

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

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 516

Introduced by **HON. MARCELINO "MARCY" R. TEODORO**

EXPLANATORY NOTE

The documentary film *An Inconvenient Truth* by former US Vice President Al Gore presents chilling facts about the Earth's worsening condition (rapidly-deteriorating polar ice caps, extinction of various flora and fauna, steady increases in worldwide temperature, erratic weather conditions and the adverse effects of these on human health) attributed to global warming. The film adds that occurrences are bound to get worse unless every person and every government on the planet acts to mitigate the rampant environmental degradation as a result of human activity involving carbon emissions.

Philippine events in recent memory lend credence to Gore's findings: landslides, flashfloods, erratic weather disturbances have brought harmful effects on the land and the people. Air pollution reaching near-intolerable and unhealthy levels is another major problem as well since it is the major cause of serious respiratory ailments and costs the government millions of pesos in health care.

This bill seeks to encourage the planting of a billion trees to address the above stated problems. In addition to their aesthetic appeal, studies have proven that trees produce oxygen and reduce carbon dioxide in the atmosphere, as well as moderate ground temperatures. They are important component of the natural landscape as well since they prevent soil erosion. This program is expected to prevent calamities as a result of denudation of forests, offset carbon emissions, and provide livelihood opportunities for people.

Aside from its impact on the environment, the "Billion Trees Act of 2010" would also foster greater cooperation between the government and various sectors, since its implementation depends on sustainable forestation/reforestation programs involving all sectors of society.

In light of the aforementioned, passage of this bill is earnestly sought.


MARCELINO "MARCY" R. TEODORO
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Introduced by **HON. MARCELINO "MARCY" R. TEODORO**

AN ACT
TO SPUR THE PLANTING OF A BILLION TREES AND FOR OTHER PURPOSES

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

CHAPTER I
BASIC POLICIES, OBJECTIVES AND COVERAGE

SECTION 1. *Short Title.* – This Act shall be known as the "Billion Trees Act of 2010".

SEC. 2. *Declaration of Policy.* – It is the declared policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature. Towards this end, the protection and rehabilitation of forestlands shall be given the highest priority to ensure environmental stability of the nation.

The State shall adopt and implement a sustainable forest development and management program. It shall create opportunities for the participation of all sectors of society, particularly the upland, lowland, and coastal families, communities and organizations, national government agencies, local government units (LGUs), nongovernment organizations (NGOs), schools, colleges and universities, private landowners and juridical personalities, and indigenous peoples in the national reforestation program of denuded forestlands, idle alienable and disposable (A&D) land, private lands and other government lands.

The State shall likewise adopt various approaches to community-based forest management in consideration of differences in the sociocultural, environmental and geophysical nature of the country's forestlands.

SEC. 3. *Objectives.* – The Billion Trees Program aims to improve the country's ecology and forest regeneration initiatives.

More specifically, it intends:

- (a) To hasten reforestation efforts in upland, lowland and coastal areas in a more efficient manner;
- (b) To minimize soil erosion, flash flooding, siltation of rivers and dams, drought and other negative consequences through rehabilitation of degraded watershed areas;
- (c) To make forest and fruit tree seedlings available and more accessible to all cities and municipalities in the country;
- (d) To promote forest biodiversity through the reintroduction of indigenous species;
- (e) To help rehabilitate wildlife habitat through effective forest protection strategy;
- (f) To ensure adequate supply of forest and agricultural products in the

- future; and
- (g) To generate employment opportunities and provide additional income to the countryside and rural communities.

SEC. 4. *Coverage.* – At least one million (1,000,000) hectares of open and denuded production forestlands, protection forestlands such as critical watersheds, mangroves, national parks, protected areas, including ancestral lands, private lands, idle portions of alienable and disposable lands, reservations under the jurisdiction of other government agencies, city and municipal parks, and portions of the required open spaces in subdivision projects are targeted for the first five (5) years implementation of this Act.

SEC. 5. *Definition of Terms.* – As used in this Act, the following terms shall mean:

- (a) "Afforestation" refers to the artificial establishment of forest on lands previously not covered with forest vegetation.
- (b) "Alienable and Disposable (A&D) Land" refers to land of the public domain, which has been classified and declared as such, and available for disposition.
- (c) "Billion Trees Program" refers to the national program under this Act for the afforestation, reforestation and rehabilitation of open and denuded, production forestlands, protection forestlands, such as critical watersheds, mangroves, national parks and protected areas under the NIPAS, ancestral lands, private lands, idle portions of alienable and disposable lands of the government, reservations under the jurisdiction of other government agencies, and city and municipal parks, including portions of the required open spaces in subdivision projects. The participants in the program through a Billion Trees Program Contract are organized communities, people's organizations, cooperatives, NGOs, juridical personalities, government agencies including LGUs, upland and coastal families, and private individuals and government employees including members of the Armed Forces of the Philippines and the Philippine National Police (PNP).
- (d) "Billion Trees Program Contract" refers to an agreement entered into by and between the department of environment and natural resources (denr) and a participant which shall serve as proof of participation for the enjoyment of rights and technical services from participating agencies of the government and the performance of obligations pursuant to this act. the contract shall be for twenty-five (25) years, renewable for another twenty-five (25) years.
- (e) "Community" refers to a group of people occupying a particular territory.
- (f) "Critical watershed" refers to a drainage area of a river system, lake or water reservoir supporting existing and proposed hydroelectric power plants, domestic water supply, and irrigation works needing immediate rehabilitation and protection to minimize soil erosion and improve water yield.
- (g) "Eco-tourism spot" refers to a plantation site developed for biodiversity conservation and cultural and human enjoyment such as a forest park, bird and wildlife sanctuary, and where sound tourism activities are sustainably implemented, yielding socioeconomic benefits.
- (h) "Forest charges" refer to the levy imposed and collected by the government on timber and other forest products cut, harvested or gathered from the forestlands and from "Alienable and Disposable" (A&D) lands in accordance with Republic Act No. 7161 (Increasing the Forest Charges on Timber and Other Forest Products).
- (i) "Forest Biodiversity" refers the variety and variability of forest species.

- growing in the forestland.
- (j) "Forestlands" refer to lands of the public domain that have been classified as such and all unclassified lands of the public domain. For the purpose of this Act, forestlands shall be subclassified into production forestlands and protection forest.
 - (k) "Forest reservation" refers to a forestland which has been set aside by law for a specific purpose or purposes, such as watershed reservation, military or civil reservation.
 - (l) "Fuelwood species" refers to tree species of high calorific value and are suitable for cooking, heating or power generation.
 - (m) "Green Park" refers to an area designated on the subdivision plan of forested land reserve for public use as an ecological refuge. Such green park shall be devoted exclusively to the planting and growing of trees of any kind, flowering or ornamental plants and shrubs, or plants of scenic, aesthetic and ecological values.
 - (n) "Indigenous peoples" refers to a tribe or indigenous Filipinos who have continuously lived as communities on communally bounded and defined land since time immemorial and have succeeded in preserving, maintaining and sharing common bonds or languages, customs, traditions and other distinctive cultural traits.
 - (o) "Integrated Forest Management Agreement (IFMA)" refers to an agreement entered into by the DENR and a qualified person to occupy, possess in consideration of a specified rental, any forestland of the public domain in order to establish an industrial forest.
 - (p) "Military reservation" refers to a forestland proclaimed or reserved by the President or by law for military purposes such as air base, campsite, docks and harbors, training camp, firing range, naval base, target range and wharves.
 - (q) "National park" refers to lands of the public domain classified as such in the 1987 Philippine Constitution which include all areas under the NIPAS pursuant to Republic Act No. 7586 primarily designated for the conservation of the native plants and animals, their associated habitats and cultural diversity.
 - (r) "Natural Forest" refers to a forest composed of indigenous, native or endemic trees not planted by man.
 - (s) "Private lands" refer to lands covered by either administrative or judicial titles such as free patent, homestead, and sales patent, and Torrens title obtained under Act No. 496 or the Land Registration Act, as amended.
 - (t) "Reforestation" refers to the planting of trees or artificial establishment of forests on lands that were previously forested.
 - (u) "Silviculture" refers to the scientific method of establishment, development, reproduction, care and maintenance of forest trees.
 - (v) "Subdivision Project" refers to a tract or parcel of land registered under the Land Registration Act, as amended, partitioned primarily for residential purposes into individual lots, with or without improvement thereon, and offered to the public for sale, in cash or installment terms. It shall include all residential, commercial, industrial and recreational areas, as well as open spaces and other community and public areas in the project.

CHAPTER II PROGRAM IMPLEMENTATION

SEC. 6. *Implementing Agencies and Institutions.* – the program shall be implemented through an inter-agency committee with the DENR as the lead agency and members from the following agencies with functions as follows:

- (a) The Department of Environment and Natural Resources (DENR) and its network of Regional/Provincial/Community Environment and Natural Resources Offices (RENROs/PENROs/CENROs) shall be the overall planning, implementing, coordinating and monitoring agency of the Billion Trees Program, particularly in the identification, selection and allocation of sites; establishment of modern greenhouses and nurseries for the distribution of quality planting materials; planting of the right species in particular areas; prioritization of critical watersheds; application of efficient reforestation technologies; adoption of the necessary steps to protect and maintain newly reforested areas, remaining natural forests, national parks and protected areas; maintaining a data base on the number of areas under the program including the identities and addresses of participants for monitoring and evaluation and market linking especially with the international market; conduct of research, information and education campaigns (IEC); and issuance of permit to harvest and transport timber from plantations: *Provided, That* within civil and military reservations and private landholdings of other government agencies, the DENR shall coordinate with the concerned government agencies and the latter shall likewise be responsible in monitoring and protecting the plantations established pursuant to this Act. The DENR shall provide data to the LGUs pertaining to the priority reforestation areas under this Act for inclusion in the development plans of concerned LGUs;
- (b) The Department of Interior and LOCAL Government (DILG) AND LGUs shall mobilize the police and help organize communities and other sectors of society to participate in the Billion Trees Program. Concerned LGUs shall coordinate with the DENR in the deputization of members of the PNP who shall be responsible for joint forest protection activities with the DENR. The LGUs shall ensure close coordination with the DENR to initiate the necessary extension service, information and education campaigns and organizing communities and concerned civil society in undertaking relevant programs and activities. The LGUs shall be responsible in the distribution of seedlings and other planting materials, and the establishment and development of modern greenhouses and nurseries as part of their extension services in their respective constituencies;
- (c) The Department of National Defense (DND) shall be responsible in reforesting denuded portions of military reservations and other areas designated jointly with the DENR and maintaining and protecting forest areas, both natural and plantation. It shall also assign full-time personnel to protect forest areas, in accordance with Section 25 hereof;
- (d) The Department of Agriculture (DA) shall provide technical assistance to the participants of the Billion Trees Program. It shall provide participants the know-how on proper and sustainable agricultural technologies and practices. It shall utilize part of the Agricultural Competitiveness Enhancement Fund (ACEF) for the establishment of modern greenhouses and seedling nurseries in strategic upland and lowland areas for the production, promotion and distribution of quality planting materials including fruit trees;

- (e) The Department of Agrarian Reform (DAR) shall provide technical assistance to the beneficiaries of the Comprehensive Agrarian Reform Program (CARP) who will utilize portions of their lands for the development of fruit tree plantations or production of commercial tree species. Part of the Agrarian Reform Fund for upland development and the proceeds from the recovery of the Marcos wealth shall also be utilized for the establishment of modern greenhouses and seedling nurseries for the distribution of planting materials including healthy fruit tree seedlings and commercial tree species to CARP beneficiaries and neighboring communities;
- (f) The Department of Education (DepEd), Commission on Higher Education (CHED) and TESDA shall strengthen environmental education through the provision of additional learning modules and issuances in establishing seedling production stations or nurseries in the campuses of elementary, secondary, and state colleges and universities, mobilizing the students to plant trees in appropriate vacant areas in their localities, adopting post planting care measures, and encouraging the students and their families to participate in the Billion Trees Program;
- (g) The Department of Public Works and Highways (DPWH) shall be responsible for the planting of appropriate and available species on strips of land along national and arterial roads, including their maintenance and protection;
- (h) The Department of Tourism (DOT) shall identify and promote eco-tourism in forest plantations in coordination with the DENR;
- (i) Other government agencies such as the National Power Corporation (NPC), the National Irrigation Administration (NIA) and the Philippine National Oil Company (PNOC) with administrative jurisdiction over tracts of public land and critical watersheds shall also rehabilitate and reforest lands under their respective jurisdictions. They shall develop modern greenhouses and nurseries, and establishment of model sites;
- (j) The State Universities and Colleges (SUCs) with administrative jurisdiction over tracts of public land and critical watersheds shall also rehabilitate and reforest lands under their respective jurisdictions. They shall likewise develop programs/projects that would promote appropriate silvicultural practices, production, utilization, processing and marketing techniques through IEC and training;
- (k) The Department of Trade and Industry (DTI) shall promote understanding and implementation of trade policies and incentives on production, processing and marketing of timber related products and specific crops and fruit trees;
- (l) The Philippine Information Agency (PIA) shall create public awareness on the Program and its components, and shall be responsible in producing information materials and their dissemination through the use of the mass media.

SEC. 7. *Role of Nongovernmental Organizations (NGOs).* – The NGOs and

academic institutions shall be tapped to handle relevant services, especially social and technical training and monitoring and evaluation of the reforested area: *Provided*, That NGOs which handled the training shall not conduct the monitoring and evaluation of the reforested area.

CHAPTER III REFORESTATION OF PUBLIC FORESTLANDS

SEC. 8. *Contracts and Agreements.* – Within forestlands under the jurisdiction of the DENR, the rights and obligations of the participants shall depend on whether the purpose of afforesting, reforesting or rehabilitating the area is for production or protection. The contracts for public reservations and other public lands under the jurisdiction of agencies of the national government or LGUs shall likewise consider the primary purpose for which said reservations were established or acquired and the actual use and condition of specific areas.

The contract or agreement shall be granted for twenty-five (25) years, renewable for another twenty-five (25) years subject to the terms and conditions in the contract and subsequent rules and regulations promulgated in accordance with the pertinent provisions of this Act.

May authorize the Regional Executive Director (RED) to adopt additional terms, conditions, rights and other obligations in the contract consistent with the intent and purpose of this Act.

SEC. 9 *Rights and Obligations of Participants in Production Forestlands.* – The participants of the Billion Trees Program shall enjoy the right to harvest, process, sell, or otherwise utilize the products grown within production forestlands or use portions of the contracted area for eco-tourism purpose.

The Participants shall have following obligations:

- (a) Practice appropriate silvicultural system or harvesting cutting regimes for mature trees in accordance with approved management plans and replant harvested areas within one year after cutting;
- (b) Promote forest biodiversity by planting indigenous and conserving naturally growing forest species. Fuelwood trees can be planted to add to species diversity and to eliminate the cutting of prime wood species for fuel and charcoal purposes;
- (c) Pay the government share to the DENR or the government agency that has administrative jurisdiction over the forestland, through the production share from the sales of forest products harvested as stipulated in the Billion Trees Program Contract; and
- (d) Ensure high survival rate of planted seedlings and maintain and protect trees until maturity.

SEC. 10. *Other Incentives.* – The participants shall also enjoy the following incentives:

- (a) Use the reforested area as an eco-tourism spot. Holders shall have the right to make use of the reforested and protected area as an eco-tourism spot. They may collect gate/entrance fee and put up income-generating auxiliary services for the maintenance and conservation of the area. Operation of the area shall be coordinated with the DOT for tourist promotion and the LGUs for infrastructure

support and collection of appropriate taxes.

- (b) Market linkages for agricultural output. The DA, in coordination with the DTI's regional and provincial offices and agribusiness research organizations of the private sector, shall update upland farmers in market prices of fruits and other agricultural products, and assist them in identifying buyers and marketing outlets.
- (c) Market linkages for forest products. The DENR and other concerned agencies and groups shall update the participants on the location and availability of domestic and foreign buyers for particular forest products, including the specified product quality.
- (d) Option to turn over the management and the right to harvest the reforested land to the DENR qualified prospective participants at least after five years of the contract. This is particularly applicable in plantations and eco-tourism spots where the trees are better left to grow and mature beyond the fifty-year constitutional limit.
- (e) Payment of real property tax. Holders of reforestation contracts under the program and awardees of other people-oriented forestry programs shall be exempted from paying of real property tax.
- (f) Right to securitize the growing trees. The participants may use the plantation of at least five years old with adequate forest stand, in the issuance of asset-backed securities, such as bonds and stocks, to finance the reforestation of another area. Said asset-backed securities shall enjoy tax breaks and other incentives, whenever possible, already provided under existing laws.

SEC. 11. *Fruit Tree Plantation in Production Forestlands.* – Every area planted with forest species shall entitle the participant to devote not more than ten (10%) of the area for the raising of fruit trees and other agricultural crops. The land tenure over such plantation of fruit trees or agricultural crops shall be co-terminous with the terms of the contract.

CHAPTER IV REFORESTATION OF MILITARY RESERVATIONS

SEC. 12. *Reforestation of Denuded Military Reservation Areas.* – All personnel of the Armed Forces of the Philippines (AFP) stationed temporarily or permanently in military reservation areas shall be involved in reforesting denuded portions of the area not directly utilized for military and training purposes. Reforestation activities and maintenance costs shall be funded by the DND.

SEC. 13. *Rights, Obligations and Incentives.* – The military and police personnel participating in the reforestation program shall enjoy rights and incentives and comply with certain obligations, as follows:

- (a) Rights and obligations of participants within production forestlands as enumerated under Section 9 hereof;
- (b) Incentives enumerated under Section 10 hereof;
- (c) Special allowance as compensation for particular tasks or phases of the contract they have completed;
- (d) Acquisition of shares of stocks of the cooperative/corporation to be formed

representing the economic value of trees planted; and

- (e) Earning from said stocks and revenue shares from the sale of forest products generated by the plantation as their retirement credits in the future.

SEC. 14. *Report to the DENR.* – The AFP and the PNP shall submit an annual report the DENR on the progress of their projects including the areas they have reforested and the results of their operations in forest protection.

CHAPTER V INVOLVEMENT OF PRIVATE INDIVIDUALS AND CORPORATIONS

SEC. 15. *Adoption of a Reforestation Project.* – Private individuals, corporations, foundations, foreign and local NGOs, and similar institutions interested to adopt a reforestation project shall be provided with the pertinent assistance and technical support by the DENR, government agencies with administrative jurisdiction over watersheds and forestland reservations, and local government officials. The assistance funds coming from the abovementioned donor individuals, organizations or institutions may be channeled directly to the implementers and beneficiaries and assisting local NGOs. The DENR shall be informed of such arrangement for assistance in identifying priority areas for reforestation. If funds are channeled through the DENR, the latter shall enter into a Memorandum of Agreement (MOA) with the donor to account for wise and proper spending of the donated funds.

SEC. 16. *Adoption of a Forested Area for Protection.* – The private sector, in coordination with the DENR and government agencies with administrative jurisdiction over watersheds and forestland reservations, may adopt a particular forested area, like portions of a national park or watershed for maintenance, protection and biodiversity conservation through a MOA with the DENR. The mechanics for the channeling of funds as specified in Section 15 above shall be adopted. The DENR and government agencies with administrative jurisdiction over watershed and reservations shall identify and publish areas available for adoption in each region or province or specific watersheds or reservations.

SEC. 17. *Development of Private Forestry and Incentives.* – Owners of private lands who plant forest trees in their property shall enjoy the following incentives:

- (a) Technical assistance from the DENR on proper silvicultural practices;
- (b) Update on forest products markets and prices by the DENR and wood producer's groups or associations;
- (c) Exemption from forest charges under Republic Act No. 7161 and value-added tax (VAT) for the sale, barter or exchange of timber and forest products, and from real property tax under Republic Act No. 7160;
- (d) Priority in credit assistance granted by government-owned and controlled corporations at reasonable interest rates; and
- (e) Right to export timber and other forest products harvested from planted trees, subject however, to existing rules and regulations governing trade policies and incentives as provided for the DTI.

For certification purposes, tree plantations shall be registered with the Local DENR field offices which shall maintain permanent registry books.

SEC. 18. *Planting of Fuelwood Species.* – The DENR shall disseminate technology on the planting of fuelwood species not only to lessen the pressure on the

cutting and harvesting of prime wood species for firewood purposes but also to meet fuelwood requirements and create livelihood opportunities and sources of income for the communities without impairing the integrity of the environment.

SEC. 19. *Ownership of Planted Trees along Highways.* – Those who planted and maintained the trees along highways, roadsides and other vacant portions of public A&D lands shall have the exclusive right to harvest and utilize the trees when these mature except the first line of trees along the roadside which shall be under the protection of the DPWH. The DENR shall allocate among interested individuals and/or groups the areas available for this arrangement and issue the necessary papers granting such exclusive rights and ownership to the awarded party following the guidelines on Tree Certification Ownership (TCO) to be issued by the Secretary of the DENR. Should the local office of the DENR and the LGU decide to keep the other trees for ecological and beautification purposes, the parties who planted and protected the trees shall be paid a sum equivalent to the market value of the trees at the time jurisdiction is transferred to the DENR or the LGU and the trees shall be properly marked and protected.

SEC. 20. *Recognition and Awards.* – The inter-agency committee shall advertise the names of participating corporations, agencies and NGOs and their environmental projects. Awards and recognition activities shall be determined by the DENR in collaboration with other government agencies in the implementing rules and regulations (IRR) to be promulgated pursuant to Section 35 of this Act.

CHAPTER VI REFORESTATION BY LOCAL GOVERNMENT UNITS

SEC. 21. *Seedling Nursery in Every City/Municipality.* – Modern seedling nurseries and greenhouses shall be established in every city or municipality. For this purpose, LGUs shall be allowed to enter into contract with private enterprises. Greenhouse and nursery supervisors, whose positions shall be created by the LGUs, shall be hired and designated to establish and oversee such nurseries, which shall also contain both forest and fruit tree species. Seeds shall be secured from Seed Production Areas (SPAs) certified by the DENR.

SEC. 22. *Establishment of Mini-Forest Parks in Every City/Municipality.* – Every city or municipality shall establish a mini-forest park or multi-purpose park such as botanical garden. Each park shall be at least half a hectare or five thousand square meters (5,000 sq.m.) in area whenever practicable or to the extent possible and with particular emphasis on the planting and preservation of indigenous species. Each city or municipality shall submit to the DENR the list of available lands for such purpose for such purpose and include in its yearly budget the necessary funds for the establishment and maintenance of urban green parks. The DENR shall work closely with local executives to ensure compliance with this provision and coordinate with various agencies of the national government and the private sector to enhance the implementation of urban forestry. Roadsides and islands, campuses, office compounds, cemeteries, riverbanks, shorelines and other areas shall also be planted with trees. Students, employees and members of civic and people's organizations shall be invited to undertake the activity. The maintenance and protection of the trees shall be closely coordinated by the LGUs, the DENR and all other concerned agencies.

SEC. 23. *Establishment of Mini-Forest Parks in Subdivision Projects.* – Every subdivision project to be developed after the promulgation of this Act shall include the establishment of green parks, taking into account the required six percent (6%) of the gross area for parks and open spaces, which shall be planted to trees by the

developers at their own expense.

SEC. 24. *Recognition of Outstanding and Greenest City or Municipality.* Three (3) years after the effectivity of this Act, a city or municipality in each province having the best mini-forests parks and reforested idle portions of A&D land shall be given recognition and an award by the DENR and shall be promoted by DOT as among the priority Eco-tourism spots in the country: Provided, that the necessary tourism infrastructure and services are already in place before the area is promoted for eco-tourism.

CHAPTER VII FOREST PROTECTION

SEC. 25. *Forest Protection Teams.* – The Secretary of the DENR shall enforce forestry laws to protect the remaining natural forests and plantation forests from illegal loggers, poachers, kaingin farmers, pests and disease, fires and other factors that destroy the forest. Forest protection teams under the DENR shall be organized consisting of personnel drawn from the DENR, the AFP and the PNP including LGU deputized local leaders on a full-time basis. They shall be assisted by personnel from other government agencies and SUCs with administrative jurisdiction over watersheds and forestland reservations, civilian volunteers, concerned NGOs and members of accredited people's organizations. Equipment necessary for forest protection shall be acquired by the DENR aside from equipment support provided by other units. These forest protection teams shall conduct intensive intelligence operations, regular aerial photography and surveillance to detect, identify, apprehend forest criminals for prosecution, and confiscate illegally cut timber and forest products, conveyances, tools and equipment.

SEC. 26. *Incentives.* – Members of forest protection teams shall be granted incentives, to include but not limited to higher base pay, free legal assistance, hazard pay, uniform allowance, group insurance, and a reward system of twenty percent (20%) of the value of confiscated materials.

SEC. 27. *Forest Protection Equipment.* – The DENR, the DILG and the DND shall allocate in their respective annual budgets sufficient funds to provide the forest protection teams access to modern technology and equipment such as aircraft, global positioning systems, land transportation vehicles, communication facilities, ground fire fighting equipment, and pesticides against forest pest and diseases.

SEC. 28. *Control of Forest Conversion to other non-forest use.* – The DENR, DA and the Department of Agrarian Reform (DAR) shall adopt measures to prevent illegal conversion of forestland into other non-forest use. The DENR shall cause the cancellation of instruments issued over such lands and repossess said lands for reforestation purposes: *Provided*, That the farmers therein shall be encouraged to participate in the Billion Trees Program.

CHAPTER VIII FINANCING THE PROGRAM

SEC. 29. *Program Funding.* – In addition to funds allocated to reforestation and forest protection activities of the national government under the General Appropriations Act, the Billion Trees Program shall be financed primarily from any available official development assistance (ODA) including but not limited to, the following:

- (a) private sector investment in reforestation and tree plantation projects;
- (b) joint venture operations between counterpart forest resource agencies of the Philippines and an assisting country, including those qualified under the United Nations Framework Convention on Climate Change (UNFCCC) or the Kyoto Protocol;
- (c) funding schemes under Republic Act No. 6975 or the Build-Operate and Transfer (BOT) Law, as amended by Republic Act No. 7718;
- (d) direct project investment by LGUs, private corporations, cooperatives, and where allowed, individuals on reforestation proposals approved by the DENR; and
- (e) securitization of grown trees which are at least five years old to be undertaken by the project investor, which may be treated as asset-backed securities or bonds, to finance the reforestation of other denuded areas.

Provided, That any forest development project which shall have foreign equity investment such as direct investment, joint and/or BOT reforestation projects, shall conform with the 60/40 requirement provided under the Constitution of the Philippines.

SEC. 30. Fund Management. – In the case of contract reforestation managed by the DENR, the funds shall be channeled by the Department of Budget and Management (DBM) through the Land Bank of the Philippines (LBP), the Development Bank of the Philippines (DBP), or the LBP/DBP accredited rural banks. Funding shall be discontinued if the allocated funds are found misused or scheduled activities not followed. The DENR shall advise the banks on the amount and the period of release of funds to the community contractors.

CHAPTER IX CRIMINAL OFFENSES AND PENALTIES

SEC. 31. Misuse of Funds. – Any contractor, officers of cooperatives, government officials including local officials and employees, who shall unlawfully and maliciously divert the funds under this Act for purposes other than intended, shall be criminally prosecuted and, if found guilty, shall be punished with imprisonment of not less than four months but not more than four years.

SEC. 32. Other Prohibited Acts and Penalties. –

- (a) Any person other than the participant who enjoys the right to harvest the trees planted, who shall cut or gather trees from reforested area shall be fined with twice the current market value of the trees removed and its environmental cost, and/or imprisoned for a period of not less than six months and one day to six years.
- (b) Any person who shall violate the provisions of Section 23 hereof, or any rules and regulations promulgated thereon shall be punished with six months and one day to six years imprisonment, or with a fine equivalent to the value, at prevailing valuation, of the area representing ten percent (10%) of the total area of the subdivision project developed for residential, industrial or commercial purposes, or both imprisonment and fine at the discretion of the court: *Provided, That in the case corporations, partnerships, cooperatives or*

associations, the president, manager or administrator or the person in-charge of the administration of the business shall be criminally responsible for such violation.

- (c) Any person, for personal gain or profit, who shall intentionally cut, remove, or in any manner destroy, set destructive fire, or cause damage to the trees and forest growth found therein, shall, upon conviction, be fined the amount of not less than Ten Thousand pesos (P10,000.00) nor more than One hundred thousand pesos (P100,000.00) and punished with imprisonment for a period of not less than two years and one day, nor more than four years for each such offense: *Provided*, That the maximum penalty shall be imposed upon the offender who repeats the same offense and double the maximum of the penalty upon the offender who commits the same offense for the third time.
- (d) Any person who shall, without permit, occupy for any length of time any portion of the mini-forest reserve or who mutilates, defaces, destroys objects of natural beauty or of scenic value within the reserve, or who assists, aids or abets any other person to do so, or refuses to vacate the reserve when ordered by the duly authorized representative of the DENR or concerned LGU, shall, upon conviction, be fined not less than Five thousand pesos (5,000.00), nor more than Fifty thousand pesos (P50,000.00) and punished with imprisonment for a period of not less than six months, nor more than two years.

In all cases of illegal occupancy, the court of competent jurisdiction shall further order the eviction of the offender from the land and the forfeiture to the government of all improvements made and all vehicles, domestic animals and equipment of any kind used in the commission of the offense. If not suitable for use by the DENR, said vehicles, domestic animals, equipment and improvements shall be sold at public auction, the proceeds of which shall accrue to the DENR as additional funds for the implementation of this Act.

In case the offender is a government official or employee, he shall, in addition to the above penalties be automatically dismissed from office and permanently disqualified from holding any elective or appointive position.

SEC. 33. *Premature Cutting of Planted Trees and Noncompliance with Other Conditions of the Billion Trees Program Contract.* – Holders of the Billion Trees Program Contract who shall prematurely cut the trees up to one-fifth (1/5) of the area without any authority from the DENR, or carry-out other activities not in accordance with approved management plan, shall be disqualified from their rights under the contract and shall not be compensated for the value of the remaining standing trees. The jurisdiction of the reforested area shall revert to the DENR. In addition, if the estimated value of the felled trees is larger than the real investment of the government in the area, such guilty party shall pay the difference in value; be ineligible to participate in future government reforestation and other forestry-related activities; and shall be criminally prosecuted and imprisoned for a period of not less than four months, but not more than four years.

CHAPTER X ADMINISTRATIVE PROCEDURES AND SPECIAL CLAUSES

SEC. 34. *Monitoring and Evaluation.* – Periodic monitoring and evaluation of activities under the program shall be conducted by the DENR in coordination with the

committee member agencies or an independent entity contracted for the purpose, whichever is practical, to ensure that proper use of resources and desired targets are accomplished on time. Participating agencies shall submit progress reports to the DENR. The annual report shall be prepared by the DENR for submission to the Office of the President copy furnished members of the inter-agency committee.

SEC. 35. *Promulgation of Rules and Regulations.* - The Secretary of the DENR, in coordination with the Secretaries and heads of identified participating agencies, shall prepare and publish the rules and regulations implementing this Act within sixty (60) days from the date of its effectivity.

SEC. 36. *Separability Clause.* - If any provision of this Act shall be held unconstitutional, the remaining portions not otherwise affected shall remain in full force and effect.

SEC. 37. *Repealing Clause.* - All laws, executive orders, rules and regulations, or parts thereof inconsistent with any of the provisions of this Act are hereby amended, repealed or modified accordingly.

SEC. 38. *Effectivity.* - This Act shall take effect after its complete publication in at least two newspapers of general circulation.

Approved,