

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

Fifteenth Congress
Second Regular Session



COMMITTEE REPORT NO. 1511

Submitted by the Committee on Natural Resources, Special Committee on Reforestation,
Committee on Appropriations and Committee on Ways and Means on

Re: **House Bill No. 5485**

Recommending its approval, in substitution of House Bill Nos. 45, 84, 487, 845, 2176, 3103,
3146, 3249, 3462, 3485, 3596, 3602 and 3638

Sponsors: Representatives Francisco T. Matugas, Victor J. Yu, Rufus B. Rodriguez, Angelo B.
Palmones, Teddy Brawner Baguilat, Jr., Mel Senen S. Sarmiento and Arthur R.
Defensor, Jr.

Mr. Speaker:

The Committee on Natural Resources, Special Committee on Reforestation, Committee on
Appropriations and Committee on Ways and Means to which were referred:

House Bill No. 45, introduced by Representatives Rufus B. Rodriguez and Maximo B.
Rodriguez, Jr., entitled:

"AN ACT PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT,"

House Bill No. 84, introduced by Representative Susan A. Yap, entitled:

"AN ACT PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT,"

House Bill No. 487, introduced by Representative Juan Edgardo "Sonny" M. Angara,
entitled:

"AN ACT PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT,"

House Bill No. 845, introduced by Representative Angelo B. Palmones, entitled:

"AN ACT PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT"

House Bill No. 2176, introduced by Representative Danilo Ramon S. Fernandez, entitled:

**"AN ACT PROTECTING THE FOREST BY BANNING ALL COMMERCIAL
LOGGING OPERATIONS, PROVIDING MECHANISM FOR ITS
EFFECTIVE IMPLEMENTATION, AND IMPOSING PENALTIES FOR
VIOLATIONS THEREFOR."**

House Bill No. 3103, introduced by Representatives Angelo B. Palmones and Erico Aumentado, entitled:

"AN ACT FOR THE PROTECTION AND SUSTAINABLE MANAGEMENT OF FOREST ECOSYSTEMS TO ENHANCE FOREST ECOSYSTEMS SERVICES, MITIGATE AND ADAPT TO ANTICIPATED CLIMATE CHANGE IMPACTS AND REDUCE POVERTY IN FORESTLANDS,"

House Bill No. 3146, introduced by Representative Ignacio T. Arroyo, entitled:

"AN ACT PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT,"

House Bill No. 3249, introduced by Representatives Angelo B. Palmones, Erico B. Aumentado and Victor J. Yu, entitled:

"AN ACT FOR THE PROTECTION AND SUSTAINABLE MANAGEMENT OF FOREST ECOSYSTEMS TO ENHANCE FOREST ECOSYSTEMS SERVICES, MITIGATE AND ADAPT TO ANTICIPATED CLIMATE CHANGE IMPACTS AND REDUCE POVERTY IN FORESTLANDS,"

House Bill No. 3462, introduced by Representative Jesus "Boying" F. Celeste, entitled:

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

House Bill No. 3485, introduced by Representative Teddy Brawner Baguilat, Jr., entitled:

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

House Bill No. 3596, introduced by Representative Mel Senen S. Sarmiento, entitled:

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

House Bill No. 3602, introduced by Representatives Diosdado M. Arroyo and Gloria M. Macapagal-Arroyo, entitled:

"AN ACT TO CONSERVE AND PROTECT PHILIPPINE PUBLIC FORESTS, MANGROVES AND WILDLIFE THROUGH A COMPREHENSIVE ENVIRONMENTAL PROGRAM OF RENEWAL, REPLANTING AND REFORESTATION, AND FOR OTHER PURPOSES,"

House Bill No. 3638, introduced by Representative Arthur R. Defensor, Jr., entitled:

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

100 5485
have considered the same and recommend that House Bill No. _____, entitled:

**"AN ACT PROVIDING FOR THE PROTECTION, REHABILITATION, AND
SUSTAINABLE MANAGEMENT OF FOREST ECOSYSTEM AND FOR
OTHER PURPOSES"**

be approved, in substitution of House Bill Nos. 45, 84, 487, 845, 2176, 3103, 3146, 3249, 3462, 3485, 3596, 3602 and 3638, with Representatives Rodriguez (R.), Rodriguez (M.), Jr., Yap (S.), Angara, Palmones, Fernandez, Arroyo (I.), Celeste, Baguilat, Jr., Sarmiento (M.), Arroyo (D.), Macapagal-Arroyo (G.), Defensor, Calimbas-Villarosa, Teodoro, Aumentado, Gullas, Evardone, Kho (A.), Alcala, Ortega, Sarmiento (C.), Co, Abayon, Batocabe, Garbin, Mendoza (R.), Yu, San Luis, Bag-Ao, Hataman-Salliman, Vergara, Casiño, Dalog, Matugas, Ramos, Unabia, Gonzalez (F), Duavit, Catamco, Abad, Ungab, Bernos, Dy, Miraflores, Sacdalan, Valencia, Lopus, Sema, Garcia-Albano, Barzaga, Collantes, Javier, Panotes, Del Rosario, Bulut-Begtang, Paras, Roman, Pichay, Abaya and Mandanas as authors thereof.

Respectfully submitted,



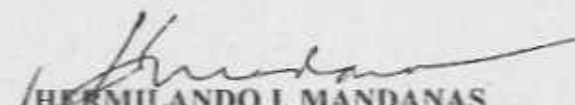
VICTOR J. YU
Chairman

Special Committee on Reforestation

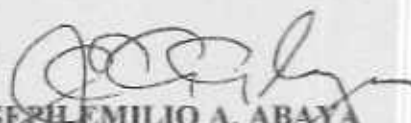


FRANCISCO LALO T. MATUGAS
Chairman

Committee on Natural Resources



HERMILANDO L. MANDANAS
Chairman
Committee on Ways and Means



JOSE EMILIO A. ABAYA
Chairman
Committee on Appropriations

THE HONORABLE SPEAKER
House of Representatives
Quezon City

FACT SHEET

House Bill Nos. 45, 84, 487, 845, 2176, 3103, 3146, 3249,
3462, 3485, 3596, 3602, and 3638
(As Approved on 17 November 2010)

SUSTAINABLE FOREST MANAGEMENT ACT OF 2011

Introduced by: Representatives Rodriguez (R.), Rodriguez (M.), Jr., Yap (S.), Angara, Palmones, Fernandez, Arroyo (I.), Celeste, Baguilat, Jr., Sarmiento (M.), Arroyo (D.), Macapagal-Arroyo (G.), Defensor, Calimbas-Villarosa, Teodoro, Aumentado, Gullas, Evardone, Kho (A.), Alcala, Ortega, Sarmiento (C.), Co, Abayon, Batocabe, Garbin, Mendoza (R.), Yu, San Luis, Bag-Ao, Hataman-Salliman, Vergara, Casiño, Dalog, Matugas, Ramos, Unabia, Gonzalez (F), Duavit, Catamco, Abad, Ungab, Bernos, Dy, Miraflores, Saccalan, Valencia, Lapus, Sema, Garcia-Albano, Barzaga, Collantes, Javier, Panotes, Del Rosario, Bulut-Begtang, Paras, Roman, Pichay, Abaya and Mandanas

Committee Referral:	Natural Resources (Primary)
Committee Chairperson:	Rep. Francisco T. Matugas
Committee Referral:	Reforestation (Secondary)
Committee Chairperson:	Rep. Victor J. Yu

OBJECTIVE:

To provide the policy direction in the formulation of strategies and programs for the protection and sustainable management of forest lands to enhance forest ecosystems services.

KEY PROVISIONS:

- Adopts the Sustainable Forest Ecosystems Management (SFEM) strategy as the overarching policy framework for all plans and programs in the forestry sector
- Identifies the river basins and component watersheds as basic planning units in forest resource management
- Recognizes the administrative jurisdiction of the Local Government Unit (LGU) and owners of the ancestral domain as the basic management unit in forestry
- Acknowledges the need to empower the local communities and indigenous people, supported by multi-sector participation as the principal strategy
- Prioritizes the protection and rehabilitation of forest ecosystems
- Identifies as priority objectives the regeneration and/or restoration of natural forests through tree planting of indigenous species to expand forest cover
- Underscores good governance as a necessary condition for effective, efficient, and sustainable forest ecosystems management, development, and conservation
- Identifies the following prohibited acts: a) harvesting of timber without authority, b) use of illegally cut timber in government projects, c) damage to residual trees during harvesting, d) grazing of livestock on forestlands, e) unlawful occupation of forestlands, f) illegal conversion of municipal parks, communal forests and tree parks, g) falsification

of reports, inventory scaling and forest survey, h) unlawful operation of sawmills, i) unlawful possession of devices used by forest officers, j) unauthorized introduction of logging tools and equipment inside forestlands, k) non-payment/non-remittance of forest charges

- Provides for appointment of professional foresters in the government service

RELATED LAWS:

- Presidential Decree Nos. 705, 1153, 1515, 1559, and 1775
- Act No. 3915
- Republic Act Nos. 460 and 7161
- Letter of Instruction No. 818
- Executive Order Nos. 277 and 278, Series of 1987
- Executive Order No. 725, Series of 1981
- Executive Order No. 318, Series of 2008 (Promoting Sustainable Forest Management in the Philippines)

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
QUEZON CITY

FIFTEENTH CONGRESS
SECOND REGULAR SESSION

House Bill No.

5485

(Substitute to HB Nos. 45, 84, 487, 845, 2176, 3103, 3146, 3249, 3462, 3485, 3596, 3602
and 3638)

Introduced by Representatives Rufus B. Rodriguez, Maximo B. Rodriguez, Jr., Susan A. Yap, Juan Edgardo M. Angara, Angelo B. Palmones, Danilo Ramon S. Fernandez, Ignacio T. Arroyo, Jesus F. Celeste, Teddy Brawner Baguilat, Jr., Mel Senen S. Sarmiento, Diosdado M. Arroyo, Gloria M. Macapagal-Arroyo, Arthur R. Defensor, Jr., Ma. Amelita A. Calimbas-Villarosa, Marcelino R. Teodoro, Erico B. Aumentado, Eduardo R. Gullas, Ben P. Evardone, Antonio T. Kho, Irvin M. Alcala, Francis Emmanuel R. Ortega, Cesar V. Sarmiento, Christopher S. Co, Daryl Grace J. Abayon, Rodel M. Batocabe, Alfredo Garbin, Jr., Victor J. Yu, Edgar S. San Luis, Kaka J. Bag-Ao, Jim Hataman-Salliman, Bernardo M. Vergara, Teddy A. Casiño, Maximo B. Dalog, Francisco T. Matugas, Deogracias B. Ramos, Jr., Peter M. Unabia, Fernando V. Gonzalez, Joel Roy Duavit, Nancy A. Catamco, Henedina R. Abad, Isidro T. Ungab, Maria Jocelyn V. Bernos, Napoleon S. Dy, Florencio T. Miraflores, Jesus N. Sacdalan, Rodolfo G. Valencia, Jeci A. Lopus, Bai Sandra A. Sema, Mylene J. Garcia-Albano, Elpidio F. Barzaga, Jr., Sonny P. Collantes, Paolo S. Javier, Elmer E. Panotes, Antonio A. Del Rosario, Eleanor C. Bulut-Begtang, Jesus Emmanuel M. Paras, Herminia B. Roman, Philip A. Pichay, Joseph Emilio Aguinaldo Abaya, and Hermilando I. Mandanas

AN ACT PROVIDING FOR THE PROTECTION, REHABILITATION, AND
SUSTAINABLE MANAGEMENT OF FOREST ECOSYSTEM AND FOR
OTHER PURPOSES

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

CHAPTER I
BASIC FORESTRY POLICIES

SECTION 1. *Short Title.* This Act shall be known as the "*Sustainable Forest
Management Act of 2011.*"

SEC. 2. *Basic Policy.* Pursuant to the provisions of the Constitution to promote the general welfare and social justice in all phases of national development, 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 forest ecosystem and the resources therein:

(a) *Permanency of Forest Land.* The specific limits of forest lands shall be fixed, delineated and demarcated on the ground and thereafter, shall not be altered except through an Act of Congress.

(b) *Forest Resources to Promote the Common Good.* The use and conservation of forest lands and the resources therein shall bear social, ecological, biological and economic functions, responsibility, and accountability to promote the common good of the present and future generations;

(c) *Climate Change Mitigation or Adaptation.* The mitigation of or adaptation to climate change shall be vital components in the conservation, management, protection and development of forest lands and natural resources;

(d) *Good Governance.* Good governance shall be practiced in the management, conservation, protection, and development of forest lands and the resources therein.

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

i. *Categorization of Forest Lands.* Forest lands shall be categorized as protection or production forest lands in order to guide managers on the intent of development and to obtain the most beneficial use for common good.

ii. *Watershed as the Basic Forest Land Management Unit.* Protection and production forest lands shall be partitioned and planned into forest management units based on natural topographic and hydrologic boundaries and shall consider the watershed continuum approach which adopts a holistic

- 1 inter-relationship between the upstream and downstream areas in order to
 - 2 carry-out efficiently the rational ecological treatment of the entire landscape
 - 3 from the mountain down to the coast.
-
- 4 iii. *Community-Based Forest Management (CBFM) Founded on Empowerment of*
 - 5 *Local Communities and Indigenous People with Multi-Sectoral Participation*
 - 6 *and Support.* Vesting access rights and responsibilities to forest-dependent
 - 7 local communities and indigenous peoples to undertake sustainable
 - 8 conservation, protection, management, and development of forest ecosystems
 - 9 shall have precedence over other strategies. CBFM shall have the support of
 - 10 Department, the National Commission on Indigenous Peoples (NCIP) and the
 - 11 LGUs. The participation of the private and other sectors in the CBFM shall be
 - 12 encouraged and promoted in conformity with pertinent regulations;
-
- 13 iv. *Protection and Rehabilitation of Forest Ecosystem as Priority Concerns.* The
 - 14 protection of forest ecosystem, as well as rehabilitation through reforestation
 - 15 and afforestation of the degraded forest ecosystem, shall be given priority to
 - 16 mitigate climate change, improve and conserve biodiversity, enhance
 - 17 ecosystem functions and services, and provide long-term economic benefits,
-
- 18 v. *Recognition of the Indigenous Peoples' Sustainable Forest Management*
 - 19 *Practices.* The management of forest lands in ancestral lands and domains
 - 20 shall recognize and promote the sustainable forest management practices of
 - 21 the indigenous people;
-
- 22 vi. *Security of Tenure of Stakeholders.* Pursuant to the principles of sustainable
 - 23 and multi-use forest management and equitable access to forest resources, a
 - 24 secured tenure shall be guaranteed to stakeholders concerned;
-
- 25 vii. *Investment and Public-Private Partnership.* Investments and public-private
 - 26 partnership shall be harnessed through favorable incentives that promote the
 - 27 acceleration of the conservation and development of the forest lands and the
 - 28 resources therein; and

1. viii. *Professionalism in Forest Service.* A dynamic professional and people-
2 oriented forest service shall be established and fully supported by the
3 government.

4 SEC. 3. *Scope and Coverage.* The provisions of this Act shall apply to all
5 forest lands and forest resources found therein: *Provided,* That all forests and forest
6 resources found in protected areas established under the National Integrated Protected
7 Areas System (NIPAS) shall be sustainably managed and developed following the
8 provisions of Republic Act No. 7586 or the NIPAS Act of 1992: *Provided further,*
9 That the rights of indigenous cultural communities or indigenous peoples to their
10 ancestral lands and domains shall be respected, and all such lands within ancestral
11 domains and ancestral land claims shall be managed and developed in accordance
12 with this Act and the provisions of RA No. 8371 or the Indigenous Peoples Rights
13 Act (IPRA) of 1997.

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

18 SEC. 4. *Definition of Terms.* As used in this Act, the term:

- 19 (a) *Adaptation* shall refer to the adjustment in natural or human systems in response to
20 actual or expected climatic stimuli or their effects, which moderates harm or
21 exploits beneficial opportunities.
- 22 (b) *Afforestation* shall refer to the planting of trees or the artificial establishment of
23 forest in areas that were not previously forested.
- 24 (c) *Agro-forestry* shall refer to a strategy for the sustainable management of lands
25 which increases their overall productivity by properly combining agricultural
26 crops and/or livestock with forest crops simultaneously or sequentially through the
27 application of management practices which are compatible with the local climate,

1 topography, slope, soil, as well as the cultural patterns or customary laws of the
2 local population.

3 (d) *Ancestral Domain* shall refer to all areas generally belonging to indigenous cultural
4 communities or indigenous peoples (ICCs/ IPs) as defined in RA No. 8371.

5 (e) *Ancestral Lands* shall refer to lands occupied, possessed and utilized by members
6 of the ICCs/IPs as defined in RA 8371.

7 (f) *Biological Diversity or Biodiversity* shall refer to the variability among living
8 organisms including, *inter alia*, terrestrial, marine and other aquatic ecosystems
9 and the ecological complexes of which they are part. This includes diversity
10 within and between species and ecosystems.

11 (g) *Chain-of-Custody (CoC)* shall refer to the path that forest products take from the
12 forest to the consumer, including all manufacturing, transformation and
13 distribution links.

14 (h) *Climate Change* shall refer to a change in climate that can be identified by changes
15 in the mean and/or variability of its properties and that persists for an extended
16 period, typically decades or longer, whether due to natural variability or as a result
17 of human activity.

18 (i) *Communal Forest* shall refer to a tract of forestland set aside and established for
19 and under the protection, administration, and management of a city, municipality,
20 or barangay as a source of wood material for fuel, shelter, and manufactured
21 products, as source of water for the community, and as an area for ecotourism
22 and/or environmental protection or socio-economic projects of local government
23 units consistent with sustainable development.

24 (j) *Co-management* shall refer to the process of management in which government
25 shares power with resource users, with each given specific rights and
26 responsibilities relating to information and decision-making.

1
2 (k) *Conservation* shall refer to planned protection and management of forests and their resources so as to prevent waste and ensure future use.

3
4 (l) *Conveyance* shall refer to any vehicle, vessel, device or animal used in gathering or transporting forest products.

5
6
7
8
9 (m) *Co-production Agreement* shall refer to an agreement or contract, entered into by and between a qualified person and the government, for the former to develop, utilize and manage consistent with the principles of sustainable development, land or portion of forestland wherein both parties agree to provide inputs and share the products or equivalent cash value.

10
11
12 (n) *Criteria and Indicators* shall refer to the set of management tools to describe and assess a forest state or situation that should be met to comply with sustainable forest management.

13
14
15 (o) *Degraded Forests* shall refer to all forest lands containing less than five (5) square meters in basal area per hectare of all tree species with diameters at breast height or diameter above buttress of less than sixty-five (65) centimeters.

16
17
18 (p) *Delimitation* shall refer to the establishment of permanent boundaries between forest lands, national parks/protected areas and agricultural lands as a result of demarcation.

19
20
21
22 (q) *Delineation* shall refer to the establishment of boundaries between forest lands, 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.

23
24
25 (r) *Demarcation* shall refer to the establishment of boundaries using visible markers, monuments or known natural features/landmarks, among others, as result of the actual ground delineation.

- 1 (s) *Denuded Forest Lands* shall refer to forest lands that are devoid of forest tree
2 cover.
- 3 (t) *Department* shall refer to the Department of Environment and Natural Resources
- 4 (u) *Downstream Forest-based Industry* shall refer to any industry other than the
5 primary processing plants that uses timber or other forest products as its raw
6 materials or inputs to produce higher value added forest products like furnitures,
7 handicrafts and the like.
- 8 (v) *Ecosystem* shall refer to living communities, the environment they live in, and their
9 interactions.
- 10 (w) *Ecotourism* shall refer to a nature-based activity managed by the local community
11 with government support whose primary goals are conservation and enhancement
12 of natural resources while providing economic benefits to the local community
13 without endangering the socio-cultural practices of its people.
- 14 (x) *Environmental Impact Assessment (EIA)* shall refer to the process of predicting
15 the likely environmental consequences of implementing a project or undertaking
16 and designing the appropriate preventive, mitigating, or enhancement measures.
- 17 (y) *Environmental Impact Statement (EIS) System* shall refer to the organization,
18 administration, and procedures that have been institutionalized pursuant to
19 Presidential Decree No. 1586 for purposes of assessing the significance of the
20 effects of any project or undertaking on the quality of the physical, biological, and
21 social-economic environment and designing the appropriate mitigating and
22 enhancement measures.
- 23 (z) *Expropriation* shall refer to the act of buying back by the State when public interest
24 so requires, of forest areas under private or non-state ownership, subject to just
25 compensation.

1 (aa) *Forest* shall refer to an ecosystem or an assemblage of ecosystems dominated by
2 trees and other woody vegetation, a community of plants and animals interacting
3 with one another and its physical environment. A forest may be natural or
4 established by man as in plantation.

5 (bb) *Forest Auditing* shall refer to the systematic, documented verification process of
6 objectively obtaining and evaluating audit evidence to determine whether
7 specified activities, events, conditions, management systems, or information
8 conform with SFEM principles, criteria, and indicators.

9 (cc) *Forest Certification* shall refer to the Department system of certifying forest
10 management units (FMU) as fully satisfying the forest certification standards
11 consisting of the SFEM principles, criteria, and indicators based on third-party
12 initial forest auditing leading to the award of a forest certificate to the FMU and
13 subsequent annual forest audit to assess the maintenance of the forest certificate.

14 (dd) *Forest Charges* shall refer to the levy imposed and collected by the government
15 on naturally growing timber and other forest products cut, harvested, or gathered
16 from the forest lands and from Alienable and Disposable (A&D) lands.

17 (ee) *Forest-Based Industries* shall refer to various industries that are dependent on raw
18 materials or products derived from forests such as, but not limited to, wood, rattan,
19 bamboo, vines, latex, resins, saps, essences, fruits, flowers, or wild flora and fauna.

20 (ff) *Forest Ecosystem* shall refer to a dynamic complex of plant, animal and
21 microorganism communities and their abiotic environment interacting as a
22 functional unit where trees are a key component system. Humans, with their
23 cultural, economic and environmental needs are integrated therein.

24 (gg) *Forest Ecosystem Goods and Services* shall refer to goods and services provided
25 by a forest ecosystem including provisioning services (such as food, fresh water,
26 bio-chemicals, wood, fiber, fodder, and energy), supporting natural processes (such
27 as biodiversity maintenance, pollination, soil formation and nutrient cycling, water
28 infiltration, production of atmospheric oxygen, and enhancement of microclimate),

1 regulating environmental processes (such as water flow regime and soil erosion
 2 regulation, carbon and climate regulation, natural hazards protection, air quality
 3 regulation, and pest and disease regulation), and sustaining cultures (such as
 4 cultural identity and integrity, spiritual values, aesthetic and recreational values,
 5 ecotourism and local knowledge systems).

6
 7 (hh) *Forest Lands* shall refer to lands of the public domain that have been classified as
 8 such and all unclassified lands of the public domain. This excludes national parks,
 9 mineral lands and agricultural lands.

10 (ii) *Forest Line* shall refer to the boundary on the ground between the forest lands and
 11 other lands of the public domain.

12 (jj) *Forest Management Unit* (FMU) shall refer to a clearly defined forest area,
 13 managed under a set of objectives and according to a long-term management plan.

14 (kk) *Forest Officer* shall refer to any public officer who by the nature of the
 15 appointment or the functions of the position to which one is appointed is vested by
 16 law and regulations or commissioned by competent authorities to execute,
 17 implement or enforce the provisions of this Act and other related laws and
 18 regulations.

19 (ll) *Forest Plantation or Plantation Forest* shall refer to a forest stand established by
 20 planting and/or seeding in the process of afforestation and reforestation. The stand
 21 is either of introduced species, or indigenous species, or their combination.

22 (mm) *Forest Products* shall refer to goods derived from the forest such as but not
 23 limited to timber, lumber, veneer, plywood, fiberboard, pulpwood, firewood, bark,
 24 tree top, resin gum, wood oil, honey, beeswax, nipa, rattan, or other forest growth
 25 such as grass, shrub, and flowering plant, the associated water, fish, and game,
 26 scenic, historical, and educational.

27 (nn) *Forest Resources* shall refer to all resources whether biomass, such as plants and
 28 animals including its by- products and derivatives which can be raw material assets

1 that can produce more value-added products, or non-biomass such as soil, water,
2 scenery, as well as the intangible services and values present in forest lands or in
3 other lands devoted for forest purposes

4 (oo) *Grazing Land* shall refer to a portion of the public domain which has been set
5 aside, in view of the suitability of its topography and vegetation, for the raising of
6 livestock.

7 (pp) *Indicator* shall refer to a quantitative, qualitative or descriptive attribute that, when
8 periodically measured or monitored, indicates the direction of change of sustainable
9 forest management.

10 (qq) *Indigenous Peoples (IP)* shall refer to a group of people or tribe of indigenous
11 Filipinos as defined or described under the Indigenous Peoples Rights Act (RA
12 8371).

13 (rr) *Industrial Forest Plantation* shall refer to any tract of land planted mainly to
14 timber-producing species including rubber and/or non-timber species such as
15 rattan, bamboo and palm, primarily to supply the raw material requirements of
16 wood or related processing plants.

17 (ss) *Joint Venture Agreement* shall refer to an agreement or contract, as specified on
18 the Constitution, where a company is established by the contractor and the
19 government with both parties having equity shares and sharing in equity earnings.

20 (tt) *Kaingin* shall refer to forest lands which has been subjected to unsustainable
21 shifting and/or slash-and-burn cultivation.

22 (uu) *Managed Forest* shall refer to a forestland under a deliberate system of
23 protection, rehabilitation, and development, which include utilization of resources,
24 to ensure the continuous production of desired forest products and/or services and
25 the conservation of soil, water, wildlife, and other natural resources therein.

- 1 (vv) *Mitigation* in the context of climate change, shall refer to human intervention to
2 address anthropogenic emissions by sources and removals by sinks of all Green
3 House Gases (GHGs), including ozone depleting substances and their substitutes.
- 4 (ww) *Multiple-use* shall refer to the harmonized utilization of land, soil, water, wildlife,
5 recreation value, grass and timber of forest lands.
- 6 (xx) *National Park* shall refer to the land of public domain classified as such in the
7 1987 Philippine Constitution which includes all areas under the National
8 Integrated Protected Areas System (NIPAS) pursuant to RA 7586, primarily set
9 aside and designated for the conservation of native plants and animals, their
10 associated habitats and cultural diversity.
- 11 (yy) *Natural Forest* shall refer to forests composed of indigenous trees not planted by
12 man, whose structure, functions, and dynamics have been largely the result of
13 natural succession processes.
- 14 (zz) *Non-Timber Forest Products* shall refer to all biological materials and derivatives
15 other than timber, which are extracted from forests for human use.
- 16 (aaa) *Old growth forest* shall refer to forest which have never been subject to human
17 disturbance or has been so little affected by hunting, gathering and tree cutting
18 that its natural structure, function and dynamics have not undergone any changes
19 that exceed the elastic capacity of the ecosystem.
- 20 (bbb) *Permit* shall refer to a short-term privilege or authority granted by the State to a
21 person to utilize any limited forest resource or undertake a limited activity within
22 any forest land without any right of occupation and possession therein.
- 23 (ccc) *Person* shall refer to a natural as well as juridical person, including local forest-
24 based communities or indigenous peoples organized in accordance with law or
25 custom.

1 (ddd) **Production Sharing Agreement** shall refer to an agreement in accord with the
2 Constitution wherein the government grants the contractor the exclusive right to
3 conduct development and utilization activities within a specified area of the forest
4 lands and it (the government) shares in the production whether in kind or in value
5 as owner of forest lands and/or product therein. The contractor provides all the
6 necessary financing, technology, management and personnel.

7 (eee) **Protected Area** shall refer to the identified portions of land and water set aside by
8 reasons of their unique physical and biological significance, managed to enhance
9 biological diversity and protected against destructive human exploitation.

10 (fff) **Protection** shall refer to the act or activities of shielding from injury or destruction
11 as to maintain the state of health and integrity of the forestland and its resources.

12 (ggg) **REDD Plus** shall refer to a broad range of actions to reduce emissions from
13 deforestation and forest degradation (REDD), including the conservation of
14 carbons stocks, sustainable management of forests and enhancement of forest
15 carbon stocks.

16 (hhh) **Reforestation** shall refer to the planting of trees or artificial establishment of
17 forests in areas that were previously forested.

18 (iii) **Rehabilitation** shall refer to the reforestation and afforestation activities including
19 mechanical measures such as contouring and terracing.

20 (jjj) **Residual or Second Growth Forest** shall refer to a forest, subsequent to the
21 cutting or harvesting the then old growth forest, and which there is more or less
22 adequate volume of the desired species of trees for development, management and
23 future harvest.

24 (kkk) **Restoration** shall refer to the bringing back of the forestland to its original state in
25 terms of species composition, structure, function and productivity.

26 (lll) **Restoration zones** shall refer to the area where restoration activities are conducted

- 1 and where the original vegetation shall be restored.
- 2 (mmm) *River Basin* shall refer to the portion of land drained by a river and its
3 tributaries, encompassing the entire land surface dissected and drained by many
4 streams and creeks that flow downhill into one another, and eventually into one
5 river, the final destination of which is an estuary or an ocean.
- 6 (nnn) *Secretary* shall refer to the Secretary of the Department of Environment and
7 Natural Resources (DENR).
- 8 (ooo) *Selection System* shall refer to the systematic removal of mature, over-mature and
9 defective trees in such a manner that leave adequate number and volume of
10 healthy residual tress of desired species necessary to assure future crop of timber
11 and forest cover for the protection and conservation of soil, water, and wildlife.
- 12 (ppp) *Silvicultural Practices* shall refer to any action by man to further improve or
13 enhance the stand growth as a whole or of the single tree for future use such as,
14 but not limited to, assisted natural regeneration and tree surgery.
- 15 (qqq) *Sustainable Development* shall refer to the meeting of the needs of the present
16 generation without compromising the ability of the future generations to meet
17 their own needs.
- 18 (rrr) *Sustainable Forest Ecosystem Management (SFEM) or Sustainable Forest*
19 *Management (SFM)* shall refer to the process of ecosystem-based management of
20 forest to achieve one or more clearly specified objectives of management with
21 regard to production of continuous flow of desired forest products and
22 environmental services without undue reduction of its inherent values and future
23 productivity and without undesirable effects on the physical and social
24 environment.
- 25 (sss) *Tenure* shall refer to a privilege given by Department to a qualified person or
26 juridical entity to manage and utilize forest lands and the resources found therein,
27 in accordance with the modalities prescribed in the Philippine Constitution.

- 1 (iii) *Urban Forestry* shall refer to the establishment and management of forest in
2 urban environment for the physiological and psychological well being of the
3 people.
- 4 (uuu) *Upper River Basin* (URB) shall refer to the portion of a major river basin that
5 extends from the ridge dividing it from other basins down to a point where the
6 gradient of the river has decreased to less than about 8%, the gradient below the
7 level at which erosion becomes deposition, which generally has several tributaries,
8 and whose catchments are referred to as watersheds.
- 9 (vvv) *Uplands* shall refer to land areas located on slopes of more than 18%.
- 10 (www) *Vulnerability Assessment* shall refer to an analysis of the relationship between
11 natural and anthropogenic hazards and river basins and watershed. It identifies the
12 strength and weaknesses of the recipient subject in relation to the identified
13 hazard.
- 14 (xxx) *Vulnerable Areas* shall refer to areas in danger of being adversely affected by
15 gradual or sudden changes in climate, including the physical and biological
16 components as well as the socio-economic status of communities therein.
- 17 (yyy) *Watershed* shall refer to a land area drained by a stream or fixed body of water
18 and its tributaries having a common outlet for surface runoff.
- 19 (zzz) *Watershed Continuum* shall refer to an area consisting of the watershed and its
20 divide including its connection from the headwaters to the reef;
- 21 (aaaa) *Watershed Ecosystems Management (WEM) or Watershed Continuum*
22 *Management (WCM)* shall refer to a management system that shall provide the
23 optimum social, cultural, economic, and environmental benefits to the greatest
24 number of people particularly those living in, adjacent to, or downstream of,
25 individual watershed areas, while maintaining the biological and cultural heritage
26 of the country. It is based on the following guiding principles: ecological

sustainability, social and cultural sustainability, economic sustainability and institutional sustainability;

(bbbb) *Wildlife* shall refer to wild forms and varieties of flora and fauna in all developmental stages.

(cccc) *Wood-based Industries* shall refer to various industries that use wood as the principal raw material including but not limited to sawmilling, veneer and plywood and wood bound manufacturing and pulp and paper making as well as furniture and secondary processed wood products manufacturing.

CHAPTER II FOREST LANDS

SEC. 5. *Permanent Forest Lands*. All lands of the public domain classified as forest lands by the Department including the remaining unclassified lands, shall comprise and be maintained as permanent forest lands of the country. The reclassification of forest lands and/or any changes in the forest lines shall require an Act of Congress.

SEC. 6. *Establishment of Forest Lines*. Within two years upon the effectivity of this Act, the Department shall undertake the actual ground survey and verification of the limits of the permanent forest lands using as basis all existing Land Classification (LC) maps, the latest forest cover data of the National Mapping and Resource Information Authority (NAMRIA) from its satellite imagery interpretations, and other available and reliable sources of information.

Within five years upon the effectivity of this Act, forest boundaries of the forest lands shall be demarcated and clearly marked on the ground by concrete monuments at certain fixed distances, visible cut lines, sign boards, and uniformly-spaced distinctive trees maintained at all times between the concrete monuments.

1 Upon approval of this Act, the Congress shall provide funds to the Department
2 to carry-out the establishment of the forest lines.

3 Records pertaining to the specific limits of forest lands shall be made available
4 to the public upon request. Moreover, the Department shall furnish all provincial,
5 municipal and city government copies of the maps of permanent forest lands located
6 within their respective territorial jurisdictions.

7
8 **SEC. 7. Sub-Classification of Forest Lands.** The forest lands shall be sub-
9 classified into the following categories according to primary use:

10
11 **(a) Protection forest lands** shall consist of all mossy and old-growth forests,
12 freshwater, swamps, and marshes, all areas along the bank of rivers and streams,
13 and the shores of the seas and lakes throughout their entire length and within a
14 zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas,
15 and forty (40) meters in forest areas, along their margins which are subject to the
16 easement of public use in the interest of recreation, navigation, floatage, fishing
17 and salvage shall also be sub-classified as protection forest lands. All extractive
18 activities such as, but not limited to, logging and mining are banned in protection
19 forest lands: *Provided*, That the provisions of the IPRA shall be respected:
20 *Provided further*, That restoration zones shall be designated in areas surrounding
21 or adjacent to protection forest lands and, thereafter, shall become part of
22 protection forest lands.

23
24 **(b) Production forest lands** shall be all forest lands not sub-classified as
25 protection forest lands as defined in this Section, and shall be devoted to the
26 production of timber and/or non-forest products or the establishment of industrial
27 tree plantations, tree farms, communal forests, agro-forestry, grazing, or as
28 multiple-use forests including water-based energy areas such as but not limited to
29 hydro and geothermal power generation areas: *Provided*, That, together with
30 pockets of areas referred to in (a) of this Section, if present, production forest
31 lands shall be managed and developed as part of forest management units (FMUs)
32 in accordance with the Department-approved management plans based on
33 sustainable forest management. *Provided further*: That ancestral domains located

1 within production forest lands shall be governed by IPRA law.

2

3

4

CHAPTER III

5

ADMINISTRATION AND PLANNING FOR SUSTAINABLE MANAGEMENT OF FOREST LANDS

6

7

8

SEC. 8. *Jurisdiction and Control of Forest Lands and Forest Resources.*

9 The Department shall be the primary agency responsible for the conservation,
10 management, development and utilization of all forest lands and the unclassified lands
11 of the public domain including all the resources found therein. In coordination with
12 LGUs and other government agencies, the Department shall ensure that forest lands
13 and unclassified lands of the public domain are managed, conserved, developed,
14 utilized, and protected consistent with the policies and strategies promulgated in this
15 Act. The utilization and development of forest lands and unclassified lands of the
16 public domain including the natural resources therein shall be undertaken in
17 accordance with Department-approved management plans: *Provided, That*
18 management plans for protected areas shall be prepared in accordance with the
19 provisions of the NIPAS Act.

20

SEC. 9. *Partitioning of Forest Lands into Forest Management Units (FMU).*

21 For the purpose of assigning respective areas of operations and management of forest
22 lands, these shall be partitioned into Forest Management Units based on LGU
23 jurisdiction and ancestral domain found therein: *Provided, That* in case of any
24 unresolved boundary conflicts between or among adjoining LGUs, the Department
25 shall define the FMU boundaries along the areas of conflict: *Provided further, That*
26 each existing area covered by an approved tenure instrument shall be considered as a
27 Forest Management Unit.

28

29

SEC. 10. *Tenure Instruments.* The assignment of open-access/untenured

30

FMU-level management to LGUs and other stakeholders shall be determined by
31 Department in accordance with appropriate rules and regulations: *Provided, That*
32 existing and valid tenure instruments shall continue under their terms and conditions.

33

1 SEC. 11. *Forest Lands Under Management of other Agencies.* Forest lands
2 or portions thereof which have been placed by law under the administration and
3 management of other government agencies or private power/water utilities service
4 providers, shall be included in the partitioning of forest lands into appropriate
5 categories consistent with the purpose of the assigned forest lands as provided for in
6 Section 7 of this Act, and shall remain under the administration and management of
7 the agency or utilities service provider concerned: *Provided,* That the Department
8 shall exercise oversight power over FMU planning, management, utilization and
9 assessment of all forest resources in these areas. All such agencies or service
10 providers shall be guided by the CBFM strategy as described in Section 2 of this Act,
11 and shall be encouraged and supported by the Department.

12
13 SEC. 12. *Private Sector Participation in Management of Forest Lands.*
14 Private sector participation in management of forest lands shall be encouraged. The
15 Department shall identify and set aside suitable forest areas for private sector
16 development and management and, together with the Board of Investment, shall
17 formulate and provide a set of incentives to the private sector for this purpose. Private
18 sector participation shall be undertaken through joint venture, production sharing
19 agreement, or co-production with concerned FMU management. All forest lands
20 currently held by the private sector shall continue to be sustainably managed by such
21 private sector under the terms and conditions of their existing tenure instruments,
22 subject to the forest certification system described in Section 36 of this Act.

23
24 SEC. 13. *Forestry Planning System.* The Department shall institute and
25 oversee the implementation of a forestry planning system consisting of the following
26 hierarchy of plans, which shall be regularly updated:

- 27
28 (a) *Forestry Master Plan.* The Master Plan shall include a multi-faceted analysis of
29 the forestry sector, its strengths, weaknesses, opportunities, and threats, including
30 vulnerabilities and threats resulting from climate change; set long-term goals and
31 medium-term objectives, formulate programs to guide the long-term development
32 of the forestry sector and attainment of medium-term targets, and specify the
33 requirements for the implementation of the development programs. The Master
34 Plan shall be prepared by the Department in collaboration with other stakeholders

1 and submitted to the President of the Philippines through the National Economic
2 and Development Authority (NEDA) for approval. The Master Plan shall be
3 reviewed every five years to be attuned with current and emerging issues and
4 development.

5
6 (b) *River Basin Master Plans.* River Basin Master Plans shall be in accord with the
7 Master Plan for the Forestry Sector and shall focus on enhancing the delivery of
8 various forest ecosystems services in the river basin, with emphasis on: (i)
9 enhancing forest ecosystems adaptation to and mitigation of climate change, (ii)
10 ecosystem-based adaptation that implements a range of strategies for the
11 management, conservation and restoration of forest ecosystems to provide services
12 that enable people to adapt to the impacts of climate change, and (iii) provision of
13 multiple co-benefits, such as conservation of biodiversity, enhancement of carbon
14 stocks for mitigating climate change, supplying of water and various economic
15 products, and generation of livelihood and income for local communities, by means
16 of ecosystem-based adaptation measures. The River Basin Master Plans shall be
17 prepared every five years by the concerned Regional Office(s) of the Department in
18 collaboration with the Regional Development Councils and other stakeholders and
19 submitted to the Department Secretary for approval.

20
21 (c) *FMU Management Plans.* As co-managers of the FMU, LGUs, or the private
22 sector and other stakeholders concerned, following a Department-prescribed
23 template, shall be responsible in preparing a five-year FMU Management Plan
24 under the supervision of accredited registered private forester(s) and in accord with
25 the River Basin Master Plan for approval of the concerned Department regional
26 office.

27
28 (d) *Annual Operations Plans.* To facilitate implementation of the FMU Management
29 Plan, a detailed annual operations plan in accord with the FMU management plan
30 shall be prepared by the FMU concerned under the supervision of accredited
31 registered private forester(s). The FMU management and operations plans shall
32 conform to the Department's Criteria and Indicators for sustainable forest
33 ecosystem management.

1
2
3 CHAPTER IV
4 SUSTAINABLE FOREST ECOSYSTEM MANAGEMENT
5 PROGRAMS AND OPERATIONS
6

7 SEC. 14. *Assigning the Implementation of National or Local Forestry*
8 *Programs to CBFM.* All national and local programs, their component projects and
9 the operationalization of plans related to the management, development, protection,
10 and conservation of forest ecosystems shall be implemented according to the CBFM
11 approach as described in this Act. A memorandum of agreement shall be entered into
12 by all concerned FMUs which shall stipulate the resources allocated for such program
13 or project and the benefit-sharing arrangements between FMU operators and project
14 proponents. These programs or projects shall include forest restoration, reforestation
15 and afforestation, industrial tree plantations, agro-forestry, biomass energy
16 production, Non-Timber Forest Products (NTFP) development, Payment for
17 Ecosystems Services (PES), and Reduced Emission from Deforestation and Forest
18 Degradation (REDD Plus).
19

20 SEC. 15. *Carbon Sequestration and Storage.* As part of climate change
21 mitigation and adaptation measures and to enhance ecosystems services, carbon
22 sequestration and storage shall be included in the Forestry Master Plan, River Basin
23 Master Plans, Management Framework Plans, FMU Management Plans, and Annual
24 Operations Plans. The Department shall provide support to FMU managers in
25 implementing operations that increase carbon sequestration and storage such as
26 Payment for Environmental Services (PES), as well as the applicable financing made
27 available for the purpose. Payment for Environmental Services, REDD Plus, and other
28 sources shall be accessed to provide financing for carbon sequestration and storage
29 activities of FMU operators. The Department, in collaboration with the Climate
30 Change Commission, shall formulate the regulations governing carbon trading.
31

32 SEC. 16. *Ecotourism.* FMU management shall enhance and conserve the
33 ecotourism values found in forest lands. Timber harvesting for whatever purposes,
34 commercial-scale collection of non-timber forest products, farming, grazing,

1 aquaculture, and infrastructure development shall be prohibited in Ecotourism Zones
2 of the FMU, except as part of the tourism development program of the FMU and as
3 indicated in the approved FMU Management Plan. Design and construction of
4 tourism infrastructures shall be in accord with enhancement of the natural
5 characteristics and/or attraction of the site.

6
7 SEC. 17. *Resources Management for Non-Timber Forest Products.* FMU
8 management for non-timber forest production shall be conducted in appropriate areas.
9 Harvesting of non-timber forest products shall be on sustainable basis, promote
10 productivity of the non-timber forest product resources, and minimize any disturbance
11 of the soil, water, and biodiversity resources of the site. Domestication of resource
12 bases of non-timber forest products shall be encouraged.

13
14 SECTION 18. *Silvicultural Systems.* Silvicultural systems that are appropriate
15 to the type of forest and other considerations shall be selected and applied in the
16 timber production zones. Regeneration of harvested natural forest stands shall be
17 based on natural regeneration processes and assisted natural regeneration. The
18 Department shall conduct a review of silvicultural systems including the forest
19 management practices of indigenous peoples and institute improvements that ensure
20 sustainability of timber management and increase in productivity. Clear-cutting shall
21 be allowed only in plantations, and any clear-cutting shall be followed immediately
22 by tree planting as well as maintenance of planted trees until they are fully
23 established.

24
25 SEC. 19. *Agro-forestry.* Agro-forestry shall be one of the key upland
26 development strategies to be used in developing forest areas occupied by upland
27 farmers.

28
29 SEC. 20. *Mangrove Development and Management.* Rehabilitation of
30 degraded mangrove forests through afforestation/reforestation/enrichment planting of
31 appropriate mangrove species shall be intensified. Fishery production in duly
32 designated Mangrove Production Zones shall promote productivity of fishery
33 resources and shall be accomplished without cutting the naturally growing
34 mangroves. Establishment of new mangrove plantations in tandem with fishpond

development (aqua-silviculture) may be allowed in Mangrove Production Zones provided that not more than 20% of areas to be developed shall be devoted to fishpond farming activities. The mangrove plantations established within the aqua-silviculture projects may be permitted to be selectively harvested for domestic purposes only on a sustainable basis as deemed appropriate and that the privilege to harvest shall be granted only to the private individual, group of individuals, or entity which established and developed the said plantations as previously authorized through an approved contract or agreement for the purpose: *Provided*, That harvesting shall be limited to mangroves that are part of the Timber Management Zones and Non-Timber Production Zones of the FMU as indicated in the approved FMU Management Plan: *Provided further*, That the cutting of mangrove trees and other associated plants within duly-designated Mangrove Protection Zones whether naturally growing or planted is strictly prohibited.

SEC. 21. *Mining in Forest Lands*. Mining shall not be allowed in protection forest lands as an imperative measure in enhancing the protection and conservation of various forest ecosystems services. In production forest lands, the consent of the tenure holder and Department approval shall be obtained: *Provided*, That mined-out areas shall be immediately rehabilitated.

SEC. 22. *Built-up Areas in Forest Lands*. Human settlements, roads and other infrastructure shall be designated built-up areas of the FMU.

SEC. 23. *Forest Protection*. Protection of forest lands against land-use conversion, illegal extraction of forest products, fire, pests and diseases, invasive species, chemicals, climate-induced causes, and other agents of forest destruction shall be included in the Forestry Master Plan, River Basin Master Plans, FMU Management Plans, and Annual Operations Plans.

SEC. 24. *Urban Forestry*. As part of climate change adaptation and mitigation measures and to enhance ecosystems services, communal forests, tree buffers along roads and waterways, and forest/tree parks in urban areas, school grounds, and open spaces of housing projects shall be established in cities and municipalities. Department and forestry research and academic institutions shall provide technical

1 assistance to ensure that appropriate species and technologies are employed in the
2 establishment and maintenance of such parks, communal forests, and tree buffers.

3 4 5 **CHAPTER V** 6 **UTILIZATION OF FOREST RESOURCES**

7 **SEC. 25. *Use of Forest Lands Exclusively for Forestry and Subsidiary***
8 ***Purposes.*** The use of forest lands shall be limited to forestry and subsidiary purposes
9 in appropriate areas. The use of forest lands for purposes not otherwise mentioned
10 shall require Department approval: *Provided*, That non-extractive utilization of forest
11 resources, particularly special uses of forest lands such as bathing establishments,
12 camp sites, telecommunication sites, log pond sites, salt works, and the like shall be
13 allowed consistent with pertinent policies and regulations that the Department may
14 prescribe.

15
16 **SEC. 26. *Harvesting of Forest Products.*** Harvesting of timber and non-timber
17 forest products shall be based on the principle of sustainability and in consideration of
18 the conservation of soil, water, and biodiversity and enhancement of carbon stocks as
19 mentioned in this Act. In addition, the Department approval for harvesting trees shall
20 be subject to the conduct of a forest inventory and mapping of harvestable trees,
21 including Chain-of-Custody (CoC) numbering of harvestable trees as mentioned in
22 Section 35 of this Act, and reporting to the Department for the updating of the
23 Department's database on harvested trees.

24
25 **SEC. 27. *Management and Utilization of Forest Resources Within Forest***
26 ***Lands.*** Extraction of timber and non-timber forest products, and agricultural crops,
27 their by-products and derivatives, whether from natural forest, planted, or raised
28 through application of appropriate silvicultural and/or agro-forestry practices, from
29 forest lands, shall require a prior permit, agreement, or clearance that are deemed
30 necessary and appropriate by the Department as recommended by the Forest
31 Management Bureau (FMB): *Provided*, That extraction of timber and non-timber
32 forest products, agricultural crops, their by-products and derivatives from areas
33 covered by Certificate of Ancestral Domain Titles (CADT) or Certificate of Ancestral

Land Claims (CALC) shall be governed by R.A. No. 8371. The transport of these forest products from forest lands, including those from the area of the Indigenous Cultural Communities and Indigenous Peoples covered by CADT or CALC, shall be covered by a chain-of-custody (CoC) certificate issued by the FMU management. Relevant information in the CoC shall be transmitted to the Department's on-line database at least one (1) week prior to the actual transporting as provided for in Section 35 of this Act.

Any extraction of forest resources considered as endangered, threatened, vulnerable, and other restriction shall be done in coordination and consultation with, and clearance from the Protected Areas and Wildlife Bureau (PAWB): *Provided, That* any declaration of endangered, threatened, vulnerable, and other restricted species shall be approved jointly with the Forest Management Bureau.

SEC. 28. *Management and Utilization of Forest Resources Within Titled Lands.* All forest resources planted or raised within titled lands belong to the owner of the land, who shall have the right to sell, contract, convey, or dispose of the same without the necessity of any clearance from the Department: *Provided, That* government shall provide the appropriate incentives provided under Section 46.

SEC. 29. *Administration and Utilization of Forest Resources within Ancestral Domain.* The utilization of forest resources within ancestral lands and domains shall be governed by the provisions of this Act and R.A. No. 8371. The National Commission on Indigenous Peoples (NCIP) shall coordinate and consult with the Department in providing assistance to the indigenous peoples in the sustainable management and development of forest resources within ancestral lands and domains.

Any project to be implemented by a holder of a Certificate of Ancestral Domain Title or any such similar instrument to develop or use forest lands or forest resources therein that would result in severe soil erosion or environmental degradation shall be subject to an Environmental Impact Assessment (EIA) in accordance with Presidential Decree No. 1151 or the Philippine Environmental Policy, and Presidential

1 Decree No. 1586 on Establishing an Environmental Impact Statement System and this
2 Act.

3
4 **SEC. 30. *Transport of Forest Products and Confiscated Forest Products.***
5 Transport of timber and non-timber forest products that do not carry a CoC number
6 and is not supported by CoC documentation, as provided for in Section 35 of this Act,
7 shall be prohibited. Timber and non-timber forest products that do not carry a CoC
8 number shall be considered as coming from illegal sources and subject to
9 confiscation.

10
11 **SEC. 31. *Downstream Processing of Forest Products.*** To add value to
12 harvested forest products, further processing into finished and semi-finished products
13 shall be encouraged and supported. CBFM and other FMU operations shall be
14 allowed to process their forest products or to make them available in the open market
15 of raw forest products subject to restrictions on forest products transporting as
16 mentioned in Section 36 of this Act and prior payment of appropriate forest charges as
17 mentioned in Section 50 of this Act.

18
19 **SEC. 32. *Forest-Based Industries.*** To meet the demands for forest-based
20 goods and services of a growing population the State through the Department shall
21 promote the establishment, operations, and development of forest-based industries.

22
23 **SEC. 33. *Export and Sale of Locally Produced Wood Products.*** Logs and raw
24 or rough lumber manufactured from such logs, derived from natural grown trees of
25 whatever species cut, gathered, or removed from the local natural forest shall not be
26 exported. Only finished and semi-finished lumber products, wood manufactures,
27 wood panels, and other finished wood products from such logs may be exported by
28 licensed exporters: *Provided*, That the license to export such finished wood products
29 shall be granted only to certified operators upon approval of their application. The
30 export of forest plantations products shall be based on Department guidelines.

31
32 No person shall sell or offer for sale any log, lumber, veneer, plywood or other
33 manufactured wood products in the international or domestic market without
34 complying with the certification and grading rules established or to be established by

1 the government. Failure to adhere to the established grading rules and standards, or
2 any act of falsification on the volume of logs, lumber, veneer, plywood or other wood
3 products sold in the international or domestic market shall be sufficient cause for the
4 cancellation of export license, wood processing permit, or other license or permit
5 authorizing the manufacture or sale of such products.

6
7 SEC. 34. *Importation and Sale of Logs and Other Forest and Wood*
8 *Products.* Logs, lumber, and other forest- and wood-based products may be imported
9 to the country subject to the registration requirements of the Department and to the
10 tariff and duties under the Tariff and Customs Code and quarantine regulations. Any
11 product manufactured or remanufactured out of imported forest and wood materials
12 shall be allowed to be sold in the domestic or international market subject to
13 compliance with grading rules and standards by the licensed finished wood product
14 exporter.

15
16
17 CHAPTER VI
18 MONITORING AND CONTROL OF FOREST MANAGEMENT
19 AND UTILIZATION
20

21 SEC. 35. *Forest Products Chain-of-Custody (CoC).* The Department shall
22 institute a forest product CoC system to enable the tracking of transported, processed,
23 or marketed forest products to their source. To be considered legally harvested, all
24 forest products from forest lands shall bear an official CoC number.

25
26 SEC. 36. *External Monitoring and Certification Assessment of Forest*
27 *Management Operations.* The Department shall institute a national forest
28 certification system to externally monitor and assess the performance standards of
29 FMU operations and to ensure that forest products coming from FMUs are from
30 certified sustainable sources when local consumers buy them from the market.

31
32 SEC. 37. *Forestry Information System (FIS).* The Department shall establish
33 a forestry information system which shall consist of comprehensive up-to-date
34 information on the physical, social, economic, biological, and environmental

1 components of the country's forest lands and forest resources. It shall include a
2 resource monitoring system to enable the Department and its field offices to track the
3 utilization, movement or transfer of forest-based goods and services from the source
4 to their end users. The Department shall conduct forest resource inventory at least
5 once every five (5) years to ensure effective management.

6 SEC. 38. *Conflict Resolution.* Parties from within an FMU and between or
7 among FMUs shall be encouraged to resolve conflicts related to forest management,
8 development, protection, conservation, and utilization between or among themselves.
9 Conflicts that cannot be resolved internally shall be reported for adjudication and
10 resolution by the Department. Conflicts that cannot be resolved by the Department to
11 the satisfaction of the parties in conflict shall, after exhausting all administrative
12 remedies be submitted to the proper Courts for resolution.

13 14 15 CHAPTER VII 16 SUPPORT SYSTEMS

17
18 SEC. 39. *Forestry Education.* Formal forestry education in the Philippines
19 shall be rationalized. A nationwide assessment of forestry schools shall be conducted
20 by the Commission on Higher Education (CHED). Within one (1) year upon issuance
21 of this Act, CHED shall evaluate forestry schools and formulate guidelines to be
22 observed in the phasing-out of sub-standard schools in coordination with the
23 Department, the Board of Examiners of the Professional Regulations Commission
24 (PRC), the Philippine Forestry Education Network (PFEN) and the Society of Filipino
25 Foresters, Incorporated (SFFI). The main purpose of this rationalization is to ensure
26 the quality of formal forestry education and establish, support and sustain centers of
27 excellence in forestry and environmental education to develop high quality manpower
28 and promote global competitiveness. The CHED shall have the power to recommend
29 the phasing-out of sub-standard schools in accordance with an agreed phase-out plan
30 that considers the impact thereof on enrolled students.

31
32 The Department of Education (DepEd) shall integrate tree-planting and tree
33 maintenance activities as part of the school curriculum. The CHED shall include
34 forestry in ecology and environment courses in the general education curricula.

SEC. 40. *Capacity-Building.* The Department shall develop and implement a program to develop the capacity of LGUs and other stakeholders in forestry resources management.

SEC. 41. *Research and Development.* Research and development, invention, innovation and their utilization in science and technology education, training and services shall be given priority. The government shall strengthen existing research institutions such as Ecosystems Research and Development Bureau (ERDB), Forest Products Research and Development Institute (FPRDI), and state universities and colleges (SUCs), among others and support scientific and technological capabilities and their application to the country's productive system, national life, and adaptive capacity to climate change. Appropriate technology shall be used to protect the environment, reduce climate change effects, increase community adaptation to climate change and enhance their livelihood.

The Department shall coordinate with other research agencies to go into co-financing agreements with the private sector in the conduct of researches and development of inventions provided that the terms and conditions are beneficial to forest ecosystems services for the country.

SEC. 42. *Policy Research and Development.* The Forestry Development Center (FDC) based at the University of the Philippines, Los Baños (UPLB) College of Forestry and Natural Resources shall continue to serve as the primary policy research and development center for forestry, environment, and natural resources management. The FDC shall perform its functions in close coordination with the Forest Management Bureau of the Department and other policy research institutions. It shall assist the Department in the formulation, review, and evaluation of proposed and existing policies in forestry, environment, and natural resources. To enable the FDC to carry out its mandated function of policy research, it shall have a share in the sustainable forest ecosystem development fund pursuant to Section 55 herein.

SEC. 43. *Forestry Extension Services.* With support from LGUs, NGOs, media and other organizations, the Philippine Information Agency (PIA), the

1 Department of Education (DepEd), state owned and private universities and colleges,
2 the Department shall formulate a nationwide program for sustained public information
3 and advocacy campaign for forest and natural resources conservation, sustainable
4 forest development and on climate change. Adequate and sustainable funds to
5 implement research, technology development and transfer programs shall be provided
6 by each of the aforementioned agencies and institutions under the General
7 Appropriations Act.

8
9 SEC. 44. *Strengthening of the Forest Management Sector.* In order to
10 effectively implement the provisions of this Act, the Forest Management Bureau
11 (FMB) shall be transformed into a line bureau of the Department with functions
12 clearly defined and enumerated under the implementing rules and regulations of this
13 Act.

14 15 16 CHAPTER VIII 17 SYSTEM OF INCENTIVES 18

19 SEC. 45. *Incentives for Engaging in Forest Development.* Incentives as
20 provided for by existing laws such as the National Internal Revenue Code, as
21 amended and Executive Order 226 or the Omnibus Investment Code, among other
22 laws, shall be extended to encourage qualified persons, natural or juridical, to engage
23 in forest management activities.

24
25 SEC. 46. *Tax Incentives for Forest Plantation Activities.* The following tax
26 incentives shall be granted to qualified persons engaged in forest plantation activities
27 within forest lands and alienable and disposable lands of the public domain:

- 28
29 (a) Expenses incurred in complying with the requirements of this Act shall be allowed as
30 deductible expenses for income tax purposes subject to the provisions of the National
31 Internal Revenue Code of 1997, as amended; *Provided,* That the deduction shall only
32 apply to the taxable period when the expenses were incurred; Incentives granted to
33 registered domestic enterprise under the Investment Priorities Plan (IPP);
34

(b) Exemption from the payment of forest charges imposed under the provisions of this Act;

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

(d) The Board of Investments (BOI) shall classify forest plantations as pioneer and preferred areas of investment under its annual priority plan subject to the pertinent rules and regulations;

(e) The tenure holder shall be given priority to access credit assistance being granted by Government-owned, -controlled and/or -supported financial institutions;

(f) Upon the premature termination of the tenure instrument 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 Department and the tenure holder, and in case of disagreement between them, by arbitration through a mutually acceptable and impartial third party adjudicator.

SEC. 47. Incentives for Forest-Based Industries. To enable forest-based industries to be more efficient, competitive, and economically viable, the following incentives are hereby granted in addition to those already provided by existing laws:

(a) All processing plants or mills shall be assisted by the Department in identifying sources of raw materials;

(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 forest management

1 agreements or contracts shall be co-terminus with said agreements or
2 contracts;

3
4 (c) The Department shall provide on its own or propose to the President or
5 to Congress, other incentives to encourage the establishment and
6 development of corporate, family and community forest-based
7 industries. Agreements or licenses over forest areas granted to wood-
8 based plants shall be converted into any mode authorized in this Act.
9 Expansion in capacity of wood-based plants shall be encouraged and the
10 same shall be given priority access to production forest lands and other
11 areas available for development as source of raw materials;

12
13 (d) The Department shall promote and strengthen the linkages among
14 corporate, family-based, and community-based industries.

15
16 SEC. 48. *Rewards for Informants.* A percentage of the value of confiscated
17 materials shall be used as rewards for informants, including Department personnel.
18 Additional rewards may be provided to personnel of the Department, in addition to
19 those provided under the Government Service Insurance System (GSIS) or
20 Workmen's Compensation Law. They shall also be entitled to free legal assistance
21 should legal cases be filed against them in the performance of official duties.

22 23 24 CHAPTER IX

25 FOREST CHARGES, FEES, AND SHARING

26
27 SEC. 49. *Fees, and Government Shares for the Utilization, Exploitation,*
28 *Occupation, Possession of, and Activities Within Forest Lands.* The Department
29 shall prescribe appropriate fees and government shares for the different kinds of
30 utilization, exploitation, occupation, possession, or activities within forest lands:
31 *Provided,* That payment of or collection of such fees and government shares shall be
32 waived for parties/industries mandated by law to manage, conserve, develop and
33 protect forest lands and forest resources found therein, except administrative fees for
34 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 shall also be entitled to a waiver of fees, except administrative fees.

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

SEC. 50. *Forest Charges*. There shall be collected charges on each cubic meter of timber cut in forest lands, whether belonging to the first, second, third or fourth group, twenty-five percent (25%) of the actual Free on Board (FOB) market price based on species and grading: *Provided*, That, in the case of pulpwood and matchwood cut in forest lands, forest charges on each cubic meter shall be ten percent (10%) of the actual FOB market price.

Charges on Firewood, Branches, and Other Recoverable Wood Wastes of Timber. There shall be collected forest charges of ten percent (10%) of the actual FOB market price on each cubic meter of firewood cut in natural forest, 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.

Only third or fourth group wood can be taken for firewood. However, if jointly authorized by the Secretaries of both the Department of Environment and Natural Resources and Department of Agriculture, first and second group wood may be removed for firewood purposes from land which is more valuable for agricultural than for forest purposes.

Charges on Non-Timber Forest Products. All other forest products of forest lands which are not covered by the preceding section shall be exempt from any or all forest charges, except rattan, gums and resins, beeswax, guttapercha, almaciga resin and bamboo which shall be charged at ten percent (10%) of the actual FOB market price.

1 These forest charges shall be applied to naturally growing timber and non-
2 timber forest products gathered within forest lands, alienable and disposable lands,
3 and private lands. All planted trees and non-timber forests products harvested from
4 private lands shall be free from forest charges.

5
6 For the above purpose, the valuation and the actual FOB market price of forest
7 products shall be justly determined by the Department based on prevailing market
8 price, which shall likewise provide for the time, manner, and place of payment of
9 such charges. The Department shall allocate 50% of forest charges collections to
10 reforestation and natural regeneration programs.

11
12 **SEC. 51. *Fees for Administrative Services Rendered by the Department.*** Fees
13 shall be collected for various services rendered by personnel of the Department in
14 connection with their duties and responsibilities as may be requested by interested
15 parties, including but not limited, to surveying, mapping and other similar service
16 activities: *Provided*, That administrative fees shall be waived for services rendered to
17 local communities or indigenous peoples in the preparation of their management plans
18 including timber/other resources inventory on farmers' land: *Provided, Further*, That
19 fees collected pursuant to this Section shall be deposited in the local Department
20 offices as trust funds.

21
22 **SEC. 52. *Proper Valuation and Compensation for Ecosystems Services.*** The
23 Department shall formulate and institute appropriate mechanisms for proper valuation
24 and fair and comprehensive pricing of forest ecosystems services provided by the
25 forests, including water for domestic, industrial, irrigation and power generation,
26 biodiversity and eco-tourism with watershed ecosystems as the minimum spatial
27 units.

28
29 The use of various ecosystems services provided by the forests shall be
30 compensated. Subject to existing laws, any commercial and industrial users of water,
31 energy, recreation and other ecosystems services of the forests shall be charged a
32 watershed protection and conservation fee. These fees shall be used to fund research
33 and development activities, and for the conservation and management of the forests.

1 Local, regional, and national plow back mechanisms of utilizing proceeds
2 from the use of watersheds, forests and forest lands for ecosystems services such as,
3 but not limited to, power generation, supplying domestic and irrigation water, eco-
4 tourism and carbon trading shall be developed and promoted to finance forest
5 protection, rehabilitation, reforestation, afforestation, agro-forestation and
6 development.

7
8 SEC. 53. *Payments for REDD Plus.* Entities involved in preventing
9 deforestation and sequestering carbon in their FMUs shall have equitable share in the
10 proceeds of REDD-Plus payments. The capacity of local FMU managers shall be
11 developed to monitor their forest resources as basis for equitable sharing in REDD-
12 plus payments.

13 14 15 CHAPTER X 16 APPROPRIATIONS AND FINANCIAL SUPPORT

17
18 SEC. 54. *Appropriations.* The Secretary of the Department of Environment
19 and Natural Resources shall include in the Department's program and issue such rules
20 and regulations for the implementation of the provisions of this Act, the initial
21 funding of which shall be charged against the current year's appropriations of the
22 Department and thereafter included in the annual General Appropriations Act. For
23 local government units, the funding requirements shall be taken from their internal
24 revenue allotment (IRA) and other LGU income.

25
26 SEC. 55. *Sustainable Forest Ecosystems Development Fund (SFEDF).* A
27 Sustainable Forest Ecosystems Development Fund (SFEDF) to be administered by the
28 Department as a special account in the National Treasury is hereby established to
29 provide sustainable funds for forest protection, reforestation and forest development
30 and management, including the rehabilitation and preservation of watershed areas,
31 CBFM program, information and educational campaigns as well as scholarship
32 programs and policy research. At least fifty percent (50%) of the forest charges and
33 government share in all products removed from the forest lands, rentals, proceeds
34 from sales of confiscated forest products including conveyances, fines and penalties,

1 and administrative fees collected shall be set aside for the buildup of the SFEDF. The
2 fund may be augmented by grants, donations, endowment from various sources,
3 domestic or foreign, for purposes related to their functions and other innovative
4 funding mechanisms such as securitization of forest assets, among others.

5
6 Disbursements from the fund shall be subject to the usual accounting and
7 budgeting rules and regulations: *Provided*, That no amount shall be disbursed to cover
8 the operating expenses of the Department and other concerned agencies.

9
10
11 CHAPTER XI
12 OFFENSES AND PENALTIES

13
14 SEC. 56. *Harvesting, Gathering and/or Collecting Timber or Other Forest*
15 *Products Without Authority*. Harvesting, cutting, gathering, collecting, or removing
16 timber or other forest products from any forestland, or naturally grown timber inside
17 alienable and disposable land without authority from the Secretary or found to possess
18 the same without pertinent required legal documents shall be punished by
19 imprisonment ranging from *prision mayor* minimum period to *reclusion temporal*
20 minimum period and/or a fine equivalent to ten (10) times the value of the said forest
21 product taken: *Provided*, That in the case of partnerships, associations or corporations,
22 the president, managing partner, and general manager shall be held liable; and if such
23 officer is an alien, he/she shall, in addition to the penalty, be deported without further
24 proceedings on the part of the Bureau of Immigration and Deportation. Offenders
25 who are public officials shall be deemed automatically dismissed from office and
26 permanently disqualified from holding any elective or appointive position in the
27 government.

28
29 If the market value of the timber or other forest products is more than Five
30 Hundred Thousand Pesos (P500,000.00), the offender shall be guilty of economic
31 sabotage and the imposable penalty shall be *reclusion perpetua*, in addition to the
32 payment of the fine equivalent to ten (10) times the value of said timber or forest
33 product, and other subsidiary penalties as prescribed above.
34

1 Any person, whether natural or juridical, who shall acquire or possess logs,
2 flitches, lumber from the economic saboteurs as defined in this Section and/or use the
3 same logs, flitches, lumber, in any manner, shall likewise be punished with reclusion
4 perpetua, payment of fine equivalent to ten (10) times the market value of said logs,
5 flitches, lumber, and the subsidiary penalties provided herein.

6
7 All timber or any forest product cut, gathered, collected, removed, or
8 possessed and all the conveyances, machinery, equipment, implements, work animals,
9 and tools used in connection with the violation shall be seized and confiscated in
10 favor of the government.

11
12 SEC. 57. *Illegal Cutting as an Act of Economic Sabotage.* Any of the acts
13 enumerated in the preceding Section when committed by any group, through
14 organized and systematic manner, for commercial purposes, shall constitute an act of
15 economic sabotage punishable with *reclusion perpetua*.

16
17 The commission of any of the above prohibited acts by two or more
18 individuals with the aid of any mechanical device shall constitute a prima facie
19 evidence that the act is organized and systematic.

20
21 Any person, whether natural or juridical, who shall buy logs, flitches, lumber
22 from economic saboteurs as defined in this Section, and/or use the same logs, flitches,
23 lumber in government infrastructure projects shall, upon conviction, be punished with
24 *reclusion perpetua*.

25 SEC. 58. *Use of Illegally Cut Timber in Government Infrastructure Projects.*
26 The use of illegally cut naturally grown timber in government infrastructure projects
27 shall be sufficient cause for the imposition of penalties provided in Section 56 on
28 harvesting of forest products without authority, and Section 57, on illegal cutting as
29 an economic sabotage, including the withholding of the payment to the harvesting
30 contractor.

31
32 SEC. 59. *Damage to Residual Trees.* To ensure the sustainability of the
33 natural forests, adequate number of residual trees and phenotypically superior mother

1 trees shall be marked, to be retained as part of the managed forests and as the future
2 timber crop, before any harvesting operation shall commence. Any marked residual
3 tree that is 30% or more damaged during such operation is subject to a fine equivalent
4 to four (4) times the regular forest charges and reduction of future allowable harvest
5 to compensate for residual losses.

6
7 **SEC. 60. *Grazing Livestock on Forest Lands Without a Permit.*** Any person
8 found to have caused the grazing of livestock in forest lands and grazing lands
9 without an authority under a lease or permit to graze, upon conviction, shall be
10 penalized with imprisonment of not less than two (2) years nor more than four (4)
11 years and a fine equivalent to ten times the regular shares due in addition to
12 confiscation of the livestock and all improvements introduced in the area in favor of
13 the government: *Provided*, That in case the offender is a corporation, partnership, or
14 association, the officer or director thereof who directly caused or ordered such shall
15 be liable. In case the offender is a public officer or employee, he/she shall in addition
16 to the above penalties, be deemed automatically dismissed from office and
17 permanently disqualified from holding any elective or appointive position in the
18 government service.

19
20 **SEC. 61. *Unlawful Occupation or Destruction of Forest Lands.*** Any person
21 who, without authority from the Secretary, enters and occupies or possesses, or
22 engages in *kaingin* or slash-and burn farming and related activities for own private
23 use or for others, any forest land or grazing land, or in any manner destroys such
24 forestland or part thereof, or causes any damage to the timber stands and other forest
25 product found therein, or assists, aids or abets another person to do so, or sets a fire,
26 or negligently permits a fire to be set therein, or refuses lawful orders to vacate the
27 area when ordered to do so shall, upon conviction, be punished with penalties in the
28 amount of not less than One Hundred Thousand Pesos (P100,000.00) nor more than
29 Five Hundred Thousand Pesos (P500,000.00) and imprisonment of not less than six
30 (6) years and one (1) day nor more than twelve (12) years for each offense: *Provided*,
31 That in the case of an offender found guilty of *kaingin* or slash-and-burn farming, the
32 penalty shall be imprisonment of not less than ten (10) years nor more than twelve
33 (12) years and a fine equivalent to ten times the regular forest charges due on the
34 forest products destroyed without prejudice to payment of the full cost of

1 rehabilitation of the occupied areas as determined by the Department. *Provided*
2 *further*, That the maximum of the penalty prescribed herein shall be imposed upon the
3 offender who repeats the same offense, and double the maximum penalty upon the
4 offender who commits the same offense for the third time or more.

5
6 In all cases, the court shall further order the eviction of the offender from the
7 area occupied and the forfeiture to the government of all improvements made therein,
8 including all vehicles, domestic animals and equipment of any kind used in the
9 commission of the offense. If not suitable for use by the Department, said
10 improvements, vehicles, domestic animals and equipment shall be sold at public
11 auction, the proceeds from which shall accrue to the SFEDF.

12
13 If the offender is an alien, he/she shall be deported after serving his sentence
14 and payment of fines, without any further proceedings. An offender who is a
15 government officer or employee, shall, in addition to the above penalties, be deemed
16 automatically dismissed from office and permanently disqualified from holding any
17 elective or appointive position in the government service.

18
19 **SEC. 62. *Illegal Conversion of City or Municipal Parks, Communal Forests,***
20 ***and Tree Parks in Subdivisions.*** Any person found to have converted or caused the
21 conversion of a city or municipal park or communal forest, or tree parks within
22 subdivisions established pursuant to Section 24 herein and Section 2 of Presidential
23 Decree No. 953, requiring the planting of trees in certain places, into other uses
24 including the construction of permanent buildings therein, or in any manner destroys
25 or causes any damage to the timber stands and other forest product found therein, or
26 assists, aids or abets another person to do so, or sets a fire, or negligently permits a
27 fire to be set therein, upon conviction, shall be penalized by imprisonment of six (6)
28 years and one (1) day to twelve (12) years or a fine of not less than One Hundred
29 Thousand (P100,000.00) nor more than Five Hundred Thousand (P500,000.00), or
30 both fine and imprisonment at the discretion of the Court. The offender shall likewise
31 be imposed a fine equivalent to ten times the commercial value of the forest products
32 destroyed without prejudice to payment of the full cost of rehabilitation of the areas as
33 determined by the Department. *Provided further*, That the maximum of the penalty
34 prescribed herein shall be imposed upon the offender who repeats the same offense,

1 and double the maximum penalty upon the offender who commits the same offense
2 for the third time or more. The court shall further order the forfeiture to the
3 government of all improvements made therein, including all vehicles, domestic
4 animals, and equipment of any kind used in the commission of the offense. If not
5 suitable for use by the Department, said improvements, vehicles, domestic animals
6 and equipment shall be sold at public auction, the proceeds from which shall accrue to
7 the SFEDF.

8
9 An offender who is a government officer or employee, in addition to the above
10 penalties, upon conviction shall be deemed automatically dismissed from office and
11 permanently disqualified from holding any elective or appointive position in the
12 government service.

13
14 **SEC. 63. *Misdeclaration or Falsification of Reports on Forest Resource***
15 ***Inventory, Scaling, and Survey by a Government Official or Employee.*** Any public
16 officer or employee who knowingly misdeclares or falsifies reports pertaining to
17 forest resource inventory, scaling, survey, and other similar activity which are
18 contrary to the criteria and standards established in the rules and regulations
19 promulgated by the Secretary shall, after an appropriate administrative proceeding, be
20 dismissed from the service with prejudice to re-employment. Upon conviction by a
21 court of competent jurisdiction, the same public officer or employee shall further
22 suffer an imprisonment of not less than eight (8) years nor more than twelve (12)
23 years and a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor
24 more than Five Hundred Thousand Pesos (P500,000.00). The inventory, survey,
25 scale, classification, and similar reports referred herein shall be rendered null and
26 avoid.

27
28 **SEC. 64. *Unlawful Operation of Wood Processing Plants and Downstream***
29 ***Forest-Based Industries.*** Any person operating a wood processing plant or
30 downstream forest-based industry without authority from the Secretary shall, upon
31 conviction by a court of competent jurisdiction, be punished by imprisonment of not
32 less than eight (8) years nor more than twelve (12) years and a fine of not less than
33 Five Hundred Thousand Pesos (P 500,000.00) and confiscation of the wood
34 processing plant and complementary equipment in favor of the government. The

1 Department shall promulgate the necessary guidelines, subject to the provision of this
2 Act, that will define the terms and conditions including the responsibility for a person
3 who will operate and is operating a wood processing plant and/or other downstream
4 forest based industries.

5
6 **SEC. 65. *Prohibition on the Issuance of Tax Declaration on Forest Lands.***

7 Any local government official or employee who issues a tax declaration for any
8 purpose on any part of forest lands shall, upon conviction, be penalized with
9 imprisonment for a period of not less than four (4) years nor more than eight (8) years
10 and a fine of not less than One Hundred Thousand Pesos (P 100,000.00) nor more
11 than Five Hundred Thousand Pesos (P 500,000.00) and perpetual disqualification
12 from holding an elective or appointive office.

13
14 **SEC. 66. *Unlawful Possession of Implements and Devices Used by Forest***
15 ***Officers.*** Any person found possessing or using implements and devices used by
16 forest officers shall be penalized with imprisonment of not less than eight (8) years
17 nor more than twelve (12) years and a fine of not less than One Hundred Thousand
18 Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00) in
19 addition to the confiscation of such implements and devices and the automatic
20 cancellation of any license agreement, license, lease or permit.

21
22 Any forest officer who willingly allows unauthorized person(s) to use these
23 implements and devices under one's care shall be penalized with imprisonment of not
24 less than six (6) years and one (1) day to no more than twelve (12) years and a fine of
25 not less than One hundred thousand pesos (P100,000.00) nor more than Five Hundred
26 Thousand Pesos (P500,000.00). In addition, the forest officer shall be dismissed from
27 the service with prejudice to reinstatement and with perpetual disqualification from
28 holding an elective or appointive position.

29
30 **SEC. 67. *Unauthorized Introduction of Logging Tools and Equipment***
31 ***Inside Forest Lands.*** It shall be unlawful for any person or entity to possess, bring, or
32 introduce any logging tools or equipment inside forest lands without prior authority
33 from the Secretary or his duly authorized representative. Any person found guilty of
34 illegal possession of said logging tools or equipment shall be liable to imprisonment

1 of six (6) years and one (1) day to twelve (12) years or a fine of not less than One
2 Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand
3 Pesos (P500,000.00) or both imprisonment and fine at the discretion of the court, and
4 confiscation of said logging tools and equipment in favor of the government.
5

6 **SEC. 68. *Non-Payment and Non-Remittance of Forest Charges.*** Any person
7 who fails to pay the amount due and payable as forest charges to the government shall
8 not be allowed to transport, convey, sell, nor use the timber or forest product.
9 Moreover, failure to pay within thirty (30) days upon assessment of forest charges
10 shall be a ground for confiscation of the said timber or forest product in favor of the
11 government. Any person who fails or refuses to remit to the proper authorities said
12 forest charges collectible pursuant to the provisions of this Act or the National
13 Internal Revenue Code, as amended, or who delays, obstructs or prevents the same, or
14 who orders, causes or effects the transfer or diversion of the funds for purposes other
15 than those specified in said Acts shall, upon conviction, be imprisoned for not less
16 than six (6) years nor more than twelve (12) years and fined from One Hundred
17 Thousand Pesos (P100,000.00) to Five Hundred Thousand Pesos (P500,000.00) in
18 addition to the payment of the assessed forest charges. If the offender is a
19 corporation, partnership, or association, the officers and directors thereof shall be
20 liable.
21

22 **SEC. 69. *Institution of Criminal Action by Forest Officers.*** Any forest officer
23 shall arrest even without a warrant any person who has committed or is about to
24 commit, or is committing in his presence any of the offenses defined in this chapter.
25 The tools, animals, equipment and conveyances used in committing the offense, and
26 the forest products cut, gathered, taken or possessed by the offender in the process of
27 committing the offense shall also be seized and confiscated in favor of the
28 government. The arresting forest officer shall thereafter deliver within twenty-four
29 (24) hours from the time of arrest or seizure both the offender and the confiscated
30 forest products, conveyances, tools and equipment, or the documents pertaining to the
31 same, and file the proper complaint with the appropriate official designated by law to
32 conduct preliminary investigation and file information in court. If the arrest and
33 seizure are made in the forest far from authorities designated by law to conduct
34 preliminary investigations, the delivery to and filing of the complaint with the latter

1 shall be done within a reasonable time sufficient for ordinary travel from the place of
2 arrest to the place of delivery. The seized forest products, materials, conveyances,
3 tools and equipment shall be immediately disposed of in accordance with the
4 regulations promulgated by the Secretary.

5
6 The Secretary may deputize any agency, barangay or barrio official, or any
7 qualified person to protect the forest and exercise the powers or authority provided for
8 in the preceding paragraph. Reports and complaints regarding the commission of any
9 of the offense defined in this chapter not committed in the presence of any forest
10 officer or any of the deputized officers shall immediately be reported to the forest
11 officer assigned in the area where the offense was allegedly committed. Thereupon,
12 the investigating officer shall receive the evidences supporting the report or complaint
13 and submit the same with the appropriate official authorized by law to conduct a
14 preliminary investigation of criminal cases and file the information in court.

15
16 **SEC. 70. *Liability of Custodian of Confiscated Forest Products.*** Any public
17 officer who fails to produce the timber or forest products, including tools,
18 conveyances, equipment, and devices in his custody pursuant to a seizure or
19 confiscation made thereon, or who shall appropriate, take, misappropriate, or shall
20 permit another person to take such timber forest products wholly or partially, shall
21 suffer the penalty provided for in malversation of Public Funds or Property, of the
22 Revised Penal Code. In addition, the said public officer shall be dismissed from
23 service with prejudice to reinstatement and with perpetual disqualification from
24 holding any elective or appointive office.

25
26 **SEC. 71. *Citizen's Suit.*** Any citizen may file an appropriate civil, criminal, or
27 administrative action in the proper court against:

- 28
29 (a) Any person who violates or fails to comply with the provisions of this Act or its
30 implementing rules and regulations;
31
32 (b) The Department or other implementing agencies with respect to orders, rules and
33 regulations issued inconsistent with this Act;
34

1 (c) Any public officer who willfully or grossly neglects to perform an action specifically
2 enjoined as a duty by this Act or its implementing rules and regulations; or abuses his
3 authority in the performance of his duty; or in any manner improperly performs his
4 duties under this Act or its implementing rules and regulations. However, no suit can
5 be filed until after thirty (30) days notice has been given to the public officer or the
6 alleged violator concerned and no appropriate action has been taken.

7 8 9 CHAPTER XII

10 ADMINISTRATIVE PROVISIONS

11
12 SEC. 72. *Development of Mechanisms for Private Sector Participation in*
13 *Forest Management.* The Secretary is hereby authorized to adopt appropriate
14 mechanisms to strengthen private sector participation in forest management, which
15 shall include the accreditation of a national organization of private investors including
16 those for profit, non-government organizations and people's organizations. The
17 accredited national organization shall assist the Department in the formulation and
18 review of relevant policies to ensure the contribution of the forestry sector to the
19 national economy and sustainable development. It shall also assist the Department in
20 evaluating applications for forest management agreements, monitoring the
21 performance of holders of commercial tenure instruments, ensuring the local supply
22 of timber and wood products, providing producers with access to local and
23 international markets, enhancing various ecosystems services, and ensuring the
24 maintenance of high conservation values.

25
26 SEC. 73. *Administrative Authority of the Secretary or his Duty Authorized*
27 *Representative to Order Confiscation.* In all cases of violations of this Act or other
28 forest laws, rules, and regulations, the Secretary or his duly authorized representative
29 may order the confiscation of forest products illegally harvested, cut, gathered,
30 removed or possessed or abandoned, and all conveyances used either by land, water,
31 or air as well as all machinery, equipment, implements, and tools used in the
32 commission of the offense and to dispose of the same in accordance with pertinent
33 laws, regulations, or policies on the matter.
34

1 If the confiscated forest products are in danger of deteriorating, the Secretary
2 may order that the same be sold at public auction even before the termination of the
3 judicial proceedings, with the proceeds kept in trust to await the outcome of the
4 judicial proceedings.

5
6 No court of the Philippines shall have jurisdiction to issue any *Writ of*
7 *Replevin*, restraining order, or preliminary mandatory injunction in any case involving
8 or growing out of any action by the Secretary or his duly authorized representative in
9 the exercise of the foregoing administrative authority.

10
11 SEC. 74. *Administrative Authority of the Secretary to Impose Fines.* In all
12 cases of violations of this Act and other forest laws, rules and regulations where fine
13 is the principal penalty, the Secretary, after consultation with the forest-based
14 industries affected, is hereby authorized to impose administratively the penalty
15 consisting of the amount and the schedules of the fine which shall be officially
16 published in a national newspaper of general circulation.

17
18 SEC. 75. *Authority of Forest Officers.* When in the performance of their
19 official duties, forest officers or other government officials or employees duly
20 authorized by the Secretary shall have free entry into areas covered by a contract,
21 agreement, license, lease or permit. Forest officers are authorized to inspect and to
22 open closed vans suspected to contain illegally harvested, collected or transported
23 forest product: *Provided*, That it is done in the presence of the shipper or consignee or
24 two (2) responsible public officials in the locality. Forest officers are authorized to
25 administer oath, take acknowledgment in official matters connected with the functions
26 of their office, or take testimony in official investigations conducted under the
27 authority of this Act and the implementing rules and regulations issued by the
28 Secretary pursuant thereof.

29
30 SEC. 76. *Visitorial Functions.* The Secretary or his duly authorized
31 representative shall, from time to time, investigate, inspect, and examine records and
32 other documents except bank records related to the operation of any person granted
33 the privilege, contract, or agreement to utilize forest resources to determine

1 compliance with the terms and conditions stipulated in the grant, contract or
2 agreement, this Act, and pertinent laws, rules, and regulations.

3
4 **SEC. 77. *Authority of the Secretary to Revert Lands Needed for Forest***
5 ***Purposes.*** When the national interest so demands, the Secretary is hereby authorized,
6 through any available legal remedies, to revert lands currently used for agricultural
7 production or other purposes into forest uses or for biodiversity conservation.

8
9 **SEC. 78. *Protection to Witnesses in Cases Involving Violation of Forestry***
10 ***Laws.*** Witnesses to violations of this Act or other forestry laws and regulations,
11 including the immediate members of the family of said witnesses shall be given
12 protection, security and benefit, subject to the provisions of Republic Act No. 6981,
13 otherwise known as "*The Witness Protection, Security and Benefit Act*" and its
14 implementing rules and regulations.

15
16 **SEC. 79. *Transitory Provisions.*** Upon the approval of this Act, the
17 Department shall evaluate the conditions of all forest lands covered by existing tenure
18 instruments, memoranda of agreements (MOAs) and other agreements and contracts
19 which shall be allowed to continue until their expiration, unless otherwise earlier
20 terminated for cause.

21
22 **SEC. 80. *Implementing Rules and Regulations.*** In consultation with the
23 Departments of Interior and Local Government, Finance, Agriculture, Budget
24 Management, and other relevant agencies and stakeholders, the Secretary of the
25 Department shall formulate the rules and regulations to implement the provisions of
26 this Act.

27
28 **SEC. 81. *Congressional Oversight Committee.*** There is hereby created a
29 Congressional Oversight Committee to oversee the implementation of this Act
30 composed of seven (7) members from the Senate Committee on Environment and
31 Natural Resources and seven (7) members from the House of Representatives
32 Committee on Natural Resources.

33 The secretariat of the Oversight Committee shall be drawn from the existing
34 secretariat personnel of the committees comprising the oversight and the funding shall

1 be taken from the appropriations of both the House of Representatives and the Senate.

2 SEC. 82. *Moratorium or Ban on Logging.* Congress shall provide, for such
3 period as it may determine, measures to prohibit logging in endangered forests and
4 watershed areas.

5
6
7 CHAPTER XIII
8 FINAL PROVISIONS

9
10 SEC. 83. *Separability Clause.* If any provision of this Act is declared
11 unconstitutional, the validity of the other provisions shall not be affected by such
12 declaration.

13
14 SEC. 84. *Repealing Clause.* Subsections (b), (d), (e), (f), (g) and (i) of Section
15 4 of Act No. 3915; Republic Act No. 460; Republic Act No. 7161; Presidential
16 Decrees Numbered 953, 1153, 1515, 705 as amended by 1559, 1775 and 1998; Letter
17 of Instruction No. 818; Executive Orders Numbered 277 and 278, series of 1987; and
18 Executive Orders Numbered. 725, Series of 1981, 263 and 318 are hereby repealed.
19 All other laws, orders, rules and regulations or any part thereof that are inconsistent
20 herewith are likewise hereby repealed or amended accordingly.

21
22 SEC. 85. *Effectivity.* This Act shall take effect thirty (30) days after its
23 publication in the Official Gazette or in two (2) newspapers of general circulation.
24