

EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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Senate
Office of the Secretary

'19 JUL -8 P 3:16

SENATE

S. No. 284

RECEIVED BY:

Introduced by Senator **PIA S. CAYETANO**

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

EXPLANATORY NOTE

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

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

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

The bill mandates the development of an effective and sustainable forest management strategy based on the allocation of forestland uses and by promoting land use practices that will not only be productive but will also conserve forest

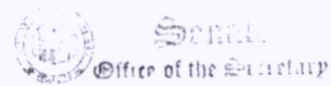
resources such as soil, lumber, and water. This forest management strategy will also work to protect existing forest resources, conserve our fragile biodiversity and rehabilitate deforested or denuded areas. It is also envisioned to promote and stimulate food production activities without compromising forested areas.

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

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


PIA S. CAYETANO

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

- 1 **ARTICLE I**
2 **GENERAL PROVISIONS**
3 Section 1. *Short Title.* – This Act shall be known as the “Sustainable Forest
4 Management Act”.
5 Sec. 2. *Declaration of Policy.* – It is the policy of the State to promote social
6 justice and the general welfare in all phases of national development; protect and
7 advance the right of the Filipino people to a balanced and healthful ecology in
8 accord with the rhythm and harmony of nature; and to conserve and develop the
9 patrimony of the nation. Therefore, the State hereby adopts the following policies for
10 the sustainable management and conservation of forest lands and forest resources
11 found therein:
12 a. The specific limits of forest lands, after these have been fixed and
13 demarcated, shall not be altered, except through an act of Congress;
14 b. The use and conservation of forest lands and forest resources found therein
15 shall bear a social, cultural, ecological, biological, and economic functions,
16 responsibility and accountability to promote the common good of present and
17 future generations.

- 1 c. The protection of forest ecosystem, as well as rehabilitation through
2 reforestation and afforestation of the degraded forest ecosystem, shall be
3 given priority to mitigate climate change, improve and conserve biodiversity,
4 enhance ecosystem functions and services and provide long-term economic
5 benefits;
- 6 d. Forests lands shall be partitioned and planned into forest management units
7 (FMUs) based on natural topographic and hydrologic boundaries and shall
8 consider the watershed continuum approach which adopts a holistic inter-
9 relationship between the upstream and downstream areas in order to carry
10 out efficiently the rational ecological treatment of the entire landscape from
11 the mountain down to the coast.
- 12 e. The management, protection, conservation and development of forest
13 resources shall be done in an integrated, inclusive, developmental, and
14 sustainable manner, focusing on the forest resource and the people who
15 manage, conserve and benefit from it.
- 16 Sec. 3. *Objectives.* – The general objective of this bill is to optimize the
17 utilization of forest resources to support sustainable development of the country by
18 providing equitable access and benefit sharing to stakeholders. The specific
19 objectives are:
- 20 a. To deregulate the management of forest lands and forest resources;
- 21 b. To provide sustainable livelihood and enterprises especially among those
22 depending and temporarily residing in forest lands;
- 23 c. To strengthen institutional mechanisms to respond to forest management
24 concerns namely, development of the forest industry; law enforcement; and
25 management of watershed;
- 26 d. To create the Sustainable Forest Development Fund as a support mechanism
27 for funding requirements of forest management units;
- 28 e. To reorient the role of the Forest Management Bureau to be more responsive
29 and pro-active consistent with the objectives of this Act;
- 30 f. To ensure that required forest cover is achieved to maintain the provision of
31 ecological services.

1 Sec. 4. *Scope and Coverage.* – The provisions of this Act shall apply to all
2 forest lands and all forest resources in lands over which the Philippines has
3 sovereignty and jurisdiction: *Provided,* That all forest lands and forest resources
4 found in protected areas established under the National Integrated Protected Areas
5 System (NIPAS) shall be sustainably managed and developed following the principles
6 of this Act and consistent with the provisions of Republic Act No. 7586, or the
7 “National Integrated Protected Areas System Act of 1992”, as amended by Republic
8 Act No. 10629, and Republic Act No. 11038, or the “Expanded National Integrated
9 System Act of 2018”; *Provided further,* That all wildlife resources and critical habitats
10 found in forest lands, including alienable and disposable lands, shall be governed by
11 Republic Act No. 9147, or the “Wildlife Resources Conservation and Protection Act”;
12 *Provided furthermore,* that the rights of indigenous cultural communities and
13 indigenous peoples to their ancestral forest lands shall be respected, as provided for
14 in Republic Act No. 8371 or the “Indigenous Peoples’ Rights Act of 1997”; *Provided*
15 *finally,* that all forest lands under the management or administration of local
16 government units and other government agencies or instrumentalities shall be
17 managed in accordance with their duly legislated charters and the principles and
18 provisions of this Act.

19 Sec. 6. *Definition of Terms.* – As used in this Act:

- 20 a. *Biodiversity* refers to the variability among living organisms from all sources,
21 including, *inter alia*, terrestrial, marine, and other aquatic ecosystems in the
22 ecological complexes of which they are part of;
- 23 b. *Climate Change* refers to a change in climate that can be identified by
24 changes in the mean and/or variability of its properties and that persists for
25 an extended period, typically decades or longer whether due to natural
26 variability or as a result of human activity;
- 27 c. *Climate Change Adaptation* refers to the adjustment in natural or human
28 systems in response to actual or expected climatic stimuli or their effects,
29 which moderates harm or exploits beneficial opportunities;
- 30 d. *Climate Change Mitigation* refers to human intervention to reduce
31 anthropogenic emissions by sources and removals by sinks of all greenhouse
32 gases including ozone depleting substances and their substitutes;

- 1 e. *Ecosystem* refers to a community of living organisms interacting with each
2 other and with their physical environment;
- 3 f. *Ecotourism* refers to a form of sustainable tourism within a natural and/or
4 cultural heritage area where community participation, protection and
5 management of natural resources, culture, and indigenous knowledge and
6 practices, environmental education and ethics, as well as economic benefits
7 are fostered and pursued for the enrichment of host community and
8 satisfaction of visitors;
- 9 g. *Forest* refers to an ecosystem or an assemblage of ecosystems dominated by
10 trees and other natural vegetation; a community of plants and animals
11 interacting with one another and its natural environment;
- 12 h. *Forestland* refers to land of the public domain classified as needed for forest
13 purposes, including both production and protection. They shall include all
14 forest reserves of the public domain;
- 15 i. *Forest Management Unit* (FMU) refers to a clearly defined forest area
16 assigned for management based on a set of objectives and a long-term
17 watershed-based management plan. All current forest tenurial instruments
18 may be considered FMUs;
- 19 j. *Forest-Based Industries* refer to various industries that are dependent on raw
20 materials or products derived from forests such as, but not limited to, wood,
21 rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers, or wild
22 flora and fauna;
- 23 k. *Forest Resources* refer to all products and resources whether biomass such as
24 plants and animals including its by-products and derivatives, which can be a
25 raw material, or non-biomass such as soil, water, scenery, as well as the
26 intangible services and values present in forest lands or in other lands
27 devoted for forest purposes;
- 28 l. *Forest Restoration* refers to a management strategy applied in degraded
29 primary forest to enhance and accelerate natural processes of forest
30 regeneration in order to regain the elastic capacity of forest ecosystem;

- 1 m. *Indigenous species* refer to species or genotypes that have evolved in the
2 same area, region or biotope and are adapted to the specific predominant
3 ecological conditions at the time of establishment;
- 4 n. *Multiple-Use* refers to the harmonized utilization of land, soil, water, wildlife,
5 recreation value, grass and timber of forest lands;
- 6 o. *Natural Forest* refers to a forest composed of naturally growing indigenous
7 trees, not planted by man, whose structure, composition, and dynamics have
8 been largely the result of natural succession process;
- 9 p. *Non-Timber Forest Products* refer to all biological materials and derivatives
10 other than timber;
- 11 q. *Plantation* refers to forest stand established by planting and/or seeding in the
12 process of afforestation or reforestation. The stand is of either introduced
13 species (all planted stands), or an intensively managed stand of any
14 indigenous species, which meets all the following criteria: one or two species
15 at plantation, even-aged class, and regular spacing;
- 16 r. *Processing Plant* refers to any establishment or infrastructure housing any
17 mechanical set-up, device, machine, or combination of machines used for the
18 conversion of logs and other forest raw materials into lumber, fiberboard,
19 pulp, paper, or other finished wood products;
- 20 s. *Reforestation* refers to the establishment of forest plantations on temporarily
21 un-stocked lands that are considered as forests;
- 22 t. *Sustainable Forest Management* refers to the process of watershed-based
23 management of forest land and resources to achieve one or more clearly
24 specified objectives of management with regard to the continuous production
25 of desired forest products and the delivery of ecosystem services without
26 undue reduction of its inherent values, biodiversity and future productivity
27 and without undesirable effects on the physical and social environment; and
- 28 u. *Watershed* refers to the land area drained by a stream or fixed body of water
29 and its tributaries having a common outlet for surface runoff. A watershed
30 can be part of a larger landscape that includes connections from the head
31 waters to the reef.
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ARTICLE II
ADMINISTRATION, DEVELOPMENT, MANAGEMENT AND UTILIZATION OF
FOREST LANDS AND FOREST RESOURCES

Sec. 7. *Administration, Development, Management and Utilization of Forestlands.* – Forestlands and forest resources shall be under the full supervision and control by the State. The development and utilization thereof shall be under the State’s full control and supervision. The State may directly undertake such activities, or it may enter into agreements with qualified persons in order for these persons to receive technical assistance and appropriate incentives.

The Forest Management Bureau, hereinafter referred to as the FMB, shall be the primary government agency responsible for the administration, development, management and utilization of forest lands as defined in this Act. It shall have the authority to enter into management agreements or issue tenure instruments on behalf of the Government, promulgate rules and regulations for the effective enforcement of this Act, and administratively adjudicate offenses provided for in this Act in order to facilitate the speedy resolution of forestry-related cases.

Sec. 8. *Categories of Forestlands.* – For the purpose of administration, development, management and utilization, forest lands in the Philippines shall be categorized into ancestral forest lands, private forest lands, and public forest lands.

- a. Ancestral forestlands are ancestral lands and domains defined as such under Republic Act No. 8371, otherwise known as the “Indigenous Peoples Rights Act of 1997”.
- b. Private forest lands are alienable and disposable lands registered under the current land registration system of the country which are devoted for forestry purposes.
- c. Public forest lands shall include all lands of the public domain that have not been declared as a National Parks under Section 5 of Republic Act No. 7586, otherwise known as the “National Integrated Protected Areas System Act of 1992”, as amended by Republic Act No. 11038; mineral lands pursuant to Republic Act No. 7942 otherwise known as the “Philippine Mining Act of 1995”, and those lands not classified as agricultural based on the maps

1 developed by the National Mapping and Resource Information Authority
2 (NAMRIA).

3 Sec. 9. *Demarcation and Delimitation.* – Within five (5) years from the
4 approval of this Act, the DENR shall demarcate on the ground the actual land
5 classification lines, in coordination with LGUs and agencies assigned by law to
6 administer and manage forestlands or parts thereof: *Provided,* That the DENR
7 Secretary, upon completion of the actual assessment of the demarcated land
8 classification lines, shall recommend to Congress the delimitation of the forestlands
9 found to be still suitable and capable for its purpose.

10 Public forest lands shall not be reclassified, except through an act of
11 Congress.

12 Sec. 10. *Management of Forest Lands.* – For purposes of management and
13 planning, all forest lands shall be managed for protection or production purposes
14 only.

15 a. Protection Forest Lands. All areas within the forest lands designated or set
16 aside as such shall constitute the protection forest lands. They shall consist of
17 the following:

- 18 (1.) Virgin forest and old-growth, dipterocarp forest;
- 19 (2.) All areas one thousand (1,000) meters above sea level;
- 20 (3.) All areas with a slope of fifty percent (50%) or more;
- 21 (4.) All areas along the bank of rivers and streams, and the shores of the
22 seas and lakes throughout entire length and within a zone of three (3)
23 meters in urban areas, twenty (20) meters in agricultural areas and forty
24 (40) meters in forest areas, along their margins which are subject to the
25 easement of public use.

26 All extractive activities, including harvesting, gathering, and collection of
27 forest resources except planted mangrove species and non-timber forest products,
28 are prohibited within forest lands for protection purposes. However, the sustainable
29 traditional resource rights of indigenous peoples shall be respected.

30 Only indigenous species shall be planted or introduced within protection forest
31 lands.

1 b. Production Forest Lands. All public forest lands not classified as protection
2 forest lands, pursuant to this Section, shall constitute the production forest
3 lands of the country. These lands shall be devoted for the production or
4 timber and non-timber forest products to supply the domestic forest resource
5 demand of the country and facilitate international trade of forest resources.

6 Sec. 11. *Forest Management Units.* – For the purposes of assigning respective
7 areas of operations and management, all public forest or timber land shall be
8 assigned and registered as "Forest Management Units" (FMUs) with the DENR:
9 *Provided,* That all areas under an existing and valid tenure agreement or
10 management arrangement with the DENR before the passage of this Act shall be
11 considered as FMUs.

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

18 Sec. 12. *Qualified managers of FMUs.* – To ensure effective management of
19 forest lands, managers of FMUs shall be confined to qualified and capable persons,
20 or entities which include indigenous and local households, civil society organizations,
21 business organizations, forest land use tenure holders, and dedicated national and
22 local government units including government-owned and controlled corporations
23 subject to the requirements to be provided in the implementing rules and regulations
24 of this Act.

25 Sec. 13. *FMU Development and Management Planning.* – Every FMU shall
26 have a management plan formulated by the FMU Manager that were reviewed and
27 concurred by a Registered Professional Forester which shall be approved by the
28 DENR. The FMU management plan shall contain the following:

- 29 a. FMU management objective;
30 b. Description of the physical, environmental, socio-economic, and
31 administrative profile of the FMU;

- 1 c. Mapping and zoning of the FMU into production and high conservation value-
- 2 forest zones;
- 3 d. Management prescriptions to be applied in each zone to meet the FMU
- 4 management objectives;
- 5 e. Implementation plan; and
- 6 f. Expected benefits and impacts of the plan.

7 Sec. 14. *Sustainable Management of Mangrove Resources.* – Mangrove
8 species planted within protection or production forest lands can be harvested,
9 gathered or collected, taking into consideration the basic forestry policies and
10 strategies provided for in this Act. The harvesting, gathering, and collection of
11 mangrove species shall be upon the authority provided for by the Bureau.

12 Sec. 15. *Mined-Out Areas and Abandoned Fishpond Areas.* – The
13 management and administration of all forest lands that are considered as either
14 mined-out areas or abandoned fishpond lease areas shall be reverted back to the
15 FMB.

16 SEC. 16. *Utilization of Forest Resources.* – The harvesting, gathering and
17 collection of all planted forest resources within production forest lands and private
18 forests, including its by-products and derivatives, shall not require any clearance
19 from the DENR: *Provided,* That any request for clearances for domestic transport of
20 forest resources submitted to the DENR shall be acted upon within seven (7) days
21 from the date of its submission with the proper office. After a lapse of seven (7)
22 days and no action has been taken by the DENR, the clearance for transport is
23 deemed approved.

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

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

30 Sec. 17. *Regulation and Utilization of Forest Resources within Ancestral Forest*
31 *Lands.* – The rights of the indigenous cultural communities or indigenous peoples
32 over their ancestral forest lands shall be respected: *Provided,* That management of

1 forest resources within those lands shall be regulated by the DENR as provided for
2 by laws, rules, and regulations.

3 **ARTICLE III**

4 **FOREST-BASED INDUSTRIES**

5 Sec. 18. *Development of an Open and Competitive Market for Forest*
6 *Resources.* – To meet the demands for forest good and services of the country, the
7 State, through the DENR shall promote and rationalize the establishment,
8 operations, and development of forest-based industries. The DENR shall institute
9 measures to develop an open and competitive market for forest products including
10 among others the liberalization of forest products harvesting, transport, and
11 marketing.

12 Sec. 19. *Export of Certified Forest Products.* – No person shall sell or offer for
13 sale any forest resources in the international market without complying with the
14 certification system established by the Government. Failure to adhere to the
15 established standards, or any act of falsification shall be sufficient cause for the
16 cancellation of export licenses and other permits authorizing the manufacture or sale
17 of such resources.

18 Sec. 20. *Regulation of Forest-Based Industries.* – All processing plants using
19 forest resources as raw materials shall be subject to existing regulations prescribed
20 by law, including the Environmental Impact Assessment (EIA) System: *Provided,*
21 That these processing plants are registered with the Department of Trade and
22 Industry as well as clearance from the Local Government Unit to operate.

23 Sec. 21. *Enhance Private Investments and Economic Contribution.* – Forest-
24 based industries shall be supported to promote global competitiveness, support
25 domestic demands for wood and other products, and enhance economic contribution
26 to the country. Appropriate incentives shall be provided such as but not limited to
27 establishment of agroforestry economic zones in order to ease the conduct of
28 business and attract local and foreign investments that are mutually beneficial to the
29 government, concerned communities, partner organizations and the investors
30 concerned.

31 Sec. 22. *Community-Based Forest Enterprises.* – Economic activities and
32 practices of local communities, including indigenous cultural communities, and

1 indigenous peoples, on forest-based enterprises, including non-timber forest
2 products, that promote the sustainable use of forest resources shall be supported
3 and promoted to address food security and improve quality of life.

4 **ARTICLE IV**

5 **EMPOWERING AND ENABLING CONDITIONS FOR SUSTAINABLE FOREST** 6 **MANAGEMENT**

7 *Sec. 23. Forest Land Use and Tenure Instruments.* – The State, represented
8 by the DENR, may undertake the exploration, development, and utilization of forest
9 lands and forest resources found therein with qualified persons, whether natural or
10 juridical, through tenure instruments.

11 *Sec. 24. Forest Management Agreement.* – The State, through the DENR and
12 a qualified person, whether natural or juridical, may enter into a Forest Management
13 Agreement for the exploration, development, and utilization of forest lands and
14 forest resources found therein. The Forest Management Agreement shall have a
15 duration of twenty-five (25) years and may be extended for another twenty-five (25)
16 years.

17 *Sec. 25. Scope of Forest Management Agreement.* – The Forest Management
18 Agreement may be entered into for the following purposes:

- 19 a. Agroforestry plantations (in accordance to the standards of the DENR) Forest
20 plantation development;
21 b. Forest plantation development with processing plant;
22 c. Ecotourism development; and
23 d. Special uses for forest lands;

24 A Forest Management Agreement may be entered into for a single purpose or
25 a combination of any of the abovementioned purposes.

26 *Sec. 26. Special Uses of Forest Lands.* A Forest Management Agreement may
27 be entered into for a special use of forest land which shall include the following:

- 28 a. Dry Dock Site;
29 b. Industrial Processing Site;
30 c. Herbal or Medicinal Plantation;
31 d. Fish Drying Site;
32 e. Communication Station Site;

- 1 f. Public Landing Site or Airstrip;
- 2 g. Log Pond or Log Depot;
- 3 h. Lumber Yard;
- 4 i. Motor Pool Site;
- 5 j. Power Station Site;
- 6 k. Transmission Line Site;
- 7 l. Right-of-Way;
- 8 m. Farm-to-Market roads;
- 9 n. Government Facility Site (e.g. schools, clinics, satellite offices among others);
- 10 o. Water Reservoir;
- 11 p. Renewable Energy Projects:

12 *Provided,* That for government facilities or infrastructures like farm-to-market
13 roads, public school sites, public hospitals or clinics, etc. shall be free from any fees,
14 charges, or other pecuniary obligations under the Forest Management Agreement.

15 Sec. 27. *Qualified Persons.* – The following persons are qualified to enter into
16 a Forest Management Agreement with the State:

- 17 a. Filipino citizens;
- 18 b. Corporations or associations at least sixty percent of whose capital is owned
19 by Filipinos;
- 20 c. Local government units, when the purpose of the Forest Management
21 Agreement is for public use or the establishment of government centers and
22 facilities; or
- 23 d. Other National Government Agencies or Government-Owned or Controlled
24 Corporations, when the purpose of the Forest Management Agreement is for
25 national interest, like transmission lines, water reservoirs, or distribution lines
26 for electricity.

27 Sec. 28. *Production Sharing.* – The following schemes shall be observed by
28 the Parties to a Forest Management Agreement in relation to the sharing of benefits
29 derived from the agreement:

- 30 a. Forest Plantations, Forest Plantations with Processing Plants. The sharing of
31 outputs from Forest Management Agreements entered into for the purpose of
32 developing and managing forest plantations, and forest plantations with

1 processing plants shall be based on the total gross output of the plantation
2 harvests. Said sharing shall be done in a manner advantageous to national
3 interest without prejudice for incentives that may be prescribed by the DENR.

4 b. For ecotourism purposes, the person who entered into a Forest Management
5 Agreement with the State for the purpose of ecotourism or other special uses
6 for forest lands shall have the obligation to pay an annual user's fee
7 equivalent to five percent (5%) of the nearest commercial zonal value per
8 square meter or a fraction thereof.

9 c. Government Facilities or Infrastructures. Non-income generating government
10 facilities such as public school sites, public hospitals or clinics, government
11 center or offices, roads, farm-to-market access roads, and public buildings are
12 exempt from paying any fee or other pecuniary obligation with the State.
13 Provided, that the use of these establishments or infrastructures shall not be
14 subject to privatization.

15 Sec. 29. *Forestry Research, Education, Training, and Extension.* – The
16 Research and Technology Department of the Ecosystems Research and
17 Development Bureau, Forest Products Research and Development Institute,
18 universities, and other research institutions shall be strengthened to support
19 sustainable management of forest resources. For this reason, Forestry Development
20 Center of the University of the Philippines Los Baños shall lead in forest policy
21 research in collaboration with schools, universities, and colleges (SUCs) as well as
22 other stakeholders.

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

29 The Continuing Professional Development shall be promoted and upheld
30 through selected universities and training institutions on forestry and natural
31 resources management subject to the Professional Regulation Commission's
32 accreditation system. Forestry education in the Philippines shall be rationalized to

1 ensure the quality of formal forestry education and establish, support and sustain
2 the national and regional centers of development and excellence in forestry and
3 environmental education to develop high quality human resources and promote
4 global competitiveness. The Commission on Higher Education shall include forest
5 ecology and environment courses in general education curricula. The DENR shall
6 formulate a nationwide program for sustained public information and advocacy
7 campaign for forests and natural resources conservation, sustainable forest
8 management, and climate change.

9 Sec. 30. *The Sustainable Forest Development Fund.* A Sustainable Forest
10 Development Fund (SFDF) is hereby established to provide concessional financing
11 particularly for forest development projects proposed by qualified managers of
12 FMUs. Said Fund shall be administered by a Government Financial Institution as a
13 trust account managed under the "capital preservation" principle.

14 The preferred government financing institution (GFI), together with the
15 DENR, shall invest at most 75% of the net interest income from loans to forest
16 development - support facilities including but not limited to road networks, seedling
17 nurseries, water supply systems, and research facilities subject to recommendation
18 by the FMB.

19 The SFDF may be augmented by grants, donations, and endowment from
20 various sources local and international sources.

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

25 Moreover, securitization, payment for ecosystem services and collaborative
26 investments shall be encouraged to support sustainable forest management and
27 enterprises and the conservation of forest-based biodiversity in the Philippines.

28 The DENR shall include in the implementing rules and regulations of this Act
29 the guidelines for the management, development, and operationalization of the
30 SFDF, in coordination with other concerned agencies civil service organizations.

31 Sec. 31. *Importation and Sale.* – Forest resources may be imported into the
32 country, subject to existing laws, rules, and regulations. All imported forest

resources shall comply with the Philippine National Standards to be developed by the Department of Trade and Industry in coordination with the Forest Products Research and Development Institute and the DENR. Compliance with these standards shall be a precondition for the sale or disposition of these products in the Philippines.

ARTICLE VI

ORGANIZATIONS AND GOVERNANCE

Sec. 32. *Creation of the Position of Undersecretary for Forestry.* – There is hereby created in the DENR the position of Undersecretary for Forestry who shall perform the following functions:

- a. Oversee the provision of technical, marketing, financial, tenurial and infrastructure support to persons and entities engaged in FMU management;
- b. Ensure watershed-based planning and monitoring processes are observed in forestry-related developments;
- c. Facilitate institutional linkages and convergence initiatives among forestry stakeholders in support of effective development and management of forest lands consistent with its protection and production uses;
- d. Provide scientific information-based policy recommendations in aid of sustainable forest management; and
- e. Promote cost-effectiveness of forestry investments among local and international investors and donors in line with sustainable forest management.

The Undersecretary shall be appointed by the President of the Republic of the Philippines, whose office, structure, and staffing, shall be determined by the Secretary subject to existing laws, rules, and regulations.

Sec. 33. *Reconstitution of the Forest Management Bureau.* – The Forest Management Bureau is hereby reconstituted as a line bureau under the DENR, which shall be responsible for the administration, management, development, and protection of forest lands and forest resources of the country, with functions specifically as follows:

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

16 *Sec. 34. Composition of the Forest Management Bureau.* – As a line bureau,
17 the FMB shall be headed by a Director and assisted by two (2) Assistant Directors
18 who shall supervise the administrative and technical services of the Bureau
19 respectively. There shall be a FMB Regional Director in each administrative region
20 with corresponding offices and positions.

21 *Sec. 35. Assistance of Law Enforcement Agencies.* – Local Government Units,
22 the Department of Interior and Local Government, and the DENR, may, when they
23 deem necessary, call upon law enforcement agencies and instrumentalities of the
24 Government such as the Philippine National Police (PNP), the Armed Forces of the
25 Philippines (AFP), the Philippine Coast Guard (PCG) and the National Bureau of
26 Investigation (NBI) for the enforcement of environmental laws, executive orders,
27 and their implementing rules and regulations.

28 *Sec. 36. Creation of Community-based Law Enforcement Team.* – The
29 Community-based Forest Law Enforcement Team (CFLET) shall be organized with
30 members composed of representatives from direct stakeholders in a particular
31 watershed. Said Team shall be deemed as quick responders on complaints to be
32 augmented or reinforced by the Forest Ranger. Funding for CFLET's operational

1 requirements shall be sourced from agreed contributions from FMU Managers agreed
2 with the DENR, proceeds from sale of confiscated forest products, donations from
3 various sources.

4 Sec. 37. *Local Government Units.* – Enabling mechanisms shall be developed
5 to enhance the participation of the local government units in the sustainable
6 management and utilization of forest resources within their territorial jurisdiction,
7 including those assigned by law to other government agencies.

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

12 Sec. 38. *Other Government Agencies.* – Forest lands or portions thereof,
13 which have been placed under the administration and management of other
14 government agencies, shall remain under the administration and management of the
15 said government agencies; with the DENR exercising oversight power over these
16 areas: *Provided,* That their administration and management shall be based on the
17 policies, strategies, and programs that are consistent with the provision of this Act;
18 *Provided, further,* That the concerned agencies shall submit an annual
19 accomplishment report to the DENR.

20 Sec. 39. *Multi-Sectoral Consultative Bodies in Relation to Natural Resources*
21 *Governance.* – A technical and multi-sectoral consultative body involving all
22 stakeholders concerned within a watershed shall be convened by the DENR pursuant
23 to this Act, specifically for each FMU and cluster of FMUs as appropriate and shall be
24 consulted at least once a year to review and make recommendations on watershed-
25 based management related policies at the local and regional level. Further, the DENR
26 shall extend technical assistance to multi-sectoral bodies organized for the purpose
27 of policy-making in relation to environment and natural resource governance
28 specifically on forest governance issues.

29 Sec. 40. *Function of Multi-sectoral Consultative Bodies.* – The body shall be
30 responsible for the over-all policy direction in the management of the forest lands
31 and forest resources found within their respective jurisdictions in accordance with
32 the provision of this Act. Specifically, it shall:

- a. Review and recommend implementation of programs and projects;
- b. Perform oversight functions on matter pertaining to the environment and natural resources; and
- c. Participate in the review and recommend relevant policies for the protection, conservation, and restoration efforts within the watershed in ensuring significant contribution of the forestry sector to national economy, ecological sustainability, and sustainable development closely adhering to the principles and priority programs of the Government.

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

Sec. 41. *Power and Water Utility Service Providers.* – Forest lands or portions thereof, which have been placed by law or agreement under the administration and management of government and private power and water utilities service providers, shall be included in the partitioning of forest lands into appropriate categories consistent with the purpose of the assigned forest land, and shall remain under the administration and management of the said utilities service providers concerned; *Provided,* That the DENR shall exercise oversight power on the planning, management, utilization, and assessment of all forest resources in these areas.

Sec. 42. *Governance Mechanism.* – The following mechanisms shall be developed, established, and used for the sustainable forest management:

- a. The principles and practices of transparency, accountability, and participatory decision-making, in transactions, decision, and actions affecting forestry, in all levels, and the policy of streamlining, decentralization, devolution, and deregulation shall be adopted, promoted, and institutionalized in the DENR.
- b. Updating and preparation of forest land use plans shall be integrated with the updating and preparation of comprehensive land use plans of local government units.
- c. Networks and linkages with local and international institutions, civil society organizations, local government units and industries involved in the promotion and practice of sustainable forest management shall be strengthened.

- 1 d. The DENR shall prescribe appropriate fees and government shares for
2 different kinds of utilization, exploitation, occupation, possession, or activities
3 within forest lands, as well as the corresponding administrative fees for
4 permits, agreements, and other services.
- 5 e. The DENR shall have the authority to impose other fees for payment for
6 ecosystem services and forest protection, management, reforestation, and
7 development. In addition, the DENR may waive fees and charges on
8 government activities within forest lands that supports public utility, social
9 welfare, national security, or national interest.
- 10 f. The DENR shall undertake the monitoring and control of forest management
11 and utilization through a third-party audit and certification. A National Forest
12 Certification System shall be established which will outline the policy, rules,
13 procedures, and management for implementing forest management
14 certification and chain-of-custody certification in the country. The DENR shall
15 develop pertinent guidelines, in coordination with all stakeholders, for the
16 implementation of this provision subsequent to the effectivity of this Act.
- 17 g. The DENR shall establish a forest management information system which
18 consists of comprehensive up-to-date information on the physical, social,
19 financial, economic, biological, and environmental components of the
20 country's forest lands and forest resources. It shall include a continuous
21 monitoring system to track the utilization and movement or transfer of forest-
22 based goods and services, the changes in the state of forest resources and
23 ecosystem services, and its drivers. It shall include further a ground-based
24 validation system as basis for assessing progress towards sustainable forest
25 management.
- 26 h. It shall be the priority of the State to ensure that government employees
27 involved in the implementation of the sustainable forest management law are
28 properly trained, sufficiently equipped, adequately compensated, and given
29 ample opportunities to participate in its implementation. The DENR and other
30 agencies involved shall appropriately provide funding for the same.

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ARTICLE VII
OFFENSES AND PENALTIES

Sec. 43. *Harvesting, Gathering, Collection, or Possession of Forest Resources from Protection Forest Lands.* – Any person who shall harvest, gather, collect, or possess any forest resource from protection forest lands shall be punished with imprisonment ranging from six (6) years and one (1) day to twelve (12) years and one (1) day and/or a fine equivalent to ten (10) times the value of the said forest resource. The Forest Protection Officers shall have the authority to estimate the present market value of the forest resources subject of the illegal harvest, gathering, collection or possession based on the guidelines promulgated by the DENR.

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

In case of aliens, the Bureau of Immigrations shall deport them without further proceedings after paying the fine imposed.

Sec. 44. *Illegal Harvesting, Gathering, Collection, or Possession of Forest Resources as an Act of Economic Sabotage.* – Any of the acts enumerated in the preceding section shall be considered as an economic sabotage when committed by:

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

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

Sec. 45. *Grazing Livestock in Forest Lands without Authority.* – Any person found to have caused the grazing of livestock in forest lands without an authority from the DENR shall be punished with the imprisonment of two (2) years, four (4) months, and one (1) day to four (4) years and two (2) months. The livestock shall be confiscated in favor of the Government.

Sec. 46. *Unlawful Occupation of Forest Lands.* – Any person who, without the authority from the DENR, possesses or occupies any parcel of forest land shall be punished with a penalty of imprisonment of six (6) years and one (1) day to twelve

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

Sec. 47. *Destruction of Forest Lands.* – Any person who shall destroy or cause destruction within forest lands or assist, aids, or abets another person to do so, shall be punished with a penalty of imprisonment of six (6) years and one (1) day to twelve (12) years, and a fine of not less than One hundred thousand pesos (P100,000.00) but not more than Five hundred thousand pesos (P500,000.00).

Sec. 48. *Unlawful Operations of Sawmills, Wood Processing Plants, and Forest-Based Industries.* – Any person operating sawmills, wood processing plants, and forest-based industries without any authority from the DENR, shall be punished with a penalty of imprisonment for six (6) years and one (1) day to twelve (12) years and a fine of not less than Five hundred pesos (P500,000.00).

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

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

Sec. 49. *Prohibition on the Issuance of Land Titles or Tax Declarations on Forest Lands.* – All land titles and tax declaration issued over forest lands shall be deemed void *ab initio*. Any person who shall issue land titles and tax declarations over any forest land or a parcel thereof shall be punished with imprisonment of six (6) years and one (1) day to twelve (12) years and a fine of not less than One hundred thousand pesos (P100,000.00) nor more than five hundred thousand pesos (P500,000.00). the accessory penalty of disqualification shall be imposed for a period of twelve (12) years and one (1) day.

Sec. 50. *Non-Payment and Non-Remittance of Forestry Fees and Charges.* – Any person who fails to pay the amount due and payable as forestry fees or charges to the government or remit the same to the proper authorities shall be punished with a penalty of imprisonment for a period of six (6) years and one (1) day to

1 twelve (12) years with a fine of not less than one hundred thousand pesos
2 (P100,000.00) nor more than Five hundred thousand pesos (P500,000.00).

3 Sec. 51. *Non-Establishment of Tree Parks and Green Spaces.* – Every local
4 government unit shall establish and maintain tree parks and green spaces pursuant
5 to their comprehensive land use plans. Funds for the establishment and
6 maintenance of the same shall form part of the local government unit's annual
7 budget.

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

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

16 Any local government unit or owner of a parcel of land subdivided into
17 residential, commercial, or industrial lots who fails to establish green spaces or tree
18 parks as provided in the preceding paragraphs shall be penalized with a fine of not
19 less than Five hundred thousand pesos (P500,000.00) nor more than One million
20 pesos (P1,000,000.00).

21 Sec. 52. *Illegal Conversion of Tree Parks and Green Spaces.* – Any person
22 who shall convert or cause to convert any tree park or green space for a purpose
23 inconsistent with that which is provided for by this Act shall be punished with a
24 penalty of imprisonment for six (6) years and one (1) day to twelve (12) years
25 and/or a fine not less than Five hundred thousand pesos (P500,000.00) nor more
26 than One million pesos (P1,000,000.00).

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

31 Sec. 53. *Arrest and Detention.* – If the apprehension was conducted in
32 remote areas far from the place where persons authorized to conduct inquest

1 proceedings are located, the delivery to the proper judicial authorities shall be done
2 within a reasonable time period, taking into consideration the ordinary travel time
3 from the place of arrest to the place of delivery.

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

8 Sec. 54. *Public Auction of Forest Resources.* – If the confiscated forest
9 resources are in danger of deteriorating, the DENR may order that the same be sold
10 at public auction even before the termination of the judicial proceedings, with the
11 proceeds kept in trust to await the outcome of the judicial proceedings.

12 Sec. 55. *Authority of Forest Protection Officers.* – When in the performance of
13 their official duties, forest protection officers or other public officials or employees
14 authorized by the DENR, shall have free access into forest lands or any parcel
15 thereof.

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

20 Finally, forest protection officers are authorized to administer oaths, take
21 acknowledgements in official matters connected under the authority of this Act and
22 its implementing rules and regulations.

23 **ARTICLE VIII**

24 **ADMINISTRATIVE REMEDIES**

25 Sec. 56. *Administrative Authority of the Secretary or his Duly Authorized*
26 *Representative to Order Confiscation.* – In all cases of violations of this Act or other
27 forest laws, rules, and regulations, the Secretary or his duly authorized
28 representative may order the confiscation of forest resources illegally harvested,
29 collected, gathered, possessed and those that are abandoned. This authority shall
30 extend to all conveyances used either on land, water or air as well as machinery,
31 equipment, implements, and tools used in the commission of the offense and to
32 dispose of the same in accordance with pertinent laws, rules and regulations.

1 Sec. 57. *Administrative Authority of the Secretary to Impose Fines.* – In all
2 cases of violations of this Act and other forest laws, rules, and regulations where fine
3 is the principal penalty, the Secretary or his duly authorized representative, after the
4 consultation with the forest-based industries affected, is hereby authorized to
5 impose administratively the penalty consisting of the amount and the schedules of
6 the fine which shall be officially published in a national newspaper of general
7 circulation.

8 Sec. 58. *Fines Escalation Clause.* – The fines herein prescribed shall be
9 increased by at least ten percent (10%) every three (3) years to compensate for
10 inflation and to maintain the deterrent function of such fines.

11 Sec. 59. *Informant's Incentive.* – Twenty percent (20%) of the value of
12 confiscated materials shall be used as incentives to informants including forest
13 management councils, forest management boards. They shall also be entitled to free
14 legal assistance should cases be filed against them in the performance of official
15 duties.

16 Sec. 60. *Suits and Strategic Legal Action Against Public Participation and the*
17 *Enforcement of this Act.* –

18 a. A legal action filed to harass, vex, exert undue pressure, or stifle any legal
19 recourse that any person, institution, or the government has taken or may
20 take in the enforcement of this Act, protection of the environment or
21 assertion of environmental rights shall be governed by this Section.

22 b. A suit and strategic legal action against public participation may be interposed
23 as a defense by a person involved in the enforcement of environmental laws,
24 protection of the environment, or assertion of environmental rights, The suit
25 or strategic legal action shall be supported by documents, affidavits, papers,
26 and other evidence. The person involved in the enforcement of environmental
27 laws may also by way of counterclaim, pray for damages, attorney's fees and
28 costs of suit.

29 The court shall direct the plaintiff or adverse party to file an opposition
30 showing the suit is not valid as a defense, attaching evidence in support thereof,
31 within a non-extensible period of five (5) days from receipt of notice that an answer
32 has been filed.

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

4 c. The hearing on the suit or strategic legal action shall be summary in nature.

5 The parties must submit all available evidence in support of their respective
6 positions. The party seeking the dismissal of the case must prove by
7 substantial evidence that his act for the enforcement of this Act is a legitimate
8 action for the protection, preservation and rehabilitation of the environment.

9 The Party filing the action assailed as a SLAPP shall prove by preponderance
10 of evidence that the action is not a SLAPP and is a valid claim.

11 d. The affirmative defense of a SLAPP shall be resolved within thirty (30) days
12 after the summary hearing. If the court dismisses the action, the court may
13 award damages, attorney's fees and costs of suit under a counterclaim if such
14 has been filed. The dismissal shall be with prejudice.

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

18 Sec. 61. *Citizen's Suit.* – Any citizen may file an appropriate civil, criminal or
19 administrative action with the proper court against:

20 a. Any person who violates or fails to comply with the provisions of this Act or its
21 implementing rules and regulations;

22 b. The DENR or other implementing agency with respect to orders, rules, and
23 regulations issued inconsistent with this Act;

24 c. Any public officer who willfully or grossly neglects the performance of an act
25 specifically enjoined as a duty by this Act or its implementing rules and
26 regulations; or abuses his authority in the performance of his duty; or in any
27 manner improperly performs his duties under this law or its implementing
28 rules and regulations.

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

1 Sec. 62. *Implementing Rules and Regulations.* – The DENR, in consultation
2 with other government agencies and relevant stakeholders charged with the
3 administration and enforcement of this Act shall promulgate the necessary
4 implementing rules and regulations within one (1) year from the effectivity of this
5 Act.

6 Sec. 63. *Transitory Provisions.* – Upon the approval of this Act, the DENR shall
7 evaluate the conditions of all forest lands covered by existing tenure instruments,
8 agreements or contracts, permits, and the like, which shall be allowed to continue
9 until their expiry unless otherwise earlier terminated for cause.

10 Sec. 64. *Separability Clause.* – Should any provision of this Act be
11 subsequently declared not constitutional, such declaration shall not affect the validity
12 or the legality of the other provisions.

13 Sec. 65. *Repealing Clause.* – All laws, decrees, executive orders, rules and
14 regulations, issuances or parts thereof inconsistent with the provisions of this Act are
15 hereby repealed or modified accordingly.

16 Sec. 66. *Effectivity.* – This Act shall take effect thirty (30) days from the date
17 of its publication in the Official Gazette and a newspaper of general circulation.

Approved,