

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City
SEVENTEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 5946

Introduced by Hon. Jesulito "Jess" A. Manalo

EXPLANATORY NOTE

A highly focused implementing agency with the appropriate and agile organizational structure is needed for the sustainable nationwide administration and implementation of the country's Master Plan for Forestry Development, the Forest Resources Database and Monitoring System, the Watershed Continuum Management Strategy, the National Watershed Framework Plan, the National Watershed Information System, the National Greening Program, and other national programs on the sustainable management and development of forest resources.

The FMDA shall also conduct performance reviews of Industrial Tree Plantations and provide technical expertise, training, and other forms of assistance to local government units, forest management committees, city/municipal environment and natural resources offices, and the Philippine National Police.

The proposed Forest Management and Development Authority (FMDA) is given corporate powers, the status of a government-owned and controlled corporation, and is attached to the Department of Environment and Natural Resources for its dedicated nationwide mission.

The FMDA will not absorb existing offices and their personnel wholesale as has been the practice in the past whenever the government creates a new agency. It will accept applicants and recruit.


Jesulito "Jess" A. Manalo
Representative, ANGKLA Party-list

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AN ACT
PROVIDING FOR THE EFFECTIVE IMPLEMENTATION AND COORDINATION
OF SUSTAINABLE FOREST MANAGEMENT LAWS, POLICIES, PROGRAMS,
AND PROJECTS, CREATING THE FOREST MANAGEMENT AND
DEVELOPMENT AUTHORITY, AND FOR OTHER PURPOSES

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

Section 1. Short Title. - This Act shall be known as the "*Charter of the Forest Management and Development Authority*".

Section 2. Declaration of Policy. - It is the declared policy of the State:

1. To promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets;
2. To protect Filipino enterprises against unfair foreign competition and trade practices;
3. To ensure the exploration, development, and utilization of natural resources shall be under the full control and supervision of the State and that the State may directly undertake such activities, or it may enter into co-production, joint venture, or production-sharing agreements with Filipino citizens, or corporations or associations at least sixty per centum of whose capital is owned by such citizens,

and that such agreements may be for a period not exceeding twenty-five years, renewable for not more than twenty-five years, and under such terms and conditions as may be provided by law.

4. To protect the rights of indigenous cultural communities to their ancestral lands to ensure their economic, social, and cultural well-being, subject to the provisions of this Constitution and national development policies and programs;
5. To provide for the applicability of customary laws governing property rights or relations in determining the ownership and extent of ancestral domain; and
6. To promote the use of property cognizant of its social function, and mobilize all economic agents to contribute to the common good.

Section 3. Forestlands Management and Development Authority. - There is hereby created a Forestlands Management and Development Authority (FMDA), attached to the Department of Environment and Natural Resources for administrative and budgetary purposes, as the frontline government agency responsible for the sustainable nationwide administration and implementation of the Master Plan for Forestry Development, the Forest Resources Database and Monitoring System, the Watershed Continuum Management Strategy, the National Watershed Framework Plan, the National Watershed Information System, the National Greening Program, and other national programs on the sustainable management and development of forest resources.

The FMDA shall also conduct performance reviews of Industrial Tree Plantations and provide technical expertise, training, and other forms of assistance to local government units, forest management committees, city/municipal environment and natural resources offices, and the Philippine National Police.

Section 4. The FMDA shall have the general powers provided in the Corporation Law, insofar as they are not inconsistent with this Act, and such other powers necessary to enable it to attain its objectives, including the following powers:

1. Acquire, hold and dispose such lands as may be necessary to carry out the purposes and objectives of the FMDA within such areas and locations as may be determined by and approved by the Board of Directors;
2. Promulgate such rules and regulations necessary for the attainment of its mandate in this Act;
3. Enter into, make and execute contracts of any kind with any person, firm or corporation, with the Philippine Government or with any foreign government, subject to existing laws;

4. Form, establish, organize and operate and/or contract to operate such subsidiaries, divisions, functional units, offices and departments of the FMDA as it may deem necessary or useful for the furtherance of the purpose of this Act;
5. Enter into any lawful arrangement for sharing profits, joint ventures, union, interests, reciprocal concession or cooperation with any association, partnership, syndicate or entity located in or organized under the laws of any authority in any part of the world as may be necessary to carry out its operations;
6. Obtain funds to support or carry out its objectives and purposes and/or to invest idle funds or income derived from marketing, contributions, etc, in any authorized government depository banks;
7. Arrange for financing or credit, or any kind of assistance for its own account, subsidiaries or any client from government or private sources in the Philippine or from international public or private financial institutions, as the FMDA Board may deem necessary;
8. Secure any or all of its obligations or liability by any guarantee or counter-guarantee, pledge, mortgage, deed of trust or assignment of the FMDA property or by creating or suffering to exist, a charge, lien, or encumbrance, general or special, upon its assets as the FMDA Board may deem reasonable and proper;
9. Guarantee domestic or foreign loans and other forms of indebtedness both as to principal and interest or either, issued by its own subsidiaries and/or by any duly incorporated companies engaged in the business of developing, producing and marketing natural resources-based products;
10. Accept and/or grant donations, in any form, from/to any entity, private or government, domestic or foreign.
11. Acquire equipment and/or raw materials and supplies by outright purchase or lease or rent from, as well as contract services or the undertaking or development projects to, any person or entity, domestic or foreign, private or government, with or without bidding, as the FMDA Board may deem reasonable and proper;
12. Exercise the power of eminent domain as may be necessary in carrying out the purposes of this Act.

Section 5. Board of Directors. The FMDA shall be governed by a Board of Directors composed of the following or their duly-designated permanent representatives:

Chairman: Secretary of Environment and Natural Resources

Members:

Secretary of Interior and Local Government;

Secretary of Trade and Industry;

Secretary of Science and Technology;

Director-General of the National Economic and Development Authority;

Chairman of the National Commission on Indigenous Peoples;

Chairman of the Housing and Land Use Regulatory Board;

Director-General of the Philippine National Police;

Chancellor of the University of the Philippines in Los Banos;

President of the Society of Filipino Foresters; and

President of the Philippine Wood Producers Association.

Section 6. Powers/Functions of the Board. The Board of Directors of the FMDA shall exercise/perform the following powers/functions.

1. Prescribe and amend the By-Laws of the FMDA;
2. Formulate policies, plans, projects, rules and regulations to effectively carry out functions of the FMDA;
3. Direct the management, operations and administration of the FMDA;
4. Create committees and/or positions necessary for the efficient operation of the FMDA; fix and authorize payment of salaries, allowances, per diems, honoraria and other remuneration or emoluments of the members of the FMDA Board, President, other officers and personnel, including personnel of the government agencies/instrumentalities, who may be designated to work for the FMDA by detail or designation in concurrent capacity;
5. Fix the term of office of executive officers of the FMDA;
6. Submit to the President of the Republic of the Philippines the annual report of operations and condition of the FMDA;
7. Exercise such other powers as may be necessary to accomplish the purposes/objectives of the FMDA; and
8. Delegate any or all of its power and functions to the officer/s of the FMDA.

Section 7. Management of the FMDA. The management of the FMDA shall be headed by a President and Chief Executive Officer who shall be appointed by the Board of

Directors. Other officer positions may be created by the Board as it shall deem fit. The powers, duties, term and compensation of the officers shall be determined by the Board.

Section 8. Qualifications of the President and Chief Executive Officer. The President and Chief Executive Officer of the FMDA shall be chosen from among a shortlist of five nominated by the Caucus of Development NGO Networks (CODE-NGO) based on these qualifications:

1. a highly-respected expert in the fields of environmental law and sustainable development;
2. with at least five years of hands-on top management experience in the running of a business, foundation, or government agency;
3. not convicted of any crime or have any pending graft and corruption case before the Sandiganbayan;
4. at least thirty years old, a Filipino citizen, an active registered voter; and resident of the Philippines within seven (7) years from the date of nomination; and
5. of sound mind and body as certified by a licensed practicing physician.

Section 9. Powers and Duties of the President. The President shall have the following powers and duties:

1. To manage the operations of the FMDA as its Chief Executive Officer;
2. To prepare the agenda for meetings of the Board and to submit for the consideration of the Board proposed policies and measures necessary to carry out the purposes of this Order;
3. To recommend, and execute and administer the policies and measures approved by the Board;
4. To represent the FMDA in all dealings with offices, agencies, and instrumentalities of the government and other entities, public or private, domestic or foreign;
5. To appoint the other executive officers of the FMDA according to guidelines and parameters approved by the Board; and
6. To exercise such other powers as may be delegated/vested in him by the Board.

Section 10. Capitalization. The FMDA shall have an authorized capital stock of One Billion Pesos (P1,000,000,000.00) divided into Ten (10) Million Shares having a par value of one hundred (P100.00) pesos each. The entire amount shall be subscribed by the National Government and to be paid up in accordance with the project funding requirements to be

jointly approved by the Secretary of the Department of Budget and Management and the Secretary of the Department of Finance.

Section 11. Organizational and Staffing Structure. The FMDA shall fill its plantilla positions with new recruits and applicants from the general public, civil society, government service, and private business sector, and returning overseas Filipinos.

The Department of Environment and Natural Resources, in coordination with the Department of Budget and Management shall formulate and establish the organizational structure and staffing pattern of the FMDA composed of such administrative and technical personnel as may be deemed necessary to efficiently and effectively carry out the functions and duties prescribed herein, subject to the approval of the Department of Environment and Natural Resources.

Section 12. Separability. - If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall continue to be in full force and effect.

Section 13. Repealing Clause. - All laws, executive orders, and administrative orders or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

Section 14. Effectivity Clause. - This Act shall take effect fifteen (15) days after its publication in the online version of the *Official Gazette* or in two (2) newspapers of general circulation or with established internet website presence.

Approved.