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SENATE S. No. 2320 RECEIVED BY:

Introduced by Senator Loren B. Legarda

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

EXPLANATORY NOTE

Trees, forests, and sustainable forestry can combat the twin environmental crises of biodiversity loss and climate change. To achieve this, the immense value of forests and the crucial roles they play in creating resilient, inclusive, and sustainable economies must be fully appreciated.

However, the Food and Agriculture Organization reports that many of the world's forests and woodlands are not being managed sustainably, as many countries lack appropriate forest legislation, regulation, and incentives to promote sustainable forest management (SFM). Typically, forest management plans focus on ensuring the continued supply of wood but with little regard for the continued production of non-wood products, ecosystem services, and the preservation of social and environmental values.

Sustainable forest management (SFM) ensures that forest supply goods and services can sustain present and future demands and aid in the sustainable development of communities. SFM takes into account the extent of forest resources, forest biodiversity, forest health and vitality, protective functions of forest resources, productive functions of forest resources, and socio-economic functions of forests. It

also encompasses the technical, legal, administrative, social, economic, and environmental aspects of the conservation and use of forests.

In the 2021 Glasgow Climate Change Conference, more than 140 countries pledged to eliminate forest loss by 2030 and to support restoration and sustainable forestry. In the same year, the Philippines joined the Glasgow Leader's Declaration on reversing forest loss.

Even prior to this commitment, a National Greening Program (NGP) has been implemented by the Department of Environment and Natural Resources (DENR) since 2011 until the present. It aims to promote sustainable forest management, climate change adaptation and mitigation, biodiversity conservation, food security, and poverty reduction.

And in January 2015, the Master Plan for Climate Resilient Forestry Development was formulated, which takes into account the potential effects of climate change on the forestry sector.

However, eight (8) years after the crafting of the said Master Plan, the assessment of compliance with the plan as well as results from any such compliance, cannot be found in the records. There is a need to update the plan and do so at regular intervals.

Moreover, in 2020, the DENR reported that 8.09 million hectares in the country remain for reforestation. And in 2021, the Global Forest Watch reported that the Philippines lost 37.7kha of natural forest, equivalent to 22.5Mt of CO₂ emissions.

This proposed measure seeks to provide a policy direction for the protection and sustainable management of forests and forest resources. The policies include:

1. Adopting a sustainable forest management (SFM) strategy as the overarching policy framework while using watersheds as the primary reference landscape

in the development and management of reforestation, plantation development, biodiversity conservation, ecotourism, renewable energy, and other related activities;

- 2. Pursuing a community-based forest management approach in managing forests for poverty alleviation and sustainability;
- 3. Categorizing forest lands into protection and production forest lands for purposes of management and planning;
- 4. Designating the forest management units (FMUs) as the main planning unit under the Act;
- 5. Introducing the Forest Management Agreement, a contract by and between the State and qualified persons for the development and sustainable use of forest lands and forest resources;
- Establishing the Sustainable Forest Development Fund (SFDF) to provide concessional financing, particularly for forest development projects proposed by qualified managers of FMUs;
- 7. Reconstituting the Forest Management Bureau into a line bureau under the DENR; and
- 8. Enumerating offenses related to forest lands, and providing penalties therefor.

In this light, the immediate passage of this bill is highly recommended.

LOREN LEGARDA

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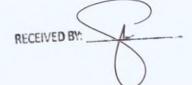
NINETEENTH CONGRESS OF THE	
REPUBLIC OF THE PHILIPPINES	
Second Regular Session	

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SENATE

s. No. 2320



Introduced by Senator Loren B. Legarda

AN ACT PROVIDING FOR THE SUSTAINABLE MANAGEMENT OF FOREST AND **FOREST LANDS**

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

ARTICLE I

GENERAL PROVISIONS
Section 1. Short Title This Act shall be known as the "Sustainable Forest
Management Act."
Sec. 2. Declaration of Policy It is a policy of the State to promote social justice
and the general welfare in all phases of national development to protect and advance
the right of the Filipino people to a balanced and healthful ecology in accord with the
rhythm and harmony of nature, and to conserve and develop the patrimony of the
nation. The State hereby adopts the following policies for the sustainable management
and conservation of forest lands and forest resources found therein:
(a) The specific limits of forest lands, after these have been fixed and
demarcated, shall not be altered, except through an act of Congress;
(b) The sustainable use and conservation of forest lands and forest resources
found therein shall bear social, cultural, ecological, biological and economic
functions to promote the common good of present and future generations;
The State shall prioritize the protection of forest ecosystem, as well as rehabilitation of
degraded forest ecosystems through reforestation and afforestation to mitigate
climate change, improve and conserve climate change, improve and conserve

1 biodiversity, enhance ecosystem functions and services, and provide long-2 term economic benefits; 3 (d) Forest lands shall be partitioned and planned into forest management units 4 (FMUs) based on natural topographic and hydrologic boundaries and shall 5 consider the watershed continuum approach which adopts a holistic inter-6 relationship between the upstream and downstream areas; 7 (e) The State recognizes the inherent roles and responsibilities of local 8 communities and indigenous peoples in the protection and ecological 9 treatment of the environment; 10 (f) The allocation, management, protection, conservation, and development of 11 forest lands and forest resources shall be done in an integrated, inclusive, 12 developmental, viable, and sustainable manner. 13 Sec. 3. *Objectives.* - The State shall pursue a policy of balancing the sustainable 14 use of forest lands and forest resources and sustainable development. it shall be the 15 objective of the State to: 16 (a) Provide equitable access to forest lands and forest resources; 17 (b) Streamline the use of forest lands and forest resources by promoting the 18 use of sustainable forest management strategies among concerned FMUs 19 and stakeholders: 20 (c) Deregulate the harvesting, sale, marketing, and processing of products 21 from forest plantations and forest farms in forest lands; 22 (d) Promote sustainable livelihood and enterprises among marginalized 23 community tenure holders including indigenous cultural communities and 24 indigenous peoples (ICC/IPs) who depend on and reside in forest lands; 25 (e) Strengthen institutional mechanisms to respond to forest management 26 concerns namely: the development of the forest industry; law enforcement; 27 and management of watersheds; 28 (f) Create the Sustainable Forest Development Fund (SFDF) as a support 29 mechanism for funding requirements of forest management initiatives; 30 (g) Strengthen the role of the Forest Management Bureau (FMB), which will 31 now be referred to as Forest Restoration Bureau (FRB) to be more

responsive and proactive consistent with the objectives of this Act;

(h) Undertake a multi-stakeholder study, to be led by the FRB, as a prerequisite to the partitioning of forest lands into FMUs. The study shall determine the actual forest cover of the country and shall ensure that the required forest cover is achieved, sustained, and protected.

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

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

- a. Inclusive and responsive governance of forests and forest lands through integrated landscape planning and development in watersheds, and the adoption of community-based approaches by local stakeholders;
- b. Promotion and direction for complementary and combined investments of the public and private sectors for the protection of natural forests, holistic restoration in watershed landscapes, reforestation, and regeneration in degraded protection forest lands, forest plantations, and smallholder forest farms using combinations of high-value indigenous and suitable species;

- c. Development of a localized and watershed-specific framework for the sustainable use and regulation of ecosystem goods and services that will enhance biodiversity conservation, establish systems for payment of environmental services, improve resilience to the impact of climate change, and increase the supply of timber, non-timber, biomass, wildlife, food, medicines, among others;
- d. Promotion of landscape-linked and holistic forestry research, education, and extension on forest ecosystem assets, services accounting, and valuation;
- e. Strengthening the professionalization of the forestry service consistent with Republic Act No. 10690 or "The Forestry Profession Act."
- Sec. 6. *Definition of Terms.* As used in this Act:

- (a) Ancestral forest lands refer to lands and domains defined as such under Republic Act No. 8371, or "The Indigenous Peoples Rights Act of 1997";
- (b) *Biodiversity* refers to the variability among living organisms from all sources, including, *inter alia*, terrestrial, marine, and other aquatic ecosystems in the ecological complexes they are part of;
- (c) *Certification* refers to a verification process conducted by a third party to determine whether or not a forest land is managed based on a defined set of standards;
- (d) *Climate change* refers to a change in climate that can be identified by changes in the mean and/or variability of its properties and that persists for an extended period, whether due to natural variability or as a result of human activity;
- (e) Climate change adaptation refers to the adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects, which moderates harm or exploits beneficial opportunities;
- (f) Climate change mitigation refers to human intervention to reduce anthropogenic emissions by sources and removals by sinks of all greenhouse gases including ozone-depleting substances and their substitutes such as increasing the capacity of carbon sinks;

(g) *Ecosystem* refers to a community of living organisms interacting with each other and with their physical environment;

- (h) Ecosystem goods and services refer to the multitude of material and nonmaterial provisions and benefits from healthy ecosystems necessary for human sustenance, well-being, and survival including support processes, provisioning, environment regulating services, and cultural resource preservation services;
- (i) *Ecotourism* refers to a form of sustainable tourism within a natural or cultural heritage area where community participation, protection and management of natural resources, culture, and indigenous knowledge and practices, environmental education and ethics, as well as economic benefits are fostered and pursued for the enrichment of host community and satisfaction of visitors;
- (j) Forest refers to an ecosystem or an assemblage of ecosystems dominated by trees and other natural vegetation, populated by plants and animals interacting with one another and their natural environment. It refers to land with an area of more than half (0.5) hectare and with tree crown cover or equivalent stocking level of more than ten percent (10%);
- (k) *Forest land* refers to land of the public domain classified as needed for forest purposes, including both production and protection. It includes all forest reserves of the public domain;
- (l) Forest Management Unit (FMU) refers to a clearly defined forest area assigned for management based on a set of objectives and a long-term watershed-based management plan. All current forest tenurial instruments may be considered FMUs;
- (m) Forest-based Industries refer to various industries that are dependent on raw materials or products derived from forests such as wood, rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers, or wild flora and fauna;
- (n) Forest Protection Officers refer to officials or employees of the Department of Environmental and Natural Resources, hereinafter referred to as DENR, who are granted the authority to enforce all forestry and environmental

- 1 laws and conduct arrests, seizures, and apprehensions in relation to 2 environmental law enforcement; 3 (o) Forest resources refer to all products and resources in forest lands or in other 4 lands devoted to forest purposes including biomass such as plants and 5 animals, including its by-products and derivatives, and non-biomass such 6 as soil, water, scenery; 7 (p) Forest Reforestation refers to a management strategy applied in degraded 8 primary forests to enhance and accelerate the natural processes of the forest 9 ecosystem; (q) Forest stand refers to a contiguous community of trees sufficiently uniform 10 11 in composition, structure, age, size, class, distribution, spatial arrangement, 12 site quality, condition, or location to distinguish it from adjacent 13 communities: 14 (r) *Indigenous cultural communities/Indigenous peoples* refer to a group of people 15 sharing common bonds of language, customs, traditions, and other 16 distinctive cultural traits, and who have, since time immemorial occupied, 17 possessed, and utilized a territory;
 - (s) Indigenous species refer to species or genotypes that have evolved in the
 - same area, region, or biotope and are adapted to the specific predominant ecological conditions at the time of establishment;

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- (t) Multiple-Use refers to harmonized utilization of land, soil, water, wildlife, recreation, value, grass, and timber of forest lands;
- (u) *Natural forest* refers to a forest composed of naturally growing indigenous trees, not planted by humans, whose structure, composition, and dynamics have been largely the result of a natural succession process;
- (v) Non-timber forest products refer to all biological materials and derivatives other than timber including fruits, nuts and vegetables, fish and game, medical plants, resins, essences, rays and fibers of tree barks, and other palms and grasses;
- (w) Plantation refers to forest stand established by planting and/or seeding in the process of afforestation or reforestation. A stand is composed of either

introduced species or of any indigenous species, which are of even-age and regular spacing;

- (x) *Processing Plant* refers to any establishment or infrastructure housing any mechanical set-up, device, machine, or combination of machines used for the conversion of logs and other forest raw materials into lumber, fiberboard, pulp, paper, or other finished wood products;
- (y) *Public forest lands* refer to all lands of the public domain that have not been declared National Parks under Section 5 of Republic Act No. 7586, or the "National Integrated Protected Areas System of 1992," as amended by Republic Act No. 11038 or the "Expanded National Integrated Protected Areas System Act of 2018"; mineral lands pursuant to Republic Act No. 7942 otherwise known as the "Philippine Mining Act of 1995"; and those lands not classified as agricultural lands based on the maps developed by the National Mapping and Resource Information Authority;
- (z) *Reforestation* refers to the re-establishment of forest formations that have been reduced to less than 10% canopy due to human activities or natural perturbations;
- (aa) Secondary forest refers to a former forest that was over-logged and which is characterized by residuals such as small trees, branches, tops, or other unmerchantable wood remaining after the clearing, thinning, or final felling of forest stands;
- (bb) Sustainable Forest Management refers to the process of watershed-based management of forest land and resources to achieve clearly specified objectives as regards the production of a continuous flow of desired forest products and ecosystem services without undue reduction of its inherent value, biodiversity, and future productivity and without undesirable effects on the physical and social environment;
- (cc) *Sustainable use* refers to the use of forest resources in a way and a rate that does not lead to its long-term decline, thereby maintaining its potential to meet the needs and aspirations of present and future generations;

- 1 *Tenure* refers to the guaranteed and peaceful access and use of a specific (dd)2 forest land and the resources found therein through an agreement, contract, 3 or grant which cannot be altered or abrogated without due process; 4 (ee) Watershed refers to land area drained by a stream or fixed body of water 5 and its tributaries having a common outlet for surface runoff. A watershed 6 can be part of a larger landscape that includes connections from the 7 headwaters to the reef; and 8 (ff) Watershed reservation refers to forest land that has been proclaimed by the 9 President and by law as such, primarily for water production purposes,
 - although other compatible uses may be allowed under sustainable and multiple-use concepts.

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ARTICLE II SUSTAINABLE USE OF FOREST LANDS AND FOREST RESOURCES

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Sec. 6. Administration, Development, Management, and Utilization of Forest Lands. - Forest lands and forest resources shall be under the full supervision and control of the State. Towards this end, the State may directly undertake such activities or may enter into agreements with qualified persons.

The Forest Management Bureau of the DENR, which was created on June 10, 2987, by virtue of Executive Order No. 192, known as the Reorganization Act of DENR, shall now be referred to as Forest Restoration Bureau (FRB). The FRB shall be responsible for the administration, development, management, and utilization of forest lands as defined in this Act. It shall have the authority to enter into management agreements or issue tenure instruments on behalf of the Government.

- Sec. 7. Forest Land Delineation. The delineation of forest lands as completed by the DENR shall be adopted. All forest lands categorized as public forest lands shall not be reclassified, except through an Act of Congress.
- Sec. 8. Management of Forest Lands. -All forest lands shall be managed for protection or production purposes.
 - (a) Protection Forest Lands All areas within the forest lands designated or set aside as such shall constitute the protection forest lands. They shall consist of the following:

(1) Primary and secondary forests;

- (2) All areas that are one thousand (1,000) meters above sea level;
 - (3) Limestone forests, forests over ultramafic rocks, peat swamps, beaches, and freshwater swamps;
 - (4) All existing natural mangroves;
 - (5) All areas with a slope of fifty percent (50%) or more;
 - (6) All areas along the bank of rivers and streams, and the shores of the seas and lakes throughout the entire length and within a zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas, and forty (40) meters in forest areas, along their margins which are subject to the easement of public use; and
 - (7) All watersheds that have been proclaimed by the President or by law as such, primarily for water production purposes or for other compatible uses under sustainable and multiple-use management concepts.

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

The establishment of build-up facilities is also prohibited within "protection forest lands," except for special use consistent with sustainable forest management strategies.

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

(b) Production Forest Lands - All public forest lands not classified as protection forest lands, pursuant to this Section, shall constitute the production forest lands of the country. These lands shall be devoted to the production of timber and non-timber forest products to supply the

domestic forest resource demand of the country and facilitate international trade of forest resources.

Sec. 9. Forest Management Units. – For purposes of assigning respective areas of operations and management, all public forests or timberlands shall be assigned and registered as "Forest Management Units" (FMUs) with the DENR: *Provided*, That all areas under an existing and valid tenure agreement or management arrangement with the DENR before the passage of this Act shall be considered as FMUs.

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

Sec. 10. *Managers of FMUs.* – To ensure effective management of forest lands, only qualified persons shall be designated managers of FMUs. An FMU manager may be a natural or juridical person and includes local and ICC/IPs' households, civil society organizations, business organizations, forest land use tenure holders, and national and local government units subject to the requirements to be provided in the implementing rules and regulations of this Act.

Sec. 11. *FMU Development and Management Planning.* – Every FMU shall have a management plan, formulated by the FMU Manager, reviewed and concurred by a Registered Professional Forester, and approved by the FRB.

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

Sec. 12. Sustainable Management of Mangrove Resources. – Mangrove species planted within production forest lands can be harvested, gathered, or collected, taking into consideration the basic forestry policies and strategies provided for in this Act. The harvesting, gathering, and collection of mangrove species shall be upon the authority of FRB.

Sec. 13. *Mined-out Areas and Abandoned Fishpond Areas.* – Forest lands that are considered as either mined-out areas or abandoned fishpond lease areas shall be under the management and administration of the FRB.

Sec. 14. Sustainable Use of Forest Resources. – The harvesting, gathering, and collection of all planted forest resources within production forest lands and private forests, including its by-products and derivatives, shall not require any clearance from the DENR: Provided, That the volume of harvested products is consistent with the approved management plan: Provided, further, That the DENR shall establish a National Forest Stock Monitoring System (NFSMS) to ensure the sustainable use of the forest resources and strengthen the timber legality assurance system for forest products: Provided, furthermore, That the FRB shall set up a monitoring mechanism that will include members of the local consultative bodies: Provided, finally, That any request for clearance for domestic transport of forest resources submitted to the DENR shall be acted upon within seven (7) days from the date of its submission with the proper office. If no action has been taken by the DENR after the lapse of seven (7) days, the clearance for transport is deemed approved.

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

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

Sec. 15. Regulation and Sustainable Use of Forest Resources within Ancestral Forest Lands. – The rights of the indigenous cultural communities or indigenous peoples over their ancestral forest lands shall be respected: *Provided*, That the management of forest resources within those lands shall be regulated by the DENR as provided for by laws, rules, and regulations.

ARTICLE III FOREST-BASED INDUSTRIES

Sec. 16. Development of an Open and Competitive Market for Forest Resources. – To meet the demands for forest goods and services, the DENR shall promote and rationalize the establishment, operations, and development of forest-based industries. The DENR shall institute measures to develop an open and competitive market for forest products including the liberalization of forest products, harvesting, transport, and marketing.

Sec. 17. Export of Certified Forest Products. - No person shall sell or offer for sale any forest resources in the international market without complying with the certification system established by the Government. Failure to adhere to the established standards, or any act of falsification shall be sufficient cause for the cancellation of export licenses and other permits authorizing the manufacture or sale of such resources.

Sec. 18. Regulation of Forest-based Industries. – All processing plants using forest resources as raw materials shall be subject to existing regulations prescribed by law, including the Environmental Impact Assessment (EIA) System; *Provided*, That these processing plants are registered with the Department of Trade and Industry (DTI) and have been issued the required clearance from the concerned Local Government Unit.

Sec. 19. Support for Private Investments and Economic Contribution. – Forest-based industries shall be given appropriate incentives in order to encourage global competitiveness and enable them to support demand for wood and other products and enhance their economic contribution to the country. Agroforestry economic zones may be established in order to attract local and foreign investments.

Sec. 20. Community-Based Forest Enterprises. – Economic activities, practices, and forest-based enterprises of local communities and ICCs/IPs that promote sustainable use of forest resources shall be supported and promoted to address food security and improve quality of life.

ARTICLE IV ENABLING CONDITIONS FOR SUSTAINABLE FOREST MANAGEMENT

Sec. 21. Forest Land Use and Tenure Instruments. – The DENR may undertake the development and sustainable use of forest lands and forest resources found therein

with qualified persons, whether natural or juridical, through tenure instruments. The
 order of priority in the provision of the land use rights shall be as follows:

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

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

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

- Sec. 22. Forest Management Agreement. The DENR and a qualified person, whether natural or juridical, may enter into a Forest Management Agreement for the development, sustainable use, and management of forest lands and forest resources found therein. The Forest Management Agreement shall be for twenty-five (25) years and may be extended for another twenty-five (25) years.
- Sec. 23. *Scope of Forest Management Agreement.* A Forest Management Agreement may be entered into for the following purposes:
 - (a) Agroforestry plantations, in accordance with the standards of the DENR for forest plantation development;
 - (b) Forest plantation development;
 - (c) Ecotourism development; and
 - (d) Special uses for forest lands.
- A Forest Management Agreement may be entered into for a single purpose or a combination of any of the above-mentioned purposes.

1	Sec. 24. Special Uses of Forest Lands A Forest Management Agreement may be
2	entered into for a special use of forest land which shall include the following:
3	(a) Establishment of forest park;
4	(b) Dry Dock Site;
5	(c) Industrial Processing Site;
6	(d) Herbal or Medicinal Plantation;
7	(e) Fish Drying Site;
8	(f) Communication Station Site;
9	(g) Public Landing Site or Airstrip;
10	(h) Log Pond or Log Depot;
11	(i) Lumber Yard;
12	(j) Motor Pool Site;
13	(k) Power Station Site;
14	(l) Transmission Line Site;
15	(m) Right-of-Way;
16	(n) Farm-to-market Roads;
17	(o) Government Facility Site);
18	(p) Water Reservoir; and
19	(q) Renewable energy projects.
20	Sec. 25. Qualified Persons The following persons are qualified to enter into a
21	Forest Management Agreement with the State:
22	(a) Filipino citizens;
23	(b) Local and ICC/IP households, civil society organizations, small and
24	medium enterprises, and people's organizations;
25	(c) Corporations or associations at least sixty percent (60%) of whose capital is
26	owned by Filipinos;
27	(d) Local government units, when the purpose of the Forest Management
28	Agreement is for public use or the establishment of government centers and
29	facilities; or
30	(e) Other National Government Agencies or Government-Owned or
31	Controlled Corporations, when the purpose of the Forest Management

Agreement is of national interest, such as the construction of electric transmission or distribution lines, or water reservoirs.

Sec. 26. *Benefit Sharing.* – The following schemes shall be observed by the parties to a Forest Management Agreement in relation to the sharing of benefits derived from the agreement:

- (a) For "forest plantations, forest plantation with processing plants," the sharing of outputs shall be based on the total gross output of the plantation harvests. Said sharing shall be done in a manner advantageous to national interest without prejudice for incentives that may be prescribed by the DENR.
- (b) For "ecotourism purposes," the person who entered into a Forest Management Agreement with the shall pay an annual user's fee equivalent to five percent (5%) zonal value per square meter or a fraction thereof of the nearest commercial area.
- (c) Non-income generating government facilities such as public school sites, public hospitals or clinics, government center or offices, roads, farm-to-market access roads, and public buildings are exempt from paying any fee or other pecuniary obligation with the State: *Provided*, That the use of these establishments or infrastructures shall not be subject to privatization.

Sec. 27. Forestry Research, Education, Training and Extension. – The Forestry Development Center (FDC) of the University of the Philippines Los Baños, in collaboration with schools, universities and colleges (SUCs), as well as other stakeholders, shall undertake forest policy research and technology development in support of sustainable forest management.

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

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

Sec. 28. The Sustainable Forest Development Fund. - A Sustainable Forest Development Fund (SFDF) is hereby established to be utilized as concessional financing for forest development projects proposed by qualified managers of FMUs. The Fund shall be administered by a government financial institution as a trust account.

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

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

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

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

Sec. 29. *Importation and Sale.* – Forest resources may be imported into the country, subject to existing laws, rules and regulations. All imported forest resources shall comply with the Philippine National Standards to be developed by the Department of Trade and Industry in coordination with the Forest Products Research

and Development Institute (FPRDI) and the DENR. Compliance with these standards 2 shall be a precondition for the sale or disposition of these products in the Philippines. 3 4 5 6 7 8 **ARTICLE V** 9 ORGANIZATIONS AND GOVERNANCE 10 11 Sec. 30. *Creation of the Position of the Undersecretary for Forestry.* **–** There is hereby 12 created in the DENR the position of Undersecretary for Forestry who shall perform 13 the following functions: 14 (a) Oversee the provision of technical, marketing, financial, tenurial, and 15 infrastructure support to persons and entities engaged in FMU 16 management; 17 (b) Ensure watershed-based planning and monitoring processes are observed 18 in forestry-related developments; 19 (c) Facilitate institutional linkages and convergence initiatives among forestry 20 stakeholders in support of effective development and management of 21 forest lands consistent with its protection and production uses; 22 (d) Provide scientific information-based policy recommendations in aid of 23 sustainable forest management; and 24 (e) Promote cost-effectiveness of forestry investments among local and 25 international investors and donors in line with sustainable forest 26 management. 27 The Undersecretary shall be appointed by the President of the Republic of the 28 Philippines whose office, structure, and staffing, shall be recommended by the DENR 29 Secretary subject to existing laws, rules, and regulations. 30 Sec. 31. Reconstitution of the Forest Management Bureau. - The Forest 31 Management Bureau is hereby reconstituted as a line bureau under the DENR. It shall 32 be responsible for the administration, sustainable management, development, and

conservation of forest lands and forest resources of the country, with functions specifically as follows:

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

Sec. 32. Composition of the Forest Management Bureau. – As a line bureau, the FRB shall be headed by a Director and assisted by two (2) Assistant Directors who shall supervise the administrative and technical services of the Bureau respectively. There shall be an FRB Regional Director in each administrative region with corresponding offices and positions. Consistent with Republic Act No. 10690 or "The Forestry Profession Act," only registered professional foresters (RPF) shall be appointed to the aforementioned positions.

Sec. 33. Assistance of Law Enforcement Agencies. – Concerned LGUs, the Department of the Interior and Local Government, and the DENR may call upon law enforcement agencies and instrumentalities of the Government such as the Philippine National Police (PNP), the Armed Forces of the Philippines (AFP), the Philippine Coast Guard (PCG), and the National Bureau of Investigation (NBI) for the

enforcement of environmental laws, executive orders, and their implementing rules and regulations.

Sec. 34. Local Government Participation. - Enabling mechanisms shall be developed to enhance the participation of the LGUs in watershed management planning, sustainable use, conservation, and protection of forest resources within their territorial jurisdiction, including forest resources that have been placed by law under the administration and management of other government agencies.

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

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

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

Sec. 38. Function of Multi-sectoral Consultative Bodies. – The body shall be responsible for the overall policy direction in the management of the forest lands and forest resources found within their respective jurisdictions in accordance with the provisions of this Act. Specifically, it shall:

- (a) Review and recommend implementation of programs and projects;
- (b) Perform oversight functions on matter pertaining to environment and natural resources; and

(c) Participate in the review and recommend relevant policies for the protection, conservation, and restoration efforts within the watershed in ensuring significant contribution of the forestry sector to the national economy, ecological sustainability, and sustainable development closely adhering to the principles and priority programs of the Government.

Said body may also facilitate the initiation of the LGU's participation in monitoring the transfer and implementation of devolved functions to the LGUs.

Sec. 39. Power and Water Utility Service Providers. – Forest lands or portions thereof, which have been placed by law or agreement under the administration and management of government and private power and water utilities service providers, shall be included in the partitioning of forest lands into appropriate categories consistent with the purpose of the assigned forest land, and shall remain under the administration and management of the said utilities service providers concerned; *Provided*, That the DENR shall exercise oversight power on the planning, management, utilization, and assessment of all forest resources in these areas.

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

- (a) The principles and practices of transparency, accountability, and participatory decision-making, in transactions, decisions, and actions affecting forestry, at all levels, and the policy of streamlining, decentralization, devolution, and deregulation shall be adopted, promoted, and institutionalized in the DENR;
- (b) Forest land use plans shall be integrated with the comprehensive land use plans of local government units;
- (c) Networks and linkages with local and international institutions, civil society organizations, local government units, and industries involved in the promotion and practice of sustainable forest management shall be strengthened;
- (d) The DENR shall prescribe appropriate fees and government shares for different kinds of sustainable use, exploitation, occupation, possession, or

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

ARTICLE VI OFFENSES AND PENALTIES

Sec. 41. Harvesting, Gathering, Collection, or Possession of Forest Resources from Protection Forest Lands. – Any person who shall harvest, gather, collect, or possess any forest resource from protection forest lands shall be punished with imprisonment ranging from six (6) years and one (1) day to twelve (12) years and one (1) day and/or a fine equivalent to ten (10) times the value of the said forest resource. The Forest Protection Officers shall have the authority to estimate the present market value of the forest resources subject to the illegal harvest, gathering, collection, or possession based on the guidelines promulgated by the DENR.

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

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

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

- (a) At least two or more persons through an organized and systematic manner; and
- (b) Any person when the value of forest resources harvested, gathered, collected, or possessed amounts to at least One million pesos (P1,000,000.00).

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

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

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

to twelve (12) years and a fine of not less than One hundred thousand pesos (P100,000.00), but not more than Five hundred thousand pesos (P500,000.00), and forced eviction from the area.

Section 45. *Destruction of Forest Lands.* – Any person who shall destroy or cause the destruction within the protection, ancestral, or public forest lands, or assist, aid, or abet another person to do so, shall be punished with a penalty of imprisonment of six (6) years and one (1) day up to twelve (12) years, and a fine of not less than One hundred thousand pesos (P100,000.00), but not more than Five hundred thousand pesos (P500,000.00).

Sec. 46. *Unlawful Operation of Sawmills, Wood Processing Plants, and Forest-Based Industries.* – Any person operating a sawmill, wood processing plant, and forest-based industry without any authority from the DENR, shall be punished with a penalty of imprisonment of six (6) years and one (1) day to twelve (12) years, and a fine of not less than Five hundred thousand pesos (P500,000.00).

If the offender is a public official or employee, the accessory penalty of permanent disqualification from holding any public office shall be imposed.

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

Sec. 47. Prohibition on the Issuance of Land Titles or Tax Declarations of Forest Lands. – All land titles and tax declarations issued over forest lands shall be deemed void *ab initio*. Any person who shall issue land titles and tax declarations over any forest land or a parcel thereof shall be punished with imprisonment of six (6) years and one (1) day up to twelve (12) years, with a fine of not less than One hundred thousand pesos (P100,000.00) but not more than Five hundred thousand pesos (P500,000.00). The accessory penalty of disqualification shall be imposed for a period of twelve (12) years and one (1) day.

Sec. 48. Non-payment and Non-Remittance of Forestry Fees and Charges. – Any person who fails to pay the amount due and payable as forestry fees or charges to the government or remit the same to the proper authorities within the prescribed period shall be punished with a penalty of imprisonment of six (6) years and one (1) day up

to twelve (12) years, with a fine of not less than One hundred thousand pesos (P100,000.00), but not more than Five hundred thousand pesos (P500,000.00).

Sec. 49. Non-Establishment of Tree Parks and Green Spaces. – Every local government unit shall establish and maintain tree parks and green spaces pursuant to their Comprehensive Land Use Plans. Funds for establishing and maintaining the same shall form part of the local government unit's annual budget.

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

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

Any LGU or owner of a parcel of land subdivided into residential, commercial, or industrial lots who fails to establish green spaces or tree parks as provided in the preceding paragraphs shall be penalized with a fine of not less than Five hundred thousand pesos (P500,000.00) but not more than One million pesos (P1,000,000.00).

Sec. 50. *Illegal Conversion of Tree Parks and Green Spaces.* – Any person who shall convert or cause to convert any tree park or green space for a purpose inconsistent with that which is provided for by this Act shall be punished with a penalty of imprisonment of six (6) years and one (1) day up to twelve (12) years, or a fine of not less than Five hundred thousand pesos (P500,000.00), but not more than One million pesos (P1,000,000.00).

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

Sec. 51. Arrest and Detention. – If the apprehension of an offender was conducted in areas far from the place where the person authorized to conduct inquest proceedings is located, the delivery to the proper judicial authorities shall be done

within a reasonable time period, taking into consideration the ordinary travel time from the place of arrest to the place of delivery.

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

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

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

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

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

ARTICLE VII ADMINISTRATIVE PROVISIONS

Sec. 54. Administrative Authority of the Secretary or his Duly Authorized Representative to Order Confiscation. - In all cases of violations under this Act or other forest laws, rules, and regulations, the DENR Secretary or the duly authorized representative may order the confiscation of forest resources illegally harvested, collected, gathered, possessed, and those that are abandoned. This authority shall extend to all conveyances used either on land, water, or air as well as machinery, equipment, implements, and tools used in the commission of the offense and to dispose of the same in accordance with pertinent laws, rules, and regulations.

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

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

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

Sec. 58. Suits and Strategic Legal Action Against Public Participation (SLAPP) and the Enforcement of this Act. –

- (a) A legal action filed to harass, vex, exert undue pressure, or stifle any legal recourse that any person, institution, or the government has taken or may take in the enforcement of this Act, protection of the environment or assertion of environmental rights shall be governed by this Section.
- (b) A suit and strategic legal action against public participation may be interposed as a defense by a person involved in the enforcement of environmental laws, protection of the environment, or assertion of environmental rights. The suit or strategic legal action shall be supported by documents, affidavits, papers, and other evidence; and by way of counterclaim, must be accompanied by a prayer for damages, attorney's fees, and costs of suit.

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

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

- (c) The hearing on the suit or strategic legal action shall be summary in nature. The parties must submit all available evidence in support of their respective positions. The party seeking the dismissal of the case must prove by substantial evidence that the enforcement of this Act is a legitimate action for the prosecution, preservation, and rehabilitation of the environment. The party filing the action assailed as a SLAPP shall prove by a preponderance of evidence that the action is not a SLAPP and is a valid claim.
- (d) The affirmative defense of a SLAPP shall be resolved within thirty (30) days after the summary hearing. If the court dismisses the action, the court may award damages, attorney's fees, and costs of suit under a counterclaim if such has been filed.

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

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

- (a) Any person who violates or fails to comply with the provisions of this Act or its implementing rules and regulations;
- (b) The DENR or other implementing agency with respect to orders, rules, and regulations that are in contravention of this Act;
- (c) Any public officer who willfully or grossly neglects the performance of an act specifically enjoined as a duty by this Act or its implementing rules and regulations; abuses one's authority in the performance of duty; or in any manner improperly perform the duties under this law or its implementing rules and regulations.

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

Sec. 60. Implementing Rules and Regulations Within six (6) months from the
effectivity of this Act, the DENR, in consultation with other government agencies and
relevant stakeholders shall prepare the necessary rules and regulations to implemen
this Act.
Sec. 61. Appropriations The DENR shall immediately include in the
Department's program the implementation of this Act, the funding of which shall be
included in th2 e annual General Appropriations Act.
For LGUs, the funding requirements shall be taken from their internal revenue
allotment (IRA) and other sources of income derived from the shares from the
different modes of agreement.
Sec. 62. Transitory Provisions Upon the approval of this Act, all existing tenure
instruments, agreements or contracts, permits, and the like, shall be reviewed by the
DENR and shall not be renewed upon their expiration unless their terms are consisten
with the provisions of this Act.
Sec. 63. Separability Clause If any section or provision of this Act is held invalid
or unconstitutional, the remaining sections or provisions with the provisions no
affected thereby shall continue to be in full force and effect.
Sec. 64. Repealing Clause All laws, decrees, executive orders, rules and
regulations, issuances, or parts thereof inconsistent with the provisions of this Act are
hereby repealed or modified accordingly.
Sec. 65. Effectivity This Act shall take effect fifteen (15) days after its

publication in the Official Gazette or in a newspaper of general circulation.

Approved,