

SEVENTEENTH CONGRESS  
CONGRESS OF THE PHILIPPINES  
First Regular Session  
HOUSE OF REPRESENTATIVES

House Bill No. **1171**

HOUSE OF REPRESENTATIVES

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Introduced by REPRESENTATIVE PIA S. CAYETANO

**EXPLANATORY NOTE**

Forests play an important role in providing the country with natural resources that contribute to economic growth and social development. These forests also provide livelihood through raw materials that will be converted into finished products.

Apart from the economic benefits, forests also serve as protection and buffer from natural disasters such as flood and erosions. However, due to the ecological disturbances brought about by the carelessness of many, lives have been lost in natural disasters that could have been averted if only our forests were preserved.

For this reason, the proposed Sustainable Forest Management Act aims to ensure that our forests are properly managed to meet the needs of the present and future generations.

The bill mandates the development of an effective and sustainable forest management strategy based on the allocation of forestland uses and by promoting land use practices that will not only be productive but will also conserve forest resources such as soil, lumber, and water. This forest management strategy will also work to protect existing forest resources, conserve our fragile biodiversity and rehabilitate deforested or denuded areas. It is also envisioned to promote and stimulate food production activities without compromising forested areas.

This bill likewise provides for a Community-Based Forest Management Program (CBFMP) to be undertaken by concerned national agencies and the local government units. With this, indigenous people and other forest-based communities will be empowered to manage, develop, utilize and protect forest resources in a sustainable way.

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

*Pia S. Cayetano*  
PIA S. CAYETANO

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Introduced by REPRESENTATIVE PIA S. CAYETANO

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AN ACT  
PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT

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

CHAPTER I  
BASIC FORESTRY POLICIES

1 **SECTION 1. Short Title.**- This Act shall be known as the "Sustainable Forest  
2 Management (SFM) Act"

3

4 **SEC. 2. Scope and Coverage.**- The provisions of this Act shall apply to all lands of  
5 the public domain classified as needed for forestry purposes and all forest resources  
6 found in agricultural lands: *Provided*, That all forests and forest resources found in  
7 protected areas established under the National Integrated Protected Areas System  
8 (NIPAS) shall be sustainably managed and developed following the provisions of  
9 Republic Act No. 7586 or the NIPAS Act of 1992: *Provided further*, That all wildlife  
10 resources and critical habitats found in forestlands including agricultural lands shall  
11 be governed by the provisions of Republic Act No. 9147 or the Wildlife Resources  
12 Conservation and Protection Act.

13

14 All forestlands and forest resources therein under the administrative  
15 jurisdiction of the Autonomous Region of Muslim Mindanao (ARMM) shall be

1 managed, developed and conserved in accordance with the Regional Sustainable  
2 Forest Management Act of 2003 of the ARMM.

3  
4 **SEC. 3. Basic Policies.-** In pursuance of the provisions of the Constitution to  
5 promote the general welfare and social justice in all phases of national development,  
6 to protect and advance the right of the Filipino people to a balanced and healthful  
7 ecology in accord with the rhythm and harmony of nature, and to conserve and  
8 develop the patrimony of the nation, the State hereby adopts the following policies  
9 relative to the management, development and conservation of forests and the  
10 resources therein:

11  
12 (a) Permanency of Forest Limits- The specific limits of forestlands shall be  
13 fixed and demarcated and thereafter, shall not be altered except through an  
14 Act of Congress;

15  
16 (b) Forest Resources to promote the common good- The use of forest  
17 resources shall bear a social function, responsibility, and accountability to  
18 promote the common good;

19  
20 (c) Sustainable and integrated management, development and conservation  
21 of forest resources- The guiding principle in the sustainable and integrated  
22 management, development, and conservation of forest resources shall be  
23 focusing on these resources and on the people who manage, conserve, and  
24 benefit from them.

25  
26 In carrying out the above policies, the following strategies shall be pursued:

27  
28 (i) Watershed as the basic forestland management unit- Forestlands shall  
29 be managed, developed and conserved utilizing watershed as the  
30 basic management unit and under the principles of sustainable and  
31 multiple-use management, including conservation of biological  
32 diversity;

- 1 (ii) Forest as a functional system unit- Forest, whether for protection or  
2 production, is a functional ecosystem unit which could be conserved  
3 and used sustainably and the benefits derived from it shared equitably;  
4
- 5 (iii) Multi-sectoral participation- The participation of all sectors of society in  
6 sustainable forestland management, development and conservation  
7 shall be promoted. Equitable sharing of the benefits derived from  
8 forestlands and the resources therein shall be ensured at all times;  
9
- 10 (iv) Community-based forest management (CBFM) as a principal strategy-  
11 Vesting access rights and responsibilities to forest-dependent families,  
12 local communities, and indigenous peoples to undertake the  
13 management and development of appropriate forestland resources on  
14 a sustainable basis shall have precedence over other strategies;  
15
- 16 (v) Protection of forestlands and natural resources as priority concern- The  
17 protection of forestlands, especially protection forests and the natural  
18 resources therein shall be given priority concern in order to ensure  
19 environmental stability, conserve biological diversity, improve  
20 ecosystem functions and services, and provide long-term ecological  
21 and economic benefits;  
22
- 23 (vi) Reforestation as a priority measure- Reforestation shall be undertaken  
24 as a priority measure to rehabilitate and restore the ecosystem  
25 functions and services of open and/or denuded and degraded  
26 forestlands as well as improve the economic and ecological benefits of  
27 local communities concerned;  
28
- 29 (vii) Security of tenure of stakeholders- In pursuance of the principles of  
30 sustainable and multi-use forest management and equitable access to  
31 forest resources, a secured tenure shall be guaranteed to stakeholders  
32 concerned;  
33

(viii) Professionalism in forest service- A dynamic, professional and people-oriented forest service shall be established and fully supported by the government.

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

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

(b) "Agroforestry" shall refer to a strategy for the sustainable management of land which increases their overall productivity by properly combining agricultural crops and/or livestock with forest crops simultaneously or sequentially through the application of management practices which are compatible with the local climate, topography, slope, soil, as well as the cultural patterns or customary laws of the local communities.

(c) "Agricultural Lands" shall refer to Alienable and Disposable (A&D) lands of the public domain which have been delimited, classified and declared as such, pursuant to the provisions of Commonwealth Act No. 141, as amended, otherwise known as the Public Land Act.

(d) "Ancestral Domains" shall refer to all areas generally belonging to Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) comprising lands, inland waters, coastal areas, and natural resources therein, held under a claim of ownership, occupied or possessed by ICCs/IPs, themselves or through their ancestors, communally or individually since time immemorial, continuously to the present except when interrupted by war, *force majeure* or displacement by force, deceit, stealth or as a consequence of government projects or any other voluntary dealings entered into by government and private individuals, corporations, and which are necessary to ensure their economic, social and cultural welfare. It shall include ancestral land, forests, pasture, residential, agricultural, and other lands individually owned whether alienable and disposable or otherwise, hunting grounds, burial grounds, worship areas, bodies of water, mineral and other natural resources, and

1 lands which may no longer be exclusively occupied by ICCs/IPs but from which they  
2 traditionally had access to for their subsistence and traditional activities, particularly  
3 the home ranges of ICCs/IPs who are still nomadic and/or shifting cultivators,  
4 pursuant to Republic Act No. 8371 or the Indigenous Peoples Rights Act (IPRA) and  
5 subject to Section 56 thereof.

6  
7 (e) "Ancestral Lands" shall refer to land occupied, possessed and utilized by  
8 individuals, families and clans who are members of the ICCs/IPs since time  
9 immemorial, by themselves or through their predecessors-in-interest, under claims of  
10 individual or traditional group ownership, continuously to the present except when  
11 interrupted by war, *force majeure* or displacement by force, deceit, stealth, or as a  
12 consequence of government projects and other voluntary dealings entered into by  
13 government and private individuals/corporations, including, but not limited to,  
14 residential lots, rice terraces or paddies, private forests, swidden farms and tree lots,  
15 pursuant to Republic Act No. 8371 or the Indigenous Peoples Rights Act (IPRA) and  
16 subject to Section 56 thereof.

17  
18 (f) "Biological Diversity or Biodiversity" shall refer to the variability and variety  
19 among living organisms including, *inter alia*, terrestrial, marine and other aquatic  
20 ecosystems and the ecological complexes of which they are part. This includes  
21 diversity within the species (genetic diversity), between species (species diversity),  
22 and among ecosystems (ecosystem diversity).

23  
24 (g) "Buffer Zones" shall refer to identified areas outside the boundaries of and  
25 immediately adjacent to protected areas pursuant to Section 8 of Republic Act No.  
26 7586 or the National Integrated Protected Areas System (NIPAS) Act that need  
27 special development control in order to avoid or minimize harm to the protected area.

28  
29 (h) "Climate Change" shall refer to a change in climate that can be identified  
30 by changes in the mean and/or variability of its properties and that persists for an  
31 extended period typically decades or longer, whether due to natural variability or as a  
32 result of human activity;

1 (i) "Commercial Logging" shall refer to the cutting or felling of trees for the  
2 purpose of disposing the cut or felled logs for monetary profits beyond survival and  
3 livelihood means.

4  
5 (j) "Communal Forest" shall refer to a tract of forestland set aside and  
6 established for and under the protection, administration, and management of a city,  
7 municipality, or barangay as a source of wood material for fuel, shelter, and  
8 manufactured products; as source of water for the community; and as an area for  
9 ecotourism and/or environmental protection or socio-economic projects of local  
10 government units consistent with the policies and objectives of this Act and principles  
11 of sustainable development.

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

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

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

25  
26 (n) "Co-production Agreement" shall refer to an agreement entered into by  
27 and between a qualified person and the government, in accord with the 1987  
28 Constitution, for the former to develop, utilize, and manage, consistent with the  
29 principles of sustainable development, land or a portion of a forestland wherein both  
30 parties agree to provide inputs and share the products or their equivalent cash value.

31  
32 (o) "Criteria and Indicators" shall refer to tools used to assess the current  
33 state of sustainable forest management in the country and in forest management  
34 units and to determine the direction of change either towards or away from SFM.

1 (p) "Critical Watershed" shall refer to a drainage of a river system supporting  
2 existing and proposed hydroelectric power, irrigation works or existing water facilities  
3 needing immediate protection and rehabilitation to minimize erosion and improve  
4 water yield.

5  
6 (q) "Degraded Forests" shall refer to natural forests with varying degrees of  
7 disturbance or loss of structure, function, species, composition, and productivity.

8  
9 (r) "Degraded Forest Land" shall refer to a former forest land severely  
10 damaged by the excessive harvesting or wood and non-wood or non-timber forest  
11 products, poor forest management, repeated fires, pasture or other disturbances or  
12 land-uses that damage soil and vegetation to a degree that inhibits or severely  
13 delays the re-establishment of forest after abandonment.

14  
15 (s) "Delimitation" shall refer to the establishment of permanent boundaries  
16 between forestlands, national parks/protected areas and agricultural lands as a  
17 result of demarcation.

18  
19 (t) "Delineation" shall refer to the establishment of boundaries between  
20 forestlands, national parks/protected areas and agricultural lands as a result of a  
21 conduct of site investigation, reconnaissance and field verification in accordance with  
22 the criteria set by the Department.

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

27  
28 (v) "Denuded Forestlands" shall refer to forestlands that are devoid of forest  
29 tree cover.

30  
31 (w) "Department" shall refer to the Department of Environment and Natural  
32 Resources (DENR).

1 (x) "Downstream Forest Based Industry" shall refer to any industry other than  
2 the primary (wood) processing plants that uses forest products as its raw materials  
3 or inputs to produce higher value added forest products like furnitures, handicrafts  
4 and the like.

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

10  
11 (z) "Environmental Compliance Certificate" or "ECC" shall refer to the  
12 document issued by the Department certifying that a proposed project or undertaking  
13 will not cause a significant negative impact on the environment; that the proponent  
14 has complied with all the requirements of the Environmental Impact Assessment  
15 System; and that the proponent is committed to implement its approved Environment  
16 Management Plan found in the Environmental Impact Statement (EIS) or mitigation  
17 measures identified in the Initial Environmental Examination (IEE).

18  
19 (aa) "Environmental Impact Statement System" or "EIS System" shall refer to  
20 the organization, administration, and procedures that have been institutionalized  
21 pursuant to Presidential Decree No. 1586 for purposes of assessing the significance  
22 of the effects of any project or undertaking on the quality of the physical, biological,  
23 and social-economic environment and designing the appropriate mitigating and  
24 enhancement measures.

25  
26 (bb) "Environmentally Critical Project" shall refer to project or program that  
27 has high potential for significant negative environmental impact.

28  
29 (cc) "Forest" shall refer to land with tree crown cover or equivalent stocking  
30 level of more than ten percent (10%) and an area of more than half a hectare (0.5  
31 ha.). The trees should be able to reach a minimum height of five meters (5m.) at  
32 maturity *in situ*. It may consist either of closed forest formations where trees of  
33 various storeys and undergrowth cover a high proportion of the ground, or open  
34 forest formation with a continuous vegetation cover in which tree crown cover

1 exceeds ten percent (10%). Young natural stands and all plantations established for  
2 forestry purposes which have yet to reach a crown density of ten percent (10%) or  
3 tree height of five meters (5 m.) are included under forest, as are areas normally  
4 forming part of the forest area which are temporarily unstocked as a result of human  
5 intervention or natural causes but which are expected to revert to forest. Forests  
6 include such stand types as dipterocarp, pine, mossy, molave, beach, and  
7 mangrove. Pursuant to the Convention on Biological Diversity, forests are treated as  
8 functional ecosystem units which should be conserved, used sustainably, and the  
9 benefits derived from them should be shared equitably.

10  
11 (dd) "Forest Charges" shall refer to the levy imposed and collected by the  
12 government on naturally growing timber and other forest products cut, harvested, or  
13 gathered from the forestlands and from agricultural lands.

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

20  
21 (ff) "Forest Products" shall refer to goods and services derived from forest  
22 such as, but limited to, timber, lumber, veneer, plywood, fiberboard, pulpwood, bark,  
23 tree top, resin, gums, wood oil, honey, bees wax, nipa, rattan, or other forest growth  
24 such as grass, shrub and flowering plants, the associated water, fish, game, scenic,  
25 historical, and educational.

26  
27 (gg) "Forest Resources" shall refer to all resources whether biomass such as  
28 plants and animals including its by-products and derivatives, which can be a raw  
29 material, or non-biomass such as soil, water, scenery, as well as the intangible  
30 services and values present in forestlands or in other lands devoted for forest  
31 purposes.

1 (hh) "Forest/Forest-Based Community" shall refer to a group of people  
2 residing inside or immediately adjacent to a particular forestland who are largely or  
3 partly dependent on the forest resources found therein for their livelihood.

4  
5 (ii) "Forest-Based Industries" shall refer to various industries that are  
6 dependent on raw materials or products derived from forests such as, but not limited  
7 to, wood, rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers, or wild  
8 flora and fauna.

9  
10 (jj) "Forestlands" shall refer to lands of the public domain classified as needed  
11 for forest purposes. They shall include all forest reserves, forest reservations and all  
12 remaining unclassified lands of the public domain.

13  
14 (kk) "Forestry Landscapes" shall refer to a process that aims to regain  
15 ecological integrity and enhance human well being in deforested or degraded  
16 forestlands.

17  
18 (ll) "Grazing Land" shall refer to a portion of the public domain which has been  
19 set aside, in view of its topography and vegetation, for the raising of livestock.

20  
21 (mm) "Greenhouse Gas" refers to any gas that absorbs infrared radiation in  
22 the atmosphere. Greenhouse gases include water vapor, carbon dioxide (CO<sub>2</sub>),  
23 Methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), halogenated fluorocarbons (HCFCs), ozone  
24 (O<sub>3</sub>), perfluorinated carbons (PFCs) and hydrofluorocarbons (HFCs).

25  
26 (nn) "Indigenous Cultural Communities/Indigenous Peoples" or "ICCs/IPs"  
27 shall refer to a group of people or homogenous societies identified by self-ascription  
28 and ascription by others, who have continuously lived as organized community on  
29 communally bounded and defined territory, and who have, under claims of  
30 ownership since time immemorial, occupied, possessed and utilized such territories,  
31 sharing common bonds of language, customs, traditions and other distinctive cultural  
32 traits, or who have, through resistance to political, social and cultural inroads of  
33 colonization, non-indigenous religions and cultures, became historically differentiated  
34 from the majority of the Filipinos. ICCs/IPs shall likewise include people who are

1 regarded as indigenous on account of their descent from the populations which  
2 inhabited the country, at the time of conquest or colonization, or at the time of  
3 inroads of non-indigenous religions and cultures, or the establishment of present  
4 state boundaries, who retain some or all of their own social, economic, cultural and  
5 political institutions, but who may have been displaced from their traditional domains  
6 or who may have resettled outside their ancestral domains.

7  
8 (oo) "Industrial Forest Management Agreement" or "IFMA" shall refer to a  
9 production-sharing contract entered into by and between the Department and a  
10 qualified person, whether natural or juridical, wherein the former grants to the latter  
11 the exclusive right and responsibility to invest in, develop, manage, and protect a  
12 defined area of the production forestland, including the establishment, management  
13 and utilization of industrial forest plantation, consistent with the principle of  
14 sustainable development, primarily to supply the raw material requirements of wood-  
15 based processing and energy-related industries and wherein both parties share in  
16 the benefits therefrom.

17  
18 (pp) "Industrial Forest Plantation" or "IFP" shall refer to any tract of land  
19 planted mainly to timber producing species, including rubber and/or non-timber  
20 species such as rattan and bamboo, primarily to supply the raw material  
21 requirements of existing or proposed wood processing plants, and related industries.

22  
23 (qq) "Joint Venture Agreement" shall refer to an agreement where a joint-  
24 venture company is organized by its government and the contractor, with both  
25 parties having equity shares. Aside from earnings in equity, the government is  
26 entitled to a share in the gross output.

27  
28 (rr) "Kaingin" shall refer to a portion of the forest land, whether occupied or  
29 not, which is subjected to shifting and/or permanent slash-and-burn cultivation  
30 having little or no provision to prevent soil erosion.

31  
32 (ss) "Kaingin Making" shall refer to a farming system based on shifting, or  
33 slash and burn clearing of forest for the planting of agricultural and agro-forestry  
34 crops.

1 (tt) "Managed Forest" shall refer to a forest under a deliberate system of  
2 protection, rehabilitation, and development, which may include utilization of  
3 resources, to ensure the sustainable production of desired products and services  
4 and the conservation of soil, water, wildlife, and other resources therein.

5  
6 (uu) "Master Plan for Forestry Development" refers to the twenty (25) years  
7 strategic program of the Forestry Sector envisioned to guide its long term  
8 development. This program includes the following: (a) policy and institutional  
9 development; (b) watershed and forestry development; (c) livelihood and poverty  
10 reduction; and (d) forest-based industry development.

11  
12 (vv) "Multiple Use" shall refer to the harmonized utilization of land, soil, water,  
13 wildlife, recreation value, grass and timber of forestlands.

14  
15 (ww) "National Park" shall refer to the land of public domain classified as such  
16 in the 1987 Philippine Constitution which includes all areas under the National  
17 Integrated Protected Areas System (NIPAS) pursuant to RA 7586, primarily set aside  
18 and designated for the conservation of native plants and animals, their associated  
19 habitats and cultural diversity.

20  
21 (xx) "Natural Forest" shall refer to forest composed of indigenous trees, not  
22 planted by man.

23  
24 (yy) "Non-Government Organization" or "NGO" shall refer to a non-stock, non-  
25 profit, and voluntary organization.

26  
27 (zz) "Permit" shall refer to a short-term privilege or authority granted by the  
28 State to a person to utilize any limited forest resources or undertake a limited activity  
29 within any forest land without any right of occupation and possession therein.

30  
31 (aaa) "Person" shall refer to a natural or juridical person, including local forest  
32 communities or indigenous peoples organized in accordance with law or custom.

1 (bbb) "Plantation Forest" shall refer to forest stands established by planting or  
2 seeding in the process of afforestation or reforestation.

3  
4 (ccc) "Primary Forest" shall refer to forest which have never been subject to  
5 human disturbance or has been so little affected by hunting, gathering and tree  
6 cutting that its natural structure, function and dynamics have not undergone any  
7 changes that exceed the elastic capacity of the ecosystem.

8  
9 (ddd) "Processing Plant" or "Processing Mill" shall refer to any mechanical set-  
10 up, device, machine or combination of machines used for the conversion of logs and  
11 other forest raw materials into lumber, fiberboard, pulp, paper or other finished wood  
12 products.

13  
14 (eee) "Production Forestlands" – as defined under Sec. 6 (b) of this Act.

15  
16 (fff) "Production Sharing Agreement" shall refer to an agreement wherein the  
17 government grants the contractor the exclusive right to conduct forestry development  
18 activities within but not title over, the contract area and shares in the production  
19 whether in kind or in value as owner of forest product therein. The contractor  
20 provides all the necessary financing, technology, management and personnel.

21  
22 (ggg) "Protected Areas" shall refer to identified portions of land and water set  
23 aside by reason of their unique physical and biological significance, managed to  
24 enhance biological diversity and protected against destructive human exploitation.  
25 They shall constitute the areas established under the National Integrated Protected  
26 Areas System (NIPAS) pursuant to RA 7586 and shall fall under the National Park  
27 classification of public domain.

28  
29 (hhh) "Protection Forests" – as defined under Sec. 6 (a) of this Act.

30  
31 (iii) "Reforestation" shall refer to the establishment of forest plantations on  
32 temporarily unstocked lands that are considered as forest. Also called as artificial  
33 regeneration.

(jjj) "Reservation" shall refer to an area of the public domain reserved by law for a specific purpose.

(kkk) "Restoration" shall refer to the bringing back of the forestland to its original state.

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

(mmm) "Secondary Forest" shall refer to the status or condition of a forest subsequent to commercial logging and which there is more or less sufficient or adequate volume of residuals of the desired species of trees for future harvest.

(nnn) "Secretary" shall refer to the Secretary of the DENR.

(ooo) "Silvicultural Practices" shall refer to any action by man to further improve or enhance the stand growth as a whole or the single tree for future harvest including assisted natural regeneration and tree surgery, among others.

(ppp) "Sustainable Development" shall refer to development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.

(qqq) "Sustainable Forest Management" or "SFM" shall refer to the process of managing a forest to achieve one or more clearly specified objectives of management with regard to production of continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undesirable effects on the physical and social environment.

(rrr) "Tenure" shall refer to guaranteed peaceful possession and use of specific forest land area and the resources found therein, covered by an agreement, contract, or grant which cannot be altered or abrogated without due process.

1 (sss) "Timber License Agreement" or "TLA" shall refer to a long-term license  
2 executed by and between the Secretary of the DENR, on behalf of the government,  
3 and the grantee for the harvesting and removal from the public forest of timber and,  
4 in appropriate cases, also of other products.

5  
6 (ttt) "Watershed" shall refer to a land area drained by a stream or fixed body  
7 of water and its tributaries having a common outlet for surface runoff.

8  
9 (uuu) "Watershed Ecosystem Management" or "WEM" shall refer to a  
10 management system that will provide the optimum social, cultural, economic and  
11 environmental benefits to the greatest number of people, particularly those living in,  
12 adjacent to, or downstream of, individual watershed areas, while maintaining the  
13 biological and cultural heritage of the country. It is the holistic multiple use and  
14 sustainable management of all the resources within a spatial unit known as the  
15 watershed. The Watershed Ecosystem Management is based on the following  
16 guiding principles: (1) Ecological sustainability; (2) Social and Cultural sustainability;  
17 (3) Economic sustainability and (4) Institutional Sustainability.

18  
19 (vvv) "Watershed Reservation" shall refer to a forestland reservation  
20 established to protect or improve the conditions of water yield thereof or reduce  
21 sedimentation.

22  
23 (www) "Wildlife" shall refer to wild forms and varieties of flora and fauna, in all  
24 developmental stages, including those which are in captivity or are being bred or  
25 propagated.

26  
27 (xxx) "Wood-Based Industries" shall refer to various industries that use wood  
28 as the principal raw material including but not limited to sawmilling, pulp and paper  
29 making, and plywood and veneer manufacturing or the upstream wood-based  
30 industries, as well as the secondary and tertiary wood processing or downstream  
31 industry such as moldings and furniture manufacturing.

## CHAPTER II

### CLASSIFICATION OF PERMANENT FORESTLANDS

**SEC. 5. *Permanent Forestlands.*** – All lands of the public domain classified as forestlands, including the remaining unclassified lands, shall comprise the permanent forestlands of the country. *Provided,* That any reclassification shall be approved by an Act of Congress.

**SEC. 6. *Sub-Classification of the Permanent Forestlands.*** – The permanent forestlands shall be sub-classified into the following categories according to primary use:

(a) Protection forestlands – All areas within the forestlands devoted primarily for the protection, conservation of forest resources to ensure environmental stability, conservation of biological diversity, improvement of ecosystem functions and services, and provision of ecological and economic benefits shall constitute the protection forestlands. All mossy and primary/old growth forests and natural beach, areas above 50% slope, areas regardless of slope which are highly erodible or too rocky for establishment of either production forests or limited production forests, developed for the principal objectives or establishing vegetative cover to prevent erosion, conserve water and nurture wildlife, freshwater, swamps, and marshes, all areas along the bank of the rivers and streams, and the shores of the seas and lakes throughout their entire length and within the zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas, and forty (40) meters in forest areas, along their margins which are subject to the easement of public use in the interest of recreation, settlements, navigation, floatage, fishing and salvage shall also be sub-classified as protection forestlands.

(b) Production forestlands. – All forestlands not sub-classified as protection forestlands defined in this Section shall be sub-classified as production forestlands to be devoted to the production of timber and/or non-timber forest products or the establishment of industrial tree plantations, tree

1 farms, communal forests, agroforestry, grazing, or as multiple use forests  
2 including water-based energy areas such as but not limited to  
3 hydrothermal and geothermal reservations: *Provided*, That they shall be  
4 managed, developed, and utilized in accordance with a Department-  
5 approved management plan based on sustainable forest management  
6 principles.

7  
8 **SEC. 7. Demarcation and Delimitation.**- Upon approval of this Act, the Congress  
9 shall provide funds for the Department to demarcate on the ground the actual land  
10 classification lines: *Provided*, That the Secretary, upon completion of the actual  
11 assessment of the demarcated land classification lines, shall recommend to  
12 Congress the delimitation of the forestlands found to be still suitable and capable for  
13 its purpose.

14  
15 Records pertaining to the specific limits of forestlands shall be made available  
16 to the public upon request. Moreover, the Department shall furnish all provincial,  
17 municipal and city government copies of the maps of permanent forestlands located  
18 within their respective territorial jurisdictions.

### 19 20 CHAPTER III 21

## 22 ADMINISTRATION AND MANAGEMENT OF FORESTLANDS AND RESOURCES 23

24 **SEC. 8. Jurisdiction and Control of Forestlands.**- The Department shall be the  
25 primary agency responsible for the conservation, management, and utilization of all  
26 forestlands. In coordination with local government units and other government  
27 agencies, it shall ensure that forestlands are managed, conserved, developed,  
28 utilized, and protected consistent with the policies and strategies promulgated in this  
29 Act. The utilization and development of forestlands including the natural resources  
30 therein shall be undertaken in accordance with Department-approved management  
31 plans.

**SEC. 9. Forestlands Managed by Local Government Units (LGUs).**- Pursuant to the pertinent provisions of Republic Act. No. 7160 or the Local Government Code, LGUs shall share the responsibility in the sustainable management, development, protection and utilization of forest resources within their territorial jurisdiction. Subject to vested rights, LGUs and the Department, in consultation with other government agencies, local communities, non-government organizations, academic and research institutions and other sectors shall jointly undertake the preparation of indicative forestland use and watershed management plans, particularly the identification of multiple-use areas and production forestlands within the territorial jurisdiction of each LGU which shall be made an integral component of the latter's Comprehensive Land Use Plan (CLUP). The LGUs shall be consulted on all forestry projects to be implemented in their territorial jurisdiction and shall have equitable share of incomes derived therefrom. For this purpose, the Department, the Department of Interior and Local Government (DILG), the Leagues of Provinces, Cities, Municipalities, and Barangays shall formulate a joint strategy and program to implement this provision within one (1) year from the passage of this Act.

**SEC. 10. Forestlands Under Other Government Agencies.**- Forestlands and/or portions thereof which have been assigned by law to the administration and management of other government agencies for a specific purpose, including those devolved to the LGUs prior to the passage of this Act, shall remain under the administration and management of these government agencies which shall be responsible for their conservation, protection, rehabilitation, and sub-classification into protection forestland and the specific purpose for which the entire area has been assigned or reserved unless said assignment or reservation is consistent with the use of such area as protection forestland. The Secretary or a duly authorized representative shall exercise oversight functions over these forestlands. Moreover, these forestlands shall be administered in accordance with a forest management plan, which shall be prepared by the government agency or concerned LGU in coordination with the Department and local communities and organizations within one year from the effectivity of this Act: *Provided*, That the Department and the LGU or government agency concerned shall periodically review, monitor, and evaluate the implementation of the said management plan: *Provided, further*, That the harvesting of forest resources and building of roads and other infrastructure therein shall be

undertaken only with the prior approval of the Secretary and after compliance with Environmental Impact Assessment (EIA) in accordance with Presidential Decree No.1151 or the Philippine Environmental Policy and Presidential Decree No. 1586, Establishing an Environmental Impact Statement System: *Provided finally*, That the Secretary shall recommend to Congress or the President of the Philippines the reversion to the Department of the jurisdiction and control over forestlands that are no longer needed nor used for the purpose by which they have been constituted or in case the agency or LGU concerned fails to rehabilitate, protect, and conserve the forestland resources in accordance with the approved management plan. The Department shall determine the use of the reverted forestlands.

**SEC. 11. Forest Resources Within Alienable and Disposable Lands.** –All forest resources planted or raised within alienable and disposable (A&D) lands belong to the owner who shall have the right to harvest, transport, sell, contract, convey or dispose of the same subject to existing forest laws and regulations. The Department shall encourage and provide incentives to landowners of alienable and disposable lands to develop, maintain and manage forests on their lands or to develop and maintain a tree plantation on such lands. Landowners who register their lands for forestry purposes with the Department shall be assisted by the Department in the preparation of a management plan: *Provided*, That alienable and disposable lands devoted to the planting and harvesting of forest resources shall remain subject to the provisions of Republic Act No. 6657 or the Comprehensive Agrarian Reform Law.

Harvesting, transport and sale of all trees planted within titled lands or tax-declared A&D lands with corresponding approved application for patent or acquired through court proceedings, shall be deregulated, except for naturally-growing trees, including premium hardwood species and other timber species as determined by the Department, where a special cutting permit issued by the Secretary shall be required.

All private plantations within titled or tax-declared A&D lands with approved land application should be registered at the City Environment and Natural Resources Office (CENRO) having jurisdiction over the area. For this purpose, the CENRO shall maintain a permanent Registry book to reflect all the information contained in the

1 registration form to serve as database on the extent of private plantations within its  
2 area of responsibility. To form part of this permanent record is a certified and verified  
3 photocopy of the land title or tax declaration with approved land application.  
4

5 **SEC. 12. *Forest Resources Within Forestlands.*** - All forest resources, including  
6 non-timber forest products, its by-products and its derivatives, whether naturally  
7 growing, planted or raised, which have been taken or have been applied with some  
8 silvicultural practices, within forestlands including those forest resources within the  
9 areas covered by Certificate of Ancestral Domain Title (CADT) or Certificate of  
10 Ancestral Land Claim (CALC), shall be issued with a permit, agreement or  
11 clearance that are deemed necessary and appropriate by the Department as  
12 recommended by the Forest Management Bureau (FMB). The transport of these  
13 forest resources from forestlands including those from the area of the Indigenous  
14 Cultural Communities and Indigenous Peoples covered by CADT or CALC shall be  
15 covered by a separate permit, agreement or clearance duly issued by the  
16 Department. Any declaration of forest resources as endangered, threatened,  
17 vulnerable and other restriction shall be done in coordination, consultation and  
18 clearance from the FMB.  
19

20 **SEC. 13. *Forest Resources Within Ancestral Domain.*** - The recognition,  
21 ownership, and management of ancestral lands and domains shall be governed by  
22 the provisions of the IPRA but any project of a holder of a CADT or any such similar  
23 instrument to develop or use forestlands or forest resources therein that would result  
24 in severe soil erosion or environmental degradation shall be subject to the provisions  
25 of Environmental Impact Assessment (EIA) in accordance with Presidential Decree  
26 No.1151 or the Philippine Environmental Policy, Presidential Decree No. 1586,  
27 Establishing an Environmental Impact Statement System, and this Act. The National  
28 Commission on Indigenous Peoples (NCIP) shall coordinate and consult the  
29 Department in providing assistance to the indigenous peoples in the sustainable  
30 management and development of forest resources within ancestral lands and  
31 domains. The Multi-Sectoral Forest Protection Council created under Sec. 33 herein  
32 shall, among its functions and powers, evaluate and validate the authenticity of all  
33 CALT/CALC claims and applications of the IPs prior to the conduct of all survey  
34 activities and issuance of corresponding titles.

1 **SEC. 14. *Development of Mechanisms for Private Sector Participation in Forest***

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

14  
15  
16 **CHAPTER IV**

17  
18 **FOREST MANAGEMENT PLANNING, MONITORING AND ASSESSMENT**

19  
20 **SEC. 15. *Sustainable Forest Management Planning.-*** Subject to vested or prior  
21 rights, the Department, in consultation and coordination with LGUs, other  
22 government agencies, local communities, non-government organizations, individual  
23 and corporate entities, private sectors, academic and research institutions, and other  
24 concerned sectors shall, within one (1) year from the effectivity of this Act, develop  
25 and adopt a sustainable forest management strategy for each well-defined  
26 watershed or other appropriate forest management unit based on criteria, indicators,  
27 and standards for sustainable forest management which, at their minimum, address  
28 the following requirements:

- 29  
30 a) Rational allocation of forestland uses and promotion of land use practices  
31 that increase productivity and conserve soil, water, and other forestland  
32 resources;  
33 b) Protection of existing forest resources and conservation of biodiversity;

- c) Rehabilitation or development of denuded areas to expand the forest resource base and promote food production activities;
- d) Enhancement of the socio-economic well-being of local communities including indigenous peoples who are largely dependent on the forest for their livelihood;
- e) Promotion of closer coordination between and among the Department, LGUs, other national agencies, non-government organizations, local communities, the private sector, academic and research institutions and other entities in the sustainable management of forestlands;
- f) Adoption of community-based forest management as a principal strategy in the management of forestlands and resources; and
- g) Integration of forest management and land use plans at the barangay or community level to the CLUPs of cities and municipalities, including the adoption of effective impact monitoring system of forest management programs.

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

**SEC. 16. Watershed Ecosystem Management Strategy.-** The Watershed and Ecosystems Planning Framework in Environment and Natural Resources Management shall be adopted. The strategy for improved watershed resources management shall be demand-driven, community-based, and multiple and sustainable-use considering national priorities and concerns of local stakeholders. Watershed management programs shall be guided by ecological, socio-cultural, economic, and institutional sustainability principles. A National Watershed Information System shall be developed to guide policy formulation, program development, and implementation of watershed management initiatives.

A system of prioritization of watersheds shall be pursued considering the following:

- a) water supply for domestic, irrigation, power, industrial, and commercial use;
- b) contribution to the economy;

- c) biodiversity and environmental enhancement;
- d) cultural and historical value; and
- e) effect on downstream areas.

**SEC. 17. *Forestry Information System.*** – The Department shall establish a forestland resource database which shall consist of a comprehensive up-to-date information on the physical, social, economic, biological, and environmental components of the country's forestlands. It shall include a resource monitoring system to enable the Department and its field offices to track the utilization, movement or transfer of forest-based goods and services from the source to their end-users.

The Department shall conduct and /or update forest resource inventory at least once every five (5) years to ensure effective management.

**SEC. 18. *Environmental Impact Assessment, Accounting and Valuation.***– All new environmentally critical projects to be implemented in forestlands such as harvesting, grazing and other special uses, mineral prospecting and exploration, road, infrastructure, and mill construction shall be subject to Environmental Impact Assessment (EIA) in accordance with Presidential Decree No. 1151 or the Philippine Environmental Policy, and Presidential Decree No. 1586, Establishing an Environmental Impact Statement System. The Department shall design and implement a system of monitoring and assessment using the Criteria and Indicators as framework and shall formulate appropriate standards as basis for assessing progress towards sustainable forest management.

Furthermore, the Department shall design and implement an appropriate natural resources accounting and valuation system for various forestry initiatives.

## CHAPTER V

### COMMUNITY-BASED FOREST MANAGEMENT

1 **SEC. 19. *Community-Based Forest Management Strategy (CBFMS)*.** - Consistent  
2 with the policy of sustainable and multiple use forest management, forest dependent  
3 families, local communities, and indigenous peoples whose lives, cultures, and  
4 general well-being are intimately linked with the forests shall be granted access to  
5 forestlands and resources through the issuance of long-term tenure agreements.  
6 This gives them a guarantee for peaceful occupation and entrusts to them the  
7 responsibility to protect, manage, develop, and utilize said forest resources under the  
8 principle of stewardship.

9  
10 The Department shall develop policies, criteria, guidelines, and tenurial  
11 instruments that will simplify, facilitate, and allow access of forest dependent  
12 families, local communities, and indigenous peoples to forestland resources. The  
13 Department shall furthermore develop policies, guidelines and incentives for private  
14 sector investors to enter into mutually beneficial relationships with forest-based  
15 communities in pursuit of CBFMS on a sustainable forest management basis.

16  
17 **SEC. 20. *Qualified Participants*.**- Organized forest communities shall be given  
18 priority to participate in the CBFM program. Indigenous peoples shall also be  
19 encouraged to actively participate in the implementation of CBFM activities in  
20 recognition of their rights to their ancestral domains and lands. Organizations eligible  
21 to participate in CBFM shall have the following qualifications:

- 22  
23 a) Members shall be Filipino citizens; and  
24 b) Members shall be any of the following:  
25 1. Traditionally utilizing the resource for their livelihood;  
26 2. Actually residing within the area to be awarded;  
27 3. Residing adjacent and actually tilling portions of the area to be  
28 awarded.

## 31 CHAPTER VI

### 32 REFORESTATION, AFFORESTATION AND RESTORATION PROGRAMS

1 **SEC. 21. *Reforestation and Restoration in Protection Forestlands.*** – The  
2 reforestation and restoration of all critical watersheds and critical, denuded, and  
3 degraded forests within protection forestlands not otherwise covered by the CBFM  
4 program shall be given top priority and shall be vigorously pursued by the  
5 Department consistent with the NIPAS Act and the strategies and management  
6 plans therefor. Use of endemic species in the restoration and rehabilitation of  
7 protection forestlands shall be adopted to enhance biological diversity therein. The  
8 Department, in coordination with LGUs, other government agencies, NGOs, local  
9 residents and communities, and other sectors concerned, shall identify and prioritize  
10 forestlands to be reforested.

11  
12 An accelerated reforestation program in identified priority protection  
13 forestlands shall be undertaken to raise the forest cover. The Department shall allot  
14 funds to effectively accomplish reforestation either by its own or through contract in  
15 protection forestlands. The Department or other agencies responsible for  
16 reforestation shall give priority to local communities in the granting of technical and  
17 financial assistance for reforestation activities.

18  
19 **SEC. 22. *Reforestation or Forest Plantation Development in Production***  
20 ***Forestlands.***– In accordance with Section 43 herein, the State through the  
21 Department may enter into joint venture, co-production, or production sharing  
22 agreement with qualified forest community organizations, local government units,  
23 government-owned or controlled corporations, private companies, individuals, and  
24 other interested parties concerned in the development of forest plantations in  
25 production forestlands: *Provided, however,* That portions of production forestlands  
26 as determined by the Department as needed for protection purposes, shall not be  
27 converted into forest plantations. Such areas shall be rehabilitated using an  
28 appropriate forest regeneration scheme.

29  
30 **SEC. 23. *Reforestation in Forestlands under the Jurisdiction of Other***  
31 ***Government Agencies.***– Government agencies and institutions having management  
32 control over forestlands pursuant to a law or grant shall be responsible for the  
33 reforestation of denuded and degraded portions of such forestlands. The  
34 reforestation program of these agencies shall aim to increase the vegetation of the

1 degraded areas, to be identified jointly by the Department and agency concerned.  
2 The concerned agency in coordination with the Department shall prepare the  
3 reforestation plan, and determine the ratio of forested areas at any given time.  
4 Failure to reforest denuded and/or degraded forestland identified in the reforestation  
5 plan within the period herein prescribed shall be sufficient ground to request for  
6 reversion of the said forestlands to the jurisdiction and control of the Department:  
7 *Provided, however,* That in areas where CBFMS shall be implemented or where  
8 there are existing facilities for basic services such as water and power as allowed by  
9 the Department pursuant to Section 43 hereof, the completion of the reforestation  
10 program shall be subject to the conditions provided in the tenorial document to be  
11 awarded by the Department and the agency concerned to the participating local  
12 community or individual or in the Forest Management Agreement of contractors  
13 operating such facilities for basic services, as approved by the Department.

14  
15 **SEC. 24. Reforestation in Alienable and Disposable Lands or Private Lands.-**

16 Reforestation or the establishment of tree farms or forest plantations in private lands  
17 shall be encouraged: *Provided,* That such private lands and other alienable and  
18 disposable lands are not prime agricultural lands as determined or certified by the  
19 Department of Agriculture (DA). The private landowner(s) shall also be entitled to the  
20 incentives provided for under Section 27 herein, particularly subsections (a), (b), (c),  
21 (d), and (e): *Provided,* That such private forest plantations are duly registered with  
22 the Department.

23  
24 **SEC. 25. Afforestation in Forestlands.-** The afforestation of forestlands, including  
25 those under the jurisdiction of other agencies, where tree vegetation is nil or have  
26 been removed for a considerable time, shall be given priority to re-establish the  
27 production and/or protection functions of the area to provide the goods and services  
28 for which they are needed. Use of appropriate technology shall be applied as  
29 necessary to make the general environment of the area suitable for the  
30 establishment of plantations. Use of endemic species in the afforestation of  
31 protection forestlands shall be given priority to enhance biological diversity therein. In  
32 production forestlands, commercial fast growing species compatible with the socio-  
33 economic and biophysical characteristics of the area shall be preferred. The  
34 Department, in coordination with LGUs, other government agencies, NGOs, local

1 residents and communities, and other sectors concerned, shall identify and prioritize  
2 forestlands to be afforested.

3

4 **SEC. 26. Afforestation in Alienable and Disposable Lands and Private Lands.-**

5 The afforestation of private lands and other alienable and disposable lands, which  
6 have been left idle and unproductive and have been lacking vegetation for a  
7 considerable time, shall be encouraged: *Provided*, that such private lands and other  
8 alienable and disposable lands are not prime agricultural lands as determined or  
9 certified by the DA. The private landowner(s) shall also be entitled to the incentives  
10 provided for under Section 27 herein, particularly subsections (a), (b), (c), (d), and  
11 (e): *Provided*, that such private forest plantations are duly registered with the  
12 Department

13

14 **SEC. 27. Incentives.-** To encourage qualified persons to engage in forest plantation  
15 activities, the following incentives shall be granted, in addition to those already  
16 provided by existing laws:

- 17 a) The agreement holder shall not be subject to any obligation prescribed or  
18 arising out of the provisions of the National Internal Revenue Code on  
19 withholding tax at source on interest paid on a loan/s incurred for the  
20 development of forest plantation;
- 21 b) Amounts expended by the agreement holder in the development and  
22 operation of a forest plantation prior to the commercial harvest shall be  
23 regarded as ordinary and necessary expenses or as capital expenditure;
- 24 c) The Board of Investments (BOI) shall classify forest plantations as pioneer  
25 and preferred areas of investment under its annual priority plan subject to the  
26 rules and regulations of the said Board;
- 27 d) The agreement holder shall be given priority to access credit assistance  
28 being granted by Government-owned, -controlled and/ or -supported financial  
29 institutions;
- 30 e) Upon the premature termination of the agreement at no fault of the holder,  
31 all depreciable permanent and semi-permanent improvements such as roads,  
32 buildings, and nurseries including the planted and standing trees and other  
33 forest crops introduced and to be retained in the area shall be properly  
34 evaluated and the holder shall be entitled to a fair compensation thereof, the

1 amount of which shall be mutually agreed upon by both the Department and  
2 the agreement holder, and in case of disagreement between them, by  
3 arbitration through a mutually acceptable and impartial third party adjudicator;  
4 f) No contract or agreement shall be terminated except for cause or for reason  
5 of public interest and only after due process; and  
6 g) The agreement holder has the right to transfer, contract, sell, or convey his  
7 rights to any qualified person following the guidelines to be issued by the  
8 Secretary.

9  
10 The Secretary may provide or recommend to the President or to Congress  
11 other incentives in addition to those granted herein and in existing laws in order to  
12 promote reforestation and the establishment of forest plantations.

13  
14 **SEC. 28. Voluntary Offer to Reforest.-** Private landowners, whether natural or  
15 juridical persons, may participate in reforestation and plantation development or  
16 similar programs of the Department, with the landowner contributing his land and the  
17 Department furnishing funds to reforest the area on a co-production agreement:  
18 *Provided*, That the property shall be exclusively devoted to the planting of forest  
19 species for at least one (1) rotation, which undertaking shall be annotated at the  
20 back of the title of the property: *Provided, further*, That prime agricultural lands as  
21 determined or certified by the DA shall not be the subject of a voluntary offer to  
22 reforest.

## 23 24 CHAPTER VII

### 25 26 TREE PARK/COMMUNAL FOREST

27  
28 **SEC. 29. Establishment and/or Maintenance of City or Municipal Parks or**  
29 **Communal Forest.-** Every city or municipality shall establish a city or municipal park  
30 or communal forest and shall include in its yearly budget the necessary funds for its  
31 establishment and maintenance. Upon request of the city or municipality concerned,  
32 the Department shall set aside an appropriate area of the protection or production  
33 forestlands as the case may be, as city or municipal park or communal forest and

1 shall provide technical assistance to the local government concerned in the  
2 development of the park or communal forest.

3  
4 **SEC. 30. *Establishment of Tree Parks in Subdivision and Tree Planting on***

5 ***Roadsides.***- Every subdivision project to be developed after the passage of this Act  
6 shall include the establishment of a tree park of not less than fifty percent (50%) of  
7 the required total open spaces as provided in Section 2 of Presidential Decree No.  
8 953, requiring the planting of trees in certain places. Guidelines for the establishment  
9 of tree parks within a subdivision shall be prepared jointly by the subdivision owner  
10 concerned, the Housing and Land Use Regulatory Board (HLURB) and the  
11 Department. The subdivision owner shall provide the funds for this purpose. These  
12 guidelines and allocation of funds shall be a condition precedent in the approval of  
13 the subdivision plan. For every major public road or irrigation construction project,  
14 the Department of Public Works and Highways (DPWH) shall include the planting  
15 and maintenance of trees along the road/highway or irrigation canals as landscaped  
16 rest areas every twenty-five (25) kilometers thereof, whenever appropriate, and shall  
17 provide adequate funds for this purpose. Each city and municipality shall also  
18 allocate adequate funds for the planting, care, and maintenance of trees or perennial  
19 shrubs in "greenbelts" or "green spaces" such as road/street sides, center islands,  
20 among others.

21  
22  
23 **CHAPTER VIII**

24  
25 **FOREST PROTECTION**

26  
27 **SEC. 31. *Commercial Logging Ban in Protection forestlands.***- There shall be a  
28 permanent ban on commercial logging activities in all protection forestlands defined,  
29 categorized, and sub-classified in Section 6 (a) herein. No licenses, permits, or  
30 agreements to cut any timber or to harvest, collect or gather non-timber forest  
31 products therein shall be issued: *Provided*, That sustainable indigenous and  
32 traditional practices of the IPs/ICCs shall be recognized and respected.

**SEC. 32. Forest Protection in Production Forestlands.-** Protection forestlands found inside production forestlands shall be excluded from any logging operation. The holder of the agreement or license over these production forestlands shall establish a buffer zone and delineate their boundaries, marking the same with concrete monuments or any other visible, permanent, and practicable signs.

To ensure the conservation and sustainable use of forest resources in production forestlands, holders of tenurial instruments shall submit to the Department a Forest Management Plan (FMP) containing strict environmental guidelines.

Upon the expiration or termination for cause of any Timber License Agreement (TLA), no extension shall be granted and the area covered by the agreement shall be sub-classified as protection forestland after the Department had excluded the production forestland and degraded areas that may be subject of a reforestation or tree plantation project.

**SEC. 33. Multi-Sectoral Forest Protection Council. -** There shall be created a Multi-Sectoral Forest Protection Council in every province, city and municipality which shall be responsible for the over-all protection of the forestlands and forest resources found therein. Among their powers and functions found in other provisions under this Act, they shall be primarily responsible for law enforcement, prevention of forest fires, integrated pest management and protection against forest invasive species. The council shall be composed of representatives from DENR, NCIP, Department of Agrarian Reform (DAR), concerned LGUs, NGOs, People's organizations, church and local academic institution, among others.

**SEC. 34. Assistance of Law Enforcement Agencies.-** The Department may call upon law enforcement agencies and instrumentalities of the Government such as the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), and the National Bureau of Investigation (NBI) for the enforcement of the forest-related laws, rules and regulations.

1 **SEC. 35. *Role of LGUs and Local Residents.***- It shall be incumbent upon LGUs  
2 concerned to render assistance in protecting and conserving forestlands within their  
3 respective territorial jurisdiction. Qualified local residents shall be deputized by the  
4 Department to assist in the drive against illegal logging, kaingin-making and  
5 forestland occupation. These deputized residents shall likewise be authorized to  
6 arrest forest violators within their communities subject to existing laws and  
7 regulations on arrest and detention. The LGUs shall provide assistance to these  
8 deputized residents in cases of arrests and seizures.

9  
10 **SEC. 36. *Prevention of Forest Fires and Control of Forest Pests and Diseases.***-

11 In collaboration with concerned LGUs and the Bureau of Fire Protection (BFP), the  
12 Department shall formulate and implement a fire prevention and control program,  
13 providing incentives to LGUs, community organizations, or individuals who  
14 participate in preventing and controlling forest or grass fire. The Department shall  
15 likewise formulate and implement a national integrated forest pest and disease  
16 management program including quarantine procedures for imported forest seeds  
17 and forest products to prevent, minimize or control forest pests and diseases.

18  
19 **SEC. 37. *Information and Rewards System.*** – The Department shall establish an  
20 information and rewards system as part of the community's participation in the  
21 protection of forest resources. The rewards shall be payable immediately upon the  
22 establishment of *prima facie* proof of violation.

23  
24  
25 **CHAPTER IX**

26  
27 **FORESTRY RESEARCH, EDUCATION, TRAINING AND EXTENSION**

28  
29 **SEC. 38. *Research and Technology Development Transfer.***- Research and  
30 technology development transfer shall be strengthened to support sustainable  
31 management of forest resources. The Department, the Department of Science and  
32 Technology (DOST), the Commission on Higher Education (CHED), and the colleges  
33 of forestry of State Universities shall, within one (1) year from the passage of this  
34 Act, prepare a comprehensive national forestry and environmental research and

1 technology development and transfer program in furtherance of sustainable forest  
2 management which shall be implemented, monitored, and reviewed in accordance  
3 with existing research management systems. Adequate and sustainable funds to  
4 implement research and technology development plans and transfer program shall  
5 be provided by each of the aforementioned agencies and institutions under the  
6 General Appropriations Act.

7  
8 **SEC. 39. *Public Information, Education and Advocacy Campaign.***- With the  
9 support from LGUs, NGOs, media and other organizations, the Department, the  
10 Philippine Information Agency (PIA), the Department of Education (DepEd), CHED,  
11 State-owned and private universities and colleges shall formulate and implement a  
12 nationwide program for sustained public information and advocacy campaign for  
13 forest and natural resources conservation and sustainable forest development and  
14 management. The DepEd shall include subjects on forest and natural resources in  
15 the curricula for elementary and high school education. The CHED shall likewise  
16 include ecology and environment courses in the general education curricula.  
17 Congress shall allocate funds to the Department for the purpose of coordinating a  
18 systematic campaign to promote community ecological awareness, including the  
19 preparation of informational and educational materials therefore.

20  
21 **SEC. 40. *Formal Forestry Education.***- The CHED, in collaboration with the  
22 Department, the Board of Examiners for Foresters of the Professional Regulations  
23 Commission (PRC), Philippines Forestry Education Network and the duly accredited  
24 national professional foresters organization shall actively pursue the rationalization of  
25 formal forestry education and the establishment of centers of excellence in forestry  
26 and environmental education to ensure high quality manpower output to meet the  
27 needs of the forestry sector.

28  
29 **SEC. 41. *Continuing Education on Forestry.***- A non-formal program of continuing  
30 education shall be established to maintain the growth of the forestry profession. The  
31 PRC Board of Examiners for Foresters and the Civil Service Commission (CSC)  
32 shall provide the guidelines for a program in continuing education in forestry. In  
33 cooperation with academic institutions, the Department shall develop the

1 infrastructures to institutionalize non-formal continuing education for the forestry  
2 sector.

3  
4 **SEC. 42. Training Centers-** In coordination with TESDA, DepEd, CHED and State  
5 Universities and Colleges (SUCs) as well as accredited institutions, the Department  
6 shall establish and institutionalize a network of training centers in strategic parts of  
7 the country to provide regular and up-to-date training on the various aspects of  
8 sustainable forest management, development, and utilization to forest officers,  
9 LGUs, NGOs, local communities, and indigenous peoples. Furthermore, the  
10 Department shall ensure that personnel appointed to critical and sensitive positions  
11 undergo training to prepare them to discharge their duties and responsibilities  
12 professionally, efficiently and effectively.

13  
14 **SEC. 43. Forestry Development Center.-** The Forestry Development Center (FDC)  
15 based in the College of Forestry and Natural Resources, University of the Philippines  
16 at Los Baños, shall continue to serve as the primary policy research and  
17 development center for forestry and natural resources management. The FDC shall  
18 perform its functions in close coordination with the Department and other policy  
19 research institutions in the country. It shall assist the Department in the formulation,  
20 review, and evaluation of proposed and existing policies on forestry and natural  
21 resources management.

22  
23 The FDC, together with the national organization of private institutions as  
24 stipulated in Section 14 of this Act, shall assist the Department in the formulation and  
25 review of relevant forest and forest related policies to ensure the contribution of the  
26 forestry sector to the national economy and sustainable development.

27  
28 To enable the FDC to carry out its mandated function of policy research, it  
29 shall have a share in the Sustainable Forestry Development Fund pursuant to  
30 Section 64 herein.

## 31 32 CHAPTER X

### 33 34 DISPOSITION AND UTILIZATION OF FOREST RESOURCES

**SEC. 44. Modes of Forest Management Agreement.-** The development, utilization, and management of forestlands and/or forest resources shall be undertaken under the control and supervision of the State through the Department. The State may directly undertake such activities or it may enter into co-production, joint venture or production sharing agreement with qualified Filipino citizens or corporations or associations, subject to relevant laws, rules and regulations: *Provided, That* interested local communities and indigenous peoples through their organized and duly recognized associations shall be given priority in the grant of appropriate tenurial instruments implementing the said agreements. Such tenurial instruments and/or agreements shall have a duration of twenty-five (25) years, renewable for another twenty-five (25) years, under such terms and conditions as may be provided by the Secretary: *Provided, further, That* such tenurial instruments and/or agreements may not be terminated except for cause or if public interest so requires. Current valid and subsisting licenses, contracts, or agreements granted by the government for the development, management, and utilization of forest resources shall be allowed to continue under the same terms and conditions until their expiry, or prior to their expiry shall be allowed to be converted into any mode authorized herein under the guidelines promulgated by the Secretary: *Provided, That* no such conversion shall be allowed in protection forestlands as defined in Section 6(a) herein, on sub-classification of forestlands. The Department is hereby authorized to formulate rules and regulations covering the relevant terms and conditions thereof including the determination and collection of the government share, subject to the approval of Congress. For watersheds and other areas where existing facilities for basic services such as water and power are located, the Department may enter into a forest management agreement with the service contractor in the area. Such agreement shall have a duration of twenty-five (25) years, renewable for another twenty-five (25) years, under such terms and conditions agreed upon by both parties: *Provided, That* such agreement may not be terminated except for cause or if public interest so requires or upon mutual agreement by the parties.

All forest development activities such as logging, reforestation, timber stand improvement, forest protection, and delivery of community service within an area covered by timber concessions shall be consolidated under the FMP which shall be prepared by or under the supervision of an accredited private registered forester

1 whose signature and dry seal shall appear in the plan and the supporting documents  
2 submitted for the purpose.

3  
4 **SEC. 45. *Minimum Conditions for the Issuance of Co-production, Joint***  
5 ***Venture and Production Sharing Agreement.*** The following provisions shall be  
6 the minimum conditions for the issuance of co-production, joint venture and  
7 production sharing agreement:

8  
9 a) The agreement holder shall furnish the necessary management,  
10 technology and financial services when required, as determined by the  
11 Secretary;

12 b) A provision for government share of revenues and the manner of payment  
13 thereof;

14 c) A provision on consultation and arbitration with respect to the interpretation  
15 of the agreement;

16 d) A provision for anti-pollution and environmental protection measures;

17 e) A provision for the reforestation, restoration and protection of the forest;

18 f) A provision for an effective monitoring scheme to be implemented the by the  
19 Department, which shall include, but shall not be limited to periodic inspection  
20 of all records and books of account of the agreement holders;

21 g) A commitment to community development;

22 h) The submission of a management and development plan to be approved  
23 by the Secretary; and

24 i) Other provisions that the Secretary shall impose, upon the recommendation  
25 of the Director of the FMB, that will improve and sustain the development and  
26 management of the forestlands and its resources, which shall include, among  
27 others, a projection of annual income and revenues generated, to be used as  
28 basis in the determination of government shares.

29  
30 **SEC. 46. *Transfer.***- No holder of a co-production, joint venture, or production  
31 sharing agreement or contract shall sub-contract, transfer, exchange, sell or convey  
32 the same or any of his right or interests therein without a written authority from the  
33 Secretary. Moreover, no transfer shall be authorized unless the agreement or  
34 contract has been in existence and active for at least three consecutive years from

1 issuance thereof: *Provided, That* the transferor has faithfully complied with the terms  
2 and conditions of the said agreement or contract; the transferee has all the  
3 qualifications and none of the disqualifications to hold the same; and the transferee  
4 shall assume the obligations of the transferor. Failure to comply with these  
5 conditions shall be sufficient cause for the cancellation of the agreement or contract.

6  
7 **SEC. 47. Non-Timber Forest Products.-** Rattan, bamboos, vines, herbs, exudates  
8 and other non-timber forest products are integral parts of the forest ecosystem. The  
9 establishment of plantations of non-timber producing species shall be encouraged  
10 and supported. The development, management and utilization of non-timber forest  
11 products shall be allowed in accordance with the guidelines to be promulgated by the  
12 Department.

13  
14 However, in granting permits to harvest, utilize, gather or collect non-timber  
15 forest products, in their natural or original state, in the production forestlands, the  
16 priority shall be given to forest dependent families, local communities, and  
17 indigenous peoples living near or within the subject forestlands. Further, the  
18 gathering or collecting of animals for any purpose in the production forestland shall  
19 be governed by the existing wildlife law and the guidelines to be promulgated by the  
20 Department.

21  
22 **SEC. 48. Silvicultural and Harvesting System.-** The Department shall formulate  
23 the appropriate silvicultural and harvesting system and all measures shall be taken  
24 to achieve an approximate balance between growth and harvest. The use of forest  
25 products from production forestlands shall be promoted and practiced.

26  
27 **SEC. 49. Mangrove forest.-** Harvesting and utilization shall only be allowed in  
28 matured plantation forests within mangrove production forests: *Provided, That* in  
29 government priority projects, harvesting of naturally grown trees shall be allowed.

30  
31 **SEC. 50. Grazing.-** Land for grazing purposes shall only be limited to production  
32 forestlands. The Department shall identify and delimit areas suitable for grazing  
33 purposes: *Provided, That* no forestland fifty percent (50%) in slope or over may be  
34 utilized for grazing purposes: *Provided, further, That* existing pasture lease

1 agreements or forestland grazing lease agreements shall be allowed to continue  
2 under the same terms and conditions until their expiry: *Provided, finally,* That  
3 abandoned or idle, expired, or cancelled grazing or pasture lands shall be subject to  
4 land use capability assessment and or land use suitability assessment to determine  
5 their best use or combination of uses. No new grazing or pasture permit, lease, or  
6 contract shall be issued, nor existing ones allowed to continue unless covered by  
7 existing rules and regulations governing the Philippine EIS System.

8  
9 **SEC. 51. *Mining and Power Generation Operations in Forestlands.***- Mining  
10 activities in protection forestlands shall not be allowed. Power generation and small-  
11 scale mining operations in forestlands, except in protection forestlands, may be  
12 allowed subject to existing rules and regulations governing the Philippine EIS  
13 System. Forest resources inside mineral reservations and permitted areas are under  
14 the Department's jurisdiction, and their management and utilization are subject to the  
15 provisions of this Act.

16  
17 **SEC. 52. *Roads and Other Infrastructures.***- Roads and other infrastructure  
18 including the development of mineral reservations and energy resources inside  
19 forestlands shall be constructed with the least impact and disturbance to the  
20 biodiversity of the area found in such forestlands. Government agencies and their  
21 contractors undertaking the construction of roads, bridges, communication and other  
22 infrastructure facilities and installations inside forestlands shall seek prior authority  
23 from the Department and shall comply with existing rules and regulations governing  
24 the Philippine EIS System.

## 25 26 CHAPTER XI

### 27 28 FOREST-BASED INDUSTRIES

29  
30 **SEC. 53. *Establishment and Operations of Forest-Based Industries.***- To meet  
31 the demands for forest-based goods and services of a growing population, the State  
32 through the Department shall promote the establishment, operation, and  
33 development of forest-based industries in non-protection forestlands.

1 **SEC. 54. Incentives for Forest-Based Industries.-** To enable forest-based  
2 industries to be more efficient, competitive, and economically viable, the following  
3 incentives are hereby granted in addition to those already provided by existing laws:  
4

5 a) All processing plants or mills shall be assured of their supply of raw  
6 materials,

7 preferably but not exclusively from local sources;

8 b) All processing plants or mills shall be granted operating permits for five (5)  
9 years renewable for another five (5) years: *Provided*, That permits for  
10 processing plants owned or operated by holders of forest management  
11 agreements or contracts shall be co-terminus with said agreements or  
12 contracts.  
13

14 The Department may provide on its own or propose to the President or to  
15 Congress, other incentives to encourage the establishment and development of  
16 integrated forest-based, particularly wood-based plants. Warranties to and  
17 agreements with existing integrated forest-based plants to ensure the availability of  
18 raw materials shall be subject to the process for as long as such integrated plants  
19 are operating. Agreements or licenses over forest areas granted to wood-based  
20 plants shall be converted into any mode authorized in this Act. Expansion in capacity  
21 of wood-based plants shall be encouraged and the same shall be given priority  
22 access to production forestlands and other areas available for development as  
23 source of raw materials.  
24

25 **SEC. 55. Export and Sale of Locally Produced Wood Products.-** Logs derived  
26 from natural grown trees of whatever species cut, gathered, or removed from the  
27 forestlands and raw or rough lumber manufactured from such logs shall not be  
28 exported. Only finished and semi-finished lumber products, wood manufactures,  
29 wood panels, and other finished wood products from such logs may be exported.  
30 Logs, lumber and other finished products from forest plantations shall be exported  
31 only under such guidelines as the Secretary may promulgate. No person shall sell or  
32 offer for sale any log, lumber, veneer, plywood or other manufactured wood products  
33 in the international or domestic market without complying with the grading rules  
34 established by the government. Failure to adhere to the established grading rules

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

5  
6 **SEC. 56. *Importation and Sale of Logs and Other Forest and Wood Products.-***

7 Logs, lumber, and other forest- and wood-based products may be imported to the  
8 country subject to the authorization of the Secretary and to the tariff and duties under  
9 Presidential Decree No. 1464 as well as quarantine regulations. Any product  
10 manufactured or re-manufactured out of imported forest and wood materials shall be  
11 allowed to be sold in the domestic or international market: *Provided*, That the grading  
12 rules and standards therefore are complied with, otherwise the sanctions in Section  
13 69 hereof shall be imposed.

14  
15 **CHAPTER XII**

16  
17 **FOREST CHARGES, FEES AND GOVERNMENT SHARES**

18  
19 **SEC. 57. *Fees and Government Shares for the Utilization, Exploitation,***  
20 ***Occupation, Possession of and Activities within Forestlands-*** The Department

21 shall prescribe appropriate fees and rentals for the different kinds of utilization,  
22 exploitation, occupation, possession, or activities within forestlands: *Provided*, That  
23 payment of or collection of such fees and rentals shall be waived for  
24 parties/industries mandated by law to manage, conserve, develop and protect  
25 forestlands and forest resources found therein, except administrative fees for the  
26 filing and processing of applications for the issuance and renewal of licenses,  
27 permits, and agreements: *Provided, further*, That watershed administrators and/or  
28 service contractors that have forest management agreements with the Department  
29 as provided for under Section 44 of this Act shall also be entitled to the waiver of  
30 fees, except administrative fees.

31  
32 The Department shall prescribe appropriate and equitable fees for the use of  
33 water and forest by parties/industries concerned for power generation, domestic and  
34 industrial irrigation, carbon sequestration and biodiversity benefits.

1 **SEC. 58. Forest Charges.-** There shall be collected charges on each cubic meter of  
2 timber cut in forestland, whether belonging to the first, second, third or fourth group,  
3 twenty-five percent (25%) of the actual FOB market price based on species and  
4 grading: *Provided, however,* That, in the case of pulpwood and matchwood cut in  
5 forestland, forest charges on each cubic meter shall be ten percent (10%) of the  
6 actual FOB market price.

7  
8 **SEC. 59. Charges on Firewood, Branches, and Other Recoverable Wood**  
9 **Wastes of Timber.-** There shall be collected forest charges of ten percent (10%)  
10 based on FOB market price on each cubic meter of firewood cut in forestland,  
11 branches and other recoverable wood wastes of timber, such as timber ends, tops  
12 and stumps, when used as raw materials for the manufacture of finished products.

13  
14 However, if jointly authorized by the Secretaries of both the Department and  
15 the DA, first and second group woods may be removed from land which is more  
16 valuable for agriculture than for forest purposes to be used as firewood.

17  
18 **SEC. 60. Charges on Non-Timber Forest Products.-** Non-timber forest products in  
19 forestlands, as determined by DENR, shall be subject to forest charges, equivalent  
20 to ten percent (10%) of the actual FOB market price.

21  
22 **SEC. 61. Determination of Market Price of Forest Products.-** The actual FOB  
23 market price of forest products shall be justly determined by DENR.

24  
25 These forest charges shall be applied to naturally growing timber and forest  
26 products gathered from forestlands, alienable and disposable lands, and private  
27 lands.

28  
29 The measurement of forest products and the collection of charges thereon  
30 shall be undertaken by the Department, which shall likewise provide for the time,  
31 manner, and place of payment of such charges.

32  
33 **SEC. 62. Fees for Administrative Services Rendered by the Department.-** Fees  
34 shall be collected for various services rendered by personnel of the Department in

1 connection with their duties and responsibilities as may be requested by interested  
2 parties, including but not limited, to surveying, mapping and other similar service  
3 activities: *Provided*, That administrative fees shall be waived for services rendered to  
4 local communities or indigenous peoples in the preparation of their management  
5 plans.

## 7 CHAPTER XIII

### 9 APPROPRIATIONS AND FINANCIAL SUPPORT

11 **SEC. 63. *Appropriations.***- The amount necessary to initially implement the  
12 provisions of this Act shall be charged against the appropriations of the Department  
13 of Environment and Natural Resources in the current General Appropriations Act.  
14 Thereafter, such sums as may be necessary to fully implement the provisions of this  
15 Act shall be included in the annual General Appropriations Act. For local government  
16 units, the funding requirements shall be taken from their internal revenue allotment  
17 (IRA) and other sources of income.

19 **SEC. 64. *Sustainable Forestry Development Fund (SFDF).***- A Sustainable  
20 Forestry Development Fund (SFDF) to be administered by the Department as a  
21 special account in the National Treasury is hereby established to provide sustainable  
22 funds for forest protection, reforestation, and forest development and management,  
23 including rehabilitation and preservation of watershed areas, CBFM program,  
24 information and educational campaign as well as scholarship programs and policy  
25 research. At least thirty percent (30%) of the forest charges and government share in  
26 all products removed from the forestlands, rentals, proceeds from sales of  
27 confiscated forest products including conveyances, fines and penalties, and  
28 administrative fees collected shall be set aside for the buildup of the SFDF. The fund  
29 may be augmented by grants, donations, endowment from various sources,  
30 domestic or foreign for purposes related to their functions.

32 Disbursements from the fund shall be subject to the usual accounting and  
33 budgeting rules and regulations: *Provided*, That no amount shall be disbursed to  
34 cover the operating expenses of the Department and other concerned agencies. A

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

**SEC. 65. *Creation of Sustainable Fund Facility Office (SFFO).***- There shall be created within the FMB of the DENR an office called Sustainable Fund Facility Office to perform the following mandates:

- a) Conduct further exploration, identification, and development of new and improved and more effective financial mechanism, and examine the potential and results of the innovative use of existing mechanisms to promote sustainable forest management, taking into account the full range of goods and services, including forest-related environmental services, which include watershed protection, carbon sequestration, biodiversity conservation, energy provision and maintenance of many ecological functions; and,
- b) Develop and test rapid valuation methods which are market-based, policy relevant and efficient, and reflect regional and national characteristics and requirements. These valuation methods should include a focus on the development of approaches which incorporate a wide range of values, reflecting the overall value of forest ecosystems, as appropriate, as well as ways to internalize the externalities.

**SEC. 66. *Specific Functions of SFFO.***- The specific functions of SFFO are as follows:

- a) Generate new and additional public and private financial resources at the domestic and international levels to enable the country to sustainably manage, conserve and develop forest resources through afforestation and reforestation and to combat deforestation and forest and land degradation;
- b) Prioritize forest activities or national resources development strategies in order to respond to increased concerns for sustainable forest management, taking into consideration the financial resources available to them;

c) Call upon all government agencies and non-government organizations or institutions to give special consideration to areas or provinces with least developed or poorly developed forest cover and to engage them in financial cooperation to meet their needs for forest products and services and sustainably manage their forest, and in some cases expand their forest cover;

d) Encourage private investment in sustainable forest management by providing a stable and transparent investment environment within an adequate regulatory framework that also encourages the re-investment of forest revenues into sustainable forest management; and

e) Operationalize an investment promotion entity taking into account the functions and circumstances under which such an entity would operate such as its scope in relation to existing financial mechanism.

**SEC. 67. Fees from Payment for Environmental Services (PES).**- The SFFO shall formulate a certain value to environmental services and establish appropriate pricing, institutional and redistribution systems that will lead to sustainable and socially optimal land use practices. PES is a form of payment for ecosystem services as a method of internalizing the positive externalities associated with a given ecosystem or a specific resource use.

## CHAPTER XIV

### OFFENSES AND PENALTIES

**SEC. 68. Non-Establishment of Tree Parks/Communal Forests.**- Any city, municipality or subdivision owner who fails to establish tree parks as provided in Sections 29 and 30 herein shall be punished by a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00). The subdivision plan will not be given approval until guidelines have been formulated and funds have been allocated for the purpose.

**SEC. 69. Harvesting, Gathering and/or Collecting Timber or Other Forest Products Without Authority.**- Any person who shall harvest, cut, gather, collect, or remove timber or other forest products from any forestland, or naturally grown

1 timber inside alienable and disposable public land and private lands except as  
2 provided in Section 11 hereof, or forest resources in alienable and disposable lands  
3 without authority from the Secretary or found to possess the same without pertinent  
4 required legal documents shall be punished by imprisonment ranging from *prision*  
5 *mayor* minimum period to *reclusion temporal* minimum period and/or a fine  
6 equivalent to ten (10) times the value of the said forest product but not less than Fifty  
7 Thousand Pesos (150,000.00): *Provided*, That in the case of partnerships,  
8 associations or corporations, the president, managing partner, and general manager  
9 shall be held liable, and if such officer is an alien, he shall, in addition to the penalty,  
10 be deported without further proceedings on the part of the Bureau of Immigration and  
11 Deportation. Offenders who are public officials shall be deemed automatically  
12 dismissed from office and permanently disqualified from holding any elective or  
13 appointive position.

14  
15 All timber or any forest products cut, gathered, collected, removed, or  
16 possessed and all the conveyances, machinery, equipment, implements, work  
17 animals, and tools used in connection with this violation shall be seized and  
18 confiscated in favor of the government.

19  
20 **SEC. 70. *Illegal Cutting as an Act of Economic Sabotage.***- Any of the acts  
21 enumerated in the preceding section committed by an armed group or by any group  
22 through organized and systematic manner, for commercial purposes, shall be  
23 considered an act of economic sabotage punishable by *reclusion perpetua*.

24  
25 The commission of any of the prohibited acts by two or more individuals with  
26 or without the aid of any mechanical device shall constitute a prima facie evidence  
27 that the act is organized and systematic.

28  
29 Any permittee/agreement holder who shall buy logs from unlicensed loggers  
30 or loggers operating without permits shall be considered in violation of this Act and,  
31 upon conviction, shall also be punished with *reclusion perpetua*.

32  
33 **SEC. 71. *Use of Illegally Cut Timber in Government Infrastructure Projects.***-  
34 Contractors of government infrastructure projects shall obtain certification from the

Department that the logs or lumber to be used therein were obtained from legitimate sources. The use of illegally cut naturally grown timber in government infrastructure projects shall be sufficient cause for the imposition of penalties provided in Sec. 69, on harvesting of forest products without authority, and Sec. 70, on illegal cutting as an economic sabotage, including the withholding of the payment to the contractor.

**SEC. 72. Damage to Residual Trees.-** To ensure the sustainability of the natural forests, adequate number of residual trees shall be marked, to be retained as part of the managed forests and as the future timber crop, before any harvesting operation shall commence. Any marked residual tree that is damaged during such operation is subject to a fine equivalent to four (4) times the regular forest charges.

**SEC. 73. Grazing Livestock on Forestlands Without a Permit.-** Any person found to have caused the grazing of livestock in forestlands and grazing lands without an authority under a lease or permit to graze, upon conviction, shall be penalized with imprisonment of not less than two (2) years nor more than four (4) years and a fine equivalent to ten times the regular rentals due in addition to confiscation of the livestock and all improvements introduced in the area in favor of the government: *Provided*, That in case the offender is a corporation, partnership, or association, the officer or director thereof who directly caused or ordered such shall be liable. In case the offender is a public officer or employee, he shall, in addition to the above penalties, be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service.

**SEC. 74. Unlawful Occupation or Destruction of Forestlands.-** Any person who, without authority from the Secretary, enters and occupies or possesses, or engages in kaingin-making for his own private use or for others, any forestland or grazing land, or in any manner destroys such forestland or part thereof, or causes any damage to the timber stands and other forest product found therein, or assists, aids or abets another person to do so, or sets a fire, or negligently permits a fire to be set therein, or refuses lawful orders to vacate the area when ordered to do so shall, upon conviction, be punished with penalties in the amount of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand

1 Pesos (P500,000.00) and imprisonment of not less than six (6) years nor more than  
2 twelve (12) years for each offense: *Provided*, That in the case of an offender found  
3 guilty of kaingin-making, the penalty shall be imprisonment of not less than ten (10)  
4 years nor more than twelve (12) years and a fine equivalent to eight times the  
5 regular forest charges due on the forest products destroyed without prejudice to  
6 payment of the full cost of rehabilitation of the occupied areas as determined by the  
7 Department: *Provided, further*, That the maximum of the penalty prescribed herein  
8 shall be imposed upon the offender who repeats the same offense, and double the  
9 maximum penalty upon the offender who commits the same offense for the third time  
10 or more. In all cases, the court shall further order the eviction of the offender from the  
11 area occupied and the forfeiture to the government of all improvements made  
12 therein, including all vehicles, domestic animals and equipment of any kind used in  
13 the commission of the offense. If not suitable for use by the Department, said  
14 improvements, vehicles, domestic animals and equipment shall be sold at public  
15 auction, the proceeds from which shall accrue to the SFDF. If the offender is an  
16 alien, he shall be deported after serving his sentence and payment of fines, without  
17 any further proceedings. An offender who is a government officer or employee, shall,  
18 in addition to the above penalties, be deemed automatically dismissed from office  
19 and permanently disqualified from holding any elective or appointive position in the  
20 government service.

21

22 **SEC. 75. *Illegal Conversion of City or Municipal Parks, Communal Forests, and***  
23 ***Tree Parks in Subdivisions.***- Any person found to have converted or caused the  
24 conversion of a city or municipal park or communal forest, or tree parks within  
25 subdivisions established pursuant to Sec. 29 and Sec. 30 herein and Section 2 of  
26 Presidential Decree No. 953, requiring the planting of trees in certain places, into  
27 other uses including the construction of permanent buildings therein, or in any  
28 manner destroys or causes any damage to the timber stands and other forest  
29 product found therein, or assists, aids or abets another person to do so, or sets a  
30 fire, or negligently permits a fire to be set therein, upon conviction, shall be penalized  
31 by imprisonment of six (6) years and one (1) day to twelve (12) years or a fine of not  
32 less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred  
33 Thousand Pesos (P500,000.00), or both fine and imprisonment at the discretion of  
34 the Court. The offender shall likewise be imposed a fine equivalent to eight times the

1 commercial value of the forest products destroyed without prejudice to payment of  
2 the full cost of rehabilitation of the areas as determined by the Department: *Provided,*  
3 *further,* That the maximum of the penalty prescribed herein shall be imposed upon  
4 the offender who repeats the same offense, and double the maximum penalty upon  
5 the offender who commits the same offense for the third time or more. The court  
6 shall further order the forfeiture to the government of all improvements made therein,  
7 including all vehicles, domestic animals, and equipment of any kind used in the  
8 commission of the offense. If not suitable for use by the Department, said  
9 improvements, vehicles, domestic animals and equipment shall be sold at public  
10 auction, the proceeds from which shall accrue to the SFDF. An offender who is a  
11 government officer or employee, in addition to the above penalties, shall be deemed  
12 automatically dismissed from office and permanently disqualified from holding any  
13 elective or appointive position in the government service.

14  
15 **SEC. 76. *Misdeclaration or Falsification of Reports on Forest Resource***  
16 ***Inventory, Scaling, and Survey by a Government Official or Employee.*** – Any  
17 public officer or employee who knowingly misdeclares or falsifies reports pertaining  
18 to forest resource inventory, scaling, survey, and other similar activity which are  
19 contrary to the criteria and standards established in the rules and regulations  
20 promulgated by the Secretary therefor, after an appropriate administrative  
21 proceeding, shall be dismissed from the service with prejudice to re-employment.  
22 Upon conviction by a court of competent jurisdiction, the same public officer or  
23 employee shall further suffer an imprisonment of not less than eight (8) years nor  
24 more than twelve (12) years and a fine of not less than One Hundred Thousand  
25 Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00)  
26 and the termination of license to practice forestry if the offender is a professional or  
27 registered forester: *Provided,* That the inventory, survey, scale, classification, and  
28 similar reports referred herein shall be rendered null and void.

29  
30 **SEC. 77. *Unlawful Operation of Sawmills.***– Any person operating a sawmill or  
31 mini-sawmill without authority from the Secretary, shall be punished by a fine of not  
32 less than One Hundred Thousand Pesos (P100,000.00) and confiscation of the  
33 sawmill or mini-sawmill and complementary equipment in favor of the government.

1 **SEC. 78. Unlawful Operation of Wood Processing Plants and Downstream**

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

11  
12 **SEC. 79. Prohibition on the Issuance of Tax Declaration on Forestlands.** All tax  
13 declaration issued over forestland shall be considered null and void. Any local  
14 government official or employee who issues a tax declaration for any purpose on any  
15 part of forestlands, upon conviction, shall be penalized with imprisonment for a  
16 period of not less than four (4) years nor more than eight (8) years and a fine of not  
17 less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred  
18 Thousand Pesos (P500,000.00) and perpetual disqualification from holding an  
19 elective or appointive office.

20  
21 **SEC. 80. Unlawful Possession of Implements and Devices Used by Forest**  
22 **Officers.-** Any person found possessing or using implements and devices used by  
23 forest officers shall be penalized with imprisonment of not less than eight (8) years  
24 nor more than twelve (12) years and a fine of not less than One Hundred Thousand  
25 Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00)  
26 in addition to the confiscation of such implements and devices and the automatic  
27 cancellation of any license agreement, license, lease or permit.

28  
29 Any forest officer who willingly allowed unauthorized person(s) to use these  
30 implements and devices under his care shall be penalized with imprisonment of not  
31 less six (6) years and one (1) day to no more than twelve (12) years and a fine of not  
32 less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred  
33 Thousand Pesos (P100,000.00).

1 In addition, the said forest officer shall be dismissed from the service with  
2 prejudice to reinstatement and with perpetual disqualification from holding an  
3 elective or appointive position.  
4

5 **SEC. 81. *Unauthorized Introduction of Logging Tools and Equipment Inside***

6 ***Forestlands.***- It shall be unlawful for any person or entity to possess, bring, or  
7 introduce any logging tools or equipment inside forestlands without prior authority,  
8 from the Secretary or his duly authorized representative. Any person found guilty of  
9 illegal possession of said logging tools or equipment shall be liable to imprisonment  
10 of six (6) years and one (1) day to twelve (12) years or a fine of not less than One  
11 Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand  
12 Pesos (P500,000.00) or both imprisonment and fine, and confiscation of said logging  
13 tools and equipment in favor of the government.  
14

15 **SEC. 82. *Non-Payment and Non-Remittance of Forest Charges.***- Any person  
16 who fails to pay the amount due and payable as forest charges to the government  
17 shall not be allowed to transport, convey, sell, nor use the timber or forest product.  
18 Moreover, failure to pay within thirty (30) days upon assessment of forest charges  
19 shall be a ground for confiscation of the said timber or forest product in favor of the  
20 government. Any person who fails or refuses to remit to the proper authorities said  
21 forest charges collectible pursuant to the provisions of this Act or the National  
22 Internal Revenue Code, as amended, or who delays, obstructs or prevents the  
23 same, or who orders, causes or effects the transfer or diversion of the funds for  
24 purposes other than those specified in said Acts shall, upon conviction, be  
25 imprisoned for not less than six (6) years nor more than ten (10) years and fined  
26 from One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred  
27 Thousand Pesos (P500,000.00). If the offender is a corporation, partnership, or  
28 association, the officers and directors thereof shall be liable.  
29

30 **SEC. 83. *Institution of Criminal Action by Forest Officers.***- Any forest officer shall  
31 arrest, even without warrant, any person who has committed or is about to commit,  
32 or is committing in his presence any of the offenses defined in this chapter. The  
33 tools, animals, equipment and conveyances used in committing the offense, and the  
34 forest products cut, gathered, taken or possessed by the offender in the process of

1 committing the offense shall also be seized and confiscated in favor of the  
2 government. The arresting forest officer shall thereafter deliver within six (6) hours  
3 from the time of arrest or seizure both the offender and the confiscated forest  
4 products, conveyances, tools and equipment, or the documents pertaining to the  
5 same, and file the proper complaint with the appropriate official designated by law to  
6 conduct preliminary investigation and file information in court. If the arrest and  
7 seizure are made in the forest far from authorities designated by law to conduct  
8 preliminary investigations, the delivery to and filing of the complaint with the latter  
9 shall be done within a reasonable time sufficient for ordinary travel from the place of  
10 arrest to the place of delivery. The seized forest products, materials, conveyances,  
11 tools and equipment shall be immediately disposed of in accordance with the  
12 regulations promulgated by the Secretary.

13  
14 The Secretary may deputize any agency, barangay official, or any qualified  
15 person to protect the forest and exercise the powers or authority provided for in the  
16 preceding paragraph. Reports and complaints regarding the commission of any of  
17 the offenses defined in this chapter not committed in the presence of any forest  
18 officer or any of the deputized officers shall immediately be reported to the forest  
19 officer assigned in the area where the offense was allegedly committed. Thereupon,  
20 the investigating officer shall receive the evidences supporting the report or  
21 complaint and submit the same to the appropriate official authorized by law to  
22 conduct a preliminary investigation of criminal cases and file the information in court.

23  
24 The Secretary of Justice shall designate in every city and province a special  
25 prosecutor who shall file charges against forest violators to ensure their speedy  
26 prosecution.

27  
28 **SEC. 84. Liability of Custodian of Confiscated Forest Products.-** Any public  
29 officer who fails to produce the timber or forest products, including tools,  
30 conveyances, equipment, and devices in his custody pursuant to a seizure or  
31 confiscation made thereon, or who shall appropriate, take, misappropriate, or shall  
32 permit another person to take such timber forest products wholly or partially, shall  
33 suffer the penalty provided for in Article 217, on Malversation of Public Funds or  
34 Property, of the Revised Penal Code. In addition, the said public officer shall be

1 dismissed from service with prejudice to reinstatement and with perpetual  
2 disqualification from holding any elective or appointive office.

## 3 4 CHAPTER XV

### 5 6 ADMINISTRATIVE PROVISIONS

7  
8 **SEC. 85. *Strengthening of the Forest Management Sector.***- In order to effectively  
9 implement the provisions of this Act, the FMB shall be transformed into a line bureau  
10 with functions clearly defined and enumerated under the implementing rules and  
11 regulations of this Act. To ensure that the scientific practice of forestry in the country  
12 is properly implemented, only registered foresters shall be appointed to the positions  
13 of Director and Assistant Director and Regional Directors of the FMB as well as to all  
14 other positions where the services of professional foresters are required in  
15 accordance with existing laws and the relevant rules and regulations issued by the  
16 Civil Service Commission (CSC) and the Professional Regulations Commission  
17 (PRC).

18  
19 **SEC. 86. *Authority of the Secretary on the Use of Forest Resources.***- The  
20 utilization of forest resources from natural forests found in forestlands, government-  
21 established reservations, and all other lands including ancestral domains or tinder  
22 the management of other government agencies shall be prohibited unless covered  
23 by permits issued by the Department: *Provided*, That in the case of ancestral lands  
24 and domains, the terms of the agreement with the concerned indigenous cultural  
25 community shall likewise govern.

26  
27 **SEC. 87. *Administrative Authority of the Secretary or his Duly Authorized***  
28 ***Representative to Order Confiscation.***- In all cases of violations of this Act or other  
29 forest laws, rules, and regulations, the Secretary or his duly authorized  
30 representative may order the confiscation of forest products illegally harvested, cut,  
31 gathered, removed or possessed or abandoned, and all conveyances used either by  
32 land, water, or air as well as all machinery, equipment, implements, and tools used in  
33 the commission of the offense and to dispose of the same in accordance with  
34 pertinent laws, regulations, or policies on the matter.

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

17  
18 **SEC. 89. Authority of Forest Officers.-** When in the performance of their official  
19 duties, forest officers or other government officials or employees duly authorized by  
20 the Secretary shall have free entry into areas covered by a contract, agreement,  
21 license, lease or permit. Forest officers are authorized to inspect and to open closed  
22 vans suspected to contain illegally harvested, collected or transported forest product:  
23 *Provided*, That it is done in the presence of the shipper or consignee or two (2)  
24 responsible public officials in the locality. Forest officers are authorized to administer  
25 oath, take acknowledgment in official matters connected with the functions of their  
26 office, or take testimony in official investigations conducted under the authority of this  
27 Act and the implementing rules and regulations issued by the Secretary pursuant  
28 thereof.

29  
30 **SEC. 90. Visitorial Powers.-** The Secretary or his duly authorized representative  
31 shall, from time to time, investigate, inspect, and examine records and other  
32 documents except bank records related to the operation of any person granted the  
33 privilege, contract, or agreement to utilize forest resources to determine compliance

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

3  
4 **SEC. 91. Other Incentives.-** Fifty percent (50%) of the value of confiscated  
5 materials shall be used as incentives to informants and members of multi-sectoral  
6 forest protection councils, including Department personnel. Additional incentives may  
7 be provided to personnel of the Department, in addition to those provided under the  
8 Government Service Insurance System (GSIS) or Workmen's Compensation Law.  
9 They shall also be entitled to free legal assistance should legal cases be filed against  
10 them in the performance of official duties.

11  
12 **SEC. 92. Citizens' Suits. –** For purposes of enforcing the provisions of this Act or its  
13 implementing rules and regulations, any citizen may file an appropriate civil, criminal  
14 or administrative action in the proper court against:

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

26  
27 The court shall exempt such action from the payment of filing fees, and shall,  
28 likewise, upon *prima facie* showing of the non-enforcement or violation complained  
29 of, exempt the plaintiff from the filing of an injunction bond for the issuance of a  
30 preliminary injunction. In the event that the citizen's suit should prevail, the Court  
31 shall award reasonable attorney's fees, moral damages, and litigation costs as  
32 appropriate.

1   **SEC. 93. *Suits Against Public Participation and the Enforcement of this Act.-***

2   Where a suit is brought against a person who filed an action as provided in Section  
3   92 herein, or against any person, institution or government agency that implements  
4   this Act, it shall be the duty of the investigating prosecutor or the Court, as the case  
5   may be, to immediately make a determination not exceeding thirty (30) days whether  
6   said legal action has been filed to harass, vex, exert undue pressure, or stifle such  
7   legal actions of the person complaining for the enforcement of the provisions of this  
8   Act. Upon determination thereof, evidence warranting the same, the Court shall  
9   dismiss the case and award attorney's fees and double damages. This provision  
10   shall also apply and benefit public officers who are sued for acts committed in their  
11   official capacity, there being no grave abuse of authority, and done in the course of  
12   enforcing this Act.

13  
14   **SEC. 94. *Protection to Witnesses in Cases Involving Violation of Forestry***  
15   ***Laws.-*** Witnesses to violations of this Act or other forestry laws and regulations,  
16   including the immediate members of the family of said witnesses shall be given  
17   protection, security and benefit, subject to the provisions of Republic Act No. 6981,  
18   otherwise known as "The Witness Protection, Security and Benefit Act" and its  
19   implementing rules and regulations.

20  
21   **SEC. 95. *Rule-Making Authority.-*** In consultation with the NCIP, the DILG, the  
22   Department of Finance, the leagues of provinces, cities, and municipalities, and  
23   other government agencies mentioned herein, the Department shall promulgate the  
24   implementing rules and regulations within one (1) year from the effectivity of this Act.

25  
26   **SEC. 96. *Congressional Oversight Committee on the Sustainable Forest***  
27   ***Management Act.-*** There is hereby created a Congressional Oversight Committee  
28   composed of seven (7) members from the Senate Committee on Environment and  
29   Natural Resources and seven (7) members from the House of Representatives  
30   Committee on Natural Resources. The Chairpersons of the corresponding  
31   committees shall also be the Co-chairpersons of the Oversight Committee.

32  
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

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

3  
4 **SEC. 97. *Transitory Provision.***- Upon the approval of this Act, the Department shall  
5 evaluate the conditions of all forestlands covered by existing TLAs, licenses, or  
6 permits and the like, which shall be allowed to continue until their expiry unless  
7 terminated for cause, such as:

8  
9 a) when the licensee has been found to be a dummy;

10 b) when the licensee has been found to be farming out the license or receiving  
11 royalty of any kind;

12 c) when the licensee has been found to be cutting or operating outside the limits of  
13 the license or within an area specifically designated or sub-classified by the  
14 Department as protection forestland;

15 d) when the licensee has been found to be allowing illegally-cut timber to be invoiced  
16 under its license;

17 e) when the licensee has been found to be inducing any other person to log in other  
18 areas in violation of the Department's regulations;

19 f) failure to submit to the Department the required copies of auxiliary invoices  
20 covering timber manifested under the license;

21 g) failure to leave undamaged an adequate stand of young trees for residual growing  
22 stock or for seeding purposes and to employ the necessary number of laborers  
23 needed for timber management work;

24 h) when the licensee has, for the third time after written warning, intentionally  
25 cut, injured or destroyed trees marked by forest officers and unmarked poles and  
26 saplings for future growing stock, seeding, or protection;

27 i) failure to employ the required number of concession guards as determined  
28 by the Department;

29 j) failure to protect the concession or license area or parts thereof from being  
30 converted into *kaingin*, or from illegal timber cutting, and other forms of trespass;

31 k) when the licensee has been found to have failed to put up the processing plant for  
32 the area within the required period, when made a condition in the award of the area  
33 and the grant of the license;

34 l) failure to pay pending forest accounts;

1 m) failure to maintain and make conspicuous the approved and established  
2 boundaries of his concession or license area;  
3 n) failure to suspend operations within a conflicted area when so required by the  
4 Department or its authorized representatives, pending final decision of the conflict;  
5 o) when the license is found to have been obtained through fraud or  
6 misrepresentation or by false, misleading statements;  
7 p) allowing a contractor to operate the license area or concession; and  
8 q) violation of any of the terms and conditions of the license, the NIPAS Act and its  
9 implementing rules and regulations, the Wildlife Resources Conservation and  
10 Protection Act, or any of the provisions of law on internal revenue and labor, and  
11 Department regulations.

12  
13 Any of the violations enumerated above will be cause for the immediate cancellation  
14 of the permit or timber license agreement.

## 15 16 CHAPTER XVI

### 17 18 FINAL PROVISIONS

19  
20 **SEC. 98. *Separability Clause.*** – Should any provision herein be declared  
21 unconstitutional or invalid, the same shall not affect the validity or legality of the other  
22 provisions.

23  
24 **SEC. 99. *Repealing Clause.*** – Subsections (b), (d), (e), (f), (g), and (i) of Section 4  
25 of Act No. 3915; Republic Act Nos. 460 and 7161; Presidential Decree Nos. 705,  
26 1153, 1515, 1559, 1775 and 1998; Letter of Instruction No. 818; Executive Order Nos.  
27 277, series of 1987, and Executive Order No. 725, series of 1981, are hereby  
28 repealed, and all laws, orders, rules and regulations, or any part thereof which are  
29 inconsistent herewith are likewise hereby repealed or amended accordingly:  
30 *Provided, That this Act shall not in any manner amend the IPRA and the NIPAS law.*  
31

32 **SEC. 100. *Effectivity.*** – This Act shall take effect thirty (30) days from the date of its  
33 publication in the Official Gazette or in at least two (2) national newspapers of  
34 general circulation.

*Approved,*