

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 11467



Introduced by Abang Lingkod Party-List Representative **MANUEL**
“MANMAN” O. KO

AN ACT
STRENGTHENING THE PROTECTION, CONSERVATION, AND
SUSTAINABLE DEVELOPMENT OF THE SIERRA MADRE MOUNTAIN
RANGE, CREATING FOR THE PURPOSE THE SIERRA MADRE MOUNTAIN
RANGE AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, AND
PROVIDING FUNDS THEREFOR

EXPLANATORY NOTE

The Sierra Madre Mountain Range is one of the Philippines’ most important natural assets. Stretching from Cagayan in the north to Quezon in the south, it forms a vast interconnected landscape of forests, watersheds, rivers, biodiversity areas, and coastal ecosystems. Its ecological functions extend far beyond the mountain range itself, providing essential services that sustain communities, agriculture, water systems, infrastructure, livelihoods, and economic activities in both upland and downstream areas.

The Sierra Madre likewise serves as a critical natural defense against typhoons, flooding, landslides, storm surges, drought, and other climate-related hazards. Its forests, watersheds, wetlands, riparian areas, ecological corridors, and coastal ecosystems regulate water flows, store and sequester carbon, support biodiversity, and contribute to the resilience of communities and critical infrastructure. The protection and restoration of the Sierra Madre are therefore not merely matters of environmental conservation, but matters of national development, public safety, water security, climate resilience, and national security.

Despite its importance, the Sierra Madre remains vulnerable to continuing degradation arising from illegal logging, destructive extraction, incompatible land conversion, habitat fragmentation, biodiversity loss, and other activities that undermine ecological integrity. Existing governmental mandates and management arrangements, while important, operate through different agencies, jurisdictions, plans, and regulatory systems. Such fragmentation makes it difficult to manage the Sierra Madre as one interconnected ecological system and to consistently account for impacts that cross administrative boundaries.

This proposed measure seeks to address this institutional and ecological gap by establishing the **Sierra Madre Mountain Range Authority (SMMRA)** as a government-owned or -controlled corporation with an original charter, attached to the Office of the President for policy coordination and administrative supervision. The Authority is envisioned as the lead policy, planning, coordinating, and regulatory body for range-wide ecological governance, while preserving the lawful mandates of the Department of Environment and Natural Resources (DENR), local government units, Protected Area Management Boards, the National Commission on Indigenous Peoples, and other competent institutions.

At the center of the proposed framework is the **Sierra Madre Ecological Integrity and Sustainable Development Master Plan**, a comprehensive, science-based, geospatially explicit, 25-year plan that will establish ecological limits, management zones, no-go areas, permitted and prohibited uses, restoration priorities, measurable outcomes, investment requirements, and implementation responsibilities. The Master Plan will provide a common framework for harmonizing national, regional, local, ancestral-domain, and sectoral plans affecting the Sierra Madre.

The measure adopts a **landscape-scale and ridge-to-reef approach** to conservation. Rather than treating forests, watersheds, rivers, biodiversity areas, and coastal ecosystems as isolated units, the proposed framework recognizes their ecological and hydrological interdependence. It provides for the identification and protection of ecological corridors, riparian buffers, critical habitats, key biodiversity areas, and other connectivity systems necessary to maintain biodiversity and ecosystem resilience.

The bill further advances a **Nature-Based Solutions-First** policy. Government interventions addressing flooding, landslides, erosion, watershed degradation, water insecurity, coastal hazards, and climate risks will be required to consider the feasibility of nature-based, green, or green-gray solutions before relying solely on conventional infrastructure. The proposed approach recognizes natural ecosystems as functional infrastructure capable of providing long-term disaster-risk reduction, water-security, and climate-adaptation benefits.

Recognizing that conservation cannot be sustained without viable communities and economic incentives, the proposed measure promotes sustainable livelihoods, including agroforestry, ecotourism, and sustainable non-timber forest products. It also provides avenues for Indigenous Peoples, upland communities, and lawful tenure holders to participate in conservation and restoration activities and benefit from verified ecological outcomes.

A significant innovation of the measure is the establishment of a **Sierra Madre Nature Credit System**. The system is intended to create a transparent and independently verified mechanism through which measurable protection, restoration, biodiversity, watershed, water-security, and climate-resilience outcomes may be recognized and financed. Covered enterprises that

materially depend upon Sierra Madre ecosystem services may be required to satisfy Nature Credit Purchase Obligations, thereby helping align economic activity with the ecological services upon which such activity depends. The system expressly does not authorize prohibited activities or substitute for environmental, tenure, protected-area, or Indigenous Peoples safeguards.

To support the long-term implementation of the law, the bill establishes a **Sierra Madre Fund** and provides for lawful and transparent financing mechanisms, including national government appropriations, certain environmental charges, penalties and restoration recoveries when legally assignable, grants and technical assistance, and other lawful sources. The Fund is limited to the Authority's statutory public-good and market-governance functions and is subject to government accounting, procurement, auditing, transparency, and disclosure requirements.

The measure also strengthens accountability by establishing ecological standards, monitoring systems, restoration obligations, environmental liability mechanisms, and stronger prohibitions against destructive activities. It prohibits, among others, unauthorized land conversion, destructive extractive activities, introduction of invasive species, unauthorized commencement of covered works, continuation of activities despite lawful orders, and the use of false compliance documents.

Equally important, the proposed framework recognizes the constitutional and statutory rights of Indigenous Cultural Communities/Indigenous Peoples and local communities. Their customary laws, ancestral domains, lawful tenure, participation, benefit-sharing, and Free and Prior Informed Consent, where applicable, shall be respected and protected. The measure likewise seeks to ensure that conservation does not become a burden imposed upon communities, but an opportunity for them to become active partners and beneficiaries in the protection and restoration of the Sierra Madre.

Through a dedicated Authority, a unified long-term Master Plan, binding ecological safeguards, modern monitoring and accountability mechanisms, sustainable livelihood opportunities, and innovative conservation financing, this measure seeks to establish a coherent and enduring framework for protecting the Sierra Madre while allowing development that is consistent with its ecological limits.

Protecting the Sierra Madre is not merely an obligation to conserve what remains. It is an investment in the security, resilience, and prosperity of the Filipino people and in the ecological inheritance of generations yet to come.

In view of the foregoing, the immediate passage of this measure is earnestly sought.



MANUEL "MANMAN" O. KO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

TWENTIETH CONGRESS
Second Regular Session

House Bill No. 11467

Introduced by Abang Lingkod Party-List Representative **MANUEL**
“MANMAN” O. KO

AN ACT
STRENGTHENING THE PROTECTION, CONSERVATION, AND
SUSTAINABLE DEVELOPMENT OF THE SIERRA MADRE MOUNTAIN
RANGE, CREATING FOR THE PURPOSE THE SIERRA MADRE MOUNTAIN
RANGE AUTHORITY, DEFINING ITS POWERS AND FUNCTIONS, AND
PROVIDING FUNDS THEREFOR

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

ARTICLE I

General Provisions

SECTION 1. Short Title. This Act shall be known as the “Sierra Madre
Mountain Range Protection, Conservation, and Sustainable Development
Act.”

Sec. 2. Declaration of Policy. Consistent with Article II, Section 16 of the
1987 Constitution, which mandates that the State shall protect and advance
the right of the people to a balanced and healthful ecology, it is hereby
declared the policy of the State to protect, conserve, restore, and sustainably
manage the Sierra Madre Mountain Range as a nationally significant
ecological, climate, water-security, and disaster-resilience system. The Sierra
Madre Mountain Range is one of Luzon’s principal ecological systems. Its
topography influences tropical-cyclone winds and rainfall. The range includes
the Northern Sierra Madre, which Republic Act No. 9125 recognizes as the
widest remaining tropical rainforest in Luzon, together with other forest,
watershed, riverine, and coastal ecosystems, some of which are fragmented
or degraded. These ecosystems store and sequester carbon, sustain
biodiversity and ecological connectivity, and act as a regulator of climate and
water flow. Protecting the Sierra Madre is thus indispensable to biodiversity
conservation, climate resilience, water security, and disaster risk reduction.

1 Their protection, restoration, and sustainable management are therefore of
2 national importance.

3
4 To achieve these ends, the State shall adopt a science-based, ecosystem-
5 based, and landscape-scale approach to management, integrating
6 conservation, restoration, and sustainable development. This includes
7 applying ridge-to-reef planning, recognizing the ecological and hydrological
8 links among uplands, lowlands, rivers, and coastal areas, and using nature-
9 based solutions where appropriate to strengthen resilience.

10
11 The State shall adopt a Nature-Based Solutions-First and resilience-
12 investment approach in addressing climate change, disaster risk, flooding,
13 landslides, drought, water insecurity, and other climate-related risks affecting
14 the Sierra Madre Mountain Range and its downstream beneficiary areas.
15 Public and private investments shall, where scientifically and technically
16 appropriate, prioritize the protection, restoration, and enhancement of
17 natural infrastructure, including forests, watersheds, wetlands, riparian
18 areas, floodplains, mangroves, ecological corridors, and other natural systems
19 that provide climate and disaster-risk reduction services.

20
21 The State shall likewise mobilize investments from beneficiaries of Sierra
22 Madre ecosystem services and establish mechanisms through which verified
23 ecological and resilience outcomes may be financed through Nature Credits,
24 blended finance, public-private partnerships, climate finance, sustainable
25 livelihood investments, and other lawful market-based mechanisms.

26
27 The State recognizes that degradation persists because existing economic and
28 governmental decision systems permit land conversion, extraction, and
29 conventional development to generate immediate and identifiable financial
30 returns, while ecological, climate, water, and disaster costs are transferred to
31 the public. Institutions, Indigenous Peoples, local communities, and lawful
32 tenure holders responsible for protection, restoration, and long-term
33 stewardship do not receive reliable revenues proportionate to the ecosystem
34 services they maintain. Fragmented authority enables this misalignment and
35 prevents ecological limits and economic responsibilities from being applied
36 consistently across the mountain range.

37
38 Accordingly, the State shall: (a) establish binding ecological limits, no-go
39 areas, decision principles, and consistency requirements governing covered
40 plans, zoning ordinances, permits, projects, procurement, and public
41 investment; (b) account for the extent, condition, service flows, beneficiaries,
42 and economic contribution of Sierra Madre ecosystems in accordance with
43 Republic Act No. 11995, or the Philippine Ecosystem and Natural Capital

Accounting System Act; (c) require Covered Enterprises to satisfy Nature Credit Purchase Obligations proportionate to their measured dependency on and benefit from Sierra Madre ecosystem services; (d) require persons causing environmental damage to avoid harm and fully restore affected ecosystems, independently of and in addition to compliance with the Philippine Environmental Impact Statement System; and (e) direct Sierra Madre Nature Credit revenues to lawful rights holders, registered nature-project developers, and ecosystem stewards in accordance with existing tenurial instruments, customary rights, and verified performance.

The avoidance hierarchy, precautionary principle, polluter-pays principle, beneficiary-pays principle, ecological connectivity, intergenerational equity, and the more protective applicable standard shall govern implementation. No purchase, credit, or payment under this Act shall authorize prohibited activity, excuse noncompliance with an Environmental Compliance Certificate, or compensate for harm to an irreplaceable ecosystem that should have been avoided.

The Authority established under this Act shall harmonize, interface, and rationalize the mandates, programs, and functions of national agencies, local government units, and other stakeholders, thereby ensuring a coherent, integrated, and ecosystem-scale governance framework. All policies and actions shall be evidence-based, incorporating the latest scientific data on biodiversity, hydrology, and climate impacts. The State shall likewise strengthen enforcement and penalties against illegal activities like illegal logging, mining, wildlife trafficking, land conversion, and the like, to deter destruction of this critical landscape.

In line with Republic Act No. 8371, known as the Indigenous Peoples Rights Act (IPRA) of 1997 and the Constitution, the State recognizes and protects the rights of Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) within the Sierra Madre. All management plans and projects shall respect ancestral domains, recognize customary laws, and secure Free and Prior Informed Consent (FPIC) from affected communities. Indigenous and local communities shall have meaningful participation in decision-making and benefit-sharing, as stewards of the environment. Nothing in this Act shall diminish the lawful powers of the DENR, LGUs, PAMBs, the NCIP, or Indigenous governance institutions; such powers shall be exercised consistently with the ecological floors, conflict rules, and decision procedures established herein.

Sec. 3. Scope and Coverage. This Act applies to the entire Sierra Madre Mountain Range, the longitudinal mountain chain from Cagayan Province in the north to Quezon Province in the south, including all existing and future protected areas within it. It covers all forestlands, watersheds, river basins, and coastal zones up to their tidal limits that lie within the range. Buffer zones, ecological corridors, and ridge-to-reef linkages necessary to maintain connectivity and integrity are included. All components of the National Integrated Protected Areas System (NIPAS), as amended, within Sierra Madre shall be governed by this integrated framework alongside their existing management bodies.

Sec. 4. Definition of Terms. For purposes of this Act:

- a. *Additionality*** means an ecological, climate, water-security, or resilience outcome that exceeds the applicable legal requirement, approved baseline, and business-as-usual condition, except that verified performance of a mandatory restoration obligation may be recognized only for results-based payment and shall not generate an offset against other harm;
- b. *Affected Area*** means the site of impact and the connected watershed, river basin, ecological corridor, or service area in which restoration is necessary to recover the lost ecological functions and public benefits;
- c. *Biodiversity Offsets*** refers to strategic compensatory tools or projects that mitigate the environmental impacts of human activities on biodiversity;
- d. *Biological Connectivity*** means the degree to which landscape features facilitate or impede movement of organisms, genetic flow, and ecological processes;
- e. *Carbon Credits*** refers to projects or areas that reduce or remove carbon dioxide or other greenhouse gas emissions. These carbon credits are usually bought voluntarily or obligatorily by organizations to compensate for their emissions and help them meet climate goals;
- f. *Climate-Resilient Infrastructure*** refers to infrastructures that are able to withstand and recover from natural hazards;
- g. *Covered Enterprise*** means a revenue-generating enterprise determined by the Authority to receive a material direct or indirect economic benefit from one or more Sierra Madre ecosystem services and therefore subject to a Nature Credit Purchase Obligation under this Act;
- h. *Digital Twin*** refers a dynamic, virtual model of a physical object, process, or system that uses real-time, bidirectional data

synchronization to mirror its counterpart's behavior, performance, and state;

- i. Early Warning System or EWS** refers to an integrated system of sensors, telemetry, forecasting, communications, community alerts, automated warning devices, and related digital infrastructure designed to provide timely information on floods, landslides, droughts, extreme rainfall, and other hazards;
- j. Ecological Corridor** refers to an undeveloped strip of habitat connecting two or more core natural areas, allowing free movement of wildlife and dispersal of plant species;
- k. Ecological Loss** means the measurable reduction in ecosystem extent, condition, function, connectivity, biodiversity, or service flow caused by an act, omission, project, or continuing impact, including the risk of reversal and the time required for recovery;
- l. Ecosystem Account** means a physical and, where appropriate, monetary account of ecosystem extent, condition, service supply, service use, beneficiaries, degradation, restoration, environmental protection expenditure, and economic contribution, prepared consistently with Republic Act No. 11995 and applicable official statistical standards;
- m. Ecosystem-Service Beneficiary** refers to a person, enterprise, utility, local government, economic zone, infrastructure operator, or other entity that materially benefits from or depends upon a Sierra Madre ecosystem service;
- n. Ecosystem-Service Catchment** means the scientifically delineated geographic area within which a specified Sierra Madre ecosystem service is generated, conveyed, or received. It may include the source ecosystem, hydrologic or ecological flow path, downstream or adjacent beneficiary area, and the cities, municipalities, economic zones, industrial estates, utility service areas, and other locations that materially receive or depend on the service;
- o. Ecosystem-Service Dependency** means the degree to which the operations, revenues, assets, supply chains, or business continuity of an enterprise or sector depend upon a specified ecosystem service, measured through service use, revenue exposure, avoided loss, replacement cost, risk-mitigation cost, and other approved indicators;
- p. Green Infrastructure** refers to strategically planned networks of natural and semi-natural spaces to deliver a wide range of ecosystem services, such as reduction of runoff and filtration of storm water, flood regulation, stormwater retention, wetlands and riparian systems;

- 1 **q. *Green Rural Economies*** refers to an economic system in rural areas
2 designed to prioritize sustainability, renewable energy, and
3 conservation while supporting local livelihoods. It combines economic
4 growth with environmental conservation and social inclusivity in
5 rural areas;
- 6 **r. *Green-Gray Infrastructure***, also known as green-gray hybrid, refers
7 to infrastructures wherein conservation and restoration are paired
8 with the selective use of conventional engineering approaches for
9 climate change resiliency and adaptation benefits;
- 10 **s. *Health Index*** refers to a composite, science-based and periodically
11 updated metric used to assess the overall condition, integrity, and
12 resilience of an ecosystem within the Sierra Madre Mountain Range.
13 It shall integrate quantifiable indicators, including but not limited to:
14 forest cover and quality, biodiversity status, water quality and
15 availability, soil stability, carbon stock, and vulnerability to climate
16 and disaster risks. The Health Index shall serve as a primary basis
17 for planning, policy prioritization, resource allocation, performance
18 evaluation, and public reporting under this Act;
- 19 **t. *High-Value Resilience Zone*** refers to a geographically defined area
20 identified through hydrological, ecological, climate, and disaster-risk
21 assessment where investment in Nature-Based Solutions, ecosystem
22 restoration, green infrastructure, or Early Warning Systems is
23 expected to provide significant benefits for the protection of lives,
24 communities, critical infrastructure, water security, biodiversity, or
25 economic activity;
- 26 **u. *Interim Public Loss*** means the value of ecosystem services and
27 public benefits foregone from the time environmental damage occurs
28 until full verified recovery, including increased water-treatment,
29 disaster-risk, infrastructure-protection, livelihood, and public-
30 service costs;
- 31 **v. *Irreplaceable Ecosystem*** means an ecosystem, habitat, ecological
32 corridor, primary or old-growth forest, critical watershed, cultural
33 landscape, or other natural feature for which loss cannot be reliably
34 restored within an ecologically meaningful period, as determined by
35 law, the Sierra Madre Master Plan, or an approved scientific
36 methodology;
- 37 **w. *Landscape-Scale Conservation Model*** refers to the approach of
38 protecting large and ecologically meaningful areas or biodiversity
39 instead of mere individual species or isolated sites;
- 40 **x. *Nature Credit Compliance Clearance*** means the digitally signed
41 record issued by the Authority confirming that a Covered Enterprise
42 has satisfied, or is not subject to, its Nature Credit Purchase
43 Obligation for the stated compliance period;

1 **y. Nature Credit Purchase Obligation** means the annual regulatory
2 obligation of a Covered Enterprise to purchase and retire a prescribed
3 quantity or value of Sierra Madre Nature Credits, calculated in
4 accordance with Section 65 of this Act. It is not an authorization to
5 cause environmental harm;

6 **z. Nature-based Solutions (NbS)** means strategies that protect,
7 sustainably manage, or restore natural ecosystems to address
8 societal challenges like climate change, disaster risk, and livelihoods;

9 **aa. NIPAS** refers to the National Integrated Protected Areas System
10 established under Republic Act No. 7586, as amended by Republic
11 Act No. 11038, which provides the legal framework for the
12 establishment, classification, and management of protected areas in
13 the Philippines;

14 **bb. Other Effective Area-Based Conservation Measures** refers to
15 geographical sites or defined areas that are distinct from protected
16 areas but are managed in ways that yield positive, sustained, and
17 long-term outcomes for conservation;

18 **cc. Protected Area Management Board (PAMB)** refers to any local
19 board created under RA 7586 (NIPAS Act, as amended) or RA 11038
20 (E-NIPAS) for a specific protected area;

21 **dd. Registered Nature-Project Developer** means a public, private,
22 community, or Indigenous entity, other than the Authority or the
23 Sierra Madre Fund, registered by the Authority to develop and deliver
24 protection, restoration, or long-term stewardship projects, with
25 lawful tenure or a valid agreement with the lawful tenure or rights
26 holder and, where applicable, PAMB approval and FPIC;

27 **ee. Resilience Deficit** refers to the quantified gap between the existing
28 protective capacity of an ecosystem, infrastructure system, or
29 community and the level of ecological, hydrological, or disaster
30 resilience required to withstand projected climate and disaster risks,
31 as determined through approved scientific and hydrological
32 assessment;

33 **ff. Resilience Investment** refers to a verified financial, technical, or
34 material investment in an eligible Nature-Based Solution, ecosystem
35 restoration, green or green-gray infrastructure, Early Warning
36 System, sustainable watershed management activity, or other
37 intervention that produces measurable ecological, climate-
38 adaptation, disaster-risk-reduction, or water-security benefits;

39 **gg. Restoration** refers to the process of assisting the recovery of
40 degraded, damaged, or destroyed ecosystems to a stable, self-
41 sustaining, and resilient condition, approximating as closely as
42 practicable their natural structure, ecological functions, and
43 biodiversity composition. It includes, but is not limited to, restoration

1 using native species, assisted natural regeneration, habitat
2 rehabilitation, soil and watershed stabilization, and the re-
3 establishment of ecological connectivity, consistent with science-
4 based standards and climate-resilient practices;

5 **hh. Retirement** means the permanent cancellation of a Sierra Madre
6 Nature Credit in the Sierra Madre Nature Credit Registry after
7 purchase or use for compliance, so that it cannot be sold, transferred,
8 claimed, or counted again;

9 **ii. Ridge-to-Reef (R2R)** means an integrated approach that recognizes
10 the hydrological and biological links from upland forests (ridges)
11 through watersheds to coastal and marine ecosystems (reefs);

12 **jj. Sierra Madre Ecological Integrity and Sustainable Development**
13 **Master Plan**, hereinafter referred to as the “Sierra Madre Master
14 Plan,” refers to the comprehensive 25-year land-use and conservation
15 plan developed under this Act. It is the statutory, science-based, and
16 geospatially explicit plan that establishes the ecological limits,
17 management zones, no-go areas, permitted and prohibited uses,
18 restoration priorities, measurable outcomes, implementation
19 responsibilities, and investment requirements governing
20 conservation and sustainable development across the Sierra Madre
21 Mountain Range;

22 **kk. Sierra Madre Master Plan Conformity Certificate** means the
23 written certificate issued by the Authority after a reasoned review,
24 confirming only that the proposed location, land use, and
25 development footprint of a covered plan, zoning action, project,
26 procurement, or public investment conform with the applicable
27 management zone, ecological limits, no-go areas, corridors,
28 catchment protections, permitted and prohibited uses, and
29 development standards already established by the Sierra Madre
30 Master Plan and this Act. It is an additional statutory certification
31 and is not an environmental impact assessment, ECC, permit,
32 clearance, tenure instrument, consent, or authority to construct,
33 operate, convert land, or use natural resources;

34 **ll. Sierra Madre Mountain Range** refers to the contiguous upland area
35 and associated ecological zones of the Sierra Madre, from peak to
36 reef;

37 **mm. Sierra Madre Nature Credit** means a uniquely identified,
38 service-specific, and geographically tagged unit of an independently
39 verified ecological outcome issued under an approved methodology.
40 Each credit shall state its outcome class, unit of measurement,
41 Ecosystem-Service Catchment or ecological area, vintage, durability
42 period, and applicable use restrictions. A credit in one outcome class

1 shall not be treated as equivalent to a different ecosystem service or
2 used outside its approved geographic and temporal scope;

3 **nn. Sierra Madre Nature Credit Registry** means the public electronic
4 system administered by the Authority for project registration,
5 validation and verification records, issuance, ownership, transfer,
6 purchase, retirement, reversal, Nature Credit Purchase Obligation
7 compliance, benefit allocation, and disclosure of Sierra Madre Nature
8 Credits;

9 **oo. Tenurial Instrument** means a title, certificate, agreement, permit,
10 lease, stewardship contract, ancestral domain or ancestral land title,
11 protected-area tenure, or other lawful instrument recognizing
12 possession, use, management, or stewardship rights over land or
13 natural resources;

14 **pp. Validation** means independent ex ante assessment of a proposed
15 project's eligibility, baseline, methodology, safeguards, and
16 implementation plan; and

17 **qq. Verification** means independent ex post confirmation that reported
18 outcomes are real, measurable, attributable, additional where
19 required, durable, and free from double counting.

20
21 Other terms shall have the meanings given by existing environmental laws
22 unless otherwise defined herein.
23
24

25 **Article II**

26 **Sierra Madre Mountain Range Authority**

27
28 **Sec. 5. Creation of the Sierra Madre Mountain Range Authority.** There is
29 hereby created the **Sierra Madre Mountain Range Authority (SMMRA)**,
30 hereinafter referred to as the Authority, as a government-owned or -controlled
31 corporation with an original charter under Republic Act No. 10149, vested
32 with the corporate and regulatory powers expressly granted by this Act. It
33 shall be attached to the Office of the President for policy coordination and
34 administrative supervision, and shall be subject to the oversight of the
35 Governance Commission for GOCCs and other applicable laws. For policy and
36 technical alignment, the Authority shall closely coordinate with the
37 Department of Environment and Natural Resources (DENR) and other
38 relevant national agencies. The Authority shall be the lead policy, planning,
39 coordinating, and regulatory body, and the range-wide ecological governance
40 and nature-market authority, tasked with managing the Sierra Madre
41 landscape as a whole.
42

1 Its principal mandate is to change the governmental and economic decision
2 systems affecting the mountain range by: (a) establishing and enforcing the
3 Sierra Madre Master Plan and binding ecological limits, and administering the
4 Sierra Madre Master Plan Conformity Certificate process; (b) compiling
5 operational ecosystem, enterprise-dependency, and sector-dependency
6 accounts in coordination with the agencies responsible under Republic Act
7 No. 11995; (c) delineating and periodically updating Ecosystem-Service
8 Catchments and identifying the cities, municipalities, economic zones,
9 industrial estates, utility service areas, locators, and other beneficiary areas
10 within them; (d) establishing methodologies, safeguards, and integrity
11 requirements for Sierra Madre Nature Credits; (e) administering project and
12 developer registration, credit issuance, ownership, transfer, purchase,
13 retirement, and the Sierra Madre Nature Credit Registry; (f) determining and
14 enforcing Nature Credit Purchase Obligations of Covered Enterprises; (g)
15 assessing ecological loss and enforcing restoration performance; (h) enabling
16 private, community, Indigenous, and public project proponents to access the
17 standards, information, lawful tenure pathways, and regulated demand
18 needed to finance protection, restoration, and long-term stewardship; and (i)
19 integrating the exercise of the lawful mandates of the DENR, LGUs, PAMBs,
20 the NCIP, and other institutions through the decision rules and procedures
21 established by this Act.

22
23 The Authority shall not originate, sponsor, design, develop, construct,
24 implement, own, operate, manage, finance, invest in, underwrite, or
25 guarantee any nature, restoration, infrastructure, or other project that is
26 eligible or expected to seek registration, Sierra Madre Nature Credits, a Sierra
27 Madre Master Plan Conformity Certificate, or another decision from the
28 Authority. It shall not act as project proponent, developer, investment adviser,
29 arranger, broker, trader, buyer, or beneficial owner of Sierra Madre Nature
30 Credits.

31
32 In carrying out these functions, the Authority shall observe the non-
33 duplication safeguard in Section 12 and the functional delineation with the
34 DENR in Section 68. Ecosystem accounting shall inform decisions under this
35 Act but shall not, by itself, create ownership, damages, a saleable unit, or a
36 compliance obligation.

37
38 The capital stock of the Authority shall be subscribed and paid for solely by
39 the National Government as provided in Section 22 of this Act, and no share
40 shall be issued to, or held by, a private person. Its property, borrowing,
41 compensation, budget, audit, legal-service, and tax treatment shall be
42 governed by this Act and the laws applicable to a government-owned or -
43 controlled corporation with an original charter. Nothing in this Act grants a

1 tax exemption, sovereign guarantee, or borrowing authority beyond that
2 expressly approved under applicable fiscal and debt laws.

3
4 **Sec. 6. Institutional Linkages and Mandates.** In carrying out its functions,
5 the Authority shall maintain close coordination with the following agencies
6 and offices, which are hereby assigned the mandates, duties, and
7 responsibilities, in addition to their existing functions under other laws:

- 8 1. Department of National Defense-Armed Forces of the Philippines
9 (DND -AFP);
- 10 2. Department of the Interior and Local Government (DILG);
- 11 3. Department of Human Settlements and Urban Development
12 (DHSUD)
- 13 4. National Commission on Indigenous Peoples (NCIP);
- 14 5. Department of Science and Technology-Philippine Atmospheric,
15 Geophysical and Astronomical Services Administration (DOST-
16 PAGASA);
- 17 6. Department of Economy, Planning, and Development (DEPDEV);
- 18 7. Department of Public Works and Highway (DPWH);
- 19 8. Department of Energy (DOE); and
- 20 9. Climate Change Commission (CCC).

21
22 The following mandates and duties are hereby assigned to, and shall be
23 discharged by, the DENR, the EMB, the agencies and offices listed above,
24 concerned LGUs, GOCCs, PAMBs, sector regulators, economic-zone and
25 locator authorities, concession-granting bodies, and other public institutions
26 whose mandates affect the Sierra Madre Mountain Range:

27
28 (a) **Implementation Protocols.** The Authority and each concerned
29 institution shall adopt binding implementation and data-sharing
30 protocols that identify the decision sequence, documentary
31 requirements, responsible offices, interoperable data, service
32 standards, referral procedures, and escalation process. Each
33 institution shall designate an accountable focal office and shall
34 provide data and action records required by this Act, subject to lawful
35 confidentiality;

36
37 (b) **DENR and EMB.** The DENR shall retain the ECC, environmental,
38 forestland, natural-resource, tenure, and enforcement powers
39 conferred by existing law. The proponent of a covered project shall
40 obtain a Sierra Madre Master Plan Conformity Certificate from the
41 Authority as an additional statutory requirement. The EMB may
42 receive and evaluate the ECC application concurrently with the
43 Authority's review, but the DENR or EMB shall require the certificate

1 and shall not issue the final ECC until the Authority has transmitted
2 it and the DENR or EMB has confirmed its validity through the
3 interoperable government system. The certificate confirms
4 compliance only with this Act and the Sierra Madre Master Plan; it is
5 not an ECC or substitute permit;
6

7 (c) **PSA and PENCAS Agencies.** The PSA shall retain responsibility for
8 official natural-capital statistics and accounts under Republic Act
9 No. 11995. The Authority shall compile range-, watershed-, corridor-
10 , project-, and beneficiary-level operational accounts using official
11 standards and shall transmit validated data to the PSA, the DENR,
12 and DEPDev;
13

14 (d) **LGUs, DILG, and DHSUD.** LGUs shall retain local planning, zoning,
15 permitting, and service functions, subject to the national ecological
16 floor and Sierra Madre Master Plan requirements of this Act. The
17 DILG and DHSUD shall integrate those requirements into CLUP,
18 zoning, and investment-plan review. The applicant for a covered
19 locational clearance, development permit, building permit,
20 excavation permit, subdivision or land-development approval, or
21 occupancy permit shall obtain the applicable Sierra Madre Master
22 Plan Conformity Certificate from the Authority. The LGU shall require
23 the certificate, together with the other environmental approvals
24 required by law, before final action and shall confirm its validity
25 through the interoperable government system. A Covered Enterprise
26 shall obtain an annual Nature Credit Compliance Clearance from the
27 Authority. The city or municipality shall require that clearance before
28 final issuance or renewal of the applicable business permit and shall
29 confirm its validity through the Business One-Stop Shop or Business
30 Permits and Licensing Office;
31

32 (e) **PAMBs, DENR-BMB, and NCIP.** PAMB approval, protected-area
33 management plans, zoning, fees, clearances/permits, monitoring
34 and enforcement and the Integrated Protected Area Fund shall
35 remain governed by NIPAS and E-NIPAS. NCIP certification,
36 ancestral-domain rights, customary law, ADSDPPs, and FPIC shall
37 remain mandatory. No Sierra Madre Master Plan Conformity
38 Certificate, Nature Credit Compliance Clearance, project registration,
39 or nature credit issuance shall substitute for these approvals or
40 diminish rights under Republic Act No. 8371;
41

42 (f) **Sector Compliance Gatekeepers.** An applicant for a covered
43 accreditation, concession, locator registration, operating authority,

franchise endorsement, or statutory incentive shall obtain from the Authority the applicable Sierra Madre Master Plan Conformity Certificate, restoration-status certification, or Nature Credit Compliance Clearance. The DPWH, DOE, DA, NIA, water and utility regulators, economic-zone and locator authorities, concession-granting agencies, and other institutions designated by sector rule shall require the applicable Authority document before final issuance or renewal and shall confirm its validity through the interoperable government system;

(g) **Electronic Transmission, Confirmation, and Fraud Prevention.**

The Authority shall transmit required certificates and clearances directly through a secure service interoperable with the Philippine Business Databank, the Central Business Portal, LGU electronic Business One-Stop Shops, and relevant agency systems where legally and technically feasible. The receiving institution shall use the service to confirm authenticity and current status. A paper receipt, screenshot, or privately issued certificate shall not establish compliance. The Authority's digitally signed record shall show the enterprise or project identifier, covered decision, compliance period, status, validity period, and confirmation reference. Falsification or unauthorized alteration shall be subject to Section 73;

(h) **Concurrent Processing and Service Standards.**

Gatekeeper agencies may process underlying applications concurrently and shall not require an applicant to resubmit data already available through an interoperable government system. The Authority shall act within the periods stated in its Citizen's Charter and the implementing rules. The IRR shall provide a documented contingency process for system outages without waiving a final statutory compliance requirement or treating agency inaction as proof of compliance;

(i) **Preservation of Mandates and Due Process.**

The Authority alone shall issue, condition, or deny a Sierra Madre Master Plan Conformity Certificate and decide compliance with a Nature Credit Purchase Obligation, subject to administrative and judicial review. The gatekeeper shall retain authority over the underlying permit, license, clearance, concession, or incentive and may impose stricter lawful requirements. No adverse gatekeeper action shall be based on a disputed deficiency until the Authority has issued a final administrative decision after notice and opportunity to be heard, unless immediate action is authorized by another law to prevent serious harm;

1
2 (j) **Decision Period and Continuity of Essential Services.** The
3 Authority shall decide a complete application for a Sierra Madre
4 Master Plan Conformity Certificate within twenty (20) working days,
5 unless another period is expressly fixed by this Act. It shall notify the
6 applicant once, within five (5) working days, of any material
7 deficiency. Failure to act shall not constitute approval, but the
8 applicant may seek expedited administrative review. A Nature Credit
9 Compliance Clearance involving no disputed assessment shall be
10 issued within five (5) working days after Registry-confirmed
11 retirement. No permit gate shall cause abrupt interruption of potable
12 water, electricity, health, public transport, or another essential
13 service while a timely administrative review is pending; the Authority
14 may issue a conditional clearance with security and a compliance
15 schedule without extinguishing the underlying obligation; and
16

17 (k) **Watershed and Water Quality Management Area Coordination.**
18 Where a river basin, watershed, water body, or interconnected
19 ecological system within or materially dependent upon the Sierra
20 Madre Mountain Range has been designated as a Water Quality
21 Management Area under Republic Act No. 9275, the Authority shall
22 coordinate with the DENR and the concerned Water Quality
23 Management Area Governing Board to harmonize watershed
24 protection, water-quality management, climate resilience, disaster-
25 risk reduction, and ecosystem restoration programs.
26

27 The Authority may enter into appropriate intergovernmental, inter-LGU,
28 public-private, community, or other lawful agreements to facilitate
29 investments in upstream ecosystem protection and restoration for the benefit
30 of downstream communities and ecosystem-service beneficiaries.
31

32 Subject to applicable law, funds or investments mobilized for watershed and
33 resilience purposes may be coordinated with or, where legally authorized,
34 channeled through appropriate Water Quality Management Area or other
35 lawful environmental fund mechanisms.
36

37 **Sec. 7. Powers and Functions.** The Authority shall exercise the following
38 powers and functions in a coordinated, science-based, ecosystem-wide
39 manner:
40

1 (a) **Sierra Madre Master Plan.** Formulate, adopt, implement, and
2 periodically update the Sierra Madre Master Plan, a comprehensive
3 25-year blueprint for conservation and sustainable development
4 across the mountain range. This plan shall integrate land use,
5 biodiversity conservation, watershed and climate resilience
6 strategies, and sustainable livelihoods. It shall align with existing
7 laws such as NIPAS and international commitments. The plan shall
8 be reviewed at least every three years to incorporate new scientific
9 data and shall be updated, in case of fortuitous events, and to
10 address emerging challenges. The Plan shall include binding
11 ecological limits, no-go areas, management zones, measurable five-,
12 ten-, and twenty-five-year outcomes, an investment plan, ecosystem
13 accounts, sector-dependency accounts, and rules for generating and
14 verifying ecological outcomes and issuing Sierra Madre Nature
15 Credits;

16
17 (b) **Hydrological and Climate Resilience Baseline.** The Authority shall
18 establish, in coordination with the DENR, PAGASA, DOST, NDRRMC,
19 DPWH, DILG, concerned LGUs, academic institutions, and other
20 competent agencies, a range-wide hydrological, climate, and disaster-
21 risk baseline to identify the Sierra Madre Mountain Range's
22 Resilience Deficit, critical watersheds, flood and landslide risk areas,
23 water-security vulnerabilities, downstream beneficiary areas, and
24 High-Value Resilience Zones.

25
26 The baseline shall include, where applicable, watershed condition,
27 forest cover, rainfall and hydrological data, flood and landslide
28 susceptibility, sedimentation, water availability, ecosystem-service
29 flows, critical infrastructure exposure, population vulnerability, and
30 economic exposure.

31
32 The Authority shall periodically update the baseline using the best
33 available scientific and geospatial information and shall use its
34 findings in the formulation and implementation of the Sierra Madre
35 Master Plan and in determining priority areas for Nature-Based
36 Solutions, ecosystem restoration, Early Warning Systems, and
37 Nature Credit investments;

1 (c) **Nature-Based Solutions-First Policy.** In the planning, design,
2 financing, procurement, and implementation of public works and
3 other government interventions principally intended for flood control,
4 watershed protection, water security, slope stabilization, erosion
5 control, landslide mitigation, coastal protection, and climate
6 adaptation within the coverage of this Act, the responsible
7 government agency or LGU shall first undertake a Nature-Based
8 Solutions Feasibility Assessment.

9
10 Nature-Based Solutions, green infrastructure, or green-gray
11 infrastructure shall be prioritized where such interventions are
12 technically feasible and capable of achieving the applicable protection
13 objectives.

14
15 Conventional gray infrastructure may be adopted, or combined with
16 Nature-Based Solutions, when the responsible agency demonstrates
17 through the feasibility assessment that Nature-Based Solutions
18 alone are technically infeasible, inadequate, or insufficient to meet
19 the identified protection objectives.

20
21 Nothing herein shall prohibit the use of hybrid green-gray
22 infrastructure where necessary to protect life, property, critical
23 infrastructure, or essential services;

24
25 (d) **Early Warning and Digital Resilience Systems.** The Authority shall
26 promote and facilitate the establishment and integration of Early
27 Warning Systems throughout the Sierra Madre Mountain Range and
28 affected downstream areas, including river gauges, rainfall and
29 weather sensors, telemetry networks, landslide and flood monitoring
30 systems, automated warning devices, community alert systems, and
31 interoperable digital platforms.

32 Priority shall be given to systems serving High-Value Resilience
33 Zones, highly vulnerable communities, critical infrastructure, major
34 population centers, and areas with significant downstream economic
35 exposure.

36
37 Subject to approved methodologies and independent verification,
38 investments in qualifying Early Warning Systems may generate
39 Sierra Madre Nature Credits representing verified resilience
40 outcomes;

1 (e) **Policy, Plan, and Decision Alignment.** Harmonize, interface, and
2 integrate national, regional, and local land-use and development
3 plans affecting the Sierra Madre. This includes aligning local
4 Comprehensive Land Use Plans (CLUPs), Regional Development
5 Plans, Ancestral Domain Sustainable Development and Protection
6 Plan (ADSDPP) and sectoral plans with the Sierra Madre Master Plan.
7 All government entities and LGUs shall, within their authorities,
8 ensure consistency of their projects and ordinances with the Sierra
9 Madre Master Plan, to prevent fragmentation of policies and achieve
10 an integrated ridge-to-reef management approach; Provided, That the
11 Authority shall issue Sierra Madre Master Plan Conformity
12 Certificates for covered plans, zoning actions, projects, procurement,
13 and public investments, each supported by written findings;
14 Provided, further, That no such certificate shall replace any ECC,
15 permit, PAMB approval, FPIC, or other consent required by law;
16

17 (f) **Ecological Standards, Accounts, and Monitoring.** Establish and
18 periodically update range-wide ecological floors and ecological
19 standards and science-based benchmarks for biodiversity
20 conservation, forest cover, watershed health, and climate resilience.
21 Develop an environmental monitoring system using the most
22 advanced innovative technologies like remote sensing/geographic
23 information system (RS/GIS) and Unmanned Aerial Vehicles (UAVs),
24 Automated Weather Stations (AWS), among others, to track these
25 indicators. Compile ecosystem extent, condition, service-supply,
26 service-use, beneficiary, economic-contribution, avoided-loss,
27 degradation, and restoration accounts in coordination with the PSA,
28 the DENR, and other agencies responsible under Republic Act No.
29 11995. Publish regular assessments of the range's Health Index,
30 together with the baselines, targets, and results, to inform adaptive
31 management;
32

33 (g) **Ecosystem Connectivity and Conservation Corridors.** The
34 Authority shall identify, delineate, establish, and maintain
35 interconnected ecological networks across the Sierra Madre
36 Mountain Range to ensure genetic flow, species movement, and long-
37 term ecosystem resilience. Such networks shall include, but not be
38 limited to:
39

40 1. **Biodiversity Corridors.** Landscape-scale linkages connecting
41 protected areas, forest fragments, and critical habitats to enable
42 wildlife movement and ecological processes;

2. **Riparian Buffers.** Protected strips along rivers, streams, and water bodies to maintain hydrological integrity, prevent erosion, and support aquatic and terrestrial biodiversity;
3. **Key Biodiversity Areas (KBAs).** Sites of global or national significance for biodiversity conservation, which shall be prioritized for strict protection and integration into corridor planning;
4. **Buffer Zones.** Areas surrounding protected areas and critical habitats, managed to provide an added layer of protection against external pressures and incompatible land uses;
5. **Local Conservation Areas (LCAs).** Areas designated by local government units for biodiversity conservation and sustainable resource management, consistent with national standards; and
6. **Indigenous Peoples' and Community Conserved Areas (ICCAs).** Territories conserved and managed by Indigenous Peoples and local communities, recognized in accordance with customary laws, governance systems, and applicable national policies.

The Authority is hereby empowered to declare and classify such corridors and connectivity systems as Protected Critical Areas, subject to appropriate management regimes, use restrictions, and conservation standards.

- (h) **Enforcement Coordination.** Lead and coordinate enforcement of environmental and natural resource laws within the Sierra Madre. In partnership and collaboration with the DENR, Philippine National Police (PNP), Armed Forces, and other agencies, plan and execute intelligence-driven operations against illegal logging, mining, wildlife trafficking, and destructive land conversion. The Authority shall have no permitting authority but shall support enforcement by providing information, logistical support, and unified command as needed;
- (i) **Climate Change, Disaster Risk Reduction, and Nature-Based Solutions.** The Authority shall develop, integrate, and implement science-based and climate-resilient programs for climate change adaptation and mitigation, and disaster risk reduction and management, tailored to the Sierra Madre Mountain Range.

1 *Provided*, That such programs shall prioritize watershed protection
2 and rehabilitation for flood attenuation and water security; the
3 application of soil and water conservation measures, including but
4 not limited to slope stabilization, erosion control, and assisted
5 natural regeneration, to reduce landslide risks; and the adoption of
6 nature-based solutions (NbS), such as restoration using native
7 species, mangrove restoration in coastal zones, and the protection of
8 wetlands and natural floodplains, to buffer storm surges, regulate
9 hydrological flows, sequester carbon, and enhance ecosystem
10 resilience; *Provided*, further, That all interventions shall be
11 consistent with ecosystem-based management principles, climate
12 science, and disaster risk assessments, and shall be implemented in
13 coordination with relevant national agencies, local government units,
14 and affected communities to ensure effective protection of lives,
15 livelihoods, and critical infrastructure;
16

- 17 (j) ***Nature-Market Administration and Enabling Conditions.*** The
18 Authority shall mobilize, generate, and manage funds to support
19 conservation, restoration, and sustainable development initiatives
20 within the Sierra Madre Mountain Range, including the
21 establishment of a Sierra Madre Fund pursuant to Article XII;
22 ***Provided***, That it shall pursue and operationalize innovative
23 financing mechanisms, including carbon credit schemes, green
24 bonds, grants, and public-private partnerships, to augment available
25 resources; ***Provided, further***, That all funds shall be administered
26 in a transparent, accountable, and auditable manner, with clear
27 provisions for equitable community benefit-sharing, particularly for
28 local communities and Indigenous Peoples directly contributing to
29 conservation efforts. The Authority shall administer the Sierra Madre
30 Fund solely for the institutional and public-good purposes allowed by
31 Section 64; administer the Sierra Madre Nature Credit System;
32 approve methodologies; register projects and developers; determine
33 Covered Enterprise classes and Nature Credit Purchase Obligations;
34 publish priority outcome needs and model long-term nature credit
35 purchase agreements; and ensure transparent, auditable, and
36 tenure-based allocation of revenues. The Authority shall enable, but
37 shall not develop, finance, invest in, own, implement, or guarantee,
38 nature-credit or infrastructure projects;
39

- 1 (k) **Data Management and Public Registry.** Establish and maintain a
2 centralized Sierra Madre Data and Monitoring System, incorporating
3 all available and updated thematic datasets such as satellite imagery,
4 biodiversity inventories, land use maps, and socio-economic data,
5 among others. Make non-sensitive data accessible to stakeholders
6 through a shared platform or digital twin for data integration. The
7 Authority shall likewise maintain the Sierra Madre Nature Credit
8 Registry containing ecosystem accounts, service flows, Covered
9 Enterprises, projects, baselines, validation and verification reports,
10 issued and retired nature credits, restoration orders, payments,
11 ownership, and benefit allocation, subject to lawful protection of
12 sensitive ecological, personal, and Indigenous knowledge;
13
- 14 (l) **Sustainable Livelihoods.** Promote sustainable livelihood programs
15 that are compatible with conservation such as agroforestry, eco-
16 tourism, and non-timber forest products. Provide technical and
17 financial support to communities, especially upland and Ips, for
18 alternative income that reduces pressure on forests;
19
- 20 (m) **Capacity-Building and Technical Support.** Assist Protected Area
21 Management Boards, LGUs, and community groups by providing
22 training in conservation planning, landscape monitoring, and
23 enforcement techniques. Facilitate exchanges of best practices and
24 science-based management protocols;
25
- 26 (n) **Integration of Indigenous Knowledge.** Ensure that traditional
27 ecological knowledge and customary governance systems of ICCs/IPs
28 are integrated into conservation strategies. The Authority shall
29 recognize ICCAs as integral parts of the landscape, and support
30 indigenous co-management models consistent with IPRA;
31
- 32 (o) **Sector Dependency and Compliance.** Determine, after notice and
33 consultation, the revenue-generating sectors and enterprises
34 materially dependent on Sierra Madre ecosystem services; calculate
35 annual Nature Credit Purchase Obligations under Section 65; assess
36 compliance; and impose the administrative consequences authorized
37 by this Act;
38

- 1 (p) **Restoration Orders and Environmental Cost Assessment.** After
2 notice, opportunity to be heard, and a decision supported by
3 substantial evidence, determine ecological loss, full restoration cost,
4 and interim public loss; issue restoration and performance-security
5 requirements; approve on-site or affected-area restoration plans;
6 register third-party delivery arrangements; and require continuing
7 monitoring and independent verification. The Authority may issue a
8 time-limited interim order without prior hearing only upon a written
9 finding of imminent and serious ecological harm, subject to prompt
10 post-order review;
11
- 12 (q) **Market Integrity.** Accredite or recognize independent validators,
13 verifiers, and market auditors; prevent double issuance, double use,
14 and double claiming; establish rules on additionality, durability,
15 leakage, reversal, buffers, and retirement; suspend or cancel invalid
16 Sierra Madre Nature Credits; and resolve administrative disputes,
17 without prejudice to judicial remedies;
18
- 19 (r) **Tenure and Rights Safeguards.** Recognize ownership of Sierra
20 Madre Nature Credits and entitlement to their revenues according to
21 existing tenurial instruments, customary rights, and valid
22 stewardship agreements; require the consent of lawful rights holders;
23 secure FPIC where applicable; and ensure that registration of a credit
24 does not create or transfer title to land or natural resources;
25
- 26 (s) **Market Participant Support and Interagency Coordination.**
27 Maintain a neutral support window that publishes standards, public
28 data, standard forms, and lawful tenure and approval pathways;
29 provides general training and nonbinding pre-application orientation;
30 convenes recorded interagency meetings; and tracks complete
31 applications against published service standards. The window shall
32 not originate, select, endorse, design, finance, invest in, develop,
33 implement, or manage a project; prepare or materially revise a
34 participant's methodology, baseline, monitoring plan, credit
35 application, or financial model; arrange financing; guarantee
36 eligibility or issuance; or substitute for a tenure instrument, permit,
37 PAMB approval, NCIP certification, or FPIC reserved by law to another
38 institution;
39

1 (t) **Inter-Agency Implementation.** Enter into data-sharing,
2 implementation, and enforcement arrangements with the DENR,
3 PSA, PhilSA, NAMRIA, DEPDev, DOF, DTI, DHSUD, DILG, NCIP,
4 Climate Change Commission, GCG, LGUs, PAMBs, and other
5 agencies necessary to implement this Act; and
6

7 (u) **Others.** Perform other functions necessary to achieve the objectives
8 of this Act.
9

10 **Sec. 8. Emergency Environmental Management.** Whenever the President
11 determines that conditions within the Sierra Madre Mountain Range
12 constitute an environmental emergency or ecological crisis requiring
13 immediate and coordinated government intervention, the President may,
14 upon the recommendation of the Authority, direct all departments, bureaus,
15 offices, agencies, instrumentalities of the Government, including government-
16 owned or -controlled corporations, to undertake such measures as may be
17 necessary and lawful to protect, rehabilitate, restore, and secure the Sierra
18 Madre Mountain Range, consistent with the Constitution and existing laws.
19

20 The Authority shall act as the principal coordinating body in implementing
21 such presidential directives and shall ensure that all actions are science-
22 based, transparent, proportionate, time-bound, and respectful of the rights of
23 affected communities, including ICCs/IPs.
24

25 **Sec. 9. Sierra Madre as Critical Natural Foundation for National Security.**
26 The Sierra Madre Mountain Range is hereby declared a critical natural
27 foundation essential to national security, disaster risk reduction, and climate
28 resilience.
29

30 Recognizing its function as one of the country's longest natural barrier against
31 typhoons, storm surges, flooding, and landslides, the State shall prioritize its
32 protection as a matter of national survival and public safety.
33

34 Accordingly:
35

- 36 a. All policies, plans, and programs affecting the Sierra Madre shall
37 consider national security implications, particularly in relation to
38 disaster risk reduction and protection of life, property, and critical
39 foundation;

- b. The Authority shall coordinate with the National Disaster Risk Reduction and Management Council (NDRRMC), Department of National Defense (DND), and other relevant agencies to integrate ecosystem-based disaster risk reduction strategies into national security planning; and
- c. Any activity that significantly weakens the ecological integrity of the Sierra Madre and increases disaster vulnerability shall be deemed contrary to national security and may be subject to prohibition or heightened regulatory scrutiny under this Act.

Sec. 10. Corporate Powers of the Authority. In addition to the powers granted elsewhere in this Act, the Authority shall have the following corporate powers to fulfill its mandate:

- a. To adopt a corporate name and seal, and to sue or be sued in its name.;
- b. To enter into contracts and agreements, including data-sharing agreements, public-private partnerships, and agreements for technical assistance or financing;
- c. To acquire, hold, and dispose of property (real and personal) as necessary, subject to applicable laws and respect for private and communal rights;
- d. To borrow funds and issue bonds (subject to law) to support its programs;
- e. To administer the Sierra Madre Fund in accordance with Section 64 of this Act; and
- f. To perform any act necessary or incidental to carry out its purposes, including issuing implementing rules and regulations.

The Authority may impose and retain the following charges:

- (1) Application and processing fees for methodologies, projects, developers, validators, verifiers, and market-service providers;
- (2) Registration and annual renewal fees for projects, developers, professional or institutional participants, and Registry accounts;
- (3) Review and oversight fees for methodology approval, validation and verification supervision, and safeguards review;
- (4) Issuance fees stated per Sierra Madre Nature Credit or per issuance request;
- (5) Registry fees for transfer, retirement, cancellation, correction, account maintenance, reports, and approved data services;
- (6) Fees for settlement, pooled procurement, and auction administration actually provided by the Authority;

- 1 (7) Fees for neutral participant-support services, including pre-
2 application orientation, training, standard templates, data access,
3 and interagency tenure and permitting coordination, offered on
4 published and equal terms; and
5 (8) Other regulatory or administrative services expressly connected with
6 this Act.
7

8 For a sale or transfer for value that is recorded or settled through the Sierra
9 Madre Nature Credit System, the Authority may collect a separately itemized
10 Market Administration Charge not exceeding two percent (2%) of the gross
11 monetary consideration, exclusive of taxes and separately disclosed bank,
12 escrow, payment-service, or privately operated platform charges. The Board
13 shall set a lower actual rate when sufficient to recover the reasonable cost of
14 operating, securing, auditing, and supervising the Registry and market. The
15 charge shall not apply to the original issuance of a credit unless that issuance
16 forms part of a sale, and the rules may reduce or waive it for Indigenous
17 Peoples, community projects, smallholders, and noncommercial transfers. No
18 private platform or settlement provider may represent its own service charge
19 as an Authority fee.
20

21 All charges shall be published before they take effect and shall state the payer,
22 charging event, base, rate or amount, exemptions, and disposition of
23 proceeds. The Board shall approve the schedule after a public hearing, a
24 documented cost and market-impact study, and review by the DOF, DBM,
25 and GCG and, for exchange or marketplace functions, the SEC. Projected
26 collections from the fees and the Market Administration Charge shall not
27 materially exceed the reasonable annual cost of the services, systems, market-
28 integrity supervision, and reserves they support. Any sustained excess shall
29 be addressed through a lower rate, a credit against subsequent charges, or
30 another adjustment approved in the next annual schedule. The schedule shall
31 be reviewed annually during the first three (3) years and at least once every
32 three (3) years thereafter.
33

34 Fee and Market Administration Charge collections shall constitute corporate
35 operating revenue of the Authority, subject to budgeting, treasury,
36 accounting, COA audit, and public-disclosure laws. They shall be separately
37 accounted for from the price of Sierra Madre Nature Credits and from funds
38 due to lawful rights holders, registered developers, and project-delivery
39 parties. Nothing in this section authorizes the Board or the implementing
40 rules to impose a tax, special assessment, or percentage levy for general
41 revenue. Any charge intended to raise money beyond the reasonable cost of
42 regulation and market administration must be expressly imposed by
43 Congress, including its rate, base, and disposition.

1
2 The Sierra Madre Nature Credit Registry shall be the authoritative legal record
3 of project status, issuance, ownership, transfer, purchase, and retirement.
4 The Authority may establish, procure, authorize, or interoperate with an
5 electronic auction, marketplace, or exchange platform, subject to applicable
6 SEC, financial-market, procurement, competition, data, and consumer-
7 protection laws. The implementing rules shall define the respective
8 responsibilities of the Authority and participating service providers, including
9 approval, oversight, disclosure, settlement, audit, and protection of
10 confidential regulatory information.

11
12 The same regulatory cost shall not be recovered through more than one fee or
13 charge. The annual cost study shall allocate each operating cost to a stated
14 service, disclose any cross-subsidy, and reconcile collections against actual
15 expenditure. Sustained excess collections shall be credited or refunded where
16 practicable and shall result in an automatic rate reduction in the following
17 schedule.

18
19 The Authority shall not act as exchange operator, broker, dealer, clearing
20 member, settlement counterparty, or custodian of participant funds. Trading,
21 clearing, custody, and settlement shall be performed by qualified external
22 providers under applicable SEC, BSP, banking, payment-system,
23 procurement, and competition laws. The Authority shall maintain the official
24 Registry, approve interoperability, and supervise compliance with this Act.

25 26 **Article III** 27 **Governing Board** 28

29 **Sec. 11. Composition of the Board.** The Authority shall be governed by a
30 seventeen (17)-member Board of Directors composed of the following
31 members:
32

- 33 1. The Executive Secretary, as *ex officio* Chairperson;
- 34 2. The Secretary of the DENR, as *ex officio* Vice Chairperson;
- 35 3. The Secretary of the DILG, as *ex officio* Member;
- 36 4. The Secretary of the DHSUD, as *ex officio* Member;
- 37 5. The Secretary of the DOF, as *ex officio* Member;
- 38 6. The Secretary of the DEPDev, as *ex officio* Member;
- 39 7. The Chairperson of the NCIP;
- 40 8. Three (3) representatives of local government units, one (1) each
41 from the northern, central, and southern Sierra Madre clusters, to
42 be designated in accordance with applicable laws;

- 1 9. Two (2) representatives of ICCs/IPs selected through a transparent
2 process consistent with customary governance, at least one (1) of
3 whom shall be a woman;
- 4 10. One (1) representative of the Protected Area Management Boards,
5 selected from protected areas within the Sierra Madre;
- 6 11. Two (2) private-sector representatives nominated through a
7 transparent process by recognized national and regional business
8 organizations, one (1) from sectors materially dependent on Sierra
9 Madre ecosystem services and one (1) with experience in
10 investment, finance, insurance, infrastructure, or corporate
11 sustainability, at least one (1) of whom shall have experience
12 representing micro, small, and medium enterprises or local
13 business organizations within the Sierra Madre beneficiary area;
- 14 12. One (1) independent expert in ecology, hydrology, or natural-capital
15 accounting; and
- 16 13. One (1) independent expert in nature finance, market
17 infrastructure, or financial regulation.

18
19 The PSA, Climate Change Commission, DOST, DPWH, DOE, DA, NIA, DND,
20 SEC, GCG, civil-society organizations, academic institutions, and other
21 institutions shall sit as nonvoting resource or advisory institutions when
22 matters within their mandates or expertise are considered. The Board may
23 create technical and regional advisory councils without enlarging voting
24 membership.

25
26 All members and alternates shall file and publish disclosures of employment,
27 beneficial ownership, board positions, clients, and material financial
28 interests. A private-sector representative may participate in general
29 rulemaking affecting a sector or beneficiary class, provided the
30 representative's interests are disclosed. No member may participate in a firm-
31 specific assessment, project registration, issuance, procurement,
32 enforcement, appeal, or other adjudicatory matter involving the member, or
33 the member's employer, client, principal, affiliate, or a business organization
34 represented by the member. No independent expert may, during service, act
35 as a developer, validator, verifier, broker, or exchange operator in the system.
36 Recusals and the reasons therefor shall be entered in the minutes and public
37 registry.

38
39 A majority of all voting members shall constitute a quorum. Adoption or
40 material amendment of the Sierra Madre Master Plan, ecological limits, nature
41 credit purchase rules, methodologies, or fee schedules shall require the
42 affirmative vote of at least two-thirds (2/3) of all voting members. Other
43 matters shall require a majority of the members present where a quorum

1 exists. Minutes shall identify attendance, votes, recusals, dissents, and the
2 evidentiary basis for decisions, and shall be published, subject to lawful
3 confidentiality.

4
5 For a matter requiring recusal, the disqualified member shall not be counted
6 in determining the quorum or required vote for that matter, provided that at
7 least one-half of all voting members who are not disqualified participate. If
8 recusals prevent a lawful decision, the matter shall be referred to an ad hoc
9 panel of qualified alternates selected under published rules, with the same
10 disclosure and independence requirements.

11
12 The *ex officio* members of the Board may designate their respective alternates
13 who shall be the officials next-in-rank to them and whose acts shall be
14 considered the acts of their principals.

15
16 Appointive Directors or members of the board who are not *ex officio* shall be
17 appointed by the President of the Philippines from a shortlist prepared by the
18 Governance Commission for Government-Owned or -Controlled Corporations.

19
20 No elective official shall be appointed or designated as a member of the Board
21 or serve in any capacity thereon.

22
23 All members of the Board shall be qualified by the *Fit and Proper Rule* as
24 determined by the Governance Commission for Government-Owned or -
25 Controlled Corporations, in consultation and coordination with the relevant
26 government agencies, and as approved by the President. Due regard shall be
27 given to integrity, experience, education, training, and competence.

28
29 The appointive members of the Board shall each serve a term of one (1) year
30 reckoned from the date of appointment by the President, unless sooner
31 removed for cause: **Provided**, That an appointive member shall continue to
32 hold office until a successor is appointed: **Provided, further**, That
33 appointment to any vacancy shall be only for the unexpired term of the
34 predecessor. Reappointment shall also be subject to the standards prescribed
35 under Republic Act No. 10149.

36
37 **Sec. 12. Functions of the Board.** The Board shall exercise policy-making
38 and oversight functions including:

- 39
40 a. Approving and adopting the Sierra Madre Master Plan, including the
41 ecological limits, management zones, targets, and consistency rules, and
42 any major policy frameworks, ensuring they align with national laws and
43 development goals;

- b. Issuing broad policy directions and guidelines without interfering in day-to-day operations or the lawful authority of other agencies;
- c. Ensuring alignment and harmonization of policies, plans, and programs across agencies and LGUs affecting the Sierra Madre, to avoid duplication and conflict;
- d. Conducting periodic reviews (at least annually) of the Authority's programs and major activities, and recommending improvements or legislative measures as needed;
- e. Approving ecosystem-accounting and sector-dependency frameworks consistent with Republic Act No. 11995;
- f. Approving methodologies and integrity standards for Sierra Madre Nature Credits;
- g. Approving rules of general application on Covered Enterprise classes, materiality thresholds, and dependency weights within the formula and limits fixed by Section 65, but not determining the obligation of an identified enterprise;
- h. Approving registry, settlement, fee, and revenue-allocation rules;
- i. Appointing the Administrative Review Panel and ensuring its decisional independence;
- j. Approving the Sierra Madre Fund strategy, public procurement, and cost-containment programs within the non-project purposes allowed by Section 64;
- k. Adopting neutral participant-support and tenure-coordination protocols with the DENR, PAMBs, the NCIP, and LGUs; and
- l. Overseeing performance, audit, risk, safeguards, and enforcement without directing the result of a particular case.

The Board shall establish:

- (1) A Science and Methodologies Committee;

- (2) Market Integrity and Audit Committee, a majority of whose members shall be independent of regulated entities and project developers;
- (3) An Indigenous Peoples, Community Rights and Safeguards Committee;
- (4) An Intergovernmental Coordination and Conflict Resolution Committee; and
- (5) An Administrative Review Panel whose members did not participate in the decision under review.

Before adopting a rule of general application, the Board shall publish the proposed text, legal authority, technical basis, data sources, regulatory-impact assessment, and distributional analysis; allow at least forty-five (45) days for comment; conduct consultations accessible to affected LGUs, ICCs/IPs, communities, regulated sectors, and project developers; and publish a reasoned response to material comments. Emergency rules shall be time-limited and shall state the imminent ecological or public risk justifying immediate effect.

Methodology approval, project registration, issuance, compliance assessment, enforcement, participant support, and trading-platform procurement shall be subject to documented separation of duties. No Board member shall participate in a decision in which the member, principal, agency, or related party has a direct financial interest, except that institutional representation alone shall not disqualify an ex officio member from general rulemaking where the interest is fully disclosed.

All Board decisions shall be made with transparency and written records, and meetings shall be held at least quarterly, or as may be necessary. Board members, including ex officio, shall not have any direct financial interest in contracts of the Authority; violations shall void the contract and disqualify the member from office as provided herein.

The members of the Board of Directors shall receive *per diems*, allowances, and other incentives as may be determined by the Governance Commission for Government-Owned or -Controlled Corporations (GCG) pursuant to its authority to fix per diems, allowances, and other incentives of the Governing Boards of GOCCs. Members of the Board shall not be entitled to retirement benefits as such members.

Sec. 13. Delineation of Powers and Functions. The Authority shall operate as a coordinative and integrative body, and shall not duplicate or supersede the existing mandates of national agencies, LGUs, Protected Area Management Boards (PAMBs), or Environmental Impact Committees (EICs) established under existing laws, rules, and regulations. It shall not issue an ECC, forestland tenure instrument, protected-area permit, NCIP certification, FPIC, CLUP, zoning ordinance, local business permit, or other permit, license, or clearance that is under the legal jurisdiction of the DENR, Environmental Management Bureau (EMB), other agencies, or local government units. It shall not exercise customary governance or determine ownership of ancestral domains. Nothing in this Act shall be construed to diminish, modify, or supplant the Environmental Impact Assessment (EIA) System and the functions of the Environmental Impact Committee (EIC) in the evaluation of projects requiring an Environmental Compliance Certificate (ECC). Likewise, it shall not override LGU autonomy, except to the extent necessary to enforce consistency with national environmental laws and the Sierra Madre Master Plan. Instead, the Authority's role is to harmonize policies, set scientific standards, integrate plans, provide technical and scientific inputs, where appropriate, to the EIA process, and coordinate enforcement across jurisdictions, thereby enhancing a unified, ecosystem-based management of the Sierra Madre Mountain Range.

The Authority shall, however, exclusively exercise the range-wide functions created by this Act, including adoption and enforcement of the Sierra Madre Master Plan and ecological floors; issuance of Sierra Madre Master Plan Conformity Certificates; operational ecosystem and sector-dependency accounting; nature-market methodologies and safeguards; project and developer registration; issuance and retirement of Sierra Madre Nature Credits; assessment of Nature Credit Purchase Obligations; maintenance of the Sierra Madre Nature Credit Registry; ecological-loss and restoration assessment; and market-integrity enforcement.

To preserve the independence of these functions, the Authority shall not develop, implement, construct, finance, invest in, own, or manage a project over which it may exercise registration, certification, credit-issuance, compliance, restoration, or enforcement powers. It shall not receive project revenue, investment return, or Sierra Madre Nature Credits from such a project. Public agencies may continue to implement projects under their own mandates, but the Authority shall apply the same registration, certification, and issuance rules to them as to other proponents.

Existing agencies, LGUs, and PAMBs shall exercise their respective powers subject to these requirements as additional statutory conditions. A permit or tenure issued by another institution shall not be deemed a Sierra Madre Master Plan Conformity Certificate or market registration. Conversely, a Sierra Madre Master Plan Conformity Certificate or project registration shall not constitute the underlying permit, tenure, consent, or FPIC.

Disagreements shall be resolved through the conflict rules in Section 25. Nothing in this Act shall diminish Indigenous Peoples' rights, PAMB powers under E-NIPAS, the DENR's ECC authority, lawful tenure, or due process. The more protective applicable ecological standard shall govern where requirements overlap.

Article IV

Administration of the Authority

Sec. 14. Administrator of the Authority. The Authority shall be headed by an Administrator who shall act as Chief Executive Officer and shall be responsible for the day-to-day administration and management of the Authority. The Administrator shall not be a member of the Board. Notwithstanding Section 18 of Republic Act No. 10149, the Administrator shall not be elected from the Board. The Administrator shall be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for Government-Owned or -Controlled Corporations under the Fit and Proper Rule and the qualifications in Section 15 of this Act. The Administrator shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause, upon a majority vote of the members of the Board who actually took part in the investigation and deliberation, subject to Republic Act No. 10149, relevant GCG issuances, and existing civil service laws, rules and regulations. The term of office of the Administrator shall be for five (5) years, and the Administrator may be reappointed once, unless sooner removed for cause and after due process: Provided, however, That the Administrator shall continue to hold office until the successor is duly appointed. Appointment to any vacancy shall be only for the unexpired term of the predecessor. The Board shall conduct an annual performance review of the Administrator against the approved scorecard but shall not direct the disposition of a particular registration, compliance, restoration, or enforcement case except through the review procedures established by this Act.

Sec. 15. Qualifications and Disqualifications of the Administrator. No person shall be appointed as Administrator unless he or she: (a) is a natural-born Filipino citizen of good moral character, proven independence, and unquestionable integrity; (b) satisfies the *Fit and Proper Rule* as determined by the Governance Commission for Government-Owned or -Controlled Corporations, which shall include, but not be limited to, standards on integrity, experience, education, training, and competence; (c) has not participated in the immediately preceding local elections; and (d) possesses at least ten (10) years of progressively responsible professional or executive experience, including substantial experience in at least two (2) of the following: environmental or natural-resource governance; public administration or regulation; Indigenous Peoples' rights or community-based stewardship; natural-capital accounting or science; finance, market infrastructure, or results-based contracting; and intergovernmental planning.

For two (2) years before appointment and during service, the Administrator shall not have served as officer, director, controlling owner, paid adviser, or project developer of an entity regulated by, registered with, or seeking finance from the Authority, except for prior government service or academic work. The Administrator shall remain subject to civil-service, anti-graft, conflict-of-interest, and post-employment restrictions under applicable law.

Sec. 16. Compensation and Benefits. The Administrator and all officers and employees of the Authority shall receive compensation and benefits in accordance with the Compensation and Position Classification System developed by the Governance Commission for Government-Owned or -Controlled Corporations, pursuant to Republic Act No. 10149.

Sec. 17. Powers and Functions of the Administrator. The Administrator shall have the following duties:

- a. **Policy and Planning:** Submit to the Board the policies and measures necessary to carry out this Act; oversee execution of Board-approved policies, plans, and programs;
- b. **Administration:** Direct and supervise the day-to-day operations and internal administration of the Authority, delegating duties to other officers as appropriate, subject to Board rules;
- c. **Organization and Staffing:** Develop and submit the Authority's organizational structure and staffing pattern to the GCG, Civil Service Commission, and Department of Budget and Management;

1 d. **Appointments:** Appoint officials and employees, up to and including
2 rank of division head, within the approved organizational chart; and
3

4 e. **Other Duties:** Perform such other powers and duties as the Board
5 may vest from time to time.
6

7 The Authority shall maintain functionally separate offices for: (a) Sierra Madre
8 Master Planning and Compliance Certificate Decisions; (b) Ecosystem
9 Accounts, Catchment Mapping, Science and Data; (c) Methodologies,
10 Standards and Safeguards; (d) Registry, Issuance and Market Integrity; (e)
11 Beneficiary Assessment and Compliance; (f) Restoration Liability and
12 Enforcement; (g) Market Participant Support and Interagency Coordination;
13 and (h) the Sierra Madre Fund and Corporate Services. The participant-
14 support office shall have no authority to approve a methodology, register a
15 project, issue a credit, determine a compliance obligation, or decide an
16 enforcement case.
17

18 A Sierra Madre Market Participant Support and Tenure Coordination Window
19 is hereby established to: (1) publish ecological maps, applicable standards,
20 priority outcome needs, and available lawful tenure pathways; (2) provide
21 general pre-application orientation, training, standard forms, model
22 stewardship and benefit-allocation clauses, and access to public data; (3)
23 identify the DENR tenure, PAMB approval, NCIP process, FPIC, LGU permit,
24 and other authorizations ordinarily required for a stated project type; (4)
25 convene recorded, nonbinding pre-application conferences and joint agency
26 meetings; and (5) track complete applications against published service
27 standards. These services shall be offered under published criteria and fees
28 on equal terms.
29

30 The Window shall not select or endorse a project, prepare or materially revise
31 a project design, methodology, baseline, monitoring plan, credit application,
32 financial model, or investment memorandum, negotiate financing or benefit
33 allocation for a participant, guarantee project eligibility or credit issuance, or
34 act as the participant's agent, adviser, broker, developer, arranger, or
35 fiduciary. Information provided by the Window shall be nonbinding and shall
36 not prejudice an independent application or enforcement decision.
37

1 The DENR shall remain the issuing authority for forestland, protected areas
2 and natural-resource tenure instruments. Upon receipt of a complete
3 application supported by a Sierra Madre Master Plan Conformity Certificate,
4 the DENR shall act within the period prescribed in the implementing rules
5 and regulations and state in writing the reasons for approval, conditions, or
6 denial. PAMB, NCIP, FPIC, and LGU approvals shall remain separately
7 required where applicable. Failure to act within a service period shall trigger
8 escalation and public reporting but shall not constitute deemed approval.
9

10 **Sec. 18. Organizational Structure.** The Administrator shall develop and
11 submit the proposed organizational structure and staffing pattern of the
12 Authority to the Governance Commission for Government-Owned or -
13 Controlled Corporations for review and approval, within one hundred eighty
14 (180) days from the effectivity of this Act.
15

16 The Authority shall, at a minimum, establish the following service units
17 under the direct supervision and control of the Administrator:

- 18 a. A Conservation, Protection, and Development Service;
- 19 b. An Administrative Service;
- 20 c. A Legal and Enforcement Service;
- 21 d. A Finance Service;
- 22 e. A Sierra Madre Master Planning and Compliance Certificate
23 Decisions Service;
- 24 f. An Ecosystem Accounts, Catchment Mapping, Science, and Data
25 Service;
- 26 g. A Methodologies, Standards, and Safeguards Service;
- 27 h. A Registry, Issuance, and Market Integrity Service;
- 28 i. A Beneficiary Assessment and Compliance Service;
- 29 j. A Restoration Liability, Monitoring, and Enforcement Service;
- 30 k. A Market Participant Support and Interagency Coordination
31 Service;
- 32 l. An Internal Audit, Information Security, and Data Protection
33 Service; and
- 34 m. A Clearances and Certifications Service.
35

1 The Authority shall not maintain a Project Management Service, a Planning
2 and Project Development Service, an Engineering and Construction Service,
3 or any other unit whose function is to originate, design, finance, invest in,
4 construct, implement, operate, or manage a nature, restoration,
5 infrastructure, or credit-generating project. The Market Participant Support
6 and Interagency Coordination Service shall perform only the neutral functions
7 and observe the prohibitions stated in Section 16. The Governance
8 Commission and the Department of Budget and Management may consolidate
9 compatible functions where this will avoid duplication without weakening
10 decisional independence.

11
12 The staffing pattern shall identify positions exercising rulemaking, quasi-
13 judicial, registry, financial, scientific, participant-support, and enforcement
14 responsibilities and shall prescribe qualifications and conflict-of-interest
15 safeguards appropriate to each function. The offices responsible for Master
16 Plan conformity, beneficiary assessment, Registry and issuance, enforcement,
17 and administrative review shall have separate personnel, records, reporting
18 lines, and decision authority. The Administrative Review Panel shall have
19 fixed terms, protection from direction in individual cases, and no operational
20 responsibility for the decision under review. Independent validators, verifiers,
21 and market-service providers shall not be selected or supervised by personnel
22 responsible for supporting the same project or participant.

23
24 The specific number of personnel for each service unit shall be determined in
25 the staffing pattern approved by the GCG. The Administrator may be assisted
26 by such Assistant Administrators as may be authorized under the approved
27 organizational structure. Any Assistant Administrator shall act as
28 Administrator in the absence or temporary incapacity of the Administrator,
29 until a new Administrator is duly appointed.

30
31 **Sec. 19. Location of Central Office.** The principal or Central Office of the
32 Authority shall be located in Region II (Cagayan Valley). The Authority shall
33 establish regional, field, provincial, or satellite offices in such other areas
34 within the Sierra Madre Mountain Range as deemed necessary for the effective
35 and efficient performance of its powers and functions, subject to existing laws,
36 rules and regulations, and the availability of funds.

37
38 **Sec. 20. Merit System.** All officials and employees of the Authority shall be
39 appointed on the basis of merit, fitness, and competence, in accordance with
40 the Civil Service laws, rules and regulations, and consistent with the
41 Compensation and Position Classification System established by the
42 Governance Commission for Government-Owned or -Controlled Corporations.

1 Recruitment, selection, appointment, transfer, promotion, and separation of
2 personnel, including contractual and casual employees, shall be governed by
3 such Civil Service rules and by the merit system established by the Authority
4 in coordination with the Civil Service Commission and the GCG: Provided,
5 That the Authority's merit system shall be submitted to the Civil Service
6 Commission and the GCG for review and approval prior to implementation.

7
8 **Sec. 21. Initial Capitalization.** An initial start-up fund of Five Hundred
9 Million Pesos (₱500,000,000.00) is hereby authorized to be appropriated from
10 the National Treasury to cover the organizational and operational
11 requirements of the Authority, including the establishment and initial
12 operation of its Central Office in Region II (Cagayan Valley) and satellite offices
13 in Region III (Central Luzon) and Region IV-A (CALABARZON), the acquisition
14 of office equipment and information and communications technology (ICT)
15 systems, the hiring of initial personnel, and other necessary start-up
16 expenditures.

17
18 Release of the appropriation shall be phased against an organizational plan
19 approved by the GCG and the DBM, a procurement and information-systems
20 plan, internal-control and cybersecurity requirements, and the
21 implementation milestones in Section 75. Subsequent requirements shall be
22 supported by annual appropriations and by the Authority's own-source
23 revenues from the specific fees and Market Administration Charge authorized
24 in Section 10. Unobligated balances and all revenues shall be treated in
25 accordance with the budgeting, treasury, accounting, and audit laws
26 applicable to the Authority's legal form.

27
28 Within one hundred eighty (180) days from the effectivity of this Act, the
29 Authority, the DBM, the DOF, and the GCG shall submit to the congressional
30 Oversight Committee a five-year establishment and operating plan covering
31 staffing, regional presence, ecosystem accounts, PhilSA and geospatial
32 services, Registry development, cybersecurity, independent verification
33 capacity, administrative review, monitoring, and enforcement. Annual
34 appropriations and the pace of mandatory implementation shall be aligned
35 with that plan and with the readiness requirements of Section 75.

36
37 The Authority shall have an authorized capital stock of One Billion Pesos
38 (₱1,000,000,000.00), divided into ten million (10,000,000) shares with a par
39 value of One Hundred Pesos (₱100.00) each, which shall be subscribed and
40 paid for by the National Government through the Department of Finance. The
41 capital stock shall be applied solely to the institutional, systems, registry,
42 scientific, and market-governance functions of the Authority. No part of the
43 capital stock shall be used to originate, design, develop, construct, implement,

1 own, operate, manage, finance, invest in, underwrite, or guarantee any
2 nature, restoration, infrastructure, or credit-generating project, or to acquire
3 any Sierra Madre Nature Credit. The Authority shall remain subject to
4 Republic Act No. 7656 and to the Governance Commission for Government-
5 Owned or -Controlled Corporations.
6

7 **Sec. 22. Operating Expenses.** The operating expenses of the Authority
8 during its initial year of operation shall be charged against the initial start-up
9 fund appropriated under Section 21 of this Act. Thereafter, such amounts as
10 may be necessary for the continued operation and maintenance of the
11 Authority shall be included in the annual General Appropriations Act. The
12 Authority may likewise utilize its internally generated revenues and other
13 funds authorized under this Act to augment its operating requirements,
14 subject to existing budgeting, accounting, auditing, and other applicable laws,
15 rules, and regulations.
16

17 **Article V**

18 **Sierra Madre Master Plan**

19

20 **Sec. 23. Formulation and Adoption.** Within one (1) year from the effectivity
21 of this Act, the Authority shall formulate, adopt, and commence the
22 implementation of a Sierra Madre Master Plan covering a period of twenty-five
23 (25) years. The Sierra Madre Master Plan shall serve as the comprehensive,
24 science-based, ecosystem-oriented, and climate-resilient blueprint for the
25 conservation, protection, restoration, and sustainable development of the
26 Sierra Madre Mountain Range.
27

28 The Sierra Madre Master Plan shall integrate, among others, land use and
29 development planning; biodiversity conservation; watershed and ridge-to-reef
30 ecosystem management; climate change adaptation and mitigation; disaster
31 risk reduction and management; sustainable livelihoods; infrastructure
32 compatibility; and the traditional ecological knowledge, customary
33 governance systems, and sustainable resource management practices of
34 ICCs/IPs, consistent with RA 8371, otherwise known as the "Indigenous
35 Peoples' Rights Act of 1997." The Authority shall likewise recognize ICCAs and
36 support indigenous co-management approaches consistent with applicable
37 laws.
38

1 The Sierra Madre Master Plan shall harmonize and integrate national,
2 regional, and local development and land use plans affecting the Sierra Madre
3 Mountain Range, including Comprehensive Land Use Plans (CLUPs), Regional
4 Development Plans (RDPs), ADSDPPs, protected area management plans, and
5 other relevant sectoral plans, to ensure policy coherence and an integrated
6 ridge-to-reef management approach.

8 In formulating the Sierra Madre Master Plan, the Authority shall build upon
9 existing management plans prepared under the NIPAS, as amended, utilize
10 the best available scientific information and ecological data, and conduct
11 meaningful consultations with concerned national government agencies, local
12 government units, FICCs/IPs, local communities, the academe, civil society
13 organizations, and other stakeholders.

15 The Sierra Madre Master Plan shall expressly identify binding ecological
16 limits, no-go areas, permissible uses, restoration priorities, and decision
17 rules. Harmonization shall be governed by ecological integrity, precaution,
18 avoidance before mitigation, polluter pays, beneficiary pays, connectivity,
19 intergenerational equity, the more protective applicable standard, and respect
20 for ancestral domains, customary law, tenurial rights, and FPIC.

22 The Sierra Madre Master Plan shall be reviewed at least once every three (3)
23 years and may be updated earlier, whenever necessary, to incorporate
24 advances in scientific knowledge, respond to fortuitous events and
25 environmental emergencies, address emerging threats, or reflect significant
26 changes in ecological, climatic, or socio-economic conditions.

28 **Sec. 24. Landscape Zoning System.** The Sierra Madre Master Plan shall
29 establish a Landscape Zoning System that operationalizes the statutory
30 classes under this Act and shall be spatially organized into the following broad
31 management groupings: (a) Core Zone; (b) Sustainable Use Zone; (c) Buffer
32 Zone; and (d) Special Management Zone. The zoning system shall guide
33 conservation, protection, restoration, sustainable resource use, settlement,
34 development, and disaster-risk management throughout the Sierra Madre
35 Mountain Range.

37 The Landscape Zoning System shall use the following statutory classes: (1)
38 Strict Protection and Irreplaceable Ecosystem Zones; (2) Ecological Corridor
39 and Connectivity Zones; (3) Watershed and Catchment Protection Zones; (4)
40 Restoration and Recovery Zones; (5) Sustainable Production and Community
41 Stewardship Zones; and (6) Existing Settlement and Compatible Development
42 Zones. The Sierra Madre Master Plan may create subzones only within these
43 classes and for the purposes stated in this Act. The Master Plan shall likewise

1 identify the corresponding broad management grouping and applicable
2 subzone for each geographically delineated area.

3
4 **1. Core Zone.** The Core Zone shall comprise areas requiring the highest
5 level of ecological protection and shall include the following statutory
6 classes and corresponding areas: (a) Strict Protection and
7 Irreplaceable Ecosystem Zones; (b) Ecological Corridor and
8 Connectivity Zones; (c) Watershed and Catchment Protection Zones;
9 and (d) Restoration and Recovery Zones. It shall include, where
10 applicable, Protected Areas under the National Integrated Protected
11 Areas System (NIPAS), Local Conservation Areas (LCAs), Other
12 Effective Area-Based Conservation Measures (OECMs), Critical
13 Habitats, and Indigenous Peoples' and Community Conserved Areas
14 (ICCAs).

15
16 **2. Sustainable Use Zone.** The Sustainable Use Zone shall comprise
17 areas where environmentally sustainable and regulated economic,
18 livelihood, community, cultural, educational, and compatible
19 development activities may be undertaken. It shall include the
20 following statutory classes and subzones: (a) Sustainable Production
21 and Community Stewardship Zones; (b) Existing Settlement and
22 Compatible Development Zones; (c) Cultural/Traditional and
23 Controlled/Special Use Zones; and (d) Recreational and Educational
24 Use Zones. Activities within these areas shall be subject to the
25 ecological limits, permitted and prohibited uses, and development
26 standards established by the Sierra Madre Master Plan and this Act.

27
28 Within ancestral domains, activities in the Sustainable Use Zone shall
29 be consistent with the applicable ADSDPPs, customary laws, and the
30 rights of ICCs/IPs under Republic Act No. 8371.

31
32 **3. Buffer Zone.** The Buffer Zone shall provide an additional layer of
33 protection to core conservation areas and other environmentally
34 sensitive areas and shall be managed to minimize adverse impacts
35 from adjacent land uses and enhance ecological connectivity. The
36 Buffer Zone shall include: (a) a forty-meter (40 m) easement on all
37 bodies of water; and (b) a twenty-meter (20 m) setback for areas
38 classified as Sustainable Use Zones, subject to existing laws and
39 applicable rights and standards.

40
41 **4. Special Management Zone.** The Special Management Zone shall
42 comprise areas requiring specific management interventions due to
43 unique ecological, cultural, socio-economic, or disaster risk

1 considerations. It may include multiple-use areas, ecological
2 restoration sites, hazard-prone areas, cultural landscapes, and other
3 areas requiring special management measures identified through the
4 Sierra Madre Master Plan.

5
6 The Sierra Madre Master Plan shall identify and map the boundaries,
7 applicable statutory class, broad management grouping, subzone, permitted
8 and prohibited uses, management objectives, and applicable development
9 standards for each zone. Zoning shall be based on the latest available
10 geospatial data, sound science, hazard assessments, and relevant Indigenous
11 and local knowledge.

12
13 Any modification of the Core Zone or Special Management Zone shall be
14 undertaken only to improve the management response to the conservation
15 and protection needs of the Sierra Madre Mountain Range and shall be
16 supported by updated geospatial data, sound scientific and technical
17 assessment, and appropriate stakeholder consultation. Any modification
18 shall remain consistent with existing laws and the rights of ICCs/IPs, LGUs,
19 PAMBs, and other lawful rights holders.

20
21 A no-go designation may be made only for primary or old-growth forest,
22 critical habitat, an irreplaceable ecosystem, a legally protected strict-
23 protection zone, a critical water-source area, an ecological corridor whose loss
24 would materially sever connectivity, or an area where credible evidence shows
25 that the proposed class of activity presents a serious risk of irreversible
26 ecological harm that cannot be avoided through location or design. Each
27 designation shall identify the legal and scientific basis, map the affected
28 parcels, address existing lawful rights and uses, and follow the notice,
29 consultation, review, transition, and compensation requirements of this Act
30 and other applicable law.

31
32 The Sierra Madre Master Plan shall likewise contain: (a) ecosystem extent and
33 condition accounts; (b) ecosystem-service supply and use accounts; (c) a
34 separately delineated Ecosystem-Service Catchment for each material service,
35 showing the source ecosystem, service-flow pathway, beneficiary area, and
36 geographic basis used; (d) maps and schedules identifying the cities,
37 municipalities, economic zones, industrial estates, utility service areas,
38 industries, locators, infrastructure systems, supply chains, and communities
39 within each catchment that receive or depend on the service; (e) sector-
40 dependency and economic-contribution accounts, including revenue
41 exposure, avoided loss and replacement, risk-mitigation, and business-
42 continuity costs; (f) quantified ecological baselines and five-, ten-, and twenty-
43 five-year outcomes; (g) the protection, restoration, and connectivity

1 investment required to achieve those outcomes; and (h) the nature-credit
2 market, public-finance, and accountability arrangements for delivery.
3 Catchment boundaries and beneficiary schedules shall state their scientific
4 basis, data sources, and date of validity, shall be subject to consultation with
5 affected LGUs and sectors, and shall be reviewed at least every five (5) years.
6

7 The initial geographic coverage shall be shown in an official georeferenced
8 map attached to this Act as Annex A. It shall include the Sierra Madre
9 Mountain system and the watersheds, ecological corridors, and source
10 ecosystems physically connected to it. A beneficiary city, municipality, or
11 business location outside the mountain boundary may be included in an
12 Ecosystem-Service Catchment only for beneficiary accounting and Nature
13 Credit Purchase Obligation assessment; such inclusion shall not, by itself,
14 subject all land within that locality to Sierra Madre land-use zoning. A
15 boundary may be corrected for technical mapping error after public notice
16 and consultation, but a material expansion of the mountain-range coverage
17 shall require an Act of Congress.
18

19 **Sec. 25. Consistency with the Sierra Madre Master Plan.**

20 (a) Upon adoption, the Sierra Madre Master Plan and the ecological limits,
21 no-go areas, and decision standards expressly authorized by this Act
22 shall constitute national environmental policy and the minimum
23 ecological floor, and shall bind all national agencies, government-
24 owned or -controlled corporations, and LGUs. All their plans,
25 programs, projects, and activities affecting the Sierra Madre must be
26 aligned with the Sierra Madre Master Plan. This alignment shall be
27 reflected in their development investment plans, CLUPs, zoning
28 ordinances, and procurement of projects. To ensure coherence,
29 agencies and LGUs shall coordinate with the Authority during plan
30 formulation, and inconsistent plans shall be reviewed for amendment
31 to conform with the Sierra Madre Master Plan. Nothing herein shall
32 diminish existing powers of agencies or LGUs, but inter-agency
33 coordination is required to integrate objectives. Failure to align with
34 the Sierra Madre Master Plan shall be grounds for review by
35 appropriate oversight bodies. the Sierra Madre Master Plan shall not
36 create a prohibited use, take private property, or impair a vested right
37 except to the extent and through the procedure authorized by this Act
38 or another law.
39

1 (b) No covered action shall be finally approved, funded, procured, or
2 implemented without a Sierra Madre Master Plan Conformity
3 Certificate issued by the Authority. The certificate shall determine only
4 whether the proposed location, land use, and development footprint
5 conform with the applicable management zone, ecological limits, no-
6 go areas, corridors, catchment protections, permitted and prohibited
7 uses, and development standards established by the Sierra Madre
8 Master Plan and this Act. It shall be supported by written findings and
9 shall not assess project-specific environmental impacts or determine
10 environmental acceptability under the Philippine EIS System.

11
12 (c) National agencies, GOCCs, and LGUs shall retain their lawful
13 mandates, including land-use planning, zoning, and permitting
14 powers, but shall exercise them subject to this Act as a subsequent
15 national law. LGUs may adopt standards more protective than the
16 Sierra Madre Master Plan. Within a protected area, the PAMB-
17 approved protected area management plan shall remain the
18 controlling site-level instrument for zoning, permitted uses, and
19 permits under Republic Act No. 7586, as amended by Republic Act No.
20 11038. A Sierra Madre Master Plan provision that changes or adds a
21 site-level zone, permitted use, or management restriction within a
22 protected area shall require PAMB concurrence before adoption. The
23 Authority may determine whether an action conforms with the range-
24 wide ecological floor, corridor, and catchment requirements
25 established directly by this Act, but it shall not rezone the protected
26 area or substitute its certificate for PAMB approval. For ancestral
27 domains, ADSDPPs, customary governance, rights under Republic Act
28 No. 8371, and FPIC shall be respected and shall not be displaced by a
29 Sierra Madre Master Plan Conformity Certificate.

30
31 (d) Where applicable plans or standards conflict, the Authority shall first
32 seek a written harmonization agreement. In the absence of agreement,
33 the stricter applicable ecological requirement shall govern only where
34 that requirement is established by this Act, another law, or a duly
35 adopted rule within delegated standards and is imposed by the
36 institution legally competent to administer it. The Authority shall issue
37 a written decision stating the record, scientific evidence, controlling
38 legal provision, proportionality of the requirement, and modification
39 necessary for consistency. It shall have no power to enact, amend, or
40 repeal an LGU zoning ordinance, PAMB plan, ADSDPP, or agency rule.

1 (e) An affected agency, LGU, PAMB, ICC/IP governance institution, rights
2 holder, or project proponent shall receive notice, access to the
3 nonconfidential record, and a reasonable opportunity to present
4 evidence. A motion for reconsideration may be filed with the
5 Administrative Review Panel within fifteen (15) days; the Panel shall
6 decide within thirty (30) days through written findings supported by
7 substantial evidence. Final administrative decisions shall be subject
8 to judicial review under applicable law.

9
10 (f) An approval issued without a required Sierra Madre Master Plan
11 Conformity Certificate shall be ineffective for purposes of national
12 funding, procurement, or implementation until the omission is cured.
13 The Authority shall refer the matter to the issuing agency, the DILG,
14 or other competent body for action within its mandate and may seek
15 appropriate judicial relief; it shall not itself annul an ordinance or
16 cancel a permit issued by another institution. Existing valid permits
17 and contracts shall be subject to this section upon material
18 amendment, renewal, or extension, without prejudice to immediate
19 enforcement of prohibited acts, existing environmental law, and
20 emergency measures authorized by law.

21
22 **Sec. 26. Components of the Sierra Madre Master Plan.** The Sierra Madre
23 Master Plan shall include, at minimum, the following components:
24

25 (a) **Watershed and Ridge-to-Reef Management.** An integrated watershed
26 and ridge-to-reef management strategy covering upland forests,
27 watersheds, river systems, wetlands, estuaries, mangroves, and coastal
28 ecosystems to maintain ecological connectivity, water security, and
29 biodiversity. Such strategy shall include measures for watershed
30 rehabilitation, slope stabilization, soil and water conservation, erosion
31 control, flood mitigation, landslide risk reduction, and the protection
32 and restoration of downstream ecosystems;

33
34 (b) **Biodiversity Corridors and Ecological Connectivity.** The
35 identification, establishment, protection, and management of
36 biodiversity corridors, Key Biodiversity Areas (KBAs), riparian corridors,
37 wildlife movement corridors, and other ecological networks necessary
38 to maintain genetic exchange, species movement, ecosystem functions,
39 and long-term landscape resilience;
40

- 1 (c) **Climate Change Adaptation, Disaster Risk Reduction, and Nature-**
2 **Based Solutions.** Strategies integrating climate change adaptation and
3 mitigation, disaster risk reduction and management, ecosystem-based
4 adaptation, and nature-based solutions, including forest and
5 watershed restoration, carbon sequestration, green infrastructure,
6 natural flood management, mangrove rehabilitation, and the
7 application of climate science in planning and decision-making;
8
- 9 (d) **Sustainable Livelihood and Community Development.** Programs
10 promoting environmentally sustainable livelihoods, including
11 agroforestry, ecotourism, sustainable agriculture, non-timber forest
12 product enterprises, ecosystem restoration employment, conservation
13 incentives, and other nature-positive economic activities. Such
14 programs shall prioritize ICCs/IPs, upland communities, local
15 resource-dependent communities, and other qualified beneficiaries
16 through capacity-building, access to finance, technology transfer,
17 market development, and enterprise support;
18
- 19 (e) **Transfer of Development Rights (TDR).** A policy framework for the
20 voluntary transfer of development rights from environmentally critical
21 or ecologically sensitive areas to appropriate receiving areas, subject to
22 applicable laws, local land use plans, and implementing guidelines
23 adopted by the Authority in coordination with the concerned national
24 government agencies and local government units;
25
- 26 (f) **Infrastructure Compatibility Guidelines.** Standards and criteria to
27 ensure that infrastructure projects within the Sierra Madre Mountain
28 Range are planned, designed, constructed, and maintained in a manner
29 that is environmentally sustainable, climate-resilient, and compatible
30 with ecosystem conservation objectives. Such guidelines shall require
31 the consideration of ecological connectivity, avoidance of critical
32 habitats where practicable, incorporation of appropriate mitigation
33 measures, including wildlife crossings and habitat restoration, and
34 compliance with applicable environmental laws and the Philippine
35 Environmental Impact Statement (EIS) System;
36
- 37 (g) **Transition Program.** A phased implementation program to facilitate
38 the adoption of the Sierra Madre Master Plan by national government
39 agencies, local government units, PAMBs, ICCs/IPs, and other
40 stakeholders, including institutional coordination, capacity-building,
41 technical assistance, and policy harmonization measures;
42

- 1 (h) **Rationalization and Relocation of Incompatible Land Uses and**
2 **Occupancies.** A program for the gradual rationalization, relocation, or
3 resettlement of settlements, facilities, and other land uses determined
4 to be incompatible with the Sierra Madre Master Plan, including
5 Integrated Forest Management Agreement (IFMA) areas, where
6 warranted and consistent with existing laws, subject to due process,
7 adequate consultation, the rights of affected communities and
8 Indigenous Peoples, and the resettlement and relocation policies
9 provided under this Act;
- 10 (i) **Responsible Mineral Resource Transition.** A strategy for the gradual
11 phase-out of mining activities within ecologically critical areas of the
12 Sierra Madre Mountain Range, consistent with existing mining
13 agreements, vested rights, due process, environmental laws, and the
14 objectives of biodiversity conservation, watershed protection, ecosystem
15 restoration, and sustainable development. The strategy shall include
16 measures for mine rehabilitation, environmental restoration, livelihood
17 transition, and just transition mechanisms for affected workers and
18 communities;
- 19
- 20 (j) **Ecosystem-Service, Beneficiary, and Sector-Dependency Accounts.**
21 Accounts prepared consistently with Republic Act No. 11995 showing
22 ecosystem extent, condition, service supply, service use, beneficiaries,
23 sectoral dependency, economic contribution, avoided loss, replacement
24 cost, degradation, and restoration;
- 25
- 26 (k) **Sierra Madre Nature Credit and Nature-Finance Program.** Approved
27 credit categories and methodologies; project and developer eligibility;
28 baselines; validation and verification; credit issuance, transfer, and
29 retirement; reversal and buffer rules; Covered Enterprises; annual
30 Nature Credit Purchase Obligations; long-term nature credit purchase
31 agreements; and rules preventing double counting and the use of
32 nature credits to excuse prohibited harm;
- 33
- 34 (l) **Restoration and Environmental Liability Program.** Procedures for
35 ecological-loss, full-restoration-cost, and interim-public-loss
36 assessment; restoration orders; performance security; on-site and
37 affected-area restoration; registered third-party delivery; continuing
38 monitoring; independent verification; and liability for nonperformance;
- 39

- (m) **Results and Accountability Framework.** For each major outcome, the baseline, target, responsible entity, lawful rights holder, cost, funding source, deadline, verification method, payment rule, and consequence for failure, together with public reporting on avoided degradation, ecosystem condition, connectivity, resilience, service delivery, buyer compliance, investment mobilized, and revenues received by lawful rights holders and stewards;
- (n) **Resilience Deficit and Priority Investment Map.** Identifying areas where ecological degradation or insufficient natural and built infrastructure creates significant climate, disaster, water-security, or economic risks;
- (o) **High-Value Resilience Zones.** Including priority watersheds, headwaters, floodplains, wetlands, riparian corridors, slopes, coastal ecosystems, and downstream beneficiary areas;
- (p) **Nature-Based Solutions Investment Portfolio.** Identifying priority restoration and resilience interventions, estimated ecological outcomes, investment requirements, implementation arrangements, and potential sources of financing;
- (q) **Early Warning System Network Plan.** Identifying priority locations, technology requirements, institutional responsibilities, community participation mechanisms, and interoperability standards; and
- (r) **Ecosystem-Service Beneficiary Map.** Identifying downstream and adjacent cities, municipalities, utilities, economic zones, infrastructure operators, industries, and other sectors materially dependent upon Sierra Madre ecosystem services.

Sec. 27. Harmonization, Interface, and Integration with Existing Plans.

All local CLUPs, Regional Development Plans, and other sectoral plans affecting the Sierra Madre shall be harmonized with the adopted Sierra Madre Master Plan. Affected agencies and LGUs must coordinate with the Authority when preparing, reviewing, or revising their plans, incorporating the ecological considerations such as connectivity, biodiversity, and disaster risk from the Sierra Madre Master Plan. Existing local plans inconsistent with the Sierra Madre Master Plan shall be reviewed and, to the extent permitted by law, amended within a reasonable period. This ensures that local autonomy is exercised in alignment with national environmental objectives and the duty to protect the Sierra Madre.

Article VI
Enhanced Enforcement Mechanisms

Sec. 28. Sierra Madre Environmental Enforcement System (SMEES). An integrated enforcement system is hereby established for the Sierra Madre, institutionalizing a whole-of-government, whole-of-society approach. The SMEES shall coordinate national oversight with regional operations and community-based actions to prevent, detect, and prosecute environmental crimes and illegal resource activities in the range.

Sec. 29. Structure of SMEES. The SMEES shall consist of:

- (a) National Coordinating Council.** Chaired by DENR, this council provides strategic command. Members include heads of PNP, AFP, National Bureau of Investigation (NBI), Department of Justice (DOJ), and Bureau of Customs (BOC). The council formulates national enforcement strategies, ensures inter-agency coordination, allocates resources, and issues directives for operations in the Sierra Madre;
- (b) Regional Enforcement Task Forces.** Established in key Sierra Madre regions, each task force includes DENR field officers, PNP, including maritime and environmental units, specialized AFP units, and LGU representatives. These task forces plan and execute joint enforcement raids, intelligence sharing, and rapid responses to violations within their jurisdictions, guided by the council's strategies; and
- (c) Local Rapid Response Units (LRRUs).** At the barangay or municipality level, community-based teams are organized composed of forest rangers, barangay officials, and trained representatives of Indigenous Peoples. LRRUs act as frontline defenders: monitoring forests, reporting illegal activities, and conducting initial patrols under the oversight of the regional task forces.

Sec. 30. Anti-Illegal Logging Task Force. A specialized Anti-Illegal Logging Task Force (AILTF) is created under the SMEES. This unit focuses on timber syndicates and trafficking networks. Key activities include: intelligence surveillance to identify culprits; permanent and mobile checkpoints on logging routes; mobile ground patrols and aerial reconnaissance of forests; coordination with courts for expedited search warrants; and maintaining a shared database of offenders, seized logs, and enforcement outcomes. Successful models like interagency aids have shown that coordinated action is essential to stop chainsaw mills before they move stolen timber out of the mountains.

1 **Sec. 31. Use of Innovative Technologies and Geospatial Information**

2 **Systems.** The Authority, in coordination with concerned national government
3 agencies, LGUs, and enforcement units, shall adopt and utilize modern,
4 science-based, and innovative technologies to strengthen environmental
5 monitoring, law enforcement, planning, research, and decision-making within
6 the Sierra Madre Mountain Range.

7
8 Such technologies shall include, but not be limited to, remote sensing and
9 Geographic Information Systems (RS/GIS), satellite-based forest and land
10 cover monitoring with near real-time alerts, Unmanned Aerial Vehicles (UAVs)
11 or drones, Global Positioning System (GPS) technologies, automated weather
12 stations (AWS), artificial intelligence-assisted analytics, and other appropriate
13 digital tools for environmental monitoring, biodiversity assessment, forest
14 protection, disaster risk reduction and management, permit verification,
15 evidence gathering, and reporting.

16
17 The Philippine Space Agency (PhilSA), in coordination with the Authority, the
18 DENR, and NAMRIA, shall serve as the principal technical partner for space-
19 based Earth observation under this section. The Authority shall provide the
20 geographic coverage, Sierra Madre Master Plan zones, no-go areas, ecological
21 corridors, Ecosystem-Service Catchments, restoration sites, and other
22 monitoring questions required for implementation. The DENR, NAMRIA,
23 LGUs, PAMBs, and other responsible agencies shall provide available forest
24 classifications, project boundaries, permits, tenurial instruments, and other
25 reference data needed to interpret observed change.

26
27 Using available government, commercial, or open satellite data and
28 appropriate remote-sensing and geospatial methods, PhilSA shall produce: (a)
29 baseline and time-series information on forest extent, forest type, tree-cover
30 density, and land cover; (b) change-detection products showing reforestation,
31 forest recovery, deforestation, degradation, fire scars, and material changes
32 in vegetation condition; and (c) mapped alerts on new roads, clearings,
33 structures, quarrying or mining footprints, land conversion, and other
34 observable signs of economic activity or encroachment within forests, no-go
35 areas, corridors, catchment protection areas, and registered restoration sites.

36
37 PhilSA shall transmit to the Authority: (a) quarterly hotspot reports, to the
38 extent technically feasible, identifying the location, extent, timing, and
39 confidence level of detected changes and the areas requiring priority
40 verification; and (b) an annual Sierra Madre Earth Observation Assessment
41 describing forest-cover trends, restoration progress, recurring degradation
42 hotspots, observed encroachment patterns, data limitations, and
43 recommended monitoring priorities. The reports and underlying non-sensitive

1 geospatial layers shall be integrated into the Sierra Madre Data and
2 Monitoring System in interoperable and machine-readable form.

3
4 Satellite-derived information shall be used for planning, performance
5 monitoring, inspection targeting, and enforcement intelligence. A satellite
6 alert or classification shall not, by itself, establish that an activity is unlawful
7 or identify the person responsible. The DENR, the relevant LGU or PAMB, the
8 Authority, or another legally competent body shall validate material alerts
9 through permit checks, higher-resolution analysis, field inspection, or other
10 evidence before imposing a sanction or taking final enforcement action. Public
11 disclosure shall protect sensitive ecological information, Indigenous
12 knowledge, personal data, and information restricted for lawful security or
13 enforcement purposes.

14
15 The Authority shall provide for the agreed cost of recurring PhilSA products,
16 data acquisition, secure storage, and technical integration in its annual
17 budget and inter-agency program, subject to appropriations and applicable
18 budgeting rules. PhilSA products shall include confidence levels, cloud or data
19 limitations, and version information. The DENR and NAMRIA shall retain
20 responsibility for official forest, land-classification, and base-map records
21 within their respective mandates.

22
23 All geospatial, environmental, ecological, and monitoring data generated or
24 collected pursuant to this Act shall be integrated into the Sierra Madre Data
25 and Monitoring System established under this Act and shall be interoperable
26 with and integrated into relevant national geospatial and environmental
27 information platforms maintained by the DENR, the National Mapping and
28 Resource Information Authority (NAMRIA), the DOST, the Department of
29 Information and Communications Technology (DICT), and other concerned
30 government agencies, in accordance with existing laws, standards, and data-
31 sharing protocols.

32
33 The Authority shall promote data standardization, interoperability, secure
34 information sharing, and public accessibility of non-sensitive environmental
35 information to support evidence-based policymaking, coordinated
36 enforcement, environmental planning, climate resilience, disaster risk
37 reduction and management, and transparency, subject to applicable laws on
38 data privacy, national security, and access to information.

39
40 **Sec. 32. Two-Tier Monitoring, Reporting, and Verification System.** The
41 Authority shall establish a two-tier Monitoring, Reporting and Verification
42 system consisting of:
43

1 **(a) Macro-scale monitoring**, utilizing satellite imagery, remote sensing,
2 GIS, hydrological and climate models, automated sensors, and other
3 appropriate technologies; and

4 **(b) Community-scale monitoring**, utilizing trained local monitors,
5 Indigenous Peoples, community organizations, eco-rangers, and other
6 qualified stakeholders to ground-truth ecological and resilience
7 outcomes.
8

9 Data generated through community monitoring shall be integrated with the
10 Authority's official monitoring system subject to validation and applicable
11 data-protection safeguards.
12

13 **Sec. 33. Community-Based Enforcement.** Local communities and ICCs/IPs
14 are recognized as key partners. They may be deputized as Forest Protection
15 Stewards with authority to report and assist in enforcement, consistent with
16 their rights. They shall receive training, equipment like GPS and cameras, and
17 incentives such as livelihood support, and hazard pay to participate. The
18 Government shall provide legal protection for citizen informants against
19 intimidation, following examples like barangay forest watch systems.
20

21 **Sec. 34. Legal Services and Coordination with Environmental Courts.** The
22 Authority shall establish and maintain a Legal Office, headed by a qualified
23 legal officer, to provide legal advice and representation in the exercise of its
24 powers and functions, including the institution or defense of actions, the
25 preparation of legal opinions, the conduct of administrative proceedings, and
26 the enforcement of this Act and other applicable environmental laws.
27

28 The Authority may, when necessary and subject to existing laws, rules, and
29 regulations, engage the services of retained counsel or other legal experts to
30 assist in the prosecution or defense of cases involving the Authority or matters
31 affecting the Sierra Madre Mountain Range, without prejudice to the powers
32 and functions of the Office of the Solicitor General (OSG) as the principal law
33 office of the Government.
34

35 The Authority shall closely coordinate with the DOJ, the National Prosecution
36 Service, the O, law enforcement agencies, and the judiciary, including courts
37 designated to hear environmental cases under existing laws and rules, to
38 strengthen the investigation, prosecution, and adjudication of violations of
39 environmental and natural resources laws affecting the Sierra Madre
40 Mountain Range. The Authority may provide technical, scientific, and
41 documentary assistance, including expert testimony and other forms of
42 litigation support, in accordance with applicable laws, rules, and procedures.
43

Sec. 35. Resettlement and Relocation. The Authority shall, in coordination with the DHSUD, concerned local government units (LGUs), the National Housing Authority (NHA), the Department of Social Welfare and Development (DSWD), the NCIP, and other concerned agencies, formulate and implement policies and programs for the humane, orderly, and sustainable resettlement or relocation of qualified occupants within areas covered by this Act, whenever such resettlement or relocation is necessary for environmental protection, disaster risk reduction, public safety, ecosystem restoration, or the implementation of approved management plans.

Any resettlement or relocation undertaken pursuant to this Act shall:

- (a) Be carried out only after adequate consultation with the affected persons and communities, and, where applicable, with the FPIC of ICCs/IPs in accordance with RA 8371, otherwise known as the Indigenous Peoples' Rights Act of 1997;
- (b) Comply with Republic Act No. 7279, otherwise known as the *Urban Development and Housing Act of 1992, as amended*, Republic Act No. 7586, as amended by Republic Act No. 11038, and other applicable laws, rules, and regulations;
- (c) Ensure the provision of adequate relocation sites, access to basic services, livelihood opportunities, and other appropriate social support measures; and
- (d) Respect the rights of legitimate occupants, ICCs/IPs, and other affected stakeholders, and shall not result in arbitrary or forced eviction.

Nothing in this Act shall be construed to authorize the Authority to undertake eviction or demolition except in accordance with existing laws and upon compliance with the requirements of due process.

Sec. 36. Incentives and Protection for Enforcers. All personnel engaged in Sierra Madre enforcement, from national, LGU, and deputized community forces, shall receive appropriate incentives and safeguards. This includes hazard pay or risk allowances commensurate with field duties, access to legal and medical assistance, and insurance coverage for injury or death in the line of duty.

Article VII

Protection, Conservation, and Sustainable Development Programs

1 **Sec. 37. Guiding Principles.** All programs under this Article shall be guided
2 by constitutional and international principles: intergenerational equity, the
3 precautionary and public trust doctrines, and the polluter-pays principle. The
4 Sierra Madre is declared an inviolable ecological zone; its protection is as
5 much a human rights issue as an environmental one.
6

7 **Sec. 38. Forest Protection and Management.** The Authority shall enforce
8 strict forest governance:
9

10 (a) **No-logging in Primary Forests.** All logging, road-building for
11 extraction, and forest conversion in primary old-growth forests are
12 absolutely prohibited. Only scientifically justified removals like for
13 research or severe pest control may be allowed by special authority.
14 This reflects findings that even small disturbances in intact forest can
15 undermine the Sierra Madre's role as storm shield.

16 (b) **Criminalization of Illegal Logging.** Illegal logging of any forest within
17 the Sierra Madre like harvesting, transport, and possession or trade of
18 timber without proper permit, shall be punished by severe penalties:
19 imprisonment of six (6) to twelve (12) years; fines from ₱1,000,000 to
20 ₱10,000,000; forfeiture of equipment and vehicles used; and permanent
21 disqualification from public office if the offender is an official. These
22 penalties are without prejudice to penalties under Republic Act No.
23 9175 or the Illegal Logging Act.
24

25 (c) **Sierra Madre Forest Protection Corps.** The Authority shall organize a
26 special Forest Protection Corps, trained and deputized to work with the
27 PNP and AFP in forest patrols and enforcement. This corps will carry
28 out joint operations, establish rapid response teams, and assist in
29 disaster monitoring. Their creation addresses gaps in manpower and
30 ensures forest protection is sustained.
31

32 (d) **Technology-Assisted Monitoring.** Mandatory use of satellite imagery,
33 drone surveillance, and artificial intelligence (AI)-assisted forest
34 analytics shall be integrated into enforcement. Real-time alerts shall
35 trigger patrols. A public website or dashboard may be established so
36 communities and NGOs can also monitor alerts, similar to citizen
37 science platforms.
38

- 1 (e) **Restoration Obligation.** Any individual, company, or government
2 entity found responsible for forest destruction, through illegal logging
3 or conversion, shall be ordered to undertake full ecological restoration
4 of the affected area at their own expense. Restoration standards shall
5 achieve ecological equivalence, specifically similar forest structure and
6 species diversity, and be supervised by the Authority and DENR.
7 Failure to restore shall be an additional offense, liable to fines or
8 injunctions.
9

10 **Sec. 39. Biodiversity Conservation.** To safeguard endemic and endangered
11 species:
12

- 13 a. All hunting, capture, killing, or trade of threatened and or endemic
14 species is strictly prohibited.
15 b. Violators shall face imprisonment of six (6) to ten (10) years and fines
16 of ₱500,000 to ₱5,000,000. Corporate offenders may have licenses
17 revoked and be blacklisted. These penalties are in addition to those
18 under the Wildlife Act or RA 9147.
19 c. The Authority shall establish wildlife rescue and rehabilitation centers
20 in or near the Sierra Madre, for injured or confiscated animals and
21 exotics, and encourage captive breeding of critically endangered
22 species.
23 d. **Critical habitat designation.** Key habitats such as breeding grounds,
24 nesting sites, spawning rivers, among others, not already in PAs shall
25 be designated as critical and strictly protected.
26 e. **Ecological corridors.** The Authority will, in coordination with DENR,
27 formally establish corridors identified in the Sierra Madre Master Plan
28 and enforce no-development buffers along them, recognizing that
29 species from the famed Philippine Eagle to lowland fishes rely on such
30 connectivity.
31 f. **Liability for Biodiversity Damage.** Parties causing loss of biodiversity
32 including habitat destruction or pollution, shall be liable for ecological
33 damages.
34

35 Compensation shall at minimum cover full restoration costs and the value of
36 lost ecosystem services, as determined by scientific assessment, consistent
37 with watershed valuation studies.
38

39 **Sec. 40. Strict Regulation of Mining, Quarrying, and Other Extractive**
40 **Activities.** All commercial and non-commercial extractive activities within the
41 Sierra Madre Mountain Range shall be subject to the highest standards of
42 environmental protection and sustainable resource management, without
43 prejudice to the powers of the DENR under existing laws.

1
2 (a) **Commercial and Non-Commercial Extractive Activities.**

3 Commercial mining, quarrying, sand and gravel extraction, earth
4 extraction, and other extractive activities undertaken for profit or
5 commercial purposes shall be subject to the requirements of this Act
6 and all applicable environmental, mining, and natural resources laws.
7 Non-commercial extraction of minerals, sand, gravel, rocks, and other
8 naturally occurring materials intended solely for personal, household,
9 subsistence, cultural, or community use, and not for sale or
10 commercial distribution, may be allowed only in areas not otherwise
11 prohibited by law and subject to such rules, limitations, and
12 safeguards as may be prescribed by the Authority, in coordination with
13 the DENR and concerned LGUs.
14

15 (b) **Landscape-Scale and Cumulative Impacts under the Philippine EIS**

16 **System.** For all proposed commercial extractive projects covered by the
17 Philippine Environmental Impact Statement (EIS) System, the DENR or
18 the EMB shall ensure that the environmental impact assessment, at
19 the level of detail appropriate to the project and site, evaluates the
20 direct, indirect, induced, cumulative, and long-term environmental,
21 social, and economic impacts of the proposed activity on forest
22 ecosystems, watersheds, biodiversity, ecological connectivity, climate
23 and disaster resilience, ecosystem services, indigenous cultural
24 communities, and affected local communities.
25

26 The Authority shall transmit to the DENR or the EMB the applicable
27 Sierra Madre Master Plan maps, ecological limits, management zones,
28 corridor and catchment data, carrying-capacity information, and
29 adopted scientific standards, and may participate as a resource agency
30 in scoping and technical review. The DENR or the EMB shall retain
31 responsibility for EIA scoping, impact assessment, public participation,
32 technical review, and the ECC decision. No separate Cumulative
33 Environmental Impact Assessment or Authority-issued ecological
34 impact clearance shall be required under this Act.
35

36 (c) **Strict Liability.** Operators of commercial extractive industries shall be
37 held strictly liable, regardless of fault or negligence, for any
38 environmental damage, habitat degradation, pollution, or loss of
39 biodiversity resulting from their activities, without prejudice to
40 applicable civil, criminal, and administrative liabilities under existing
41 laws.
42

1 (d) **Rehabilitation and Environmental Guarantee Fund.** No commercial
2 mining or quarry permit shall be issued without proof of a
3 Rehabilitation and Environmental Guarantee Fund, rehabilitation
4 bond, or equivalent financial security sufficient to cover the full cost of
5 site restoration, environmental remediation, and post-closure
6 monitoring, as determined by the DENR and the Authority. Such fund
7 or bond shall be maintained throughout the life of the project and may
8 be forfeited or utilized by the government should the operator fail to
9 undertake the required rehabilitation.

10
11 (e) **Suspension and Revocation.** Any commercial extractive operation
12 that causes significant environmental damage, violates the terms and
13 conditions of its ECC, permit, or other environmental authorization, or
14 poses an imminent threat to public health, public safety, or ecological
15 integrity shall be subject to the immediate suspension or revocation of
16 its permit, without prejudice to the imposition of other administrative,
17 civil, or criminal sanctions provided by law.

18
19 (f) **Penalties.** Any person, corporation, partnership, association,
20 government-owned or controlled corporation, or public official found
21 guilty of violating this Section shall, in addition to any penalties
22 provided under existing environmental and mining laws, suffer
23 imprisonment of eight (8) years to fifteen (15) years, a fine of Five Million
24 Pesos (₱5,000,000.00) to Fifty Million Pesos (₱50,000,000.00), and the
25 mandatory closure of the commercial extractive operation. Where the
26 offender is a juridical entity, the responsible officers shall be held
27 personally liable, without prejudice to the suspension or revocation of
28 the entity's permits, licenses, or authority to operate in accordance with
29 law.

30
31 **Sec. 41. Protected Area Expansion.** The Authority shall work with DENR,
32 LGUs, and Indigenous communities to identify additional areas for formal
33 protection under the NIPAS. This includes:

- 34
35 a. Recommending new protected areas to Congress for inclusion in E-
36 NIPAS, especially areas that complete ecological corridors or buffer
37 existing parks;
38 b. Recognizing ICCAs. Formally recognizing ICCAs within ancestral
39 domains, granting them legal protection equivalent to PAs under IPRA
40 (RA 8371) and strengthening community rights to manage these areas;
41 c. Designating buffer zones around core reserves, regulated by local
42 ordinances, to minimize edge effects; and

- 1 d. Regulating ecotourism by carrying-capacity. The Authority shall set
2 maximum visitor limits, require permits, and enforce standards like
3 waste management, to ensure tourism is truly sustainable.
4

5 **Sec. 42. Ecosystem Restoration and Rehabilitation.** The Authority shall
6 launch science-based restoration programs:
7

- 8 a. ***Native Species Restoration.*** All restoration must use indigenous tree
9 species suited to local ecology. Exotic plantation forests are discouraged
10 in protection zones.
11
12 b. ***Assisted Natural Regeneration (ANR).*** Where feasible, priority will be
13 given to ANR techniques like fencing, weeding, enrichment planting,
14 among others, as a cost-effective way to recover degraded forests
15 naturally.
16
17 c. ***Agroforestry and Landscape Re-greening.*** Promote agroforestry like
18 integrating trees with crops or livestock on denuded lands to restore
19 soil and provide livelihoods. Support farmers with training, seedlings,
20 and market access for agroforestry products such as coffee, fruit,
21 rattan, among others.
22
23 d. ***Liability for Restoration.*** Entities such as companies, communities,
24 and government, failing to meet court- or Authority-ordered restoration
25 shall be fined and potentially blacklisted from future projects, similar
26 to environmental compliance penalties under RA 9275 or Clean Water
27 Act and RA 9003, Solid Waste Act.
28

29 **Sec. 43. Ecosystem Connectivity and Fragmentation.** The fragmentation
30 of habitats undermines biodiversity and ecosystem services, and violates the
31 State's duty under Article II, Section 16. The Authority shall implement the
32 following measures to preserve and restore connectivity:
33

- 34 a. ***Biodiversity Corridors.*** Identify and formally establish wildlife
35 corridors such as connecting forest fragments, riparian zones, and
36 elevational gradients, among others as protected areas. These corridors
37 shall be managed to allow species migration and climate-driven range
38 shifts. The Authority shall coordinate their integration into local land
39 use plans.

- 1 b. **Avoidance and Infrastructure Planning.** All proponents shall
2 demonstrate avoidance of core forests, critical habitats, corridors,
3 riparian systems, and irreplaceable ecosystems. Require that all new
4 infrastructure such as roads, bridges, and power lines in the Sierra
5 Madre be planned to avoid habitat fragmentation. Projects that would
6 bisect core forests or corridors are prohibited unless absolutely
7 unavoidable for overriding public interest. If no alternative exists, the
8 proponent shall minimize harm and fully restore the affected ecosystem
9 and service flows, including through wildlife crossings and habitat
10 restoration. Prohibited or irreversible harm shall not be approved or
11 offset. Departments like DPWH must submit proof of compliance like
12 corridor gap analyses before project approval.
13
- 14 c. **Conformity with the Sierra Madre Master Plan.** No conversion of land
15 or fragmenting project within the Sierra Madre shall receive final
16 approval without a Sierra Madre Master Plan Conformity Certificate
17 issued by the Authority. The Authority shall determine only whether the
18 proposed location, land use, and development footprint conform with
19 the applicable management zone, ecological limits, no-go areas,
20 biodiversity corridors, watershed and catchment protections, permitted
21 and prohibited uses, and development standards established by the
22 Sierra Madre Master Plan and this Act. The Authority shall deny the
23 certificate if irreversible fragmentation is likely.
24
- 25 d. **The Authority shall not conduct a separate environmental impact**
26 **assessment, prescribe an environmental management plan,**
27 **determine the environmental acceptability of the project, or issue**
28 **an Ecological Impact Clearance.** Assessment of direct, indirect,
29 induced, cumulative, and long-term project impacts; alternatives;
30 avoidance, mitigation, and rehabilitation measures; public
31 participation; technical review; and the ECC decision shall remain with
32 the DENR or the EMB under the Philippine EIS System. The Authority
33 shall transmit the certificate, applicable maps, standards, and written
34 findings directly to the DENR or the EMB and other concerned agencies.

1 (f) **Strict Liability and Environmental Cost.** Any person or entity
2 causing habitat fragmentation or corridor destruction shall be held
3 strictly liable for the full restoration cost, interim public loss,
4 continuing monitoring, and independent verification. Upon conviction,
5 penalties include six (6) to twelve (12) years imprisonment and fines of
6 ₱1,000,000 to ₱15,000,000, plus mandatory ecosystem restoration at
7 full cost, including a multi-year monitoring plan. Permits and licenses
8 of offending projects shall be suspended or revoked, without prejudice
9 to higher penalties under existing environmental laws. The Authority
10 shall assess such costs through an approved methodology and may
11 require a performance bond, escrow, or other financial assurance
12 sufficient to cover nonperformance and reversal.

13
14 (g) **Restoration and Rehabilitation of Fragmented Ecosystems.** The
15 Authority shall implement corridor restoration projects: reforesting
16 deforested buffers, removing barriers including old roads and fences,
17 where possible, and rehabilitating streams. All LGUs in the Sierra
18 Madre must integrate these corridors and connectivity goals into their
19 CLUPs and ordinances, subject to Authority review. The responsible
20 proponent shall restore the impacted site and affected area under an
21 approved plan. Where the Authority determines that qualified third-
22 party delivery will achieve more effective recovery, the proponent may
23 finance a registered nature-project developer operating in the affected
24 area, and payments shall be released only upon independently verified
25 milestones and results. A proponent undertaking restoration itself shall
26 be subject to the same registration, monitoring, disclosure, verification,
27 and nonperformance rules. Restoration under this subsection shall not
28 generate compensatory credits usable against unrelated harm.

29
30 (h) **Citizen Enforcement.** Any citizen may petition for enforcement of this
31 connectivity provision, including through environmental legal remedies
32 like Writ of Kalikasan and continuing mandamus, consistent with
33 prevailing environmental laws. Citizen suits to stop fragmenting
34 projects shall be encouraged, and environmental courts shall expedite
35 such cases.

36
37 **Sec. 44. Sustainable Livelihood and Economic Development.** The
38 Authority shall foster green rural economies, an economic system in non-
39 urban areas that is low-carbon, resource-efficient, and socially inclusive:

- a. **Agroforestry and Non-Timber Enterprises.** Encourage agroforestry including coffee, cacao, fruit trees under canopy, to boost farm income while restoring forests, and develop community enterprises for sustainable non-timber forest products such as rattan, honey, pandan, and medicinal plants.
- b. **Eco-Tourism and Cultural Heritage.** Promote eco-tourism like trekking, birdwatching, and cultural tourism in a manner that respects carrying capacities and benefits local communities. Develop tourism zones in peripheral areas, outside strict zones, with strict guidelines and visitor limits.
- c. **Community Participation in the Sierra Madre Nature Credit System.** Assist upland communities, Indigenous Peoples, and lawful tenure holders to participate as registered nature-project developers under Section 65, so that watershed protection, afforestation, and erosion-control outcomes they deliver are independently verified, issued as Sierra Madre Nature Credits, and paid for by the downstream water utilities, irrigation districts, and other Covered Enterprises that depend on those services.
- d. **Support to ICCs/IPs and Communities.** Give priority technical and financial assistance to ICCs/IPs and upland farmers to implement these programs, recognizing their role as custodians of the Sierra Madre.

Sec. 45. Ecologically Compatible and Climate-Resilient Infrastructure.

All infrastructure proposed within or materially affecting the Sierra Madre shall comply with the Sierra Madre Master Plan, applicable ecological limits, the avoidance hierarchy, and strict environmental and climate standards:

- a. Projects must undergo the rigorous EIA process under the Philippine EIS System and secure a Sierra Madre Master Plan Conformity Certificate confirming that the proposed location, land use, and development footprint conform with the Sierra Madre Master Plan, incorporating green design like bioengineering, and energy efficiency.
- b. Any project causing prohibited harm or irreversible ecological damage to an irreplaceable ecosystem, including clearcutting of critical forest and destruction of coral reefs, is prohibited. Lawfully unavoidable damage shall create a direct duty to restore the affected ecosystem and service flows, in addition to all ECC conditions, and environmental cost shall include ecological loss, full restoration cost, and interim public loss.

- c. All proposals must include a Climate Risk and Adaptation Assessment (CRA) to ensure infrastructure is climate-proof like flood-proof bridges and slope stabilization for roads.
- d. All proponents shall provide the restoration, monitoring, and financial assurance required by the ECC, this Act, and other applicable laws before final project approval, procurement, or funding.

The Sierra Madre Master Plan Conformity Certificate shall not constitute an EIA or ECC. The Authority shall provide its official maps, ecological limits, corridor and catchment data, and adopted standards to the DENR or the EMB, but the DENR or the EMB shall independently conduct the environmental review and determine whether to issue, condition, or deny the ECC.

Restoration may be undertaken by the proponent under continuing monitoring and independent verification or, when approved by the Authority, by a registered nature-project developer in the affected area. Third-party payment shall be results-based and shall not discharge the proponent until verified restoration outcomes are delivered and maintained. The purchase or retirement of unrelated Sierra Madre Nature Credits shall not substitute for this duty.

Sec. 46. Research, Innovation, and Knowledge Systems. The Authority shall promote an evidence-based management culture:

- a. Research Partnerships.** Forge partnerships with academic institutions, research institutes, and NGOs to conduct biodiversity surveys, climate vulnerability studies, and pilot projects on restoration or eco-techniques. Encourage joint fact-finding missions in high-risk sites.
- b. Centralized Ecological Database.** Expand the data system (Sec. 6(h)) into an open-access portal where researchers and planners can access environmental data such as species lists, deforestation rates, and climate data.
- c. Indigenous and Local Knowledge.** Integrate scientific research with indigenous knowledge systems. Support documentation of traditional forest management practices and ancestral narratives, and incorporate them into adaptation strategies.

Sec. 47. Citizen Suits and Accountability. To strengthen enforcement:

1 (a) **Citizen Suits.** Any Filipino, including future generations, may sue to
2 enforce any provision of this Act. This includes filing Writs of Kalikasan
3 for massive environmental damage and continuing mandamus, to
4 compel agencies to act.

5
6 (b) **Public Officer Liability.** Any government official who willfully fails to
7 implement this Act or grossly neglects the Sierra Madre shall be
8 administratively, civilly, and criminally liable. This includes failing to
9 coordinate with the Authority, issuing contrary permits, or conspiring
10 with violators.

11
12 **Sec. 48. Harmonization with Other Laws.** This Article shall be implemented
13 in harmony with existing environmental laws such as PD 705, RA 9175, RA
14 9147, RA 11038, among others. In case of conflicting standards, the most
15 stringent provision for environmental protection shall prevail.

16
17 **Article VIII**
18 **Integration of Protected Areas**
19

20 **Sec. 49. Sierra Madre Protected Area Network (SMPAN).** All protected
21 areas, protected landscapes and seascapes, critical habitats, and other
22 conservation areas within the Sierra Madre Mountain Range shall be
23 managed as an integrated Sierra Madre Protected Area Network (SMPAN)
24 under a landscape-scale conservation approach to strengthen ecological
25 connectivity, biodiversity conservation, and climate resilience. The
26 management regime for the Network shall promote the interconnectivity of
27 ecological corridors among protected areas and other key biodiversity areas
28 to ensure the long-term ecological integrity of the Sierra Madre Mountain
29 Range. Coordinated planning, zoning, monitoring, and enforcement shall be
30 undertaken to prevent conservation leakage and to enhance the effectiveness
31 of protected area management.

32
33 In particular:

34 (a) The Authority, in coordination with the DENR-Biodiversity
35 Management Bureau (BMB), DENR-Regional Offices (2, 3, and 4-A),
36 PAMBs, concerned local government units, ICCs/IPs, and other
37 stakeholders, shall establish, restore, and maintain a network of
38 ecological corridors linking fragmented protected areas and other
39 critical habitats to facilitate wildlife movement, gene flow, and
40 climate-induced species migration, including those of threatened
41 and endemic species such as the Philippine Eagle; and
42

- 1 **(b)** The Authority shall utilize geospatial technologies, biodiversity
2 assessments, and scientific data to identify ecological bottlenecks
3 and habitat fragmentation between the northern, central, and
4 southern Sierra Madre ranges, and shall prioritize the restoration
5 and reconnection of these ecological corridors through appropriate
6 conservation and habitat restoration measures.

7
8 **Sec. 50. Role of Protected Area Management Boards (PAMBs).** Existing
9 PAMBs remain the primary site managers of their respective PAs. The
10 Authority and the PAMBs shall harmonize their management plans and
11 health indicators with the existing set standards. The Authority shall provide
12 technical support and standardize metrics to measure conservation success
13 uniformly across SMPAN.

14
15 **Sec. 51. Recognition of Local Conservation Areas.** The Authority shall work
16 to formally integrate non-legislated Local Conservation Areas (LCAs) and
17 Other Effective Area-Based Conservation Measures (OECMs) into the broader
18 network. This includes:

- 19
20 (a) ***Pathway to Protected Areas under NIPAS.*** Facilitating proposals for
21 LCAs, managed by LGUs or ICCs/IPs, to be incorporated into the
22 protected areas under NIPAS, providing technical and legal support.
23 (b) ***Legal Protection of Community Forests.*** Grant legal protection to
24 community-managed forests as buffer zones around core PAs,
25 recognizing their role in stopping encroachment and invasive species.

26
27 **Sec. 52. Unified Management and Monitoring Protocol.** The Authority
28 shall, in coordination with the DENR, the BMB, PAMBs, and other concerned
29 agencies, establish and maintain a unified management and monitoring
30 protocol for all areas within the SMPAN to promote standardized data
31 collection, interoperability, evidence-based decision-making, and coordinated
32 enforcement.

33
34 The Protocol shall include, but not be limited to, the following:

- 35
36 (a) The establishment of a Sierra Madre Integrated Environmental
37 Information System, which may include a Sierra Madre Digital Twin
38 or other appropriate geospatial and digital technologies, as a
39 centralized platform integrating available ecological, biodiversity,
40 climate, hydrological, carbon, land use, and environmental threat
41 data from protected areas and other conservation sites within the
42 Network;

- (b) The adoption and integration of existing and future government-approved biodiversity and protected area monitoring systems and technologies, including, where appropriate, the Spatial Monitoring and Reporting Tool (SMART), Protected Area Information System (PAIS), Biodiversity Monitoring System (BMS), ArcGIS, and other comparable platforms, to facilitate patrol planning, biodiversity monitoring, incident reporting, geospatial analysis, and information sharing among the Authority, DENR, PAMBs, law enforcement agencies, and other concerned stakeholders; and
- (c) The development of interoperable standards and protocols for data collection, validation, storage, analysis, and sharing to ensure transparency, synchronized monitoring and enforcement, and the effective management of ecological corridors and protected areas across the Sierra Madre Mountain Range;
- (d) **Ecosystem and Sector Accounts.** The integration of ecosystem extent, condition, service-supply, service-use, beneficiary, sector-dependency, economic-contribution, avoided-loss, degradation, and restoration accounts prepared in coordination with the PSA, the DENR, and other responsible agencies under Republic Act No. 11995;
- (e) **Sierra Madre Nature Credit Registry.** A publicly accessible registry of registered developers and projects, lawful tenure or rights-holder consent, baselines, approved methodologies, validation and verification reports, issued, transferred, and retired Sierra Madre Nature Credits, Covered Enterprises, Nature Credit Purchase Obligation assessments, Nature Credit Compliance Clearances, restoration orders, payments, benefit allocation, reversals, and enforcement actions;
- (f) **Integrity and Access.** Unique serial numbers, controls against double issuance and double claiming, independent registry audit, secure interoperability with relevant government systems, and lawful safeguards for personal data, sensitive ecological information, and Indigenous knowledge;
- (g) **Public Dashboard.** Watershed- and corridor-level disclosure of baselines, targets, ecological condition, service delivery, obligated demand, capital mobilized, restoration performance, and revenues allocated under tenurial and stewardship arrangements; and

1 (h) **Data Governance and Cybersecurity.** The Authority shall adopt
2 data-classification, access-control, retention, correction, breach-
3 notification, business-continuity, and cybersecurity rules
4 consistent with Republic Act No. 10173 and applicable government
5 security standards. Public disclosure shall not reveal personal data,
6 trade secrets, sensitive locations of threatened species, protected
7 Indigenous knowledge, or information whose release would create a
8 material enforcement or security risk. A person affected by an
9 enterprise or project record shall have a documented procedure to
10 seek correction without altering the audit trail.

11
12 These measures shall promote data-driven conservation, strengthen inter-
13 agency coordination, and prevent localized management gaps from
14 undermining the ecological integrity of the Sierra Madre Protected Area
15 Network.

16
17 **Article IX**
18 **Penal Provisions and Administrative Sanctions**
19

20 **Sec. 53. Violations of Unified Protocol.** Any person or entity found guilty of
21 violating the zoning or protection protocols established by this Act such a
22 illegal occupancy of strict zones and bypassing corridors, shall be liable for:

- 23
24 a. A restoration fine of ₱500,000 to ₱10,000,000 per violation, depending
25 on severity. In cases involving primary forests or critical habitats, the
26 maximum fine shall accrue daily until restoration begins.
27
28 b. Mandatory execution of an Authority-approved restoration plan to
29 achieve ecological equivalence in the damaged area, supervised by the
30 Authority and the relevant PAMB.
31

32 **Sec. 54. Liability of Public Officials.** Any public official or employee who
33 willfully fails to enforce the protocols required under this Act, including
34 ignoring monitoring data or approving illegal permits, commits gross neglect
35 of duty or grave misconduct, shall be liable in accordance with the following
36 procedures:
37

38 With respect to the Administrator, the Board may exercise disciplinary
39 authority, including removal for cause, upon a majority vote of the members
40 of the Board who actually took part in the investigation and deliberation,
41 consistent with Republic Act No. 10149 and subject to existing Civil Service
42 laws, rules and regulations.
43

1 With respect to other officials and employees of the Authority, disciplinary
2 proceedings shall be conducted in accordance with the Civil Service rules on
3 administrative cases.

4
5 **Sec. 55. Obstruction of Scientific Monitoring.** Any person who willfully
6 damages, tampers with, or obstructs forest monitoring equipment such as
7 satellite cameras, LiDAR stations, and telemetry collars, shall face one (1) to
8 three (3) years imprisonment and a ₱1,000,000 fine, plus civil liability for
9 replacing the equipment.

10
11 **Sec. 56. Strategic Lawsuits Against Public Participation (SLAPP).** Any
12 lawsuit filed with the intent to harass or intimidate persons enforcing this Act,
13 including environmental defenders and officials, shall be declared a SLAPP.
14 Such suits must be dismissed outright, and the defendant shall recover
15 double damages plus attorney's fees from the filer. This encourages public
16 participation and protects citizens' right to petition for environmental
17 protection.

18
19 **Sec. 57. Graduated Penalty Escalation Matrix.** In addition to specific
20 penalties provided in this Act and existing environmental laws, violations
21 shall be subject to a graduated penalty system based on (1) severity of
22 environmental damage, (2) scale of operation, (3) presence of aggravating
23 circumstances, and (4) repetition of offense:

24
25 **(a) Classification of Violations**

- 26 1. **Minor Violations** – procedural or first-time infractions with
27 minimal ecological impact;
28 2. **Major Violations** – activities causing measurable environmental
29 degradation such as forest clearing and pollution discharge;
30 3. **Grave Violations** – large-scale, organized, or irreversible damage
31 such as destruction of primary forest, critical habitats, or
32 watersheds.

33
34 **(b) Escalation of Penalties**

- 35 1. **First Offense:** Base penalty under this Act;
36 2. **Second Offense:** Fine increased by 100% and imprisonment
37 increased by one (1) to two (2) years;
38 3. **Third and Subsequent Offenses:** Fine increased by 200%,
39 maximum imprisonment imposed, and permanent disqualification
40 from engaging in any activity within the Sierra Madre.

41
42 **(c) Aggravating Circumstances, warranting maximum penalties**

- 43 1. Commission by a syndicate or corporation;

2. Involvement of public officials or abuse of authority;
3. Occurrence within Strict Protection Zones or critical habitats;
4. Use of heavy equipment or destructive technology; and
5. Obstruction of enforcement or destruction of evidence.

(d) Corporate Liability. Corporate officers who knowingly allowed or failed to prevent violations shall be held solidarily liable. Penalties include license revocation, blacklisting from government contracts, and forfeiture of assets used in the commission of the offense.

(e) Daily Accrual of Fines. For continuing violations, fines shall accrue daily until full cessation and commencement of restoration, as certified by the Authority.

Article X

Police and Enforcement Powers; Immunity and Indemnification

Sec. 58. Police and Enforcement Powers. In the exercise of its police and enforcement powers under this Act, the Authority shall coordinate with and may deputize or enlist, subject to existing laws, rules, and regulations, the Armed Forces of the Philippines (AFP), as frontliners in the performance of public safety, security, environmental protection, and law enforcement functions within the Sierra Madre Mountain Range.

The Authority may likewise request the assistance of the Philippine National Police (PNP), the National Bureau of Investigation (NBI), the Department of Environment and Natural Resources (DENR), local government units (LGUs), and other concerned government agencies, which shall, to the extent permitted by law, extend the necessary assistance in the implementation and enforcement of this Act.

Subject to existing budgeting, accounting, and auditing laws, rules, and regulations, a portion of the fees, charges, fines, and other revenues collected by the Authority, as may be determined by the Board, may be allocated to the AFP for the utilization of personnel and the acquisition, operation, and maintenance of equipment, assets, and other resources necessary for the effective enforcement of this Act within the Sierra Madre Mountain Range.

Consistent with the continuing protection, conservation, rehabilitation, management, and maintenance of the Sierra Madre Mountain Range, the AFP shall likewise coordinate with the PNP for the effective implementation and enforcement of this Act.

1 **Sec. 59. Protection from Personal Liability.** The members of the Board of
2 Directors, the Administrator, officers, and employees of the Authority,
3 including the AFP and PNP personnel assigned to exercise police and
4 enforcement powers under this Act, shall not be held personally liable for any
5 civil, criminal, or administrative action arising from any act performed or
6 omitted in the lawful exercise of their official duties and functions, unless
7 such act or omission is attended by willful misconduct, evident bad faith,
8 gross negligence, or is otherwise contrary to law.

9
10 **Sec. 60. Indemnification and Legal Assistance.** The Authority shall
11 indemnify the members of the Board of Directors, the Administrator, officers,
12 employees, and the AFP and PNP personnel assigned to exercise police and
13 enforcement powers under this Act against any liability, loss, claim, demand,
14 damage, deficiency, cost, or expense arising from the lawful performance of
15 their official duties and functions, unless such liability results from willful
16 misconduct, evident bad faith, gross negligence, or a willful violation of this
17 Act or other applicable laws.

18
19 The Authority shall provide legal representation or legal assistance and may
20 advance reasonable litigation costs and expenses, including attorney's fees
21 and other necessary legal expenses, subject to existing budgeting, accounting,
22 and auditing laws, rules, and regulations, to the members of the Board of
23 Directors, the Administrator, officers, employees, and the AFP and PNP
24 personnel assigned to exercise police and enforcement powers under this Act
25 in connection with any civil, criminal, administrative, or other action or
26 proceeding instituted against them by reason of, or in connection with, the
27 exercise of their powers or the performance of their duties under this Act.

28
29 The legal protection provided under this section shall not apply to any action
30 or proceeding initiated by the Authority against any member of the Board of
31 Directors, the Administrator, officer, employee, or assigned enforcement
32 personnel for acts committed in violation of this Act or other applicable laws.

33
34 Any member of the Board of Directors, the Administrator, officer, employee,
35 or assigned enforcement personnel who resigns, retires, transfers to another
36 government agency, or is otherwise separated from the service shall continue
37 to be entitled to the legal protection and indemnification provided under this
38 section with respect to acts or omissions performed in good faith during his
39 or her tenure with the Authority.

1 In the event of a settlement or compromise, indemnification shall be limited
2 to matters covered by such settlement or compromise upon the written advice
3 of legal counsel that the person seeking indemnification did not commit willful
4 misconduct, evident bad faith, or gross negligence.

5
6 The Authority may advance the costs and expenses incurred in defending any
7 action or proceeding upon receipt of a written undertaking by, or on behalf of,
8 the person concerned to reimburse the Authority should it be finally
9 determined by a court of competent jurisdiction or other competent authority
10 that such person is not entitled to indemnification under this Act.

11 12 **Article XI** 13 **Indigenous Peoples' Participation and Global Standards**

14
15 **Sec. 61. Recognition of Rights and Customary Governance.** The State
16 reaffirms full recognition of ICCs/IPs' rights over their Ancestral Domains
17 within the Sierra Madre.

18
19 Customary laws and practices of ICCs/IPs shall be respected and integrated
20 into management plans. Tribal communities may exercise their customary
21 governance and enforcement, provided they align with the objectives of this
22 Act and respect agreed conservation standards.

23
24 **Sec. 62. Co-Management and Self-Determination.** ICCs/IPs shall be
25 partners and co-managers of conservation in their territories. The Authority
26 shall formally recognize ICCAs as management zones, where indigenous
27 institutions lead conservation efforts with support from government agencies.
28 This co-management shall be consistent with IPRA, ensuring autonomy and
29 benefit-sharing.

30
31 **Sec. 63. Adoption of Global Conservation Standards.** The Authority shall
32 implement adaptive, landscape-level governance in accordance with
33 international best practices:

- 34 1. **Landscape-Level Governance.** Policies and management shall
35 transcend administrative boundaries, focusing on ecological units;
- 36 2. **Ridge-to-Reef (R2R) Management.** Emphasize hydrological linkages.
37 Upland forest protection shall be coordinated with coastal and fisheries
38 management, recognizing the Sierra Madre's role in watershed
39 regulation and marine ecosystem health;
- 40 3. **Adaptive Management.** The Authority shall periodically review policies
41 using the latest science like climate projections and biodiversity
42 assessments, and adjust strategies accordingly; and

4. ***Nature-Based Solutions (NbS)***. Priority shall be given to ecosystem-based adaptation and mitigation such as restoration to prevent floods and mangrove restoration for storm buffering. The Authority shall draw lessons from global examples where NbS have effectively enhanced resilience.

NbS investment shall be guided by the principle that natural infrastructure should be evaluated as a functional component of disaster-risk reduction and water-security infrastructure, and not merely as an environmental or conservation activity.

Article XII

Financing Mechanisms and Incentives

Sec. 64. Sierra Madre Fund. A special Sierra Madre Fund is created, managed by the Authority, solely to finance its statutory public-good and market-governance functions under this Act, including ecosystem accounting; preparation and review of the Sierra Madre Master Plan; scientific research and public data; methodology and safeguards development; operation and security of the Registry; independent audits; market-integrity supervision; monitoring and enforcement systems; public consultation; and training, standard tools, and general capacity support offered on equal terms to Indigenous Peoples, communities, lawful tenure holders, project developers, investors, and Covered Enterprises. Initial capitalization and sources include:

1. Annual appropriations from the national budget;
2. Ten percent (10%) of environmental charges or fees collected by LGUs within the Sierra Madre such as, but not limited to restoration fees and watershed charges;
3. Penalties, forfeitures, and restoration recoveries when lawfully assigned to the Fund;
4. Grants, donations, and technical-assistance funds from local and international agencies or partners, restricted to the non-project purposes stated in this section;
5. Net income of the Authority lawfully transferred after providing for approved operating costs and reserves; and
6. Other lawful non-project sources. Fees and the Market Administration Charge collected under Section 10 shall first be recorded as corporate operating revenue of the Authority and shall not automatically accrue to the Fund.

1 The Fund shall not originate, design, develop, construct, implement, own,
2 operate, manage, finance, invest in, underwrite, or guarantee a project eligible
3 or expected to seek registration, Sierra Madre Nature Credits, a Sierra Madre
4 Master Plan Conformity Certificate, or another Authority decision. It shall not
5 acquire an ownership, revenue, repayment, security, or credit interest in such
6 a project. A grant received by the Authority may be used for standards,
7 accounts, public data, Registry infrastructure, safeguards, training, or other
8 non-project functions authorized by this section. Project-specific grants or
9 investments shall be made directly by the donor or financier to an eligible
10 proponent, or administered by another legally competent and operationally
11 independent institution, and shall not pass through the Authority's project-
12 selection or credit-issuance functions.

13
14 Private payments for Sierra Madre Nature Credits shall be transmitted
15 through an approved settlement or escrow arrangement directly to the lawful
16 credit owner, registered developer, and other entitled parties in accordance
17 with the Registry and applicable tenurial instruments. Such payments shall
18 not accrue to the Fund except for an expressly disclosed fee or Market
19 Administration Charge authorized by Section 10.

20
21 No expenditure shall be released without an identified baseline, target,
22 responsible entity, delivery schedule, and verification method. All
23 expenditures from the Fund shall be audited and subject to transparency
24 rules, and all public funds shall remain subject to COA audit, government
25 accounting, procurement, and disclosure laws.

26
27 **Sec. 65. Sierra Madre Nature Credit System and Conservation Incentives.**

28 There is hereby established a compliance-enabled system through which
29 eligible protection, restoration, and long-term stewardship results within the
30 Sierra Madre Mountain Range are independently verified, issued as Sierra
31 Madre Nature Credits, purchased by Covered Enterprises, and retired to
32 satisfy Nature Credit Purchase Obligations.

33
34 Sierra Madre Nature Credits may represent independently verified ecological
35 and climate-resilience outcomes, including watershed protection, flood
36 attenuation, landslide-risk reduction, sediment retention, water-security
37 improvement, restoration of wetlands and riparian systems, ecological
38 restoration, avoided degradation, biodiversity conservation, ecological
39 connectivity, and qualifying Early Warning System services.

40 A Nature Credit representing a resilience outcome shall specify the
41 measurable outcome, geographic area or Ecosystem-Service Catchment,
42 baseline, methodology, duration, beneficiaries, monitoring requirements,
43 verification requirements, and applicable safeguards.

1
2 Resilience-related Nature Credits shall not be interchangeable with credits
3 representing a different ecosystem service unless an approved methodology
4 establishes equivalence for the same service flow, beneficiary group,
5 geographic area, and compliance purpose.
6

7 a. **Promotion Branding.** Private investors who finance Sierra Madre
8 conservation such as restoration projects, corridor restoration, and
9 sustainable agroforestry, shall be eligible for income tax credits of up to
10 50% of their investment. This is to encourage corporate stewardship of
11 the landscape.

12 b. **Ecosystem-Service Catchments and Covered Enterprises.** For each
13 material ecosystem service, the Authority shall delineate the
14 Ecosystem-Service Catchment and publish a map and beneficiary
15 schedule identifying the cities, municipalities, economic zones,
16 industrial estates, utility service areas, and other locations that receive
17 or depend on that service. The Authority shall use these maps to
18 identify the revenue-generating enterprises and locators that must
19 undergo a Covered Enterprise assessment. An enterprise shall be finally
20 designated as a Covered Enterprise only upon evidence that it receives
21 a material, measurable, and geographically traceable direct or indirect
22 economic benefit from, or that its revenue-producing operations are
23 materially dependent on, the specified service. During the initial
24 implementation period, Covered Enterprise assessments shall be
25 limited to water utilities and concessionaires; irrigation and
26 agribusiness enterprises; hydropower and other energy operators;
27 industrial estates and locators; tourism and real-estate enterprises;
28 transport and other infrastructure operators; and other businesses
29 whose revenues, assets, operations, or supply chains materially depend
30 on water regulation, sediment retention, flood and landslide
31 attenuation, climate regulation, biodiversity, connectivity, or related
32 services. Location within a mapped catchment shall establish
33 geographic eligibility for assessment but shall not, by itself, create a
34 Nature Credit Purchase Obligation. Households, subsistence users,
35 public schools and hospitals, non-revenue public services, and entities
36 below materiality thresholds shall not be Covered Enterprises solely
37 because they receive a general public benefit.

38 c. **Catchment and Sector-Dependency Assessment.** For each ecosystem
39 service, the Authority shall determine the source ecosystem, physical
40 service flow, geographic catchment, beneficiary class, materiality, and
41 economic consequence of impairment. The assessment shall consider:
42 (1) quantity and criticality of service use; (2) revenue, value added,
43 production, or assets demonstrably exposed; (3) additional operating or

1 treatment cost; (4) replacement or substitute infrastructure cost; (5)
2 risk-mitigation, insurance, and business-continuity cost; (6) avoided
3 losses and service interruptions; (7) causal and geographic connection
4 to the relevant ecosystem; and (8) enterprise size and capacity. The
5 Authority shall coordinate with the PSA, NAMRIA, DENR, DILG,
6 DHSUD, DTI, SEC, PEZA, and other economic-zone or sector
7 authorities, utilities, and affected LGUs, and shall publish the maps,
8 nonconfidential data, and methodology used. Monetary valuation shall
9 not replace physical accounts, ecological limits, or protection of
10 intrinsic and cultural values.

11 d. **Statutory Standards and Sector Rules.** A class may be covered only
12 upon a public finding, supported by substantial evidence, that: (1) its
13 revenue-producing activity has the nexus stated in subsection (b); (2)
14 the applicable ecosystem service and service area can be measured with
15 sufficient reliability; (3) the annual ecological outcome need is identified
16 in the Sierra Madre Master Plan; (4) the allocation method is
17 proportionate, administrable, and no more burdensome than
18 reasonably necessary to advance that need; and (5) equivalent
19 obligations under another national law are credited to prevent double
20 compliance. Before effectivity, a sector rule shall undergo the procedure
21 in Section 12 and obtain concurrence from the relevant sector regulator
22 and the DOF as to regulatory and distributional impacts.

23 e. **Annual Nature Credit Purchase Obligation.** The Sierra Madre Master
24 Plan shall state, separately for each ecosystem service, outcome class,
25 and Ecosystem-Service Catchment, the annual quantity of Sierra Madre
26 Nature Credits required to achieve watershed, corridor, and landscape
27 targets. Quantities from different services or catchments shall not be
28 combined into a single undifferentiated requirement. Each Covered
29 Enterprise's Nature Credit Purchase Obligation shall be the lesser of:
30 (1) its proportionate share of that approved need, calculated from
31 dependency weights and measured benefit or exposure; and (2) its
32 attributable share of the verified avoided-loss, replacement, treatment,
33 risk-mitigation, and business-continuity cost associated with
34 impairment of the relevant service over the compliance period, adjusted
35 for enterprise size, capacity, and applicable rate regulation. The
36 resulting obligation shall not exceed the enterprise's documented
37 annual Ecosystem-Service Dependency value for the relevant service,
38 that is, the amount that the enterprise would reasonably and efficiently
39 incur during the same period to replace, treat, secure, insure against,
40 or operate without the impaired service. This is the statutory maximum
41 and may not be increased by the Board or the implementing rules and
42 regulations. Congress may enact lower sector ceilings after considering
43 pilot, affordability, and fiscal evidence. The formula shall not be based

on gross revenue alone and shall state data sources, materiality thresholds, de minimis exclusions, sector weights, treatment of MSMEs, and correction for benefits already financed by the enterprise. Each enterprise shall receive a written assessment, access to supporting nonconfidential data, and an opportunity to correct data and seek independent administrative review.

f. **Regulatory Character; Separation of Purchase Proceeds and Authority Charges.**

A Nature Credit Purchase Obligation is a statutory conservation-performance obligation satisfied through the purchase and retirement of independently verified Sierra Madre Nature Credits rather than payment to the Authority. It is not an Authority fee, tax, permit to operate, or payment for permission to cause harm. The price of the credits shall pass through an approved escrow or settlement arrangement to entitled credit owners and project-delivery parties. Only the specific fee or Market Administration Charge authorized by Section 10 may be deducted or collected for the Authority, and it shall be separately shown in the transaction record. Any tax, special assessment, or cash collection for general public purposes shall require separate statutory authority.

g. **Consumer, Competition, and Affordability Safeguards.**

A regulated utility or concessionaire shall not automatically pass the obligation through to captive consumers. Any proposed rate recovery shall require approval by the competent sector regulator after proof of prudence, least-cost procurement, net ecosystem-service benefit, and protection of lifeline and basic-service users. The Authority and the Philippine Competition Commission shall monitor concentration, self-dealing, price manipulation, and barriers to participation by community and Indigenous projects.

h. **Eligible Nature Credits and Methodologies.**

Separate Sierra Madre Nature Credit classes may represent verified avoided degradation, improved ecosystem condition, watershed security, flood and landslide resilience, sediment retention, biodiversity, ecological connectivity, restoration, or carbon benefits. These classes are not interchangeable. A credit represents only the measured ecological outcome stated in its methodology and does not confer ownership of land, water, biodiversity, an ecosystem, sacred knowledge, or a cultural value. Every methodology shall specify the baseline, counterfactual, unit, project boundary, service class, eligible catchment, temporal matching, safeguards, additionality where applicable, durability, leakage, reversal, buffer or replacement mechanism, monitoring, uncertainty, and verification requirements, and shall undergo public consultation, independent scientific peer review, and periodic reassessment. A credit may satisfy an obligation only when its service class, catchment or

1 approved connected area, vintage, and durability match the
2 dependency on which the obligation was based. Cross-service
3 substitution is prohibited; geographic substitution may be allowed only
4 where an approved methodology demonstrates the same service flow
5 and beneficiaries. Credits shall be issued only after independent ex post
6 verification and recorded with unique serial numbers. An avoided-
7 degradation methodology shall use a conservative, independently
8 reviewed counterfactual, exclude protection already secured by an
9 adequately enforced legal duty unless the methodology proves a
10 financing gap material to performance, and discount uncertainty and
11 reversal risk.

12 i. **Project and Developer Eligibility.** Before registration, a project shall
13 demonstrate lawful tenure or a valid agreement with the lawful rights
14 holder; PAMB approval where required; NCIP certification and FPIC
15 where applicable; an approved methodology and baseline;
16 environmental and social safeguards; a grievance mechanism; a benefit
17 and revenue-allocation plan; and independent validation. The Authority
18 and the Sierra Madre Fund are ineligible to act as project proponent,
19 developer, investor, owner, or credit recipient. Registration shall not
20 confer title, extinguish existing rights, or authorize disclosure of
21 protected Indigenous knowledge. No unit shall be issued while a
22 required permit, consent, or safeguard obligation is suspended or
23 materially breached.

24 j. **Purchase and Retirement.** A Covered Enterprise shall satisfy its
25 Nature Credit Purchase Obligation by purchasing and retiring eligible
26 Sierra Madre Nature Credits through the Registry or an approved long-
27 term nature credit purchase agreement. Procurement shall be
28 competitive or demonstrably least-cost over the credit life, while
29 allowing duly justified local, Indigenous, community, and small-
30 developer participation measures. Forward commitments and milestone
31 finance may be used to mobilize capital, but a credit may be used for
32 compliance and final payment shall arise only upon verified delivery,
33 except for disclosed risk-sharing arrangements approved by the
34 Authority.

35 k. **Ownership and Revenue Allocation.** Initial ownership and
36 entitlement shall follow existing tenurial instruments, ancestral-
37 domain and customary rights, lawful stewardship agreements, and
38 contracts with registered developers. The Authority shall record, but
39 shall not unilaterally create or reallocate, proprietary rights. Indigenous
40 Peoples, communities, and tenure holders shall not be deprived of
41 rights or revenues without consent and, where applicable, FPIC. A
42 project affecting an ancestral domain or a community-managed area
43 shall have a community-approved benefit-sharing plan, adopted

1 through the community's recognized decision process, stating collective
2 and household benefits, project and verification costs, grievance
3 procedures, disclosure rules, and protections against unauthorized use
4 of Indigenous knowledge. Independent legal and technical assistance
5 shall be made available before approval. LGUs and PAMBs may receive
6 a share only for a documented lawful tenurial or stewardship
7 contribution disclosed in the Registry. The Authority and the Fund shall
8 receive no project or credit share; they may receive only the separately
9 disclosed fees and Market Administration Charge authorized by Section
10 10.

- 11 1. **No License to Harm.** Purchase or retirement shall not authorize
12 prohibited activity, replace an ECC or permit, excuse breach of an ECC
13 condition, or satisfy a proponent's duty to avoid, minimize, and restore
14 its own damage. Irreplaceable ecosystems, sacred and culturally
15 restricted areas identified through lawful processes, prohibited harm,
16 and legally required remediation are ineligible for compensatory offset
17 credits. Mandatory restoration may receive results-based finance but
18 shall be separately labelled and may not be used to compensate for
19 another entity's harm.

- 20 m. **Compliance Administration and Gatekeeper Agencies.** The
21 Authority shall have exclusive responsibility for identifying Covered
22 Enterprises, issuing annual Nature Credit Purchase Obligation
23 assessments, maintaining compliance accounts, validating credit
24 retirement, issuing Nature Credit Compliance Clearances, and
25 determining deficiencies. A Covered Enterprise shall obtain a Nature
26 Credit Compliance Clearance for each compliance period. LGUs,
27 economic-zone and locator authorities, concession-granting agencies,
28 and sector regulators designated by sector rule shall serve as
29 Compliance Gatekeeper Agencies and shall include the applicable
30 clearance among the documentary requirements for final issuance or
31 renewal of a business permit, locator registration, accreditation,
32 concession, operating authority, or incentive. The Gatekeeper Agency
33 shall confirm the clearance directly in the Registry before final action,
34 but shall not recalculate the Nature Credit Purchase Obligation or
35 determine whether a credit is valid.

- 36 n. **Authoritative Compliance Evidence.** A Nature Credit Purchase
37 Obligation shall be satisfied only when eligible, uniquely numbered
38 Sierra Madre Nature Credits have been independently verified, validly
39 acquired, and permanently retired against the Covered Enterprise's
40 compliance account. A receipt, private certification, screenshot, or
41 payment document not electronically confirmed by the Registry shall
42 not constitute compliance. The Authority shall issue a digitally signed
43 Nature Credit Compliance Clearance showing the enterprise identifier,

1 compliance period, final Nature Credit Purchase Obligation, retired
2 credit serial numbers, settlement reference, status, and validity period,
3 capable of direct verification through secure system interoperability or
4 a machine-readable code.

5 o. **Purchase and Settlement Channels.** Sierra Madre Nature Credits
6 may be purchased through an approved auction, marketplace, or
7 exchange; a registered bilateral or long-term nature credit purchase
8 agreement; or an approved pooled-purchase or aggregation facility.
9 Payment shall be settled through an accredited bank, payment service
10 provider, trust, or escrow arrangement interoperable with the Registry.
11 Upon irrevocable settlement and retirement, the transaction record
12 shall separately state the credit price, taxes, third-party service charges,
13 and the Authority's applicable fee or Market Administration Charge. The
14 credit price shall be distributed directly to the persons entitled under
15 the registered ownership and revenue-allocation record; only the
16 expressly authorized Authority charge shall be remitted as corporate
17 operating revenue. Direct payment unsupported by Registry-confirmed
18 settlement and credit retirement shall not satisfy a Nature Credit
19 Purchase Obligation.

20 p. **Permit Integration and Due Process.** No final adverse permit or
21 operating-authority action shall be taken solely on the basis of an
22 assessment subject to a timely correction request, motion for
23 reconsideration, or administrative appeal. The Authority may issue a
24 conditional clearance for an approved compliance plan or where
25 immediate interruption would materially endanger an essential public
26 service. Only a final, material, and uncured deficiency may trigger a
27 Gatekeeper Agency's withholding of renewal or other proportionate
28 action within its lawful mandate. Essential services and captive
29 consumers shall be protected from abrupt interruption and
30 unauthorized cost pass-through.

31 q. **Noncompliance.** Failure to purchase and retire a final assessed
32 requirement shall result only in the administrative sanctions expressly
33 stated in Section 73, imposed after notice and hearing, without
34 prejudice to collection and judicial remedies. The implementing rules
35 and regulations may prescribe procedure but shall not create a new
36 offense, penalty, disqualification, or forfeiture.

37
38 **Sec. 66. Enterprise Obligation.** In determining a Covered Enterprise's
39 Nature Credit Purchase Obligation for resilience-related ecosystem services,
40 the Authority shall consider, as applicable:

41
42 (a) hydrological or ecosystem-service dependency;

- (b) land footprint and its effect on runoff, infiltration, erosion, or ecological connectivity;
- (c) economic and asset exposure to climate and ecosystem-service disruption;
- (d) location within a High-Value Resilience Zone or other identified risk area;
- (e) the enterprise's demonstrated contribution to or mitigation of the relevant ecological risk;
- (f) the enterprise's size, capacity, and ability to comply; and
- (g) benefits or resilience investments already financed or undertaken by the enterprise.

The methodology shall be transparent, evidence-based, proportionate, and subject to public consultation and independent review.

Sec. 67. Compliance Pathways. A Covered Enterprise may satisfy its Nature Credit Purchase Obligation through:

- (a) Purchase and retirement of eligible Sierra Madre Nature Credits;
- (b) Direct investment in an approved Nature-Based Solution or ecosystem restoration project that satisfies an approved methodology and is independently verified;
- (c) Participation in a joint or pooled resilience investment with other Covered Enterprises, LGUs, lawful rights holders, Indigenous Peoples, communities, or qualified project developers; or
- (d) Investment in a qualifying Early Warning System or other digital resilience intervention capable of generating verified Nature Credits.

No direct investment shall constitute compliance unless the resulting ecological or resilience outcome has been independently verified and the corresponding Nature Credit has been validly issued and retired through the Registry.

Sec. 68. Qualifying Early Warning System Nature Credits. The Authority may establish methodologies for issuing Sierra Madre Nature Credits for qualifying Early Warning Systems that produce measurable and independently verified resilience benefits.

The methodology shall consider, among others:

- (a) capital and operating investment;
- (b) geographic coverage;
- (c) population and critical infrastructure protected;
- (d) hazard type and severity;
- (e) warning lead time;
- (f) system reliability and availability;

- (g) interoperability with government disaster-risk and early-warning systems; and
- (h) demonstrated avoided-loss or resilience benefit.

No credit shall be issued solely on the basis of installation or expenditure. Credits shall be based on verified performance and measurable resilience outcomes.

Sec. 69. Audit and Accountability of the Sierra Madre Fund. All funds of the Sierra Madre Fund shall be subject to strict auditing and accountability measures:

- a. The Commission on Audit (COA) shall conduct annual audits of the Fund, including all receipts, disbursements, and financial transactions;
- b. The Authority shall submit an annual financial and performance report to the President and Congress, which shall be made publicly accessible;
- c. All expenditures shall comply with government accounting and auditing rules, and shall be subject to transparency mechanisms, including publication on an official website; and
- d. Any misuse, diversion, or irregularity in the use of funds shall constitute a criminal offense punishable under this Act and other applicable laws.

Sec. 70. Nature Credit Assurance and Market Integrity Audit.

- (a) Independent validators and verifiers accredited by a competent national accreditation body, or recognized under transparent criteria consistent with applicable international conformity-assessment standards, shall determine whether registered projects and reported outcomes satisfy the approved baselines, methodologies, safeguards, additionality requirements where applicable, durability, and monitoring requirements. A validator shall not verify the same project. A verifier shall not provide project design, brokerage, or financing services to the project it audits. Personnel rotation, disclosure, and cooling-off rules shall apply.
- (b) An independent Registry and market-integrity audit, procured without participation by the office or personnel being audited, shall be conducted annually to test project eligibility, serial-number controls, credit issuance, ownership, transfers, purchases, retirement, reversals, restoration compliance, revenue allocation, cybersecurity, and double-counting risks. The audit provider shall

1 submit the same report simultaneously to the Board's Market
2 Integrity and Audit Committee, the congressional Oversight
3 Committee, and the COA for information or action within their
4 respective mandates.

5
6 (c) The Authority shall publish an annual ecological-performance and
7 market-integrity report containing material assurance and audit
8 findings, corrective actions, suspended or cancelled credits,
9 sanctions, and the status of unresolved deficiencies. Sensitive
10 ecological, personal, and Indigenous information shall be protected
11 as provided by law.

12
13 (d) Evidence of fraudulent credit issuance or verification, double
14 claiming, false reporting, evasion of a Nature Credit Purchase
15 Obligation, or diversion of nature-credit revenues shall be referred for
16 the cancellation, restitution, disqualification, administrative
17 sanction, or prosecution authorized by this Act and other applicable
18 laws.

19
20 **Sec. 71. Climate Finance Integration and International Funding**
21 **Alignment.** The Authority shall actively pursue and integrate climate finance
22 mechanisms to support conservation and resilience programs in the Sierra
23 Madre.

24
25 For this purpose:

26
27 a. The Authority is hereby authorized to access, receive, and
28 administer grants or technical assistance from international
29 climate finance institutions, including but not limited to the Green
30 Climate Fund (GCF), Global Environment Facility (GEF),
31 Adaptation Fund, and other multilateral or bilateral sources, only
32 for the Sierra Madre Master Plan, ecosystem accounts, scientific
33 research, methodologies, safeguards, public data, the Registry and
34 information systems, market-integrity functions, training, and
35 other non-project institutional purposes authorized by Sections 5
36 and 64. The Authority shall not use such funds to originate,
37 develop, finance, invest in, own, construct, implement, operate, or
38 guarantee a project that may seek a decision or Sierra Madre
39 Nature Credits from the Authority;

- b. The Authority shall publish priority ecological and resilience outcomes, standard project requirements, public data, model agreements, and information on available climate-finance facilities. Independent project proponents, lawful rights holders, investors, LGUs, and competent implementing agencies may prepare and submit bankable programs directly to donors and financiers, aligned with nationally determined contributions (NDCs), climate adaptation priorities, and nature-based solutions frameworks. The Authority may provide neutral orientation and interagency coordination under Section 17, but shall not prepare, endorse, negotiate, or arrange finance for a particular program;
- c. All climate finance initiatives shall ensure transparency, accountability, and equitable benefit-sharing with local communities and Indigenous Peoples; and
- d. The Authority shall coordinate with the Climate Change Commission, Department of Finance, and other relevant agencies to ensure compliance with national climate finance policies and international obligations.
- e. All climate-finance and carbon-related programs within the coverage of this Act shall be recorded in or interoperable with the Sierra Madre Nature Credit Registry and shall disclose baselines, ownership, corresponding adjustments where applicable, transfers, retirement, and benefit allocation to prevent double issuance, double use, and double claiming;
- f. Climate finance shall not displace a statutory Nature Credit Purchase Obligation unless the same Sierra Madre Nature Credit is lawfully purchased and retired for that obligation. Grants or concessional finance may reduce project cost but shall not extinguish the rights of lawful tenure holders or ecosystem stewards;
- g. Projects affecting ancestral domains or protected areas shall remain subject to the IPRA, FPIC, E-NIPAS, PAMB approval, and other applicable safeguards; and
- h. The Authority shall promote, in accordance with applicable laws, the use of blended finance and revenue-layering structures for eligible Sierra Madre conservation and resilience projects.
- Such structures may combine, as appropriate:
- (1) public appropriations and catalytic grants;
 - (2) concessional or patient capital;
 - (3) Nature Credit revenues;
 - (4) carbon or other environmental-market revenues;

- (5) sustainable agroforestry and nature-positive livelihood revenues;
- (6) grants and official development assistance;
- (7) green bonds and other sustainable-finance instruments; and
- (8) private equity or commercial investment.

The Authority shall publish model financing structures and standards for eligible projects but shall not act as project developer, investment adviser, broker, or financier of projects seeking registration or Nature Credits under this Act.

Article XIII

Prohibited Acts and Enforcement

Sec. 72. Prohibited Acts. In addition to the acts prohibited under existing environmental and natural resources laws, the following acts are likewise prohibited within the Sierra Madre Mountain Range:

1. **Unauthorized Land Conversion.** The conversion of forest lands to agricultural or other non-forest uses without the required authority under existing laws and, where applicable, without first securing a Sierra Madre Master Plan Conformity Certificate;
2. **Destructive Extractive Activities.** The conduct of mining or commercial or non-commercial quarrying in a manner that causes significant or irreversible environmental damage, including, but not limited to, the destruction of old-growth forests, critical habitats, or watersheds, and the pollution or contamination of rivers and other water bodies;
3. **Introduction of Invasive Species.** The deliberate introduction, release, or propagation of non-native or invasive species of flora or fauna that harm native species, biodiversity, or ecosystem integrity;

1 4. **Unauthorized Commencement of Covered Works.** Beginning,
2 financing, directing, or causing site clearing, tree cutting, grading,
3 excavation, road opening, land development, construction,
4 installation, expansion, or other physical works for a covered project
5 before obtaining a valid Sierra Madre Master Plan Conformity
6 Certificate or other Authority document expressly required by this Act,
7 together with the ECC, PAMB approval, FPIC, tenure instrument, LGU
8 permit, or sector authorization otherwise required by law. A permit
9 issued by one institution shall not excuse the failure to obtain a
10 separate certification, approval, or consent required by this Act or
11 another law;

12
13 5. **Continuation after Notice or Order.** Continuing covered works after
14 receipt of a lawful stop-work, cease-and-desist, suspension, or
15 restoration order issued by the Authority, the DENR, a PAMB, an LGU,
16 a court, or another competent body, or removing an official seal or
17 obstruction placed to enforce that order; and

18
19 6. **False Compliance Evidence.** Knowingly submitting, using, altering,
20 or causing the submission or use of a false Sierra Madre Master Plan
21 Conformity Certificate, Nature Credit Compliance Clearance, registry
22 record, electronic confirmation record, or other Authority document to
23 obtain a permit, financing, procurement award, disbursement, or
24 authority to proceed.

25
26 Emergency works strictly necessary to prevent an imminent threat to life or
27 serious damage to essential public infrastructure shall not constitute an
28 offense if the proponent gives notice to the Authority and the competent
29 permitting agencies within twenty-four (24) hours, limits the work to the
30 emergency, and submits to post-action review, restoration, and all other
31 requirements of law.

32 33 **Sec. 73. Penalties.**

34 (a) **Administrative Compliance Violations.** Failure to file a required
35 report, maintain an accurate account, timely purchase and retire a
36 final assessed requirement, or comply with a procedural or Registry
37 duty, without fraud or material ecological harm, shall be subject only
38 to the administrative sanctions expressly provided in this Section after
39 notice and hearing.

- 1 (b) **False Documents and Market Fraud.** A person who knowingly
2 falsifies or alters an Authority certificate, compliance clearance,
3 Registry record, verification report, or settlement confirmation;
4 intentionally causes double issuance or double claiming; manipulates
5 the Registry; or diverts credit revenues shall, upon conviction, be
6 punished by imprisonment of two (2) years and one (1) day to six (6)
7 years and a fine of not less than Five Hundred Thousand Pesos
8 (₱500,000.00) nor more than Ten Million Pesos (₱10,000,000.00), or
9 three (3) times the economic benefit obtained, whichever is higher,
10 without prejudice to prosecution under another law carrying a higher
11 penalty.
12
- 13 (c) **Unauthorized Works Causing Material Ecological Harm.** Violators
14 of Sec. 72 on prohibited acts who willfully begin or continue works
15 without the required Authority document and other approvals, and
16 thereby cause material ecological harm, shall, upon conviction, be
17 punished by imprisonment of six (6) years and one (1) day to twelve
18 (12) years and fines of ₱1,000,000 to ₱50,000,000, depending on the
19 harm caused. The highest range shall apply only where the act affects
20 an irreplaceable ecosystem, causes serious or irreversible harm,
21 continues after a lawful stop-work order, or forms part of repeated or
22 organized unlawful conduct. In addition, corporate offenders may have
23 their business permits revoked by the issuing agency or a competent
24 court, and their assets restrained only upon judicial order or express
25 statutory authority, to cover rehabilitation costs. These penalties are
26 in addition to other penalties under existing environmental laws.
- 27 (d) **Responsible Officers.** Where the offender is a juridical entity, criminal
28 liability shall attach only to an officer or employee who authorized,
29 directed, knowingly participated in, or knowingly failed to prevent the
30 offense despite a legal duty and actual capacity to do so. The court
31 may order restitution, restoration, and forfeiture as authorized by law.

1 (e) **Unauthorized Commencement of Covered Works.** Without
2 prejudice to criminal prosecution and penalties under another law, a
3 private person or juridical entity that violates Sec. 72 (4) shall, after
4 notice and hearing, be subject to: (1) an immediate stop-work or cease-
5 and-desist order; (2) an administrative fine of not less than One
6 Hundred Thousand Pesos (₱100,000.00) nor more than Five Million
7 Pesos (₱5,000,000.00), or three (3) times the documented economic
8 benefit or compliance cost avoided, whichever is higher, plus not less
9 than Fifty Thousand Pesos (₱50,000.00) nor more than Two Hundred
10 Thousand Pesos (₱200,000.00) for each day the work continues after
11 a lawful notice or order; (3) restoration of the affected ecosystem at full
12 cost; (4) payment of interim public loss until verified recovery; and (5)
13 forfeiture of the economic benefit obtained or compliance cost avoided,
14 as determined by a court or other authority expressly empowered by
15 law. In fixing the administrative fine within the statutory range, the
16 Authority shall consider the assessed ecological loss and interim
17 public loss, area and ecological condition affected, sensitivity and
18 irreplaceability, duration and reversibility of harm, economic benefit
19 or avoided compliance cost, concealment, prior violations,
20 cooperation, and timely restoration. The fine shall punish the violation
21 and shall not replace restoration, compensation, or liability under
22 another law.

23
24 (f) **Assessment of Ecological Loss and Interim Public Loss.** The
25 Authority shall determine ecological loss and interim public loss
26 through published methodologies consistent with Republic Act No.
27 11995, official physical ecosystem accounts, and applicable DENR
28 standards. The assessment shall identify the pre-impact baseline;
29 extent and condition lost; affected ecosystem services and
30 beneficiaries; full cost of site stabilization, rehabilitation, restoration,
31 monitoring, and independent verification; reasonable replacement,
32 treatment, disaster-risk, infrastructure-protection, and public-service
33 costs; the period to verified recovery; uncertainty; and any irreversible
34 loss. Monetary valuation shall support restoration and compensation
35 but shall not make prohibited or irreplaceable harm permissible. The
36 responsible person may contest the assessment through the procedure
37 in subsection (k), and no item may be recovered twice under this Act
38 or another law.

- 1 (g) **Nature Credit Purchase Deficiency.** After a final assessment and
2 notice and hearing, a Covered Enterprise that fails without lawful
3 excuse to satisfy its Nature Credit Purchase Obligation shall pay the
4 unpaid deficiency value, interest at the legal rate applicable to
5 forbearance of money under the Civil Code and applicable Bangko
6 Sentral ng Pilipinas issuances, and an administrative penalty not
7 exceeding twenty-five percent (25%) of the deficiency value, taking into
8 account gravity, duration, prior violations, good-faith correction, and
9 capacity. The Authority may require a compliance plan and may
10 recommend suspension from a benefit or procurement program only
11 where the governing law of that program authorizes it.
- 12 (h) **Market and Registry Violations.** Fraudulent credit issuance or
13 verification; intentional double claiming; falsification or alteration of a
14 Nature Credit Compliance Clearance, settlement confirmation, or
15 registry record; submission of fabricated transaction evidence; use of
16 a cancelled or previously retired nature credit; unauthorized registry
17 access or manipulation; undisclosed self-dealing; diversion of nature
18 credit revenues; or material violation of safeguards may result, after
19 notice and hearing, in cancellation or suspension of registration or
20 recognition, cancellation of invalid credits, restitution, disqualification
21 for a period not exceeding five (5) years, and an administrative fine of
22 not less than One Hundred Thousand Pesos (₱100,000.00) nor more
23 than Five Million Pesos (₱5,000,000.00), or three (3) times the
24 economic benefit obtained, whichever is higher. Criminal conduct
25 shall be referred to the Department of Justice or other competent body.
26
- 27 (i) **Restoration Nonperformance.** Failure to comply with a final
28 restoration order may result in drawing on performance security,
29 third-party performance at the responsible person's cost, recovery of
30 full restoration cost and interim public loss, and an administrative fine
31 of not less than Fifty Thousand Pesos (₱50,000.00) nor more than Five
32 Hundred Thousand Pesos (₱500,000.00) for each day of unjustified
33 delay after the final compliance deadline. The total fine shall not
34 exceed three (3) times the assessed full restoration cost and interim
35 public loss. Payment shall not extinguish the duty to restore.

1 (j) **Disposition and Use of Collections.** Administrative fines imposed
2 and collected by the Authority under this Act shall accrue to a
3 restricted Enforcement, Restoration and Monitoring Account within
4 the Sierra Madre Fund. Amounts recovered as restoration cost or
5 interim public loss shall be separately accounted for and transferred
6 or disbursed, as authorized by law, to the competent public body,
7 lawful rights holder, or independently procured restoration provider
8 responsible for restoring and monitoring the affected area and service
9 flows, or to reimburse verified response or replacement costs. The
10 Authority shall assess, order, monitor, and verify restoration but shall
11 not act as project developer or acquire credits or project revenue from
12 the remedial work. Collections that another law requires to accrue to
13 the Integrated Protected Area Fund, a Protected Area Retained Income
14 Account, or another dedicated public fund shall be remitted to that
15 fund and shall not be diverted to the Sierra Madre Fund. The account
16 may also finance inspections, scientific assessment, enforcement
17 systems, and independent verification. It shall not be used for
18 bonuses, performance incentives, or an enforcement quota, and
19 projected fines shall not be treated as a regular operating-revenue
20 target. Criminal fines, forfeitures, and court-awarded damages shall
21 be disposed of as the court directs and as provided by this Act and
22 other applicable laws. All receipts and disbursements shall be subject
23 to budgeting, accounting, COA audit, and public-disclosure
24 requirements.

25 (k) **Procedure and Review.** No final administrative sanction shall be
26 imposed without written notice of the charge, access to the
27 nonconfidential record, reasonable opportunity to submit evidence
28 and be heard, a decision by an impartial officer supported by
29 substantial evidence, and written findings on liability and sanction.
30 Where ongoing work presents an imminent threat of serious or
31 irreversible harm, the Authority may issue an interim stop-work order
32 effective immediately, provided that it gives the affected party a prompt
33 opportunity to be heard and resolves whether to continue, modify, or
34 lift the order within the period fixed by law or the IRR. Review shall lie
35 with the Administrative Review Panel, without prejudice to judicial
36 review. The IRR may prescribe procedure and penalty-adjustment
37 rules but shall not create a new offense or sanction.
38

- 1 (l) **Coordination of Restoration and Recovery.** Where the same injury
2 is subject to an ECC condition, a DENR or PAMB restoration order,
3 LGU action, or an Authority proceeding, the institutions shall
4 designate a lead agency and, where practicable, issue a joint or
5 coordinated restoration directive. Performance accepted for the same
6 ecological injury shall be credited across orders, and no person shall
7 pay or restore twice for the same item of injury. The arrangement shall
8 preserve any stricter lawful requirement and each institution's
9 enforcement jurisdiction.

10
11 **Article XIV**
12 **Transitory Provisions**
13

14 **Sec. 74. DENR Coordination and Functional Delineation.** Consistent with
15 Section 13 of this Act:

- 16 a. The DENR shall retain exclusive authority over environmental
17 permitting systems, including ECCs; and
18 b. The Authority shall adopt and apply the Sierra Madre Master Plan,
19 issue Sierra Madre Master Plan Conformity Certificates, and provide
20 the DENR or the EMB with the applicable official maps, ecological
21 limits, management zones, corridor and catchment data, carrying-
22 capacity information, and adopted scientific standards. The
23 Authority shall exercise coordination and scientific evaluation
24 functions complementary to DENR processes, but shall not conduct
25 a separate environmental impact assessment, issue an Ecological
26 Impact Clearance, or determine whether a project is
27 environmentally acceptable under the Philippine EIS System.
28 c. The proponent of a project covered by this Act shall obtain a Sierra
29 Madre Master Plan Conformity Certificate from the Authority as an
30 additional requirement for final action on its ECC application. The
31 EMB may accept and evaluate the ECC application concurrently
32 with the Authority's review, but the DENR or the EMB shall require
33 the certificate and shall not issue or amend the final ECC, or take
34 another final favorable action under the Philippine EIS System, until
35 the Authority has transmitted the certificate and the DENR or the
36 EMB has electronically confirmed that it is valid and current.
37 d. The Sierra Madre Master Plan Conformity Certificate and its
38 supporting written findings shall state the project and proponent
39 identifiers, proposed location, land use, and development footprint;
40 applicable management zone, ecological limits, no-go areas,
41 corridors, catchment protections, permitted and prohibited uses,
42 and development standards; conformity finding; validity period; and
43 electronic confirmation reference. They shall be transmitted directly

1 through an interoperable government system and shall form part of
2 the ECC administrative record.

- 3 e. The Sierra Madre Master Plan Conformity Certificate shall be an
4 additional statutory prerequisite, not an ECC or substitute permit.
5 The DENR shall independently exercise its authority under the
6 Philippine EIS System and may impose stricter conditions, require
7 further study, deny the ECC, or enforce environmental law. A valid
8 certificate shall not compel ECC approval.
- 9 f. A Sierra Madre Master Plan Conformity Certificate shall not replace
10 an ECC, PAMB approval, NCIP certification, FPIC, local permit, or
11 other approval required by law. When standards overlap, the more
12 protective applicable ecological requirement shall govern, without
13 diminishing Indigenous Peoples' rights, lawful tenure, due process,
14 or compensation required by law.
- 15 g. The DENR, the Authority, and other agencies shall establish
16 interoperable review, monitoring, and enforcement procedures,
17 including shared data, joint inspections, restoration tracking, and
18 referral of violations. The Authority may recommend suspension or
19 cancellation, but the issuing agency shall exercise the
20 corresponding statutory power and state its action in writing.

21
22 **Sec. 75. Initial Organizational Setup and Phased Implementation.** Within
23 one hundred eighty (180) days from effectivity, the Board shall approve the
24 initial organizational structure, staffing pattern, and interim operational
25 guidelines of the Authority.

26
27 Implementation shall thereafter proceed in stages:
28

- 29 a. Within one hundred eighty (180) days, appointment of the Board and
30 the Administrator, approval of the organization and staffing pattern,
31 adoption of conflict-of-interest and administrative-procedure rules,
32 and execution of initial protocols with the DENR, PSA, NCIP, DILG,
33 DHSUD, DOF, DBM, and GCG;
- 34 b. Within twelve (12) months, publication of the initial ecological
35 baseline, official-data plan, beneficiary and sector-dependency
36 assessment framework, draft methodologies, safeguards, registry
37 architecture, and pilot landscape selection; and
- 38 c. Within eighteen (18) months, operation of independently evaluated
39 voluntary or publicly procured pilots in at least three (3) distinct
40 Ecosystem-Service Catchments, including at least one protected-area
41 or ancestral-domain setting and more than one outcome class,
42 covering registration, validation, verification, issuance, settlement,
43 retirement, benefit allocation, reversal, and grievance procedures.

1
2 No mandatory Nature Credit Purchase Obligation shall take effect until:

- 3
4 (1) The applicable ecosystem-service and sector-dependency accounts
5 are sufficiently reliable;
6 (2) The Sierra Madre Master Plan identifies a quantified annual nature
7 credit need;
8 (3) At least two (2) qualified independent verification providers and a
9 functioning Sierra Madre Nature Credit Registry are available;
10 (4) Applicable PAMB, IPRA, FPIC, tenure, safeguards, grievance,
11 review, and consumer-protection procedures are operational;
12 (5) Adequate eligible credit supply and competition exist to avoid
13 artificial scarcity;
14 (6) Accredited settlement arrangements and secure interoperability
15 with designated Compliance Gatekeeper Agencies are operational;
16 and
17 (7) An independent readiness review, public consultation, and the
18 concurrence required by Section 65 have been completed. The
19 Authority shall publish the evidence and a reasoned readiness
20 determination for each sector and service area.

21
22 Existing projects, permits, tenures, and contracts shall be mapped during
23 transition. New rules shall apply prospectively and upon material
24 amendment, renewal, or extension, without prejudice to existing
25 environmental duties, prohibited acts, emergency powers, and voluntarily
26 assumed nature-credit obligations.

27
28 A compulsory sector shall not commence merely because a statutory deadline
29 has elapsed. If any readiness condition is not met, the Authority shall publish
30 the deficiency, corrective program, cost, and revised review date. The
31 independent readiness review shall include constitutional and fiscal
32 characterization, sector affordability, supply concentration, verifier capacity,
33 data protection, system security, and the demonstrated ability of gatekeeper
34 agencies to prevent interruption of essential services.

Article XV
Congressional Oversight

Sec. 76. Congressional Oversight Committee on the Sierra Madre. There is hereby created a Joint Congressional Oversight Committee to monitor and evaluate the implementation of this Act.

The Committee shall be composed of the Chairpersons of the Committees on Government Corporations and Public Enterprises of the Senate of the Philippines and the Committee on Government Enterprises and Privatization of the House of Representatives; and Three (3) Members each legislative chamber, designated by their respective leaderships.

The Committee shall have the following powers and functions:

- a. Review the implementation of this Act and assess policy effectiveness;
- b. Conduct periodic hearings and require the submission of reports from the Authority and relevant agencies;
- c. Recommend remedial legislation or policy adjustments; and
- d. Ensure that funds appropriated under this Act are used efficiently and in accordance with law.

The Authority shall submit an annual report to the Oversight Committee detailing accomplishments, financial status, enforcement outcomes, and ecological indicators, and containing:

- (a) Ecosystem-account baselines and changes;
- (b) The status of binding ecological limits, zoning, and Sierra Madre Master Plan Conformity Certificates;
- (c) Covered sectors and Covered Enterprises, assessed Nature Credit Purchase Obligations, credit purchases, retirements, and deficiencies;
- (d) Registered projects, issued Sierra Madre Nature Credits, reversals, and market-integrity findings;
- (e) Ecological loss, restoration orders, third-party delivery, and self-restoration performance;
- (f) Public and private capital mobilized;
- (g) Nature credit revenues allocated by tenurial instrument, rights holder, developer, LGU, PAMB, and Fund;
- (h) Enforcement and sanctions; and (i) progress against five-, ten-, and twenty-five-year ecological, resilience, and stewardship-income targets.

Sec. 77. Congressional Reporting Requirement. The Authority shall also submit a quarterly progress report to Congress, through the said Committees stated in the preceding section. Within thirty (30) days after each quarter, the Authority shall submit and publish in machine-readable form a dashboard showing:

- a. Sierra Madre Master Plan Conformity Certificates, conditions, and denials;
- b. Changes in ecosystem condition and priority threats;
- c. Covered Enterprise assessments and Nature Credit Compliance Clearances;
- d. Registered projects and issued and retired Sierra Madre Nature Credits;
- e. Restoration obligations and delivery status;
- f. Public and private financing;
- g. Payments and tenure-based allocation;
- h. Enforcement actions;
- i. Complaints;
- j. Reversals; and
- k. corrective measures.

Personal data, sensitive ecological information, and protected Indigenous knowledge shall be withheld or aggregated as required by law.

Article XVI

Final Provisions

Sec. 78. Performance Evaluation and Disclosure. The Authority shall be subject to the Performance Evaluation System, including the Performance Scorecard, established by the Governance Commission for Government-Owned or -Controlled Corporations, and to the periodic evaluation and reportorial requirements under Republic Act No. 10149.

The Authority's Performance Scorecard shall include, with appropriate targets and weights:

- (a) Avoided degradation and reduced illegal conversion;
- (b) Improved ecosystem extent and condition;
- (c) Restored watersheds and ecological connectivity;
- (d) Reduced water, flood, landslide, and climate risk;
- (e) Verified ecosystem-service delivery;
- (f) Timely and legally sufficient Sierra Madre Master Plan Conformity Certificates;
- (g) Compliance by Covered Enterprises;

- 1 (h) Private capital mobilized and cost per Sierra Madre Nature Credit;
- 2 (i) Restoration-order performance and recovery of environmental cost;
- 3 (j) Revenues received by Indigenous Peoples, communities, and lawful
- 4 tenure holders; and
- 5 (k) Market-integrity and public-disclosure performance.

6 The Authority shall likewise comply with the full-disclosure requirements of
7 Republic Act No. 10149 by maintaining a website for the unrestricted public
8 posting of the information enumerated therein. These requirements shall be
9 in addition to, and shall be read in harmony with, the reporting, audit, and
10 oversight provisions of this Act. The GCG, in consultation with the DENR, the
11 PSA, the Authority, and independent scientific experts, shall ensure that
12 ecological and market-integrity indicators are measurable, independently
13 verifiable, and not satisfied solely by expenditure, meetings, reports, or
14 enforcement activity.

15
16 **Sec. 79. Periodic Congressional Review.** This Act shall be subject to a
17 comprehensive review by Congress every five (5) years from its effectivity,
18 based on independently verified evidence, to assess its effectiveness, impact
19 on biodiversity conservation, climate resilience, and governance efficiency.

20
21 The review shall determine whether:

- 22 (a) The Sierra Madre Master Plan and Sierra Madre Master Plan Conformity
- 23 Certificates control covered decisions;
- 24 (b) Ecological limits and conflict rules are applied consistently by agencies,
- 25 LGUs, PAMBs, and other institutions;
- 26 (c) Ecosystem accounts identify service flows, beneficiaries, economic
- 27 contribution, and public costs;
- 28 (d) Statutory Nature Credit Purchase Obligations create predictable
- 29 demand and mobilize private capital;
- 30 (e) Protection, restoration, and stewardship have become financially and
- 31 economically more competitive with conversion and extraction;
- 32 (f) Obligated buyers comply without disproportionate burdens or evasion;
- 33 (g) Actual damage is restored and environmental costs are recovered;
- 34 (h) Outcomes are real, additional where required, durable, and free from
- 35 double counting;
- 36 (i) Revenues follow tenurial instruments, customary rights, and verified
- 37 stewardship; and
- 38 (j) Biodiversity, connectivity, water security, climate resilience, and
- 39 disaster-risk indicators improve against the baseline. The Authority
- 40 shall commission an independent evaluation at least six (6) months
- 41 before each review.
- 42

1 Based on such review, Congress may amend, strengthen, or repeal provisions
2 of this Act as necessary to respond to emerging environmental challenges and
3 scientific developments, and may phase any mechanism on the basis of the
4 evidence: **Provided,** That accrued rights, outstanding restoration liability,
5 and the retirement of issued Sierra Madre Nature Credits shall be protected.
6

7 **Sec. 80. Implementing Rules and Regulations (IRR).** Within one hundred
8 eighty (180) days from effectivity, the Sierra Madre Authority, in consultation
9 with the DENR, PSA, DEPDev, DOF, DBM, GCG, DILG, DHSUD, NCIP, DA,
10 DTI, SEC, the Philippine Competition Commission, the Climate Change
11 Commission, sector regulators, concerned LGUs and PAMBs, CSOs, and after
12 meaningful participation by ICCs/IPs through their chosen institutions,
13 business organizations, utilities, project developers, tenure holders,
14 communities, validators, verifiers, and scientific institutions, shall
15 promulgate the IRR of this Act. The IRR shall detail procedures for
16 coordination, enforcement, plan adoption, and citizen suits under this Act,
17 and shall further cover: coverage and boundaries; Sierra Madre Master Plan
18 adoption and the Sierra Madre Master Plan Conformity Certificate procedure;
19 PENCAS-aligned operational accounts; sector-dependency and beneficiary
20 assessment; methodology approval and peer review; project and developer
21 eligibility; tenure, PAMB, and FPIC interfaces; ownership and benefit
22 allocation; registry, cybersecurity, and unique enterprise identifiers;
23 validation, verification, issuance, transfer, and retirement; reversal and buffer
24 rules; sector readiness and purchase assessment; Gatekeeper Agency
25 designation and electronic business-permit or operating-authority
26 verification; digital signatures, machine-readable certificates and clearances,
27 application programming interfaces, and status fields; settlement-provider
28 accreditation and transaction reconciliation; auction, bilateral, and pooled-
29 purchase reporting; the fee schedule and Market Administration Charge
30 authorized by Section 10, including payer, charging event, base, rate,
31 exemptions, accounting, cost study, and adjustment of excess collections;
32 cure periods and conditional clearances; least-cost procurement and
33 consumer safeguards; restoration and financial assurance; Fund governance;
34 complaints, enforcement, administrative adjudication, and appeals; public
35 disclosure and protected information; transition; and independent review.
36

37 Draft rules and the supporting legal, technical, regulatory-impact, and
38 distributional analyses shall be published for at least forty-five (45) days
39 before adoption, and the final rules shall contain a response to material
40 comments. Nothing in the IRR may create an offense, penalty, tax, proprietary
41 right, prohibited land use, or compulsory purchase beyond the standards and
42 authority expressly provided by this Act.
43

1 **Sec. 81. Separability Clause.** If any provision of this Act or its application to
2 any person or circumstances is held unconstitutional or invalid, the
3 remainder of the law or its application to other persons or circumstances shall
4 not be affected.

5
6 **Sec. 82. Construction with Other Laws; Repealing Clause.**

7
8 (a) This Act shall be construed in harmony with Republic Act No. 8371,
9 Republic Act No. 7586 as amended by Republic Act No. 11038,
10 Republic Act No. 11995, Republic Act No. 7160, Presidential Decree
11 No. 1586, Republic Act No. 10149, and other environmental,
12 Indigenous Peoples', local-government, public-finance, competition,
13 data-protection, and corporate-governance laws.

14
15 (b) The Sierra Madre Master Plan Conformity Certificate, nature-credit
16 requirements, and restoration procedures created by this Act are
17 additional statutory requirements within their stated scope. Nothing
18 herein shall be construed to:

- 19 1. Dispense with an ECC, PAMB approval, tenure instrument,
20 FPIC, NCIP certification, LGU action, or other approval
21 required by law;
- 22 2. Diminish ancestral-domain, customary, tenure, property, or
23 due-process rights;
- 24 3. Validate an act prohibited under another law; or
- 25 4. Prevent an agency, PAMB, or LGU from applying a more
26 protective standard within its lawful authority.

27
28 (c) All laws, presidential decrees, executive orders, rules and
29 regulations, or parts thereof expressly irreconcilable with a specific
30 provision of this Act are hereby modified only to the extent of the
31 inconsistency. No repeal of a protected right, criminal law, revenue
32 measure, or agency mandate shall be implied.

33
34 **Sec. 83. Effectivity.** This Act shall take effect fifteen (15) days after its
35 publication in the Official Gazette or in two (2) newspapers of general
36 circulation.

37
38 *Approved,*