

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 0106



Introduced by **Rep. LAWRENCE LEMUEL H. FORTUN**

EXPLANATORY NOTE

This bill seeks to set a clear and concrete policy direction in the formulation of programs for the protection and sustainable management of our forests ecosystems.

Philippine forests are among the world's most diverse and richest source of plant and animal species, but they are also considered among the most threatened. Our forest covers been reduced to an alarming 18.3% as early as 1999 and estimated to be shrinking by at least 2% every year. The major causes have been attributed to commercial and illegal logging, forest conversion, population growth, migration and fuel wood harvesting.

It is crucial that the country adopt a systematic, coherent and responsive forest management system to restore the integrity of our forest ecosystem. This bill recognizes the Sustainable Forest Ecosystems Management (SFEM) strategy as the principal policy framework for all programs in the forestry sector. The bill prioritizes the protection and rehabilitation of our forest systems through regeneration or restoration of natural forests. It likewise recognizes the indispensable role and respects the rights of stakeholders such as the local government units, the local community and the indigenous peoples.

Certain versions of this bill have been filed in the 14th, 15th, 16th Congresses in cognizance of the exigency of addressing the immediate need for effective, efficient and sustainable management of all forest ecosystems in the country. The bill, however, languished in the committee.

In the 17th Congress, the bill saw some light of day as it was approved by the House on Third and Final Reading and transmitted to the Senate. It is earnestly hoped that in the 18th Congress, the measure is finally enacted into law.

REP. LAWRENCE LEMUEL H. FORTUN
1ST District Agusan del Norte

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AN ACT
PROVIDING FOR THE SUSTAINABLE MANAGEMENT OF FOREST AND
FOREST LANDS AND FOR OTHER PURPOSES

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

ARTICLE I
GENERAL PROVISIONS

1 **Section 1. Short Title.** - This Act shall be known as the "Sustainable
2 Forest Management Act"
3

4 **Section 2. Declaration of Policy.** - It is the policy of the State to promote
5 social justice and the general welfare 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. Therefore, the State hereby adopts the
9 following policies for the sustainable management and conservation of forest
10 lands and forest resources found therein:
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- 12 a. The specific limits of forest lands, after these have been fixed and
13 demarcated, shall not be altered, except through an act Congress;
14 b. The use and conservation of forest lands and forest resources found
15 therein shall bear a social, cultural, ecological, biological, and
16 economic functions, responsibility and accountability to promote the
17 common good of present and future generations;
18 c. The protection of forest ecosystem, as well as rehabilitation through
19 reforestation and afforestation of the degraded forest ecosystem shall
20 be given priority to mitigate climate change, improve and conserve
21 biodiversity, enhance ecosystem functions and services and provide
22 long-term economic benefits;
23 d. Forest lands shall be partitioned and planned into forest management
24 units (FMUs) based on natural topographic and hydrologic boundaries
25 and shall consider the watershed continuum approach which adopts
26 a holistic inter-relationship between the rational ecological treatment
27 of the entire landscape from the mountain down to the coast;
28 e. The management, protection, conservation and development of forest
29 resources shall be done in an integrated, inclusive, developmental, and
30 sustainable manner, focusing on the forest resource and the people
31 who manage, conserve and benefit from it.
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Section 3. Objectives. The general objective of this bill is to optimize the utilization of forest resources to support sustainable development of the country by providing equitable access and benefit sharing to stakeholders. The specific objectives are:

- a. To deregulate the management of forest lands and forest resources;
- b. To provide sustainable livelihood and enterprises especially among those depending and temporarily residing in forest lands;
- c. To strengthen institutional mechanism to respond to forest management concerns namely, development of the forest industry; law enforcement; and management of watershed;
- d. To create the Sustainable Forest Development Fund as a support mechanism for funding requirements of forest management units;
- e. To reorient the role of the Forest Management Bureau to be more responsive and pro-active consistent with the objectives of this Act;
- f. To ensure that required forest cover is achieved to maintain the provision of ecological services.

Section 4. Scope and Coverage.- The provisions of this Act shall apply to all forest lands and all forest resources in lands over which the Philippines has sovereignty and jurisdiction: *Provided*, That all forest lands and forest resources found in protected areas established under the National Integrated Protected Areas System (NIPAS) shall be sustainably managed and developed following the principles of this Act and consistent with the provisions of Republic Act No. 7586, or the "National Integrated Protected Areas System act of 1992", as amended by Republic Act No. 10629, and Republic Act No. 11038, or the "Expanded National Integrated System Act of 2018"; *Provided further*, That all wildlife resources and critical habitats found in forest lands, including alienable and disposable lands, shall be governed by Republic Act. 9147, or the "Wildlife Resources Conservation and Protection Act", *Provided furthermore*, that the rights of indigenous cultural communities and indigenous peoples to their ancestral forest lands shall be respected, as provided for in Republic Act No. 8371 or the "Indigenous Peoples' Rights Act of 1997"; *Provided finally*, that all forest lands under the management or administration of local government units and other government agencies or instrumentalities shall be managed in accordance with their duly legislated charter and the principles and provisions of this Act.

Section 5. Definition of Terms. – As used in this Act:

- a. *Biodiversity* refers to the variability among living organisms from all sources, including, *inter alia*, terrestrial, marine, and other aquatic ecosystems in the ecological complexes of which they are part of;
- b. *Climate Change* refers to a change in climate that can be identified by changes in the mean and/or variability of its properties and that persists for an extended period, typically decades or longer whether due to natural variability or as a result of human activity;
- c. *Climate Change Adaptation* refers 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;
- d. *Climate Change Mitigation* refers to human intervention to reduce anthropogenic emissions by sources and removals by sinks of all greenhouse gases including ozone depleting substances and their substitutes;
- e. *Ecosystem* refers to a community of living organisms interacting with each other and with their physical environment;

- f. *Ecotourism* refers to a form of sustainable tourism within a natural and/or cultural heritage area where community participation, protection and management of natural resources, culture, and indigenous knowledge and practices, environmental education and ethics, as well as economic benefits are fostered and pursued for the enrichment of host community and satisfaction of visitors;
- g. *Forest* refers to an ecosystem or an assemblage of ecosystems dominated by trees and other natural vegetation; a community of plants and animals interacting with one another and its natural environment;
- h. *Forestland* refers to land of the public domain classified as needed for forest purposes, including both production and protection. They shall include all forest reserves of the public domain;
- i. *Forest Management Unit (FMU)* refers to a clearly defined forest area assigned for management based on a set of objectives and a long-term watershed-based management plan. All current forest tenurial instruments may be considered FMUs;
- j. *Forest-Based Industries* 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;
- k. *Forest Resources* refer to all products and resources whether biomass such as plants and animals including its by-products and derivatives, which can be a raw material, or non-biomass such as soil, water, scenery, as well as the intangible services and values present in forest lands or in other lands devoted for forest purposes;
- l. *Forest Reforestation* refers to a management strategy applied in degraded primary forest to enhance and accelerate natural processes of forest ecosystem;
- m. *Indigenous species* refer to species or genotypes that have evolved in the same area, region or biotope and are adapted to the specific predominant ecological conditions at the time of establishment;
- n. *Multiple-Use* refers to the harmonized utilization of land, soil, water, wildlife, recreation value, grass and timber of forest lands;
- o. *Natural Forest* refers to a forest composed of naturally growing indigenous trees, not planted by man, whose structure, composition, and dynamics have been largely the result of natural succession process;
- p. *Non-Timber Forest Products* refer to all biological materials and derivatives other than timber;
- q. *Plantation* refers to forest stand established by planting and/or seeding in the process of afforestation or reforestation. The stand is of either introduced species (all planted stands), or an intensively managed stand of any indigenous species, which meets all the following criteria: one or two species at plantation, even-aged class, and regular spacing;
- r. *Processing Plant* refers to any establishment or infrastructure housing any mechanical set-up, device, machine, or combination of machines used for the conversion of logs and other forest raw materials into lumber, fiberboard, pulp, papers, or other finished wood products;
- s. *Reforestation* refers to the establishment of forest plantations on temporarily un-stocked lands that are considered as forests;
- t. *Sustainable Forest Management* refers to the process of watershed-based management of forest land and resources to achieve one or more clearly specified objectives of management with regard to the

- continuous production of desired forest products and the delivery of ecosystem services without undue reduction of its inherent values, biodiversity and future productivity without undesirable effects on the physical and social environment; and
- u. *Watershed* refers to the land area drained by a stream or fixed body of water and its tributaries having a common outlet for surface runoff. A watershed can be part of a larger landscape that includes connections from the headwaters to the reef.

ARTICLE II

ADMINISTRATION, DEVELOPMENT, MANAGEMENT AND UTILIZATION OF FOREST LANDS AND FOREST RESOURCES

Section 6. Administration, Development, Management and Utilization of Forestlands. – Forestlands and forest resources shall be under the full supervision and control by the State. The development and utilization thereof shall be under the State's full control and supervision. The State may directly undertake such activities or may enter into agreements with qualified persons in order for these persons to receive technical assistance and appropriate incentives.

The Forest Management Bureau, hereinafter referred to as the FMB, shall be the primary government agency responsible for the administration, development, management and utilization of forest lands as defined in this Act. It shall have the authority to enter into management agreements or issue tenure instruments on behalf of the Government, promulgate rules and regulations for the effective enforcement of this Act, and administratively adjudicate offenses provided for in this Act in order to facilitate the speedy resolution of forestry-related cases.

Section 7. Categories of Forestlands. – For the purpose of administration, development, management and utilization, forest lands in the Philippines shall be categorized into ancestral forest lands, private forest lands, and public forest lands.

- a. Ancestral forestlands are ancestral lands and domains defined as such under Republic Act No. 8371, otherwise known as the "Indigenous Peoples Rights Act of 1997".
- b. Private forests are alienable and disposable lands registered under the current land registration system of the country which are devoted for forestry purposes.
- c. Public forestlands shall include all lands of the public domain that have not been declared as a National Park under Section 5 of Republic Act No. 7586, otherwise known as the "National Integrated Protected Areas System Act of 1992", as amended by Republic Act No. 11038; mineral lands pursuant to Republic Act No. 11038; mineral lands pursuant to Republic Act No. 7942 otherwise known as the "Philippine Mining Act of 1995", and those lands not classified as agricultural based on the maps developed by the National Mapping and Resources Information Authority (NAMRIA).

Section 8. Demarcation and Delimitation. – Within five (5) years from the approval of this Act, the DENR shall demarcate on the ground the actual land classification lines, in coordination with LGUs and agencies assigned by law to administer and manage forestlands or parts thereof; *Provided*, That the DENR Secretary, upon completion of the actual assessment of the demarcated land

classification lines, shall recommend to Congress the delimitation of the forestlands fund to be suitable and capable for its purpose.

Public forest lands shall not be reclassified, except through an act of Congress.

Section 9. Management of Forest Lands. – For purposes of management and planning, all forest lands shall be managed for protection or production purposes only.

a. Protection Forest Lands. All areas within the forest lands designated or set aside as such shall constitute the protection forest lands. They shall consist of the following:

1. Virgin forest and old-growth, dipterocarp forest;
2. All areas one thousand (1,000) meters above sea level;
3. All areas with a slope of fifty percent (50%) or more;
4. All areas along the bank of rivers and streams, and the shores of the seas and lakes throughout entire length and within a zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas and forty (40) meters in forest areas, along their margins which are subject to the easement of public use.

All extractive activities, including harvesting, gathering, and collection of forest resources except planted mangrove species and non-timber forest products are prohibited within forest lands for protection purposes. However, the sustainable traditional resource rights of indigenous peoples shall be respected. Only indigenous species shall be planted or introduced within protection forest lands.

b. Production Forest Lands. All public forest lands not classified as protection forest lands, pursuant to this Section, shall constitute the production forest lands of the country. These lands shall be devoted for the production of timber and non-timber forest products to supply the domestic forest resource demand of the country and facilitate international trade of forest resources.

Section 10. Forest Management Units. – For purposes of assigning respective areas of operations and management, all public forest or timber land shall be assigned and registered as “Forest Management Units” (FMUs) with the DENR: *Provided*, That all areas under an existing and valid tenure agreement or management with the DENR before the passage of this Act shall be considered as FMUs.

The FMU shall be managed for protection and/or production purposes. Protection FMUs shall have the primary function of protecting life support systems to regulate water, prevent flooding, control erosion, prevent seawater intrusion, maintain soil fertility, and of conserving plant and wildlife biodiversity and their ecosystem. Production FMU shall have the primary function of producing forest products, food, energy and/or fresh water among others.

Section 11. Qualified managers of FMUs. – To ensure effective management of forest lands, managers of FMUs shall be confined to qualified and capable persons, or entities which include indigenous and local households, civil society organizations, business organizations, forest land use tenure holders, and dedicated national and local government units including government-owned and controlled corporations subject to the requirements to be provided in the implementing rules and regulations of this Act.

Section 12. FMU Development and Management Planning. – Every FMU shall have a management plan, formulated by the FMU Manager that were reviewed and concurred by a Registered Professional Forester which shall be approved by the DENR. The FMU management plan shall contain the following:

- a. FMU management objective;
- b. Description of the physical, environmental, socio-economic, and administrative profile of the FMU;
- c. Mapping and zoning of the FMU into production and high conservation value-forest zones;
- d. Management prescriptions to be applied in each zone to meet the FMU management objectives;
- e. Implementation plan; and
- f. Expected benefits and impacts of the plan.

Section 13. Sustainable Management of Mangrove Resources. - Mangrove species planted within protection or production forest lands can be harvested, gathered or collected, taking into consideration the basic forestry policies and strategies provided for in this Act. The harvesting, gathering, and collection of mangrove species shall be upon the authority provided for by the Bureau.

Section 14. Mined-Out Areas and Abandoned Fishpond Areas. – The management and administration of all forest lands that are considered as either mined-out areas or abandoned fishpond lease areas shall be reverted back to the FMB.

Section 15. Utilization of Forest Resources. – The harvesting, gathering and collection of all planted forest resources within production forest lands and private forests, including its by-products and derivatives, shall not require any clearance from the DENR: *Provided*, That any request for clearances for domestic transport of forest resources submitted to the DENR shall be acted within seven (7) days from the date of its submission with the proper office. After a lapse of seven (7) days and no action has been taken by the DENR, the clearance of transport is deemed approved.

The harvesting, gathering, collection and transport of non-timber forest products within production forest lands shall be exempt from any clearance from any government institution.

All timber and non-timber forest products planted within private lands shall belong to the owner of the land who shall have the right to harvest, gather, and collect the same without any clearance from any government institutions.

Section 16. Regulation and Utilization of Forest Resources within Ancestral Forest Lands. – The rights of the indigenous cultural communities or indigenous peoples over their ancestral forest lands shall be respected: *Provided*, That management of forest resources within those lands shall be regulated by the DENR as provided for by laws, rules, and regulations.

ARTICLE III FOREST-BASED INDUSTRIES

Section 17. Development of an Open and Competitive Market for Forest Resources. – To meet the demands for forest goods and services of the country, the State, through the DENR shall promote and rationalize the

establishment, operations, and development of forest-based industries. The DENR shall institute measures to develop an open and competitive market for forest products including among others the liberalization of forest products harvesting, transport, and marketing.

Section 18. Export of Certified Forest Products. – No person shall sell or offer for sale any forest resources in the international market without complying with the certification system establishment by the Government. Failure to adhere to the established standards, or any act of falsification shall be sufficient cause for the cancellation of export licenses and other permits authorizing the manufacture or sale of such resources.

Section 19. Regulation of Forest-Based Industries. - All processing plants using forest resources as raw materials shall be subject to existing regulations prescribed by law, including the Environmental Impact Assessment (EIA) System: *Provided*, That these processing plants are registered with the Department of Trade and Industry as well as clearance from the Local Government Unit to operate.

Section 20.. Enhance Private Investments and Economic Contribution. - Forest-based industries shall be supported to promote global competitiveness, support demands for wood and other products, and enhance economic contribution to the country. Appropriate incentives shall be provided such as establishment of agroforestry economic zones in order to ease the conduct of business and attract local and foreign investments that are mutually beneficial to the government, concerned communities, partner organizations and the investors concerned.

Section 12. Community-Based Forest Enterprises.- Economic activities and practices of local communities, including indigenous cultural communities, and indigenous peoples, on forest-based enterprises, including non-timber forest products, that promote the sustainable use of forest resources shall be supported and promoted to address food security and improve quality of life.

ARTICLE IV EMPOWERING AND ENABLING CONDITIONS FOR SUSTAINABLE FOREST MANAGEMENT

Section 22. Forest Land Use and Tenure Instruments. – The State, represented by the DENR, may undertake the exploration, development, and utilization of forest lands and forest resources found therein with qualified persons, whether natural or juridical, through tenure instruments.

Section 23. Forest Management Agreement.- The State, through the DENR and a qualified person, whether natural or juridical, may enter into a Forest Management Agreement for the exploration, development, and utilization of forest lands and forest resources found therein. The Forest Management Agreement shall have a duration of twenty-five (25) years and may be extended for another twenty-five (25) years.

Section 24. Scope of Forest Management Agreement. – The Forest Management Agreement may be entered into for the following purposes:

- a. Agroforestry plantation (in accordance to the standards of the DENR Forest plantation development;
- b. Forest plantation development with processing plant;
- c. Ecotourism development; and

d. Special uses for forest lands;

A Forest Management Agreement may be entered into for a single purpose or a combination of any of the abovementioned purposes.

Section 25. Special Uses of Forest Lands. A Forest Management Agreement may be entered into for a special use of forest land which shall include the following:

- a. Dry Dock Site;
- b. Industrial Processing Site;
- c. Herbal or Medicinal Plantation;
- d. Fish Drying Site;
- e. Communication Station Site;
- f. Public Landing Site or Airstrip;
- g. Log Pond or Log Depot;
- h. Lumber Yard;
- i. Motor Pool Site;
- j. Power Station Site;
- k. Transmission Line Site;
- l. Right-of-Way;
- m. Farm-to-Market Roads;
- n. Government Facility Site (e.g. schools, clinics, satellite offices among others);
- o. Water Reservoir;
- p. Renewable energy projects;

Provided, That for government facilities or infrastructures like farm-to-market roads, public school sites, public hospitals or clinics, etc. free from any fee, charge, or other pecuniary obligations under the Forest Management Agreement.

Section 26. Qualified Persons. – The following person are qualified to enter into a Forest Management Agreement with the State:

- a. Filipino citizens;
- b. Corporations or associations at least sixty (60%) percent of whose capital is owned by Filipinos;
- c. Local government units, when the purpose of the Forest Management Agreement is for public use or the establishment of government center and facilities; or
- d. Other National Government Agencies or Government-Owned or Controlled Corporations, when the purpose of the Forest Management Agreement is for national interest, like transmission lines, water reservoirs, or distribution lines for electricity.

Section 27. Production Sharing. – The following schemes shall be observed by the Parties to a Forest Management Agreement in relation to the sharing of benefits derived from the agreement:

- a. Forest Plantations, Forest Plantations with Processing Plants. The sharing of outputs from Forest Management Agreements entered into for the purpose of developing and managing forest plantations, and forest plantations with processing plants shall be based on the total gross output of the plantation harvests. Said sharing shall be based on the total gross output of the plantation harvests. Said sharing shall

423 be done in a manner advantageous to national interest without
424 prejudice for incentives that may be described by the DENR.

- 425 b. For ecotourism purposes, the person who entered into a Forest
426 Management Agreement with the State for the purpose of ecotourism
427 or other special uses for forest lands shall have the obligation to pay an
428 annual user's fee equivalent to five percent (5%) of the nearest
429 commercial zonal value per square meter or a fraction thereof.
- 430 c. Government facilities or Infrastructures. Non-income generating
431 government facilities such as public school sites, public hospitals or
432 clinics, government center or offices, roads, farm-to-market access
433 roads, and public buildings are exempt from paying any fee or other
434 pecuniary obligation with the Sate. Provided, that the use of these
435 establishments or infrastructures shall not be subject to privatization.
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437 **Section 28. Forestry Research, Education, Training, and Extension.**

438 - Research and technology development of the Ecosystems Research and
439 Development Bureau, Forest Products Research and Development Institute,
440 Universities, and other research institutions shall be strengthened to support
441 sustainable management of forest resources. For this reason, Forestry
442 Development Center of the University of the Philippines Los Baños shall lead in
443 forest policy research in collaboration with schools, universities, and colleges
444 (SUCs) as well as other stakeholders.
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446 The DENR, the Department of Science and Technology, the Commission
447 on Higher Education, and Universities, within one (1) year from the passage of
448 this Act, shall prepare a comprehensive sustainable national forestry and
449 environmental research and technology development and transfer program in
450 furtherance of sustainable forest management, which shall be implemented,
451 monitored, and reviewed in accordance with existing research management
452 systems.
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454 The Continuing Professional Development shall be promoted and upheld
455 through selected universities and training institutions on forestry and natural
456 resources management subject of the Professional Regulation Commission's
457 accreditation system. Forestry education in the Philippines shall be rationalized
458 to ensure the quality of formal forestry education and establish, support and
459 sustain the national and regional centers of development and excellence in
460 forestry and environmental education to develop high quality human resources
461 and promote global competitiveness. The Commission on Higher Education shall
462 include forest ecology and environment courses in general education curricula.
463 The DENR shall formulate a nationwide program for sustained public
464 information and advocacy campaign for forests and natural resources
465 conservation sustainable forest management, and climate change.
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467 **Section 29. The Sustainable Forest Development Fund.** A Sustainable
468 Forest Development Fund (SFDF) is hereby established to provide concessional
469 financing particularly for forest development projects proposed by qualified
470 managers of FMUs. Said Fund shall be administered by government financial
471 institution as a trust account managed under the "capital preservation"
472 principle.

473 The preferred government financing institution (GFI), together with the
474 DENR, shall invest at most seventy-five percent (75%) of the net interest income
475 from loans to forest development- support facilities including road networks,
476 seedling nurseries, water supply systems, and research facilities subject to
477 recommendation by the FMB.
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479 The SFDF may be augmented by grants, donations, and endowment from
480 various local and international sources.
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482 In addition, at least seventy percent (70%) of forest charges and
483 government share collected, including proceeds from sale of confiscated forest
484 resources, machinery, equipment, and tools, fined and penalties shall be set
485 aside for the SFDF.
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487 Moreover, securitization payment for ecosystem services and collaborative
488 investments shall be encouraged to support sustainable forest management and
489 enterprises and the conservation of forest-based biodiversity in the Philippines.
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491 The DENR shall include in the implementing rules and regulations of this
492 Act the guidelines for the management, development, and operationalization of
493 the SFDF, in coordination with other concerned agencies civil service
494 organizations.
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496 **Section 30. Importation and Sale.** – Forest resources may be imported
497 into the country, subject to existing laws, rules, and regulations. All imported
498 forest resources shall comply with the Philippines National Standards to be
499 developed by the Department of Trade and Industry in coordination with the
500 Forest Products Research and Development Institute and the DENR.
501 Compliance with the standards shall be a precondition for the sale or disposition
502 of these products in the Philippines.
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504 **ARTICLE VI**

505 **ORGANIZATIONS AND GOVERNANCE**

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507 **Section 31. Creation of the Position of the Undersecretary for**
508 **Forestry.** - There is hereby created in the DENR the position of Undersecretary
509 for Forestry who shall perform the following functions:
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- 511 a. Oversee the provision of technical, marketing, financial, tenurial
512 and infrastructure support to persons and entities engaged in FMU
513 management;
- 514 b. Ensure watershed-based planning and monitoring processes are
515 observed in forestry-related developments;
- 516 c. Facilitate institutional linkages and convergence initiatives among
517 forestry stakeholders in support of effective development and
518 management of forest lands consistent with its protection and
519 production uses;
- 520 d. Provide scientific information-based policy recommendation in
521 aide sustainable forest management; and
- 522 e. Promote cost-effectiveness of forestry investments among local
523 and international investors and donors in line with sustainable
524 forest management.
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526 The Undersecretary shall be appointed by the President of the Republic of
527 the Philippines whose office, structure and staffing, shall be determined by the
528 Secretary subject to existing laws, rules and regulations.
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530 **Section 32. Reconstitution of the Forest Management Bureau.** – The
531 Forest Management Bureau is hereby reconstituted as a line bureau under the
532 DENR, which shall be responsible for the administration, management,
533 development, and protection of forest lands and forest resources of the country,
534 which functions specifically as follows:

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- a. Implementation of all policies, plans, programs, project and activities concerning forest lands with provision for effective feedbacking and reporting mechanisms;
 - b. Ensure sufficient provision of technical, marketing, financial tenurial and infrastructure support to persons and entities engaged in FMU management;
 - c. Enforce watershed-based planning approaches in all forest-land development and management endeavors;
 - d. Encourage the participation of forestry stakeholders thru multi-sectoral consultative bodies in all forestry-related consultative process;
 - e. Develop and implement an effective geographical information system in aide of forestry planning, monitoring and policy formulation;
 - f. Monitor and evaluate the physical, environmental and socio-economic outcomes in the management of all FMUs; and
 - g. Formulate and publish periodic reports informing stakeholders of the status Philippine forest lands using both qualitative and quantitative methods.

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Section 33. Composition of the Forest Management Bureau. - As a line bureau, the FMB shall be headed by a Director and assisted by two (2) Assistant Directors who shall supervise the administrative and technical services of the Bureau respectively. There shall be a FMB Regional Director in such administrative region with corresponding offices and positions.

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Section 34. Assistance of Law Enforcement Agencies. - Local Government Units, the Department of Interior and Local Government, and the DENR, may, when they deemed necessary, call upon law enforcement agencies and instrumentalities of the Government such as the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), the Philippine Coast Guard (PCG) and the National Bureau of Investigation (NBI) for the enforcement of environmental laws, executive orders, and their implementing rules and regulations.

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Section 35. Creation of Community-based Law Enforcement Team. - The Community-based Forest Law Enforcement Team (CFLET) shall be organized with members composed of representatives from direct stakeholders in a particular watershed. Said Team shall be deemed as quick responders on complaints to be augmented or reinforced by the Forest Ranger. Funding for CFLET's operational requirements shall be sourced from agreed contributions from FMU Managers agreed with the DENR, proceeds from sale of confiscated forest products, donations from various sources.

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Section 36. Local Government Units. - Enabling mechanisms shall be developed to enhance the participation of the local government units in the sustainable management and utilization of forest resources within their territorial jurisdiction, including those assigned by law to other government agencies.

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LGUs with forest lands inside their jurisdiction shall align their CLUPs, local development plans, disaster risk reduction management plans and other required plans according to the objectives specified herein and in protected area management plans.

Section 37. Other Government Agencies. - Forest lands or portions thereof, which have been placed under the administration and management of other government agencies, shall remain under the administration and management of the said government agencies; with the DENR exercising oversight power these areas: *Provided*, That their administration and management shall be based on the policies, strategies, and programs that are consistent with the provision of this Act; *Provided, further*, That the concerned agencies shall submit an annual accomplishment report to the DENR.

Section 38. Multi-Sectoral Consultative Bodies in Relation to Natural Resources Governance. - A technical and multi-sectoral consultative body involving all stakeholders concerned within a watershed shall be convened by the DENR pursuant to this Act, specifically for each FMU and cluster of FMUs as appropriate and shall be consulted at least once a year to review and make recommendations on watershed-based management related policies at the local and regional level. Further, the DENR shall extend technical assistance to multi-sectoral bodies organized for the purpose of policy making in relation to environment and natural resources governance specifically on forest governance issues.

Section 39. Function of Multi-sectoral Consultative Bodies. - The body shall be responsible for the over-all policy direction in the management of the forest lands and forest resources found within their respective jurisdiction in accordance with the provision of this Act. Specifically, (a) it shall review and recommend implementation of programs and projects, (b) perform oversight functions on matter pertaining to environment and natural resources, and (c) participate in the review and recommend relevant policies for the protection, conservation and restoration efforts within the watershed in ensuring significant contribution of the forestry sector to national economy, ecological sustainability and sustainability development closely adhering to the principles and priority programs of the Government. Said body may also facilitate the initiation of the LGU's participation in the devolution program and monitoring the transfer and implementation of devolved functions to the LGUs.

Section 40. Power and Water Utility Service Providers. - Forest lands or portion thereof, which have been placed by law or agreement under the administration and management of government and private power and water utilities service providers, shall be included in the partitioning of forest lands into appropriate categories consistent with the purpose of the assigned forest land, and shall remain under the administration and management of the said utilities service providers concerned; *Provided*, That the DENR shall exercise oversight power on the planning, management, utilization, and assessment of all forest resources in these areas.

Section 41. Governance Mechanism. - The following mechanisms shall be developed, established and used for the sustainable forest management:

- a. The principles and practices of transparency, accountability, and participatory decision-making, in transactions, decision, and actions affecting forestry, in all level, and the policy of streamlining, decentralization, devolution, and deregulation shall be adopted, promoted, and institutionalized in the DENR.
- b. Updating and preparation of forest land use plans shall be integrated with updating and preparation of comprehensive land use plans of local government units.
- c. Networks and linkages with local and international institutions, civil society organization, local government units and industries involved

in the promotion and practice of sustainable forest management shall be strengthened.

- d. The DENR shall prescribe appropriate fees and government shares for different kinds of utilization, exploitation, occupation, possession, or activities within forest lands, as well as the corresponding administrative fees for permits, agreements, and other services.
- e. The DENR shall have the authority to impose other fees for payment for ecosystem services and forest protection, management, reforestation, and development. In addition, the DENR may waive fees and charges on government activities within forest lands that supports public utility, social welfare, national security, or national interest.
- f. The DENR shall undertake the monitoring and control of forest management and utilization through a third-party audit and certification. A National Forest Certification System shall be established which will outline the policy, rules, procedures, and management for implementing forest management certification and chain-of custody certification in the country. The DENR shall develop pertinent guidelines, in coordination with all stakeholders, for the implementation of this provision subsequent to the effectivity of this Act.
- g. The DENR shall establish a forest management information system which consists of comprehensive up-to-date information on the physical, social, financial, economic, biological, and environmental components of the country's forest lands and forest resources. It shall include a continuous monitoring system to track the utilization and movement or transfer of forest-based goods and services, the changes in the state of forest resources and ecosystem services, and its drivers. It shall include further a ground-based validation system as basis for assessing progress towards sustainable forest management.
- h. It shall be the priority of the State to ensure that government employees involved in the implementation of the sustainable forest management law are properly trained, sufficiently equipped, adequately compensated, and given ample opportunities to participate in its implementation. The DENR and other agencies involved shall appropriately provide funding for the same.

ARTICLE VII OFFENSES AND PENALTIES

Section 42. Harvesting, Gathering, Collection, or Possession of Forest Resources from Protection Forest Lands. – Any person who shall harvest, gather, collect, or possess any forest resources from protection forest lands shall be punished with imprisonment ranging from six (6) years and one (1) day to twelve (12) years and one (1) day and/or fine equivalent to ten (10) times the value of the said forest resource. The Forest Protection Officers shall have the authority to estimate the present market value of the forest resources of the illegal harvest, gathering, collection or possession based on the guidelines promulgated by the DENR.

In case of partnerships, associations, or corporations, the president, managing partner or general manager shall be held liable.

In case of aliens, the Bureau of Immigrations shall deport them without further proceedings after paying the fine imposed.

Section 43. Illegal Harvesting, Gathering, Collection, or Possession of Forest Resource as an Act of Economic Sabotage. – Any of the acts enumerated in the proceeding section shall be considered as an economic sabotage when committed by:

- a. At least tow or more persons through an organized and systematic manner; and
- b. Any person when the amount of forest resources harvested, gathered, collected, or possessed amounts at least One million pesos (P1,000,000).

The penalty of imprisonment for twenty (20) years and one (1) day to forty (40) years shall be imposed

Section 45. Grazing Livestock in Forest Lands without Authority. – Any person found to have caused the grazing of livestock in forest lands without an authority from the DENR shall be punished with the imprisonment of two (2) years, four (4) months, and one (1) day to four (4) years and two (2) months. The livestock shall be confiscated in favor of the Government.

Section 45. Unlawful Occupation of Forest Lands. – Any person who, without the authority from the DENR, possesses or occupies any parcel of forest lands shall be punished with a penalty of imprisonment of six (6) year and one (1) day to twelve (12) years and a fine of not less than One hundred thousand pesos (P100,000.00) but not more than Five hundred thousand pesos (P500,000.00) .

Section 46. Destruction of Forest Lands. – Any person who shall destroy or cause destruction within forest lands or assist, aids, or abets another person to do so, shall be punished with a penalty of imprisonment of six (6) years and one (1) day to twelve (12) years, and a fine of not less than One hundred thousand pesos (P100,000.00) but not more than Five hundred thousand pesos (P500,00.00).

Section 47. Unlawful Operations of Sawmills, Wood Processing Plants, and Forest-Based Industries. – Any person operating sawmills, wood processing plants, and forest-based industries without any authority from the DENR, shall be punished with a penalty of imprisonment for six (6) years and one (1) day to twelve (12) years and a fine of not less than Five hundred thousand pesos (500,000.000).

If the offender is a public official or employee, the accessory penalty of disqualification from holding any public office imposed for a period of twelve (12) years and one (1) day. If the offender is an official or an employee of the DENR, the accessory penalty of permanent disqualification shall be imposed.

All forest resources, machinery, equipment, and tools pertinent to the operation of the abovementioned establishments shall be confiscated in favor of the Government.

Section 48. Prohibition on the Issuance of Land Titles or Tax Declaration of Forest Lands. – All land titles and tax declaration issued over

forest lands shall be deemed void *ab initio*. Any person who shall issue land titles and tax declarations over any forest land or a parcel thereof shall be punished with imprisonment of six (6) and one (1) day to twelve (12) years a fine not less than One hundred thousand pesos (P100,000.00) nor more than Five hundred thousand pesos (P500,000.00) the accessory penalty of disqualification shall be imposed for a period for twelve (12) years and one (1) day.

Section 49. Non-Payment and Non-Remittance of Forestry Fees and Charges. – Any person who fails to pay the amount due and payable as forestry fees or charges to the government or remit the same to the proper authorities shall be punished with a penalty of imprisonment for a period of six (6) years and one (1) day to twelve (12) years with a fine of not less than One hundred thousand pesos (P100,000.00) no more than Five hundred thousand pesos (P500,000.00).

Section 50.. Non-Establishment of Tree Parks and Green Spaces.- Every local government unit shall establish and maintain tree parks and green spaces pursuant to their comprehensive land use plans. Funds for the establishment and maintenance of the same shall form part of the local government unit's annual budget.

Every owner of land subdivided into residential, commercial, or industrial lots shall reserve, establish and maintain at least thirty percent (30%) of the total land area of the subdivision, exclusive roads, service streets and alleys as green space for tree parks.

No subdivision plan shall be approved by the Housing and Land Use Regulatory Board unless at least thirty percent (30%) of the total area of the subdivision has been reserved as green space. The owner must develop the green space within three (3) years from the approval of the subdivision plan.

Any local government unit or owner of a parcel of land subdivided into residential, commercial, or industrial lots who fails to establish green spaces or tree parks as provided in the preceding paragraphs shall be penalized with a fine of not less than Five hundred thousand pesos (P500,000.00) nor more than One million pesos (P1,000,000.00)

Section 51. Illegal Conversion of Tree Parks and Green Spaces. – Any person who shall convert or cause to convert any tree park or green space for a purpose inconsistent with that which is provided for by this Act shall be punished with a penalty imprisonment for six (6) years and one (1) day to twelve (12) years and/or a fine not less than Five hundred thousand pesos (P500,000.00) nor more than One million pesos (P1,000,000.00).

If the offender is a public official or employee, the accessory penalty of disqualification is imposed for a period of twelve (12) years and one (1) day. If offender is an official or an employee of the DENR, the accessory penalty of permanent disqualification shall be imposed.

Section 52. Arrest and Detention. – If the apprehension was conducted in remote areas far from the place where person authorized to conduct inquest proceedings are located, the delivery to the proper judicial authorities shall be done within a reasonable time period, taking into consideration the ordinary travel time from the place of arrest to the place of delivery.

813 In order to facilitate the delivery of arrested persons for violations of this
814 Act, the Department of Justice shall designate in every city and province a special
815 prosecutor who shall be responsible for filing appropriate charges against
816 arrested offenders.

817
818 **Section 53. Public Auction of Forest Resources.** - If the confiscated
819 forest resources are in danger of deteriorating, the DENR may order that the
820 same be sold at public auction even before the termination of the judicial
821 proceedings, with the proceeds kept in trust to await the outcome of the judicial
822 proceedings.

823
824 **Section 54. Authority of Forest Protection Officers.** - When in the
825 performance of their official duties, forest protection officers or other public
826 officials or employees authorized by the DENR, shall have free access into forest
827 lands or any parcel thereof.

828
829 They are also authorized to search the exterior and interior of all vehicles
830 suspected to contain illegally harvested, collected or gathered forest resources:
831 *Provided*, That the search is done in the presence of the apprehended person and
832 two (2) public local officials.

833
834 Finally, forest protection officers are authorized to administer oaths, take
835 acknowledgements in official matters connected under the authority of this Act
836 and implementing rules and regulations.

837 838 839 **ARTICLE VIII** 840 **ADMINISTRATIVE PROVISIONS** 841

842 **Section 55. Administrative Authority of the Secretary or his Duly**
843 **Authorized Representative to Order Confiscation.** - In all cases of violations
844 this Act or other forest laws, rules and regulations, the Secretary or the duly
845 authorized representative may order the confiscation of forest resources illegally
846 harvested, collected, gathered, possessed and of forest resources illegally
847 harvested, collected, gathered, possessed and those that are abandoned. This
848 authority shall extend to all conveyances used either on land, water or air as well
849 as machinery, equipment, implements, and tools used in the commission of the
850 offense and to dispose of the same in accordance with pertinent laws, rules and
851 regulations.

852
853 **Section 56. Administrative Authority of the Secretary to Impose**
854 **Fines.** - In all cases of violations of this Act and other forest laws, rules, and
855 regulations where fine is the principal penalty, the Secretary or the duly
856 authorized representative, after the consultation with the forest-based industries
857 affected, is hereby authorized to impose administratively the penalty consisting
858 of the amount and the schedules of the fine which shall be officially published
859 in a national newspaper of general circulation.

860
861 **Section 57. Fines Escalation Clause.** - The fines herein prescribed shall
862 be increased by at least ten percent (10%) every three (3) years to compensate
863 for inflation and to maintain the deterrent function of such fines.

864
865 **Section 58. Informant's Incentive.** - Twenty percent (20%) of the value of
866 confiscated materials shall be used as incentives to informants including forest
867 management councils, forest management councils, forest management boards.

improperly performs the duties under this law or its implementing rules and regulations.

However, no suit can be filed until after a notice of violation is sent to the alleged offender within thirty (30) days starting from the date of the occurrence of the violation.

Section 61. Implementing Rules and Regulations.- The DENR, in consultation with other government agencies and relevant stakeholders charged with the administration and enforcement of this Act shall promulgate the necessary implementation rules and regulations within one (1) year from the effectivity of this Act.

Section 62. Transitory Provisions. - Upon the approval of this act, the DENR shall evaluate the conditions of all forest lands covered by existing tenure instruments, agreements or contracts, permits, and the like, which shall; be allowed to continue until their expiry unless otherwise earlier terminated for cause.

Section 63. Separability Clause. - Should any provision of this Act be subsequently declared not constitutional, such declaration shall not affect the validity or the legality of other provisions.

Section 64. Repealing Clause. - All laws, decrees, executive orders, rules and regulations, issuance or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 65. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,