

SENATE

Senate Bill No. 3425

Introduced by SENATOR PIA S. CAYETANO

EXPLANATORY NOTE

Forests play an important role in providing the country with natural resources that contribute to economic growth and social development. These forests also provide livelihood through raw materials that will be converted into finished products.

Apart from the economic benefits, forests also serve as protection and buffer from natural disasters such as flood and erosions. However, due to the ecological disturbances brought about by the carelessness of many, lives have been lost in natural disasters that could have been averted if only our forests were preserved.

For this reason, the proposed Sustainable Forest Management Act aims to ensure that our forests are properly managed to meet the needs of the present and future generations.


The bill mandates the development of an effective and sustainable forest management strategy based on the allocation of forestland uses and by promoting land use practices that will not only be productive but will also conserve forest resources such as soil, lumber, and water. This forest management strategy will also work to protect existing forest resources, conserve our fragile biodiversity and rehabilitate deforested or denuded areas. It is also envisioned to promote and stimulate food production activities without compromising forested areas.

This bill likewise provides for a Community-Based Forest Management Program (CBFMP) to be undertaken by concerned national agencies and the local government units. With this, indigenous people and other forest-based communities will be empowered to manage, develop, utilize and protect forest resources in a sustainable way.

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

PIA S. CAYETANO
Senator

SENATE
Senate Bill No. 3425

RECEIVED BY: 

Introduced by **SENATOR PIA S. CAYETANO**

AN ACT
PROVIDING FOR SUSTAINABLE FOREST MANAGEMENT

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

CHAPTER I
BASIC FORESTRY POLICIES

1 **SECTION 1. *Short Title.***- This Act shall be known as the "Sustainable Forest
2 Management (SFM) Act of 2009"

3
4 **SEC. 2. *Scope and Coverage.***- The provisions of this Act shall apply to all lands
5 of the public domain classified as needed for forestry purposes and all forest resources
6 found in agricultural lands: *Provided*, That all forests and forest resources found in
7 protected areas established under the National Integrated Protected Areas System
8 (NIPAS) shall be sustainably managed and developed following the provisions of
9 Republic Act No. 7586 or the NIPAS Act of 1992: *Provided further*, That all wildlife
10 resources and critical habitats found in forestlands including agricultural lands shall be
11 governed by the provisions of Republic Act No. 9147 or the Wildlife Resources
12 Conservation and Protection Act.

13
14 All forestlands and forest resources therein under the administrative jurisdiction
15 of the Autonomous Region of Muslim Mindanao (ARMM) shall be managed, developed
16 and conserved in accordance with the Regional Sustainable Forest Management Act of
17 2003 of the ARMM.

18
19 **SEC. 3. *Basic Policies.***- In pursuance of the provisions of the Constitution to
20 promote the general welfare and social justice in all phases of national development, to
21 protect and advance the right of the Filipino people to a balanced and healthful ecology

1 in accord with the rhythm and harmony of nature, and to conserve and develop the
2 patrimony of the nation, the State hereby adopts the following policies relative to the
3 management, development and conservation of forests and the resources therein:
4

5 (a) Permanency of Forest Limits- The specific limits of forestlands shall be fixed
6 and demarcated and thereafter, shall not be altered except through an Act of
7 Congress;
8

9 (b) Forest Resources to promote the common good- The use of forest resources
10 shall bear a social function, responsibility, and accountability to promote the
11 common good;
12

13 (c) Sustainable and integrated management, development and conservation of
14 forest resources- The guiding principle in the sustainable and integrated
15 management, development, and conservation of forest resources shall be
16 focusing on these resources and on the people who manage, conserve, and
17 benefit from them.
18

19 In carrying out the above policies, the following strategies shall be pursued:
20

21 (i) Watershed as the basic forestland management unit- Forestlands shall be
22 managed, developed and conserved utilizing watershed as the basic
23 management unit and under the principles of sustainable and multiple-use
24 management, including conservation of biological diversity;
25

26 (ii) Forest as a functional system unit- Forest, whether for protection or
27 production, is a functional ecosystem unit which could be conserved and
28 used sustainably and the benefits derived from it shared equitably;
29

30 (iii) Multi-sectoral participation- The participation of all sectors of society in
31 sustainable forestland management, development and conservation shall
32 be promoted. Equitable sharing of the benefits derived from forestlands
33 and the resources therein shall be ensured at all times;
34

35 (iv) Community-based forest management (CBFM) as a principal strategy-
36 Vesting access rights and responsibilities to forest-dependent families,
37 local communities, and indigenous peoples to undertake the management

1 and development of appropriate forestland resources on a sustainable
2 basis shall have precedence over other strategies;

3
4 (v) Protection of forestlands and natural resources as priority concern- The
5 protection of forestlands, especially protection forests and the natural
6 resources therein shall be given priority concern in order to ensure
7 environmental stability, conserve biological diversity, improve ecosystem
8 functions and services, and provide long-term ecological and economic
9 benefits;

10
11 (vi) Reforestation as a priority measure- Reforestation shall be undertaken as
12 a priority measure to rehabilitate and restore the ecosystem functions and
13 services of open and/or denuded and degraded forestlands as well as
14 improve the economic and ecological benefits of local communities
15 concerned;

16
17 (vii) Security of tenure of stakeholders- In pursuance of the principles of
18 sustainable and multi-use forest management and equitable access to
19 forest resources, a secured tenure shall be guaranteed to stakeholders
20 concerned;

21
22 (viii) Professionalism in forest service- A dynamic, professional and people-
23 oriented forest service shall be established and fully supported by the
24 government.

25
26 **SEC. 4. Definition of Terms.-** As used in this Act, the following terms shall be
27 defined as follows:

28
29 (a) "Afforestation" shall refer to the planting of trees or the artificial establishment
30 of forest in areas that were not previously forested.

31
32 (b) "Agroforestry" shall refer to a strategy for the sustainable management of land
33 which increases their overall productivity by properly combining agricultural crops and/or
34 livestock with forest crops simultaneously or sequentially through the application of
35 management practices which are compatible with the local climate, topography, slope,
36 soil, as well as the cultural patterns or customary laws of the local communities.

37

1 (c) "Agricultural Lands" shall refer to Alienable and Disposable (A&D) lands of the
2 public domain which have been delimited, classified and declared as such, pursuant to
3 the provisions of Commonwealth Act No. 141, as amended, otherwise known as the
4 Public Land Act.

5
6 (d) "Ancestral Domains" shall refer to all areas generally belonging to Indigenous
7 Cultural Communities/Indigenous Peoples (ICCs/IPs) comprising lands, inland waters,
8 coastal areas, and natural resources therein, held under a claim of ownership, occupied
9 or possessed by ICCs/IPs, themselves or through their ancestors, communally or
10 individually since time immemorial, continuously to the present except when interrupted
11 by war, *force majeure* or displacement by force, deceit, stealth or as a consequence of
12 government projects or any other voluntary dealings entered into by government and
13 private individuals, corporations, and which are necessary to ensure their economic,
14 social and cultural welfare. It shall include ancestral land, forests, pasture, residential,
15 agricultural, and other lands individually owned whether alienable and disposable or
16 otherwise, hunting grounds, burial grounds, worship areas, bodies of water, mineral and
17 other natural resources, and lands which may no longer be exclusively occupied by
18 ICCs/IPs but from which they traditionally had access to for their subsistence and
19 traditional activities, particularly the home ranges of ICCs/IPs who are still nomadic
20 and/or shifting cultivators, pursuant to Republic Act No. 8371 or the Indigenous Peoples
21 Rights Act (IPRA) and subject to Section 56 thereof.

22
23 (e) "Ancestral Lands" shall refer to land occupied, possessed and utilized by
24 individuals, families and clans who are members of the ICCs/IPs since time immemorial,
25 by themselves or through their predecessors-in-interest, under claims of individual or
26 traditional group ownership, continuously to the present except when interrupted by war,
27 *force majeure* or displacement by force, deceit, stealth, or as a consequence of
28 government projects and other voluntary dealings entered into by government and
29 private individuals/corporations, including, but not limited to, residential lots, rice
30 terraces or paddies, private forests, swidden farms and tree lots, pursuant to Republic
31 Act No. 8371 or the Indigenous Peoples Rights Act (IPRA) and subject to Section 56
32 thereof.

33
34 (f) "Biological Diversity or Biodiversity" shall refer to the variability and variety
35 among living organisms including, *inter alia*, terrestrial, marine and other aquatic
36 ecosystems and the ecological complexes of which they are part. This includes diversity
37 within the species (genetic diversity), between species (species diversity), and among
38 ecosystems (ecosystem diversity).

1
2 (g) "Buffer Zones" shall refer to identified areas outside the boundaries of and
3 immediately adjacent to protected areas pursuant to Section 8 of Republic Act No. 7586
4 or the National Integrated Protected Areas System (NIPAS) Act that need special
5 development control in order to avoid or minimize harm to the protected area.
6

7 (h) "Climate Change" shall refer to a change in climate that can be identified by
8 changes in the mean and/or variability of its properties and that persists for an extended
9 period typically decades or longer, whether due to natural variability or as a result of
10 human activity;
11

12 (i) "Commercial Logging" shall refer to the cutting or felling of trees for the
13 purpose of disposing the cut or felled logs for monetary profits beyond survival and
14 livelihood means.
15

16 (j) "Communal Forest" shall refer to a tract of forestland set aside and
17 established for and under the protection, administration, and management of a city,
18 municipality, or barangay as a source of wood material for fuel, shelter, and
19 manufactured products; as source of water for the community; and as an area for
20 ecotourism and/or environmental protection or socio-economic projects of local
21 government units consistent with the policies and objectives of this Act and principles of
22 sustainable development.
23

24 (k) "Community-Based Forest Management Strategy" shall refer to all organized
25 efforts of government to work with forest-dependent families, communities and
26 indigenous peoples inside and adjacent to public forestlands with the intent to empower
27 them and entrust to them the protection, rehabilitation, management, conservation, and
28 utilization of the forestlands and resources therein.
29

30 (l) "Conservation" shall refer to planned protection and management of forests,
31 wildlife and other forest resources so as to prevent waste and ensure future use.
32

33 (m) "Conveyance" shall refer to any vehicle, vessel, device or animal used in
34 gathering and/or transporting forest products.
35

36 (n) "Co-production Agreement" shall refer to an agreement entered into by and
37 between a qualified person and the government, in accord with the 1987 Constitution,
38 for the former to develop, utilize, and manage, consistent with the principles of

1 sustainable development, land or a portion of a forestland wherein both parties agree to
2 provide inputs and share the products or their equivalent cash value.

3
4 (o) "Criteria and Indicators" shall refer to tools used to assess the current state of
5 sustainable forest management in the country and in forest management units and to
6 determine the direction of change either towards or away from SFM.

7
8 (p) "Critical Watershed" shall refer to a drainage of a river system supporting
9 existing and proposed hydroelectric power, irrigation works or existing water facilities
10 needing immediate protection and rehabilitation to minimize erosion and improve water
11 yield.

12
13 (q) "Degraded Forests" shall refer to natural forests with varying degrees of
14 disturbance or loss of structure, function, species, composition, and productivity.

15
16 (r) "Degraded Forest Land" shall refer to a former forest land severely damaged
17 by the excessive harvesting or wood and non-wood or non-timber forest products, poor
18 forest management, repeated fires, pasture or other disturbances or land-uses that
19 damage soil and vegetation to a degree that inhibits or severely delays the re-
20 establishment of forest after abandonment.

21
22 (s) "Delimitation" shall refer to the establishment of permanent boundaries
23 between forestlands, national parks/protected areas and agricultural lands as a result of
24 demarcation.

25
26 (t) "Delineation" shall refer to the establishment of boundaries between
27 forestlands, national parks/protected areas and agricultural lands as a result of a
28 conduct of site investigation, reconnaissance and field verification in accordance with
29 the criteria set by the Department.

30
31 (u) "Demarcation" shall refer to the establishment of boundaries using visible
32 markers, monuments or known natural features/landmarks, among others, as result of
33 the actual ground delineation.

34
35 (v) "Denuded Forestlands" shall refer to forestlands that are devoid of forest tree
36 cover.

37

1 (w) "Department" shall refer to the Department of Environment and Natural
2 Resources (DENR).

3
4 (x) "Downstream Forest Based Industry" shall refer to any industry other than the
5 primary (wood) processing plants that uses forest products as its raw materials or inputs
6 to produce higher value added forest products like furnitures, handicrafts and the like.

7
8 (y) "Environmental Impact Assessment" or "EIA" shall refer to the process of
9 predicting the likely environmental consequences of implementing a project or
10 undertaking and designing the appropriate preventive, mitigating, or enhancement
11 measures.

12
13 (z) "Environmental Compliance Certificate" or "ECC" shall refer to the document
14 issued by the Department certifying that a proposed project or undertaking will not
15 cause a significant negative impact on the environment; that the proponent has
16 complied with all the requirements of the Environmental Impact Assessment System;
17 and that the proponent is committed to implement its approved Environment
18 Management Plan found in the Environmental Impact Statement (EIS) or mitigation
19 measures identified in the Initial Environmental Examination (IEE).

20
21 (aa) "Environmental Impact Statement System" or "EIS System" shall refer to the
22 organization, administration, and procedures that have been institutionalized pursuant
23 to Presidential Decree No. 1586 for purposes of assessing the significance of the
24 effects of any project or undertaking on the quality of the physical, biological, and social-
25 economic environment and designing the appropriate mitigating and enhancement
26 measures.

27
28 (bb) "Environmentally Critical Project" shall refer to project or program that has
29 high potential for significant negative environmental impact.

30
31 (cc) "Forest" shall refer to land with tree crown cover or equivalent stocking level
32 of more than ten percent (10%) and an area of more than half a hectare (0.5 ha.). The
33 trees should be able to reach a minimum height of five meters (5m.) at maturity *in situ*. It
34 may consist either of closed forest formations where trees of various storeys and
35 undergrowth cover a high proportion of the ground, or open forest formation with a
36 continuous vegetation cover in which tree crown cover exceeds ten percent (10%).
37 Young natural stands and all plantations established for forestry purposes which have
38 yet to reach a crown density of ten percent (10%) or tree height of five meters (5 m.) are

1 included under forest, as are areas normally forming part of the forest area which are
2 temporarily unstocked as a result of human intervention or natural causes but which are
3 expected to revert to forest. Forests include such stand types as dipterocarp, pine,
4 mossy, molave, beach, and mangrove. Pursuant to the Convention on Biological
5 Diversity, forests are treated as functional ecosystem units which should be conserved,
6 used sustainably, and the benefits derived from them should be shared equitably.

7
8 (dd) "Forest Charges" shall refer to the levy imposed and collected by the
9 government on naturally growing timber and other forest products cut, harvested, or
10 gathered from the forestlands and from agricultural lands.

11
12 (ee) "Forest Officer" shall refer to any public officer who by the nature of his
13 appointment or the functions of the position to which he is appointed is delegated by law
14 and regulations or commissioned by competent authorities to execute, implement or
15 enforce the provisions of this Act and other related laws and regulations.

16
17 (ff) "Forest Products" shall refer to goods and services derived from forest such
18 as, but limited to, timber, lumber, veneer, plywood, fiberboard, pulpwood, bark, tree top,
19 resin, gums, wood oil, honey, bees wax, nipa, rattan, or other forest growth such as
20 grass, shrub and flowering plants, the associated water, fish, game, scenic, historical,
21 and educational.

22
23 (gg) "Forest Resources" shall refer to all resources whether biomass such as
24 plants and animals including its by-products and derivatives, which can be a raw
25 material, or non-biomass such as soil, water, scenery, as well as the intangible services
26 and values present in forestlands or in other lands devoted for forest purposes.

27
28 (hh) "Forest/Forest-Based Community" shall refer to a group of people residing
29 inside or immediately adjacent to a particular forestland who are largely or partly
30 dependent on the forest resources found therein for their livelihood.

31
32 (ii) "Forest-Based Industries" shall refer to various industries that are dependent
33 on raw materials or products derived from forests such as, but not limited to, wood,
34 rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers, or wild flora and
35 fauna.

36

1 (jj) "Forestlands" shall refer to lands of the public domain classified as needed for
2 forest purposes. They shall include all forest reserves, forest reservations and all
3 remaining unclassified lands of the public domain.

4
5 (kk) "Forestry Landscapes" shall refer to a process that aims to regain ecological
6 integrity and enhance human well being in deforested or degraded forestlands.

7
8 (ll) "Grazing Land" shall refer to a portion of the public domain which has been
9 set aside, in view of its topography and vegetation, for the raising of livestock.

10
11 (mm) "Greenhouse Gas" refers to any gas that absorbs infrared radiation in the
12 atmosphere. Greenhouse gases include water vapor, carbon dioxide (CO₂), Methane
13 (CH₄), nitrous oxide (N₂O), halogenated fluorocarbons (HCFCs), ozone (O₃),
14 perfluorinated carbons (PFCs) and hydrofluorocarbons (HFCs).

15
16 (nn) "Indigenous Cultural Communities/Indigenous Peoples" or "ICCs/IPs" shall
17 refer to a group of people or homogenous societies identified by self-ascription and
18 ascription by others, who have continuously lived as organized community on
19 communally bounded and defined territory, and who have, under claims of ownership
20 since time immemorial, occupied, possessed and utilized such territories, sharing
21 common bonds of language, customs, traditions and other distinctive cultural traits, or
22 who have, through resistance to political, social and cultural inroads of colonization,
23 non-indigenous religions and cultures, became historically differentiated from the
24 majority of the Filipinos. ICCs/IPs shall likewise include people who are regarded as
25 indigenous on account of their descent from the populations which inhabited the
26 country, at the time of conquest or colonization, or at the time of inroads of non-
27 indigenous religions and cultures, or the establishment of present state boundaries, who
28 retain some or all of their own social, economic, cultural and political institutions, but
29 who may have been displaced from their traditional domains or who may have resettled
30 outside their ancestral domains.

31
32 (oo) "Industrial Forest Management Agreement" or "IFMA" shall refer to a
33 production-sharing contract entered into by and between the Department and a qualified
34 person, whether natural or juridical, wherein the former grants to the latter the exclusive
35 right and responsibility to invest in, develop, manage, and protect a defined area of the
36 production forestland, including the establishment, management and utilization of
37 industrial forest plantation, consistent with the principle of sustainable development,

1 primarily to supply the raw material requirements of wood-based processing and
2 energy-related industries and wherein both parties share in the benefits therefrom.

3
4 (pp) "Industrial Forest Plantation" or "IFP" shall refer to any tract of land planted
5 mainly to timber producing species, including rubber and/or non-timber species such as
6 rattan and bamboo, primarily to supply the raw material requirements of existing or
7 proposed wood processing plants, and related industries.

8
9 (qq) "Joint Venture Agreement" shall refer to an agreement where a joint-venture
10 company is organized by its government and the contractor, with both parties having
11 equity shares. Aside from earnings in equity, the government is entitled to a share in the
12 gross output.

13
14 (rr) "Kaingin" shall refer to a portion of the forest land, whether occupied or not,
15 which is subjected to shifting and/or permanent slash-and-burn cultivation having little or
16 no provision to prevent soil erosion.

17
18 (ss) "Kaingin Making" shall refer to a farming system based on shifting, or slash
19 and burn clearing of forest for the planting of agricultural and agro-forestry crops.

20
21 (tt) "Managed Forest" shall refer to a forest under a deliberate system of
22 protection, rehabilitation, and development, which may include utilization of resources,
23 to ensure the sustainable production of desired products and services and the
24 conservation of soil, water, wildlife, and other resources therein.

25
26 (uu) "Master Plan for Forestry Development" refers to the twenty (25) years
27 strategic program of the Forestry Sector envisioned to guide its long term development.
28 This program includes the following: (a) policy and institutional development; (b)
29 watershed and forestry development; (c) livelihood and poverty reduction; and (d)
30 forest-based industry development.

31
32 (vv) "Multiple Use" shall refer to the harmonized utilization of land, soil, water,
33 wildlife, recreation value, grass and timber of forestlands.

34
35 (ww) "National Park" shall refer to the land of public domain classified as such in
36 the 1987 Philippine Constitution which includes all areas under the National Integrated
37 Protected Areas System (NIPAS) pursuant to RA 7586, primarily set aside and

1 designated for the conservation of native plants and animals, their associated habitats
2 and cultural diversity.

3
4 (xx) "Natural Forest" shall refer to forest composed of indigenous trees, not
5 planted by man.

6
7 (yy) "Non-Government Organization" or "NGO" shall refer to a non-stock, non-
8 profit, and voluntary organization.

9
10 (zz) "Permit" shall refer to a short-term privilege or authority granted by the State
11 to a person to utilize any limited forest resources or undertake a limited activity within
12 any forest land without any right of occupation and possession therein.

13
14 (aaa) "Person" shall refer to a natural or juridical person, including local forest
15 communities or indigenous peoples organized in accordance with law or custom.

16
17 (bbb) "Plantation Forest" shall refer to forest stands established by planting or
18 seeding in the process of afforestation or reforestation.

19
20 (ccc) "Primary Forest" shall refer to forest which have never been subject to
21 human disturbance or has been so little affected by hunting, gathering and tree cutting
22 that its natural structure, function and dynamics have not undergone any changes that
23 exceed the elastic capacity of the ecosystem.

24
25 (ddd) "Processing Plant" or "Processing Mill" shall refer to any mechanical set-
26 up, device, machine or combination of machines used for the conversion of logs and
27 other forest raw materials into lumber, fiberboard, pulp, paper or other finished wood
28 products.

29
30 (eee) "Production Forestlands" – as defined under Sec. 6 (b) of this Act.

31
32 (fff) "Production Sharing Agreement" shall refer to an agreement wherein the
33 government grants the contractor the exclusive right to conduct forestry development
34 activities within but not title over, the contract area and shares in the production whether
35 in kind or in value as owner of forest product therein. The contractor provides all the
36 necessary financing, technology, management and personnel.

37

1 (ggg) "Protected Areas" shall refer to identified portions of land and water set
2 aside by reason of their unique physical and biological significance, managed to
3 enhance biological diversity and protected against destructive human exploitation. They
4 shall constitute the areas established under the National Integrated Protected Areas
5 System (NIPAS) pursuant to RA 7586 and shall fall under the National Park
6 classification of public domain.

7
8 (hhh) "Protection Forests" – as defined under Sec. 6 (a) of this Act.

9
10 (iii) "Reforestation" shall refer to the establishment of forest plantations on
11 temporarily unstocked lands that are considered, as forest. Also called as artificial
12 regeneration.

13
14 (jjj) "Reservation" shall refer to an area of the public domain reserved by law for a
15 specific purpose.

16
17 (kkk) "Restoration" shall refer to the bringing back of the forestland to its original
18 state.

19
20 (lll) "Rotation" shall refer to the number of years between the initial establishment
21 of a plantation and the time when it is considered ready for harvesting.

22
23 (mmm) "Secondary Forest" shall refer to the status or condition of a forest
24 subsequent to commercial logging and which there is more or less sufficient or
25 adequate volume of residuals of the desired species of trees for future harvest.

26
27 (nnn) "Secretary" shall refer to the Secretary of the DENR.

28
29 (ooo) "Silvicultural Practices" shall refer to any action by man to further improve
30 or enhance the stand growth as a whole or the single tree for future harvest including
31 assisted natural regeneration and tree surgery, among others.

32
33 (ppp) "Sustainable Development" shall refer to development that meets the
34 needs of the present without compromising the ability of the future generations to meet
35 their own needs.

36
37 (qqq) "Sustainable Forest Management" or "SFM" shall refer to the process of
38 managing a forest to achieve one or more clearly specified objectives of management

1 with regard to production of continuous flow of desired forest products and services
2 without undue reduction of its inherent values and future productivity and without
3 undesirable effects on the physical and social environment.

4
5 (rrr) "Tenure" shall refer to guaranteed peaceful possession and use of specific
6 forest land area and the resources found therein, covered by an agreement, contract, or
7 grant which cannot be altered or abrogated without due process.

8
9 (sss) "Timber License Agreement" or "TLA" shall refer to a long-term license
10 executed by and between the Secretary of the DENR, on behalf of the government, and
11 the grantee for the harvesting and removal from the public forest of timber and, in
12 appropriate cases, also of other products.

13
14 (ttt) "Watershed" shall refer to a land area drained by a stream or fixed body of
15 water and its tributaries having a common outlet for surface runoff.

16
17 (uuu) "Watershed Ecosystem Management" or "WEM" shall refer to a
18 management system that will provide the optimum social, cultural, economic and
19 environmental benefits to the greatest number of people, particularly those living in,
20 adjacent to, or downstream of, individual watershed areas, while maintaining the
21 biological and cultural heritage of the country. It is the holistic multiple use and
22 sustainable management of all the resources within a spatial unit known as the
23 watershed. The Watershed Ecosystem Management is based on the following guiding
24 principles: (1) Ecological sustainability; (2) Social and Cultural sustainability; (3)
25 Economic sustainability and (4) Institutional Sustainability.

26
27 (vvv) "Watershed Reservation" shall refer to a forestland reservation established
28 to protect or improve the conditions of water yield thereof or reduce sedimentation.

29
30 (www) "Wildlife" shall refer to wild forms and varieties of flora and fauna, in all
31 developmental stages, including those which are in captivity or are being bred or
32 propagated.

33
34 (xxx) "Wood-Based Industries" shall refer to various industries that use wood as
35 the principal raw material including but not limited to sawmilling, pulp and paper making,
36 and plywood and veneer manufacturing or the upstream wood-based industries, as well
37 as the secondary and tertiary wood processing or downstream industry such as
38 moldings and furniture manufacturing.

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CHAPTER II

CLASSIFICATION OF PERMANENT FORESTLANDS

SEC. 5. *Permanent Forestlands.* – All lands of the public domain classified as forestlands, including the remaining unclassified lands, shall comprise the permanent forestlands of the country. *Provided,* That any reclassification shall be approved by an Act of Congress.

SEC. 6. *Sub-Classification of the Permanent Forestlands.* – The permanent forestlands shall be sub-classified into the following categories according to primary use:

(a) Protection forestlands – All areas within the forestlands devoted primarily for the protection, conservation of forest resources to ensure environmental stability, conservation of biological diversity, improvement of ecosystem functions and services, and provision of ecological and economic benefits shall constitute the protection forestlands. All mossy and primary/old growth forests and natural beach, areas above 50% slope, areas regardless of slope which are highly erodible or too rocky for establishment of either production forests or limited production forests, developed for the principal objectives or establishing vegetative cover to prevent erosion, conserve water and nurture wildlife, freshwater, swamps, and marshes, all areas along the bank of the rivers and streams, and the shores of the seas and lakes throughout their entire length and within the zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas, and forty (40) meters in forest areas, along their margins which are subject to the easement of public use in the interest of recreation, settlements, navigation, floatage, fishing and salvage shall also be sub-classified as protection forestlands.

(b) Production forestlands. – All forestlands not sub-classified as protection forestlands defined in this Section shall be sub-classified as production forestlands to be devoted to the production of timber and/or non-timber forest products or the establishment of industrial tree plantations, tree farms, communal forests, agroforestry, grazing, or as multiple use forests including water-based energy areas such as but not limited to hydrothermal and geothermal reservations: *Provided,* That they shall be managed, developed,

1 and utilized in accordance with a Department-approved management plan
2 based on sustainable forest management principles.

3
4 **SEC. 7. Demarcation and Delimitation.** Upon approval of this Act, the
5 Congress shall provide funds for the Department to demarcate on the ground the actual
6 land classification lines: *Provided*, That the Secretary, upon completion of the actual
7 assessment of the demarcated land classification lines, shall recommend to Congress
8 the delimitation of the forestlands found to be still suitable and capable for its purpose.

9
10 Records pertaining to the specific limits of forestlands shall be made available to
11 the public upon request. Moreover, the Department shall furnish all provincial, municipal
12 and city government copies of the maps of permanent forestlands located within their
13 respective territorial jurisdictions.

14 15 CHAPTER III

16 17 ADMINISTRATION AND MANAGEMENT OF FORESTLANDS AND RESOURCES

18
19 **SEC. 8. Jurisdiction and Control of Forestlands.** The Department shall be the
20 primary agency responsible for the conservation, management, and utilization of all
21 forestlands. In coordination with local government units and other government agencies,
22 it shall ensure that forestlands are managed, conserved, developed, utilized, and
23 protected consistent with the policies and strategies promulgated in this Act. The
24 utilization and development of forestlands including the natural resources therein shall
25 be undertaken in accordance with Department-approved management plans.

26
27 **SEC. 9. Forestlands Managed by Local Government Units (LGUs).** Pursuant
28 to the pertinent provisions of Republic Act. No. 7160 or the Local Government Code,
29 LGUs shall share the responsibility in the sustainable management, development,
30 protection and utilization of forest resources within their territorial jurisdiction. Subject to
31 vested rights, LGUs and the Department, in consultation with other government
32 agencies, local communities, non-government organizations, academic and research
33 institutions and other sectors shall jointly undertake the preparation of indicative
34 forestland use and watershed management plans, particularly the identification of
35 multiple-use areas and production forestlands within the territorial jurisdiction of each
36 LGU which shall be made an integral component of the latter's Comprehensive Land
37 Use Plan (CLUP). The LGUs shall be consulted on all forestry projects to be

1 implemented in their territorial jurisdiction and shall have equitable share of incomes
2 derived therefrom. For this purpose, the Department, the Department of Interior and
3 Local Government (DILG), the Leagues of Provinces, Cities, Municipalities, and
4 Barangays shall formulate a joint strategy and program to implement this provision
5 within one (1) year from the passage of this Act.
6

7 **SEC. 10. *Forestlands Under Other Government Agencies.***- Forestlands
8 and/or portions thereof which have been assigned by law to the administration and
9 management of other government agencies for a specific purpose, including those
10 devolved to the LGUs prior to the passage of this Act, shall remain under the
11 administration and management of these government agencies which shall be
12 responsible for their conservation, protection, rehabilitation, and sub-classification into
13 protection forestland and the specific purpose for which the entire area has been
14 assigned or reserved unless said assignment or reservation is consistent with the use of
15 such area as protection forestland. The Secretary or a duly authorized representative
16 shall exercise oversight functions over these forestlands. Moreover, these forestlands
17 shall be administered in accordance with a forest management plan, which shall be
18 prepared by the government agency or concerned LGU in coordination with the
19 Department and local communities and organizations within one year from the effectivity
20 of this Act: *Provided*, That the Department and the LGU or government agency
21 concerned shall periodically review, monitor, and evaluate the implementation of the
22 said management plan: *Provided, further*, That the harvesting of forest resources and
23 building of roads and other infrastructure therein shall be undertaken only with the prior
24 approval of the Secretary and after compliance with Environmental Impact Assessment
25 (EIA) in accordance with Presidential Decree No.1151 or the Philippine Environmental
26 Policy and Presidential Decree No. 1586, Establishing an Environmental Impact
27 Statement System: *Provided finally*, That the Secretary shall recommend to Congress
28 or the President of the Philippines the reversion to the Department of the jurisdiction
29 and control over forestlands that are no longer needed nor used for the purpose by
30 which they have been constituted or in case the agency or LGU concerned fails to
31 rehabilitate, protect, and conserve the forestland resources in accordance with the
32 approved management plan. The Department shall determine the use of the reverted
33 forestlands.
34

35 **SEC. 11. *Forest Resources Within Alienable and Disposable Lands.*** -All
36 forest resources planted or raised within alienable and disposable (A&D) lands belong
37 to the owner who shall have the right to harvest, transport, sell, contract, convey or
38 dispose of the same subject to existing forest laws and regulations. The Department

1 shall encourage and provide incentives to landowners of alienable and disposable lands
2 to develop, maintain and manage forests on their lands or to develop and maintain a
3 tree plantation on such lands. Landowners who register their lands for forestry purposes
4 with the Department shall be assisted by the Department in the preparation of a
5 management plan: *Provided*, That alienable and disposable lands devoted to the
6 planting and harvesting of forest resources shall remain subject to the provisions of
7 Republic Act No. 6657 or the Comprehensive Agrarian Reform Law.

8
9 Harvesting, transport and sale of all trees planted within titled lands or tax-
10 declared A&D lands with corresponding approved application for patent or acquired
11 through court proceedings, shall be deregulated, except for naturally-growing trees,
12 including premium hardwood species and other timber species as determined by the
13 Department, where a special cutting permit issued by the Secretary shall be required.

14
15 All private plantations within titled or tax-declared A&D lands with approved land
16 application should be registered at the City Environment and Natural Resources Office
17 (CENRO) having jurisdiction over the area. For this purpose, the CENRO shall maintain
18 a permanent Registry book to reflect all the information contained in the registration
19 form to serve as database on the extent of private plantations within its area of
20 responsibility. To form part of this permanent record is a certified and verified photocopy
21 of the land title or tax declaration with approved land application.

22
23 **SEC. 12. *Forest Resources Within Forestlands.*** - All forest resources,
24 including non-timber forest products, its by-products and its derivatives, whether
25 naturally growing, planted or raised, which have been taken or have been applied with
26 some silvicultural practices, within forestlands including those forest resources within
27 the areas covered by Certificate of Ancestral Domain Title (CADT) or Certificate of
28 Ancestral Land Claim (CALC), shall be issued with a permit, agreement or clearance
29 that are deemed necessary and appropriate by the Department as recommended by the
30 Forest Management Bureau (FMB). The transport of these forest resources from
31 forestlands including those from the area of the Indigenous Cultural Communities and
32 Indigenous Peoples covered by CADT or CALC shall be covered by a separate permit,
33 agreement or clearance duly issued by the Department. Any declaration of forest
34 resources as endangered, threatened, vulnerable and other restriction shall be done in
35 coordination, consultation and clearance from the FMB.

36
37 **SEC. 13. *Forest Resources Within Ancestral Domain.*** - The recognition,
38 ownership, and management of ancestral lands and domains shall be governed by the

1 provisions of the IPRA but any project of a holder of a CADT or any such similar
2 instrument to develop or use forestlands or forest resources therein that would result in
3 severe soil erosion or environmental degradation shall be subject to the provisions of
4 Environmental Impact Assessment (EIA) in accordance with Presidential Decree
5 No.1151 or the Philippine Environmental Policy, Presidential Decree No. 1586,
6 Establishing an Environmental Impact Statement System, and this Act. The National
7 Commission on Indigenous Peoples (NCIP) shall coordinate and consult the
8 Department in providing assistance to the indigenous peoples in the sustainable
9 management and development of forest resources within ancestral lands and domains.
10 The Multi-Sectoral Forest Protection Council created under Sec. 33 herein shall, among
11 its functions and powers, evaluate and validate the authenticity of all CALT/CALC
12 claims and applications of the IPs prior to the conduct of all survey activities and
13 issuance of corresponding titles.

14
15 **SEC. 14. *Development of Mechanisms for Private Sector Participation in***
16 ***Forest Management.***- The Secretary is hereby authorized to adopt appropriate
17 mechanisms to strengthen private sector participation in forest management, which
18 shall include the accreditation of a national organization of private investors including for
19 profit non-government organizations and people's organizations. The accredited
20 national organization shall assist the Department in the formulation and review of
21 relevant policies to ensure the contribution of the forestry sector to national economy
22 and sustainable development. It shall also assist the Department in evaluating
23 applications for forest management agreements; monitoring the performance of holders
24 of commercial tenurial instruments; ensuring the local supply of timber and wood
25 products; providing producers with access to local and international markets; and
26 ensuring the conservation and preservation of protection forestlands and protected
27 areas under the NIPAS.

30 CHAPTER IV

31 FOREST MANAGEMENT PLANNING, MONITORING AND ASSESSMENT

32
33
34 **SEC. 15. *Sustainable Forest Management Planning.***- Subject to vested or
35 prior rights, the Department, in consultation and coordination with LGUs, other
36 government agencies, local communities, non-government organizations, individual and
37 corporate entities, private sectors, academic and research institutions, and other
38 concerned sectors shall, within one (1) year from the effectivity of this Act, develop and

1 adopt a sustainable forest management strategy for each well-defined watershed or
2 other appropriate forest management unit based on criteria, indicators, and standards
3 for sustainable forest management which, at their minimum, address the following
4 requirements:

- 5
- 6 a) Rational allocation of forestland uses and promotion of land use practices that
7 increase productivity and conserve soil, water, and other forestland resources;
 - 8 b) Protection of existing forest resources and conservation of biodiversity;
 - 9 c) Rehabilitation or development of denuded areas to expand the forest resource
10 base and promote food production activities;
 - 11 d) Enhancement of the socio-economic well-being of local communities including
12 indigenous peoples who are largely dependent on the forest for their livelihood;
 - 13 e) Promotion of closer coordination between and among the Department, LGUs,
14 other national agencies, non-government organizations, local communities, the
15 private sector, academic and research institutions and other entities in the
16 sustainable management of forestlands;
 - 17 f) Adoption of community-based forest management as a principal strategy in the
18 management of forestlands and resources; and
 - 19 g) Integration of forest management and land use plans at the barangay or
20 community level to the CLUPs of cities and municipalities, including the adoption
21 of effective impact monitoring system of forest management programs.

22

23 The Department shall continue to adopt the Master Plan for Forestry
24 Development subject to periodic review every five (5) years.

25

26 **SEC. 16. Watershed Ecosystem Management Strategy.-** The Watershed and
27 Ecosystems Planning Framework in Environment and Natural Resources Management
28 shall be adopted. The strategy for improved watershed resources management shall be
29 demand-driven, community-based, and multiple and sustainable-use considering
30 national priorities and concerns of local stakeholders. Watershed management
31 programs shall be guided by ecological, socio-cultural, economic, and institutional
32 sustainability principles. A National Watershed Information System shall be developed
33 to guide policy formulation, program development, and implementation of watershed
34 management initiatives.

35

36 A system of prioritization of watersheds shall be pursued considering the
37 following:

38

- 1 a) water supply for domestic, irrigation, power, industrial, and commercial use;
- 2 b) contribution to the economy;
- 3 c) biodiversity and environmental enhancement;
- 4 d) cultural and historical value; and
- 5 e) effect on downstream areas.

6
7 **SEC. 17. *Forestry Information System.*** – The Department shall establish a
8 forestland resource database which shall consist of a comprehensive up-to-date
9 information on the physical, social, economic, biological, and environmental
10 components of the country's forestlands. It shall include a resource monitoring system
11 to enable the Department and its field offices to track the utilization, movement or
12 transfer of forest-based goods and services from the source to their end-users.

13
14 The Department shall conduct and /or update forest resource inventory at least
15 once every five (5) years to ensure effective management.

16
17 **SEC. 18. *Environmental Impact Assessment, Accounting and Valuation.***- All
18 new environmentally critical projects to be implemented in forestlands such as
19 harvesting, grazing and other special uses, mineral prospecting and exploration, road,
20 infrastructure, and mill construction shall be subject to Environmental Impact
21 Assessment (EIA) in accordance with Presidential Decree No. 1151 or the Philippine
22 Environmental Policy, and Presidential Decree No. 1586, Establishing an Environmental
23 Impact Statement System. The Department shall design and implement a system of
24 monitoring and assessment using the Criteria and Indicators as framework and shall
25 formulate appropriate standards as basis for assessing progress towards sustainable
26 forest management.

27
28 Furthermore, the Department shall design and implement an appropriate natural
29 resources accounting and valuation system for various forestry initiatives.

30 31 32 **CHAPTER V**

33 34 **COMMUNITY-BASED FOREST MANAGEMENT**

35
36 **SEC. 19. *Community-Based Forest Management Strategy (CBFMS).*** -
37 Consistent with the policy of sustainable and multiple use forest management, forest
38 dependent families, local communities, and indigenious peoples whose lives, cultures,

1 and general well-being are intimately linked with the forests shall be granted access to
2 forestlands and resources through the issuance of long-term tenure agreements. This
3 gives them a guarantee for peaceful occupation and entrusts to them the responsibility
4 to protect, manage, develop, and utilize said forest resources under the principle of
5 stewardship.

6
7 The Department shall develop policies, criteria, guidelines, and tenurial
8 instruments that will simplify, facilitate, and allow access of forest dependent families,
9 local communities, and indigenous peoples to forestland resources. The Department
10 shall furthermore develop policies, guidelines and incentives for private sector investors
11 to enter into mutually beneficial relationships with forest-based communities in pursuit of
12 CBFMS on a sustainable forest management basis.

13
14 **SEC. 20. Qualified Participants.-** Organized forest communities shall be given
15 priority to participate in the CBFM program. Indigenous peoples shall also be
16 encouraged to actively participate in the implementation of CBFM activities in
17 recognition of their rights to their ancestral domains and lands. Organizations eligible to
18 participate in CBFM shall have the following qualifications:

- 19
20 a) Members shall be Filipino citizens; and
21 b) Members shall be any of the following:
22 1. Traditionally utilizing the resource for their livelihood;
23 2. Actually residing within the area to be awarded;
24 3. Residing adjacent and actually tilling portions of the area to be
25 awarded.

26 27 28 CHAPTER VI

29 30 REFORESTATION, AFFORESTATION AND RESTORATION PROGRAMS

31
32 **SEC. 21. Reforestation and Restoration in Protection Forestlands.** – The
33 reforestation and restoration of all critical watersheds and critical, denuded, and
34 degraded forests within protection forestlands not otherwise covered by the CBFM
35 program shall be given top priority and shall be vigorously pursued by the Department
36 consistent with the NIPAS Act and the strategies and management plans therefor. Use
37 of endemic species in the restoration and rehabilitation of protection forestlands shall be
38 adopted to enhance biological diversity therein. The Department, in coordination with

1 LGUs, other government agencies, NGOs, local residents and communities, and other
2 sectors concerned, shall identify and prioritize forestlands to be reforested.

3
4 An accelerated reforestation program in identified priority protection forestlands
5 shall be undertaken to raise the forest cover. The Department shall allot funds to
6 effectively accomplish reforestation either by its own or through contract in protection
7 forestlands. The Department or other agencies responsible for reforestation shall give
8 priority to local communities in the granting of technical and financial assistance for
9 reforestation activities.

10
11 **SEC. 22. Reforestation or Forest Plantation Development in Production**
12 **Forestlands.-** In accordance with Section 43 herein, the State through the Department
13 may enter into joint venture, co-production, or production sharing agreement with
14 qualified forest community organizations, local government units, government-owned or
15 controlled corporations, private companies, individuals, and other interested parties
16 concerned in the development of forest plantations in production forestlands: *Provided,*
17 *however,* That portions of production forestlands as determined by the Department as
18 needed for protection purposes, shall not be converted into forest plantations. Such
19 areas shall be rehabilitated using an appropriate forest regeneration scheme.

20
21 **SEC. 23. Reforestation in Forestlands under the Jurisdiction of Other**
22 **Government Agencies.-** Government agencies and institutions having management
23 control over forestlands pursuant to a law or grant shall be responsible for the
24 reforestation of denuded and degraded portions of such forestlands. The reforestation
25 program of these agencies shall aim to increase the vegetation of the degraded areas,
26 to be identified jointly by the Department and agency concerned. The concerned agency
27 in coordination with the Department shall prepare the reforestation plan, and determine
28 the ratio of forested areas at any given time. Failure to reforest denuded and/or
29 degraded forestland identified in the reforestation plan within the period herein
30 prescribed shall be sufficient ground to request for reversion of the said forestlands to
31 the jurisdiction and control of the Department: *Provided, however,* That in areas where
32 CBFMS shall be implemented or where there are existing facilities for basic services
33 such as water and power as allowed by the Department pursuant to Section 43 hereof,
34 the completion of the reforestation program shall be subject to the conditions provided
35 in the tenorial document to be awarded by the Department and the agency concerned to
36 the participating local community or individual or in the Forest Management Agreement
37 of contractors operating such facilities for basic services, as approved by the
38 Department.

1
2 **SEC. 24. Reforestation in Alienable and Disposable Lands or Private**
3 **Lands.-** Reforestation or the establishment of tree farms or forest plantations in private
4 lands shall be encouraged: *Provided*, That such private lands and other alienable and
5 disposable lands are not prime agricultural lands as determined or certified by the
6 Department of Agriculture (DA). The private landowner(s) shall also be entitled to the
7 incentives provided for under Section 27 herein, particularly subsections (a), (b), (c), (d),
8 and (e): *Provided*, That such private forest plantations are duly registered with the
9 Department.

10
11 **SEC. 25. Afforestation in Forestlands.-** The afforestation of forestlands,
12 including those under the jurisdiction of other agencies, where tree vegetation is nil or
13 have been removed for a considerable time, shall be given priority to re-establish the
14 production and/or protection functions of the area to provide the goods and services for
15 which they are needed. Use of appropriate technology shall be applied as necessary to
16 make the general environment of the area suitable for the establishment of plantations.
17 Use of endemic species in the afforestation of protection forestlands shall be given
18 priority to enhance biological diversity therein. In production forestlands, commercial
19 fast growing species compatible with the socio-economic and biophysical characteristics
20 of the area shall be preferred. The Department, in coordination with LGUs, other
21 government agencies, NGOs, local residents and communities, and other sectors
22 concerned, shall identify and prioritize forestlands to be afforested.

23
24 **SEC. 26. Afforestation in Alienable and Disposable Lands and Private**
25 **Lands.-** The afforestation of private lands and other alienable and disposable lands,
26 which have been left idle and unproductive and have been lacking vegetation for a
27 considerable time, shall be encouraged: *Provided*, that such private lands and other
28 alienable and disposable lands are not prime agricultural lands as determined or
29 certified by the DA. The private landowner(s) shall also be entitled to the incentives
30 provided for under Section 27 herein, particularly subsections (a), (b), (c), (d), and (e):
31 *Provided*, that such private forest plantations are duly registered with the Department
32

33 **SEC. 27. Incentives.-** To encourage qualified persons to engage in forest
34 plantation activities, the following incentives shall be granted, in addition to those
35 already provided by existing laws:

- 36 a) The agreement holder shall not be subject to any obligation prescribed or
37 arising out of the provisions of the National Internal Revenue Code on

1 withholding tax at source on interest paid on a loan/s incurred for the
2 development of forest plantation;

3 b) Amounts expended by the agreement holder in the development and
4 operation of a forest plantation prior to the commercial harvest shall be regarded
5 as ordinary and necessary expenses or as capital expenditure;

6 c) The Board of Investments (BOI) shall classify forest plantations as pioneer and
7 preferred areas of investment under its annual priority plan subject to the rules
8 and regulations of the said Board;

9 d) The agreement holder shall be given priority to access credit assistance being
10 granted by Government-owned, -controlled and/ or -supported financial
11 institutions;

12 e) Upon the premature termination of the agreement at no fault of the holder, all
13 depreciable permanent and semi-permanent improvements such as roads,
14 buildings, and nurseries including the planted and standing trees and other forest
15 crops introduced and to be retained in the area shall be properly evaluated and
16 the holder shall be entitled to a fair compensation thereof, the amount of which
17 shall be mutually agreed upon by both the Department and the agreement
18 holder, and in case of disagreement between them, by arbitration through a
19 mutually acceptable and impartial third party adjudicator;

20 f) No contract or agreement shall be terminated except for cause or for reason of
21 public interest and only after due process; and

22 g) The agreement holder has the right to transfer, contract, sell, or convey his
23 rights to any qualified person following the guidelines to be issued by the
24 Secretary.

25
26 The Secretary may provide or recommend to the President or to Congress other
27 incentives in addition to those granted herein and in existing laws in order to promote
28 reforestation and the establishment of forest plantations.

29
30 **SEC. 28. Voluntary Offer to Reforest.-** Private landowners, whether natural or
31 juridical persons, may participate in reforestation and plantation development or similar
32 programs of the Department, with the landowner contributing his land and the
33 Department furnishing funds to reforest the area on a co-production agreement:
34 *Provided*, That the property shall be exclusively devoted to the planting of forest species
35 for at least one (1) rotation, which undertaking shall be annotated at the back of the title
36 of the property: *Provided, further*, That prime agricultural lands as determined or
37 certified by the DA shall not be the subject of a voluntary offer to reforest.

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CHAPTER VII

TREE PARK/COMMUNAL FOREST

SEC. 29. Establishment and/or Maintenance of City or Municipal Parks or Communal Forest.- Every city or municipality shall establish a city or municipal park or communal forest and shall include in its yearly budget the necessary funds for its establishment and maintenance. Upon request of the city or municipality concerned, the Department shall set aside an appropriate area of the protection or production forestlands as the case may be, as city or municipal park or communal forest and shall provide technical assistance to the local government concerned in the development of the park or communal forest.

SEC. 30. Establishment of Tree Parks in Subdivision and Tree Planting on Roadsides.- Every subdivision project to be developed after the passage of this Act shall include the establishment of a tree park of not less than fifty percent (50%) of the required total open spaces as provided in Section 2 of Presidential Decree No. 953, requiring the planting of trees in certain places. Guidelines for the establishment of tree parks within a subdivision shall be prepared jointly by the subdivision owner concerned, the Housing and Land Use Regulatory Board (HLURB) and the Department. The subdivision owner shall provide the funds for this purpose. These guidelines and allocation of funds shall be a condition precedent in the approval of the subdivision plan. For every major public road or irrigation construction project, the Department of Public Works and Highways (DPWH) shall include the planting and maintenance of trees along the road/highway or irrigation canals as landscaped rest areas every twenty-five (25) kilometers thereof, whenever appropriate, and shall provide adequate funds for this purpose. Each city and municipality shall also allocate adequate funds for the planting, care, and maintenance of trees or perennial shrubs in "greenbelts" or "green spaces" such as road/street sides, center islands, among others.

CHAPTER VIII

FOREST PROTECTION

SEC. 31. Commercial Logging Ban in Protection forestlands.- There shall be a permanent ban on commercial logging activities in all protection forestlands defined, categorized, and sub-classified in Section 6 (a) herein. No licenses, permits, or

1 agreements to cut any timber or to harvest, collect or gather non-timber forest products
2 therein shall be issued: *Provided*, That sustainable indigenous and traditional practices
3 of the IPs/ICCs shall be recognized and respected.
4

5 **SEC. 32. Forest Protection in Production Forestlands.**- Protection forestlands
6 found inside production forestlands shall be excluded from any logging operation. The
7 holder of the agreement or license over these production forestlands shall establish a
8 buffer zone and delineate their boundaries, marking the same with concrete monuments
9 or any other visible, permanent, and practicable signs.
10

11 To ensure the conservation and sustainable use of forest resources in production
12 forestlands, holders of tenurial instruments shall submit to the Department a Forest
13 Management Plan (FMP) containing strict environmental guidelines.
14

15 Upon the expiration or termination for cause of any Timber License Agreement
16 (TLA), no extension shall be granted and the area covered by the agreement shall be
17 sub-classified as protection forestland after the Department had excluded the
18 production forestland and degraded areas that may be subject of a reforestation or tree
19 plantation project.
20

21 **SEC. 33. Multi-Sectoral Forest Protection Council.** - There shall be created a
22 Multi-Sectoral Forest Protection Council in every province, city and municipality which
23 shall be responsible for the over-all protection of the forestlands and forest resources
24 found therein. Among their powers and functions found in other provisions under this
25 Act, they shall be primarily responsible for law enforcement, prevention of forest fires,
26 integrated pest management and protection against forest invasive species. The council
27 shall be composed of representatives from DENR, NCIP, Department of Agrarian
28 Reform (DAR), concerned LGUs, NGOs, People's organizations, church and local
29 academic institution, among others.
30

31 **SEC. 34. Assistance of Law Enforcement Agencies.**- The Department may
32 call upon law enforcement agencies and instrumentalities of the Government such as
33 the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), and
34 the National Bureau of Investigation (NBI) for the enforcement of the forest-related
35 laws, rules and regulations.
36

37 **SEC. 35. Role of LGUs and Local Residents.**- It shall be incumbent upon
38 LGUs concerned to render assistance in protecting and conserving forestlands within

1 their respective territorial jurisdiction. Qualified local residents shall be deputized by the
2 Department to assist in the drive against illegal logging, kaingin-making and forestland
3 occupation. These deputized residents shall likewise be authorized to arrest forest
4 violators within their communities subject to existing laws and regulations on arrest and
5 detention. The LGUs shall provide assistance to these deputized residents in cases of
6 arrests and seizures.

7
8 **SEC. 36. *Prevention of Forest Fires and Control of Forest Pests and***
9 ***Diseases.***- In collaboration with concerned LGUs and the Bureau of Fire Protection
10 (BFP), the Department shall formulate and implement a fire prevention and control
11 program, providing incentives to LGUs, community organizations, or individuals who
12 participate in preventing and controlling forest or grass fire. The Department shall
13 likewise formulate and implement a national integrated forest pest and disease
14 management program including quarantine procedures for imported forest seeds and
15 forest products to prevent, minimize or control forest pests and diseases.

16
17 **SEC. 37. *Information and Rewards System.*** – The Department shall establish
18 an information and rewards system as part of the community's participation in the
19 protection of forest resources. The rewards shall be payable immediately upon the
20 establishment of *prima facie* proof of violation.

21 22 23 CHAPTER IX

24 25 FORESTRY RESEARCH, EDUCATION, TRAINING AND EXTENSION

26
27 **SEC. 38. *Research and Technology Development Transfer.***- Research and
28 technology development transfer shall be strengthened to support sustainable
29 management of forest resources. The Department, the Department of Science and
30 Technology (DOST), the Commission on Higher Education (CHED), and the colleges of
31 forestry of State Universities shall, within one (1) year from the passage of this Act,
32 prepare a comprehensive national forestry and environmental research and technology
33 development and transfer program in furtherance of sustainable forest management
34 which shall be implemented, monitored, and reviewed in accordance with existing
35 research management systems. Adequate and sustainable funds to implement research
36 and technology development plans and transfer program shall be provided by each of
37 the aforementioned agencies and institutions under the General Appropriations Act.

38

1 **SEC. 39. *Public Information, Education and Advocacy Campaign.***- With the
2 support from LGUs, NGOs, media and other organizations, the Department, the
3 Philippine Information Agency (PIA), the Department of Education (DepEd), CHED,
4 State-owned and private universities and colleges shall formulate and implement a
5 nationwide program for sustained public information and advocacy campaign for forest
6 and natural resources conservation and sustainable forest development and
7 management. The DepEd shall include subjects on forest and natural resources in the
8 curricula for elementary and high school education. The CHED shall likewise include
9 ecology and environment courses in the general education curricula. Congress shall
10 allocate funds to the Department for the purpose of coordinating a systematic campaign
11 to promote community ecological awareness, including the preparation of informational
12 and educational materials therefore.

13
14 **SEC. 40. *Formal Forestry Education.***- The CHED, in collaboration with the
15 Department, the Board of Examiners for Foresters of the Professional Regulations
16 Commission (PRC), Philippines Forestry Education Network and the duly accredited
17 national professional foresters organization shall actively pursue the rationalization of
18 formal forestry education and the establishment of centers of excellence in forestry and
19 environmental education to ensure high quality manpower output to meet the needs of
20 the forestry sector.

21
22 **SEC. 41. *Continuing Education on Forestry.***- A non-formal program of
23 continuing education shall be established to maintain the growth of the forestry
24 profession. The PRC Board of Examiners for Foresters and the Civil Service
25 Commission (CSC) shall provide the guidelines for a program in continuing education in
26 forestry. In cooperation with academic institutions, the Department shall develop the
27 infrastructures to institutionalize non-formal continuing education for the forestry sector.

28
29 **SEC. 42. *Training Centers.***- In coordination with TESDA, DepEd, CHED and
30 State Universities and Colleges (SUCs) as well as accredited institutions, the
31 Department shall establish and institutionalize a network of training centers in strategic
32 parts of the country to provide regular and up-to-date training on the various aspects of
33 sustainable forest management, development, and utilization to forest officers, LGUs,
34 NGOs, local communities, and indigenous peoples. Furthermore, the Department shall
35 ensure that personnel appointed to critical and sensitive positions undergo training to
36 prepare them to discharge their duties and responsibilities professionally, efficiently and
37 effectively.

1 **SEC. 43. Forestry Development Center.-** The Forestry Development Center
2 (FDC) based in the College of Forestry and Natural Resources, University of the
3 Philippines at Los Baños, shall continue to serve as the primary policy research and
4 development center for forestry and natural resources management. The FDC shall
5 perform its functions in close coordination with the Department and other policy
6 research institutions in the country. It shall assist the Department in the formulation,
7 review, and evaluation of proposed and existing policies on forestry and natural
8 resources management.
9

10 The FDC, together with the national organization of private institutions as
11 stipulated in Section 14 of this Act, shall assist the Department in the formulation and
12 review of relevant forest and forest related policies to ensure the contribution of the
13 forestry sector to the national economy and sustainable development.
14

15 To enable the FDC to carry out its mandated function of policy research, it shall
16 have a share in the Sustainable Forestry Development Fund pursuant to Section 64
17 herein.
18

19 CHAPTER X

20 DISPOSITION AND UTILIZATION OF FOREST RESOURCES

21 **SEC. 44. Modes of Forest Management Agreement.-** The development,
22 utilization, and management of forestlands and/or forest resources shall be undertaken
23 under the control and supervision of the State through the Department. The State may
24 directly undertake such activities or it may enter into co-production, joint venture or
25 production sharing agreement with qualified Filipino citizens or corporations or
26 associations, subject to relevant laws, rules and regulations: *Provided*, That interested
27 local communities and indigenous peoples through their organized and duly recognized
28 associations shall be given priority in the grant of appropriate tenurial instruments
29 implementing the said agreements. Such tenurial instruments and/or agreements shall
30 have a duration of twenty-five (25) years, renewable for another twenty-five (25) years,
31 under such terms and conditions as may be provided by the Secretary: *Provided*,
32 *further*, That such tenurial instruments and/or agreements may not be terminated except
33 for cause or if public interest so requires. Current valid and subsisting licenses,
34 contracts, or agreements granted by the government for the development,
35 management, and utilization of forest resources shall be allowed to continue under the
36 same terms and conditions until their expiry, or prior to their expiry shall be allowed to
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1 be converted into any mode authorized herein under the guidelines promulgated by the
2 Secretary: *Provided*, That no such conversion shall be allowed in protection forestlands
3 as defined in Section 6(a) herein, on sub-classification of forestlands. The Department
4 is hereby authorized to formulate rules and regulations covering the relevant terms and
5 conditions thereof including the determination and collection of the government share,
6 subject to the approval of Congress. For watersheds and other areas where existing
7 facilities for basic services such as water and power are located, the Department may
8 enter into a forest management agreement with the service contractor in the area. Such
9 agreement shall have a duration of twenty-five (25) years, renewable for another
10 twenty-five (25) years, under such terms and conditions agreed upon by both parties:
11 *Provided*, That such agreement may not be terminated except for cause or if public
12 interest so requires or upon mutual agreement by the parties.

13

14 All forest development activities such as logging, reforestation, timber stand
15 improvement, forest protection, and delivery of community service within an area
16 covered by timber concessions shall be consolidated under the FMP which shall be
17 prepared by or under the supervision of an accredited private registered forester whose
18 signature and dry seal shall appear in the plan and the supporting documents submitted
19 for the purpose.

20

21 **SEC. 45. *Minimum Conditions for the Issuance of Co-production, Joint***
22 ***Venture and Production Sharing Agreement.***.. The following provisions shall be the
23 minimum conditions for the issuance of co-production, joint venture and production
24 sharing agreement:

25

- 26 a) The agreement holder shall furnish the necessary management, technology
27 and financial services when required, as determined by the Secretary;
- 28 b) A provision for government share of revenues and the manner of payment
29 thereof;
- 30 c) A provision on consultation and arbitration with respect to the interpretation of
31 the agreement;
- 32 d) A provision for anti-pollution and environmental protection measures;
- 33 e) A provision for the reforestation, restoration and protection of the forest;
- 34 f) A provision for an effective monitoring scheme to be implemented the by the
35 Department, which shall include, but shall not be limited to periodic inspection of
36 all records and books of account of the agreement holders;
- 37 g) A commitment to community development;

1 h) The submission of a management and development plan to be approved by
2 the Secretary; and

3 i) Other provisions that the Secretary shall impose, upon the recommendation of
4 the Director of the FMB, that will improve and sustain the development and
5 management of the forestlands and its resources, which shall include, among
6 others, a projection of annual income and revenues generated, to be used as
7 basis in the determination of government shares.

8
9 **SEC. 46. *Transfer.***- No holder of a co-production, joint venture, or production
10 sharing agreement or contract shall sub-contract, transfer, exchange, sell or convey the
11 same or any of his right or interests therein without a written authority from the
12 Secretary. Moreover, no transfer shall be authorized unless the agreement or contract
13 has been in existence and active for at least three consecutive years from issuance
14 thereof: *Provided, That* the transferor has faithfully complied with the terms and
15 conditions of the said agreement or contract; the transferee has all the qualifications
16 and none of the disqualifications to hold the same; and the transferee shall assume the
17 obligations of the transferor. Failure to comply with these conditions shall be sufficient
18 cause for the cancellation of the agreement or contract.

19
20 **SEC. 47. *Non-Timber Forest Products.***- Rattan, bamboos, vines, herbs,
21 exudates and other non-timber forest products are integral parts of the forest
22 ecosystem. The establishment of plantations of non-timber producing species shall be
23 encouraged and supported. The development, management and utilization of non-
24 timber forest products shall be allowed in accordance with the guidelines to be
25 promulgated by the Department.

26
27 However, in granting permits to harvest, utilize, gather or collect non-timber
28 forest products, in their natural or original state, in the production forestlands, the priority
29 shall be given to forest dependent families, local communities, and indigenous peoples
30 living near or within the subject forestlands. Further, the gathering or collecting of
31 animals for any purpose in the production forestland shall be governed by the existing
32 wildlife law and the guidelines to be promulgated by the Department.

33
34 **SEC. 48. *Silvicultural and Harvesting System.***- The Department shall
35 formulate the appropriate silvicultural and harvesting system and all measures shall be
36 taken to achieve an approximate balance between growth and harvest. The use of
37 forest products from production forestlands shall be promoted and practiced.

38

1 **SEC. 49. Mangrove forest.**- Harvesting and utilization shall only be allowed in
2 matured plantation forests within mangrove production forests: *Provided*, That in
3 government priority projects, harvesting of naturally grown trees shall be allowed.
4

5 **SEC. 50. Grazing.**- Land for grazing purposes shall only be limited to production
6 forestlands. The Department shall identify and delimit areas suitable for grazing
7 purposes: *Provided*, That no forestland fifty percent (50%) in slope or over may be
8 utilized for grazing purposes: *Provided, further*, That existing pasture lease agreements
9 or forestland grazing lease agreements shall be allowed to continue under the same
10 terms and conditions until their expiry: *Provided, finally*, That abandoned or idle,
11 expired, or cancelled grazing or pasture lands shall be subject to land use capability
12 assessment and or land use suitability assessment to determine their best use or
13 combination of uses. No new grazing or pasture permit, lease, or contract shall be
14 issued, nor existing ones allowed to continue unless covered by existing rules and
15 regulations governing the Philippine EIS System.
16

17 **SEC. 51. Mining and Power Generation Operations in Forestlands.**- Mining
18 activities in protection forestlands shall not be allowed. Power generation and small-
19 scale mining operations in forestlands, except in protection forestlands, may be allowed
20 subject to existing rules and regulations governing the Philippine EIS System. Forest
21 resources inside mineral reservations and permitted areas are under the Department's
22 jurisdiction, and their management and utilization are subject to the provisions of this
23 Act.
24

25 **SEC. 52. Roads and Other Infrastructures.**- Roads and other infrastructure
26 including the development of mineral reservations and energy resources inside
27 forestlands shall be constructed with the least impact and disturbance to the biodiversity
28 of the area found in such forestlands. Government agencies and their contractors
29 undertaking the construction of roads, bridges, communication and other infrastructure
30 facilities and installations inside forestlands shall seek prior authority from the
31 Department and shall comply with existing rules and regulations governing the
32 Philippine EIS System.
33

34 **CHAPTER XI**

35 **FOREST-BASED INDUSTRIES**
36
37

1 **SEC. 53. Establishment and Operations of Forest-Based Industries.-** To
2 meet the demands for forest-based goods and services of a growing population, the
3 State through the Department shall promote the establishment, operation, and
4 development of forest-based industries in non-protection forestlands.

5
6 **SEC. 54. Incentives for Forest-Based Industries.-** To enable forest-based
7 industries to be more efficient, competitive, and economically viable, the following
8 incentives are hereby granted in addition to those already provided by existing laws:

- 9
10 a) All processing plants or mills shall be assured of their supply of raw materials,
11 preferably but not exclusively from local sources;
12 b) All processing plants or mills shall be granted operating permits for five (5)
13 years renewable for another five (5) years: *Provided*, That permits for processing
14 plants owned or operated by holders of forest management agreements or
15 contracts shall be co-terminus with said agreements or contracts.

16
17 The Department may provide on its own or propose to the President or to
18 Congress, other incentives to encourage the establishment and development of
19 integrated forest-based, particularly wood-based plants. Warranties to and agreements
20 with existing integrated forest-based plants to ensure the availability of raw materials
21 shall be subject to the process for as long as such integrated plants are operating.
22 Agreements or licenses over forest areas granted to wood-based plants shall be
23 converted into any mode authorized in this Act. Expansion in capacity of wood-based
24 plants shall be encouraged and the same shall be given priority access to production
25 forestlands and other areas available for development as source of raw materials.

26
27 **SEC. 55. Export and Sale of Locally Produced Wood Products.-** Logs derived
28 from natural grown trees of whatever species cut, gathered, or removed from the
29 forestlands and raw or rough lumber manufactured from such logs shall not be
30 exported. Only finished and semi-finished lumber products, wood manufactures, wood
31 panels, and other finished wood products from such logs may be exported. Logs,
32 lumber and other finished products from forest plantations shall be exported only under
33 such guidelines as the Secretary may promulgate. No person shall sell or offer for sale
34 any log, lumber, veneer, plywood or other manufactured wood products in the
35 international or domestic market without complying with the grading rules established by
36 the government. Failure to adhere to the established grading rules and standards, or
37 any act of falsification on the volume of logs, lumber, veneer, plywood or other wood
38 products sold in the international or domestic market shall be sufficient cause for the

1 cancellation of export license, wood processing permit, or other license or permit
2 authorizing the manufacture or sale of such products.

3
4 **SEC. 56. Importation and Sale of Logs and Other Forest and Wood**
5 **Products.-** Logs, lumber, and other forest- and wood-based products may be imported
6 to the country subject to the authorization of the Secretary and to the tariff and duties
7 under Presidential Decree No. 1464 as well as quarantine regulations. Any product
8 manufactured or re-manufactured out of imported forest and wood materials shall be
9 allowed to be sold in the domestic or international market: *Provided*, That the grading
10 rules and standards therefore are complied with, otherwise the sanctions in Section 69
11 hereof shall be imposed.

12 13 CHAPTER XII

14 15 FOREST CHARGES, FEES AND GOVERNMENT SHARES

16
17 **SEC. 57. Fees and Government Shares for the Utilization, Exploitation,**
18 **Occupation, Possession of and Activities within Forestlands-** The Department shall
19 prescribe appropriate fees and rentals for the different kinds of utilization, exploitation,
20 occupation, possession, or activities within forestlands: *Provided*, That payment of or
21 collection of such fees and rentals shall be waived for parties/industries mandated by
22 law to manage, conserve, develop and protect forestlands and forest resources found
23 therein, except administrative fees for the filing and processing of applications for the
24 issuance and renewal of licenses, permits, and agreements: *Provided, further*, That
25 watershed administrators and/or service contractors that have forest management
26 agreements with the Department as provided for under Section 44 of this Act shall also
27 be entitled to the waiver of fees, except administrative fees.

28
29 The Department shall prescribe appropriate and equitable fees for the use of
30 water and forest by parties/industries concerned for power generation, domestic and
31 industrial irrigation, carbon sequestration and biodiversity benefits.

32
33 **SEC. 58. Forest Charges.-** There shall be collected charges on each cubic
34 meter of timber cut in forestland, whether belonging to the first, second, third or fourth
35 group, twenty-five percent (25%) of the actual FOB market price based on species and
36 grading: *Provided, however*, That, in the case of pulpwood and matchwood cut in
37 forestland, forest charges on each cubic meter shall be ten percent (10%) of the actual
38 FOB market price.

1 Environment and Natural Resources in the current General Appropriations Act.
2 Thereafter, such sums as may be necessary to fully implement the provisions of this Act
3 shall be included in the annual General Appropriations Act. For local government units,
4 the funding requirements shall be taken from their internal revenue allotment (IRA) and
5 other sources of income.

6
7 **SEC. 64. Sustainable Forestry Development Fund (SFDF).**- A Sustainable
8 Forestry Development Fund (SFDF) to be administered by the Department as a special
9 account in the National Treasury is hereby established to provide sustainable funds for
10 forest protection, reforestation, and forest development and management, including
11 rehabilitation and preservation of watershed areas, CBFM program, information and
12 educational campaign as well as scholarship programs and policy research. At least
13 thirty percent (30%) of the forest charges and government share in all products
14 removed from the forestlands, rentals, proceeds from sales of confiscated forest
15 products including conveyances, fines and penalties, and administrative fees collected
16 shall be set aside for the buildup of the SFDF. The fund may be augmented by grants,
17 donations, endowment from various sources, domestic or foreign for purposes related to
18 their functions.

19
20 Disbursements from the fund shall be subject to the usual accounting and
21 budgeting rules and regulations: *Provided*, That no amount shall be disbursed to cover
22 the operating expenses of the Department and other concerned agencies. A trust fund
23 committee, composed of the Secretary as Chair and the Secretary of the Department of
24 Budget and Management (DBM), the DILG Secretary, and the National Treasurer or
25 their representatives shall sit as members and manage the SFDF, with the FMB as
26 secretariat.

27
28 **SEC. 65. Creation of Sustainable Fund Facility Office (SFFO).**- There shall be
29 created within the FMB of the DENR an office called Sustainable Fund Facility Office to
30 perform the following mandates:

- 31
32 a) Conduct further exploration, identification, and development of new and
33 improved and more effective financial mechanism, and examine the potential
34 and results of the innovative use of existing mechanisms to promote sustainable
35 forest management, taking into account the full range of goods and services,
36 including forest-related environmental services, which include watershed
37 protection, carbon sequestration, biodiversity conservation, energy provision and
38 maintenance of many ecological functions; and,

1 b) Develop and test rapid valuation methods which are market-based, policy
2 relevant and efficient, and reflect regional and national characteristics and
3 requirements. These valuation methods should include a focus on the
4 development of approaches which incorporate a wide range of values, reflecting
5 the overall value of forest ecosystems, as appropriate, as well as ways to
6 internalize the externalities.

7
8 **SEC. 66. Specific Functions of SFFO.-** The specific functions of SFFO are as
9 follows:

10
11 a) Generate new and additional public and private financial resources at the
12 domestic and international levels to enable the country to sustainably manage,
13 conserve and develop forest resources through afforestation and reforestation
14 and to combat deforestation and forest and land degradation;

15 b) Prioritize forest activities or national resources development strategies in order
16 to respond to increased concerns for sustainable forest management, taking into
17 consideration the financial resources available to them;

18 c) Call upon all government agencies and non-government organizations or
19 institutions to give special consideration to areas or provinces with least
20 developed or poorly developed forest cover and to engage them in financial
21 cooperation to meet their needs for forest products and services and sustainably
22 manage their forest, and in some cases expand their forest cover;

23 d) Encourage private investment in sustainable forest management by providing
24 a stable and transparent investment environment within an adequate regulatory
25 framework that also encourages the re-investment of forest revenues into
26 sustainable forest management; and

27 e) Operationalize an investment promotion entity taking into account the
28 functions and circumstances under which such an entity would operate such as
29 its scope in relation to existing financial mechanism.

30
31 **SEC. 67. Fees from Payment for Environmental Services (PES).-** The SFFO
32 shall formulate a certain value to environmental services and establish appropriate
33 pricing, institutional and redistribution systems that will lead to sustainable and socially
34 optimal land use practices. PES is a form of payment for ecosystem services as a
35 method of internalizing the positive externalities associated with a given ecosystem or a
36 specific resource use.

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CHAPTER XIV

OFFENSES AND PENALTIES

SEC. 68. *Non-Establishment of Tree Parks/Communal Forests.*- Any city, municipality or subdivision owner who fails to establish tree parks as provided in Sections 29 and 30 herein shall be punished by a fine of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00). The subdivision plan will not be given approval until guidelines have been formulated and funds have been allocated for the purpose.

SEC. 69. *Harvesting, Gathering and/or Collecting Timber or Other Forest Products Without Authority.*- Any person who shall harvest, cut, gather, collect, or remove timber or other forest products from any forestland, or naturally grown timber inside alienable and disposable public land and private lands except as provided in Section 11 hereof, or forest resources in alienable and disposable lands without authority from the Secretary or found to possess the same without pertinent required legal documents shall be punished by imprisonment ranging from *prision mayor* minimum period to *reclusion temporal* minimum period and/or a fine equivalent to ten (10) times the value of the said forest product but not less than Fifty Thousand Pesos (150,000.00): *Provided*, That in the case of partnerships, associations or corporations, the president, managing partner, and general manager shall be held liable, and if such officer is an alien, he shall, in addition to the penalty, be deported without further proceedings on the part of the Bureau of Immigration and Deportation. Offenders who are public officials shall be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position.

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

SEC. 70. *Illegal Cutting as an Act of Economic Sabotage.*- Any of the acts enumerated in the preceding section committed by an armed group or by any group through organized and systematic manner, for commercial purposes, shall be considered an act of economic sabotage punishable by *reclusion perpetua*.

1 The commission of any of the prohibited acts by two or more individuals with or
2 without the aid of any mechanical device shall constitute a prima facie evidence that the
3 act is organized and systematic.

4
5 Any permittee/agreement holder who shall buy logs from unlicensed loggers or
6 loggers operating without permits shall be considered in violation of this Act and, upon
7 conviction, shall also be punished with *reclusion perpetua*.

8
9 **SEC. 71. Use of Illegally Cut Timber in Government Infrastructure Projects.-**

10 Contractors of government infrastructure projects shall obtain certification from the
11 Department that the logs or lumber to be used therein were obtained from legitimate
12 sources. The use of illegally cut naturally grown timber in government infrastructure
13 projects shall be sufficient cause for the imposition of penalties provided in Sec. 69, on
14 harvesting of forest products without authority, and Sec. 70, on illegal cutting as an
15 economic sabotage, including the withholding of the payment to the contractor.

16
17 **SEC. 72. Damage to Residual Trees.-** To ensure the sustainability of the natural
18 forests, adequate number of residual trees shall be marked, to be retained as part of the
19 managed forests and as the future timber crop, before any harvesting operation shall
20 commence. Any marked residual tree that is damaged during such operation is subject
21 to a fine equivalent to four (4) times the regular forest charges.

22
23 **SEC. 73. Grazing Livestock on Forestlands Without a Permit.-** Any person
24 found to have caused the grazing of livestock in forestlands and grazing lands without
25 an authority under a lease or permit to graze, upon conviction, shall be penalized with
26 imprisonment of not less than two (2) years nor more than four (4) years and a fine
27 equivalent to ten times the regular rentals due in addition to confiscation of the livestock
28 and all improvements introduced in the area in favor of the government: *Provided*, That
29 in case the offender is a corporation, partnership, or association, the officer or director
30 thereof who directly caused or ordered such shall be liable. In case the offender is a
31 public officer or employee, he shall, in addition to the above penalties, be deemed
32 automatically dismissed from office and permanently disqualified from holding any
33 elective or appointive position in the government service.

34
35 **SEC. 74. Unlawful Occupation or Destruction of Forestlands.-** Any person
36 who, without authority from the Secretary, enters and occupies or possesses, or
37 engages in kaingin-making for his own private use or for others, any forestland or
38 grazing land, or in any manner destroys such forestland or part thereof, or causes any

1 damage to the timber stands and other forest product found therein, or assists, aids or
2 abets another person to do so, or sets a fire, or negligently permits a fire to be set
3 therein, or refuses lawful orders to vacate the area when ordered to do so shall, upon
4 conviction, be punished with penalties in the amount of not less than One Hundred
5 Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos
6 (P500,000.00) and imprisonment of not less than six (6) years nor more than twelve
7 (12) years for each offense: *Provided*, That in the case of an offender found guilty of
8 kaingin-making, the penalty shall be imprisonment of not less than ten (10) years nor
9 more than twelve (12) years and a fine equivalent to eight times the regular forest
10 charges due on the forest products destroyed without prejudice to payment of the full
11 cost of rehabilitation of the occupied areas as determined by the Department: *Provided*,
12 *further*, That the maximum of the penalty prescribed herein shall be imposed upon the
13 offender who repeats the same offense, and double the maximum penalty upon the
14 offender who commits the same offense for the third time or more. In all cases, the court
15 shall further order the eviction of the offender from the area occupied and the forfeiture
16 to the government of all improvements made therein, including all vehicles, domestic
17 animals and equipment of any kind used in the commission of the offense. If not
18 suitable for use by the Department, said improvements, vehicles, domestic animals and
19 equipment shall be sold at public auction, the proceeds from which shall accrue to the
20 SFDF. If the offender is an alien, he shall be deported after serving his sentence and
21 payment of fines, without any further proceedings. An offender who is a government
22 officer or employee, shall, in addition to the above penalties, be deemed automatically
23 dismissed from office and permanently disqualified from holding any elective or
24 appointive position in the government service.

25

26 **SEC. 75. *Illegal Conversion of City or Municipal Parks, Communal Forests,***
27 ***and Tree Parks in Subdivisions.***- Any person found to have converted or caused the
28 conversion of a city or municipal park or communal forest, or tree parks within
29 subdivisions established pursuant to Sec. 29 and Sec. 30 herein and Section 2 of
30 Presidential Decree No. 953, requiring the planting of trees in certain places, into other
31 uses including the construction of permanent buildings therein, or in any manner
32 destroys or causes any damage to the timber stands and other forest product found
33 therein, or assists, aids or abets another person to do so, or sets a fire, or negligently
34 permits a fire to be set therein, upon conviction, shall be penalized by imprisonment of
35 six (6) years and one (1) day to twelve (12) years or a fine of not less than One Hundred
36 Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos
37 (P500,000.00), or both fine and imprisonment at the discretion of the Court. The
38 offender shall likewise be imposed a fine equivalent to eight times the commercial value

1 of the forest products destroyed without prejudice to payment of the full cost of
2 rehabilitation of the areas as determined by the Department: *Provided, further,* That the
3 maximum of the penalty prescribed herein shall be imposed upon the offender who
4 repeats the same offense, and double the maximum penalty upon the offender who
5 commits the same offense for the third time or more. The court shall further order the
6 forfeiture to the government of all improvements made therein, including all vehicles,
7 domestic animals, and equipment of any kind used in the commission of the offense. If
8 not suitable for use by the Department, said improvements, vehicles, domestic animals
9 and equipment shall be sold at public auction, the proceeds from which shall accrue to
10 the SFDF. An offender who is a government officer or employee, in addition to the
11 above penalties, shall be deemed automatically dismissed from office and permanently
12 disqualified from holding any elective or appointive position in the government service.

13
14 **SEC. 76. Misdeclaration or Falsification of Reports on Forest Resource**
15 ***Inventory, Scaling, and Survey by a Government Official or Employee.*** – Any public
16 officer or employee who knowingly misdeclares or falsifies reports pertaining to forest
17 resource inventory, scaling, survey, and other similar activity which are contrary to the
18 criteria and standards established in the rules and regulations promulgated by the
19 Secretary therefor, after an appropriate administrative proceeding, shall be dismissed
20 from the service with prejudice to re-employment. Upon conviction by a court of
21 competent jurisdiction, the same public officer or employee shall further suffer an
22 imprisonment of not less than eight (8) years nor more than twelve (12) years and a fine
23 of not less than One Hundred Thousand Pesos (P100,000.00) nor more than Five
24 Hundred Thousand Pesos (P500,000.00) and the termination of license to practice
25 forestry if the offender is a professional or registered forester: *Provided,* That the
26 inventory, survey, scale, classification, and similar reports referred herein shall be
27 rendered null and void.

28
29 **SEC. 77. Unlawful Operation of Sawmills.-** Any person operating a sawmill or
30 mini-sawmill without authority from the Secretary, shall be punished by a fine of not less
31 than One Hundred Thousand Pesos (P100,000.00) and confiscation of the sawmill or
32 mini-sawmill and complementary equipment in favor of the government.

33
34 **SEC. 78. Unlawful Operation of Wood Processing Plants and Downstream**
35 ***Forest-Based Industries.-*** Any person operating a wood processing plant or
36 downstream forest-based industry without authority from the Secretary, shall be
37 punished by, upon conviction by a court of competent jurisdiction, imprisonment of not
38 less that eight (8) years nor more than twelve (12) years and a fine of not less than Five

1 Hundred Thousand Pesos (P500,000.00) and confiscation of the wood processing plant
2 and complementary equipment in favor of the government. The Department shall
3 promulgate the necessary guidelines, subject to the provisions of this Act, that will
4 define the terms and conditions for the operation of a wood processing plant and/or
5 other downstream forest-based industries.

6
7 **SEC. 79. Prohibition on the Issuance of Tax Declaration on Forestlands.** All
8 tax declaration issued over forestland shall be considered null and void. Any local
9 government official or employee who issues a tax declaration for any purpose on any
10 part of forestlands, upon conviction, shall be penalized with imprisonment for a period of
11 not less than four (4) years nor more than eight (8) years and a fine of not less than One
12 Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos
13 (P500,000.00) and perpetual disqualification from holding an elective or appointive
14 office.

15
16 **SEC. 80. Unlawful Possession of Implements and Devices Used by Forest**
17 **Officers.-** Any person found possessing or using implements and devices used by
18 forest officers shall be penalized with imprisonment of not less than eight (8) years nor
19 more than twelve (12) years and a fine of not less than One Hundred Thousand Pesos
20 (P100,000.00) nor more than Five Hundred Thousand Pesos (P500,000.00) in addition
21 to the confiscation of such implements and devices and the automatic cancellation of
22 any license agreement, license, lease or permit.

23
24 Any forest officer who willingly allowed unauthorized person(s) to use these
25 implements and devices under his care shall be penalized with imprisonment of not less
26 six (6) years and one (1) day to no more than twelve (12) years and a fine of not less
27 than One Hundred Thousand Pesos (P100,000.00) nor more than Five Hundred
28 Thousand Pesos (P100,000.00).

29
30 In addition, the said forest officer shall be dismissed from the service with
31 prejudice to reinstatement and with perpetual disqualification from holding an elective or
32 appointive position.

33
34 **SEC. 81. Unauthorized Introduction of Logging Tools and Equipment Inside**
35 **Forestlands.-** It shall be unlawful for any person or entity to possess, bring, or introduce
36 any logging tools or equipment inside forestlands without prior authority, from the
37 Secretary or his duly authorized representative. Any person found guilty of illegal
38 possession of said logging tools or equipment shall be liable to imprisonment of six (6)

1 years and one (1) day to twelve (12) years or a fine of not less than One Hundred
2 Thousand Pesos (P100,000.00) nor more than Five Hundred Thousand Pesos
3 (P500,000.00) or both imprisonment and fine, and confiscation of said logging tools and
4 equipment in favor of the government.
5

6 **SEC. 82. Non-Payment and Non-Remittance of Forest Charges.-** Any person
7 who fails to pay the amount due and payable as forest charges to the government shall
8 not be allowed to transport, convey, sell, nor use the timber or forest product. Moreover,
9 failure to pay within thirty (30) days upon assessment of forest charges shall be a
10 ground for confiscation of the said timber or forest product in favor of the government.
11 Any person who fails or refuses to remit to the proper authorities said forest charges
12 collectible pursuant to the provisions of this Act or the National Internal Revenue Code,
13 as amended, or who delays, obstructs or prevents the same, or who orders, causes or
14 effects the transfer or diversion of the funds for purposes other than those specified in
15 said Acts shall, upon conviction, be imprisoned for not less than six (6) years nor more
16 than ten (10) years and fined from One Hundred Thousand Pesos (P100,000.00) nor
17 more than Five Hundred Thousand Pesos (P500,000.00). If the offender is a
18 corporation, partnership, or association, the officers and directors thereof shall be liable.
19

20 **SEC. 83. Institution of Criminal Action by Forest Officers.-** Any forest officer
21 shall arrest, even without warrant, any person who has committed or is about to commit,
22 or is committing in his presence any of the offenses defined in this chapter. The tools,
23 animals, equipment and conveyances used in committing the offense, and the forest
24 products cut, gathered, taken or possessed by the offender in the process of committing
25 the offense shall also be seized and confiscated in favor of the government. The
26 arresting forest officer shall thereafter deliver within six (6) hours from the time of arrest
27 or seizure both the offender and the confiscated forest products, conveyances, tools
28 and equipment, or the documents pertaining to the same, and file the proper complaint
29 with the appropriate official designated by law to conduct preliminary investigation and
30 file information in court. If the arrest and seizure are made in the forest far from
31 authorities designated by law to conduct preliminary investigations, the delivery to and
32 filing of the complaint with the latter shall be done within a reasonable time sufficient for
33 ordinary travel from the place of arrest to the place of delivery. The seized forest
34 products, materials, conveyances, tools and equipment shall be immediately disposed
35 of in accordance with the regulations promulgated by the Secretary.
36

37 The Secretary may deputize any agency, barangay official, or any qualified
38 person to protect the forest and exercise the powers or authority provided for in the

1 preceding paragraph. Reports and complaints regarding the commission of any of the
2 offenses defined in this chapter not committed in the presence of any forest officer or
3 any of the deputized officers shall immediately be reported to the forest officer assigned
4 in the area where the offense was allegedly committed. Thereupon, the investigating
5 officer shall receive the evidences supporting the report or complaint and submit the
6 same to the appropriate official authorized by law to conduct a preliminary investigation
7 of criminal cases and file the information in court.

8
9 The Secretary of Justice shall designate in every city and province a special
10 prosecutor who shall file charges against forest violators to ensure their speedy
11 prosecution.

12
13 **SEC. 84. *Liability of Custodian of Confiscated Forest Products.***- Any public
14 officer who fails to produce the timber or forest products, including tools, conveyances,
15 equipment, and devices in his custody pursuant to a seizure or confiscation made
16 thereon, or who shall appropriate, take, misappropriate, or shall permit another person
17 to take such timber forest products wholly or partially, shall suffer the penalty provided
18 for in Article 217, on Malversation of Public Funds or Property, of the Revised Penal
19 Code. In addition, the said public officer shall be dismissed from service with prejudice
20 to reinstatement and with perpetual disqualification from holding any elective or
21 appointive office.

22 23 CHAPTER XV

24 25 ADMINISTRATIVE PROVISIONS

26
27 **SEC. 85. *Strengthening of the Forest Management Sector.***- In order to
28 effectively implement the provisions of this Act, the FMB shall be transformed into a line
29 bureau with functions clearly defined and enumerated under the implementing rules and
30 regulations of this Act. To ensure that the scientific practice of forestry in the country is
31 properly implemented, only registered foresters shall be appointed to the positions of
32 Director and Assistant Director and Regional Directors of the FMB as well as to all other
33 positions where the services of professional foresters are required in accordance with
34 existing laws and the relevant rules and regulations issued by the Civil Service
35 Commission (CSC) and the Professional Regulations Commission (PRC).

36
37 **SEC. 86. *Authority of the Secretary on the Use of Forest Resources.***- The
38 utilization of forest resources from natural forests found in forestlands, government-

1 established reservations, and all other lands including ancestral domains or tinder the
2 management of other government agencies shall be prohibited unless covered by
3 permits issued by the Department: *Provided*, That in the case of ancestral lands and
4 domains, the terms of the agreement with the concerned indigenous cultural community
5 shall likewise govern.

6
7 **SEC. 87. Administrative Authority of the Secretary or his Duly Authorized**
8 **Representative to Order Confiscation.**- In all cases of violations of this Act or other
9 forest laws, rules, and regulations, the Secretary or his duly authorized representative
10 may order the confiscation of forest products illegally harvested, cut, gathered, removed
11 or possessed or abandoned, and all conveyances used either by land, water, or air as
12 well as all machinery, equipment, implements, and tools used in the commission of the
13 offense and to dispose of the same in accordance with pertinent laws, regulations, or
14 policies on the matter.

15
16 If the confiscated forest products are in danger of deteriorating, the Secretary
17 may order that the same be sold at public auction even before the termination of the
18 judicial proceedings, with the proceeds kept in trust to await the outcome of the judicial
19 proceedings.

20
21 No court of the Philippines shall have jurisdiction to issue any Writ of Replevin,
22 restraining order, or preliminary mandatory injunction in any case involving or growing
23 out of any action by the Secretary or his duly authorized representative in the exercise
24 of the foregoing administrative authority.

25
26 **SEC. 88. Administrative Authority of the Secretary to Impose Fines.**- In all
27 cases of violations of this Act and other forest laws, rules and regulations where fine is
28 the principal penalty, the Secretary, after consultation with the forest-based industries
29 affected, is hereby authorized to impose administratively the penalty consisting of the
30 amount and the schedules of the fine which shall be officially published in a national
31 newspaper of general circulation.

32
33 **SEC. 89. Authority of Forest Officers.**- When in the performance of their official
34 duties, forest officers or other government officials or employees duly authorized by the
35 Secretary shall have free entry into areas covered by a contract, agreement, license,
36 lease or permit. Forest officers are authorized to inspect and to open closed vans
37 suspected to contain illegally harvested, collected or transported forest product:
38 *Provided*, That it is done in the presence of the shipper or consignee or two (2)

1 responsible public officials in the locality. Forest officers are authorized to administer
2 oath, take acknowledgment in official matters connected with the functions of their
3 office, or take testimony in official investigations conducted under the authority of this
4 Act and the implementing rules and regulations issued by the Secretary pursuant
5 thereof.

6
7 **SEC. 90. Visitorial Powers.-** The Secretary or his duly authorized representative shall,
8 from time to time, investigate, inspect, and examine records and other documents
9 except bank records related to the operation of any person granted the privilege,
10 contract, or agreement to utilize forest resources to determine compliance with the
11 terms and conditions stipulated in the grant, contract or agreement, this Act, and
12 pertinent laws, rules, and regulations.

13
14 **SEC. 91. Other Incentives.-** Fifty percent (50%) of the value of confiscated materials
15 shall be used as incentives to informants and members of multi-sectoral forest
16 protection councils, including Department personnel. Additional incentives may be
17 provided to personnel of the Department, in addition to those provided under the
18 Government Service Insurance System (GSIS) or Workmen's Compensation Law. They
19 shall also be entitled to free legal assistance should legal cases be filed against them in
20 the performance of official duties.

21
22 **SEC. 92. Citizens' Suits.** – For purposes of enforcing the provisions of this Act or its
23 implementing rules and regulations, any citizen may file an appropriate civil, criminal or
24 administrative action in the proper court against:

- 25 a) any person who violates or fails to comply with the provisions of this Act or its
26 implementing rules and regulations; or
27 b) the Department or other implementing agencies with respect to orders, rules and
28 regulations issued inconsistent with this Act; and
29 c) any public officer who willfully or grossly neglects the performance of an Act
30 specifically enjoined as a duty by this Act or its implementing rules and regulations, or
31 abuses his authority in the performance of his duty, or in any manner, improperly
32 performs his duties under this Act or its implementing rules and regulations: *Provided,*
33 *however,* That no suit can be filed until after a thirty-day notice has been given to the
34 public officer and the alleged violator concerned and no appropriate action has been
35 taken thereon.

36
37 The court shall exempt such action from the payment of filing fees, and shall, likewise,
38 upon *prima facie* showing of the non-enforcement or violation complained of, exempt

1 the plaintiff from the filing of an injunction bond for the issuance of a preliminary
2 injunction. In the event that the citizen's suit should prevail, the Court shall award
3 reasonable attorney's fees, moral damages, and litigation costs as appropriate.

4
5 **SEC. 93. Suits Against Public Participation and the Enforcement of this Act.-**

6 Where a suit is brought against a person who filed an action as provided in Section 92
7 herein, or against any person, institution or government agency that implements this
8 Act, it shall be the duty of the investigating prosecutor or the Court, as the case may be,
9 to immediately make a determination not exceeding thirty (30) days whether said legal
10 action has been filed to harass, vex, exert undue pressure, or stifle such legal actions of
11 the person complaining for the enforcement of the provisions of this Act. Upon
12 determination thereof, evidence warranting the same, the Court shall dismiss the case
13 and award attorney's fees and double damages. This provision shall also apply and
14 benefit public officers who are sued for acts committed in their official capacity, there
15 being no grave abuse of authority, and done in the course of enforcing this Act.

16
17 **SEC. 94. Protection to Witnesses in Cases Involving Violation of Forestry Laws.-**

18 Witnesses to violations of this Act or other forestry laws and regulations, including the
19 immediate members of the family of said witnesses shall be given protection, security
20 and benefit, subject to the provisions of Republic Act No. 6981, otherwise known as
21 "The Witness Protection, Security and Benefit Act" and its implementing rules and
22 regulations.

23
24 **SEC. 95. Rule-Making Authority.-** In consultation with the NCIP, the DILG, the
25 Department of Finance, the leagues of provinces, cities, and municipalities, and other
26 government agencies mentioned herein, the Department shall promulgate the
27 implementing rules and regulations within one (1) year from the effectivity of this Act.

28
29 **SEC. 96. Congressional Oversight Committee on the Sustainable Forest**

30 **Management Act.-** There is hereby created a Congressional Oversight Committee
31 composed of seven (7) members from the Senate Committee on Environment and
32 Natural Resources and seven (7) members from the House of Representatives
33 Committee on Natural Resources. The Chairpersons of the corresponding committees
34 shall also be the Co-chairpersons of the Oversight Committee.

35
36 The secretariat of the Oversight Committee shall be drawn from the existing secretariat
37 personnel of the committees comprising the oversight and the funding shall be taken
38 from the appropriations of both the House of Representatives and the Senate.

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SEC. 97. Transitory Provision.- Upon the approval of this Act, the Department shall evaluate the conditions of all forestlands covered by existing TLAs, licenses, or permits and the like, which shall be allowed to continue until their expiry unless terminated for cause, such as:

- a) when the licensee has been found to be a dummy;
- b) when the licensee has been found to be farming out the license or receiving royalty of any kind;
- c) when the licensee has been found to be cutting or operating outside the limits of the license or within an area specifically designated or sub-classified by the Department as protection forestland;
- d) when the licensee has been found to be allowing illegally-cut timber to be invoiced under its license;
- e) when the licensee has been found to be inducing any other person to log in other areas in violation of the Department's regulations;
- f) failure to submit to the Department the required copies of auxiliary invoices covering timber manifested under the license;
- g) failure to leave undamaged an adequate stand of young trees for residual growing stock or for seeding purposes and to employ the necessary number of laborers needed for timber management work;
- h) when the licensee has, for the third time after written warning, intentionally cut, injured or destroyed trees marked by forest officers and unmarked poles and saplings for future growing stock, seeding, or protection;
- i) failure to employ the required number of concession guards as determined by the Department;
- j) failure to protect the concession or license area or parts thereof from being converted into *kaingin*, or from illegal timber cutting, and other forms of trespass;
- k) when the licensee has been found to have failed to put up the processing plant for the area within the required period, when made a condition in the award of the area and the grant of the license;
- l) failure to pay pending forest accounts;
- m) failure to maintain and make conspicuous the approved and established boundaries of his concession or license area;
- n) failure to suspend operations within a conflicted area when so required by the Department or its authorized representatives, pending final decision of the conflict;
- o) when the license is found to have been obtained through fraud or misrepresentation or by false, misleading statements;

1 p) allowing a contractor to operate the license area or concession; and
2 q) violation of any of the terms and conditions of the license, the NIPAS Act and its
3 implementing rules and regulations, the Wildlife Resources Conservation and Protection
4 Act, or any of the provisions of law on internal revenue and labor, and Department
5 regulations.

6
7 Any of the violations enumerated above will be cause for the immediate cancellation of
8 the permit or timber license agreement.

9
10 **CHAPTER XVI**

11
12 **FINAL PROVISIONS**

13
14 **SEC. 98. Separability Clause.** – Should any provision herein be declared
15 unconstitutional or invalid, the same shall not affect the validity or legality of the other
16 provisions.

17
18 **SEC. 99. Repealing Clause.** – Subsections (b), (d), (e), (f), (g), and (i) of Section 4 of
19 Act No. 3915; Republic Act Nos. 460 and 7161; Presidential Decree Nos. 705, 1153,
20 1515, 1559, 1775 and 1998; Letter of Instruction No. 818; Executive Order Nos. 277,
21 series of 1987, and Executive Order No. 725, series of 1981, are hereby repealed, and
22 all laws, orders, rules and regulations, or any part thereof which are inconsistent
23 herewith are likewise hereby repealed or amended accordingly: *Provided*, That this Act
24 shall not in any manner amend the IPRA and the NIPAS law.

25
26 **SEC. 100. Effectivity.** – This Act shall take effect thirty (30) days from the date of its
27 publication in the Official Gazette or in at least two (2) national newspapers of general
28 circulation.

Approved,