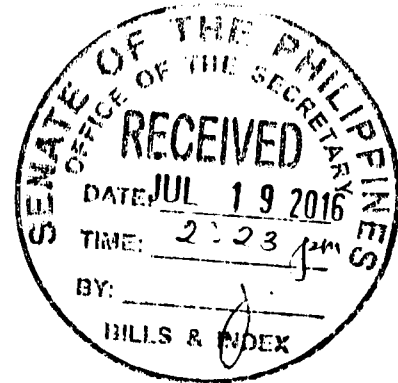


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE

S. No. 520

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
INSTITUTIONALIZING PRIVATE LAND FORESTRY TO ENHANCE
REFORESTATION AND ENVIRONMENTAL PROTECTION AND PROVIDING
INCENTIVES THEREOF, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

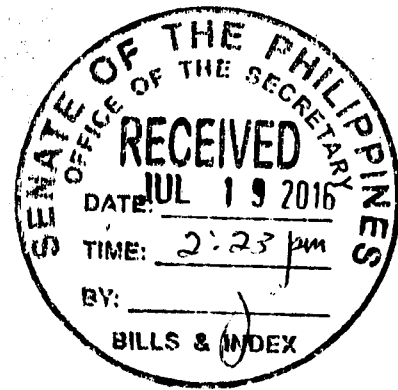
The failure to protect the forest lands and forest resources from timber companies' obliteration has been leading to the denudation of our forests and the consequent suffering of the entire country caused by natural disasters. This scenario demonstrates a serious problem related to public goods.

As a response to the problem of denuded forests, the total log ban has been advocated. However, a total log ban is clearly not an optimum nor an effective response because it does not provide sufficient incentives that are consistent with the preservation of forest resources.

This bill proposes a system of private land forestry, defining special agricultural lands and permanent agro-forestry zones, and vesting in private individuals the property rights to such lands. Private individuals exercising limited property rights over these lands under the supervision of local government units (LGUs) will constitute the more effective enforcers of practices that will contribute towards the renewal and preservation of our forest lands and resources.

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


ANTONIO "SONNY" F. TRILLANES IV
Senator



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AN ACT
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INCENTIVES THEREOF, AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** - This Act shall be known as the "Private Land Forestry
2 and Incentive Act."

3
4 **SEC. 2 Declaration of Policy.** - It is declared policy of the State to protect and
5 advance the right of the people to a balanced and healthful ecology through forest
6 conservation and reforestation. The State also recognizes the indispensable role of the private
7 sector in reforestation.
8

9 **SEC. 3. Coverage.** - This Act shall cover social forestry areas, alienable/disposable
10 land, and privately owned lands engaged in agro-forestry activities.
11

12 **SEC. 4. Special Agricultural Lands and Permanent Agro-Forestry Zones.** - All land
13 areas covered by the integrated social forestry program of the Department of Environment
14 and Natural Resources (DENR) pursuant to Letter of Instruction No. 1260 and such other
15 areas as may be determined by the DENR are hereby classified as special agricultural lands
16 declared as "Permanent Agro-Forestry Zones" and shall be available for land ownership or
17 title by qualified beneficiaries. As special agricultural lands such areas shall continue to be
18 farmed with at least twenty percent (20%) of the land planted to the trees or reforestation
19 species and with environmental protection measures.
20

21 **SEC. 5. Application.** -
22

23 A) All individuals qualified to be beneficiaries of the integrated social forestry
24 program of the DENR as provided in Administrative Order No. 4 dated February
25 27, 1991 are hereby declared qualified to apply for the titling of a forestland of not
26 exceeding seven (7) hectares of Permanent Agro-Forestry Zone.
27

28 B) All individual forestland occupants awarded with certificates of stewardship
29 contracts under the integrated social forestry program of DENR as of the
30 effectivity of this Act are hereby qualified to apply for the corresponding land
31 titles.

1
2 It is hereby provided that the qualifications to be beneficiaries of the integrated social
3 forestry program of government are as follows: Must be of legal age; Must be a citizen of the
4 Philippines; Must be actual tillers or cultivators of the land to be allocated; and Must be
5 living within the project area or adjacent barangay/sitio.
6

7 **SEC. 6. Conditions for the Grant.** - The grant of certificates of land ownership or
8 titles to qualified beneficiaries under this Act shall be subject to the following conditions:
9

- 10 A) At least twenty percent (20%) of the social forestry area awarded to the occupant
11 shall be devoted to tree farming of suitable species to contribute to the
12 reforestation efforts of the government;
13
14 B) Trees and other vegetation along the banks of rivers and streams, bordering or
15 passing through the allocated areas, shall be protected and preserved: *Provided,*
16 That if the channel is at least five (5) meters wide, the protected strip,
17 perpendicular to the edge of the normal high waterline shall be twenty (20)
18 meters. In case of rivers or waterways less than five (5) meters in width, the strip
19 shall be ten (10) meters on each side;
20
21 C) The allocated land shall be developed, consistent with scientific and
22 environmental protection practices, into productive farms which are economically
23 viable and enable the occupant and his family to be self-reliant; and
24
25 D) Regardless of transfer of ownership, the area shall not be converted to uses other
26 than agro-forestry, except as determined by scientific/technical studies and
27 expressly allowed by law.
28

29 **SEC. 7. Jurisdiction over Agro-Forestry Zones.** - Consistent with Section 17 of
30 Republic Act No. 7160 or the Local Government Code, the local governments shall have
31 primary jurisdiction over agro-forestry zones for purposes of the implementation and
32 enforcement of the provisions of this Act.
33

34 **SEC. 8. Transferability of Ownership.** - Social forestry areas acquired by
35 beneficiaries under this Act may not be sold, transferred or conveyed except through
36 hereditary succession or to other qualified beneficiaries for a period of five (5) years from
37 date of issuance of the original certificate of land ownership or title.
38

39 **SEC. 9. Private Forestry Areas.** - The following shall be considered as private
40 forestry areas: (a) agricultural or alienable/disposable lands at least twenty percent (20%) of
41 which area is devoted to tree farming of reforestation species; (b) private lands converted to
42 farms at least twenty percent (20%) of which area is planted to reforestation species; and (c)
43 social forestry or agro-forestry zone areas covered by this Act.
44

45 **SEC. 10. Incentives.** - The following incentives are given to owners and
46 cultivators/developers of private forestry areas:
47

- 48 A) Exemption from payment of all taxes and agricultural forest charges including
49 tariffs or import duties on agricultural forestry equipment, machinery and farm
50 processing and other inputs, except net income tax;

- 1
2 B) Permission to sell, trade, dispose or export agro-forestry produce even in raw
3 form;
4
5 C) Permission to sell or dispose of the land area and assets thereof in secondary
6 markets subject to the restriction in Section 8 of this Act;
7
8 D) Government guarantee of up to ninety percent (90%) of the amount loaned from
9 local, or foreign sources for private forestry operations: *Provided, however,* That
10 the property and assets therein are mortgaged to the government as collateral; and
11
12 E) Preferential technical and administrative assistance from government agencies.
13

14 **SEC. 11. *Disposal of Foreclosed Private Forestry Areas.*** - All private forestry areas
15 or lands foreclosed or acquired by the government through default of loans or violation of
16 law shall, within one (1) year after their titles are transferred in favor of the government, to be
17 disposed to qualified persons or entities.
18

19 **SEC. 12. *Economies of Scale.*** - Individual owners of private forestry areas may form
20 federations for purposes of economies of scale of operations; *Provided, however,* that
21 individual land ownership or title is preserved, and that twenty percent (20%) of the total land
22 area, thus pooled, is devoted to tree farming of reforestation species and the remaining areas
23 subjected to adequate environmental protection.
24

25 **SEC. 13. *Penal Provisions.*** - Social forestry areas which have not adequately
26 accomplished agro-forestry activities after five (5) years of ownership shall be forfeited in
27 favor of the government. Other violations of forestry, land and environment and other laws
28 shall be punished accordingly with respect to such codes or laws.
29

30 **SEC. 14. *Implementing Guidelines.*** - The Department of Interior and Local
31 Government (DILG), in consultation with the Department of Environment and Natural
32 Resources, Agriculture and Agrarian Reform, the Land Bank and other agencies concerned
33 shall formulate the necessary implementing rules and regulations within ninety (90) days
34 after effectivity of this Act: *Provided,* That such regulations include the creation of
35 interagency Oversight Committee at the appropriate field levels.
36

37 **SEC. 15. *Separability Clause.*** - If any section or provision of this Act shall be
38 declared unconstitutional or invalid, the other sections or provisions not affected thereby shall
39 remain in full force and effect.
40

41 **SEC. 16. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations and
42 other issuances inconsistent with the provisions of this Act are deemed modified, revoked or
43 repealed accordingly.
44

45 **SEC. 17. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication
46 in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,