

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **1213**

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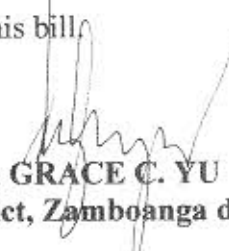
Introduced by Hon. Divina Grace C. Yu

EXPLANATORY NOTE

To provide the policy direction in the formulation of strategies and programs for the protection and sustainable management of forest lands and to reverse the loss of the country's forest cover which has dwindled to only 7.2 million hectares, the following features were provided in the bill:

- Adoption of the Sustainable Forest Ecosystems Management (SFEM) strategy as the overarching policy framework for all plans and programs in the forestry sector
- Adoption of the river basins and component watersheds as basic planning units in forest resource management
- Recognition of the administrative jurisdiction of Local Government Unit (LGU) and ancestral domain as the basic management unit in forestry
- Acknowledgement of the need to empower the local communities and indigenous people, supported by multi-sector participation as the principal strategy
- Prioritization of the protection and rehabilitation of forest ecosystems
- Identification as priority measures the regeneration and/or restoration of natural forests and tree planting of indigenous species to expand forest cover
- Underscoring of good governance as a necessary condition for effective, efficient, and sustainable forest ecosystems management, development, and conservation

In view of the above, I am requesting for the immediate passage of this bill.


DIVINA GRACE C. YU
1st District, Zamboanga del Sur

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
QUEZON CITY

SEVENTEENTH CONGRESS
FIRST REGULAR SESSION

House Bill No. **1213**

Introduced by Representative Divina Grace C. Yu

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

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

**CHAPTER I
BASIC FORESTRY POLICIES**

1 SECTION 1. *Short Title.* This Act shall be known as the “*Sustainable Forest*
2 *Management Act of 2016.*”
3

4 SEC. 2. *Basic Policy.* Pursuant to the provisions of the Constitution to
5 promote the general welfare and social justice in all phases of national development,
6 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 forest ecosystem and
10 the resources therein:
11

12 (a) *Permanency of Forest Land.* The specific limits of forest lands shall be fixed,
13 delineated and demarcated on the ground and thereafter, shall not be altered except
14 through an Act of Congress.
15

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

5
6 (c) *Climate Change Mitigation or Adaptation.* The mitigation of or adaptation to
7 climate change shall be vital components in the conservation, management, protection
8 and development of forest lands and natural resources;

9
10 (d) *Good Governance.* Good governance shall be practiced in the management,
11 conservation, protection, and development of forest lands and the resources therein.
12

13 In carrying out the above policies, the following strategies shall be pursued:
14

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

18
19 ii. *Watershed as the Basic Forest Land Management Unit.* Protection and
20 production forest lands shall be partitioned and planned into forest
21 management units based on natural topographic and hydrologic boundaries
22 and shall consider the watershed continuum approach which adopts a holistic
23 inter-relationship between the upstream and downstream areas in order to
24 carry-out efficiently the rational ecological treatment of the entire landscape
25 from the mountain down to the coast.

26
27 iii. *Community-Based Forest Management (CBFM) Founded on Empowerment of*
28 *Local Communities and Indigenous People with Multi-Sectoral Participation*
29 *and Support.* Vesting access rights and responsibilities to forest-dependent
30 local communities and indigenous peoples to undertake sustainable
31 conservation, protection, management, and development of forest ecosystems
32 shall have precedence over other strategies. CBFM shall have the support of
33 Department, the National Commission on Indigenous Peoples (NCIP) and the

1 LGUs. The participation of the private and other sectors in the CBFM shall be
2 encouraged and promoted in conformity with pertinent regulations;
3

4 *iv. Protection and Rehabilitation of Forest Ecosystem as Priority Concerns.* The
5 protection of forest ecosystem, as well as rehabilitation through reforestation
6 and afforestation of the degraded forest ecosystem, shall be given priority to
7 mitigate climate change, improve and conserve biodiversity, enhance
8 ecosystem functions and services, and provide long-term economic benefits;
9

10 *v. Recognition of the Indigenous Peoples' Sustainable Forest Management*
11 *Practices.* The management of forest lands in ancestral lands and domains
12 shall recognize and promote the sustainable forest management practices of
13 the indigenous people;
14

15 *vi. Security of Tenure of Stakeholders.* Pursuant to the principles of sustainable
16 and multi-use forest management and equitable access to forest resources, a
17 secured tenure shall be guaranteed to stakeholders concerned;
18

19 *vii. Investment and Public-Private Partnership.* Investments and public-private
20 partnership shall be harnessed through favorable incentives that promote the
21 acceleration of the conservation and development of the forest lands and the
22 resources therein; and
23

24 *viii. Professionalism in Forest Service.* A dynamic professional and people-
25 oriented forest service shall be established and fully supported by the
26 government.
27

28 SEC. 3. *Scope and Coverage.* The provisions of this Act shall apply to all
29 forest lands and forest resources found therein: *Provided,* That all forests and forest
30 resources found in protected areas established under the National Integrated Protected
31 Areas System (NIPAS) shall be sustainably managed and developed following the
32 provisions of Republic Act No. 7586 or the NIPAS Act of 1992: *Provided further,*
33 That the rights of indigenous cultural communities or indigenous peoples to their
34 ancestral lands and domains shall be respected, and all such lands within ancestral

domains and ancestral land claims shall be managed and developed in accordance with this Act and the provisions of RA No. 8371 or the Indigenous Peoples Rights Act (IPRA) of 1997.

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

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

- (a) *Adaptation* shall refer to the adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities.
- (b) *Afforestation* shall refer to the planting of trees or the artificial establishment of forest in areas that were not previously forested.
- (c) *Agro-forestry* shall refer to a strategy for the sustainable management of lands 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 population.
- (d) *Ancestral Domain* shall refer to all areas generally belonging to indigenous cultural communities or indigenous peoples (ICCs/ IPs) as defined in RA No. 8371.
- (e) *Ancestral Lands* shall refer to lands occupied, possessed and utilized by members of the ICCs/IPs as defined in RA 8371.
- (f) *Biological Diversity or Biodiversity* shall refer to the variability among living organisms including, *inter alia*, terrestrial, marine and other aquatic ecosystems

and the ecological complexes of which they are part. This includes diversity within and between species and ecosystems.

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

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

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

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

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

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

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

- 1
- 2 (n) **Criteria and Indicators** shall refer to the set of management tools to describe and
- 3 assess a forest state or situation that should be met to comply with sustainable
- 4 forest management.
- 5
- 6 (o) **Degraded Forests** shall refer to all forest lands containing less than five (5) square
- 7 meters in basal area per hectare of all tree species with diameters at breast height
- 8 or diameter above buttress of less than sixty-five (65) centimeters.
- 9
- 10 (p) **Delimitation** shall refer to the establishment of permanent boundaries between
- 11 forest lands, national parks/protected areas and agricultural lands as a result of
- 12 demarcation.
- 13
- 14 (q) **Delineation** shall refer to the establishment of boundaries between forest lands,
- 15 national parks/protected areas and agricultural lands as a result of a conduct of site
- 16 investigation, reconnaissance and field verification in accordance with the criteria
- 17 set by the Department.
- 18
- 19 (r) **Demarcation** shall refer to the establishment of boundaries using visible markers,
- 20 monuments or known natural features/landmarks, among others, as result of the
- 21 actual ground delineation.
- 22
- 23 (s) **Denuded Forest Lands** shall refer to forest lands that are devoid of forest tree
- 24 cover.
- 25
- 26 (t) **Department** shall refer to the Department of Environment and Natural Resources
- 27
- 28 (u) **Downstream Forest-based Industry** shall refer to any industry other than the
- 29 primary processing plants that uses timber or other forest products as its raw
- 30 materials or inputs to produce higher value added forest products like furnitures,
- 31 handicrafts and the like.
- 32
- 33 (v) **Ecosystem** shall refer to living communities, the environment they live in, and their
- 34 interactions.

- 1
- 2 (w) **Ecotourism** shall refer to a nature-based activity managed by the local community
- 3 with government support whose primary goals are conservation and enhancement
- 4 of natural resources while providing economic benefits to the local community
- 5 without endangering the socio-cultural practices of its people.
- 6
- 7 (x) **Environmental Impact Assessment (EIA)** shall refer to the process of predicting
- 8 the likely environmental consequences of implementing a project or undertaking
- 9 and designing the appropriate preventive, mitigating, or enhancement measures.
- 10
- 11 (y) **Environmental Impact Statement (EIS) System** shall refer to the organization,
- 12 administration, and procedures that have been institutionalized pursuant to
- 13 Presidential Decree No. 1586 for purposes of assessing the significance of the
- 14 effects of any project or undertaking on the quality of the physical, biological, and
- 15 social-economic environment and designing the appropriate mitigating and
- 16 enhancement measures.
- 17
- 18 (z) **Expropriation** shall refer to the act of buying back by the State when public interest
- 19 so requires, of forest areas under private or non-state ownership, subject to just
- 20 compensation.
- 21
- 22 (aa) **Forest** shall refer to an ecosystem or an assemblage of ecosystems dominated by
- 23 trees and other woody vegetation; a community of plants and animals interacting
- 24 with one another and its physical environment. A forest may be natural or
- 25 established by man as in plantation.
- 26
- 27 (bb) **Forest Auditing** shall refer to the systematic, documented verification process of
- 28 objectively obtaining and evaluating audit evidence to determine whether
- 29 specified activities, events, conditions, management systems, or information
- 30 conform with SFEM principles, criteria, and indicators.
- 31
- 32 (cc) **Forest Certification** shall refer to the Department system of certifying forest
- 33 management units (FMU) as fully satisfying the forest certification standards
- 34 consisting of the SFEM principles, criteria, and indicators based on third-party

initial forest auditing leading to the award of a forest certificate to the FMU and subsequent annual forest audit to assess the maintenance of the forest certificate.

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

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

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

(gg) **Forest Ecosystem Goods and Services** shall refer to goods and services provided by a forest ecosystem including provisioning services (such as food, fresh water, bio-chemicals, wood, fiber, fodder, and energy), supporting natural processes (such as biodiversity maintenance, pollination, soil formation and nutrient cycling, water infiltration, production of atmospheric oxygen, and enhancement of microclimate), regulating environmental processes (such as water flow regime and soil erosion regulation, carbon and climate regulation, natural hazards protection, air quality regulation, and pest and disease regulation), and sustaining cultures (such as cultural identity and integrity, spiritual values, aesthetic and recreational values, ecotourism and local knowledge systems).

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

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

1 (jj) *Forest Management Unit* (FMU) shall refer to a clearly defined forest area,
2 managed under a set of objectives and according to a long-term management plan.
3

4 (kk) *Forest Officer* shall refer to any public officer who by the nature of the
5 appointment or the functions of the position to which one is appointed is vested by
6 law and regulations or commissioned by competent authorities to execute,
7 implement or enforce the provisions of this Act and other related laws and
8 regulations.
9

10 (ll) *Forest Plantation or Plantation Forest* shall refer to a forest stand established by
11 planting and/or seeding in the process of afforestation and reforestation. The stand
12 is either of introduced species, or indigenous species, or their combination.
13

14 (mm) *Forest Products* shall refer to goods derived from the forest such as but not
15 limited to timber, lumber, veneer, plywood, fiberboard, pulpwood, firewood, bark,
16 tree top, resin gum, wood oil, honey, beeswax, nipa, rattan, or other forest growth
17 such as grass, shrub, and flowering plant, the associated water, fish, and game,
18 scenic, historical, and educational.
19

20 (nn) *Forest Resources* shall refer to all resources whether biomass, such as plants and
21 animals including its by- products and derivatives which can be raw material assets
22 that can produce more value-added products, or non-biomass such as soil, water,
23 scenery, as well as the intangible services and values present in forest lands or in
24 other lands devoted for forest purposes.
25

26 (oo) *Grazing Land* shall refer to a portion of the public domain which has been set
27 aside, in view of the suitability of its topography and vegetation, for the raising of
28 livestock.
29

30 (pp) *Indicator* shall refer to a quantitative, qualitative or descriptive attribute that, when
31 periodically measured or monitored, indicates the direction of change of sustainable
32 forest management.
33

- (qq) **Indigenous Peoples (IP)** shall refer to a group of people or tribe of indigenous Filipinos as defined or described under the Indigenous Peoples Rights Act (RA 8371).
- (rr) **Industrial Forest Plantation** shall refer to any tract of land planted mainly to timber-producing species including rubber and/or non-timber species such as rattan, bamboo and palm, primarily to supply the raw material requirements of wood or related processing plants.
- (ss) **Joint Venture Agreement** shall refer to an agreement or contract, as specified on the Constitution, where a company is established by the contractor and the government with both parties having equity shares and sharing in equity earnings.
- (tt) **Kaingin** shall refer to forest lands which has been subjected to unsustainable shifting and/or slash-and-burn cultivation.
- (uu) **Managed Forest** shall refer to a forestland under a deliberate system of protection, rehabilitation, and development, which include utilization of resources, to ensure the continuous production of desired forest products and/or services and the conservation of soil, water, wildlife, and other natural resources therein.
- (vv) **Mitigation** in the context of climate change, shall refer to human intervention to address anthropogenic emissions by sources and removals by sinks of all Green House Gases (GHGs), including ozone depleting substances and their substitutes.
- (ww) **Multiple-use** shall refer to the harmonized utilization of land, soil, water, wildlife, recreation value, grass and timber of forest lands.
- (xx) **National Park** shall refer to the land of public domain classified as such in the 1987 Philippine Constitution which includes all areas under the National Integrated Protected Areas System (NIPAS) pursuant to RA 7586, primarily set aside and designated for the conservation of native plants and animals, their associated habitats and cultural diversity.

- 1 (yy) **Natural Forest** shall refer to forests composed of indigenous trees not planted by
2 man, whose structure, functions, and dynamics have been largely the result of
3 natural succession processes.
4
- 5 (zz) **Non-Timber Forest Products** shall refer to all biological materials and derivatives
6 other than timber, which are extracted from forests for human use.
7
- 8 (aaa) **Old growth forest** shall refer to forest which have never been subject to human
9 disturbance or has been so little affected by hunting, gathering and tree cutting
10 that its natural structure, function and dynamics have not undergone any changes
11 that exceed the elastic capacity of the ecosystem.
12
- 13 (bbb) **Permit** shall refer to a short-term privilege or authority granted by the State to a
14 person to utilize any limited forest resource or undertake a limited activity within
15 any forest land without any right of occupation and possession therein.
16
- 17 (ccc) **Person** shall refer to a natural as well as juridical person, including local forest-
18 based communities or indigenous peoples organized in accordance with law or
19 custom.
20
- 21 (ddd) **Production Sharing Agreement** shall refer to an agreement in accord with the
22 Constitution wherein the government grants the contractor the exclusive right to
23 conduct development and utilization activities within a specified area of the forest
24 lands and it (the government) shares in the production whether in kind or in value
25 as owner of forest lands and/or product therein. The contractor provides all the
26 necessary financing, technology, management and personnel.
27
- 28 (eee) **Protected Area** shall refer to the identified portions of land and water set aside by
29 reasons of their unique physical and biological significance, managed to enhance
30 biological diversity and protected against destructive human exploitation.
31
- 32 (fff) **Protection** shall refer to the act or activities of shielding from injury or destruction
33 as to maintain the state of health and integrity of the forestland and its resources.
34

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

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

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

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

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

(lll) **Restoration zones** shall refer to the area where restoration activities are conducted and where the original vegetation shall be restored.

(mmm) **River Basin** shall refer to the portion of land drained by a river and its tributaries, encompassing the entire land surface dissected and drained by many streams and creeks that flow downhill into one another, and eventually into one river, the final destination of which is an estuary or an ocean.

(nnn) **Secretary** shall refer to the Secretary of the Department of Environment and Natural Resources (DENR).

(ooo) **Selection System** shall refer to the systematic removal of mature, over-mature and defective trees in such a manner that leave adequate number and volume of healthy residual tress of desired species necessary to assure future crop of timber and forest cover for the protection and conservation of soil, water, and wildlife.

(ppp) **Silvicultural Practices** shall refer to any action by man to further improve or enhance the stand growth as a whole or of the single tree for future use such as, but not limited to, assisted natural regeneration and tree surgery.

(qqq) **Sustainable Development** shall refer to the meeting of the needs of the present generation without compromising the ability of the future generations to meet their own needs.

(rrr) **Sustainable Forest Ecosystem Management (SFEM) or Sustainable Forest Management (SFM)** shall refer to the process of ecosystem-based management of forest to achieve one or more clearly specified objectives of management with regard to production of continuous flow of desired forest products and environmental services without undue reduction of its inherent values and future productivity and without undesirable effects on the physical and social environment.

(sss) **Tenure** shall refer to a privilege given by Department to a qualified person or juridical entity to manage and utilize forest lands and the resources found therein, in accordance with the modalities prescribed in the Philippine Constitution.

(ttt) **Urban Forestry** shall refer to the establishment and management of forest in urban environment for the physiological and psychological well being of the people.

(uuu) **Upper River Basin (URB)** shall refer to the portion of a major river basin that extends from the ridge dividing it from other basins down to a point where the gradient of the river has decreased to less than about 8%, the gradient below the level at which erosion becomes deposition, which generally has several tributaries, and whose catchments are referred to as watersheds.

(vvv) **Uplands** shall refer to land areas located on slopes of more than 18%.

(www) **Vulnerability Assessment** shall refer to an analysis of the relationship between natural and anthropogenic hazards and river basins and watershed. It identifies the strength and weaknesses of the recipient subject in relation to the identified hazard.

(xxx) **Vulnerable Areas** shall refer to areas in danger of being adversely affected by gradual or sudden changes in climate, including the physical and biological components as well as the socio-economic status of communities therein.

(yyy) **Watershed** shall refer to a land area drained by a stream or fixed body of water and its tributaries having a common outlet for surface runoff.

(zzz) **Watershed Continuum** shall refer to an area consisting of the watershed and its divide including its connection from the headwaters to the reef;

(aaaa) **Watershed Ecosystems Management (WEM) or Watershed Continuum Management (WCM)** shall refer to a management system that shall provide the optimum social, cultural, economic, and environmental benefits to the greatest number of people particularly those living in, adjacent to, or downstream of, individual watershed areas, while maintaining the biological and cultural heritage of the country. It is based on the following guiding principles: ecological sustainability, social and cultural sustainability, economic sustainability and institutional sustainability;

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

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

CHAPTER II

FOREST LANDS

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

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

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

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

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

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

- (a) **Protection forest lands** shall consist of all mossy and old-growth forests; freshwater, swamps, and marshes; all areas along the bank of rivers and streams, and the shores of the seas and lakes throughout their entire length and within a

1 zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas,
2 and forty (40) meters in forest areas, along their margins which are subject to the
3 easement of public use in the interest of recreation, navigation, floatage, fishing
4 and salvage shall also be sub-classified as protection forest lands. All extractive
5 activities such as, but not limited to, logging and mining are banned in protection
6 forest lands: *Provided*, That the provisions of the IPRA shall be respected:
7 *Provided further*, That restoration zones shall be designated in areas surrounding
8 or adjacent to protection forest lands and, thereafter, shall become part of
9 protection forest lands.

10
11 **(b) Production forest lands** shall be all forest lands not sub-classified as
12 protection forest lands as defined in this Section, and shall be devoted to the
13 production of timber and/or non-forest products or the establishment of industrial
14 tree plantations, tree farms, communal forests, agro-forestry, grazing, or as
15 multiple-use forests including water-based energy areas such as but not limited to
16 hydro and geothermal power generation areas: *Provided*, That, together with
17 pockets of areas referred to in (a) of this Section, if present, production forest
18 lands shall be managed and developed as part of forest management units (FMUs)
19 in accordance with the Department-approved management plans based on
20 sustainable forest management. *Provided further*: That ancestral domains located
21 within production forest lands shall be governed by IPRA law.

22 23 24 CHAPTER III 25 ADMINISTRATION AND PLANNING FOR SUSTAINABLE MANAGEMENT 26 OF FOREST LANDS

27 28 SEC. 8. *Jurisdiction and Control of Forest Lands and Forest Resources.*

29 The Department shall be the primary agency responsible for the conservation,
30 management, development and utilization of all forest lands and the unclassified lands
31 of the public domain including all the resources found therein. In coordination with
32 LGUs and other government agencies, the Department shall ensure that forest lands
33 and unclassified lands of the public domain are managed, conserved, developed,
34 utilized, and protected consistent with the policies and strategies promulgated in this

1 Act. The utilization and development of forest lands and unclassified lands of the
2 public domain including the natural resources therein shall be undertaken in
3 accordance with Department-approved management plans: *Provided*, That
4 management plans for protected areas shall be prepared in accordance with the
5 provisions of the NIPAS Act.

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

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

14
15 **SEC. 10. *Tenure Instruments.*** The assignment of open-access/untenured
16 FMU-level management to LGUs and other stakeholders shall be determined by
17 Department in accordance with appropriate rules and regulations: *Provided*, That
18 existing and valid tenure instruments shall continue under their terms and conditions.

19
20 **SEC. 11. *Forest Lands Under Management of other Agencies.*** Forest lands
21 or portions thereof which have been placed by law under the administration and
22 management of other government agencies or private power/water utilities service
23 providers, shall be included in the partitioning of forest lands into appropriate
24 categories consistent with the purpose of the assigned forest lands as provided for in
25 Section 7 of this Act, and shall remain under the administration and management of
26 the agency or utilities service provider concerned: *Provided*, That the Department
27 shall exercise oversight power over FMU planning, management, utilization and
28 assessment of all forest resources in these areas. All such agencies or service
29 providers shall be guided by the CBFM strategy as described in Section 2 of this Act,
30 and shall be encouraged and supported by the Department.

31
32 **SEC. 12. *Private Sector Participation in Management of Forest Lands.***

33 Private sector participation in management of forest lands shall be encouraged. The
34 Department shall identify and set aside suitable forest areas for private sector

development and management and, together with the Board of Investment, shall formulate and provide a set of incentives to the private sector for this purpose. Private sector participation shall be undertaken through joint venture, production sharing agreement, or co-production with concerned FMU management. All forest lands currently held by the private sector shall continue to be sustainably managed by such private sector under the terms and conditions of their existing tenure instruments, subject to the forest certification system described in Section 36 of this Act.

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

- (a) **Forestry Master Plan.** The Master Plan shall include a multi-faceted analysis of the forestry sector, its strengths, weaknesses, opportunities, and threats, including vulnerabilities and threats resulting from climate change; set long-term goals and medium-term objectives, formulate programs to guide the long-term development of the forestry sector and attainment of medium-term targets, and specify the requirements for the implementation of the development programs. The Master Plan shall be prepared by the Department in collaboration with other stakeholders and submitted to the President of the Philippines through the National Economic and Development Authority (NEDA) for approval. The Master Plan shall be reviewed every five years to be attuned with current and emerging issues and development.
- (b) **River Basin Master Plans.** River Basin Master Plans shall be in accord with the Master Plan for the Forestry Sector and shall focus on enhancing the delivery of various forest ecosystems services in the river basin, with emphasis on: (i) enhancing forest ecosystems adaptation to and mitigation of climate change; (ii) ecosystem-based adaptation that implements a range of strategies for the management, conservation and restoration of forest ecosystems to provide services that enable people to adapt to the impacts of climate change; and (iii) provision of multiple co-benefits, such as conservation of biodiversity, enhancement of carbon stocks for mitigating climate change, supplying of water and various economic products, and generation of livelihood and income for local communities, by means

1 of ecosystem-based adaptation measures. The River Basin Master Plans shall be
2 prepared every five years by the concerned Regional Office(s) of the Department in
3 collaboration with the Regional Development Councils and other stakeholders and
4 submitted to the Department Secretary for approval.
5

6 (c) *FMU Management Plans.* As co-managers of the FMU, LGUs, or the private
7 sector and other stakeholders concerned, following a Department-prescribed
8 template, shall be responsible in preparing a five-year FMU Management Plan
9 under the supervision of accredited registered private forester(s) and in accord with
10 the River Basin Master Plan for approval of the concerned Department regional
11 office.
12

13 (d) *Annual Operations Plans.* To facilitate implementation of the FMU Management
14 Plan, a detailed annual operations plan in accord with the FMU management plan
15 shall be prepared by the FMU concerned under the supervision of accredited
16 registered private forester(s). The FMU management and operations plans shall
17 conform to the Department's Criteria and Indicators for sustainable forest
18 ecosystem management.
19
20
21

22 CHAPTER IV

23 SUSTAINABLE FOREST ECOSYSTEM MANAGEMENT

24 PROGRAMS AND OPERATIONS

25

26 SEC. 14. *Assigning the Implementation of National or Local Forestry*
27 *Programs to CBFM.* All national and local programs, their component projects and
28 the operationalization of plans related to the management, development, protection,
29 and conservation of forest ecosystems shall be implemented according to the CBFM
30 approach as described in this Act. A memorandum of agreement shall be entered into
31 by all concerned FMUs which shall stipulate the resources allocated for such program
32 or project and the benefit-sharing arrangements between FMU operators and project
33 proponents. These programs or projects shall include forest restoration, reforestation
34 and afforestation, industrial tree plantations, agro-forestry, biomass energy

1 production, Non-Timber Forest Products (NTFP) development, Payment for
2 Ecosystems Services (PES), and Reduced Emission from Deforestation and Forest
3 Degradation (REDD Plus).
4

5 SEC. 15. *Carbon Sequestration and Storage.* As part of climate change
6 mitigation and adaptation measures and to enhance ecosystems services, carbon
7 sequestration and storage shall be included in the Forestry Master Plan, River Basin
8 Master Plans, Management Framework Plans, FMU Management Plans, and Annual
9 Operations Plans. The Department shall provide support to FMU managers in
10 implementing operations that increase carbon sequestration and storage such as
11 Payment for Environmental Services (PES), as well as the applicable financing made
12 available for the purpose. Payment for Environmental Services, REDD Plus, and other
13 sources shall be accessed to provide financing for carbon sequestration and storage
14 activities of FMU operators. The Department, in collaboration with the Climate
15 Change Commission, shall formulate the regulations governing carbon trading.
16

17 SEC. 16. *Ecotourism.* FMU management shall enhance and conserve the
18 ecotourism values found in forest lands. Timber harvesting for whatever purposes,
19 commercial-scale collection of non-timber forest products, farming, grazing,
20 aquaculture, and infrastructure development shall be prohibited in Ecotourism Zones
21 of the FMU, except as part of the tourism development program of the FMU and as
22 indicated in the approved FMU Management Plan. Design and construction of
23 tourism infrastructures shall be in accord with enhancement of the natural
24 characteristics and/or attraction of the site.
25

26 SEC. 17. *Resources Management for Non-Timber Forest Products.* FMU
27 management for non-timber forest production shall be conducted in appropriate areas.
28 Harvesting of non-timber forest products shall be on sustainable basis, promote
29 productivity of the non-timber forest product resources, and minimize any disturbance
30 of the soil, water, and biodiversity resources of the site. Domestication of resource
31 bases of non-timber forest products shall be encouraged.
32

33 SECTION 18. *Silvicultural Systems.* Silvicultural systems that are appropriate
34 to the type of forest and other considerations shall be selected and applied in the

1 timber production zones. Regeneration of harvested natural forest stands shall be
2 based on natural regeneration processes and assisted natural regeneration. The
3 Department shall conduct a review of silvicultural systems including the forest
4 management practices of indigenous peoples and institute improvements that ensure
5 sustainability of timber management and increase in productivity. Clear-cutting shall
6 be allowed only in plantations, and any clear-cutting shall be followed immediately
7 by tree planting as well as maintenance of planted trees until they are fully
8 established.

9
10 SEC. 19. *Agro-forestry*. Agro-forestry shall be one of the key upland
11 development strategies to be used in developing forest areas occupied by upland
12 farmers.

13
14 SEC. 20. *Mangrove Development and Management*. Rehabilitation of
15 degraded mangrove forests through afforestation/reforestation/enrichment planting of
16 appropriate mangrove species shall be intensified. Fishery production in duly
17 designated Mangrove Production Zones shall promote productivity of fishery
18 resources and shall be accomplished without cutting the naturally growing
19 mangroves. Establishment of new mangrove plantations in tandem with fishpond
20 development (aqua-silviculture) may be allowed in Mangrove Production Zones
21 provided that not more than 20% of areas to be developed shall be devoted to
22 fishpond farming activities. The mangrove plantations established within the aqua-
23 silviculture projects may be permitted to be selectively harvested for domestic
24 purposes only on a sustainable basis as deemed appropriate and that the privilege to
25 harvest shall be granted only to the private individual, group of individuals, or entity
26 which established and developed the said plantations as previously authorized through
27 an approved contract or agreement for the purpose: *Provided*, That harvesting shall be
28 limited to mangroves that are part of the Timber Management Zones and Non-Timber
29 Production Zones of the FMU as indicated in the approved FMU Management Plan:
30 *Provided further*, That the cutting of mangrove trees and other associated plants
31 within duly-designated Mangrove Protection Zones whether naturally growing or
32 planted is strictly prohibited.

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

6
7 SEC. 22. *Built-up Areas in Forest Lands.* Human settlements, roads and
8 other infrastructure shall be designated built-up areas of the FMU.

9
10 SEC. 23. *Forest Protection.* Protection of forest lands against land-use
11 conversion, illegal extraction of forest products, fire, pests and diseases, invasive
12 species, chemicals, climate-induced causes, and other agents of forest destruction
13 shall be included in the Forestry Master Plan, River Basin Master Plans, FMU
14 Management Plans, and Annual Operations Plans.

15
16 SEC. 24. *Urban Forestry.* As part of climate change adaptation and mitigation
17 measures and to enhance ecosystems services, communal forests, tree buffers along
18 roads and waterways, and forest/tree parks in urban areas, school grounds, and open
19 spaces of housing projects shall be established in cities and municipalities.
20 Department and forestry research and academic institutions shall provide technical
21 assistance to ensure that appropriate species and technologies are employed in the
22 establishment and maintenance of such parks, communal forests, and tree buffers.

23
24
25 **CHAPTER V**
26 **UTILIZATION OF FOREST RESOURCES**

27 SEC. 25. *Use of Forest Lands Exclusively for Forestry and Subsidiary*
28 *Purposes.* The use of forest lands shall be limited to forestry and subsidiary purposes
29 in appropriate areas. The use of forest lands for purposes not otherwise mentioned
30 shall require Department approval: *Provided*, That non-extractive utilization of forest
31 resources, particularly special uses of forest lands such as bathing establishments,
32 camp sites, telecommunication sites, log pond sites, salt works, and the like shall be

1 allowed consistent with pertinent policies and regulations that the Department may
2 prescribe.

3
4 SEC. 26. *Harvesting of Forest Products.* Harvesting of timber and non-timber
5 forest products shall be based on the principle of sustainability and in consideration of
6 the conservation of soil, water, and biodiversity and enhancement of carbon stocks as
7 mentioned in this Act. In addition, the Department approval for harvesting trees shall
8 be subject to the conduct of a forest inventory and mapping of harvestable trees,
9 including Chain-of-Custody (CoC) numbering of harvestable trees as mentioned in
10 Section 35 of this Act, and reporting to the Department for the updating of the
11 Department's database on harvested trees.

12
13 SEC. 27. *Management and Utilization of Forest Resources Within Forest*
14 *Lands.* Extraction of timber and non-timber forest products, and agricultural crops,
15 their by-products and derivatives, whether from natural forest, planted, or raised
16 through application of appropriate silvicultural and/or agro-forestry practices, from
17 forest lands, shall require a prior permit, agreement, or clearance that are deemed
18 necessary and appropriate by the Department as recommended by the Forest
19 Management Bureau (FMB): *Provided,* That extraction of timber and non-timber
20 forest products, agricultural crops, their by-products and derivatives from areas
21 covered by Certificate of Ancestral Domain Titles (CADT) or Certificate of Ancestral
22 Land Claims (CALC) shall be governed by R.A. No. 8371. The transport of these
23 forest products from forest lands, including those from the area of the Indigenous
24 Cultural Communities and Indigenous Peoples covered by CADT or CALC, shall be
25 covered by a chain-of-custody (CoC) certificate issued by the FMU management.
26 Relevant information in the CoC shall be transmitted to the Department's on-line
27 database at least one (1) week prior to the actual transporting as provided for in
28 Section 35 of this Act.

29
30 Any extraction of forest resources considered as endangered, threatened,
31 vulnerable, and other restriction shall be done in coordination and consultation with,
32 and clearance from the Protected Areas and Wildlife Bureau (PAWB): *Provided,* That
33 any declaration of endangered, threatened, vulnerable, and other restricted species
34 shall be approved jointly with the Forest Management Bureau.

1
2 SEC. 28. *Management and Utilization of Forest Resources Within Titled*
3 *Lands.* All forest resources planted or raised within titled lands belong to the owner of
4 the land, who shall have the right to sell, contract, convey, or dispose of the same
5 without the necessity of any clearance from the Department: *Provided,* That
6 government shall provide the appropriate incentives provided under Section 46 .
7

8 SEC. 29. *Administration and Utilization of Forest Resources within*
9 *Ancestral Domain.* The utilization of forest resources within ancestral lands and
10 domains shall be governed by the provisions of this Act and R.A. No. 8371. The
11 National Commission on Indigenous Peoples (NCIP) shall coordinate and consult
12 with the Department in providing assistance to the indigenous peoples in the
13 sustainable management and development of forest resources within ancestral lands
14 and domains.
15

16 Any project to be implemented by a holder of a Certificate of Ancestral
17 Domain Title or any such similar instrument to develop or use forest lands or forest
18 resources therein that would result in severe soil erosion or environmental degradation
19 shall be subject to an Environmental Impact Assessment (EIA) in accordance with
20 Presidential Decree No. 1151 or the Philippine Environmental Policy, and Presidential
21 Decree No. 1586 on Establishing an Environmental Impact Statement System and this
22 Act.
23

24 SEC. 30. *Transport of Forest Products and Confiscated Forest Products.*
25 Transport of timber and non-timber forest products that do not carry a CoC number
26 and is not supported by CoC documentation, as provided for in Section 35 of this Act,
27 shall be prohibited. Timber and non-timber forest products that do not carry a CoC
28 number shall be considered as coming from illegal sources and subject to
29 confiscation.
30

31 SEC. 31. *Downstream Processing of Forest Products.* To add value to
32 harvested forest products, further processing into finished and semi-finished products
33 shall be encouraged and supported. CBFM and other FMU operations shall be
34 allowed to process their forest products or to make them available in the open market

1 of raw forest products subject to restrictions on forest products transporting as
2 mentioned in Section 36 of this Act and prior payment of appropriate forest charges as
3 mentioned in Section 50 of this Act.
4

5 SEC. 32. *Forest-Based Industries.* To meet the demands for forest-based
6 goods and services of a growing population the State through the Department shall
7 promote the establishment, operations, and development of forest-based industries.
8

9 SEC. 33. *Export and Sale of Locally Produced Wood Products.* Logs and raw
10 or rough lumber manufactured from such logs, derived from natural grown trees of
11 whatever species cut, gathered, or removed from the local natural forest shall not be
12 exported. Only finished and semi-finished lumber products, wood manufactures,
13 wood panels, and other finished wood products from such logs may be exported by
14 licensed exporters: *Provided*, That the license to export such finished wood products
15 shall be granted only to certified operators upon approval of their application. The
16 export of forest plantations products shall be based on Department guidelines.
17

18 No person shall sell or offer for sale any log, lumber, veneer, plywood or other
19 manufactured wood products in the international or domestic market without
20 complying with the certification and grading rules established or to be established by
21 the government. Failure to adhere to the established grading rules and standards, or
22 any act of falsification on the volume of logs, lumber, veneer, plywood or other wood
23 products sold in the international or domestic market shall be sufficient cause for the
24 cancellation of export license, wood processing permit, or other license or permit
25 authorizing the manufacture or sale of such products.
26

27 SEC. 34. *Importation and Sale of Logs and Other Forest and Wood*
28 *Products.* Logs, lumber, and other forest- and wood-based products may be imported
29 to the country subject to the registration requirements of the Department and to the
30 tariff and duties under the Tariff and Customs Code and quarantine regulations. Any
31 product manufactured or remanufactured out of imported forest and wood materials
32 shall be allowed to be sold in the domestic or international market subject to
33 compliance with grading rules and standards by the licensed finished wood product
34 exporter.

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3 **CHAPTER VI**
4 **MONITORING AND CONTROL OF FOREST MANAGEMENT**
5 **AND UTILIZATION**
6

7 SEC. 35. *Forest Products Chain-of-Custody (CoC)*. The Department shall
8 institute a forest product CoC system to enable the tracking of transported, processed,
9 or marketed forest products to their source. To be considered legally harvested, all
10 forest products from forest lands shall bear an official CoC number.
11

12 SEC. 36. *External Monitoring and Certification Assessment of Forest*
13 *Management Operations*. The Department shall institute a national forest
14 certification system to externally monitor and assess the performance standards of
15 FMU operations and to ensure that forest products coming from FMUs are from
16 certified sustainable sources when local consumers buy them from the market.
17

18 SEC. 37. *Forestry Information System (FIS)*. The Department shall establish
19 a forestry information system which shall consist of comprehensive up-to-date
20 information on the physical, social, economic, biological, and environmental
21 components of the country's forest lands and forest resources. It shall include a
22 resource monitoring system to enable the Department and its field offices to track the
23 utilization, movement or transfer of forest-based goods and services from the source
24 to their end users. The Department shall conduct forest resource inventory at least
25 once every five (5) years to ensure effective management.

26 SEC. 38. *Conflict Resolution*. Parties from within an FMU and between or
27 among FMUs shall be encouraged to resolve conflicts related to forest management,
28 development, protection, conservation, and utilization between or among themselves.
29 Conflicts that cannot be resolved internally shall be reported for adjudication and
30 resolution by the Department. Conflicts that cannot be resolved by the Department to
31 the satisfaction of the parties in conflict shall, after exhausting all administrative
32 remedies, be submitted to the proper Courts for resolution.
33
34

CHAPTER VII
SUPPORT SYSTEMS

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

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

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

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

1 environment, reduce climate change effects, increase community adaptation to
2 climate change and enhance their livelihood.

3
4 The Department shall coordinate with other research agencies to go into co-
5 financing agreements with the private sector in the conduct of researches and
6 development of inventions provided that the terms and conditions are beneficial to
7 forest ecosystems services for the country.

8
9 SEC. 42. *Policy Research and Development.* The Forestry Development
10 Center (FDC) based at the University of the Philippines, Los Baños (UPLB) College
11 of Forestry and Natural Resources shall continue to serve as the primary policy
12 research and development center for forestry, environment, and natural resources
13 management. The FDC shall perform its functions in close coordination with the
14 Forest Management Bureau of the Department and other policy research institutions.
15 It shall assist the Department in the formulation, review, and evaluation of proposed
16 and existing policies in forestry, environment, and natural resources. To enable the
17 FDC to carry out its mandated function of policy research, it shall have a share in the
18 sustainable forest ecosystem development fund pursuant to Section 55 herein.

19
20 SEC. 43. *Forestry Extension Services.* With support from LGUs, NGOs,
21 media and other organizations, the Philippine Information Agency (PIA), the
22 Department of Education (DepEd), state owned and private universities and colleges,
23 the Department shall formulate a nationwide program for sustained public information
24 and advocacy campaign for forest and natural resources conservation, sustainable
25 forest development and on climate change. Adequate and sustainable funds to
26 implement research, technology development and transfer programs shall be provided
27 by each of the aforementioned agencies and institutions under the General
28 Appropriations Act.

29
30 SEC. 44. *Strengthening of the Forest Management Sector.* In order to
31 effectively implement the provisions of this Act, the Forest Management Bureau
32 (FMB) shall be transformed into a line bureau of the Department with functions
33 clearly defined and enumerated under the implementing rules and regulations of this
34 Act.

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3 **CHAPTER VIII**
4 **SYSTEM OF INCENTIVES**
5

6 SEC. 45. *Incentives for Engaging in Forest Development.* Incentives as
7 provided for by existing laws such as the National Internal Revenue Code, as
8 amended and Executive Order 226 or the Omnibus Investment Code, among other
9 laws, shall be extended to encourage qualified persons, natural or juridical, to engage
10 in forest management activities.
11

12 SEC. 46. *Tax Incentives for Forest Plantation Activities.* The following tax
13 incentives shall be granted to qualified persons engaged in forest plantation activities
14 within forest lands and alienable and disposable lands of the public domain:
15

- 16 (a) Expenses incurred in complying with the requirements of this Act shall be allowed as
17 deductible expenses for income tax purposes subject to the provisions of the National
18 Internal Revenue Code of 1997, as amended: *Provided*, That the deduction shall only
19 apply to the taxable period when the expenses were incurred; Incentives granted to
20 registered domestic enterprise under the Investment Priorities Plan (IPP);
21
- 22 (b) Exemption from the payment of forest charges imposed under the provisions of this
23 Act;
24
- 25 (c) Amounts expended by the agreement holder in the development and operation of a
26 forest plantation prior to the commercial harvest shall be regarded as ordinary and
27 necessary expenses or as capital expenditure;
28
- 29 (d) The Board of Investments (BOI) shall classify forest plantations as pioneer and
30 preferred areas of investment under its annual priority plan subject to the pertinent
31 rules and regulations;
32
- 33 (e) The tenure holder shall be given priority to access credit assistance being granted by
34 Government-owned, -controlled and/or -supported financial institutions;

- 1
- 2 (f) Upon the premature termination of the tenure instrument at no fault of the holder, all
- 3 depreciable permanent and semi-permanent improvements such as roads, buildings,
- 4 and nurseries including the planted and standing trees and other forest crops
- 5 introduced and to be retained in the area shall be properly evaluated and the holder
- 6 shall be entitled to a fair compensation thereof, the amount of which shall be mutually
- 7 agreed upon by both the Department and the tenure holder, and in case of
- 8 disagreement between them, by arbitration through a mutually acceptable and
- 9 impartial third party adjudicator.
- 10

11 SEC. 47. *Incentives for Forest-Based Industries.* To enable forest-based

12 industries to be more efficient, competitive, and economically viable, the following

13 incentives are hereby granted in addition to those already provided by existing laws:

14

- 15 (a) All processing plants or mills shall be assisted by the Department in
- 16 identifying sources of raw materials;
- 17
- 18 (b) All processing plants or mills shall be granted operating permits for five
- 19 (5) years renewable for another five (5) years, provided that permits for
- 20 processing plants owned or operated by holders of forest management
- 21 agreements or contracts shall be co-terminus with said agreements or
- 22 contracts;
- 23
- 24 (c) The Department shall provide on its own or propose to the President or
- 25 to Congress, other incentives to encourage the establishment and
- 26 development of corporate, family and community forest-based
- 27 industries. Agreements or licenses over forest areas granted to wood-
- 28 based plants shall be converted into any mode authorized in this Act.
- 29 Expansion in capacity of wood-based plants shall be encouraged and the
- 30 same shall be given priority access to production forest lands and other
- 31 areas available for development as source of raw materials;
- 32
- 33 (d) The Department shall promote and strengthen the linkages among
- 34 corporate, family-based, and community-based industries.

1
2 SEC. 48. *Rewards for Informants.* A percentage of the value of confiscated
3 materials shall be used as rewards for informants, including Department personnel.
4 Additional rewards may be provided to personnel of the Department, in addition to
5 those provided under the Government Service Insurance System (GSIS) or
6 Workmen's Compensation Law. They shall also be entitled to free legal assistance
7 should legal cases be filed against them in the performance of official duties.
8
9

10 CHAPTER IX
11 FOREST CHARGES, FEES, AND SHARING
12

13 SEC. 49. *Fees, and Government Shares for the Utilization, Exploitation,*
14 *Occupation, Possession of, and Activities Within Forest Lands.* The Department
15 shall prescribe appropriate fees and government shares for the different kinds of
16 utilization, exploitation, occupation, possession, or activities within forest lands:
17 *Provided,* That payment of or collection of such fees and government shares shall be
18 waived for parties/industries mandated by law to manage, conserve, develop and
19 protect forest lands and forest resources found therein, except administrative fees for
20 the filing and processing of applications for the issuance and renewal of licenses,
21 permits, and agreements: *Provided further,* That watershed administrators and/or
22 service contractors that have forest management agreements with the Department
23 shall also be entitled to a waiver of fees, except administrative fees.
24

25 The Department shall recommend appropriate and equitable fees for the use of
26 water and forest for power generation, irrigation, domestic and industrial, and for
27 carbon sequestration and biodiversity benefits respectively, by parties/industries
28 concerned.
29

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

1 matchwood cut in forest lands, forest charges on each cubic meter shall be ten percent
2 (10%) of the actual FOB market price.

3
4 ***Charges on Firewood, Branches, and Other Recoverable Wood Wastes of***
5 ***Timber.*** There shall be collected forest charges of ten percent (10%) of the actual
6 FOB market price on each cubic meter of firewood cut in natural forest, branches and
7 other recoverable wood wastes of timber, such as timber ends, tops and stumps, when
8 used as raw materials for the manufacture of finished products.

9
10 Only third or fourth group wood can be taken for firewood. However, if
11 jointly authorized by the Secretaries of both the Department of Environment and
12 Natural Resources and Department of Agriculture, first and second group wood may
13 be removed for firewood purposes from land which is more valuable for agricultural
14 than for forest purposes.

15
16 ***Charges on Non-Timber Forest Products.*** All other forest products of forest
17 lands which are not covered by the preceding section shall be exempt from any or all
18 forest charges, except rattan, gums and resins, beeswax, guttapercha, almaciga resin
19 and bamboo which shall be charged at ten percent (10%) of the actual FOB market
20 price.

21
22 These forest charges shall be applied to naturally growing timber and non-
23 timber forest products gathered within forest lands, alienable and disposable lands,
24 and private lands. All planted trees and non-timber forests products harvested from
25 private lands shall be free from forest charges.

26
27 For the above purpose, the valuation and the actual FOB market price of forest
28 products shall be justly determined by the Department based on prevailing market
29 price, which shall likewise provide for the time, manner, and place of payment of
30 such charges. The Department shall allocate 50% of forest charges collections to
31 reforestation and natural regeneration programs.

32
33 ***SEC. 51. 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 plans
5 including timber/other resources inventory on farmers' land: *Provided, Further*, That
6 fees collected pursuant to this Section shall be deposited in the local Department
7 offices as trust funds.

8
9 SEC. 52. *Proper Valuation and Compensation for Ecosystems Services*. The
10 Department shall formulate and institute appropriate mechanisms for proper valuation
11 and fair and comprehensive pricing of forest ecosystems services provided by the
12 forests, including water for domestic, industrial, irrigation and power generation,
13 biodiversity and eco-tourism with watershed ecosystems as the minimum spatial
14 units.

15
16 The use of various ecosystems services provided by the forests shall be
17 compensated. Subject to existing laws, any commercial and industrial users of water,
18 energy, recreation and other ecosystems services of the forests shall be charged a
19 watershed protection and conservation fee. These fees shall be used to fund research
20 and development activities, and for the conservation and management of the forests.

21
22 Local, regional, and national plow back mechanisms of utilizing proceeds
23 from the use of watersheds, forests and forest lands for ecosystems services such as,
24 but not limited to, power generation, supplying domestic and irrigation water, eco-
25 tourism and carbon trading shall be developed and promoted to finance forest
26 protection, rehabilitation, reforestation, afforestation, agro-forestation and
27 development.

28
29 SEC. 53. *Payments for REDD Plus*. Entities involved in preventing
30 deforestation and sequestering carbon in their FMUs shall have equitable share in the
31 proceeds of REDD-Plus payments. The capacity of local FMU managers shall be
32 developed to monitor their forest resources as basis for equitable sharing in REDD-
33 plus payments.

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CHAPTER X
APPROPRIATIONS AND FINANCIAL SUPPORT

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

SEC. 55. *Sustainable Forest Ecosystems Development Fund (SFEDF).* A Sustainable Forest Ecosystems Development Fund (SFEDF) to be administered by the Department as a special account in the National Treasury is hereby established to provide sustainable funds for forest protection, reforestation and forest development and management, including the rehabilitation and preservation of watershed areas, CBFM program, information and educational campaigns as well as scholarship programs and policy research. At least fifty percent (50%) of the forest charges and government share in all products removed from the forest lands, rentals, proceeds from sales of confiscated forest products including conveyances, fines and penalties, and administrative fees collected shall be set aside for the buildup of the SFEDF. The fund may be augmented by grants, donations, endowment from various sources, domestic or foreign, for purposes related to their functions and other innovative funding mechanisms such as securitization of forest assets, among others.

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

CHAPTER XI
OFFENSES AND PENALTIES

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

15
16 If the market value of the timber or other forest products is more than Five
17 Hundred Thousand Pesos (Php500,000.00), the offender shall be guilty of economic
18 sabotage and the imposable penalty shall be *reclusion perpetua*, in addition to the
19 payment of the fine equivalent to ten (10) times the value of said timber or forest
20 product, and other subsidiary penalties as prescribed above.

21
22 Any person, whether natural or juridical, who shall acquire or possess logs,
23 flitches, lumber from the economic saboteurs as defined in this Section and/or use the
24 same logs, flitches, lumber, in any manner, shall likewise be punished with *reclusion*
25 *perpetua*, payment of fine equivalent to ten (10) times the market value of said logs,
26 flitches, lumber, and the subsidiary penalties provided herein.

27
28 All timber or any forest product cut, gathered, collected, removed, or
29 possessed and all the conveyances, machinery, equipment, implements, work animals,
30 and tools used in connection with the violation shall be seized and confiscated in
31 favor of the government.

32
33 SEC. 57. *Illegal Cutting as an Act of Economic Sabotage.* Any of the acts
34 enumerated in the preceding Section when committed by any group, through

1 organized and systematic manner, for commercial purposes, shall constitute an act of
2 economic sabotage punishable with *reclusion perpetua*.

3
4 The commission of any of the above prohibited acts by two or more
5 individuals with the aid of any mechanical device shall constitute a prima facie
6 evidence that the act is organized and systematic.

7
8 Any person, whether natural or juridical, who shall buy logs, flitches, lumber
9 from economic saboteurs as defined in this Section, and/or use the same logs, flitches,
10 lumber in government infrastructure projects shall, upon conviction, be punished with
11 *reclusion perpetua*.

12 **SEC. 58. *Use of Illegally Cut Timber in Government Infrastructure Projects.***

13 The use of illegally cut naturally grown timber in government infrastructure projects
14 shall be sufficient cause for the imposition of penalties provided in Section 56 on
15 harvesting of forest products without authority, and Section 57, on illegal cutting as
16 an economic sabotage, including the withholding of the payment to the harvesting
17 contractor.

18
19 **SEC. 59. *Damage to Residual Trees.*** To ensure the sustainability of the
20 natural forests, adequate number of residual trees and phenotypically superior mother
21 trees shall be marked, to be retained as part of the managed forests and as the future
22 timber crop, before any harvesting operation shall commence. Any marked residual
23 tree that is 30% or more damaged during such operation is subject to a fine equivalent
24 to four (4) times the regular forest charges and reduction of future allowable harvest
25 to compensate for residual losses.

26
27 **SEC. 60. *Grazing Livestock on Forest Lands Without a Permit.*** Any person
28 found to have caused the grazing of livestock in forest lands and grazing lands
29 without an authority under a lease or permit to graze, upon conviction, shall be
30 penalized with imprisonment of not less than two (2) years nor more than four (4)
31 years and a fine equivalent to ten times the regular shares due in addition to
32 confiscation of the livestock and all improvements introduced in the area in favor of
33 the government: *Provided*, That in case the offender is a corporation, partnership, or

1 association, the officer or director thereof who directly caused or ordered such shall
2 be liable. In case the offender is a public officer or employee, he/she shall in addition
3 to the above penalties, be deemed automatically dismissed from office and
4 permanently disqualified from holding any elective or appointive position in the
5 government service.

6
7 **SEC. 61. *Unlawful Occupation or Destruction of Forest Lands.*** Any person
8 who, without authority from the Secretary, enters and occupies or possesses, or
9 engages in *kaingin* or slash-and burn farming and related activities for own private
10 use or for others, any forest land or grazing land, or in any manner destroys such
11 forestland or part thereof, or causes any damage to the timber stands and other forest
12 product found therein, or assists, aids or abets another person to do so, or sets a fire,
13 or negligently permits a fire to be set therein, or refuses lawful orders to vacate the
14 area when ordered to do so shall, upon conviction, be punished with penalties in the
15 amount of not less than One Hundred Thousand Pesos (P100,000.00) nor more than
16 Five Hundred Thousand Pesos (P500,000.00) and imprisonment of not less than six
17 (6) years and one (1) day nor more than twelve (12) years for each offense: *Provided,*
18 That in the case of an offender found guilty of *kaingin* or slash-and-burn farming, the
19 penalty shall be imprisonment of not less than ten (10) years nor more than twelve
20 (12) years and a fine equivalent to ten times the regular forest charges due on the
21 forest products destroyed without prejudice to payment of the full cost of
22 rehabilitation of the occupied areas as determined by the Department: *Provided*
23 *further,* That the maximum of the penalty prescribed herein shall be imposed upon the
24 offender who repeats the same offense, and double the maximum penalty upon the
25 offender who commits the same offense for the third time or more.

26
27 In all cases, the court shall further order the eviction of the offender from the
28 area occupied and the forfeiture to the government of all improvements made therein,
29 including all vehicles, domestic animals and equipment of any kind used in the
30 commission of the offense. If not suitable for use by the Department, said
31 improvements, vehicles, domestic animals and equipment shall be sold at public
32 auction, the proceeds from which shall accrue to the SFEDF.

1 If the offender is an alien, he/she shall be deported after serving his sentence
2 and payment of fines, without any further proceedings. An offender who is a
3 government officer or employee, shall, in addition to the above penalties, be deemed
4 automatically dismissed from office and permanently disqualified from holding any
5 elective or appointive position in the government service.
6

7 **SEC. 62. *Illegal Conversion of City or Municipal Parks, Communal Forests,***
8 ***and Tree Parks in Subdivisions.*** Any person found to have converted or caused the
9 conversion of a city or municipal park or communal forest, or tree parks within
10 subdivisions established pursuant to Section 24 herein and Section 2 of Presidential
11 Decree No. 953, requiring the planting of trees in certain places, into other uses
12 including the construction of permanent buildings therein, or in any manner destroys
13 or causes any damage to the timber stands and other forest product found therein, or
14 assists, aids or abets another person to do so, or sets a fire, or negligently permits a
15 fire to be set therein, upon conviction, shall be penalized by imprisonment of six (6)
16 years and one (1) day to twelve (12) years or a fine of not less than One Hundred
17 Thousand (P100,000.00) nor more than Five Hundred Thousand (P500,000.00), or
18 both fine and imprisonment at the discretion of the Court. The offender shall likewise
19 be imposed a fine equivalent to ten times the commercial value of the forest products
20 destroyed without prejudice to payment of the full cost of rehabilitation of the areas as
21 determined by the Department: *Provided further*, That the maximum of the penalty
22 prescribed herein shall be imposed upon the offender who repeats the same offense,
23 and double the maximum penalty upon the offender who commits the same offense
24 for the third time or more. The court shall further order the forfeiture to the
25 government of all improvements made therein, including all vehicles, domestic
26 animals, and equipment of any kind used in the commission of the offense. If not
27 suitable for use by the Department, said improvements, vehicles, domestic animals
28 and equipment shall be sold at public auction, the proceeds from which shall accrue to
29 the SFEDF.
30

31 An offender who is a government officer or employee, in addition to the above
32 penalties, upon conviction shall be deemed automatically dismissed from office and
33 permanently disqualified from holding any elective or appointive position in the
34 government service.

1
2 SEC. 63. *Misdeclaration or Falsification of Reports on Forest Resource*
3 *Inventory, Scaling, and Survey by a Government Official or Employee.* Any public
4 officer or employee who knowingly misdeclares or falsifies reports pertaining to
5 forest resource inventory, scaling, survey, and other similar activity which are
6 contrary to the criteria and standards established in the rules and regulations
7 promulgated by the Secretary shall, after an appropriate administrative proceeding, be
8 dismissed from the service with prejudice to re-employment. Upon conviction by a
9 court of competent jurisdiction, the same public officer or employee shall further
10 suffer an imprisonment of not less than eight (8) years nor more than twelve (12)
11 years and a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor
12 more than Five Hundred Thousand Pesos (P500,000.00). The inventory, survey,
13 scale, classification, and similar reports referred herein shall be rendered null and
14 avoid.
15

16 SEC. 64. *Unlawful Operation of Wood Processing Plants and Downstream*
17 *Forest-Based Industries.* Any person operating a wood processing plant or
18 downstream forest-based industry without authority from the Secretary shall, upon
19 conviction by a court of competent jurisdiction, be punished by imprisonment of not
20 less than eight (8) years nor more than twelve (12) years and a fine of not less than
21 Five Hundred Thousand Pesos (P 500,000.00) and confiscation of the wood
22 processing plant and complementary equipment in favor of the government. The
23 Department shall promulgate the necessary guidelines, subject to the provision of this
24 Act, that will define the terms and conditions including the responsibility for a person
25 who will operate and is operating a wood processing plant and/or other downstream
26 forest based industries.
27

28 SEC. 65. *Prohibition on the Issuance of Tax Declaration on Forest Lands.*
29 Any local government official or employee who issues a tax declaration for any
30 purpose on any part of forest lands shall, upon conviction, be penalized with
31 imprisonment for a period of not less than four (4) years nor more than eight (8) years
32 and a fine of not less than One Hundred Thousand Pesos (P 100,000.00) nor more
33 than Five Hundred Thousand Pesos (P 500,000.00) and perpetual disqualification
34 from holding an elective or appointive office.

1
2 SEC. 66. *Unlawful Possession of Implements and Devices Used by Forest*
3 *Officers.* Any person found possessing or using implements and devices used by
4 forest officers shall be penalized with imprisonment of not less than eight (8) years
5 nor more than twelve (12) years and a fine of not less than One Hundred Thousand
6 Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00) in
7 addition to the confiscation of such implements and devices and the automatic
8 cancellation of any license agreement, license, lease or permit.

9
10 Any forest officer who willingly allows unauthorized person(s) to use these
11 implements and devices under one's care shall be penalized with imprisonment of not
12 less than six (6) years and one (1) day to no more than twelve (12) years and a fine of
13 not less than One hundred thousand pesos (P100,000.00) nor more than Five Hundred
14 Thousand Pesos (P500,000.00). In addition, the forest officer shall be dismissed from
15 the service with prejudice to reinstatement and with perpetual disqualification from
16 holding an elective or appointive position.

17
18 SEC. 67. *Unauthorized Introduction of Logging Tools and Equipment*
19 *Inside Forest Lands.* It shall be unlawful for any person or entity to possess, bring, or
20 introduce any logging tools or equipment inside forest lands without prior authority
21 from the Secretary or his duly authorized representative. Any person found guilty of
22 illegal possession of said logging tools or equipment shall be liable to imprisonment
23 of six (6) years and one (1) day to twelve (12) years or a fine of not less than One
24 Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand
25 Pesos (P500,000.00) or both imprisonment and fine at the discretion of the court, and
26 confiscation of said logging tools and equipment in favor of the government.

27
28 SEC. 68. *Non-Payment and Non-Remittance of Forest Charges.* Any person
29 who fails to pay the amount due and payable as forest charges to the government shall
30 not be allowed to transport, convey, sell, nor use the timber or forest product.
31 Moreover, failure to pay within thirty (30) days upon assessment of forest charges
32 shall be a ground for confiscation of the said timber or forest product in favor of the
33 government. Any person who fails or refuses to remit to the proper authorities said
34 forest charges collectible pursuant to the provisions of this Act or the National

1 Internal Revenue Code, as amended, or who delays, obstructs or prevents the same, or
2 who orders, causes or effects the transfer or diversion of the funds for purposes other
3 than those specified in said Acts shall, upon conviction, be imprisoned for not less
4 than six (6) years nor more than twelve (12) years and fined from One Hundred
5 Thousand Pesos (P100,000.00) to Five Hundred Thousand Pesos (P500,000.00) in
6 addition to the payment of the assessed forest charges. If the offender is a
7 corporation, partnership, or association, the officers and directors thereof shall be
8 liable.

9
10 SEC. 69. *Institution of Criminal Action by Forest Officers.* Any forest officer
11 shall arrest even without a warrant any person who has committed or is about to
12 commit, or is committing in his presence any of the offenses defined in this chapter.
13 The tools, animals, equipment and conveyances used in committing the offense, and
14 the forest products cut, gathered, taken or possessed by the offender in the process of
15 committing the offense shall also be seized and confiscated in favor of the
16 government. The arresting forest officer shall thereafter deliver within twenty-four
17 (24) hours from the time of arrest or seizure both the offender and the confiscated
18 forest products, conveyances, tools and equipment, or the documents pertaining to the
19 same, and file the proper complaint with the appropriate official designated by law to
20 conduct preliminary investigation and file information in court. If the arrest and
21 seizure are made in the forest far from authorities designated by law to conduct
22 preliminary investigations, the delivery to and filing of the complaint with the latter
23 shall be done within a reasonable time sufficient for ordinary travel from the place of
24 arrest to the place of delivery. The seized forest products, materials, conveyances,
25 tools and equipment shall be immediately disposed of in accordance with the
26 regulations promulgated by the Secretary.

27
28 The Secretary may deputize any agency, barangay or barrio official, or any
29 qualified person to protect the forest and exercise the powers or authority provided for
30 in the preceding paragraph. Reports and complaints regarding the commission of any
31 of the offense defined in this chapter not committed in the presence of any forest
32 officer or any of the deputized officers shall immediately be reported to the forest
33 officer assigned in the area where the offense was allegedly committed. Thereupon,
34 the investigating officer shall receive the evidences supporting the report or complaint

1 and submit the same with the appropriate official authorized by law to conduct a
2 preliminary investigation of criminal cases and file the information in court.
3

4 SEC. 70. *Liability of Custodian of Confiscated Forest Products.* Any public
5 officer who fails to produce the timber or forest products, including tools,
6 conveyances, equipment, and devices in his custody pursuant to a seizure or
7 confiscation made thereon, or who shall appropriate, take, misappropriate, or shall
8 permit another person to take such timber forest products wholly or partially, shall
9 suffer the penalty provided for in malversation of Public Funds or Property, of the
10 Revised Penal Code. In addition, the said public officer shall be dismissed from
11 service with prejudice to reinstatement and with perpetual disqualification from
12 holding any elective or appointive office.
13

14 SEC. 71. *Citizen's Suit.* Any citizen may file an appropriate civil, criminal, or
15 administrative action in the proper court against:
16

- 17 (a) Any person who violates or fails to comply with the provisions of this Act or its
18 implementing rules and regulations;
19
20 (b) The Department or other implementing agencies with respect to orders, rules and
21 regulations issued inconsistent with this Act;
22
23 (c) Any public officer who willfully or grossly neglects to perform an action specifically
24 enjoined as a duty by this Act or its implementing rules and regulations; or abuses his
25 authority in the performance of his duty; or in any manner improperly performs his
26 duties under this Act or its implementing rules and regulations. However, no suit can
27 be filed until after thirty (30) days notice has been given to the public officer or the
28 alleged violator concerned and no appropriate action has been taken.
29
30
31
32
33
34

CHAPTER XII
ADMINISTRATIVE PROVISIONS

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

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

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

No court of the Philippines shall have jurisdiction to issue any *Writ of Replevin*, restraining order, or preliminary mandatory injunction in any case involving

1 or growing out of any action by the Secretary or his duly authorized representative in
2 the exercise of the foregoing administrative authority.

3
4 SEC. 74. *Administrative Authority of the Secretary to Impose Fines.* In all
5 cases of violations of this Act and other forest laws, rules and regulations where fine
6 is the principal penalty, the Secretary, after consultation with the forest-based
7 industries affected, is hereby authorized to impose administratively the penalty
8 consisting of the amount and the schedules of the fine which shall be officially
9 published in a national newspaper of general circulation.

10
11 SEC. 75. *Authority of Forest Officers.* When in the performance of their
12 official duties, forest officers or other government officials or employees duly
13 authorized by the Secretary shall have free entry into areas covered by a contract,
14 agreement, license, lease or permit. Forest officers are authorized to inspect and to
15 open closed vans suspected to contain illegally harvested, collected or transported
16 forest product: *Provided*, That it is done in the presence of the shipper or consignee or
17 two (2) responsible public officials in the locality. Forest officers are authorized to
18 administer oath, take acknowledgment in official matters connected with the functions
19 of their office, or take testimony in official investigations conducted under the
20 authority of this Act and the implementing rules and regulations issued by the
21 Secretary pursuant thereof.

22
23 SEC. 76. *Visitorial Functions.* The Secretary or his duly authorized
24 representative shall, from time to time, investigate, inspect, and examine records and
25 other documents except bank records related to the operation of any person granted
26 the privilege, contract, or agreement to utilize forest resources to determine
27 compliance with the terms and conditions stipulated in the grant, contract or
28 agreement, this Act, and pertinent laws, rules, and regulations.

29
30 SEC. 77. *Authority of the Secretary to Revert Lands Needed for Forest*
31 *Purposes.* When the national interest so demands, the Secretary is hereby authorized,
32 through any available legal remedies, to revert lands currently used for agricultural
33 production or other purposes into forest uses or for biodiversity conservation.

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

7
8 SEC. 79. *Transitory Provisions.* Upon the approval of this Act, the
9 Department shall evaluate the conditions of all forest lands covered by existing tenure
10 instruments, memoranda of agreements (MOAs) and other agreements and contracts
11 which shall be allowed to continue until their expiration, unless otherwise earlier
12 terminated for cause.

13
14 SEC. 80. *Implementing Rules and Regulations.* In consultation with the
15 Departments of Interior and Local Government, Finance, Agriculture, Budget
16 Management, and other relevant agencies and stakeholders, the Secretary of the
17 Department shall formulate the rules and regulations to implement the provisions of
18 this Act.

19
20 SEC. 81. *Congressional Oversight Committee.* There is hereby created a
21 Congressional Oversight Committee to oversee the implementation of this Act
22 composed of seven (7) members from the Senate Committee on Environment and
23 Natural Resources and seven (7) members from the House of Representatives
24 Committee on Natural Resources.

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

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

