

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

7 JUL -2 AM 12:25

SENATE

RECEIVED BY: 

Senate Bill No. 372

INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

The Philippine archipelago faces a bleak future due to the rapid depletion of its forest cover, with the degradation of our forests, we lose the natural protection that the environment has provided our 7,100 islands from the ravages of typhoons, floods, siltation of rivers, and erosion of lands.

Forests are a major component of the fragile ecosystems of the Philippines. They are the habitat of valuable species of plants and animals. They recycle carbon dioxide and other greenhouse gases. They are the lungs of the Earth that nurture mankind and other living organism on the planet.

The impact of the rapid devastation of our forests translates into lost human, animal and plant life, fresh water supply and displacement of forest communities. The destruction of other ecosystems that will inevitably ensue from the unsustainable utilization of this most valuable natural resources justify the intent of the bill to encourage natural regeneration as well as other means of increasing forest cover.

This proposed piece of legislation seeks the protection and conservation of our forests. Among other measures, it imposes a thirty-year ban on commercial logging and prohibits the issuance of new timber licensing agreements (TLAs), licenses of permits, providing for the automatic termination of existing ones, except for industrial forest plantations (IFP's) outside old growth and residual forests. It tasks the DENR with the demarcation of the final forest limits in accordance with the requirement of the 1986 Constitution.

The bill also establishes a sustainable Forest Protection Fund, which will be sourced from fines, penalties, and forest charges and other income from the use of forest products. The DENR will manage the fund.

The urgent need for the enactment of this measure cannot be over-emphasized. We cannot wait for irreversible damage to the environment to happen before acting decisively in favor of our own and future generations.

For these reasons, the passage of this bill is earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

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

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

SECTION 1. Title. This Act shall be known as the "**Sustainable Management of Forest Resource Act of 2007**".

SECTION 2. Declaration of Policy. in conformity with the provision of the Constitution to promote the general welfare and social justice in all phases of national development to protect and advance the right of the Filipino people to a balanced and healthy ecosystem in accordance with the rhythm and harmony of nature, and to conserve and develop the patrimony of the nation, the State hereby adopts the following policies relative to the management of forests and their resources on a sustainable basis;

- (a) **Sustainable and integrated management and development of forest resources.** The management and development of forest resources in an integrated and sustainable basis, focusing on the resources and the people who manage and benefit from it, shall be guiding principle in the management, protection, conservation and development of forest resources.
- (b) **Watershed as the basic forestland management unit.** Forestland management plans shall be developed and implemented utilizing the watershed as a basic management unit. The forestlands shall be managed under the concepts of sustainable and multiple-use, including the conservation of biodiversity.
- (c) **Community-based forest management (CBFM) as the principal strategy.** This involves the vesting of access rights and responsibilities to local communities and indigenous People's (IPs) to promote the management and development of forestland resources on a sustainable basis. It shall have precedence over the other strategies.
- (d) **Multi-sectoral participation.** The participation of all sectors of society in sustainable forestland management and development shall be promoted. Equitable sharing of the benefits derived from the forestlands shall be ensured.

- (e) **Reforestation and agroforestry as priority measures.** Reforestation, agroforestry and other appropriate measures including assisted natural regeneration (ANR) shall be given emphasis in order to rehabilitate and restore productivity of denuded and degraded lands as well as increase income of the marginalized sectors of a society.
- (f) **Protection and rehabilitation of forestland as priority.** Protection and rehabilitation of forestlands including all protected areas shall be given priority to ensure environmental stability, enhance biological diversity and provide economic benefits.
- (g) **Permanency of forestland limits.** The specific limits of forestland after these have been fixed and demarcated shall not be altered except through an Act of Congress.
- (h) **Forest resources to promote the common good.** The use of forest resources shall bear a social function, responsibility and accountability to promote the common good.
- (i) **Professionalism in forest service.** A dynamic professional and people-oriented forest service shall be established and fully supported.
- (j) **Security of tenure.** In pursuance of the principle of multi-use forest management, a secured tenure shall be guaranteed by the State.

SECTION 3. Definition of Terms. As used in this Act, the following terms shall have the corresponding meanings:

- (a) **Agroforestry** – Shall refer to a sustainable management of lands which increases their overall productivity by property combining agricultural crops and/or livestock with forest crops simultaneously or sequentially through the application of management practices which are compatible with the local climate, topography, slope and soil, as well as with the cultural patterns or customary laws of the local population;
- (b) **Alienable and Disposable Lands** – shall refer to those lands of the public domain which have been delimited, classified and declared as such and available for disposition under Commonwealth Act No. 141, as amended otherwise known as the Public Land Act;
- (c) **Ancestral Domain** – shall refer to all lands and natural resources occupied or possessed by indigenous cultural communities, by themselves or through their ancestors, communally or individually, in accordance with their customs and traditions since time immemorial, continuously to the present except when interrupted by war, force majeure, or displaced by force, deceit or stealth;
- (d) **Annual Allowable Harvest** – shall refer to the amount or volume of materials, whether of timber, non-timber or other forest products, authorized by the government to be harvested within each year from the forests;
- (e) **Assisted Natural Regeneration (ANR)** – shall refer to a systematic and sustained prevention of fire, care and tending of naturally-growing seedlings, and other related activities implemented to expedite the restoration of forest cove, including trees, brush and associated vegetation through the natural process of biological succession;

- (f) **Biological Diversity** – shall refer to the variability among living organisms including, inter-alia, terrestrial, marine and other aquatic ecosystem and ecological complexes of which they are part; this included diversity within species between species and ecosystems;
- (g) **Brushlands** – shall refer to areas characterized by discontinuous cover pf shrubby and non-woody vegetation including grasses usually as a result of repeated clearing and burning of the original forest cover;
- (h) **Buffer Zones** – shall refer to areas outside the boundaries of, and immediately adjacent to, protected areas designed as such pursuant to Section 8 of the NIPAS Act that need special development control in order to avoid or minimize harm to the protected area;
- (i) **Commercial Logging** – shall refer to cutting or feeling of trees in all types of forests for the purpose of disposing of the cut or felled logs for monetary profits beyond survival and livelihood means;
- (j) **Communal Forest** - shall refer to a tract of forestland set aside and established for a city, municipality or barangay for protection, watershed management, eco-tourism and related environmental purposes, or for implementation of socio-economic development pursuant to and consistent with the CBFM strategy as described herein;
- (k) **Community-Based Forest Management Strategy** – shall refer to al organized efforts of government to work with communities in areas adjacent to public forest lands with the intent to empower them, and entrust to them the protection, rehabilitation, management, conservation, and utilization of the forest lands and resources therein;
- (l) **Conveyance** – shall refer to any vehicle, vessel, device or animal used in transporting forest products;
- (m) **Co-Production Agreement** – shall refer to an agreement entered into by and between a qualified person/s and the government for the former develop, utilize and manage consistent with the principle of sustainable development, a specified portion of the forestlands wherein both parties agree to provide inputs and share the products of their equivalent cash value;
- (n) **Critical Watershed** – shall refer to that portion of a watershed reservation which has been classified as strict protection zone and closed t all human activity except for scientific studies, or for traditional , ceremonial, or religious use by indigenous peoples;
- (o) **Department** – shall refer to the Department of Environment and Natural Resources;
- (p) **Environment Impact Assessment (EIA)** – shall refer to the process of predicting the likely environmental consequences of implementing projects of undertakings, and designing the appropriate preventive, mitigating or enhancing measures;
- (q) **Environmental Compliance Certification (ECC)** – shall refer to the document issued by the Department certifying that a proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirement of the Environmental Impact assessment (EIA) System, and that the proponent is committed to implement its approved Environment

- Management Plan in the EIS or mitigation measures in the Initial Environment Examination (IEE);
- (r) **Environmental Impact Statement (EIS) System** – shall refer to the entire process of organization, administration, and procedure institutionalized for purposes institutionalized for purposes of assessing the significance of the effects of any project or undertaking on the quality of the physical, biological and socio-economic environment, and designing appropriate mitigating and enhancement measures;
 - (s) **Flitch** – shall refer to a large piece of sawn, log, or as that term is commonly applied, to a part of a log a greater thickness than plank or board;
 - (t) **Forest** – shall refer to either natural vegetation or a plantation of forest crops, such as trees, or both, occupying a definable, uninterrupted or contiguous area exceeding but not less than one hectare (1ha) in size with tree crown covering at least ten percent (10%) of the area, exclusive of the associated seedlings, saplings, palms, bamboos and other undercover vegetation. A natural forest is a stand dominated by tress whose structure, functions and dynamics have been largely the result of a natural succession process. It includes such stand types as dipterocarp, pine, mossy, molave, beach and mangrove. For the purpose of this Act, natural forests may be classified according to 1) primary use and management objective 2) growth formation in terms or primary use and management, a forest which has never been subjected to significant human disturbance, or has not been significantly affected by hunting and gathering of forest products, such that its natural structure, functions and dynamics have not undergone any major change; or 3) manage forest as herein defined;
 - (u) **Forest charges** – shall refer to levies imposed and collected by the government on timber and other forest products;
 - (v) **Forest Communities** – shall refer to a group of people residing inside or immediately adjacent to a particular forestland who are largely or partly dependent on the forest resources found therein for their substance;
 - (w) **Forestlands** – shall refer tot lands of the public domain which have been classified as such pursuant to this Act and all unclassified lands of the public domain;
 - (x) **Forest Officer** – shall refer to any public officer who by nature of his/her appointment or the functions of the position to which he/she is appointed, is delegated by law and regulations or commissioned by competent authorities to execute, implement or enforce the provisions of this Act and other related laws and regulations;
 - (y) **Forest Plantation** – shall refer to a tract of land extensively planted to forest, tress, rattan, bamboo and other forest species;
 - (z) **Forest Resources** - shall refer to all natural resources, whether biomass such as soil and water, as well as the intangible service and values present in forestlands or in other lands devoted for forest purposes;
 - (aa) **Grazing Land** – shall refer to a part of the forestland designed and managed for the raising of livestock;
 - (bb) **Indigenous Cultural Communities (ICC)** – shall refer to a group of people living in homogenous societies identified by

self-description and ascription by others, who have continuously lives as an organized community on communally bounded and defined territory, and, who have, under claims of ownership since time immemorial, occupied, possessed and utilized such territories, sharing common bonds of language, customs, traditions and other

- (cc) **Industrial Forest Plantation (IFP)** shall refer to any tract of land and other public and private lands planted to timber-producing species, including rubber and/or non-timber species such as rattan and bamboo, primarily to supply the raw material requirements or existing or proposed forest-based industries, energy-generating plants and related industries;
- (dd) **Joint Venture Agreement** shall refer to an agreement whereby a joint-venture company is organized by the government and a qualified person, with the principles of sustainable development, a portion of a forestland under terms and conditions mutually acceptable to both parties;
- (ee) **Kaingero** shall refer to upland farmers who practice slash-and-burn or shifting cultivation;
- (ff) **Management Forest** shall refer to a forest under a deliberate system of protection rehabilitation and development which may include utilization of resources, to ensure the protection of desired products and services, and the conservation of soil, water, wildlife and other natural resources therein for the benefit of present and future generations;
- (gg) **Multiple-Use** shall refer to a harmonized utilization, development and management of forestlands for the production of two or more products, goods and/or services in conformity with the principle of sustainable development;
- (hh) **National Park** shall refer to a forest reservation essentially of natural wilderness character which has been withdrawn from settlement, occupation or any form of exploitation except in conformity with an approved management plan and set aside as such primarily to conserve the area to preserve the scenery, the natural and historic objects, wild animals and plants therein, and to provide enjoyment of these features in such areas;
- (ii) **Non-Governmental Organization (NGO)** shall refer to a non-stock, non-profit organization created or established primarily or voluntary services;
- (jj) **Permit** shall refer to the privilege granted by the government to a person to utilize forest and wildlife resources, or to undertake specified forestry activities inside the forestland which may or may not include any right of possession and occupation therein, or to establish and operate a plant for processing timber, non-timber or other forest products;
- (kk) **Person** shall refer to a natural as well as a judicial person;
- (ll) **Processing Plant and Mill** shall refer to a physical structure including its complement of machinery and equipment used for processing of timber or logs, other forest products inot semi-finished forms;
- (mm) **Production Sharing Agreement** shall refer to a contract wherein the government grants to a person the privilege to manage, develop and utilize forest resources within a specific area and period of time, develop and utilize forest resources within a specific area and period of time, with the grantee providing the financing, technology, management, personnel

- and other input necessary for the implementation of the agreement, and both parties sharing the benefits under terms and conditions set forth in the agreement;
- (nn) **Protected Areas** shall refer to those areas defined and designed as such pursuant to Republic Act No. 7586 or the NIPAS act;
- (oo) **Reforestation** shall refer to all land use activities directed towards the restoration, establishment and sustained management of diversified vegetation on denuded, degraded and/or marginal lands, including but not limited to the planning and tending of timber, orchard and multi-use trees, perennial leguminous vine (i.e. cover crops), grass shrubs, vegetative hedgerows grown on contours, the establishment of check dams and other measures which contribute to soil and water conservation;
- (pp) **Rotation** shall refer to an area of forestland that has been reserved by law for a specific purpose;
- (qq) **Secretary** shall refer to the Secretary of the Department of Environment and Natural Resources;
- (rr) **Semi-Finished Wood Products** shall refer to end products requiring final stages of manufacture and/or assembly such as, but not limited to window component, table tops, veneer and other similar products;
- (ss) **Sustainable Development** shall refer to meeting the need of the present generation without comprising the ability of the future generations to meet their own needs;
- (tt) **Sustainable Forest Management and Development** shall refer to the process of managing, developing, and utilizing forestland resources to achieve the production of desired products or services without impairing the inherent productivity of the forest thereby ensuring a continuous flow of these products or services;
- (uu) **Tenure** shall refer to guaranteed peaceful in it by an agreement, contract, or grant which cannot be altered or abrogated with due process;
- (vv) **Timber License Agreement (TLA)** shall refer to a privilege granted by the State to a person to utilize forest resources within a forestland with the rights of possession and occupation thereof, to the exclusion of others, except the government, but with the corresponding obligation to develop, protect and rehabilitate the same in accordance with the terms and conditions set forth in the said agreement;
- (ww) **Trade** shall refer to the act of engaging in the exchange, purchase or sale of forest products locally or internationally;
- (xx) **Water shed** shall refer to a land area drained by a stream or a fixed body of water and its tributaries having a common outlet for surface runoff;
- (yy) **Watershed Reservation** shall refer to a forestland defined in this Act and those that have been proclaimed by law as such, primarily for water production purposes. Other compatible uses may be allowed by the Secretary under the sustainable and multi-use management concept;
- (zz) **Wildlife** shall refer to wild forms and varieties of flora and fauna; and
- (aaa) **Wood-based industries** shall refer to various industries that are dependent on wood as the principal raw material including, but not limited to, the saw milling industry, pulp and paper

industry, plywood and veneer manufacturing industry, as well as the secondary and tertiary wood processing industries such mouldings and furniture manufacturing among others.

CHAPTER II LIMITS AND CLASSIFICATION OF FORESTLANDS

SEC 4. *Limit of permanent forestlands.* The permanent forest lands shall be those of the public domain classified and delimited pursuant to this Act.

All lands of the public domain classified as forestlands by the Department as of December 1994, under its Land Classified Program, are hereby declared as permanent forestlands

Within twenty-four (24) months from the effectivity of this Act, the Department shall submit to the Congress maps of appropriated and uniform scale indicating, by province, the specific limits of land already classified as permanent forestlands pursuant to the immediately preceding paragraph.

The Department shall complete the classification of the remaining unclassified lands of the public domain within three (3) years from the effectivity of this Act. All such lands which shall be classified as forestlands shall also be declared as permanent forestlands upon submission by the Department of Congress, of the maps of said forestlands *Provided that*, no lands of the public domain eighteen percent (18%) or over in slope shall be classified as alienable and disposable lands, *Provided further*, however, that these forestlands with well-established communities duly recognized in writing under the Local Government Code and R.A. 8371 shall be allowed to continue occupying and using the specific areas they presently occupy and use, subject to such rule and regulations the Department may provide to endure sustainable land use management, and tenure security, and: *Provided finally*, that all Department records pertaining to the specific limits of forestlands shall be made available to the public upon request. The Department shall, furnish all provincial, municipal, and city government units copies of the maps of permanent forestlands located within their respective territorial jurisdiction.

SEC 5. *Additional Areas to be included as Permanent Forest Lands.* The following lands, although below eighteen percent (18%) in slope, are needed for environmental protection and forestry purposes and shall not therefore be classified as alienable or disposable lands, not be subject to logging, mining, quarrying, and such other form of occupancy, land use or resource extraction activities:

- (a) Areas less than two hundred fifty hectares (250 ha) which are far from, or not contiguous with, an certified alienable or disposable land;
- (b) Isolated patches of forest of at least five hectares (5 ha) with rocky terrain of which protect a spring for communal use;
- (c) Areas of not less than ten hectares (10 ha) covered with natural forest;
- (d) All mangroves and swamplands which are not yet classified as alternate and disposable lands;
- (e) Ridge tops and plateaus regardless of size found within or surrounded wholly or partially by forestlands where headwaters emanate;
- (f) Appropriately located road rights-of way;

- (g) Twenty-meter (20m) strips of land along the edge of the normal high waterline of rivers and streams with channels of at least five meters (5m) wide, which are not yet classified as alienable and disposable;
- (h) Strips of mangrove or swamplands at least twenty meters (20m) wide along the shoreline facing oceans, lakes, and other bodies of water, and strips of lands at least twenty meters (20m) wide facing lakes, which are not yet classified as alienable and disposable;
- (i) Areas needed for other purposes of public interest such as national parks, national historical sites, games refuge, wildlife sanctuaries, forest station sites, research experimental purposes and others;
- (j) Areas previously proclaimed by law as forest reserves, national park, game refuge, bird sanctuaries, national shrines, national historical shrines, and national historic sites;
- (k) Areas within watershed reservations;
- (l) Areas considered environmentally critical because of their vulnerability to damage from typhoons, landslides, volcanic eruptions, and natural causes.

Owners who have acquired vested rights over lands enumerated above are required to implement soil and water conservation measure in coordination with the Department and the appropriate local government unit. An Environmental Compliance Certificate (ECC) shall be required for environmentally critical projects in accordance with existing law, *Provided that*, the Department and/or the local government unit shall immediately take the necessary steps to expropriate the property concerned or cancel or amend any titles issued thereon under any of the following conditions:

- (a) Failure of the owner, after due notice, to implement appropriate soil and water conservation;
- (b) Failure of the owner to comply with ECC requirements;
- (c) The issuance of titles or other tenurial instruments such areas was accomplished through fraud. Misrepresentation or other anomalies; and
- (d) When public interest so requires.

SEC. 6. *Non-Diminution of the Specific Limits of Forestlands.* The specific limits of the permanent forestlands as determined in accordance with Sections 4 and 5 of this Act shall not be altered except by an Act of Congress.

SEC. 7. *Delineation of Boundaries of Forestlands.* The Department shall within three (3) years upon the effectivity of this Act, delineate on the ground the boundaries between the permanent forestlands and alienable or disposable lands with concrete monuments, roads or infrastructure, or any other visible permanent and practical signs.

The Department shall allocate funds for appropriation in the Annual general appropriations Act for the purpose of land classification and boundary delineation of forestlands.

SEC. 8. *Sub-classification of the Forestlands.* The Department shall have the authority to sub-classify the permanent forestlands into the following categories according to primary use:

- (a) "Protection Forest" shall refer to all areas within the forestlands designed or set aside as protected areas pursuant to the NIPAS Act shall constitute the protection forest. All mossy and old growth forests shall also be classified as protection forest.

The establishment and management of protection forests shall be in accordance with the said NIPAS Act.

- (b) "Protection Forest" shall refer to all permanent forestland not classified as protection forest pursuant to the immediate preceding paragraph (a) shall be classified as either production forests devoted to production of forest products, other crops and services, or as multiple-use forests consistent with the definition set forth in Chapter 1, Section 3, paragraph (ff) hereof. The management of production forests shall be in accordance with management plan based on sustainable management principles and approved by the Department.

In the implementation of sub-classification, the Department shall consult with concerned communities, local government units and other stakeholders. Documentary evidence of consultation initiatives, such as community assemblies, public hearings and the like shall be included in the official records covering each sub-classification exercise.

CHAPTER III ADMINISTRATION AND MANAGEMENT OF FOREST LANDS

SEC. 9. *Jurisdiction and Control of Forestlands.* The Department shall be the primary agency responsible for the conservation, management and utilization of all forestlands and the unclassified lands of the public domain. The department in coordination with Local Government Unit and other government agencies pursuant to Section 10 and 11 hereof, shall ensure that forestlands and unclassified lands of the public domain are managed, conserved, developed, utilized and protected consistent with the policies promulgated in this Act. The utilization and development of forestlands and unclassified lands of the public domain including the natural resources therein shall be undertaken in accordance with a Department-approved sustainable watershed management plan.

SEC 10. *Participation of Local Government Units in Forest Management.* Pursuant to the pertinent provisions of Republic Act No. 7160 otherwise known as the Local Government Code, the Local Government Units (LGU) shall faithfully share responsibility in the sustainable management and utilization of forest resources within their territorial jurisdiction including in Section 11, hereof. The LGU and the Department, in consultation with other government agencies, local communities, non-government organizations and other sectors, shall jointly undertake the preparation and implementation of forestland use and watershed management plans which shall be made an integral component of the LGU's comprehensive land use development plan. The LGU shall be consulted on any and all forestry projects to be implemented in their territorial jurisdiction and shall equitable share of revenues derived from the forest. For this purpose, the Department, the Department of Interior and Local Government (DILG), the leagues of provinces, cities, municipalities and barangays shall, within one (1) year from the passage of this Act. Non-participation, refusal or inaction of LGUs to faithfully share the responsibilities as herein provided shall constitute an express waiver to participate in forest management and the equitable share of incomes derived therefrom.

SEC. 11. *Forestlands Under other Government Agencies.* Forestlands and/or portion of such, which have been assigned by law under the administration and management of other government agencies for specific

purposes, including those devolved to LGUs prior to the passage of this Act, shall remain under the administration and management of these government agencies. These agencies shall be responsible for their protection, rehabilitation and conservation. These forestlands shall be administered in accordance with a forest management plan, which shall be prepared within one year from the effectivity of this Act, in coordination with the Department, LGU, local communities and organization. *Provided, that* the Department and the concerned LGU and the concerned government agency shall periodically review and monitor the implementation of the said management plan. *Provided further,* that the harvesting of forest products particularly timber, and building of roads and other infrastructure shall require prior authorization of the Secretary of the Department. The Secretary or his duly-authorized representatives shall have visitorial and supervisory powers over forestlands placed under the administration and management of other government agencies. *Provided finally,* that these forestlands, or portions thereof, shall be reverted to the jurisdiction and control of the Department when they are no longer needed for the purpose for which they have constituted, or in the event of failure of the agency concerned to rehabilitate, protect and conserve the forestland resources in accordance with the approved management plan. The Department shall determine the use of the reverted forestlands.

SEC. 12. *Forest Resources within Alienable and Disposable Lands.* The Department shall encourage and provide incentives to land owners of alienable and disposable lands to keep the natural forest on their lands under sustainable management or develop and maintain a tree plantation on such lands. Landowners may register their forest with the Department and shall be assisted in the preparation of a management plan, and given other technical assistance. The utilization of trees and other forest resources shall be allowed in accordance with the management plan.

CHAPTER IV SUSTAINABLE MANAGEMENT OF FOREST RESOURCES

SEC. 13. *Sustainable Forest Management Planning.* The Department, in consultation and coordination and coordination with local government units and other concerned sectors such as but not limited to other government agencies, local communities, non-government organizations, individual and corporate private investors and other sectors, shall adopt and implement a sustainable forest management plan for each well-defined watershed or other appropriate forest management unit. Within one (1) year from the effectivity of this Act, the Department shall prepare a Sustainable Forest Management Strategy (SFMS) that will guide the preparation of site-specific forest management plans based on criteria, indicators and standards (minimum requirements) for sustainable forest management. The SFMS shall, at the minimum, address the following:

- (a) Promotion of rational of forestland used and land use practices that increase productivity, an conserve soil and water and other forestland resources;
- (b) Protection of existing forest resources resources and conservation of bio-diversity;
- (c) Rehabilitation of denuded areas to expand the forest resource base, thereby promoting agricultural development and other food production activities;

- (d) Enhancement of the socio-economic well-being of local communities including indigenous peoples who are largely dependent of the forest for their livelihood;
- (e) Observance of stakeholder participation through consultation between and among the Department, local government units, other national agencies, and civil society in the sustainable management of forestlands;
- (f) Adoption of Community-based forest management as the principal strategy in the management of forest land and resources, an the formulation of incentives designed to promote sustainable forest management pursuant to this strategy;
- (g) Formulation of incentives designed to promote development and sustainable profitability of the forest industry sector by private sector investors operating either independently or in collaboration with forest-based communities;
- (h) Integration of forest management plans with the local land use and development plan; and
- (i) Adoption of an effective system for monitoring forest management and status including optimum use of advanced technology such as, but not limited to, satellite imaginary analysis.

SEC. 14. *Environment and Impact Assessment.* All new projects to be implemented in forestlands including harvesting, grazing and other special uses, mineral prospering and exploration, road, infrastructure, and building construction shall be subject to the Environmental Impact Assessment System.

SEC. 15, *State of the Environment Report.* The Department shall conduct research to the extent and the state of natural forests, including forests occupants in each region and province, furnishing annually both Houses of Congress a copy of the State of the Environment Report.

CHAPTER IV COMMUNITY-BASED FOREST MANAGEMENT

SEC. 15. *Community-Based Forest Management Strategy (CBFMS).* Forest communities, indigenous people and other communities, indigenous peoples and other communities whose lives, culture and general well-being are intimately likes with the forests, shall be entrusted with the responsibility and the privilege to protect, manage, develop and utilize forest resources under the principle of stewardship. Pursuant to this policy, the State herein adopts Community-Based Forest Management Strategy (CBFMS) as a principal strategy to achieve sustainable forestland management, social justice and economic development particularly in the rural areas. The Department shall formulate policies and guidelines that simplify and facilitate access to and sustainable management of forestland resources by local communities. The Department shall furthermore develop policies, guidelines and incentives for private sector investors to enter into mutually beneficial relationships with communities in the pursuit of sustainable forest management.

SEC. 16. *Community Resources Management in CBFM Areas.* The management of forestland resources in CBFM areas shall be embodied in a Community resource Management Plan which contains the community vision aspirations and strategies in the management of forestland resources. The

Department, local government units, other government agencies, non-government organizations, private companies and individuals and other sectors shall provide these communities with appropriate long-term security of tenure; technical, managerial and financial assistance, training and other assistance to empower them to manage and benefit from the forestland resources on a sustainable basis.

SEC. 17. *Qualified Participants.* Only organized communities as defined in this Act shall be available to participate in the CBFM strategy. The indigenous people shall be encouraged to actively participate in the implementation of CBFM activities in recognition of their rights to their ancestral domains and lands. All organizations eligible to participate in the CBFM shall have the following qualification:

- (a) Actually tilling portion of the area to be awarded;
- (b) Traditionally utilizing the resource for all or a substantial portion of their livelihood;
- (c) Actually residing within or adjacent to the areas to be awarded; and
- (d) Tenured migrants as defined in R.A. 7586

SEC. 17. *Qualified participants.* Only organized forest communities as defined in this Act shall be available to participate in the CBFM strategy. The indigenous people shall be encouraged to actively participate in the implementation of CBFM activities in recognition of their rights to their ancestral domains and lands. All organizations eligible to participate in the CBFM shall have the following qualifications:

- (a) Members shall be Filipino citizens, and
- (b) Members may be
 - (1) Actually tiling portions of the area to be awarded;
 - (2) Traditionally utilizing the resource for all or a substantial portion of their livelihood;
 - (3) Actually residing within or adjacent to the areas to be awarded; and
 - (4) Tenured migrants as defined in R.A. 7586.

SEC. 18. *Community-based Forest Management Special Account.* The Department shall establish and manage a Community-Based Forest Management Special Account (CBFMSA) to support the implementation of the CBFM strategy and provide financial and professional incentives for deserving communities and government personnel. The Department may source local and international grants and donations for the establishment of the CBFMSA. Other sources of funds may later be determined by the Department subject to existing government regulations.

SEC. 19. *Creation of Financing Mechanism for CBFM.* The Department, in coordination with other agencies of government, shall develop measures for sustained financing to establish CBFM in all areas of the country. Towards the end, the Department shall prioritize the following: Within six (6) months from enactment of this Act, the Secretary shall organize a committee composed of duly-authorized representatives of the Development Bank of the Philippines (DBP), the Land Bank of the Philippines (LBP), the Government Service Insurance System (GSIS), the Social Security System (SSS), the Bankers Association of the Philippines and other government and private financial institution is to formulate workable financing mechanism and instruments to fund implementation of the CBFM strategy and its sub-strategies. The committee shall elect its chairman from among its members and shall, within one year from

effectivity of this Act, prepare the necessary policies, guidelines, and procedures for this purpose.

- (a) In recognition of the favorable impact on water quality and supply that can be achieved through sustainable forest management, the Department, in collaboration with the Department of Local Government, and all government, semi-government and private agencies involved in water management and distribution, shall formulate policies, procedures and guidelines for collection of fees for water used for domestic, industrial and agricultural processes, and allocation of such fees for watershed production. The relevant policies, procedures, guidelines (etc) shall be designed to ensure that the communities responsible for managing specific areas of forest land and resources are rewarded for the management and protection measures they apply, given the benefits in terms of water supply that accrue to society at large as a result of their efforts.
- (b) Within one (1) year from effectivity of this Act, the secretary shall submit the results of (a) and (b) above to Congress through the Office of the President for enactment of appropriate enabling legislation.

SEC. 20. Areas Available for CBFM. Subject to prior vested rights, the CBFMS shall be implemented on all public forestlands, ancestral domains of ICC's and on protected areas subject to the provisions of the NIPAS law. CBFM may be allowed by the Secretary in watershed reservation to promote adequate protection and rehabilitation provide that land-use practices and activities would not induce severe soil erosion and surface run-off.

SEC. 21. Recognition and Management of Ancestral Domain. The recognition and management of ancestral domains shall be governed by the provisions of Republic Act 8371, otherwise known as the "Indigenous People's (IPs) Rights Act of 1997". The National Commission on Indigenous Peoples (NICP) shall coordinate with the Department in providing assistance to the indigenous peoples in the sustainable management of forest resources within ancestral lands and domains.

CHAPTER VI REFORESTATION PROGRAM

SEC. 22. Reforestation in Forestlands. Consistent with Section 13 hereof, the Department, in coordination with local government with local government units (LGUs), other government agencies, NGOs, local residents and communities shall identify and prioritize forest hereof and consistent with the land use plans of the LGUs.

- (a) In each prioritized area, whether at the city, municipal or provincial level, the Department, in coordination with the concerned LGU shall design an accelerated reforestation program designed to accomplish reforestation on at least fifty percent (50%) of the prioritized area within five (5) years and eighty percent (80%) of the area within ten (10) years from effectivity of this Act.
- (b) To achieve the goals set forth in the immediately preceding paragraph (a), the Department shall develop strategies that promote and encourage broad-based participation of all sectors,

- particularly forest communities, LGUs, private investors and non-government organizations in reforestation.
- (c) In its annual budget submission to the Legislature, the Department shall include budgetary allocation in the General Appropriations act in Adequate amounts to effectively accomplish reforestation of prioritized target areas.

SEC. 23. *Development of Protection Forest.* In the identification of target areas pursuant to Section 22 above, the Department shall prioritize establishment of tree cover, other diversified perennial vegetation and accompanying soil and water conservation measures on lands that have a direct impact on water supply and quality, bio-diversity and environmental protection, with special emphasis on lands covered by the NIPAS act.

- (a) Pursuant to the sound principles of ecological succession, and to achieve optimum cost-effectiveness, assisted natural regeneration (ANR) shall be prioritized in the development of protection forests and not less than fifty percent (50%) of the Department's annual appropriations for development of protection forests shall be allocated for ANR implementation.
- (b) Measures which harmonize human occupation and environmental protection shall be included in the development of protection forest, including land terracing, establishment of vegetative hedgerows on contours, plating of fruit trees, bamboo and the like.

SEC. 24. *Development of Production Forests.* Reforestation strategies shall emphasize, prioritize and encourage the development of under-utilized private land to eventually supply the major portion of timber, bamboo, rattan and other forest product needed to satisfy local demand and take optimum advantage of export opportunities.

- (a) Towards this end, the Department shall provide free technical assistance to landowners who wish to implement reforestation on their private lands.
- (b) All trees and other forest products grown on private lands shall be considered agricultural crops belonging to the owner who shall have the right to sell, contract, convey, process or dispose of the same in any manner he/she sees fit. No forest charges, environmental fees or similar levies shall be imposed by national government agencies and/or local government units on such trees and other forest products grown on private land, nor shall any rules or regulations be enacted to control the transport of such products except those necessary to prevent accidents or damage to roads and other infrastructure. Furthermore, the owner shall be entitled to the incentives provided under Section 26, subsections (a), (b), (c), (d) and (e) hereof.
- (c) In addition to providing land, the development of production forests on government land (i.e. forestlands) shall also be encourage by way of long-term lease and other mechanisms formulated by the Department and consistent with the provisions of he Constitution and relevant legislation. The Department, in coordination with potential investors, shall identify denuded area for development of production forests on government lands.
- (d) The conversation of natural forests on government land to plantations of other land use shall be totally banned for a period of thirty (30) years from the effectivity of this Act.

SEC. 25. *Reforestation or Establishment of Forest Plantation in Forest Lands Under other Government Agencies.* Over government agencies and institutions having jurisdiction over forestlands as provided under Section 10 and 11 of this Act shall be responsible for the forestation and rehabilitation of denuded and degraded portions of the forestlands under their jurisdiction. Within two (2) years from the effectivity of this Act, such other agencies/institutions shall formulate management plans for their areas, indicating therein the sites identified for reforestation, and site that will be used for other purposes. These plans shall be subject to approval by the Department. Failure to reforest lands identified for the purpose within five (5) years from the Department approval of the management plans shall be sufficient grounds to revert the said forestlands to the jurisdiction and control of the Department. the Department shall provide necessary technical assistance upon request by the concerned agencies.

SEC. 26. *Incentives.* To encourage qualified person to engage in forest plantation activities, the following incentives shall be granted, in addition to those already provided by existing laws:

- (a) The agreement holder shall not be subject to any obligation prescribed or arising out of the provisions of the National Internal Revenue Code on withholding tax at source upon interest paid on borrowing incurred for the development of forest plantations;
- (b) Amounts expended by the agreement holder in the development and operation of a forest plantation prior to the commercial harvest, shall be regarded as ordinary and necessary expense as capital expenditure;
- (c) The Board of Investments shall classify forest plantations as pioneer and preferred areas of Investment under its annual priority plan subject to the rules and regulations of he said Board;
- (d) The agreement holder shall be given priority in credit assistance granted by Government-owned, controlled and/or supported financial institutions. For this purpose, the Committee created under section 19 of this act and the Department shall within one (1) year of the effectivity of this Act, create a favorable mechanism to support reforestation and establishment of forest plantation.
- (e) Upon the premature termination of agreement at no fault of the holder, all depreciable permanent and semi-permanent improvements such as roads, buildings, and nurseries including the planted, standing trees and the other forest crops introduced and to be retained in the area shall be properly valuated and the holder shall be entitled to a fair compensation thereof, the amount of which shall be mutually agreed upon by both the department and the holder and in case of disagreement between them, by a mutually acceptable impartial third party;
- (f) No contract or agreement shall be terminated except for cause or for reason of public interest, and only after due process which informs the concerned parties of he intention to terminate and allows them to present their objections, comments or other relevant information; and
- (g) The agreement holder had the right to transfer, contract, sell or convey his rights to any qualified person.

The Secretary ,ay provide or recommend to the President, other incentives in addition to those granted under this section to promote reforestation and establishment of forest plantations.

SEC. 27. *Voluntary Offer to Reforest.* Private landowners, whether natural or judicial persons may participate in reforestation and plantation development or

similar programs of the Department furnishing funds to reforest the area: *Provided that*, the property shall be exclusively devoted to the planning of forest species for at least one (1) rotation, which undertaking shall be annotated at the back of the title of the property;

SEC. 28. *Establishment of City or Municipal Parks of Forests.* Every City or Municipality shall establish a city or municipal park or forest and shall include in its yearly budget the necessary funds for its establishment and maintenance. The Department shall provide technical assistance to the city or municipality concerned upon request, and shall coordinate with the Department of Interior and Local Government, non-government organizations and other sectors to ensure compliance with this provisions. The Department shall, upon request of concerned LGU, set aside areas for watersheds or other purposes that are consistent with forest conservation and protection of the environment.

SEC. 29. *Establishment of tree Parks in Subdivisions and Providing Tree Planting on Roadsides.* Every subdivision project to be developed after the passage of this act shall include the establishment of a tree park covering not less than fifty percent (50%) of the total open spaces required under existing laws and regulations. Guideline for the establishment of a tree parks within subdivisions shall be prepared jointly by the Housing and Land Use Regulatory Board (HLURB) and the Department. For every national, provincial, city or municipal road/highway construction project, the Department of Public Works and Highways (DPWH) or the concerned LGU shall include the planting and maintenance of trees and/or perennial shrubs along the road/highway, and establishment of roadside parks-cum-rest areas planted to trees and/or perennial shrubs every fifty (50) kilometers along the road/highway, and shall provide adequate funds for this purpose in the respective budgets for road/highway construction.

CHAPTER VII FOREST PROTECTION

SEC. 30. *Commercial Logging Activities.* In all forestlands as defined in Section 3 (w) hereof, there shall be a ban on all commercial logging activities for a period of thirty 9300 years form the effectivity of this act, and the issuance of licenses, permits or agreements to harvest timber from the natural forests in forestlands is hereby prohibited, except as provided under Section 33, hereof. Existing timber license agreement, license or permits shall be allowed to continue until their expiry, unless otherwise terminated for cause. Upon expiration of the thirty year ban, the commercial utilization of forests may be allowed subject to rules and regulations prescribed by the Department.

SEC. 31. *Exemption.* Community-based forest management projects, industrial forest plantations, tree farms, agro-forestry farms and other forest plantations including bacauan and other mangrove forest plantations, communal forests, ancestral lands and domains with approved ancestral domain management plans, and research projects approved by government agencies concerned shall not be covered by section 31 of this Act. Government projects and those of public utilities involving right-of-way, the development of mineral reservations and energy resources and the like shall be allowed subject to the issuance of the like shall be allowed subject to the issuance of an Environmental compliance Certificate by the Secretary of the Department.

SEC. 32. *Displaced Workers.* Workers of existing commercial logging operations, including wood processing plants, who will be displaced as a result of this Act, shall be given priority in employment in government forestry programs including those mentioned in Sec. 15 of this Act. *Provided that, workers who are upland dwellers displaced as a result of this Act shall likewise be given priority for employment in said forestry and reforestation programs and in the allocation of forestlands for forest development and livelihood.*

SEC 33. *Assistance of Law Enforcement Agencies.* The Department shall deputize law enforcement agencies and instrumentalities of the Government including but not limited to, the Philippine National Police (PNP), Armed Forces of the Philippines (AFP), and the National Bureau of Investigation (NBI), for the enforcement of the logging ban and the conservation and protection of forests. The assistance of the NGOs, cooperatives, citizen groups, and community organizations shall also be utilized for the same purpose. The Department of National Defense (DND), through the AFP, in close coordination with the Department, shall create a special forest law enforcement unit through a process jointly designed by the DND and the Department and composed of member recruited for the major service commands of the AFP.

The special unit, jointly supervise by the DND and the DENR, shall provide effective protection of the country's forestlands, including Protected Areas and areas which have been reforested. It shall likewise assist the government's reforestation program in a capacity to be designated by the Department, including other tasks necessary for the effective implementation of this Act.

The Secretary of Justice shall permanently designate a special prosecutor in every city and province to immediately file the charges against forest violators and ensure their speedy prosecution. He shall promulgate the necessary rules and regulations to expedite the prosecution of offenses committed under this Act.

SEC. 34. *Role of Local Residents.* Qualified local residents may be deputized by the Department to assist in the protection of forests against illegal loggers, poachers, kaingeros, and land speculators, and land speculators. They shall likewise be given the authority to arrest forest violators within their communities, subject to existing laws and regulations on arrest and detention.

SEC. 35. *Prevention of Forest Fires and Control of Forest Pests and Diseases.* The Department, in collaboration with the concerned local government unit, shall formulate and implement a program of fire prevention and control including incentives to LGUs, private organizations of individuals who participate actively in fire prevention and control to reduce damage to forest resources.

The department, in collaboration with the concerned local government unit, shall formulate and implement a program of fire prevention and control including incentives to LGUs, private organizations of individuals who participate actively in fire prevention and control to reduce damage to forest resources.

The department shall formulate and implement an integrated pest and disease management program including quarantine procedures for imported seeds, animals, plants and other forest products and plant parts to prevent and control forest pests and diseases.

SEC. 36. *Information and Reward System.* The Department shall establish an information and rewards system as part of the community's participation in the protection of forest resources. The rewards shall be immediately payable upon

the establishment of prima facie proof of violation. In cases where the information given leads to the seizure of logs, timber, and other forest products, and results in a conviction, the informer shall be entitled to twenty percent (20%) the gross proceeds of the seized logs/timber/other forest products disposed of through public bidding which shall be payable within three (3) days after full payment by the winning bidder.

CHAPTER VIII FORESTRY RESEARCH, EDUCATION, TRAINING AND EXTENSION

SEC. 37. *Research and Technology Development and Transfer.* Research and technology development transfer shall be strengthened to support sustainable management of forest resources. The Department, the Department of Science and technology and the Colleges of Forestry of State University shall, within one (1) year from the passage of this Act, prepare a research and technology development and transfer agenda for sustainable forest management, which shall be implemented, monitored and review in accordance with existing research management systems. *Provided that*, adequate and sustainable funds for research and technology development and transfer shall be provided under the general Appropriations Act.

SEC. 38. *Forestry Extension Service.* Within one (1) year from effectivity of this act, the department shall formulate a program for development of an effective forestry extension service include funds and plantilla for the same in its annual budget submission to Congress for inclusion in the General Appropriations Act. This program shall be revised and updated as needed to ensure Department capability to provide competent extension services to all sectors involved or intending to participate in reforestation and other forest management activities of privately-owned lands.

The Department, through, its forestry extension service, shall also develop a program to encourage landowners, especially those with lands above eighteen percent (18%) slope, to forest their properties.

SEC. 39. *National Public Information, Education and Advocacy.* The Department, the Philippine Information Agency (PIA), the Department of Education (DepEd), State Universities and Colleges, Private Universities and Colleges, with support form LGUs, NGOs, media and other organizations, shall formulate and implement a sustained, nationwide public information and advocacy campaign for forest and natural resources conservation and sustainable development. The DepEd with the assistance of the Department and the College of Forestry, Department of State Universities and Colleges, shall formulate curricula for forest and natural resources conservation, which the DepEd will prescribe for inclusion in the curricula for elementary and high school education. Congress shall allocate funds for the purpose of supporting a systematic campaign to promote community ecological awareness through the country.

SEC. 40. *Formal Forestry Information.* The Commission on Higher Education and Development (CHED) in collaboration with the Department, Board or Foresters of the Professional Regulations Commission (PRC) and duly accredited Forestry Professional Organizations, shall actively pursue the rationalization of formal forestry education to ensure high quality manpower output to meet the needs of the forestry sector.

SEC 41. *Continuing Education in Forestry.* A non-formal program of continuing education shall be established to maintain the growth of the forestry profession. The board of Foresters of the Professional Regulation Commission (PRC) and the Civil Service Commission Department by itself or in cooperation with academic institutions shall develop the infrastructure to institutionalize non-formal continuing education for the forestry sector.

SEC. 42. *Establishment of Training Center.* The Department shall establish and institutionalize a network of training centers in strategic parts of the country to provide regular and up-to-date training on the various aspects of sustainable forest resources management, development, and utilization to forest officers, LGUs, NGOs and local communities including indigenous peoples. Furthermore, the Department shall ensure that personnel appointed to critical and sensitive positions undergo training to prepare them to discharge their duties and responsibilities professionally and effectively.

SEC. 43. *Forestry Development Center.* The Forestry Development Center (FDC) based in the College of Forestry, University of the Philippines at Los Baños, established under Presidential No. 1559, shall continue to serve as the primary policy research and development center for forestry and natural resources management. The center shall perform its functions in close coordination with the Department and other policy research institutions in the country. The Center shall assist the department in the formulation, review and evaluation of proposed and existing policies. To enable the center to carry out its mandated functions, the Department shall provide financial support to the Center based on approved program of activities, which support shall not be less than five (5) million pesos yearly and shall be incorporated in the annual appropriations of the Department under the General Appropriations Act.

CHAPTER IX DISPOSITON AND UTILIZATION OF FOREST RESOURCES

SEC. 44. *Modes of Forest Management Agreement.* The development, utilization and management pf forest resources on forestlands shall be under the full control and supervise of the Department. The State may directly undertake such activities or it may enter into co-production, joint venture or production sharing agreement with qualified Filipino citizens or corporations, subject to the relevant laws, rules and regulations. *Provided*, that interested members of forest communities as defined in Section 3 hereof, shall be given priority in the grand of said agreements, *Provided*, further, that all applications must be acted upon within a period of six (6) administrative or criminal charges against the officers tasked to carry out the functions. Such agreements shall have a duration of twenty-five (25) years, renewable for another twenty-five (25) years under such terms and conditions as ma be provided by the Secretary; *Provided*, that such agreements may not be terminated except for cause or when public interest so requires.

Current holders of existing and valid licenses, contracts or agreements granted by the government for the development, management and utilization of forest resources may be allowed to continue under the same terms and conditions until expiry of such licenses/contracts/agreements or the same may be converted into any other mode authorized under this Act and consistent with guidelines promulgated by the Department; *Provided that*, no such conversation will be allowed in protection forests as defined in Section 8 of this Act. The

Department is hereby authorized to formulate rules and regulations covering the relevant terms and conditions thereof.

SEC. 45. *Transfer.* No holder of a co-production, joint venture or production –sharing agreement or contract shall sub-contract, transfer, exchange, sell or convey the same or any of his/her rights or interests therein without authority from the Secretary, and such change of rights/interests shall remain valid for the remaining unexpired term of the original agreement, subject to compliance with the terms and conditions thereof: *Provided, that* no transfer shall be authorized unless the agreement or contract has been in existence and active for at least three years; *Provided further,* that the transfer or has faithfully complied with the terms and conditions of the said agreement or contract; the transferee has all the qualifications and none of the disqualifications to hold the same, and the transferee shall assume all the obligations of the transferor.

SEC. 46. *Non-Timber forest Products.* Rattan, bamboos, vines, herbs, exudates and other non-timber forest products are integral parts of the forest ecosystem. The planting and sustainable management of non-timber producing species shall be encouraged and supported. The development, management and utilization of non-timber forest products in the natural forests, priority shall be given to local communities or indigenous peoples living nearest the subject forestlands.

SEC. 47. *Grazing.* The Department shall identify areas in the production forest land suitable for grazing purposes. However, no forestland fifty percent (50%) on slope or over may be utilized for grazing purposes.

- (a) Identified grazing land shall be turned to the Department of Agriculture (DA) which shall be responsible for licensing utilization of the same through lease or other appropriate arrangement by private investors, and shall furthermore be responsible for supervising development and management of such lands for livestock production purposes;
- (b) Within six (6) months from effectivity of this Act, the Department, in collaboration with the DA shall formulate and promulgate guidelines for the utilization, development and management of grazing lands including, but not limited to prescriptions for pasture improvement, soil, water conservation, reforestation of lands over fifty percent (50%) slope and other relevant activities designed to ensure environmentally-sound management;
- (c) Within one (1) year from effectivity of this Act, the DA in consultation with the Department and revenue collection agencies of the government, shall formulate and promulgate guidelines and criteria for establishing fees and charges covering utilization of grazing lands, the amounts of which shall be commensurate with a fair value due to government but not less than one hundred fifty pesos (P150.00) annually per hectare;
- (d) Existing pasture lease agreement/forest land grazing lease agreement shall be allowed to continue under the current terms and conditions for the unexpired term subject to compliance guidelines promulgated pursuant to paragraph (b) above;
- (e) The DA shall not issue any new permit, lease or contract, nor such existing agreements be allowed to continue on grazing lands if not covered by the EIS and an ECC;
- (f) Within one (1) year from effectivity of this Act, the D, in collaboration with the Department shall conduct and complete a review of performance of existing pasture/lease/forestland grazing lease

- agreement/permits and cancel all such conditions set forth in such agreements/permits; and
- (g) Forestlands that are the subject of cancellation shall be returned to the Department for rehabilitation, protection, and conservation.

SEC. 48. *Mining and Power Generation Operation in Forestlands.* Forest resources inside mineral lands are under the Department's jurisdiction, and their management and utilization are subject to the provisions of this Act. Power generation and small-scale mining operations in forestlands may be allowed only after the issuance of an Environmental Compliance Certification (ECC).

SEC. 49. *Roads and Other Infrastructures.* Roads and other infrastructures inside forestlands shall be constructed with least impairment to the resources valued found in such forestlands. Government agencies undertaking the construction of roads, bridges, communication and other infrastructure inside forestlands shall coordinate with and seek prior authority from the Department.

Persons allowed to develop, explore or utilize forest resources as provided under Sec. 50 of this Act, may be allowed to construct roads and other infrastructure inside the forestlands in accordance with approved comprehensive management plans, and upon compliance with EIA and ECC requirements and upon authorization by the Department. All roads and infrastructure constructed by forest management agreement holders and other permittees, licensees and lessees shall belong to the State, and their use and administration shall be transferred to the government upon termination of the agreement.

CHAPTER X FOREST-BASED INDUSTRIES

SEC. 50. *Establishment and Operation of Forest-Based Industries.* It shall be the policy of the State to assure the availability and sustainability of the country's forest through judicious use and systematic restoration or replacement, increase the productivity of forest resources to meet the demands for forest-based goods and services of a growing population; enhance the contribution of forest resources for achieving national economic and social development; and promote the establishment, operation and development of forest-based industries; *Provided that*, the Department shall regulate the establishment and operation of processing plants or mills for forest products. To achieve this policy objective, incentives shall be provided to forest-based industries.

SEC. 51. *Incentives for Forest-Based Industries.* To enable forest-based industries to be efficient, competitive and economically viable, the following incentives shall be granted in addition to those already provided by existing laws;

- (a) All processing plants or mills shall be granted operating permits with a duration of five (5) years and automatically renewable every five (5) years thereafter, subject to compliance with the terms and conditions of such permit; *Provided that*, permits of processing plants owned or operated by holders of forest management agreements or contracts shall be co-terminus with the expiry of said agreements or contracts;
- (b) The Department shall provide incentive for the processing of lesser used and non-wood species, and all logging and wood processing wastes;

- (c) The Department shall, within one (1) year from the effectivity of this Act, submit to Congress, through the President of the Philippines, additional measures that need to be legislated and that are designed to improve the competitiveness and viability of forest-based industries; and
- (d) *The Department shall promote and strengthen the linkages between corporate and community-based industries; and*
- (e) The Department may provide other incentives to forest-based industries as may be necessary.

SEC. 52. *Export and Sale of Timber Products.* Finished and semi-finished lumber products, wood manufactures and other finished wood products derived from local and imported logs and planted species shall be allowed for export. However, logs and unprocessed wood of naturally-grown species of whatever dimensions cut, gathered or removed from natural forests in forestlands shall not be exported.

Exportation of logs, lumber and other finished products from plantations shall be allowed pursuant to such guidelines that the Department may promulgate. Furthermore, no restrictions, rules or regulations shall be imposed to prevent the export of timber and other forest products derived from plantations established on privately owned lands.

No person shall sell or offer for sale any log, limber, plywood or other manufactured wood products in the international or domestic market unless he/she complies with the grading rules established grading rules and standards, or any act of falsification of the volume of logs, lumber, or other forest products in the international or domestic market shall be sufficient cause for cancellation of export license, wood, processing permit, or other license or permit authorizing the manufacture or sale of such products.

SEC. 53. *Importation of Logs and Other Forests and Wood Products.* Logs, lumber and other forest and wood-based products may be imported subject to the tariff schedules and/or rules an regulation promulgated by the government.

CHAPTER XI. FOREST CHARGES, FEES AND RENTALS

SEC. 54. *Fees Rentals for the Utilization, Exploitation, Occupation, Possession of the Activities within Forestlands.* The department shall prescribe appropriate fees and rentals for the different kinds of utilization, exploitation, occupation, possession of, or activities within forestlands. Likewise, fees shall be collected for the filing and processing of application thereof as well as the issuance and renewal of license, permits and agreements.

SEC. 55. *Forest Charges.* Forest charges shall be collected on forest products in accordance with the provisions of Republic Act No. 7161. the Department shall develop guidelines for the assessment and collection of forest charges.

SEC. 56. *Fees for Administrative Services Rendered by the Department.* Fees shall be collected for various administrative services rendered by personnel of the Department in connection with their duties and responsibilities as may be

requested by interested parties, including but not limited to, surveying, mapping and other similar service activities.

CHAPTER XII. APPROPRIATIONS AND FINANCING SUPPORT

SEC. 57. Appropriations. The amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter/

SEC. 58. Funding. In its budget preparation, the Department and the local government units shall allot adequate funds to effectively implement CBFM targets and shall ensure the inclusion of such budgetary allocation in the annual General Appropriations Act.

SEC. 59. Sustainable Forestry Development Fund. In order to provide sustainable funds for forestry development and protection activities such as reforestation and CBFM projects, a sustainable forestry development fund shall be created. At least thirty percent (30%) of the forest charges and government share in all products removed from the forestlands, rentals, proceeds from sales of confiscated forest products including conveyances, fines and penalties and administrative charges shall be collected and set aside for the buildup of sustainable forestry development fund

The Department, through the Forest Management Bureau (FMB), in coordination with LGUs, NGOs, Pos and government financial institutions shall create mechanisms to manage the Sustainable Forestry Development Fund.

CHAPTER XIII. CRIMINAL OFFENSES AND PENALTIES

SEC. 60. 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 timber from natural forest inside alienable and disposable public land, without authority for the Secretary of who shall possess timber or other forest products without the pertinent required legal documents shall be punished by imprisonment ranging from prison mayor minimum period to reclusion temporal minimum period and/or a fine equivalent to ten times the value of the said forest product but not less than fifty thousand pesos (P50,000.00); *Provided that*, in case of partnerships, associations or corporations, the president, managing partner, and general manager shall be 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. 61. Illegal Cutting as an Act of Economic Sabotage. If any acts enumerated in the preceding section have been committed by an armed group or organized group through conspiracy, threat, fraud or deceit, the gathering,

collecting or removing timber or other forest products from any forestland or available and disposable public land without any authority from the Secretary, or possession of timber or other forest products without the pertinent required legal documents shall be considered as an act of economic sabotage and shall be punishable reclusion perpetua.

SEC. 62. *Use of Illegally Cut Timber in Government Infrastructure.*

Contractors of government infrastructure are required to obtain certification from the Department that the lumbers used were from legitimate sources. Use of illegally cut timber in government infrastructure project is prohibited and shall be sufficient cause for withholding of the payment of the contractors. Further, the contractor may be subject to the penalties provided under section 72 hereof.

SEC. 63. *Damage to Residual Trees.* To ensure the sustainability of the forest, adequate number of residual trees shall be marked to form part of the managed forest and as the future timber crop before any harvesting operations commence. Any marked residual tree that is damaged is subject to a fine equivalent to four times regular forest charges.

SEC. 64. *Grazing Livestock on Forestlands without a Permit.*

Imprisonment for not less than two (2) years nor more than four (4) years and a fine equivalent to ten times the regular rentals due in addition to confiscation of such livestock and all improvements introduced in the area in favor of government shall be imposed on any person who shall, without authority under lease or permit, graze or cause to graze livestock in forestlands, grazing lands and alienable and disposable lands, which have not yet been disposed in accordance with the Public Land Act. *Provided that*, in case the offender is a corporation, partnership, or association, the officer or employee, he shall, in addition to the above penalties, be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service.

SEC. 65. *Unlawful Occupation or Destruction of Forestlands.* Any person who enters, occupies or possess, or makes kaingin for his own private use or for others, in any forestland, or grazing land without authority from the Secretary, or in any manner destroys such forestland, or part thereof, or cause any danger to the forests found therein, or assists, aids or abets any other person to do so, or sets a fire, or negligently permits a fire to be set in any forestland, or refuses lawful order to vacate the area when ordered to do so shall, upon conviction, be punished an amount of not less than twenty thousand pesos (P20,000.00) but not more than one hundred thousand pesos (P100,000.00) and imprisonment of not less than two (2) years but not more than six (6) years for each offense: *Provided that*, in case of any offender found guilty of making kaingin, the penalty shall be imprisoned for not less than ten (10) years but not more than twelve (12) years and a fine equivalent to eight (8) times the regular forest charges due on the forest products destroyed without prejudice to payment of the full cost of rehabilitation of the occupied areas as determined by the Department: *Provided further*, that the maximum penalty prescribed herein shall be imposed upon any offender who repeats the same offense for the third time or oftener. In all cases, the court shall further order the eviction of the offender from the land and the forfeiture to the government of all improvements made and all vehicles, domestic animals and equipment and improvements shall be sold at public auction, the proceeds from which shall accrue to the Sustainable Forestry Development Fund. In case the offender is a government officer or employee, he shall, in addition to the above penalties, be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service.

If the offender is an alien, he shall be deported after service of sentence payment of fines without further proceedings.

SEC. 66. *Illegal Acts on Wildlife.* It shall be unlawful for any person to collect, catch, possess, hunt, wound, kill, capture or destroy the nest or eggs, host plants, trade display or keep in pet shops, flower shops, orchidarium, nurseries, and the life, threatened wildlife, its by product or derivatives or destroy the habitat of wildlife, including those designed as critical habitat. Any person violating this provision shall be punished by imprisonment of six (6) years and one (1) day to twelve (12) years and a fine of One Million Pesos (P1,000,000.00) for species listed under CITES I; Seven hundred fifty thousand pesos (P750,000.00) for species listed under CITES II, and a five hundred thousand pesos (P500,000.00) for threatened species.

A criminal action for violation of this provision shall not bar the institution of a civil action for damages which may proceed independently.

All wildlife and its derivatives or by-products, and all paraphernalia, tools and conveyances used in connection with violations of these provisions shall be seized and confiscated in favor of the government.

In case the offender is a government officer or employee, he/she shall, in addition to the above penalties, be deemed automatically dismissed from office and permanently disqualified from holding any elective or appointive position in the government service. If the offender is an alien, he/she shall be deported after service of sentence and payment of fines without any further proceedings.

SEC. 67. *Misdeclaration, falsification of Forest Resources Inventory, Scaling, Surveys and Reports by Government Official or Employee.* Any public officer or employee who knowingly misdeclares or falsifies forest resources inventory, scaling, surveys, and other similar reports which are contrary to the criteria and standards established in this Act or rules and regulations promulgated hereunder shall, after an appropriate administrative proceeding, be dismissed from the service and permanently disqualified from employment in any agency of the government. Upon conviction by a court of competent jurisdiction, the same public officer or employee shall further suffer an imprisonment of not less than eight (8) years or more than twelve (12) years and a fine of not less than twenty thousand pesos (P20,000.00) nor more than hundred thousand pesos (P100,000.00). Furthermore, the subject inventory, survey, classification or report shall be null and void.

SEC. 68. *Unlawful Operation of Processing Plants and Mills.* Any person operating a processing plant or mill without authority from the Secretary or his duly authorized representative, shall be punished by a fine of not less than one hundred thousand pesos (P100,000.00) and confiscation of the equipment and other paraphernalia in favor of the government.

SEC. 69. *Prohibition on Issuance of tax Declaration on Forestlands.* Any public officer or employee who shall issue a tax declaration for any purpose on forestland, shall suffer imprisonment for a period of not less than four (4) years but not more than eight (8) years and perpetual disqualification from holding an elective or appointive office: *Provided that*, such tax declaration shall be considered null and void.

SEC. 70. *Unlawful possession of Implements and Devices Used by Forest Officers.* Unlawful possession of official implements and devices used by forest officers, such as but not limited to marking hatchets, shall be penalized with

imprisonment if not less than four (4) years nor more than eight (8) years and a fine of not less than twenty thousand pesos (P20,000.00) nor more than one hundred thousand pesos (P100,000.00). In addition, the said forest officer responsible for faithful possession and use of such implement/device shall be dismissed from the service, with prejudice to reinstatement and with perpetual disqualification from holding any elective or appointive position.

SEC. 71. *Unauthorized Introduction of Logging Tools and Equipment Inside Forestlands and National Parks.* It shall be unlawful for any person or entity to possess, bring or introduce inside forestlands any chainsaw, logging tools or equipment other than bolos and simple hand tool without prior authority from the Secretary of his duly authorized representative. Any person found guilty of illegal possession of said chainsaw, logging tools or equipment shall be liable to imprisonment of twelve (12) years and one (1) day of fourteen (14) years and eight (8) months or fined not less than fifty thousand pesos (P50,000.00) or more than one hundred thousand (P100,000.00) or both, and confiscation of said logging tools and equipment.

SEC. 72. *Non-payment and Non-Remittance of Forest Charges.* Any person who fails to pay the amount due payable to the government shall not be allowed to transport, convey, sell or use the forest product and failure to pay within thirty (30) days upon assessment of forest charges, shall be ground for the confiscation of the said forest product in favor of the government pursuant to Section 60 of this Act. Any person who fails or refuses to remit to proper authorities said forest charges collectible pursuant to the provision of this Act or the National Internal Revenue Code, as amended, or who delays, obstructs or prevents the same, or who orders, causes or effects the transfer or diversions of the funds for purposes other than those specified in this Act for each such offense shall, upon conviction, be imprisoned for not less than six (6) years nor more than ten (10) years and be fined from twenty thousand pesos (P20,000.00) to one hundred thousand pesos (P 100,000.00). If the offender is a government official or employee, he/she shall, in addition, be dismissed from service, permanently disqualified from employment or reinstatement and perpetually disqualified from holding any elective or appointive office. If the offender is a corporation, partnership or association, officers and directors thereof shall be liable.

SEC. 73. *Institution of Criminal Actions by Forest Officers.* A forest officer shall arrest even warrant any person who has committed or is about to commit, or is committing in his presence any of the offense defined in this chapter. He/she shall also seize and confiscate, in favor of the government, the tools, equipment and conveyances used in committing the offense, and the forest product out, gathered, taken or possessed by the offender in the process of committing the offense. The arresting forest officer shall thereafter deliver within six (6) hours from time of arrest or seizure, the offender and the confiscated forest products, conveyances, tools and equipment, or the documents pertaining to the same, and file the proper complaint with the appropriate official designated by law to conduct preliminary investigation and the information in court. If the arrest and seizure are made in the forest, far from authorities designed by law to conduct preliminary investigations, the delivery and complaint with the latter shall be done within a reasonable time sufficient for ordinary travel from the place of arrest to the place of delivery. The seized products materials, conveyances, tools, and equipment shall be disposed of in accordance with the regulations promulgated by the Department. The secretary may deputize any agency, barangay or barrio official or nay qualified person to protect the forest and exercise the powers to authority provided for in the preceding paragraph, in the case of reports and complaints regarding the commission of any of the offenses

defined in this chapter not committed in the presence of any forest officer or may of the deputized officer but reported to a forest officer, the said forest officer shall immediately advise the forest officer assigned in the area where the offense was allegedly committed and the latter shall promptly receive the evidence supporting the report of the complaint and if such evidence is found sufficient file the necessary complaint with the appropriate official authorized by law to conduct a preliminary investigation of criminal case and file an information in court.

SEC. 74. *Liability of Confiscating Officers.* Any public officer who fails to produce the timber or forests products or any part thereof including tools, conveyances, equipment, machine and devices in his custody pursuant to a seizure of confiscation made thereon, or who shall appropriate, take, misappropriate, or permit any other person to take such timber or forest products wholly or partially, shall suffer the penalty provided for in Article 217 of the revised Penal Code. In addition, the said public officer shall be dismissed from service permanently disqualified from employment or reinstatement and perpetually disqualified from holding any elective or appointive office.

CHAPTER XIV ADMINISTRATIVE PROVISIONS

SEC. 75. *Strengthening of the Forest Management Bureau and the Forest Management Sector.* In order to effectively implement the provisions of this Act, the Forest Management Bureau (FMB) shall be strengthened and shall have the following functions in addition to the function enumerated under Executive Order No. 192: (a) coordinate and supervise the formulation and implementation of forestry policies, plans and programs, (b) lead in the monitoring and evaluation of these policies, plans and programs and the like (c) review and evaluate all applications for licenses, permits, joint ventures, and management agreements for issuance and/or approval by the Secretary. To ensure that the scientific practice of forestry in the country is properly implemented, only registered foresters shall be appointed to the positions of Director and Assistant Director of the Bureau and Regional Technical Director of the Forestry Sector and all other forester positions, in accordance with existing Civil Service rules and regulations.

The Forest Management Bureau (FMB) shall be reorganized into a line agency. The Secretary, in consultation with the Civil Service Commission (CSC) and the Department of Budget and Management (DBM), is hereby authorized to recognize the Bureau and the forestry sector at the field level and create additional positions as may be necessary for community-based forest management, forest protection and other programs mandated under this Act, and to upgrade the salaries of foresters and other forest officers.

SEC. 76. *Authority of the Secretary on the Utilization of Forest Resources.* The utilization of forest resources from natural forest found in forestlands, alienable and disposable lands not yet awarded to private individuals or entities, government-established reservation, and all other forestlands including those under ancestral domain claims and control or management of other government agencies, shall be prohibited except through valid license, permit, or other agreement approved by the Secretary or his/her duly-authorized representatives.

SEC. 77. *Administrative Authority of the Secretary of his Duly Authorized Representative to Order Confiscation.* In all cases of violations of this Act or other forest laws, rules, and regulation, the Secretary or his duly-authorized representative may order the confiscation of forest products illegally harvested,

cut, land, water or air as well as the machinery, conveyance, equipment implement and tools used in the commission of the offense and to dispose of the same in accordance with pertinent laws, regulations or policies on eh matter.

If the confiscated forest products are in danger of deterioration, the Secretary may order, that the same be sold at public auctions even before the termination of the judicial proceedings, in which case the proceeds shall be turned over and entrusted to the court pending the outcome of such proceedings.

No courts in Philippines shall have jurisdiction to issue any writ of replevin, restraining order, or preliminary mandatory injunction in any case involving or *growing out of any action by the Secretary or his duly authorized representative* in the exercise of the foregoing administrative authority.

SEC. 78. Administrative Authority of the Secretary to Impose Fines. In all cases of violation, forest officers or other government officials or employees duly authorized by the Secretary, shall have free entry into areas covered by a contract, agreement, lease or permit. Forest officers are authorized to inspect and open close vans suspected to *contain illegally harvested, collected or transported forest products*, provided this is done in the presence of the shipper or consignee of two (2) responsible public officials in the locally. Forest officers are authorized to administer oath, take acknowledgement in official matters connected with the functions of their office, take testimony in official investigations, conducted under the authority of this Act and implementing rules and regulations issued pursuant thereof.

SEC. 79. Visitorial Powers. The Secretary or his duly authorized representative shall, from time to time, investigate inspect and examine records, and other document except bank records to the operation of any person granted the privilege or with a contract to utilize forest resources to determine compliance with the terms and conditions stipulated in the grant, the contract, this Act and pertinent laws, rules and regulations.

SEC. 80. Other Incentives. Twenty percent (20%) of the value of confiscated materials shall paid as incentives to informants including member of Multi-Sectoral Forest Management Councils or similar bodies and Department personnel. Confiscated forest products may also be donated to LGUs and other government agencies or building government infrastructure in recognition of their participation in forest protection activities. *Additional incentives may be provided by the Department, in additional to those provided under the Government Service Insurance System (GSIS) or Workmen's Compensation Law.* They shall also be entitled to free legal assistance should legal cases be filed against them in the performance of official duties.

SEC. 81. Protection for Witness to Violation/s of Forestry Laws. Witness to violation for this Act or other forestry laws and regulations, including the immediate family members of said witness, shall be given protection, security and benefits, *subject to the provisions of Republic Act No. 6981, otherwise known as "Witness Protection, Security and Benefit Act" and its implementing rules and regulations.*

SEC. 82. Rule-Making Authority. Implementing Rules and Regulations, the Secretary shall, within one (1) year from effectivity of this Act , promulgate the rules and regulations necessary to effectively implement the provisions of this Act.

SEC. 83. *Separability Clause.* Should any provisions herein be declared unconstitutional, the same shall not affect the validity or the legality of the other provisions.

SEC. 84. *Repealing Clause.* Subsections (b), (d), (e), (f), (g) and (i) of Section 4 of Act No. 3915; Republic Act No. 460; Presidential Decree Nos. 705, 1153, 1515, 1559, 1775, and 1998; Letter of Instruction No. 818; Executive Order No. 277 and 288 and series of 1987 and Executive Order No. 725, series of 1981, are hereby repealed, and all laws, orders, rules and regulations or any part hereof which are inconsistent herewith are repealed or amended accordingly.

SEC. 85. *Effectivity.* This Act shall take effect thirty (30) days from the date of its publication in the Official Gazette and at least two (2) newspaper of general circulation.

Approved,