

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 7286

EXPLANATORY NOTE

This bill mandates the development and adoption of a sustainable forest management strategy based on rational allocation of forestland uses and promotion of land use practices that increase productivity and conserve soil, water, and other forestland resources, protection of existing forest resources and conservation of biodiversity, rehabilitation or development of denuded areas to expand the forest resource base and promote food production activities.

The Philippines' forest cover is around 24% to 26% of its total land area, with recent estimates from 2020-2022 placing it at approximately 7.2 million hectares. The Southern Tagalog Region has the biggest area of forest land, with 2,178,871 hectares or 7% of total forest land found in said area. The province of Palawan having the biggest area of forest land among all provinces in the Philippines, with 1,057,499 hectares or 3.5% of the total forest land found in said province.

There have been a wide range of players involved in forest rehabilitation in the Philippines in the last few decades including the national government, NGOs, private companies, LGUs, local communities and private land owners. Ensuring long-term sustainability appears to be one of the biggest challenges facing many of the initiatives.

This proposed measure aims to ensure that our forests meet the needs of the present generation without compromising the ability of the future generations to meet their own needs.

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


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

PROVIDING FOR THE SUSTAINABLE MANAGEMENT OF FORESTS AND FOREST
LANDS

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

ARTICLE I
GENERAL PROVISIONS

SECTION 1. Title. – This Act shall be known as the “Sustainable Forest Management Act”.

SEC. 2. Declaration of Policy. – In consonance with the policy of the State to promote social justice and general welfare in all phases of national development, to protect and advance the right of the Filipino people to a balanced and healthful ecology in accord with the rhythm and harmony of nature, and to conserve and develop the patrimony of the nation, the State hereby adopts the following policies for the sustainable management and conservation of forest lands and forest resources found therein:

- a. The specific limits of forest lands, after these have been fixed and demarcated, shall not be altered, except through an Act of Congress;
- b. The sustainable use and conservation of forest lands and forest resources found therein shall bear social, cultural, ecological, biological, and economic functions to promote the common good of present and future generations;
- c. The State shall prioritize the protection of the ecosystem, as well as the rehabilitation of degraded forest ecosystems through reforestation and afforestation to mitigate climate change, improve and conserve biodiversity, enhance ecosystem functions and services, and provide long-term economic benefits;
- d. Forest lands shall be partitioned and planned into forest management units (FMUs) based on natural topographic and hydrologic boundaries and shall consider the watershed continuum approach which adopts the holistic inter-relationship between the upstream and downstream areas;
- e. The State recognizes the inherent roles and responsibilities of local communities and indigenous peoples in the protection and ecological treatment of the environment;
- f. The allocation, management, protection, conservation, and development of forest lands and forest resources shall be done in an integrated, inclusive, developmental, viable, and sustainable manner.

SEC. 3. Objectives. – The State shall pursue a policy of balancing the sustainable use of forest lands and forest resources and sustainable development. It shall be the objective of the State to:

- a. Provide equitable access to forest lands and forest resources;

- b. Streamline the use of forest lands and forest resources by promoting the use of sustainable forest management strategies among concerned FMUs and stakeholders;
- c. Deregulate the harvesting, sale, marketing, and processing of products from forest plantations and forest farms in forest lands;
- d. Promote sustainable livelihood and enterprises among marginalized community tenure holders including indigenous cultural communities and indigenous peoples (ICC/IPs) who depend on and reside in forest lands;
- e. Strengthen institutional mechanisms to respond to forest management concerns namely: the development of the forest industry, constant law enforcement, and management of watersheds;
- f. Create the Sustainable Forest Development Fund (SFDF) as a support mechanism for funding requirements of forest management initiatives;
- g. Strengthen the role of the Forest Management Bureau (FMB) to be more responsive and pro-active consistent with the objectives of this Act;
- h. Undertake a multi-stakeholder study, to be led by the FMB, as a prerequisite to the partitioning of forest lands into FMUs. The study shall determine the actual forest cover of the country, and shall ensure that the required forest cover is achieved, sustained, and protected.

SEC. 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 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. 11038 or the “Expanded National Integrated Protected Areas Systems 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 No. 9147 or the “Wildlife Resources Conservation and Protection Act”: *Provided, furthermore*, That the rights of ICC/IPs to their ancestral forest lands, as provided in Republic Act No. 8371 or the “Indigenous Peoples’ Rights Act of 1997” shall be respected: *Provided finally*, That all forest lands under the management or administration of local government units (LGUs) and other government agencies or instrumentalities shall be managed in accordance with their duly legislated charters and the principles and provisions of this Act.

SEC. 5. Sustainable Forest Management Strategies. Consistent with the objectives of this Act, the following strategies shall be employed:

- a. Inclusive and responsive governance of forests and forest lands through integrated landscape planning and development in watersheds, and the adoption of community-based approaches by local stakeholders;
- b. Promotion and direction for complementary and combined investments of the public and private sectors for the protection of natural forests, holistic restoration in watershed landscapes, reforestation and regeneration in degraded protection forest lands, forest plantations and smallholder forest farms using combinations of high value indigenous and suitable species;
- c. Development of localized and watershed specific framework for the sustainable use and regulation of ecosystem goods and services that will enhance biodiversity conservation, establish systems for payment of environmental services, improve resilience to the impact of climate change, and increase the supply of timber, non-timber, biomass, wildlife, food, medicines among others;
- d. Promotion of landscape-linked and holistic forestry research, education, and extension on forest ecosystem assets, services accounting and valuation;
- e. Strengthening the professionalization of the forestry service consistent with Republic Act No. 10690 or “The Forestry Profession Act”.

SEC. 6. Definition of Terms. As used in this Act:

- a. *Ancestral forest lands* refer to lands and domains defined as such under Republic Act No. 8371, or "The Indigenous Peoples Rights Act of 1997";
- b. *Biodiversity* refers to the variability among living organisms from all sources, including terrestrial, marine, and other aquatic ecosystems in the ecological complexes of which they are part of;
- c. *Certification* refers to a verification process conducted by a third party to determine whether or not a forest land is managed based on a defined set of standards;
- d. *Climate change* refers to a change in climate that can be identified by changes in the mean or variability of its properties and that persists for an extended period whether due to natural variability or as a result of human activity;
- e. *Climate change mitigation* refers to human intervention to reduce anthropogenic emissions of greenhouse gases including ozone depleting substances and their substitutes such as increasing the capacity of carbon sinks;
- f. *Ecosystem* refers to a community of living organisms interacting with each other and with their environment;
- g. *Ecosystem goods and services* refer to the multitude of material and nonmaterial provisions and benefits from healthy ecosystems necessary for human sustenance, well-being, and survival including support processes, provisioning and environment regulating services, and cultural resource preservation services;
- h. *Ecotourism* refers to a form of sustainable tourism within a natural 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 pursued for the enrichment of host community and satisfaction of visitors;
- i. *Forest* refers to an ecosystem or an assemblage of ecosystems dominated by trees and other natural vegetation, populated by plants and animals interacting with one another and their natural environment. It refers to a land with an area of more than half (0.5) hectare and with tree crown cover or equivalent stocking level of more than ten percent (10%);
- j. *Forest land* refers to land of the public domain classified as needed for forest purposes, including both production and protection. It includes all forest reserves of the public domain;
- k. *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;
- l. *Forest-based industries* refer to industries that are dependent on raw materials or products derived from forests such as wood, rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers, or wild flora and fauna;
- m. *Forest Protection Officers* refer to officials or employees of the Department of Environment and Natural Resources, hereinafter referred to as DENR, who are granted the authority to enforce all forestry and environmental laws and conduct arrests, seizures, and apprehensions in relation to environmental law enforcement;
- n. *Forest resources* refer to all products and resources in forest lands or in other lands devoted for forest purposes including biomass such as plants and animals, their by-products and derivatives, and non-biomass such as soil, water, scenery;
- o. *Forest restoration* refers to a management strategy applied in degraded primary forests to enhance and accelerate natural processes of a forest ecosystem;
- p. *Forest stand* refers to a contiguous community of trees sufficiently uniform in composition, structure, age, size, class, distribution, spatial arrangement, site quality, condition or location to distinguish it from adjacent communities;
- q. *Indigenous cultural communities/Indigenous peoples* refer to a group of people sharing common bonds of language, customs, traditions, and other distinctive cultural traits, and who have, since time immemorial occupied, possessed and utilized a territory;

r. *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;

s. *Multiple-use of land* refers to the harmonized sustainable use of land, soil, water, wildlife, recreation value, grass and timber of forest lands;

t. *Natural forest* refers to a forest composed of naturally growing indigenous trees, not planted by humans, whose structure, composition, and dynamics have been largely the result of natural succession process;

u. *Non-timber forest products* refer to all biological materials and derivatives other than timber including fruits, nuts and vegetables, fish and game, medicinal plants, resins, essences, rays and fibers of tree barks, and other palms and grasses;

v. *Plantation* refers to forest stands established by planting or seeding in the process of afforestation or reforestation. A stand is composed of either introduced species, or of any indigenous species, which are of even age and regular spacing;

w. *Primary forests or old-growth forests* refer to forests which have never been subjected to human disturbance or have been very minimally affected by hunting, gathering, and tree cutting that their natural structure, function, and dynamics have not gone any change that exceed the elastic capacity of the ecosystem;

x. *Processing plant* refers to any establishment or infrastructure that houses 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, paper, or other finished wood products;

y. *Public forest lands* refer to all lands of the public domain that have not been declared National Parks under Section 5 of Republic Act No. 7586, or the "National Integrated Protected Areas System Act of 1992", as amended by Republic Act No. 11038 or the "Expanded National Integrated Protected Areas System Act of 2018"; mineral lands pursuant to Republic Act No. 7942 otherwise known as the "Philippine Mining Act of 1995"; and those lands not classified as agricultural lands based on the maps developed by the National Mapping and Resource Information Authority;

z. *Reforestation* refers to the re-establishment of forest formations that have been reduced to less than 10% canopy cover due to human activities or natural perturbations;

aa. *Rehabilitation* refers to reforestation or afforestation activities including mechanical measures such as contouring and terracing;

bb. *Secondary forest* refers to a former forest that was over-logged and which is characterized by residuals such as small trees, branches, tops, or other unmerchantable wood remaining after the clearing, thinning or final felling of forest stands;

cc. *Sustainable forest management* refers to the watershed-based management of forest land and resources to achieve clearly specified objectives as regards the production of continuous flow of desired forest products and ecosystem services without undue reduction of its inherent values, biodiversity and future productivity and without undesirable effects on the physical and social environment;

dd. *Sustainable use* refers to the use of forest resources in a way and a rate that does not lead to its long-term decline, thereby maintaining its potential to meet the needs and aspirations of present and future generations;

ee. *Tenure* refers to the guaranteed and peaceful access and use of a specific forest land and the resources found therein through an agreement, contract, or grant which cannot be altered or abrogated without due process;

ff. *Watershed* refers to an area of land drained by a stream or fixed body of water and its tributaries with a common outlet for surface runoff. A watershed can be part of a larger landscape that includes connections from the head waters to the reef; and

gg. *Watershed reservation* refers to a forest land that has been proclaimed by the President and by law as such, primarily for water production purposes, although other compatible uses may be allowed under sustainable and multiple-use concepts.

ARTICLE II SUSTAINABLE USE OF FOREST LANDS AND FOREST RESOURCES

SEC. 7. Administration, Development, Management and Sustainable use of Forest Lands. – The development and sustainable use of forest lands and forest resources shall be under the full supervision and control of the State. Towards this end, the State may directly undertake such activities or enter into technical and financial agreements with qualified persons.

The DENR, through the Forest Management Bureau, hereinafter referred to as FMB, shall be responsible for the administration, development, management, and sustainable use 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.

SEC. 8. Forest Land Delineation. – The delineation of forest lands as completed by the DENR shall be adopted. All forest lands categorized as public forest lands shall not be reclassified, except through an Act of Congress.

SEC. 9. Management of Forest Lands. – All forest lands shall be managed for protection or production purposes.

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

1. Primary and secondary forests;
2. All areas that are one thousand (1,000) meters above sea level;
3. Limestone forests, forests over ultramafic rocks, peat swamps, beaches, and freshwater swamps;
4. All existing natural mangroves;
5. All areas with a slope of fifty percent (50%) or more;
6. All areas along the bank of rivers and streams, and the shores of the seas and lakes throughout the 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; and
7. All watersheds that have been proclaimed by the President or by law as such, primarily for water production purposes or for other compatible uses under sustainable and multiple-use management concepts.

All extractive activities, such as harvesting, gathering, and collection of forest resources except non-timber forest products and scientific and educational use as permitted by the FMB, are prohibited within forest lands for protection purposes: *Provided*, That the sustainable traditional resource rights of ICCs/IPs as defined under the Republic Act No. 8371, or “The Indigenous Peoples’ Rights Act of 1997”, shall be respected: *Provided, further*: That such traditional activities are not destructive of the forest, and that these activities shall promote the protection of the forest.

Establishment of built-up facilities are also prohibited within protection forest lands, except for special use consistent with sustainable forest management strategies.

Only indigenous species shall be planted or introduced within protection forest lands.

b. All public forest lands not classified as protection forest lands pursuant to this Section shall constitute the production forest lands. 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.

SEC. 10. Forest Management Units. – For the purpose of operations and management, all public forests or timber lands 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.

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

SEC. 11. *Managers of FMUs.* – To ensure effective management of forest lands, only qualified persons shall be designated managers of FMUs. An FMU manager may be a natural or juridical person and includes local and ICC/IPs' households, civil society organizations, business organizations, forest land use tenure holders, and national and local government units subject to the requirements to be provided in the implementing rules and regulations of this Act.

SEC. 12. *FMU Development and Management Planning.* – Every FMU shall have a management plan formulated by the FMU Manager, reviewed and concurred by a Registered Professional Forester, and approved by the FMB.

In case the FMU holder is an individual, a member of an ICC/IP, or a member of civil society, the FMB shall provide assistance in the preparation and formulation of a management plan. In designating FMUs within a watershed, and in awarding the appropriate tenurial instruments, priority shall be given to indigenous peoples.

SEC. 13. *Sustainable Management of Mangrove Resources.* – Mangrove species planted within 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, collection of mangrove species shall be upon the authority of FMB.

SEC. 14. *Mined-Out Areas and Abandoned Fishpond Areas.* – Forest lands that are considered as either mined-out areas or abandoned fishpond lease areas shall be under the management and administration of the FMB.

SEC. 15. *Sustainable Use of Forest Resources.* – The harvesting, gathering, and collection of all planted forest resources within production forest lands, including its by-products and derivatives, shall not require any clearance from the DENR: *Provided*, That the volume of harvested products is consistent with the approved management plan: *Provided, further*, That the DENR shall establish a National Forest Stock Monitoring System (NFSMS) to ensure the sustainable use of the forest resources and strengthen the timber legality assurance system for forest products: *Provided, furthermore*, That the FMB shall set up a monitoring mechanism that will include members of the local consultative bodies: *Provided, finally*, That any request for clearance for domestic transport of forest resources submitted to the DENR shall be acted upon within seven (7) days from the date of its submission with the proper office. If no action has been taken by the DENR after the lapse of seven (7) days, the clearance for transport shall be deemed approved.

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

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 the DENR or other concerned government institutions.

SEC. 16. *Regulation and Sustainable Use 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 the 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

SEC. 17. *Development of an Open and Competitive Market for Forest Resources.* – To meet the demands for forest goods and services, 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 the liberalization of forest products harvesting, transport, and marketing.

SEC. 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 established 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.

SEC. 19. *Regulation of Forest-Based Industries.* – All processing plants using forest resources as raw materials shall be subject to existing regulations prescribed by law, such the Environmental Impact Assessment (EIA) System: *Provided*, That these processing plants are registered with the Department of Trade and Industry and have been issued the required clearance from the concerned LGU.

SEC. 20. *Support for Private Investments and Economic Contribution.* – Forest-based industries shall be given appropriate incentives in order to encourage global competitiveness and enable them to support demand for wood and other products, and enhance their economic contribution to the country. Agroforestry economic zones may be established in order to attract local and foreign investments

SEC. 21. *Community-Based Forest Enterprises.* – Economic activities, practices and forest-based enterprises of local communities and ICCs/IPs that promote the sustainable use of forest resources shall be supported and promoted to address food security and improve their quality of life.

ARTICLE IV ENABLING CONDITIONS FOR SUSTAINABLE FOREST MANAGEMENT

SEC. 22. *Forest Land Use and Tenure Instruments.* – The DENR may undertake the development and sustainable use of forest lands and forest resources found therein in cooperation with qualified persons, whether natural or juridical, through tenure instruments. The order of priority in the provision of land use rights shall be as follows:

- a. Duly recognized indigenous peoples, organizations, and households in the case of FMUs within ancestral forest lands;
- b. Holders of valid and existing forestry agreements with DENR and FMB;
- c. Investors on forest lands with free and prior informed consent (FPIC) with indigenous peoples; and
- d. Investors on public forest lands that are not under any agreement with the DENR and other persons.

Any person who is party to any of the agreements mentioned in this section shall not be allowed to transfer or convey rights vested by the agreements within five (5) years from the issuance of the agreement. Thereafter, the person shall be able to transfer, or convey the rights of interests therein subject to a written authority from the Secretary or duly authorized representative: *Provided*, That the transferor has complied with the terms and conditions of the agreement: *Provided, further*, That the transferee shall assume the obligations of the transferor.

All parcels of public forest lands that are not covered by any management agreement or tenure instrument shall be converted to FMUs.

SEC. 23. *Forest Management Agreement.* – The DENR and a qualified person, whether natural or juridical, may enter into a forest management agreement for the development, sustainable use, and management of forest lands and forest resources found therein. The forest management agreement shall be for twenty-five (25) years and may be extended for another twenty-five (25) years.

SEC. 24. *Scope of Forest Management Agreement.* – A forest management agreement may be entered into for the following purposes:

- a. Agroforestry plantations, in accordance with the standards of the DENR for forest plantations development;
- b. Forest plantation development;
- c. Ecotourism development;
- d. Forest restoration; and
- e. 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.

SEC. 25. *Special Uses of Forest Lands.* – Special uses of forest lands shall include the following:

- a. Establishment of forest park
- b. Dry dock site;
- c. Industrial processing site;
- d. Herbal or medicinal plantation;
- e. Fish drying site;
- f. Communication station site;
- g. Public landing site or airstrip;
- h. Log pond or log depot;
- i. Lumber yard;
- j. Motor pool site;
- k. Power station site;
- l. Transmission line site;
- m. Right-of-Way;
- n. Farm-to-market roads;
- o. Government facility site;
- p. Water reservoir; and
- q. Renewable energy projects.

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

- a. Filipino citizens;
- b. Local and ICC/IP's households, civil society organizations, small and medium enterprises, and people's organizations;
- c. Corporations or associations at least sixty percent (60%) of whose capital is owned by Filipinos;
- d. Local government units, when the purpose of the Agreement is for public use or the establishment of government centers and facilities; or
- e. Other national government agencies or government-owned or controlled corporations, when the purpose of the Forest Management Agreement is of national interest, such as the construction of electric transmission or distribution lines, or water reservoirs.

SEC. 27. *Benefit 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. For forest plantations and forest plantations with processing plants, the sharing of outputs shall be based on the total gross output of the plantation harvests. Said sharing shall be done in a manner advantageous to the national interest without prejudice for incentives that may be prescribed by the DENR.

b. For ecotourism purposes, the person who enters into a forest management agreement with the State shall pay an annual user's fee equivalent to five percent (5%) zonal value per square meter or a fraction thereof of the nearest commercial area.

c. Non-income generating government facilities such as public school sites, public hospitals or clinics, government center or offices, roads, farm-to-market access roads, and public buildings are exempt from paying any fee or other pecuniary obligation with the State: *Provided*, That the use of these establishments or infrastructures shall not be subject to privatization.

SEC. 28. Forestry Research, Education, Training, and Extension. – The Forestry Development Center (FDC) of the University of the Philippines Los Baños Research, in collaboration with schools, universities, and colleges (SUCs) as well as other stakeholders, shall undertake forest policy research and technology development in support of sustainable forest management.

The DENR, the Department of Science and Technology, the Commission on Higher Education, and universities shall, within one (1) year from the passage of this Act, prepare a comprehensive sustainable national forestry and environmental research and technology development and transfer program in furtherance of sustainable forest management, which shall be implemented, monitored, and reviewed in accordance with existing research management systems.

Continuing professional development shall be promoted in universities and training institutions on forestry and natural resources management subject to the Professional Regulation Commission's (PRC) accreditation system. Forestry education in the Philippines shall be rationalized to ensure the quality of formal forestry education and national and regional centers of development and excellence in forestry and environmental education shall be established, supported and sustained to develop high quality human resources and promote global competitiveness. The Commission on Higher Education shall include forest ecology and environment courses in general education curricula. The DENR shall formulate a sustained nationwide public information and advocacy campaign for forests and natural resources conservation, sustainable forest management, and climate change.

SEC. 29. The Sustainable Forest Development Fund. – There is hereby established a trust fund to be known as the Sustainable Forest Development Fund (SFDF) to be utilized as concessional financing for forest development projects proposed by the managers of FMUs. The Fund shall be administered by a government financial institution as a trust account.

The preferred government financing institution (GFI), together with the DENR, shall invest at most 75% of the net interest income from loans to forest development-support facilities including road networks, seedling nurseries, water supply systems, and research facilities subject to recommendation by the FMB.

The SFDF may be augmented by grants, donations, payment for ecosystem services, and endowment from various sources local and international sources.

In addition, at least seventy percent (70%) of forest charges and government share collected, including proceeds from the sale of confiscated forest resources, machinery, equipment, and tools, fines, and penalties shall be set aside for the SFDF.

Disbursements from the fund shall be made solely for the protection, maintenance, development of the forest area, and duly approved projects endorsed by the forest management units, in the amounts authorized by the DENR subject to existing accounting, budgeting and auditing rules and regulations: *Provided*, That the fund shall not be used to cover personal services expenditures.

SEC. 30. *Importation and Sale.* – Forest resources may be imported into the country, subject to existing laws, rules, and regulations. All imported forest resources shall comply with the Philippine National Standards to be developed by the Department of Trade and Industry in coordination with the Forest Products Research and Development Institute and the DENR. Compliance with these standards shall be a precondition for the sale or disposition of these products in the Philippines.

ARTICLE V ORGANIZATIONS AND GOVERNANCE

SEC. 31. *Creation of the Position of Undersecretary for Forestry.* – There is hereby created in the DENR the position of the Undersecretary for Forestry who shall perform the following functions:

- a. Oversee the provision of technical, marketing, financial, tenurial and infrastructure support to persons and entities engaged in FMU management;
- b. Ensure watershed-based planning and monitoring processes are observed in forestry-related developments;
- c. Facilitate institutional linkages and convergence initiatives among forestry stakeholders in support of effective development and management of forest lands consistent with its protection and production uses;
- d. Provide scientific information-based policy recommendations in aid of sustainable forest management; and
- e. Promote cost-effectiveness of forestry investments among local and international investors and donors in line with sustainable forest management.

The President of the Republic of the Philippines shall appoint the Undersecretary whose office's structure and staffing shall be recommended by the DENR Secretary subject to existing laws, rules, and regulations.

SEC. 32. *Reconstitution of the Forest Management Bureau.* – The Forest Management Bureau is hereby reconstituted as a line bureau under the DENR. It shall be responsible for the administration, sustainable management, development, and conservation of forest lands and forest resources of the country, with functions specifically as follows:

- a. Implement all policies, plans, programs, projects and activities concerning forest lands with provision for effective feedback and reporting mechanisms;
- b. Ensure the 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 forestland development and management endeavors;
- d. Encourage the participation of forestry stakeholders in all forestry-related consultative processes;
- e. Develop and implement an effective geographical information system in aid 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 of the Philippine forest lands using both qualitative and quantitative methods.

SEC. 33. *Composition of the Forest Management Bureau.* – As a line bureau, the Forest Management Bureau 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 an FMB Regional Director in each administrative region with corresponding offices and positions. Consistent with Republic Act No. 10690, or "The Forestry Profession Act", only registered professional foresters (RPF) shall be appointed to the aforementioned positions.

SEC. 34. Assistance of Law Enforcement Agencies. – Concerned LGUs, the Department of Interior and Local Government, and the DENR may call upon law enforcement agencies and instrumentalities of the Government such as the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), 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.

SEC. 35. Local Government Participation. – Enabling mechanisms shall be developed to enhance the participation of the LGUs in watershed management planning, sustainable use, conservation, and protection of forest resources within their territorial jurisdiction, including forest resources which have been placed by law under the administration and management of other government agencies.

LGUs with forest lands within 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 the protected area management plans.

SEC. 36. Other Government Agencies. – Forest lands or portions thereof, which have been placed under the administration and management of other government agencies, shall remain as such: *Provided*, That the DENR shall oversee the administration and management of these areas based on the policies, strategies, and programs mandated under this Act: *Provided, further*, That the concerned agencies shall submit an annual accomplishment report to the DENR.

SEC. 37. Multi-Sectoral Consultative Bodies in Relation to Natural Resources Governance. – Pursuant to this Act, a technical and multi-sectoral consultative body involving all direct stakeholders concerned within a watershed shall be convened by the DENR specifically for each FMU and cluster of FMUs as appropriate, and shall be consulted at least once a year to review and make recommendations pertaining to watershed-based management related policies at the local and regional level.

SEC. 38. 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 jurisdictions in accordance with the provision of this Act. Specifically, it shall (a) review and recommend implementation of programs and projects, (b) perform oversight functions on matters 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 sustainable development closely adhering to the principles and priority programs of the Government. Said body may also facilitate the initiation of the LGUs' participation in monitoring the transfer and implementation of devolved functions to the LGUs.

SEC. 39. Power and Water Utility Service Providers. – Forest lands or portions thereof, which have been placed by law or agreement under the administration and management of government and private power and water utility 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 utility service providers concerned: *Provided*, That the DENR shall exercise oversight power on the planning, management, sustainable use, and assessment of all forest resources in these areas.

SEC. 40. Governance Support Mechanism. – The following mechanisms shall be developed, established, and used for the effective implementation of the sustainable forest management program:

- a. The principles and practices of transparency, accountability, and participatory decision-making, in transactions, decision, and actions affecting forestry, in all levels, and the policy of streamlining, decentralization, devolution, and deregulation shall be adopted, promoted, and institutionalized in the DENR;
- b. Forest land use plans shall be integrated with the comprehensive land use plans of local government units;
- c. Networks and linkages with local and international institutions, civil society organizations, 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 sustainable use, 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 support public utility, social welfare, national security, or national interest;
- f. The DENR shall undertake the monitoring and control of forest management and sustainable use through 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 promoting timber legality assurance system 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 shall consist 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 sustainable use and movement or transfer of forest-based goods and services, the changes in the state of forest resources and ecosystem services, and its drivers. The system shall likewise include a ground-based validation system 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.

ARTICLE VI OFFENSES AND PENALTIES

SEC. 41. *Harvesting, Gathering, Collection, or Possession of Forest Resources from Protection Forest Lands.* – Any person who shall harvest, gather, collect, or possess any forest resource 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 or a 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 subject of the illegal harvest, gathering, collection or possession based on the guidelines promulgated by the DENR.

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

An alien who commits these prohibited acts shall be deported after payment of the fine imposed by the Bureau of Immigration without deportation proceedings.

SEC. 42. *Illegal Harvesting, Gathering, Collection, or Possession of Forest Resources as an Act of Economic Sabotage.* – Any of the acts enumerated in the preceding section shall be considered as an economic sabotage when committed by:

- a. At least two (2) 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 to at least One million pesos (P1,000,000.00).

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

SEC. 43. *Grazing Livestock in Forest Lands Without Authority.* – Any person found to have caused the grazing of livestock in forest lands without authority from the DENR shall be punished with imprisonment of two (2) years, four (4) months, and one (1) day up to four (4) years and two (2) months. The livestock shall be confiscated in favor of the local government unit (LGU) concerned.

SEC. 44. *Unlawful Occupation of Forest Lands.* – Except for ICC/IPs occupying ancestral forest lands consistent with their CADC or CADT and the provisions of Republic Act No. 8371 or “The Indigenous Peoples Rights Act”, any person who, without authority from the DENR, takes possession of or occupies any parcel of forest land shall be punished with a penalty of imprisonment of six (6) years and one (1) day up 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) and forced eviction from the area.

SEC. 45. *Destruction of Forest Lands.* – Any person who shall destroy or cause destruction within protection, ancestral, or public 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 up to twelve (12) years, and a fine of not less than One hundred thousand pesos (P100,000.00,) but not more than Five million pesos (P5,000,000.00).

SEC. 46. *Unlawful Operations of Sawmills, Wood Processing Plants, and Forest-Based Industries.* – Any person operating a sawmill, wood processing plant, and forest-based industry without any authority from the DENR shall be punished with a penalty of imprisonment for six (6) years and one (1) day up to twelve (12) years, and a fine of not less than Five million pesos (P5,000,000.00).

If the offender is a public official or employee, the accessory penalty of permanent disqualification shall be imposed, including forfeiture of all government benefits.

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

SEC. 47. *Prohibition on the Issuance of Land Titles or Tax Declarations on 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) years and one (1) day up to twelve (12) years, with a fine of not less than One hundred thousand pesos (P100,000.00), but not more than Five hundred thousand pesos (P500,000.00). The accessory penalty of disqualification shall be imposed for a period of twelve (12) years and one (1) day.

SEC. 48. *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 within the prescribed period shall be punished with a penalty of imprisonment for a period of six (6) years and one (1) day up to twelve (12) years, with a fine of not less than One hundred thousand pesos (P100,000.00), but not more than Five hundred thousand pesos (P500,000.00).

SEC. 49. *Non-Establishment of Tree Parks and Green Spaces.* – Every LGU shall establish and maintain tree parks and green spaces pursuant to their comprehensive land use plans. Allocations 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 of 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 LGU 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), but not more than One million pesos (P1,000,000.00).

SEC. 50. *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 of imprisonment for six (6) years and one (1) day up to twelve (12) years, or a fine not less than Five hundred thousand pesos (P500,000.00), but not more than One million pesos (P1,000,000.00).

If the offender is a public official or employee, the accessory penalty of disqualification shall be 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.

SEC. 51. *Arrest and Detention.* – If the apprehension of an offender was conducted in areas far from the place where persons authorized to conduct inquest proceedings are located, the delivery of the said person 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.

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

SEC. 52. *Public Auction of Forest Resources.* – If the confiscated forest resources are in danger of deteriorating, the DENR may order that the same be sold at public auction even before the termination of the judicial proceedings, and the proceeds thereof shall be kept in trust until such time that the judicial proceedings are completed and judgment is made as to the disposition of such forest resources.

SEC. 53. *Authority of Forest Protection Officers.* – In the performance of their official duties, forest protection officers or other public officials or employees authorized by the DENR shall have free access into forest lands or any parcel thereof.

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

Finally, forest protection officers are authorized to administer oaths, and take acknowledgments on official matters connected to the implementation of this Act and its rules and regulations.

ARTICLE VII ADMINISTRATIVE PROVISIONS

SEC. 54. *Administrative Authority of the DENR Secretary or the Duly Authorized Representative to Order Confiscation.* – In all cases of violations of this Act or other forest laws, rules and regulations, the DENR Secretary or a duly authorized representative may order the confiscation of forest resources illegally harvested, collected, gathered, possessed and those that are abandoned. This authority shall extend to all conveyances used either on

land, water or air as well as machinery, equipment, implements, and tools used in the commission of the offense, and to dispose of the same in accordance with pertinent laws, rules, and regulations.

SEC. 55. Administrative Authority of the DENR Secretary to Impose Fines. – The DENR Secretary or a duly authorized representative, after the consultation with the forest-based industries affected, is hereby authorized to set the amount of fines for the offenses described in this Act and shall publish the schedule of fines in a national newspaper of general circulation.

SEC. 56. Fines Escalation Clause. – The fines herein prescribed shall be increased by at least ten percent (10%) every three (3) years to compensate for inflation and to enhance the deterrent purpose of such fines.

SEC. 57. Informant's Incentive. – Twenty percent (20%) of the value of confiscated materials shall be used as incentives to informants, including forest management councils and forest management boards to be placed in the SFDF. They shall also be entitled to free legal assistance should cases be filed against them in the performance of official duties.

SEC. 58. Suits and Strategic Legal Action Against Public Participation and the Enforcement of this Act. –

a. A legal action filed to harass, vex, exert undue pressure, or stifle any legal recourse that any person, institution, or the government has taken or may take in the enforcement of this Act, or to protect the environment, or uphold the environmental rights of persons, shall be treated as a strategic legal action against public participation and shall be governed by this Section.

b. A suit and a strategic legal action against public participation may be interposed as a defense by a person involved in the enforcement of environmental laws, protection of the environment, or assertion of environmental rights. The suit or strategic legal action shall be supported by documents, affidavits, papers, and other evidence; and, if it contains a counterclaim, must be accompanied by a prayer for damages, attorney's fees and costs of suit.

The court shall direct the plaintiff or adverse party to file an opposition to the suit or strategic legal action asserting why the suit is not a valid defense within a non-extensible period of five (5) days from receipt of notice that an answer has been filed.

The suit or strategic legal action shall be set for hearing by the court after issuance of the order to file an opposition within fifteen (15) days from filing of the comment or the lapse of the period.

c. The hearing on the suit or strategic legal action shall be summary in nature. The parties must submit all available evidence in support of their respective positions. The party seeking the dismissal of the case must prove by substantial evidence that the enforcement of this Act is a legitimate action for the protection, preservation and rehabilitation of the environment. The Party filing the action assailed as a strategic legal action against public participation and enforcement of this Act shall prove by preponderance of evidence that the action is a valid claim.

d. The affirmative defense of a strategic legal action against public participation shall be resolved within thirty (30) days after the summary hearing. If the court dismisses the action, the court may award damages, attorney's fees and costs of suit under a counterclaim if such has been filed.

If the court rejects the suit or strategic legal action, the evidence adduced during the summary hearing shall be treated as evidence of the parties on the merits of the case. The action shall proceed in accordance with the Rules of Court.

SEC. 59. Citizen's Suit. – Any citizen may file an appropriate civil, criminal or administrative action with the proper court against:

- a. Any person who violates or fails to comply with the provisions of this Act or its implementing rules and regulations;
- b. The DENR or other implementing agencies with respect to orders, rules, and regulations that are in contravention to this Act; and
- c. Any public officer who willfully or grossly neglects the performance of an act specifically enjoined as a duty by this Act or rules and regulations issued to implement it, or abuses the authority vested upon such public officer, or in any manner 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.

SEC. 60. *Implementing Rules and Regulations.* – Within six (6) months from the effectivity of this Act, the DENR, in consultation with other government agencies and relevant stakeholders shall prepare the necessary rules and regulations to implement this Act.

SEC. 61. *Appropriations.* – The DENR shall immediately include in the Department's program the implementation of this Act, the funding of which shall be included in the annual General Appropriations Act.

For LGUs, the funding requirements shall be taken from their internal revenue allotment (IRA) and other sources of income derived from the shares from the different modes of agreement.

SEC. 62. *Transitory Provision.* – Upon the approval of this Act, all existing tenure instruments, agreements or contracts, permits, and the like, shall be reviewed by the DENR and shall not be renewed upon their expiration unless their terms are consistent with the provisions of this Act.

SEC. 63. *Separability Clause.* – If any section or provision of this Act is held unconstitutional or invalid, the remaining sections or provisions with the provisions not affected thereby shall continue to be in full force and effect.

SEC. 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.

SEC. 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,