

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **3485**

Introduced by: **HONORABLE TEDDY BRAWNER BAGUILAT**

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

EXPLANATORY NOTE

This bill which seeks to protect, conserve, utilize, develop and sustainably manage forest resources in the country mandates the development and adoption of a sustainable forest management strategy to manage forestlands. This goal can be achieved only if there is a change in paradigm as to what a forest is for.

For years, Philippine laws on forests focused on the forest as a resource for utilization and exploitation. Such an outdated concept needs revamping. There is overwhelming evidence that forests maintain environmental systems that are essential for life on Earth. They influence weather by controlling rainfall and evaporation of water from soil. They help stabilize the world's climate by storing large amounts of carbon that would otherwise contribute to climate change. They provide us with clean water and air, helps minimize the impacts of floods and prevent erosion and sedimentation.

Forests are home to indigenous cultural communities (ICCs) and indigenous peoples (IPs). The way of life of these ICCs/IPs is inextricably intertwined with the forest. Without the forest, they lose their cultural heritage.

Forests also host a variety of animal and plant species endemic to the country. In other words, forests are extremely valuable in themselves. Their continued existence, and not just their utilization and exploitation, should be emphasized.

With this paradigm shift, the reasons for hastening the passage of this bill become more apparent. It is no longer a simple matter of promoting land use practices that expand the forest resource base and promote food production activities. It is a race against time. Not acting fast enough could lead to lost opportunities in mitigating global warming and preventing the loss of

the cultural heritage of ICCs and IPs and biodiversity resources unique to Philippine forests- and worse, loss of lives. Any delay may prove disastrous, and irreversible.

Our priority is to ensure that forests are responsibly and properly managed using ecologically-sound science and supported by a strong and sustained framework organization. We need to rationalize a forest land use policy and plan out a comprehensive and definitive forest management program to ensure that the next generations will be able to benefit from forest resources and services.

We also need to ensure that forest management would be truly participatory and equitable. Local government units should be empowered to take the lead in forest management and must ensure that communities participate and benefit in the sustainable management of forests and their resources and that the rights of indigenous peoples must be upheld.

Lastly, we need to ensure that forest management efforts will be sustainable themselves through education. Every Filipino child should learn to value and care for our forests with the understanding that caring for them ensures the survival of all.

For this purpose, the immediate passage of this bill is earnestly requested.



TEDDY BRAWNER BAGUILAT

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H.B. No. 3485

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

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

SECTION 1. *Short Title.* This Act shall be known as the “Forest Resources Act of 2010”.

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

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

SECTION 3. *Basic Policies.*

- a. Pursuant to the provisions of the Constitution to promote the general welfare and social justice in all phases of national development, to protect and advance the right of the Filipino people to a balanced and healthful ecology in accord with the rhythm and harmony of nature, and to conserve and develop the patrimony of the nation, the State hereby adopts the following policies relative to the management, development and conservation of forests and the resources therein:
 - i. Within five (5) years from the passage of this Act, the specific limits of forestlands shall be fixed and demarcated and thereafter, shall not be altered except through an Act of Congress; The Congress shall, as soon as possible,

also determine, by law, the specific limits of forestlands and national parks, marking clearly their boundaries on the ground. Thereafter, such forestlands and national parks shall be conserved and may not be increased nor diminished, except by law. The Congress shall provide for such period as it may determine, measures to prohibit logging in endangered forests and watershed areas;

- ii. The use and conservation of forest resources shall bear a social, ecological, biological and economic functions, responsibility, and accountability to promote the common good of the present and future generations;
 - iii. The guiding principle in the sustainable and integrated management, development, and conservation of forest resources shall be focusing on these resources and on the people who manage, conserve, and benefit from them;
 - iv. Biodiversity protection and conservation of wildlife resources and their habitats, consistent with Republic Act No. 9147 shall be a paramount consideration in forest management.
 - v. Genetically Engineered (GE) and transgenic trees pose the gravest of dangers to forest ecosystems and violate the Convention on Biological Diversity.
- b. The state shall protect the rights of indigenous cultural communities/indigenous peoples to their ancestral domains to ensure their economic and social and cultural well-being and shall recognize the applicability of customary laws in governing property rights or relations in determining the ownership and extent of ancestral domains;
 - c. The State shall promote social justice in all phases of national development;
 - d. The State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation;
 - e. The State shall ensure the autonomy of local governments; and,
 - f. The State shall pursue an independent foreign policy. In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination.

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

1. The watershed continuum as the basic forestland management unit- Forestlands shall be managed, developed and conserved utilizing watershed continuum as the basic management unit and under the principles of sustainable and multiple-use management, including conservation of biological diversity;
2. Multi-sectoral participation- The participation of all direct and indirect, especially local, stakeholders in sustainable forestland conservation, management, and development shall be mandatory. Equitable sharing of the benefits derived from forestlands and the resources therein shall be ensured at all times;
3. Community-based forest management (CBFM) as a principal strategy- Vesting access rights and responsibilities to forest resident or forest-dependent families, local communities, and indigenous peoples to undertake the management and development of appropriate forestland

resources on a sustainable basis shall have precedence over other strategies;

4. Protection of forests and natural resources as a priority concern- The protection of forests and the natural resources therein shall be given priority concern in order to ensure environmental stability, conserve biological diversity, improve ecosystem functions and services, and provide long-term ecological and economic benefits;
5. Reforestation as a priority measure- Reforestation shall be undertaken as a priority measure to restore the ecosystem functions and services of forests as well as improve the economic and ecological benefits of local communities concerned;
6. Security of tenure of stakeholders- Pursuant to the principles of sustainable and multi-use forest management and equitable access to forest resources, a secured tenure shall be guaranteed to stakeholders concerned; and
7. Professionalism in forest service – A dynamic, professional and people-oriented forest service strongly adhering to conservation principles shall be established and fully supported by the State.

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

- a. "Agroforestry" refers to a strategy for the sustainable management of land which increases their overall productivity by properly combining agricultural crops and/or livestock with forest crops simultaneously or sequentially through the application of management practices which are compatible with the local climate, topography, slope, soil, as well as the cultural patterns or customary laws of the local communities;
- b. "Agricultural lands" refers to Alienable and Disposable (A&D) lands of the public domain which have been delimited, classified and declared as such, pursuant to the provisions of Commonwealth Act No. 141, as amended, otherwise known as the Public Land Act;
- c. "Ancestral Domains" refers to all areas generally belonging to indigenous cultural communities/indigenous peoples (ICCs/IPs) comprising lands, inland waters, coastal areas, and natural resources therein, held under a claim of ownership, occupied or possessed by ICCs/IPs, by themselves or through their ancestors, communally or individually since time immemorial, continuously to the present except when interrupted by war, force majeure or displacement by force, deceit, stealth or as a consequence of government projects or any other voluntary dealings entered into by government and private individuals/corporations, and which are necessary to ensure their economic, social and cultural welfare. It shall include ancestral lands, forests, pasture, residential, agricultural, and other lands individually owned whether alienable and disposable or otherwise, hunting grounds, burial grounds, worship areas, bodies of water, mineral and other natural resources, and lands which may no longer be exclusively occupied by ICCs/IPs but from which they traditionally had access to for their subsistence and traditional activities, particularly the home ranges

- of ICCs/IPs who are still nomadic and/or shifting cultivators;
- d. "Ancestral Lands" refers to land occupied, possessed and utilized by individuals, families and clans who are members of the ICCs/IPs since time immemorial, by themselves or through their predecessors-in-interest, under claims of individual or traditional group ownership, continuously, to the present except when interrupted by war, force majeure or displacement by force, deceit, stealth, or as a consequence of government projects and other voluntary dealings entered into by government and private individuals/corporations, including, but not limited to, residential lots, rice terraces or paddies, private forests, swidden farms and tree lots;
 - e. "Assisted Natural Regeneration" or "ANR" covers any set of activities that enhance the natural processes of forest regeneration. These include promoting the natural establishment and subsequent growth of indigenous forest trees, whilst preventing any factors that might harm them, e.g. competition from weeds, browsing by cattle, fire etc. ANR relies on existing natural processes; it requires less labor input than tree planting and is therefore a very cheap way to restore forest ecosystems. ANR is appropriate wherever the natural processes of forest regeneration are, to some extent, already happening. At least few seed trees/ mature seed-bearing rainforest trees should exist nearby to provide seed rain in the area. Seed-dispersing animals should remain common in the vicinity. Sites which already support a high density of tree saplings and sprouting tree stumps are particularly suited to ANR.
 - f. "Biological diversity or biodiversity" refers to the variability and variety among living organisms including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part. This includes diversity within the species (genetic diversity), between species (species diversity), and among ecosystems (ecosystem diversity);
 - g. "Climate change" refers to a change in climate that can be identified by changes in the mean and/or variability of its properties and that persists for an extended period typically decades or longer, whether due to natural variability or as a result of human activity;
 - h. "Commercial logging" refers to the cutting or felling of trees for the purpose of disposing the cut or felled logs for monetary profits beyond survival and subsistence;
 - i. "Communal forest" refers to a tract of forestland set aside and established for and under the protection, administration, and management of a city, municipality, or barangay as a source of wood material for fuel, shelter, and manufactured products; as source of water for the community; and as an area for ecotourism and/or environmental protection or socio-economic projects of local government units consistent with the policies and objectives of this Act and principles of sustainable development;
 - j. "Community-Based Forest Management Strategy" refers to the strategy to improve the well-being of forest dependent communities, and at the same time ensure sustainable management, rehabilitation and protection of forestlands and the resources therein, through the active participation of various stakeholders;
 - k. "Conservation" refers to the planned protection and management of forests, wildlife and other forest resources so as to prevent waste and ensure future use;
 - l. "Conveyance" refers to any vehicle, vessel, device or animal used in gathering and/or transporting forest products;

- m. "Co-management agreement" refers to an agreement entered into by the DENR and a local government unit/s to protect, restore, develop or manage forestlands, including mangroves and its forest resources, within the geographic jurisdiction of such local government unit/s consistent with the provisions of this Act;
- n. "Co-production agreement" refers to an agreement entered into by and between a qualified person and the government, in accord with the 1987 Constitution, for the former to develop, utilize, and manage, consistent with the principles of sustainable development, land or a portion of a forestland wherein both parties agree to provide inputs and share the products or their equivalent cash value;
- o. "Critical habitat" refers to a place or environment where species or subspecies naturally occur or has naturally established its population that are crucial to the survival of a species and essential for its conservation;
- p. "Critical watershed" refers to areas designated by the Secretary pursuant to the Wildlife Resources Conservation and Protection Act and for their ability to supply water for domestic, agriculture and/or industrial use;
- q. "Degraded forests" refers to forests with varying degrees of disturbance or loss of structure, function, species composition and productivity of less than 60% forest cover;
- r. "Delimitation" refers to the establishment of permanent boundaries between forestlands, national parks/protected areas and agricultural lands as a result of demarcation;
- s. "Delineation" refers to the establishment of boundaries between forestlands, national parks/protected areas and agricultural lands as a result of a conduct of site investigation, reconnaissance and field verification in accordance with the criteria set by the Department;
- t. "Demarcation" refers to the establishment of boundaries using visible markers, monuments or known natural features/landmarks, among others, as result of the actual ground delineation;
- u. "Denuded forestlands" refers to forestlands that are devoid of forest tree cover;
- v. "Department" refers to the Department of Environment and Natural Resources (DENR);
- w. "Environmental Impact Assessment" or "EIA" refers to the process of predicting the likely environmental consequences of implementing a project or undertaking and designing the appropriate preventive, mitigating, or enhancement measures;
- x. "Environmental Compliance Certificate" or "ECC" refers to the document issued by the Department certifying that a proposed project or undertaking will not cause a significant negative impact on the environment; that the proponent has complied with all the requirements of the Environmental Impact Assessment System; and that the proponent is committed to implement its approved Environment Management Plan found in the Environmental Impact Statement (EIS) or mitigation measures identified in the Initial Environmental Examination (IEE);
- y. "Environmental Impact Statement System" or "EIS System" refers to the organization, administration, and procedures that have been institutionalized pursuant to Presidential Decree No. 1586 for purposes of assessing the significance of the effects of any project or undertaking on the quality of the physical, biological, and social-economic environment and designing the appropriate mitigating and

- enhancement measures;
- z. "Environmentally Critical Project" refers to project or program that has high potential for significant negative environmental impact;
 - aa. "Forest" refers to an ecosystem or an assemblage of ecosystems dominated by trees and other woody vegetation; a community of plants and animals interacting with one another and its physical environment. It shall consist of trees with overlapping crown of 60-100% forest cover;
 - bb. "Forest guard" refers to any public officer who by the nature of his appointment or the functions of the position to which he is appointed is delegated by law and regulations or commissioned by competent authorities to execute, implement or enforce the provisions of this Act and other related laws and regulations;
 - cc. "Forest products" refers to goods and services derived from forest such as, but not limited to, timber, lumber, veneer, plywood, fiberboard, pulpwood, bark, tree top, resin, gums, wood oil, honey, bees wax, nipa, rattan, or other forest growth such as grass, shrub and flowering plants, the associated water, fish, game, as well as its scenic, historical, educational, social and ecological value;
 - dd. "Forest resources" refers to all resources, whether biomass such as plants and animals including its by-products and derivatives, which can be a raw material, or non-biomass such as soil, water, scenery, as well as the intangible services and values present in forestlands or in other lands devoted for forest purposes;
 - ee. "Forest/Forest-Dependent Community" refers to a group of people residing inside or immediately adjacent to a particular forestland who are largely or partly dependent on the forest resources found therein for their livelihood;
 - ff. "Forestlands" refers to lands of the public domain classified as needed for forest purposes. They shall include all forest reserves, forest reservations and all remaining unclassified lands of the public domain;
 - gg. "Genetic engineering" refers to genetic modification, or a special form of biotechnology in which a section of DNA from one organism is introduced into another, in which it does not naturally occur, in order to produce a genetically modified organism (GMO) with favorable properties based on the new combination of genes. The new genes in the transgenic organism may be from an entirely different type of organism, or from a closely related lineage.
 - hh. "Genetically modified organisms" or "GMOs" refers to organisms in which the genetic material has been altered in a way that does not occur naturally. GMOs can be bacteria, fungi, viruses, plants or animals, with the exception of human beings;
 - ii. "Grazing land" refers to a portion of the public domain which has been set aside, in view of its topography and vegetation, for the raising of livestock;
 - jj. "Greenhouse gas" refers to any gas that absorbs infrared radiation in the atmosphere. Greenhouse gases include water vapor, carbon dioxide (CO₂), Methane (CH₄), nitrous oxide (N₂O), halogenated fluorocarbons (HCFCs), ozone (O₃), perfluorinated carbons (PFCs) and hydrofluorocarbons (HFCs);
 - kk. "Indigenous Cultural Communities/Indigenous Peoples" or "ICCs/IPs" refers to a group of people or homogenous societies identified by self-ascription and ascription by others, who have continuously lived as organized community on communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed and utilized such territories, sharing common bonds

- of language, customs, traditions and other distinctive cultural traits, or who have, through resistance to political, social and cultural inroads of colonization, non-indigenous religions and cultures, became historically differentiated from the majority of the Filipinos. ICCs/IPs shall likewise include people who are regarded as indigenous on account of their descent from the populations which inhabited the country, at the time of conquest or colonization, or at the time of inroads of non-indigenous religions and cultures, or the establishment of present state boundaries, who retain some or all of their own social, economic, cultural and political institutions, but who may have been displaced from their traditional domains or who may have resettled outside their ancestral domains;
- ll. "Industrial Forest Management Agreement" or "IFMA" refers to a production-sharing contract entered into by and between the Department and a qualified person, whether natural or juridical, wherein the former grants to the latter the exclusive right and responsibility to invest in, develop, manage, and protect a defined area of the production forestland, including the establishment, management and utilization of industrial timber forest plantation, consistent with the principle of sustainable development, primarily to supply the raw material requirements of wood-based processing and energy-related industries and wherein both parties share in the benefits therefrom;
- mm. "Industrial Tree Plantation" or "ITP" refers to any tract of land planted mainly to timber producing species, including rubber and/or non-timber species primarily to supply the raw material requirements of forest-based industries, energy-generating plants, and related industries.;
- nn. "Joint venture agreement" refers to an agreement where a joint-venture company is organized by the State and another person for protection, restoration and utilization, development and management of forestlands consistent with the prescribed activities allowed under this Act, with both parties having equity shares. Aside from earnings in equity, the State shall be entitled to a share in the gross output;
- oo. "*Kaingin*" refers to a portion of the forest land, whether occupied or not, which is subjected to shifting and/or permanent slash-and-burn cultivation having little or no provision to prevent soil erosion;
- pp. "*Kaingin* making" refers to a process employed to establish a *kaingin*;
- qq. "Key Biodiversity Areas" refers to places of international importance for the conservation of biodiversity;
- rr. "Master Plan for Forestry Development" refers to the twenty-five (25) year strategic program of the Forestry Sector envisioned to guide its long term development. This program includes: (a) policy and institutional development; (b) restoration and rehabilitation c) watershed and forestry development; (d) livelihood and poverty reduction; and (e) timber/non-timber industry development;
- ss. "National Park" refers to the land of public domain classified as such in the 1987 Philippine Constitution which includes all areas under the National Integrated Protected Areas System (NIPAS) pursuant to RA 7586, primarily set aside and designated for the conservation of native plants and animals, their associated habitats and cultural diversity;
- tt. "Non-government organization" or "NGO" refers to a non-stock, non-profit, and voluntary organization;

- uu. "Non-timber based industries" refers to various industries that are dependent on raw materials or products derived from forests such as, but not limited to, rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers or wild flora and fauna;
- vv. "Non-timber charges" refers to the levy imposed and collected by government on various industries that are dependent on raw materials or products derived from forests such as, but are not limited to, rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers or wild flora and fauna, as well ecological and aesthetic services;
- ww. "Non-timber forest products" refers to all products gathered from the forest that are not timber, which include, but are not limited to, rattan, bamboo, vine, herb, exudates, gum, resin, beeswax, gutapercha, and almaciga resin;
- xx. "Permit" refers to a short-term privilege or authority granted by the State to a person to utilize any limited forest resource or undertake a limited activity within any forest land without any right of occupation, possession, and ownership therein;
- yy. "Person" refers to a natural or juridical person, including local forest communities and/or indigenous peoples organized in accordance with law or custom;
- zz. "Plantation forestry" refers to the planting of one or two species for the sole purpose of harvesting;
- aaa. "Primary forest" refers to forest which have never been subject to human disturbance or has been so little affected by hunting, gathering and tree cutting that its natural structure, function and dynamics have not undergone any changes that exceed the elastic capacity of the ecosystem;
- bbb. "Processing plant" or "Processing mill" refers to any mechanical set-up, device, machine or combination of machines used for the conversion of logs and other forest raw materials into lumber, fiberboard, pulp, paper or other finished wood products;
- ccc. "Production forestlands" refers to the forestlands defined under Sec. 8(b) of this Act;
- ddd. "Production sharing agreement" refers to an agreement wherein the State grants a person/s, who provides all the necessary financing, technology, management and personnel, the exclusive right to conduct forestry development activities within but not title over, the contract area and shares in the production whether in kind or in value as owner of forest product therein;
- eee. "Protected Areas" refers to identified portions of land and water set aside by reason of their unique physical and biological significance, managed to enhance biological diversity and protected against destructive human exploitation. They shall constitute the areas established under the National Integrated Protected Areas System (NIPAS) pursuant to RA 7586 and shall fall under the National Park classification of public domain;
- fff. "Protection forestlands" refers to the forestlands defined under Sec. 8 (a) of this Act;
- ggg. "Reforestation" refers to all land use activities directed towards restoration, establishment and sustained management using native species of diversified vegetation on denuded, degraded and/or marginal lands, including but not limited to the planting and tending of timber, orchard and multi-use trees;
- hhh. "Reservation" refers to an area of the public domain reserved by law for a specific purpose;
- iii. "Restoration" refers to the bringing back of the forestland to its original state in terms

- of species composition, structure, function and productivity;
- jjj. "Restoration zones" refers to the area where restoration activities are conducted and where the original vegetation shall be restored;
- kkk. "Road" refers to bulldozed land which is accessible by at least a two-wheel motorized vehicle;
- lll. "Rotation" refers to the number of years between the initial establishment of a plantation and the time when it is considered ready for harvesting;
- mmm. "Secondary forest" refers to a former forest that was logged over and is characterized by residuals;
- nnn. "Secretary" refers to the Secretary of the DENR;
- ooo. "Semi-finished wood products" refers to wood products requiring final stages of manufacture and/or assembly such as, but not limited to, window components, table tops, veneer, tongue and groove planks, steps for stairs, and other similar products;
- ppp. "Silvicultural practices" refers to any action by man to further improve or enhance the stand growth as a whole or the single tree for future harvest including assisted natural regeneration and tree surgery, among others;
- qqq. "Subdivision" refers to a tract or parcel of land partitioned into individual lots, with or without improvements thereon, primarily for residential purposes;
- rrr. "Sustainable development" refers to development that meets the needs of the present without compromising the ability of the future generations to meet their own needs;
- sss. "Sustainable forest management" or "SFM" refers to the process of managing a forest to achieve one or more clearly specified objectives of management with regard to production of continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undesirable effects on the physical and social environment;
- ttt. "Tenure" refers to the guaranteed peaceful possession and use of specific forest land area and specific resources found therein, covered by an agreement, contract, or grant which cannot be altered or abrogated without due process;
- uuu. "Timber-based industries" refers to industries that are dependent on wood as the principal raw material including but not limited to sawmilling, pulp and paper making, and plywood and veneer manufacturing or the upstream wood-based industries, as well as the secondary and tertiary wood processing or downstream industry such as moldings and furniture manufacturing;
- vvv. "Timber charges" refers to the levy imposed and collected by the government on timber products cut, harvested, or gathered from production forestlands and from alienable and disposable (A&D) lands in accordance with Republic Act No. 7161;
- www. "Timber License Agreement" or "TLA" refers to a privilege granted by the State to a person to utilize forest resources within an area with the right of possession and occupation thereof to the exclusion of others except the government, but with the corresponding obligation to develop, protect, and rehabilitate the same in accordance with the terms and conditions set forth in the said agreement;
- xxx. "Timber plantation" refers to a tree stand established by planting and/or seeding. The stand is either of introduced species (all planted stands), or an intensively managed stand of any indigenous species, which meets all the following criteria: one or two species at plantation, even-aged class, and regular spacing for the primary purpose of harvesting timber or any of its by-product;

- yyy. "Transgenic" refers to a genetically modified organism (GMO) or genetically engineered organism (GEO) whose genetic material has been altered using genetic engineering techniques. It is the process of introducing an exogenous gene into a living organism so that the organism will exhibit a new property and transmit that property to its offspring;
- zzz. "Watershed Continuum" refers to an area consisting of the watershed and its divide including its connection from the headwaters to the reef;
- aaaa. "Watershed Continuum Management" or "WCM" refers to a management system that will provide the optimum social, cultural, economic and environmental benefits to the greatest number of people, particularly those living in, adjacent to, or downstream of, individual watershed areas, while maintaining the biological and cultural heritage of the country. It is the holistic multiple use and sustainable management of all the resources within a spatial unit known as the watershed. The Watershed Continuum Management is based on the following guiding principles: (1) Ecological sustainability; (2) Social and cultural sustainability; (3) Economic sustainability; and (4) Institutional sustainability;
- bbbb. "Watershed Reservation" refers to a forestland reservation established to protect or improve the conditions of water yield thereof or reduce sedimentation;
- cccc. "Wildlife" refers to wild forms and varieties of flora and fauna, in all developmental stages; and
- dddd. "Woodlots" refers to a track or plot of land planted with fast growing tree species basically for fuelwood purposes. Woodlot is the major component in Rotational Woodlot Agroforestry Systems which aim to satisfy house and regional fuelwood demand while reducing harvesting pressure on local forests. Rotational Woodlot Agroforestry Systems include the following components: (1) Establishment, which includes tree and crop intercropping; (2) Fallow, which pertains to build up of wood and soil fertility; and (3) Post-fallow, which pertains to wood harvesting and sequential cropping.

CHAPTER II CLASSIFICATION OF PERMANENT FORESTLANDS

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

SECTION 6. *Instruments within Permanent Forestlands.* Titles, settlements, permits, lease, and/or agreements within critical habitats, critical watershed areas, protected areas, important biodiversity areas (IBAs), and key biodiversity areas (KBAs), shall be reviewed, and its legality be determined. All erroneous titles, settlements, permits, leases and/or agreements or non-compliance to and in violation of provisions of agreements shall duly be cancelled or revoked; *Provided*, That the applicable provisions of the Indigenous Peoples Rights Act of 1997 (IPRA) shall be respected. The LGU, upon endorsement from the Forest Management Board or *motu proprio*, shall recommend to the Secretary revocation of these instruments. The Secretary, upon recommendation or *motu proprio* revokes such instrument.

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

are needed for environmental protection and forestry purposes and shall not therefore be classified as agricultural lands or for other land use:

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

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

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

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

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

- a. **Protection forestlands** shall consist of all natural and restored forests including areas identified as key biodiversity areas, critical habitats, freshwater, swamps, and marshes, all areas along the bank of rivers and streams, and the shores of the seas and lakes throughout their entire length and within a zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas, and forty (40) meters in forest areas, along their margins which are subject to the easement of public use in the interest of recreation, navigation, floatage, fishing and salvage shall also be sub-classified as

protection forestlands. All extractive industries such as, but not limited to, logging and mining are banned in these protection forestlands; *Provided*, That the provisions of the IPRA shall be respected;

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

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

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

CHAPTER III

ADMINISTRATION AND MANAGEMENT OF FORESTLANDS AND ITS RESOURCES

SECTION 11. *Jurisdiction and control of forestlands.* The Department shall be the primary agency responsible for the conservation, restoration and the sustainable utilization of forestlands and the unclassified lands of the public domain. It shall formulate a national forestry master plan and the policies promulgated in this Act. In coordination with LGUs and other government agencies, it shall ensure that forestlands and unclassified lands of the public domain are managed, conserved, developed, utilized and protected consistent with the policies promulgated in this Act; *Provided*, that the management plan for protected areas

shall be prepared in accordance with the provisions of the NIPAS Act, the Wildlife Resources Act, the Local Government Code, and the IPRA, and other relevant laws and international covenants, as well as other pertinent laws; *Provided further*, That certain functions and powers of the Department may be devolved to the local government units.

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

SECTION 13. *Powers and Responsibilities of the LGUs.* Pursuant to the pertinent provisions of Republic Act No. 7160 or the Local Government Code, LGUs shall share the responsibility in the sustainable management and utilization of forest resources within their territorial jurisdiction including those assigned by law to other government agencies. The LGU and the Department shall jointly undertake the preparation and implementation of forestland use and watershed continuum management plans, consistent with the Ancestral Domain Sustainable Development and Protection Plan (ADSDPP) and in consultation with other government agencies, local communities, non- government organizations and other sectors. Partnerships with LGUs and local communities are highly encouraged. Such plans shall be fully funded and made an integral component of the LGU's Comprehensive Land Use Plan (CLUP).

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

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

SECTION 14. *Multisectoral participation.* In formulating conservation and management plans and programs, multisectoral participation shall be required.

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

SECTION 16. *Forest Board.* A forest board (Board) shall be created at the Municipal level which shall be composed of a representative from the LGU and representatives of different sectors including but not limited to, women, farmers, fisherfolks, and indigenous peoples,

shall set the policy direction for the management, utilization and development of forestlands and resources found within their respective jurisdictions in accordance with the watershed continuum plan.

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

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

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

SECTION 20. *Functions of the MENRO.* The MENRO shall facilitate the preparation of management plans. It shall recommend to the Board relevant policies for the protection, conservation and restoration efforts within the continuum. It shall evaluate applications for forest management agreements; monitor the performance of holders of all tenurial instruments issued by the LGU and Department. The MENRO may recommend to DENR appropriate action with regard to the implementation of pertinent laws, rules and regulations. The MENRO shall exercise visitorial powers over the forestlands.

SECTION 21. *Forest Management Committee within a watershed continuum.* A forest management committee shall be created under the Municipal Development Council. Municipalities/cities falling within the same watershed continuum shall form a forest management committee within the Provincial Development Council. *Provided further,* That provinces falling under the same watershed continuum will create a committee within the Regional Development Council. These committees shall be responsible for the preparation of the required overall management plans, in relation to the direction set by their respective Forest Boards.

SECTION 22. *Forestlands under Other Government Agencies.* Forestlands and/or portions thereof which have been assigned by law to the administration and management of other government agencies for a specific purpose prior to the passage of this Act shall remain

under the administration and management of these government agencies which shall be responsible for their conservation, protection, and restoration. The Secretary and the concerned local chief executive or their respective duly authorized representative shall exercise visitorial powers over these forestlands. Moreover, these forestlands shall be administered in accordance with a forest management plan embodied in the comprehensive forest management and land use plan of the LGU, which shall be prepared by the concerned management committee of the watershed continuum level within one (1) year from the effectivity of this Act. Said multisectoral body shall periodically review, monitor, and evaluate the implementation of the said management plan. *Provided*, That the harvesting of forest resources and building of roads and other infrastructure therein shall be undertaken only with the prior approval of the LGU upon the endorsement of the local forestry boards, and after compliance with EIS and ECC requirements: *Provided further*, That the LGU shall endorse to the Secretary who shall recommend to Congress or the President of the Philippines the reversion to the LGU of the jurisdiction and control over forestlands that are no longer needed nor used for the purpose by which they have been constituted or in case the agency concerned fails to rehabilitate, protect, and conserve the forestland resources in accordance with the approved management plan. The LGU, in coordination with its forestry board and consistent with the watershed continuum plan, shall determine the use of the reverted forestlands.

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

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

SECTION 25. *Logging in Production Forestlands.* To ensure the conservation and sustainable use of forest resources in production forestlands, holders of timber licenses, permits and/or agreements shall submit to the LGU an Integrated Operations Plan (IOP) containing strict environmental guidelines such as ECC compliance. All forest development activities such as logging, reforestation, timber stand improvement, forest protection, and delivery of community service within an area covered by timber concessions shall be consolidated under

the IOP, which shall be prepared by or under the supervision of an accredited private registered forester whose signature and dry seal shall appear in the plan and the supporting documents submitted for this purpose.

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

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

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

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

SECTION 30. *Protection Forestlands covered by Existing Permits, Licenses and/or Agreements.* All existing permits, licenses and agreements shall be reviewed, and, if protection forestlands are found within an agreement or licensed area, such protection forestlands shall be immediately excised from said permit, license and/or agreement, and the holder of the agreement or license shall establish a buffer zone and delineate their boundaries with the production forestlands, marking the same with concrete monuments, road, or infrastructure, or any other visible, permanent, and practicable signs.

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

SECTION 32. *Non-Extension of Timber License Agreements.* No extensions shall be made on

any existing TLA, and the area covered by the agreement shall automatically be sub-classified as protection forestland after the representatives of the Department, the LGUs concerned, the Department of Agrarian Reform, NGOs, peoples' organizations, and other stakeholders had excluded degraded areas that may be subject of a reforestation project.

SECTION 33. *Forest Resources within Ancestral Domains/Ancestral Lands.* When forest resources are within ancestral domains/ancestral lands which are otherwise production or protection forestlands, aside from the necessary permit, license or agreement, the genuine free, prior and informed consent of the indigenous communities shall also be secured, *Provided*, That if the indigenous communities will themselves harvest these resources for their subsistence or survival use, the provisions of IPRA shall apply and no permits shall be required as owners of such resources, *Provided finally*, That, if the indigenous peoples will themselves harvest such resources for commercial purposes, they shall be subject to the same limitations and conditions as provided by this Act.

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

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

CHAPTER IV

FOREST MANAGEMENT PLANNING, MONITORING AND ASSESSMENT

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

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

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

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

SECTION 37. *Watershed Continuum Management Strategy.* The Watershed Continuum Planning and Management Framework in Environment and Natural Resources shall be adopted. The strategy for improved watershed resources management shall be demand-driven, community-based, and multiple- and sustainable-use considering national priorities and concerns of local stakeholders. Watershed continuum management programs initiated by the government shall be guided by ecological, socio-cultural, economic, and institutional sustainability principles. A National Watershed Information System shall be developed to guide policy formulation, program development, and implementation of watershed continuum management initiatives. The Department in consultation with the LGUs shall identify the watershed continuum in the country and provide the maps for each.

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

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

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

SECTION 40. *Environmental Impact Assessment, Resource Accounting and Valuation.* All new environmentally critical projects to be implemented in forestlands, such as harvesting, grazing and other special uses, mineral prospecting and exploration, and road, infrastructure, and mill construction, shall be subject to Environmental Impact Assessment (EIA) in accordance with Presidential Decree No. 1151 or the Philippine Environmental Policy, and Presidential Decree No. 1586, Establishing an Environmental Impact Statement System. A scientific resource valuation of impacts of affected biophysical and environmental elements, and an extended benefit cost analysis shall be used in the EISS. The Department shall design and implement a system of regular periodic monitoring and assessment using the Criteria and Indicators as framework and shall formulate appropriate standards as basis for assessing progress towards sustainable forest management. Furthermore, the Department shall design and implement an appropriate natural resources accounting and valuation system for various forestry initiatives. The Department shall establish the total value of forestlands based on multiple uses, including their environmental services.

CHAPTER V

REFORESTATION AND RESTORATION

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

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

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

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

SECTION 44. *Reforestation in Forestlands under the Jurisdiction of Other Government Agencies.* Government agencies and institutions having management control over forestlands pursuant to a law or grant shall be responsible for the reforestation of denuded and degraded portions of such forestlands. The reforestation program of these agencies shall aim to increase the vegetation of the degraded areas using native species, to be identified jointly by the Department and agency concerned and multisectoral stakeholders. The concerned agency in coordination with the LGU shall prepare the reforestation plan, consistent with the watershed continuum plan and determine the ratio of forested areas at any given time. Failure to reforest denuded and/or degraded forestland identified in the reforestation plan within the period herein prescribed shall be sufficient ground to request for reversion of the said forestlands to the jurisdiction and control of the LGU: *Provided, however*, That in areas where Community-based Forest Management Strategy (CBFMS) shall be implemented or where there are existing facilities for basic services such as water and power as allowed by the Department pursuant to the provisions of this Act, the completion of the reforestation program shall be subject to the conditions provided in the instrument to be awarded by the Department and the agency concerned to the participating local community or individual or in the Forest Management Agreement of contractors operating such facilities for basic services, as approved by the Department. *Provided finally*, that whenever applicable, the use of ANR shall be preferred and community-based forest management encouraged.

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

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

- a. Upon the premature termination of the agreement at no fault of the holder, all depreciable permanent and semi-permanent improvements such as roads, buildings, and nurseries including the planted and standing trees and other forest crops introduced and to be retained in the area shall be properly evaluated and the holder shall be entitled to a fair compensation thereof, the amount of which shall be mutually agreed upon by both the LGU and the agreement holder, and in case of disagreement between them, by arbitration through a mutually acceptable and impartial third party adjudicator;
- b. The agreement holder has the right to transfer, contract, sell, or convey his rights to any qualified person following the guidelines to be issued by the Secretary, *Provided*, that if such restoration or reforestation were conducted within ancestral domains/ancestral lands, the transferee shall secure the free, prior and informed consent of the indigenous communities of such ancestral domains/ancestral lands prior to such transfer; and,
- c. In the event that the area restored has provided ecological services to the community, user fees shall be allowed as incentives.

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

SECTION 47. *Reforestation in Ancestral Domains/Ancestral Lands.* Reforestation in ancestral domains/ancestral lands, if not undertaken by the ICCs/IPs themselves, shall require the free, prior and informed consent of the ICCs/IPs.

SECTION 48. *Reforestation in Protection Forestlands.* The Department may contract out the reforestation and/or management of protection forestlands to any person, *Provided*, that such persons should meet the qualifications enumerated in Section 54. The Department shall reasonably compensate such persons for such reforestation and/or management activities and extend the necessary assistance in the reforestation and/or management of such protection forestlands.

SECTION 49. *Voluntary Offer to Reforest.* Private landowners, whether natural or juridical persons, may participate in reforestation and plantation development or similar programs of the LGU or the Department, with the landowner contributing his land and the LGU or Department furnishing funds to reforest the area on a co-production agreement:

Provided, That the property shall be exclusively devoted to the planting of forest species for at least one (1) rotation, which undertaking shall be annotated at the back of the title of the property: Provided, further, That prime agricultural lands as determined or certified by the DA shall not be the subject of a voluntary offer to reforest.

CHAPTER VI

COMMUNITY-BASED FOREST MANAGEMENT STRATEGY

SECTION 50. *Community-Based Forest Management Strategy (CBFMS).* Whenever they are present, forest resident families, communities, indigenous peoples and other communities whose lives, culture and general well-being are intimately linked with the forests, shall be entrusted with the responsibility to protect, manage, develop and utilize resources limited to woodlots and non-timber forest products (NTFP) under the principle of stewardship. Timber harvesting shall only be allowed in production forestlands designated in the Community Resource Management Plans (CRMP). The Department together with the LGUs, and in consultation with affected stakeholders and sectors, shall develop policies, criteria, guidelines and tenurial instruments that will simplify and allow access of forest resident families, and local communities to forestland resources. The LGUs will review all CBFMA-holders in their jurisdiction to assess performance and determine membership status of the CBFMA-holder. The Department together with the LGUs, in consultation with affected stakeholders and sectors, shall furthermore develop policies, and guidelines that promote partnership between the private sector and forest-based communities in pursuit of sustainable community forest management activities.

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

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

SECTION 52. *Community Resource Management in CBFM Areas.* The management of forestland resources in CBFM areas shall be embodied in a community resource management plan, which shall contain the community's vision, aspirations, and strategies in the management of forestland resources, which shall be consistent with the forestland use plan (FLUP). Qualified communities shall be provided with appropriate long-term security of tenure, technical, managerial and financial assistance, training; and other assistance, as the case may be, to empower them to manage and benefit from the forestland resources on a sustainable basis.

SECTION 53. *Qualified Participants.* Organized forest communities shall be given priority to participate in the CBFM program. Organizations eligible to participate in CBFM shall have the following qualifications:

- a. Members shall be Filipino citizens; and
- b. Members shall be any of the following:
 - i. Traditionally utilizing the resource for their livelihood;
 - ii. Actually residing within the area for at least five (5) years; and
 - iii. Residing adjacent and actually tilling portions of the area to be awarded.

SECTION 54. *Modes of Management Agreements.* The conservation, protection, development, utilization, and management of forestlands and/or forest resources shall be undertaken under the supervision of the State through the LGUs. The State may directly undertake such activities or it may enter into co-production, joint venture or production sharing agreement with qualified Filipino citizens or corporations or associations over the management of production forestlands, subject to relevant laws, rules and regulations, *Provided*, That interested local communities through their organized and duly recognized associations shall be given priority in the grant of appropriate instruments implementing the said agreements. Such instruments and/or agreements shall have a duration of twenty-five (25) years, renewable for another twenty-five (25) years, under such terms and conditions as may be provided by the Secretary, after observing the qualification of the succeeding sections; *Provided further*, That management agreements shall not be issued in favor of any person covering ancestral domains/ancestral lands without the free, prior and informed consent of the concerned ICCs/IPs and the recognition and protection of ICCs/IPs rights under pertinent laws;

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

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

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

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

- a. The holder is a Filipino citizen;
- b. The agreement holder shall furnish the necessary management, technology and financial services when required, as determined by the Secretary;
- c. Provision/s for government share of revenues and the manner of payment thereof;
- d. Provision/s on consultation and arbitration with respect to the interpretation of the agreement;
- e. Provision/s for anti-pollution and environmental protection measures;
- f. Provision/s prescribing the preferential use of indigenous tree species for tree plantations: *Provided*, that in case of protection forestlands, only indigenous tree species shall be used;
- g. Provision/s for an effective monitoring scheme to be implemented by the LGU, which shall include, but shall not be limited to periodic inspection of all records and books of account of the agreement holders;
- h. Commitment to community development including capacity building of local stakeholders;
- i. The submission of a management and development plan to be approved by the LGU; and
- j. Other provisions that the LGU shall impose, upon the recommendation of the Director of the FMB, that will improve and sustain the development and management of the forestlands and its resources, which shall include, among others, a projection of annual income and revenues generated, to be used as basis in the determination of government shares.

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

SECTION 58. *Non-Timber Forest Products.* Rattan, bamboos, vines, herbs, exudates and other non-timber forest products are integral parts of the forest ecosystem. The planting and sustainable management of non-timber producing species shall be encouraged and supported, *Provided*, That they are indigenous species. The development, management and utilization of non-timber forest products shall be allowed in accordance with the FLUP, and corresponding laws and regulations enforced by the LGU and consistent with guidelines to be promulgated by the Department in compliance with national and international policy or agreements.

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

harvest, utilize, gather or collect non-timber forest products, in their natural or original state from forestlands, priority shall be given to forest resident families, local communities, and indigenous peoples living nearest the subject forestlands; *Provided*, That the wildlings collected from the forests shall be utilized for nursery establishments, research and development and shall be subject to guidelines formulated in the establishment of nurseries

SECTION 60. *Silvicultural and Harvesting System.* The Department shall formulate the appropriate silvicultural and harvesting system and all measures shall be taken to achieve an approximate balance between growth and harvest that is consistent with the NBSAP. The use of forest products from production forestlands shall be promoted and practiced.

SECTION 61. *Mangrove forest.* Cutting in mangrove forests shall be prohibited. The Department shall formulate a program for the restoration of mangrove forests and shall promote strategies that are consistent with biodiversity conservation or enhance biodiversity.

SECTION 62. *Grazing.* Land for grazing purposes shall only be limited to production forestlands. The Department shall identify and delimit areas suitable for grazing purposes: *Provided*, That no forestland fifty percent (50%) in slope or over may be utilized for grazing purposes; *Provided also*, That vegetation should be sufficient for livestock prior to the grant of such permits, *Provided, further*, That existing pasture lease agreements or forestland grazing lease agreements shall be allowed to continue under the same terms and conditions until their expiry; *Provided also*, That burning of grass for the purpose of grazing shall be prohibited; *Provided, finally*, That abandoned or idle, expired, or cancelled grazing or pasture lands shall be subject to land use capability assessment and or land use suitability assessment to determine their best use or combination of uses. No new grazing or pasture permit, lease, or contract shall be issued, nor existing ones allowed to continue unless covered by existing rules and regulations governing the Philippine EIS System and subject to provisions in this Act.

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

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

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

SECTION 64. *Roads and Other Infrastructures.* Roads and other infrastructure, including the

development of mineral reservations and energy resources inside forestlands, shall be constructed with the least impairment to the resource values and with the least impact and disturbance to biodiversity of the area found in such forestlands. Government agencies and their contractors undertaking the construction of roads, bridges, communication and other infrastructure facilities and installations inside forestlands shall seek prior authority from the Department and shall comply with existing rules and regulations governing the Philippine EIS System, *Provided*, That no roads or other infrastructure shall be constructed in protection forestlands.

CHAPTER VIII

WOOD-BASED INDUSTRIES

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

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

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

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

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

stakeholders.

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

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

CHAPTER IX

CHARGES, FEES AND GOVERNMENT SHARE

SECTION 70. *Fees and Government Shares for the Utilization, Exploitation, Occupation, Possession of and Activities within Forestlands.* The Department shall prescribe appropriate government shares, including and rentals for the different kinds of utilization, exploitation, occupation, possession, or activities within forestlands: *Provided*, That payment of or collection of such fees and rentals shall be waived for parties/industries mandated by law to manage, conserve, develop and protect forestlands and forest resources found therein, except administrative fees for the filing and processing of applications for the issuance and renewal of licenses, permits, and agreements: *Provided, further*, That watershed administrators and/or service contractors that have forest management agreements with the Department as provided for under Section 84 of this Act shall also be entitled to the waiver of fees, except administrative fees.

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

In order for the Department to prescribe appropriate and equitable fees for the use of water and other forest resources by parties/industries concerned for power generation, domestic and industrial irrigation, carbon sequestration and biodiversity benefits respectively, by parties/industries concerned taking into consideration natural resource valuation in the assignment of fees and ensuring equitable sharing of benefits between concerned national

government agency and LGU, the Department shall initiate the creation of an inter-agency task force for this purpose.

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

SECTION 72. *Charges on Firewood, Branches and Other Recoverable Wood Wastes of Timber.* There shall be collected timber charges of one percent (1%) of the market price on each cubic meter of firewood cut in production forestlands, branches and other recoverable wood wastes of timber, such as timber ends, tops and stumps, when used as raw materials for the manufacture of finished products, *Provided,* That the cutting of all mangrove species shall be prohibited, *Provided further,* That only third or fourth group wood may be taken for firewood, *Provided finally,* That, if jointly authorized by the Secretaries of both the Department and the DA, first and second group woods may be removed from land which is more valuable for agriculture than for forest purposes, subject to the charges in the preceding section.

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

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

Timber charges shall also be applied to naturally growing timber and timber products gathered from alienable and disposable lands and private lands. Timber charges collected shall be in lieu of the administrative charge on environment and other fees and charges imposed thereon: *Provided,* That planted trees and other timber products harvested from industrial timber plantations and private lands covered by existing tiller or by approved land application are

exempted from payment of timber charges.

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

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

Reasonable 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 indigenous peoples in the preparation of their management plans, *Provided further*, That a percentage of the fees collected shall support the furtherance of formal forestry education.

SECTION 76. *Forest Conservation and Development Fund (FCDF).* A Forest Conservation and Development Fund (FCDF) to be administered by the LGU is hereby established to provide sustainable funds for forest protection, restoration and management, including the operations of the municipal forest management boards, rehabilitation and preservation of watershed areas, CBFM program, information and educational campaign as well as scholarship programs, policy research and development. At least seventy percent (70%) 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 FCDF. The fund may be augmented by grants, donations, endowment from various sources, domestic or foreign for purposes related to their functions: *Provided*, That fees collected by the LGU consistent with the management plans formulated shall directly accrue to the said LGU's account: *Provided, further*, that a portion of the fees collected shall also go to the host communities, which protect and maintain these watersheds, from which the headwaters emanate.

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

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

CHAPTER X

TREE PARKS

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

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

CHAPTER XI

PROTECTION

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

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

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

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

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

SECTION 84. *Information and Rewards System.* The LGU shall establish an information and rewards system as part of the community's participation in the protection of forest resources. The rewards shall be payable immediately upon the establishment of *prima facie* proof of violation. When an information given leads to the seizure of logs or timber and other forest product and results in a conviction, the informer shall also be entitled to twenty percent (20%) of the gross value of the recovered or seized forest resource. The implementation of the rewards system shall be in collaboration with the Department, the Forest Management Board and the Philippine National Police.

CHAPTER XII

RESEARCH, EDUCATION, TRAINING AND EXTENSION

SECTION 85. *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 State Universities and colleges shall, within one (1) year from the passage of this Act, prepare a comprehensive sustainable 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 research and technology development plans and transfer program shall be provided by each of the aforementioned agencies and institutions under the General Appropriations Act.

Appropriate funds shall be allotted for research and development.

SECTION 86. *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), 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 environment, forest and natural resources in the curricula for elementary and high school education. The CHED shall likewise include mandatory ecology and environment courses in the general education curricula. Congress shall allocate funds to the Department for the purpose of coordinating a systematic campaign to promote community ecological awareness, including the preparation of informational and educational materials therefore. A percentage of appropriations specified in Section 122 shall be set aside for this purpose.

SECTION 87. *Formal Forestry, Agroforestry and environmental Education.*- The CHED, in collaboration with the Department, the Board of Examiners for Foresters of the Professional Regulations Commission (PRC), Philippines Forestry Education Network, Philippine Agroforestry /education and Research Network, Environmental Education Network of the Philippines and the duly accredited national professional foresters organization shall actively pursue the rationalization of formal forestry education by assigning higher weights on non-timber extraction subjects. The licensure exam shall require minimum units on forest restoration related subject 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 and the country as a whole. The following areas shall be strengthened:

- a. Sustainable forest management;
- b. Natural resource management;
- c. Biodiversity conservation;
- d. Wildlife conservation;
- e. Wildlife management;
- f. Entrepreneurship on non-timber forest resources;
- g. Environmental laws;
- h. Forest restoration technology;
- i. Environmental science; and
- j. Community development.

SECTION 88. *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.

SECTION 89. *Training Centers.* In coordination with TESDA, DepEd, CHED and State Universities and Colleges (SUCs) and other relevant institutions, stakeholders and local communities, 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 and restoration to forest guards, LGUs, NGOs, local communities, and indigenous peoples. 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.

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

management.

CHAPTER XIII

OFFENSES AND PENALTIES

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

SECTION 92. *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 timber from all forestlands, whether protection or production forestlands, or inside alienable and disposable public land and private lands except as provided, or forest resources in alienable and disposable lands without authority from the Secretary or found to possess the same without pertinent required legal documents shall be punished by imprisonment ranging from *prision mayor* minimum period to *reclusion temporal* minimum period and/or a fine equivalent to ten (10) times the value of the said forest product but not less than Fifty Thousand Pesos (50,000.00): *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 and Deportation. 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 State.

SECTION 93. *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 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 permittee/agreement holder 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*.

SECTION 94. *Use of Illegally Cut Timber in Government Infrastructure Projects.* Contractors of government infrastructure projects shall obtain certification from the Department that the logs or lumber to be used therein were obtained from legitimate sources. The use of illegally cut naturally grown timber from protection forests or illegally cut timber from production forests in government infrastructure projects shall be sufficient cause for the imposition of penalties provided in Section 88, on harvesting of forest products without authority, and Section 89, on illegal cutting as an economic sabotage, including the withholding of the payment to the contractor.

SECTION 95. *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 times the regular rentals due in addition to confiscation of the livestock and all improvements introduced in the area in favor of the government, and shall restore the affected area into the original state of the natural resource; *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.

SECTION 96. *Unlawful Occupation or Destruction of Forestlands.* Any person who, without authority from the Secretary, enters and occupies or possesses, or engages in kaingin-making for his own private use or for others, any forestland or grazing land, or in any manner destroys such forestland or part thereof, or causes any damage to the timber stands and other forest product found therein, or assists, aids or abets another person to do so, or sets a fire, or negligently permits a fire to be set therein, or refuses lawful orders to vacate the area when ordered to do so shall, upon conviction, be punished with penalties in the amount of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00) and imprisonment of not less than six (6) years nor more than twelve (12) years for each offense: *Provided*, That in the case of an offender found guilty of kaingin-making, the penalty shall be imprisonment of not less than ten (10) years nor more than twelve (12) years and a fine equivalent to eight times the regular forest charges due on the forest products destroyed without prejudice to payment of the full cost of rehabilitation of the occupied areas as determined by the Department: *Provided, further*, That the maximum of the penalty prescribed herein shall be imposed upon the offender who repeats the same offense, and double the maximum penalty upon the offender who commits the same offense for the third time or more. In all cases, the court shall further order the eviction of the offender from the area occupied and the forfeiture to the government of all improvements made therein, including all vehicles, domestic animals and equipment of any kind used in the commission of the offense. If not suitable for use by the Department, said improvements, vehicles, domestic animals and equipment shall be sold at public auction, the proceeds from which shall accrue to the FCDF. If the offender is an alien, he shall be deported after serving his sentence and payment of fines, without any further proceedings. An offender who is a government officer or employee, 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.

SECTION 97. *Illegal Conversion of City or Municipal Parks, Communal Forests, and Tree Parks in Subdivisions.* Any person found to have converted or caused the conversion of a city or municipal park or communal forest, or tree parks within subdivisions established pursuant to Sec. 75 herein and Section 2 of Presidential Decree No. 953, requiring the planting of trees in certain places, into other uses including the construction of permanent buildings therein, or in any manner destroys or causes any damage to the timber stands and other forest product found therein, or assists, aids or abets another person to do so, or sets a fire, or negligently permits a fire to be set therein, upon conviction, shall be penalized by imprisonment of six (6) years and one (1) day to twelve (12) years or a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00), or both fine and imprisonment at the discretion of the Court. The offender shall likewise be imposed a fine equivalent to eight times the commercial value of the forest products destroyed without prejudice to payment of the full cost of rehabilitation of the areas as determined by the Department: *Provided, further,* That the maximum of the penalty prescribed herein shall be imposed upon the offender who repeats the same offense, and double the maximum penalty upon the offender who commits the same offense for the third time or more. The court shall further order the forfeiture to the government of all improvements made therein, including all vehicles, domestic animals, and equipment of any kind used in the commission of the offense. If not suitable for use by the Department, said improvements, vehicles, domestic animals and equipment shall be sold at public auction, the proceeds from which shall accrue to the FCDF. An offender who is a government officer or employee, in addition to the above penalties, shall be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service.

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

SECTION 99. *Unlawful Operation of Sawmills.* Any person operating a sawmill or mini-sawmill without authority from the Secretary shall be punished by a fine of not less than Two Hundred Fifty Thousand Pesos (P250, 000.00) and confiscation of the sawmill or mini-sawmill and complementary equipment in favor of the government for appropriate disposition.

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

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

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

Any forest officer who willingly allowed unauthorized person(s) to use these implements and devices under his care shall be penalized with imprisonment of not less six (6) years and one (1) day to no more than twelve (12) years and a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00).

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

SECTION 103. *Unauthorized Introduction of Logging Tools and Equipment Inside Forestlands.* It shall be unlawful for any person or entity to possess, bring, or introduce any logging tools or equipment inside forestlands without prior authority, from the Secretary or his duly authorized representative. Any person found guilty of illegal possession of said logging tools or equipment shall be liable to imprisonment of six (6) years and one (1) day to twelve (12) years or a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00) or both imprisonment and fine, and confiscation of said logging tools and equipment in favor of the government.

SECTION 104. *Non-Payment and Non-Remittance of Forest Charges.* Any person who fails to pay the amount due and payable as forest charges to the government shall not be

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

SECTION 105. *Institution of Criminal Action by Forest Officers.* Any forest officer shall arrest any person who has committed or is about to commit, or is committing in his presence any of the offenses defined in this chapter. The tools, animals, equipment and conveyances used in committing the offense, and the forest products cut, gathered, taken or possessed by the offender in the process of committing the offense shall also be seized and confiscated in favor of the government. The arresting forest officer shall thereafter deliver within thirty-six (36) hours from the time of arrest or seizure both the offender and the confiscated forest products, conveyances, tools and equipment, or the documents pertaining to the same, and file the proper complaint with the appropriate official designated by law to conduct preliminary investigation and file information in court. If the arrest and seizure are made in the forest far from authorities designated by law to conduct preliminary investigations, the delivery to and filing of the complaint with the latter shall be done within a reasonable time sufficient for ordinary travel from the place of arrest to the place of delivery. The seized forest products, materials, conveyances, tools and equipment shall be immediately disposed of in accordance with the regulations promulgated by the Secretary.

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

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

SECTION 106. *Liability of Custodian of Confiscated Forest Products.* Any public officer who fails to produce the timber or forest products, including tools, conveyances, equipment, and devices in his custody pursuant to a seizure or confiscation made thereon, or who shall appropriate, take, misappropriate, or shall permit another person to take such timber forest products wholly or partially, shall suffer the penalty provided for in Article 217, on Malversation of Public Funds or Property, of the Revised Penal Code. In addition, the said

public officer shall be dismissed from service with prejudice to reinstatement and with perpetual disqualification from holding any elective or appointive office.

CHAPTER XIV

ADMINISTRATIVE PROVISIONS

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

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

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

No court of the Philippines shall have jurisdiction to issue any Writ of Replevin, restraining order, or preliminary mandatory injunction in any case involving or growing out of any action by the Secretary or his duly authorized representative in the exercise of the foregoing administrative authority.

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

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

SECTION 111. *Authority of Forest Officers.* When in the performance of their official duties, forest officers or other government officials or employees duly authorized by the Secretary or deputized as such shall have free entry into areas covered by a contract, agreement, license, lease or permit. Forest officers are authorized to inspect and to open

closed vans suspected to contain illegally harvested, collected or transported forest product: *Provided*, That it is done in the presence of the shipper or consignee or two (2) responsible public officials in the locality, *Provided further*, That in cases where entry shall be in ancestral domains/ancestral lands, said persons shall secure the free, prior and informed consent of the ICCs/IPs therein. Forest officers are authorized to administer oath, take acknowledgment in official matters connected with the functions of their office, or take testimony in official investigations conducted under the authority of this Act and the implementing rules and regulations issued by the Secretary pursuant thereof.

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

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

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

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

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

- a. any person who violates or fails to comply with the provisions of this Act or its

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

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

SECTION 117. *Protection to Witnesses in Cases Involving Violation of Forestry Laws.* Witnesses to violations of this Act or other forestry laws and regulations, including the immediate members of the family of said witnesses shall be given protection, security and benefit, subject to the provisions of Republic Act No. 6981, otherwise known as "The Witness Protection, Security and Benefit Act" and its implementing rules and regulations.

SECTION 118. *Rule-Making Authority.* In consultation with the NCIP, the DILG, the Department of Finance, the leagues of provinces, cities, and municipalities, other government agencies mentioned herein and other relevant stakeholders (i.e. academic institutions, NGOS), the Department shall promulgate the implementing rules and regulations within one (1) year from the effectivity of this Act.

SECTION 119. *Congressional Oversight Committee.* There is hereby created a Congressional Oversight Committee composed of seven (7) members from the Senate Committee on Environment and Natural Resources and seven (7) members from the House of Representatives Committee on Natural Resources. The Chairpersons of the corresponding committees shall also be the Co-chairpersons of the Oversight Committee.

The secretariat of the Oversight Committee shall be drawn from the existing secretariat personnel of the committees comprising the oversight and the funding shall be taken from the appropriations of both the House of Representatives and the Senate.

CHAPTER XV

FINAL PROVISIONS

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

permits and other instruments shall be terminated for the following grounds:

- a. When the licensee has been found to be a dummy of an otherwise disqualified or unqualified person;
- b. When the licensee has been found to be farming out the license or receiving royalty of any kind;
- c. When the licensee has been found to be cutting or operating outside the limits of the license or within an area specifically designated or sub-classified by the Department as protection forestland;
- d. When the licensee has been found to be allowing illegally-cut timber to be invoiced under its license;
- e. When the licensee has been found to be inducing any other person to log in other areas in violation of the Department's regulations;
- f. Failure to submit to the Department the required copies of auxiliary invoices covering timber manifested under the license;
- g. Failure to leave undamaged an adequate stand of young trees for residual growing stock or for seeding purposes and to employ the necessary number of laborers needed for timber management work;
- h. When the licensee has, for the third time after written warning, intentionally cut, injured or destroyed trees marked by forest officers and unmarked poles and saplings for future growing stock, seeding, or protection;
- i. Failure to employ the required number of concession guards as determined by the Department;
- j. Failure to protect the concession or license area or parts thereof from being converted into *kaingin*, or from illegal timber cutting, and other forms of trespass;
- k. When the licensee has been found to have failed to put up the processing plant for the area within the required period, when made a condition in the award of the area and the grant of the license;
- l. Failure to pay pending forest accounts;
- m. Failure to maintain and make conspicuous the approved and established boundaries of his concession or license area;
- n. Failure to suspend operations within a conflicted area when so required by the Department or its authorized representatives, pending final decision of the conflict;
- o. Allowing a contractor to operate the license area or concession; and
- p. Violation of any of the terms and conditions of the license, the NIPAS Act and its implementing rules and regulations, the Wildlife Resources Conservation and Protection Act, or any of the provisions of law on internal revenue and labor, and Department regulations.

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

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

SECTION 121. The relevant agencies shall formulate the appropriate rules and regulations

said cancelled permit, TLA or instrument.

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

SECTION 121. *Appropriations.* The amount necessary to initially implement the provisions of this Act shall be charged against the appropriations of the Department of Environment and Natural Resources in the current General Appropriations Act. Provided further that a share from the VAT on oil and natural gas, emission testing tax, flood control tax, road users tax, and the Reforestation, Watershed Management, Health and/or Environment Enhancement Fund, pursuant to Section 4 of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA), and its Implementing Rules and Regulations (IRR), shall be appropriated to fund provisions in this Act. Thereafter, such sums as may be necessary to fully implement the provisions of this Act shall be included in the annual General Appropriations Act. For local government units, the funding requirements shall be taken from their internal revenue allotment (IRA) and other sources of income including the income derived from the shares from the different modes of agreement.

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

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

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