 level to the CLUPs of cities and municipalities, including the adoption of effective impact
21 monitoring system of forest management programs. The Department shall adopt a
22 comprehensive forestry master plan that shall define the development of the combination of
23 outlooks for the different forestry land uses, its productivity, demand, supply, human resources
24 policy and institutional changes.

25
26 SEC. 13. *Watershed and Ecosystems Management Approach.* - The Watershed and
27 ecosystems planning framework in environment and natural resources management shall be
28 adopted. The strategy for improved watershed resources management shall be demand-driven,
29 community-based and multiple- and sustainable-use, considering national priorities and concerns
30 of local stakeholders. Watershed management programs shall be guided by ecological,
31 sociocultural, economic and institutional sustainability principles. A national watershed
32 information system shall be developed to guide policy formulation, program development and
33 implementation of watershed management initiatives. A system of management prioritization of
34 watersheds shall be pursued considering the following:

- 35
36 (a) Water supply for domestic, irrigation, power, industrial and commercial use;
37 (b) Contribution to the economy;
38 (c) Biodiversity and environmental enhancement;
39 (d) Cultural and historical value; and
40 (e) Effect on downstream areas.

41
42 SEC. 14. *Forestry Information System.* - The Department shall establish a forestry information
43 system, which shall consist of a comprehensive up-to-date information on the physical, social,
44 economic, biological and environmental components of the country's forestlands and forest
45 resources. It shall include a resource monitoring system to enable the Department and its field
46 offices to track the utilization, movement or transfer of forest-based goods and services from the
47 source to their end-users. The Department shall conduct and/or update forest resource inventory
48 at least once every five (5) years to ensure effective management.

49
50 SEC. 15. *Environmental Impact Assessment, Accounting and Valuation.* - All new critical
51 projects to be implemented in forestlands such as harvesting, grazing and other special uses,
52 mineral prospecting and exploration, road, infrastructure and mill construction shall be subject to
53 the country's ETA system. The Department shall design and implement a system of monitoring

1 and assessment, using the criteria and indicators as framework, and shall formulate appropriate
2 standards as basis for assessing progress towards sustainable forest management. The
3 Department shall formulate an appropriate natural resource accounting and valuation system for
4 various forestry initiatives. It shall provide these communities with appropriate long-term
5 security of tenure, technical, managerial and financial assistance, training and other assistance, as
6 the case may be, to empower them to manage and benefit from the forestland resources on a
7 sustainable basis.

8
9 SEC. 19. *Qualified Participants.* - Organized forest communities shall be given priority to
10 participate in the CBFM program. Indigenous peoples shall also be encouraged to actively
11 participate in the implementation of CBFM activities in recognition of their rights to their
12 ancestral domains and lands. Organizations eligible to participate in CBFM shall have the
13 following qualifications: (a) Members shall be Filipino citizens; and (b) Members shall be any of
14 the following:

- 15
- 16 (1) Traditionally utilizing the resource for their livelihood;
- 17 (2) Actually residing within the area to be awarded; or
- 18 (3) Residing adjacent and actually tilling and developing the area to be awarded.
- 19

20 CHAPTER VI 21 REFORESTATION AND AFFORESTATION PROGRAM

- 22

23 SEC. 20. *Reforestation/Rehabilitation of Protection Forestlands.* - The reforestation and
24 rehabilitation of all critical watershed, denuded forestlands and degraded forests within
25 protection forestland not otherwise covered by the CBFM program shall be given top priority
26 and shall be vigorously pursued by the Department, consistent with the NIPAS Act and the
27 strategies and management plans therefore. The use of endemic species in the restoration
28 program for protection forestlands shall be given primary consideration to enhance the biological
29 diversity of the area. The Department, in coordination with LGUs, other government agencies,
30 NGOs, local residents and communities, and other sectors concerned shall identify and prioritize
31 forestlands to be reforested. An accelerated reforestation program in such identified priority
32 protection forestlands shall be undertaken to raise the forest cover to at least fifty percent (50%)
33 within five (5) years and to at least eighty percent (80%) within ten (10) years from the
34 effectivity of this Act. The Department shall allot funds to effectively accomplish reforestation
35 either by itself or through contract. The Department or other agencies responsible for
36 reforestation shall give priority to local communities in the granting of technical and financial
37 assistance for reforestation activities.

38
39 SEC. 21. *Forest Plantation Development in Production Forestlands.* - In accordance with
40 Section 40, the State, through the Department, may enter into joint venture, co-production or
41 production sharing agreement with qualified forest community organizations, LGUs,
42 government-owned or -controlled corporations, private companies, individuals and other
43 interested parties concerned in the development of forest plantations in production forestlands:
44 *Provided,* That any portion of the production forestland identified by the Department as needed
45 for protection and rehabilitation purposes shall not be converted into forest plantations.

46
47 SEC. 22. *Reforestation in Forestlands under the Jurisdiction of Other Government Agencies.* -
48 Government agencies and institutions having management control over forestlands pursuant to a
49 law or grant shall be responsible for the reforestation of denuded and degraded portions of such
50 forestlands. The reforestation program of these agencies shall aim to increase the vegetation of
51 the degraded areas, to be identified jointly by the Department and the agency concerned, by fifty
52 percent (50%) within the first five (5) years and at least eighty percent (80%) within ten (10)
53 years from the effectivity of this Act. The concerned agency in coordination with the Department

1 shall prepare the reforestation plan and determine the ratio of forested areas at any given time.
2 Failure to reforest denuded and/or degraded forestland identified in the reforestation plan within
3 the period prescribed shall be sufficient ground to request for reversion of the said forestlands to
4 the jurisdiction and control of the Department: *Provided, however,* That in areas where CBFMS
5 shall be implemented or where there are existing facilities for basic services such as water and
6 power as allowed by the Department pursuant to Section 40, the completion of the reforestation
7 program shall be subject to the conditions provided in the tenorial document to be awarded by
8 the Department and the agency concerned to the participating local community or individual or
9 in the Forest Management Agreement of contractors operating such facilities for basic services,
10 as approved by the Department.

11
12 SEC. 23. *Reforestation and Afforestation in Alienable and Disposable Lands or Private Lands.* -
13 Reforestation and afforestation or the establishment of tree farms or forest plantations in
14 alienable and disposable lands or private lands shall be encouraged. The private landowner(s)
15 shall also be entitled to the incentives provided for under Section 24, particularly subsections (a),
16 (b), (c), (d) and (e): *Provided,* That such private forest plantations are duly registered with the
17 Department.

18
19 SEC. 24. *Tax Incentives.* - The following tax incentives shall be granted to qualified persons
20 engaged in forest plantation activities:

21
22 (a) Expenses incurred in complying with the requirements of this Act shall be allowed as
23 deductible expenses for income tax purposes subject to the provisions of the National Internal
24 Revenue Code (NIRC) of 1997, as amended: *Provided,* That the deduction shall only apply to
25 the taxable period when the expenses were incurred;

26
27 (b) Incentives granted to registered domestic enterprise under the Investments Priorities
28 Plan (IPP); and

29
30 (c) Exemption from the payment afforest charges imposed under the provisions of this
31 Act.

32
33 To encourage qualified persons to engage in forest plantation activities, the following incentives
34 shall be granted in addition to those already provided by existing laws:

35
36 (1) The agreement holder shall not be subject to any obligation, prescribed in or arising
37 out of the provisions of the National Internal Revenue Code, on withholding tax at source upon
38 interest paid on loans incurred for the development and operation of forest plantation;

39
40 (2) Amounts expended by the agreement holder in the development and operation of a
41 forest plantation prior to the commercial harvest shall be regarded as ordinary and necessary
42 expenses or as capital expenditure;

43
44 (3) The Board of Investments shall classify forest plantations as pioneer and preferred
45 areas of investment under its annual priority plan, subject to pertinent rules and regulations;

46
47 (4) The agreement holder shall be given priority to access credit assistance being granted
48 by government-owned, -controlled and/or -supported financial institutions;

49
50 (5) Upon the premature termination of the agreement at no fault of the holder, all
51 depreciable permanent and semi-permanent improvements, such as roads, buildings and
52 nurseries, including the planted and standing trees and other forest crops introduced and to be
53 retained in the area, shall be properly evaluated and the holder shall be entitled to a fair

1 compensation thereof, the amount of which shall be mutually agreed upon by both the
2 Department and the agreement holder and, in case of disagreement between them, by arbitration
3 through a mutually acceptable and impartial third party adjudicator;

4
5 (6) Exemption from Forest Charges and Expanded Value-Added Tax;

6
7 (7) Exemption of forest plantation from payment of real property;

8
9 (8) No termination of contract or agreement except for cause or for reason of public
10 interest and only after due process; and

11
12 (9) The agreement holder has the right to transfer, contract, sell or convey his rights to
13 any qualified person following the guidelines to be issued by the Secretary. The Secretary may
14 provide or recommend to the President or to Congress other incentives in addition to those
15 granted in this Act and in existing laws in order to promote reforestation and the establishment of
16 forest plantations.

17
18 SEC. 25. *Voluntary Offer to Reforest.* - Private landowners, whether natural or juridical persons,
19 may participate in reforestation and forest plantation development or similar programs of the
20 Department, with the landowner contributing his land and the Department providing funds in
21 accordance with Section 55 to reforest the area on a co-production agreement: *Provided,* That the
22 property shall be exclusively devoted to the planting of forest species for at least one (1) rotation,
23 which undertaking shall be annotated at the back of the title of the property.

24
25 CHAPTER VII
26 URBAN FORESTRY/COMMUNAL FOREST

27
28 SEC. 26. *Establishment of City or Municipal Parks and/or Communal Forest.* - Every city or
29 municipality shall establish a city or municipal park or communal forest and shall include in its
30 annual budget the necessary funds for its establishment and maintenance. Upon request by a city
31 or municipality concerned, the Department shall set aside an appropriate area of the public
32 forestlands as city or municipal park and/or communal forest and shall provide technical
33 assistance to the local government concerned in the development of the park or communal forest.

34
35 SEC. 27. *Establishment of Tree Parks in Subdivision and Tree Planting on Roadsides.* - Every
36 subdivision project to be developed after the passage of this Act shall include the establishment
37 of a tree park of not less than fifty percent (50%) of the required total open spaces as provided in
38 Section 2 of Presidential Decree No. 953, requiring the planting of trees in certain places. The
39 guidelines for the establishment of tree parks within a subdivision shall be prepared jointly by
40 the subdivision owner concerned, the Housing and Land Use Regulatory Board (HLURB) and
41 the Department. The subdivision owner shall provide the funds for this purpose. For every major
42 public road or irrigation construction project, the Department of Public Works and Highways
43 (DPWH) shall include the planting and maintenance of trees along the road/highway or irrigation
44 canals as landscaped rest areas every twenty-five (25) kilometers thereof and shall provide
45 adequate funds for this purpose. Each city or municipality shall also allocate adequate funds for
46 the planting, care and maintenance of trees or perennial shrubs in "greenbelts" or "green spaces"
47 such as road/street sides, center islands, etc.

48
49 CHAPTER VIII
50 FOREST PROTECTION
51

1 SEC. 28. *Commercial Logging Ban.* - There shall be a permanent ban on commercial logging
2 activities in all protection forestlands defined, categorized and subclassified in Section 5(a). No
3 license, permit or agreement to cut any timber within a protection forestland shall be issued.

4
5 Portions of the production forestlands identified by the Department for protection
6 purposes shall be excluded from any form of logging operations and the holder of the agreement
7 or license shall establish a buffer zone and delineate their boundaries with the production
8 forestlands, marking the same with concrete monuments, road or infrastructure, or any other
9 visible, permanent and practicable signs.

10
11 To ensure the conservation and sustainable use of forest resources, holders of timber
12 licenses, leases and permits shall submit to the Department an Integrated Operations Plan (IOP)
13 containing strict environmental guidelines such as ECC compliance. All forest development
14 activities such as logging, reforestation, timber stand improvement, forest protection and delivery
15 of community service within an area covered by timber concessions shall be consolidated under
16 the IOP, which shall be prepared by or under the supervision of an accredited private registered
17 forester whose signature and dry seal shall appear in the plan and the supporting documents
18 submitted for the purpose. Upon its expiration or termination for cause, no extension shall be
19 made on any TLA and the area covered by the agreement shall be converted into any mode
20 pursuant to Section 40, including degraded areas that may be subject of a reforestation or tree
21 plantation project.

22
23 SEC. 29. *Assistance of Law Enforcement Agencies.* - The Department may call upon law
24 enforcement agencies and instrumentalities of the government such as the Philippine National
25 Police (PNP), the Armed Forces of the Philippines (AFP) and the National Bureau of
26 Investigation (NBI) for the enforcement of the logging ban in all protection forestlands and for
27 the protection and conservation of forests. The Secretary of Justice shall designate in every city
28 and province a special prosecutor who shall immediately file charges against forest violators to
29 ensure their speedy prosecution.

30
31 SEC. 30. *Multi-sectoral Forest Protection Council.* - There shall be created a multi sectoral
32 forest protection council in every province, city and municipality which shall be responsible for
33 law enforcement, prevention of forest fires, integrated pest management and protection against
34 forest invasive species. The council shall be composed of representatives from, but not limited
35 to, the Department, concerned LGU, NGOs, people's organizations, church and local academic
36 institutions.

37
38 SEC. 31. *Role of LGUs and Local Residents.* - It shall be incumbent upon LGUs
39 concerned to render assistance in protecting and conserving forestlands within their respective
40 territorial jurisdiction. Qualified local residents may be deputized by the Department to assist in
41 the drive against illegal logging, kaingin-making and forestland occupation. These deputized
42 residents shall likewise be authorized to arrest forest violators within their communities, subject
43 to existing laws and regulations on arrest and detention.

44
45 SEC. 32. *Prevention of Forest Fires and Control of Forest Pests and Diseases.* - In collaboration
46 with concerned LGUs, the Department shall formulate and implement a forest fire management
47 and control program. The Department shall likewise formulate and implement a national
48 integrated forest pest and disease management program including quarantine procedures for
49 imported seeds, forest plants and plant products as well as wildlife to prevent or control forest or
50 wildlife pests and diseases.

51
52 SEC. 33. *Information and Rewards System.* - The Department shall establish an information and
53 rewards system as part of the community's participation in the protection of forest resources.

CHAPTER IX
FORESTRY RESEARCH, EDUCATION, TRAINING AND EXTENSION

SEC. 34. *Research and Technology Development Transfer.* - Research and technology development transfer shall be strengthened to support sustainable management of forest resources. The Department, the Department of Science and Technology (DOST), the Commission on Higher Education (CHED) and the colleges of forestry of state universities shall, within one (1) year from the passage of this Act, prepare a comprehensive national forestry and environmental research and technology development and transfer program in furtherance of sustainable forest management which shall be implemented, monitored and reviewed in accordance with existing research management systems. Adequate and sustainable funds to implement a research and technology development and transfer program shall be provided by each of the aforementioned agencies and institutions under the General Appropriations Act.

SEC. 35. *Public Information, Education and Advocacy Campaign.* - With the support from LGUs, NGOs, media and other organizations, the Department, the Philippine Information Agency (PIA), the Department of Education (DepEd), the CHED, State-owned and private universities and colleges shall formulate and implement a nationwide program for sustained public information and advocacy campaign for forest and natural resources conservation and sustainable forest development and management. The DepEd shall include subjects on forest and natural resources in the curricula for elementary and high school education. The CHED shall likewise include ecology and environment courses in the general education curricula. The Department shall undertake a systematic campaign to promote community ecological awareness, including the preparation of informational and educational materials therefore.

SEC. 36. *Formal Forestry Education.* - The CHED, in collaboration with the Department, the Board of Examiners for Foresters of the Professional Regulation Commission (PRC) and the duly accredited national professional foresters organization shall actively pursue the rationalization of formal forestry education and the establishment of centers of excellence in forestry and environmental education to ensure high quality manpower output to meet the needs of the forestry sector.

SEC. 37. *Continuing Education on Forestry.* - A non-formal program of continuing education shall be established to maintain the growth of the forestry profession. The PRC Board of Examiners for Foresters and the Civil Service Commission (CSC) shall provide the guidelines for a program in continuing education in forestry. In cooperation with academic institutions, the Department shall develop the infrastructures to institutionalize non-formal continuing education for the forestry sector.

SEC. 38. *Training Centers.* - In coordination with the TESDA, the DepEd, the CHED and state universities and colleges (SUCs), the Department shall establish and institutionalize a network of training centers in strategic parts of the country to provide regular and up-to-date training on the various aspects of sustainable forest management, development and utilization to forest officers, LGUs, NGOs, local communities and IPs. Furthermore, the Department shall ensure that personnel appointed to critical and sensitive positions undergo training to prepare them to discharge their duties and responsibilities professionally, efficiently and effectively.

SEC. 39. *Forestry Development Center.* - The Forestry Development Center (FDC) based in the College of Forestry and Natural Resources, University of the Philippines at Los Banos shall continue to serve as the primary policy research and development center for forestry and natural resources management. The FDC shall perform its functions in close coordination with the Department and other policy research institutions in the country. It shall assist the Department in

1 the formulation, review and evaluation of proposed and existing policies on forestry and natural
2 resources management. To enable the Center to carry out its mandated functions, the Center shall
3 have a share of the Sustainable Forestry Development Fund pursuant to Section 55 in the
4 conduct of its mandated functions of policy research.

5
6 CHAPTER X
7 DISPOSITION AND UTILIZATION OF FOREST RESOURCES
8

9 SEC. 40. *Modes of Forest Management Agreement.* - The development, utilization and
10 management of forestlands and/or forest resources shall be undertaken under the full control and
11 supervision of the State through the Department. The State may directly undertake such activities
12 or it may enter into co-production, joint venture or production sharing agreement with qualified
13 Filipino citizens or corporations or associations, subject to relevant laws, rules and regulations:
14 *Provided,* That interested local communities and IPs through their organized and duly recognized
15 associations shall be given priority in the grant of appropriate tenurial instruments implementing
16 the said agreements. Such tenurial instruments and/or agreements shall have a duration of
17 twenty-five (25) years, renewable for another twenty-five (25) years, under such terms and
18 conditions as may be provided by the Secretary: *Provided, further,* That such tenurial
19 instruments and/or agreements may not be terminated except for cause or if public interest so
20 requires. Current valid and subsisting licenses, contracts or agreements granted by the
21 government for the development, management and utilization of forest resources shall be
22 allowed to continue under the same terms and conditions until their expiry, or prior to their
23 expiry shall be allowed to be converted into any mode authorized in this Act under the guidelines
24 promulgated by the Secretary: *Provided,* That no such conversion shall be allowed in protection
25 forestlands as defined in Section 5, on subclassification of forestlands. The Department is hereby
26 authorized to formulate rules and regulations covering the relevant terms and conditions thereof
27 including the determination and collection of the government share, subject to the approval of
28 Congress.

29
30 For watersheds and other areas where existing facilities for basic services such as water and
31 power are located, the Department may enter into a forest management agreement with the
32 service contractor in the area. Such agreement shall have a duration of twenty-five (25) years,
33 renewable for another twenty-five (25) years, under such terms and conditions agreed upon by
34 both parties: *Provided,* That such agreement may not be terminated except for cause or if public
35 interest so requires or upon mutual agreement by the parties.

36
37 SEC. 41. *Transfer of Rights Arising Out of Agreements, Contracts or Similar Instruments.* - The
38 transfer of rights arising out of any forest management agreement, contract or similar instrument
39 with the government may be authorized by the Department: *Provided,* That the agreement,
40 contract or similar instrument has been in existence and active for at least three (3) consecutive
41 years from its issuance: *Provided, further,* That the transferor has faithfully complied with the
42 terms and conditions of the said agreement, contract or similar instrument; the transferee has all
43 the qualifications and none of the disqualifications to hold the same; and the transferee shall
44 assume the obligations of the transferor. Failure to comply with these conditions shall be
45 sufficient cause for the cancellation of the agreement, contract or similar instrument.

46
47 SEC. 42. *Non-Timber Forest Products.* - Rattan, bamboos, vines, herbs, exudates and other non-
48 wood forest products are integral parts of the forest ecosystem. The establishment of plantations
49 of non-timber producing species shall be encouraged and supported. The development,
50 management and utilization of non-timber forest products shall be allowed in accordance with
51 the guidelines to be promulgated by the Department. However, in granting permits to harvest or
52 utilize non-timber forest products in their natural or original state from production forestlands,

1 priority shall be given to forest resident families, local communities and IPs living nearest the
2 subject forestlands.

3
4 SEC. 43. *Silvicultural and Harvesting System.* - The Department shall formulate the appropriate
5 silvicultural and harvesting system and all measures shall be taken to achieve an approximate
6 balance between growth and harvest or use of forest products in production forestland shall be
7 promoted and practiced.

8
9 SEC. 44. *Grazing.* - The Department shall identify and delimit areas in the production forestland
10 suitable for grazing purposes: *Provided*, That no forestland fifty percent (50%) in slope or over
11 may be utilized for grazing purposes: *Provided, further*, That existing pasture lease agreements
12 or forestland grazing lease agreements shall be allowed to continue under the same terms and
13 conditions until their expiry: *Provided, finally*, That abandoned or idle, expired or cancelled
14 grazing or pasture lands shall be subject to land-use capability assessment to determine their best
15 use or combination of uses. No new grazing or pasture permit, lease or contract shall be issued,
16 nor existing ones allowed to continue unless covered by existing rules and regulations governing
17 the Philippine EIS System.

18
19 SEC. 45. *Mining and Power Generation Operations in Forestlands.* - Forest resources inside
20 mineral lands are under the Department's jurisdiction, and their management and utilization are
21 subject to the provisions of this Act. Power generation and small-scale mining operations in
22 forestlands may be allowed subject to existing rules and regulations governing the Philippine EIS
23 System.

24
25 SEC. 46. *Roads and Other Infrastructure.* - Roads and other infrastructure including the
26 development of mineral reservations and energy resources inside forestlands shall be constructed
27 with the least impairment to the resource values found in such forestlands. Government agencies
28 and their contractors undertaking the construction of roads, bridges, communication and other
29 infrastructure facilities and installations inside forestlands shall seek prior authority from the
30 Department and shall comply with the provisions of this Act and existing rules and regulations
31 governing the Philippine EIS System.

32 33 CHAPTER XI 34 FOREST-BASED INDUSTRIES

35
36 SEC. 47. *Establishment and Operations of Forest-based Industries.* - To meet the demands for
37 forest-based goods and services of a growing population, the State, through the Department, shall
38 promote and rationalize the establishment, operations and development of forest-based
39 industries.

40
41 SEC. 48. *Incentives for Forest-based Industries.* - To enable forest-based industries to be more
42 efficient, competitive and economically viable, the following incentives are hereby granted in
43 addition to those already provided by existing laws:

44
45 (a) All processing plants or mills shall be assured of their supply of raw materials,
46 preferably but not exclusively from local sources;

47 (b) All processing plants or mills shall be granted operating permits for five (5) years,
48 renewable every five (5) years for the same period: *Provided*, That permits for processing plants
49 owned or operated by holders of forest management agreements or contracts shall be coterminus
50 with said agreements or contracts; and

51
52 (c) The Department shall promote and strengthen the linkages among corporate, family-
53 based and community-based industries. The Department may provide on its own or propose to

1 the President of the Philippines or to Congress, other incentives to encourage the establishment
2 and development of corporate, family and community forest-based industries. Agreements or
3 licenses over forest areas granted to wood-based plants shall be converted into any mode
4 authorized in this Act.

5
6 Expansion in capacity of wood-based plants shall be encouraged and the same shall be
7 given priority access to production forestlands and other areas available for development as
8 source of raw materials.

9
10 SEC. 49. *Export and Sale of Locally Produced Wood Products.* - Logs derived from natural
11 grown trees of whatever species cut, gathered or removed from the local natural forest and raw
12 or rough lumber manufactured from such logs shall not be exported except finished and semi-
13 finished lumber products, wood manufactures, wood panels and other finished wood products
14 from such logs, subject to such guidelines as the Secretary may promulgate. No person shall sell
15 or offer for sale any log, lumber, veneer, plywood or other manufactured wood products in the
16 international or domestic market without complying with the grading rules established or to be
17 established by the government. Failure to adhere to the established grading rules and standards or
18 any act of falsification on the volume of logs, lumber, veneer, plywood or other wood products
19 sold in the international or domestic market shall be sufficient cause for the cancellation of
20 export license, wood processing permit or other license or permit authorizing the manufacture or
21 sale of such products.

22
23 SEC. 50. *Importation and Sale of Logs and Other Forest and Wood Products.* - Logs, lumber
24 and other forest and wood-based products may be imported to the country subject to the
25 registration requirements of the Department, payment of tariff and duties imposed under the
26 Tariff and Customs Code, and quarantine regulations. Any product manufactured or
27 remanufactured out of the imported forest and wood materials may be sold in the domestic or
28 international market subject to compliance with the grading rules and standards.

29
30 CHAPTER XII
31 FOREST CHARGES, FEES AND GOVERNMENT SHARES
32

33 SEC. 51. *Fees and Government Shares for the Utilization, Exploitation, Occupation, Possession*
34 *and Activities Within Forestlands.* - The Department shall prescribe appropriate fees and
35 government shares for the different kinds of utilization, exploitation, occupation, possession or
36 activities within forestlands; *Provided,* That payment of or collection of such fees and
37 government shares shall be waived for parties or industries mandated by law to manage,
38 conserve, develop and protect forestlands and forest resources, except administrative fees for the
39 filing and processing of applications for the issuance and renewal of licenses, permits and
40 agreements; *Provided, Further,* That watershed administrators and/or service contractors that
41 have forest management agreements with the Department as provided for under Section 40 of
42 this Act shall also be entitled to the waiver of fees, except administrative fees.

43
44 The Department shall recommend to Congress appropriate and equitable fees for the use
45 of water and forest for power generation, irrigation, domestic and industrial, and for carbon
46 sequestration and biodiversity benefits, respectively, by parties/industries concerned.

47
48 SEC. 52. *Forest Charges.* - There shall be collected a forest charge per cubic meter based on the
49 actual freight on board (FOB) market price based on species and diameter class by the
50 Department on the following:

- 51
52 (a) Timber - twenty-five percent (25%);
53 (b) Pulpwood and matchwood - ten percent (10%);

(c) Firewood, branches and other recoverable wood wastes of timber such as timber ends, tops and stumps when used as raw materials for the manufacture of finished products -ten percent (10%); and
(d) Non-timber forest products - ten percent (10%)

These forest charges shall be applied to naturally growing timber and non-timber forest products gathered within forestlands, alienable and disposable lands, and private lands.

For the above purpose, the measurement and the actual FOB market price of forest products shall be justly determined by the Department, which shall likewise provide for the time, manner and place of payment of such charges.

SEC. 53. *Fees for Administrative Services Rendered by the Department*. - Fees shall be collected for various services rendered by personnel of the Department in connection with their duties and responsibilities as may be requested by interested parties including, but not limited to, surveying, mapping and other similar service activities: *Provided, That* administrative fees shall be waived for services rendered to local communities or IPs in the preparation of their management plans.

CHAPTER XIII APPROPRIATIONS AND FINANCIAL SUPPORT

SEC. 54. *Appropriations*. - The Secretary of the Department of Environment and Natural Resources shall include in the Department's program and issue such rules and regulations for the implementation of the provisions of this Act, the initial funding of which shall be charged against the current year's appropriations of the Department and thereafter included in the annual General Appropriations Act. For LGUs, the funding requirements shall be taken from their Internal Revenue Allotment and other LGU income.

SEC. 55. *Sustainable Forestry Development Fund* - A Sustainable Forestry Development Fund (SFDF) to be administered by the Department as a special account in the National Treasury is hereby established to provide sustainable funds for forest protection, reforestation and forest development and management, including the rehabilitation and preservation of watershed areas, CBFM program, information and educational campaigns as well as scholarship programs and policy research. At least thirty percent (30%) of the forest charges and government share in all products removed from the forestlands, rentals, proceeds from sales of confiscated forest products including conveyances, fines and penalties, and administrative fees collected shall be set aside for the buildup of the SFDF. The fund may be augmented by grants, donations, endowment from various sources, domestic or foreign, for purposes related to their functions and other innovative funding mechanisms such as securitization of forest assets, among others.

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. A trust fund committee, composed of the Secretary as Chair and the Secretary of the Department of Budget and Management, the DILG Secretary and the National Treasurer or their representatives shall sit as members and manage the SFDF, with the FMB as secretariat.

CHAPTER XIV CRIMINAL OFFENSES AND PENALTIES

SEC. 56. *Harvesting, Gathering and/or Collecting Timber or Other Forest Products Without Authority*. - Any person who shall harvest, cut, gather, collect or remove timber or other forest products from any forestland, or naturally grown timber inside alienable and disposable public

land except as provided in Section 9, without authority from the Secretary or found to possess the same without pertinent required legal documents shall be punished by imprisonment ranging from *prison mayor* minimum period to *reclusion temporal* minimum period and/or a fine equivalent to ten (10) times the value of the said forest product: *Provided*, That in the case of partnerships, associations or corporations, the president, managing partner and general manager shall be held liable and, if such officer is an alien, he shall, in addition to the penalty, be deported without further proceedings on the part of the Bureau of Immigration. Offenders who are public officials shall be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position.

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

SEC. 57. *Illegal Cutting as an Act of Economic Sabotage*. - Any of the acts enumerated in the preceding section committed by an armed group or by any group, through organized and systematic manner, for commercial purposes, shall be considered an act of economic sabotage punishable by *reclusion perpetua*.

The commission of any of the prohibited acts by two (2) or more individuals with or without the aid of any mechanical device shall constitute a *prima facie* evidence that the act is organized and systematic. Any licensed timber concessionaire who shall buy logs from unlicensed loggers or loggers operating without permits shall be considered in violation of this Act and, upon conviction, shall also be punished with *reclusion perpetua*.

SEC. 58. *Use of Illegally Cut Timber in Government Infrastructure Projects*. - Contractors of government infrastructure projects are hereby required to obtain certification from the Department that the logs or lumber to be used were obtained from legitimate sources. The use of illegally cut naturally grown timber in government infrastructure projects shall be sufficient cause for the imposition of penalties provided in Section 56, on harvesting of forest products without authority, and Section 57, on illegal cutting as an act of economic sabotage including the withholding of the payment to the contractor.

SEC. 59. *Damage to Residual Trees*. - To ensure the sustainability of the natural forests, adequate number of residual trees shall be marked, to be retained as part of the managed forests and as the future timber crop, before any harvesting operation shall commence. Any marked residual tree that is damaged during such operation is subject to a fine equivalent to four (4) times the regular forest charges.

SEC. 60. *Grazing Livestock on Forestlands Without a Permit*. - Any person found to have caused the grazing of livestock in forestlands and grazing lands without an authority under a lease or permit to graze, upon conviction, shall be penalized with imprisonment of not less than two (2) years nor more than four (4) years and a fine equivalent to ten (10) times the regular shares due in addition to confiscation of the livestock and all improvements introduced in the area in favor of the government: *Provided*, That in case the offender is a corporation, partnership or association, the officer or director thereof who directly caused or ordered such shall be liable. In case the offender is a public officer or employee, he shall, in addition to the above penalties, be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service.

SEC. 61. *Unlawful Occupation or Destruction of Forestlands*. - Any person who, without authority from the Secretary, enters and occupies or possesses, or engages in kaingin or slash-and-burn farming and related activities for his private use or for others, any forestland or

1 grazing land, or in any manner destroys such forestland or part thereof, or causes any damage to
2 the timber stands and other forest products or assists, aids or abets another person to do so, or
3 sets a fire or negligently permits a fire to be set, or refuses lawful orders to vacate the area when
4 ordered to do so shall, upon conviction, be punished with penalties in the amount of not less than
5 One hundred thousand pesos (P1,000.00) nor more than Five hundred thousand pesos
6 (P500,000.00) and imprisonment of not less than six (6) years and one (1) day nor more than
7 twelve (12) years for each offense: *Provided*, That in the case of an offender found guilty of
8 making kaingin or slash-and-burn farming, the penalty shall be imprisonment of not less than ten
9 (10) years nor more than twelve (12) years and a fine equivalent to ten (10) times the regular
10 forest charges due on the forest products destroyed without prejudice to payment of the full cost
11 of rehabilitation of the occupied areas as determined by the Department: *Provided, further*, That
12 the maximum of the penalty prescribed shall be imposed upon the offender who repeats the same
13 offense, and double the maximum penalty upon the offender who commits the same offense for
14 the third (3rd) time or more.

15
16 In all cases, the court shall further order the eviction of the offender from the area
17 occupied and the forfeiture to the government of all improvements introduced, including all
18 vehicles, domestic animals and equipment of any kind used in the commission of the offense. If
19 not suitable for use by the Department, said improvements, vehicles, domestic animals and
20 equipment shall be sold at public auction, the proceeds from which shall accrue to the SFDF. If
21 the offender is an alien, he shall be deported after serving his sentence and payment of fines,
22 without any further proceedings. An offender who is a government officer or employee shall, in
23 addition to the above penalties, be deemed automatically dismissed from office and permanently
24 disqualified from holding any elective or appointive position in the government service.

25
26 SEC. 62. *Illegal Conversion of City or Municipal Parks, Communal Forests and Tree Parks in*
27 *Subdivisions.* - Any person found to have converted or caused the conversion of a city or
28 municipal park or communal forest, or tree parks within subdivisions established
29 pursuant to Section 26 and Section 27 of this Act, and Section 2 of Presidential Decree No.953,
30 requiring the planting of trees in certain places, into other uses including the construction of
31 permanent buildings, or in any manner destroys or causes any damage to the timber stands and
32 other forest products or assists, aids or abets another person to do so, or sets a fire or negligently
33 permits a fire to be set, upon conviction, shall be penalized by imprisonment of six (6) years and
34 one (1) day to twelve (12) years or a fine of not less than One hundred thousand pesos
35 (P100,000.00) nor more than Five hundred thousand pesos (P500,000.00) or both fine and
36 imprisonment, at the discretion of the court. The offender shall likewise be imposed a fine
37 equivalent to ten (10) times the commercial value of the forest products destroyed without
38 prejudice to payment of the full cost of rehabilitation of the areas as determined by the
39 Department: *Provided, further*, That the maximum of the penalty prescribed shall be imposed
40 upon the offender who repeats the same offense, and double the maximum penalty upon the
41 offender who commits the same offense for the third (3rd) time or more. The court shall further
42 order the forfeiture to the government of all improvements, including all vehicles, domestic
43 animals and equipment of any kind used in the commission of the offense. If not suitable for use
44 by the Department, said improvements, vehicles, domestic animals and equipment shall be sold
45 at a public auction, the proceeds from which shall accrue to the SFDF. An offender who is a
46 government officer or employee, in addition to the above penalties, upon conviction, shall be
47 deemed automatically dismissed from office and permanently disqualified from holding any
48 elective or appointive position in the government service.

49
50 SEC. 63. *Misdeclaration or Falsification of Reports on Forest Resource Inventory, Scaling and*
51 *Survey by a Government Official or Employee.* - Any public officer or employee who knowingly
52 misdeclares or falsifies reports pertaining to forest resource inventory, scaling, survey and other
53 similar activity which are contrary to the criteria and standards established in the rules and

1 regulations promulgated by the Secretary therefore, after an appropriate administrative
2 proceeding, shall be dismissed from the service with prejudice to reemployment. Upon
3 conviction by a court of competent jurisdiction, the same public officer or employee shall further
4 suffer an imprisonment of not less than eight (8) years nor more than twelve (12) years and a fine
5 of not less than One hundred thousand pesos (P100,000.00) nor more than Five hundred
6 thousand pesos (P500,000.00). The inventory, survey, scale, classification and similar reports
7 referred in this section shall be rendered null and void.

8
9 SEC. 64. *Unlawful Operation of Wood Processing Plants and Downstream Forest-based*
10 *Industries.* - Any person operating a wood processing plant or downstream forest-based industry
11 without authority from the Secretary shall be punished by, upon conviction by a court of
12 competent jurisdiction, imprisonment of not less than eight (8) years nor more than twelve (12)
13 years and a fine of not less than Five hundred thousand pesos (P500,000.00) and confiscation of
14 the wood processing plant and complementary equipment in favor of the government. The
15 Department shall promulgate the necessary guidelines, subject to the provision of this Act, that
16 will define the terms and conditions, including the responsibility for a person who will operate
17 and operating a wood processing plant and/or other downstream forest-based industries.

18
19 SEC. 65. *Prohibition on the Issuance of Tax Declaration on Forestlands.* - Any tax declaration
20 issued over forestlands shall be considered null and void. Any local government official or
21 employee who issues a tax declaration for any purpose on any part of forestlands, upon
22 conviction, shall be penalized with imprisonment for a period of not less than four (4) years nor
23 more than eight (8) years and a fine of not less than one hundred thousand pesos (P100,000.00)
24 nor more than five hundred thousand pesos (P500,000.00) and the perpetual disqualification
25 from holding an elective or appointive office.

26
27 SEC. 66. *Unlawful Possession of Implements and Devices Used by Forest Officers.* - Any person
28 found possessing or using implements and devices used by forest officers shall be penalized with
29 imprisonment of not less than eight (8) years nor more than twelve (12) years and a fine of not
30 less than One hundred thousand pesos (P100,000.00) nor more than Five hundred thousand pesos
31 (P500,000.00) in addition to the confiscation of such implements and devices and the automatic
32 cancellation of any agreement, license, lease or permit.

33
34 Any forest officer who willingly allowed unauthorized person(s) to use these implements
35 and devices under his/her care shall be penalized with imprisonment of not less than six (6)
36 years and one (1) day to not more than twelve (12) years and a fine of not less than One hundred
37 thousand pesos (P100,000.00) nor more than Five hundred thousand pesos (P500,000.00). In
38 addition, the convicted forest officer shall be dismissed from the service with prejudice to
39 reinstatement and with perpetual disqualification from holding an elective or appointive position.

40
41 SEC. 67. *Unauthorized Introduction of Logging Tools and Equipment Inside Forestlands.* -It
42 shall be unlawful for any person or entity to possess, bring or introduce any logging tools or
43 equipment inside forestlands without prior authority from the Secretary or his duly authorized
44 representative. Any person found guilty of illegal possession of said logging tools or equipment
45 shall be liable to imprisonment of six (6) years and one (1) day to twelve (12) years or a fine of
46 not less than One hundred thousand pesos (P100,000.00) nor more than Five hundred thousand
47 pesos (P500,000.00), or both imprisonment and fine, at the discretion of the court and the
48 confiscation of said logging tools and equipment in favor of the government.

49
50 SEC. 68. *Nonpayment and Non-remittance of Forest Charges.* - Any person who fails to pay the
51 amount due and payable as forest charges to the government shall not be allowed to transport,
52 convey, sell nor use the timber or forest product. Moreover, failure to pay within thirty (30) days
53 upon assessment of forest charges shall be a ground for confiscation of the said timber or forest

1 product in favor of the government. Any person who fails or refuses to remit to the proper
2 authorities said forest charges collectible pursuant to the provisions of this Act or the National
3 Internal Revenue Code, as amended, or who delays, obstructs or prevents the same or who
4 orders, causes or effects the transfer or diversion of the funds for purposes other than those
5 specified in said Acts shall, upon conviction, be imprisoned for not less than six (6) years nor
6 more than twelve (12) years and fined from One hundred thousand pesos (100,000.00) to Five
7 hundred thousand pesos (P500,000.00) in addition to the payment of the assessed forest charges.
8 If the offender is a corporation, partnership or association, the officers and directors thereof shall
9 be liable.

10
11 *SEC. 69. Institution of Criminal Action by Forest Officers.* - Any forest officer shall arrest even
12 without warrant any person who has committed or is about to commit, or is committing in his
13 presence any of the offenses defined in this chapter. The tools, animals, equipment and
14 conveyances used in committing the offense and the forest products cut, gathered, taken or
15 possessed by the offender in the process of committing the offense shall also be seized and
16 confiscated in favor of the government. The arresting forest officer shall thereafter deliver within
17 six (6) hours from the time of arrest or seizure both the offender and the confiscated forest
18 products, conveyances, tools and equipment, or the documents pertaining to the same, and file
19 the proper complaint with the appropriate official designated by law to conduct preliminary
20 investigation and file information in court. If the arrest and seizure are made in the forest far
21 from authorities designated by law to conduct preliminary investigations, the delivery to and
22 filing of the complaint with the latter shall be done within a reasonable time sufficient for
23 ordinary travel from the place of arrest to the place of delivery. The seized forest products,
24 materials, conveyances, tools and equipment shall be immediately disposed of in accordance
25 with the regulations promulgated by the Secretary.

26
27 The Secretary may deputize any agency, barangay or barrio official, or any qualified
28 person to protect the forest and exercise the powers or authority provided for in the preceding
29 paragraph. Reports and complaints regarding the commission of any of the offenses defined in
30 this chapter not committed in the presence of any forest officer or any of the deputized officers
31 shall immediately be reported to the forest officer assigned in the area where the offense was
32 allegedly committed. Thereupon, the investigating officer shall receive the evidences supporting
33 the report or complaint and submit the same with the appropriate official authorized by law to
34 conduct a preliminary investigation of criminal cases and file the information in court.

35
36 *SEC. 70. Liability of the Custodian of Confiscated Forest Products.* - Any public officer who
37 fails to produce the timber or forest products, including tools, conveyances, equipment and
38 devices in his custody pursuant to a seizure or confiscation made thereon, or who shall
39 appropriate, take, misappropriate, or shall permit another person to take such timber or forest
40 products wholly or partially, shall suffer the penalty provided for malversation of public funds
41 or property under the Revised Penal Code. In addition, the said public officer shall be dismissed
42 from the service with prejudice to reinstatement and with perpetual disqualification from holding
43 any elective or appointive office.

44 45 CHAPTER XV 46 ADMINISTRATIVE PROVISIONS 47

48 *SEC. 71. Strengthening of the Forest Management Sector.* - In order to effectively implement the
49 provisions of this Act, the FMB shall be transformed into a line bureau with functions clearly
50 defined and enumerated under the implementing rules and regulations of this Act. To ensure that
51 the scientific practice of forestry in the country is properly implemented, only registered foresters
52 shall be appointed to the positions of director and assistant director and regional directors of the
53 FMB, as well as to all other positions where the services of professional foresters are required in

1 accordance with existing laws and the relevant rules and regulations issued by the CSC and the
2 PRC.
3

4 *SEC. 72. Development of Mechanisms for Private Sector Participation in Forest Management. -*

5 The Secretary is hereby authorized to adopt appropriate mechanisms to strengthen private sector
6 participation in forest management, which shall include the accreditation of a national
7 organization of private investors including for profit, NGOs and people's organizations. The
8 accredited national organization shall assist the Department in the formulation and review of
9 relevant policies to ensure the contribution of the forestry sector to national economy and
10 sustainable development. It shall also assist the Department in evaluating applications for forest
11 management agreements; monitoring the performance of holders of commercial tenurial
12 instruments; ensuring the local supply of timber and wood products; providing producers with
13 access to local and international markets; and ensuring the conservation and preservation of
14 protection forestlands and protected areas under the NIPAS Act.
15

16 *SEC. 73. Authority of the Secretary on the Use of Forest Resources. -* The utilization of forest
17 resources from natural forests found in forestlands, government-established reservations and all
18 other lands including ancestral domains or under the management of other government agencies
19 shall be prohibited unless covered by permits issued by the Department, in consultation with
20 other concerned government agencies: *Provided, That* in the case of ancestral lands and domains,
21 the terms of the agreement with the concerned ICC shall likewise govern.
22

23 *SEC. 74. Administrative Authority of the Secretary or his/her Duly Authorized Representative to*
24 *Order Confiscation. -* In all cases of violations of this Act or other forest laws, rules and
25 regulations, the Secretary or his/her duly authorized representative may order the confiscation of
26 forest products illegally harvested, cut, gathered, removed or possessed or abandoned, and all
27 conveyances used either by land, water or air as well as all machinery, equipment, implements
28 and tools used in the commission of the offense and to dispose of the same in accordance with
29 pertinent laws, regulations or policies on the matter.
30

31 If the confiscated forest products are in danger of deteriorating, the Secretary may order
32 that the same be sold at public auction even before the termination of the judicial proceedings,
33 with the proceeds kept in trust to await the outcome of the judicial proceedings. No court of the
34 Philippines shall have jurisdiction to issue any *writ of replevin*, restraining order or preliminary
35 mandatory injunction in any case involving or growing out of any action by the Secretary or
36 his/her duly authorized representative in the exercise of the foregoing administrative authority.
37

38 *SEC. 75. Administrative Authority of the Secretary to Impose Fines. -* In all cases of violations of
39 this Act and other forest laws, rules and regulations where fine is the principal penalty, the
40 Secretary, after consultation with the forest-based industries affected, is hereby authorized to
41 impose administratively the penalty consisting of the amount and the schedules of the fine which
42 shall be officially published in a national newspaper of general circulation.
43

44 *SEC. 76. Authority of Forest Officers. -* When in the performance of their official duties, forest
45 officers or other government officials or employees, duly authorized by the Secretary, shall have
46 free entry into areas covered by a contract, agreement, license, lease or permit. Forest officers are
47 authorized to inspect and to open closed vans suspected to contain illegally harvested, collected
48 or transported forest products: *Provided, That* it is done in the presence of the shipper or
49 consignee or two (2) responsible public officials in the locality.
50

51 Forest officers are authorized to administer oath, take acknowledgment in official matters
52 connected with the functions of their office or take testimony in official investigations conducted

1 under the authority of this Act and the implementing rules and regulations issued by the
2 Secretary pursuant thereto.

3
4 SEC. 77. *Visitorial Functions.* - The Secretary or his/her duly authorized representative
5 shall, from time to time, investigate, inspect and examine records and other documents except
6 bank records related to the operation of any person granted the privilege, contract or agreement
7 to utilize forest resources to determine compliance with the terms and conditions stipulated in the
8 grant, contract or agreement, this Act and pertinent laws, rules and regulations.

9
10 SEC. 78. *Other Incentives.* - Fifty percent (50%) of the value of confiscated materials shall be
11 used as incentives to informants and members of multi-sectoral forest protection councils,
12 including Department personnel. Additional incentives may be provided to personnel of the
13 Department, in addition to those provided under the Government Service
14 Insurance System (GSIS) or the Workmen's Compensation Law. They shall also be entitled to
15 free legal assistance should legal cases be filed against them in the performance of official duties.

16
17 SEC. 79. *Protection to Witnesses in Cases Involving Violation of Forestry Laws.* -Witnesses to
18 violations of this Act or other forestry laws and regulations, including the immediate members of
19 the family of said witnesses, shall be given protection, security and benefit, subject to the
20 provisions of Republic Act No. 6981, otherwise known as "The Witness Protection, Security and
21 Benefit Act" and its implementing rules and regulations.

22
23 SEC. 80. *Rule-making Authority.* - The Department shall promulgate the implementing rules and
24 regulations within one (1) year from the effectivity of this Act, in consultation with the NCIP, the
25 DILG, the Department of Finance, the leagues of provinces, cities and municipalities, and other
26 government agencies.

27
28 SEC. 81. *Congressional Oversight Committee on the Sustainable Forest Management Act.* -
29 There is hereby created a Congressional Oversight Committee composed of seven (7) Members
30 from the Senate Committee on Environment and Natural Resources and seven (7) Members from
31 the House of Representatives' Committee on Natural Resources. The secretariat of the Oversight
32 Committee shall be drawn from the existing secretariat personnel of the committees comprising
33 the oversight and the funding shall be taken from the appropriations of both the House of
34 Representatives and the Senate.

35
36 SEC. 82. *Transitory Provision.* - Upon the approval of this Act, the Department shall evaluate
37 the conditions of all forestlands covered by existing tenurial instruments, memoranda of
38 agreements (MOAs) and other agreements and contracts which shall be allowed to continue until
39 their expiry unless terminated for cause.

40 41 CHAPTER XVI 42 FINAL PROVISIONS

43
44 SEC. 83. *Separability Clause.* - Should any provision of this Act be declared unconstitutional or
45 invalid, the same shall not affect the validity or legality of the other provisions.

46
47 SEC. 84. *Repealing Clause.* - Subsections (b), (d), (e), (f), (g) and (i) of Section 4 of
48 Act No. 3915; Republic Act No. 460; Presidential Decrees Numbered 705, 1153, 1515, 1559 and
49 1775; Letter of Instruction No. 818; Executive Orders Numbered 277 and 278, series of 1987;
50 and Executive Order No. 725, series of 1981 are hereby repealed, and all laws, orders, rules and
51 regulations or any part thereof which are inconsistent herewith are likewise hereby repealed or
52 amended accordingly.

- 1 SEC: 85. *Effectivity.* - This Act shall take effect thirty (30) days from the date of its publication
- 2 in the *Official Gazette* or in at least two (2) national newspapers of general circulation.
- 3 Approved,