

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )



23 NOV -9 P6:19

**SENATE**  
S. No. 2484

RECEIVED BY: \_\_\_\_\_

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**Introduced by Senator Jinggoy Ejercito Estrada**

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

EXPLANATORY NOTE

Forests play a very important role for the country. For many residing in rural areas, it is the primary source of income and subsistence. As one of the many countries identified as vulnerable to the impacts of climate change, forest management is integral in providing solutions that will help us navigate and address the issues brought on by the increasing population and its effects and strains on our environment. Data from the Forest Management Bureau of the Department of Environment and Natural Resources (DENR) shows that in 1976 total forestlands amounted to 17.0 million hectares in 1976; this has since dwindled down to 15.8 million in 2021.

An Asian Development Bank case study<sup>1</sup> on the cost of natural disasters in the Philippines between 2000 to 2016 placed socioeconomic damage at USD 20 billion, with average annual damages at USD 1.2 billion. The same study has also found that typhoon-affected households are more likely to go lower in terms of income levels.

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<sup>1</sup> Jha, S., Martinez, A., Quising, P., Ardaniel, Z., Wang, L. (2018). Natural Disasters, Public Spending, and Creative Destruction: A Case Study of the Philippines. Tokyo, Japan: The Asian Development Bank Institute.

Forests are integral in ensuring climate resilience. According to a World Bank case study<sup>2</sup> on the role of forests in supporting livelihoods and climate resilience, higher forest cover generates higher water yields in the driest months of the year, ensuring that local communities which are dependent on water resources for agriculture will be ensured of subsistence. Apart from this, a higher forest cover reduces the volume of floodwater during the wettest months of the year by as much as 47%. Furthermore, forests are integral to the reduction of poverty among rural households which have high forest-related income dependency. In the same study, the upland communities in the Upper Marikina River Basin Protected Landscape reported that 7% of their annual cash income came from the sale of forest resources such as bamboo products, charcoal, and fish. Apart from income, households in upland communities also rely on forest resources for subsistence.

This bill seeks to implement a Sustainable Forest Management Program that will ensure the protection, conservation, management, and development of forestlands and their resources. This measure seeks to optimize the utilization of forest resources to support sustainable development of the country by providing equitable access and benefit to stakeholders.

In order to operationalize this, the Office of the Undersecretary for Forestry will be created which will oversee the provision of technical, marketing, financial, tenurial, and infrastructure support to those engaged in Forest Management Unit administration, as well as promote cost-effectiveness of forestry investments among local and international investors and donors in line with sustainable forest management, among others.

A Sustainable Forest Development Fund (SFDF) shall also be established to provide concessional financing for forest development projects. The SFDF shall be administered by a government financial institution (GFI) as a trust account managed under the capital preservation principle. The GFI and the DENR will invest at most


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<sup>2</sup> Rawlins, M.A., et al. (2017). *Understanding the Role of Forests in Supporting Livelihoods and Climate Resilience: Case Studies in the Philippines*. Manila, Philippines: World Bank.

75% of the net interest income from loans to forest development support facilities such as seedling nurseries and water supply systems. Also, 70% of forest charges and government share collected shall be set aside for the said fund.

This proposed measure is in line with our commitment to the United Nations in achieving the targets of the UN strategic plan for forests. This bill will also address the challenges the country faces with regard to our forest goals as articulated in the United Nations Global Forests Goals Report 2021<sup>3</sup>: enforcement of laws and combatting illegal logging given institutional weaknesses, inadequate resources, and judicial constraints. This bill will allow the institutions mandated to implement forest policies to be strengthened to address the pressing problems of our current forest situation, while also ensuring that the social and economic considerations resting on forest resources will be also addressed in a sustainable manner. Furthermore, this measure will strengthen the management of Philippine forests to ensure the availability of forest resources for future generations.

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

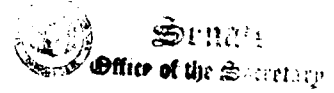


**JINGGOY EJERCITO ESTRADA**

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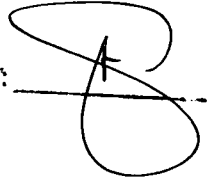
<sup>3</sup> United Nations Department of Economic and Social Affairs, United Nations Forum on Forests Secretariat. (2021). The Global Forest Goals Report 2021.

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

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

**ARTICLE I**

**General Provisions**

1  
2  
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 the  
6 general welfare and social justice in all phases of national development, to protect and  
7 advance the right of the Filipino people to a balanced and healthful ecology in accord  
8 with the rhythm and harmony of nature, and to conserve and develop the patrimony  
9 of the nation. The State hereby adopts the following policies relative to the  
10 conservation and management of forestlands and their resources:

- 11 a. The specific limits of forestlands after these have been fixed and  
12 demarcated shall not be altered except through an act of Congress;
- 13 b. The use and conservation of forest lands and forest resources found therein  
14 shall bear social, cultural, ecological, biological, and economic functions,  
15 responsibility and accountability to promote the common good of present  
16 and future generations;
- 17 c. The protection of forest ecosystem, as well as rehabilitation through  
18 reforestation and afforestation of the degraded forest ecosystem shall be

1 given priority to mitigate climate change, improve and conserve biodiversity,  
2 enhance ecosystem functions and services and provide long-term economic  
3 benefits;

4 d. Forest lands shall be partitioned and planned into forest management units  
5 (FMUs) based on natural topographic and hydrologic boundaries and shall  
6 consider the watershed continuum approach which adopts a holistic  
7 relationship between the upstream and downstream areas in order to carry  
8 out efficiently the rational ecological treatment of the entire landscape from  
9 the mountain down to the coast; and

10 e. The management, protection, conservation, and development of forest  
11 resources shall be done in an integrated, inclusive, developmental, and  
12 sustainable manner, focusing on the forest resource and the people who  
13 manage, conserve, and benefit from it.

14 *Sec. 3. Objectives.* – The general objective of this Act is to optimize the  
15 utilization of forest resources to support sustainable development of the country by  
16 providing equitable access and benefit to stakeholders. The specific objectives are:

17 a. Deregulate the management of forest lands and forest resources;

18 b. Provide sustainable livelihood and enterprises especially among those  
19 depending and temporarily residing in forest lands;

20 c. Strengthen institutional mechanism to respond to forest management  
21 concerns, namely: development of the forest industry, law enforcement,  
22 and management of watershed;

23 d. Create the Sustainable Forest Development Fund as a support mechanism  
24 for funding requirements of forest management units;

25 e. Reorient the role of Forest Management Bureau to be more responsive and  
26 proactive, consistent with the objectives of this Act; and

27 f. Ensure that required forest cover is achieved to maintain the provision of  
28 ecological services.

29 *Sec. 4. Scope and Coverage.* – The provisions of this Act shall apply to all forest  
30 lands and all forest resources in lands over which the Philippines has sovereignty and  
31 jurisdiction: *Provided,* That all forest lands and forest resources found in protected  
32 areas established under the National Integrated Protected Areas System (NIPAS) shall

1 be sustainably managed and developed following the principles of this Act and  
2 consistent with the provisions of Republic Act No. 7586, or the "National Integrated  
3 Protected Areas System Act of 1992", as amended by Republic Act No. 10629, and  
4 Republic Act No. 11038, or the "Expanded National Integrated Protected Areas System  
5 Act of 2018": *Provided, further,* That all wildlife resources and critical habitats found  
6 in forest lands, including alienable and disposable lands, shall be governed by Republic  
7 Act No. 9147, or the "Wildlife Resources Conservation and Protection Act": *Provided,*  
8 *furthermore,* That the rights of Indigenous Cultural Communities and Indigenous  
9 Peoples to their ancestral lands shall be respected, as provided for in Republic Act No.  
10 8371 or the "Indigenous Peoples' Rights Act of 1997": *Provided, finally,* That all forest  
11 lands under the management and administration of local government units and other  
12 government agencies or instrumentalities shall be managed in accordance with their  
13 duly legislated charters and the principles and provisions of this Act.

14 *Sec. 5. Definition of Terms. – As used in this Act:*

- 15 a. *Biodiversity* refers to the variability among living organisms from all sources,  
16 including, *inter alia*, terrestrial, marine, and other aquatic ecosystems in the  
17 ecological complexes they are part of;
- 18 b. *Climate change* refers to a change in climate that can be identified by  
19 changes in the mean and/or variability of its properties and that persists for  
20 an extended period, typically decades or longer whether due to natural  
21 variability or a as a result of human activity;
- 22 c. *Ecosystem* refers to a community of living organisms interacting with each  
23 other and with their physical environment;
- 24 d. *Ecotourism* refers to a form of sustainable tourism within a natural and/or  
25 cultural heritage area where community participation, protection, and  
26 management of natural resources, culture, and indigenous knowledge and  
27 practices, environmental education and ethics, as well as economic benefits  
28 are fostered and pursued for the enrichment of host community and  
29 satisfaction of visitors;
- 30 e. *Forest* refers to an ecosystem or as assemblage of ecosystems dominated  
31 by trees and other natural vegetation; a community of plants and animals  
32 interacting with one another and its natural environment;

- 1 f. *Forest land* refers to land of the public domain classified as needed for forest  
2 purposes, including both production and protection. They shall include all  
3 forest reserved of the public domain;
- 4 g. *Forest Management Unit (FMU)* refers to a clearly defined forest area  
5 assigned for management based on a set of objectives and a long-term  
6 watershed-based management plan. All current forest tenurial instruments  
7 may be considered FMUs;
- 8 h. *Forest-based Industries* refer to various industries that are dependent on  
9 raw materials or products derived from forest such as, but not limited to,  
10 wood, rattan, bamboo, vines, latex, resins, saps, essences, fruits, flowers,  
11 or wild flora and fauna;
- 12 i. *Forest resources* refer to all products and resources whether biomass such  
13 as plants and animals including its by-products and derivatives, which can  
14 be a raw material, or non-biomass such as soil, water, scenery as well as  
15 the intangible services and values present in forest lands or in other lands  
16 devoted for forest purposes;
- 17 j. *Indigenous species* refer to species or genotypes that have evolved in the  
18 same area, region or biotope and are adapted to the specific predominant  
19 ecological conditions at the time of establishment;
- 20 k. *Non-timber forest products* refer to all biological materials and derivatives  
21 other than timber;
- 22 l. *Plantation* refers to forest land established by planting and/or seeding in the  
23 process of afforestation or reforestation. The land is of either introduced  
24 species (all planted lands), or an intensively managed land of any  
25 indigenous species, which meets all the following criteria: one or two species  
26 at plantation, even-aged glass, and regular spacing;
- 27 m. *Reforestation* refers to the establishment of forest plantation on temporarily  
28 unstocked lands that are considered as forests;
- 29 n. *Sustainable forest management* refers to the process of watershed-based  
30 management of forest land and resources to achieve one or more clearly  
31 specified objectives of management with regard to the continuous  
32 production of desired forest products and the delivery of ecosystem services

1 without undue reduction of its inherent values, biodiversity, and future  
2 productivity and without undesirable effects on the physical and social  
3 environment; and

- 4 o. *Watershed* refers to the land area drained by a stream or fixed body of  
5 water and its tributaries having a common outlet for surface runoff. A  
6 watershed can be part of a larger landscape that includes connections from  
7 the headwaters to the reef.

## 8 **ARTICLE II**

### 9 **Administration, Development, Management, and Utilization of Forest** 10 **Lands and Forest Resources**

11 *Sec. 6. Administration, Development, Management and Utilization of Forest*  
12 *Lands.* – Forest lands and forest resources shall be under the full supervision and  
13 control by the State. The development and utilization thereof shall be under the State’s  
14 full control and supervision. The State may directly undertake such activities or may  
15 enter into agreements with qualified persons to receive technical assistance and  
16 appropriate incentives.

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

25 *Sec. 7. Categories of Forest lands.* – For the purpose of administration,  
26 development, management, and utilization, forest lands shall be categorized into  
27 ancestral forest lands, private forest lands, and public forest lands.

- 28 a. Ancestral forest lands are ancestral lands and domains defined as such  
29 under Republic Act No. 8371, otherwise known as the “Indigenous Peoples  
30 Rights Act of 1997”;



1 b. Private forest lands are alienable and disposable lands registered under the  
2 current land registration system of the country which are devoted for  
3 forestry purposes;

4 c. Public forest lands shall include all lands of the public domain that have not  
5 been declared as a National Park under Section 5 of Republic Act No. 7586,  
6 otherwise known as the "National Integrated Protected Areas System Act of  
7 1992," as amended; mineral lands pursuant to Republic Act No. 7942  
8 otherwise known as the "Philippine Mining Act of 1995", and those lands  
9 not classified as agricultural based on the maps developed by the National  
10 Mapping and Resources Information Authority (NAMRIA).

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

18 Public forest lands shall not be classified, except through an act of Congress.

19 *Sec. 9. Management of Forest lands.* – For purposes of management and  
20 planning, all forest lands shall be managed for protection or production purposes only.

21 a. Protection Forest lands – All areas within the forest lands designated or set  
22 aside as such shall constitute the protection forest lands. They shall consist  
23 of the following:

- 24 i. Virgin forest and old-growth, dipterocarp forest;
- 25 ii. All areas one thousand (1,000) meters above sea level;
- 26 iii. All areas with a slope of fifty percent (50%) or more; and
- 27 iv. All areas along the bank of rivers and streams, and the shores of the  
28 seas and lakes throughout entire length and within a zone of three  
29 (3) meters in urban areas, twenty (20) meters in agricultural areas  
30 and forty (40) meters in forest areas, along their margins which are  
31 subject to the easement of public use.

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

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

8 b. Production Forest lands – All public forest lands not classified as protection  
9 forest lands, pursuant to this Section, shall constitute the production forest  
10 lands of the country. These lands shall be devoted for the production of  
11 timber and non-timber forest products to supply the domestic forest  
12 resource demand of the country and facilitate international trade of forest  
13 resources.

14 *Sec. 10. Forest Management Units.* – For purposes of assigning respective areas  
15 of operations and management, all public forest or timber land shall be assigned and  
16 registered as “Forest Management Units” (FMUs) with the DENR: *Provided,* That all  
17 areas under an existing and valid tenure agreement or management arrangement with  
18 the DENR before the passage of this Act shall be considered as FMUs.

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

25 *Sec. 11. Qualified Managers of FMUs.* – To ensure effective management of  
26 forest lands, managers of FMUs shall be confined to qualified and capable persons, or  
27 entities which include indigenous and local households, civil society organizations,  
28 business organizations, forest land use tenure holders, and dedicated national and  
29 local government units including government-owned, and -controlled corporations  
30 subject to the requirements to be provided in the implementing rules and regulations  
31 of this Act.

1            *Sec. 12. FMU Development and Management Planning.* – Every FMU shall have  
2 a management plan, formulated by the FMU Manager that was reviewed and  
3 concurred by a Registered Professional Forester, which shall be approved by the  
4 DENR. The FMU management plans shall contain the following:

- 5            a. FMU management objective;
- 6            b. Description of the physical, environmental, socio-economic, and  
7            administrative profile of the FMU;
- 8            c. Mapping and zoning of the FMU into production and high conservation value  
9            – forest zones;
- 10           d. Management prescriptions to be applied in each zone to meet the FMU  
11           management objectives;
- 12           e. Implementation plan; and
- 13           f. Expected benefits and impact of the plan.

14           *Sec. 13. Sustainable Management of Mangrove Resources.* – Mangrove species  
15 planted within protection or production forest lands can be harvested, gathered or  
16 collected, taking into consideration the basic forestry policies and strategies provided  
17 for in this Act. The harvesting, gathering, and collection of mangrove species shall be  
18 upon the authority provided for by the FMB.

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

22           *Sec. 15. Utilization of Forest Resources.* – The harvesting, gathering, and  
23 collection of all planted forest resources within production forest lands and private  
24 forests, including its by-products and derivatives, shall not require any clearance from  
25 the DENR: *Provided,* That any request for clearances for domestic transport of forest  
26 resources submitted to the DENR shall be acted upon within seven (7) days from the  
27 date of its submission with the proper office. After a lapse of seven (7) days and no  
28 action has been taken by the DENR, the clearance for transport is deemed approved.

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

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

4 *Sec. 16. Regulation and Utilization of Forest Resources within Ancestral Forest*  
5 *Lands.* – The rights of the indigenous cultural communities or indigenous peoples over  
6 their ancestral forest lands shall be respected: *Provided,* That management of forest  
7 resources within those lands shall be regulated by the DENR as provided for by laws,  
8 rules and regulations.

### 9 **ARTICLE III**

#### 10 **Forest-based Industries**

11 *Sec. 17. Development of an Open and Competitive Market for Forest Resources.*  
12 – To meet the demands for forest goods and services of the country, the State,  
13 through the DENR, shall promote and rationalize the establishment, operations, and  
14 development of forest-based industries. The DENR shall institute measures to develop  
15 an open and competitive market for forest products including among others the  
16 liberalization of forest products, harvesting, transport, and marketing.

17 *Sec. 18. Export of Certified Forest Products.* – No person shall sell or offer for  
18 sale any forest resources in the international market without complying with the  
19 certification system established by the Government. Failure to adhere to the  
20 established standards, or any act of falsification shall be sufficient cause for the  
21 cancellation of export license and other permits authorizing the manufacture or sale  
22 of such resources.

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

28 *Sec. 20. Enhance Private Investments and Economic Contribution.* – Forest-  
29 based industries shall be supported to promote global competitiveness, support  
30 domestic demands for wood and other products, and enhance economic contribution  
31 to the country. Appropriate incentives shall be provided such as but not limited to  
32 establishment of agroforestry economic zones in order to ease the conduct of business



- 1 c. Herbal or medicinal plantation;
- 2 d. Fish drying site;
- 3 e. Communication station site;
- 4 f. Public landing site or Airstrip;
- 5 g. Log Pond or Log Depot;
- 6 h. Lumber Yard;
- 7 i. Motor pool site;
- 8 j. Power station site;
- 9 k. Transmission line site;
- 10 l. Right-of-way;
- 11 m. Farm-to-market roads;
- 12 n. Government facility site (e.g. schools, clinics, satellite offices, among
- 13 others);
- 14 o. Water reservoir; or
- 15 p. Renewable energy projects.

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

19 *Sec. 26. Qualified Persons.* – The following persons are qualified to enter into  
20 a Forest Management Agreement with the State:

- 21 a. Filipino citizens;
- 22 b. Corporations or associations at least sixty percent (60%) of whose capital
- 23 is owned by Filipinos;
- 24 c. LGUs, when the purpose of Forest Management Agreement is for public use
- 25 or the establishment of government centers and facilities; or
- 26 d. Other National Government Agencies or Government-Owned or -Controlled
- 27 Corporations, when the purpose of the Forest Management Agreement is
- 28 for national interest, like transmission lines, water reservoirs, or distribution
- 29 lines for electricity.

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

- 1 a. Forest plantations, forest plantations with processing plants. The sharing of  
2 outputs from Forest Management Agreements entered into for the purpose of  
3 developing and managing forest plantations, and forest plantations with  
4 processing plants shall be based on the total gross output of the plantation  
5 harvests. Said sharing shall be done in a manner advantageous to national  
6 interest without prejudice for incentives that may be prescribed by the DENR.
- 7 b. For ecotourism purposes, the person who entered into a Forest Management  
8 Agreement with the State for the purpose of ecotourism or other special uses  
9 for forest lands shall have the obligation to pay an annual user's fee equivalent  
10 to five percent (5%) of the nearest commercial zonal value per square meter  
11 or a fraction thereof.
- 12 c. Government facilities or infrastructures. Non-income generating government  
13 facilities such as public school sites, public hospitals or clinics, government  
14 centers or offices, roads, farm-to-market access roads, and public buildings are  
15 exempt from paying any fee or other pecuniary obligation with the State:  
16 *Provided,* That the use of these establishments or infrastructure shall not be  
17 subject to privatization.

18 *Sec. 28. Forestry Research, Education, Training, and Extension.* – The Research  
19 and Technology Department of the Ecosystems Research and Development Bureau of  
20 the DENR, the Forest Products Research and Development Institute (FPRDI) of the  
21 Department of Science and Technology (DOST), universities, and other research  
22 institutions shall be strengthened to support sustainable management of forest  
23 resources. For this reason, the Forestry Development Center of the University of the  
24 Philippines Los Baños shall lead in forest policy research in collaboration with schools,  
25 universities, and colleges (SUCs) as well as other stakeholders.

26 Within one (1) year from the passage of this Act, the DENR, the DOST, the  
27 Commission on Higher Education (CHED), and SUCs, shall prepare a comprehensive  
28 sustainable national forestry and environmental research and technology development  
29 and transfer program in furtherance of sustainable forest management, which shall  
30 be implemented, monitored, and reviewed in accordance with existing research  
31 management systems.

1           The Continuing Professional Development shall be promoted and upheld  
2 through selected universities and training institutions on forestry and natural resources  
3 management subject to the Professional Regulation Commission's accreditation  
4 system. Forestry education in the Philippines shall be rationalized to ensure the quality  
5 of formal forestry education and establish, support and sustain the national and  
6 regional centers of development and excellence in forestry and environmental  
7 education to develop high quality human resources and promote global  
8 competitiveness. The DENR shall formulate a nationwide program for sustained public  
9 information and advocacy campaign for forests and natural resources conservation,  
10 sustainable forest management, and climate change.

11           *Sec. 29. The Sustainable Forest Development Fund.* – A Sustainable Forest  
12 Development Fund (SFDF) is hereby established to provide concessional financing  
13 particularly for forest development projects proposed by qualified managers of FMUs.  
14 The SFDF shall be administered by a Government Financial Institution (GFI) as a trust  
15 account managed under the "capital preservation" principle.

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

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

22           In addition, at least seventy percent (70%) of forest charges and government  
23 share collected, including proceeds from the sale of confiscated forest resources,  
24 machinery, equipment, and tools, fines, and penalties shall be set aside for the 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 SFDF  
30 in coordination with other concerned agencies civil service organizations.

31           *Sec. 30. Importation and Sale.* – Forest resources may be imported into the  
32 country, subject to existing laws, rules, and regulations. All imported forest resources



1 shall comply with the Philippine National Standards to be developed by the DTI in  
2 coordination with the FPRDI and the DENR. Compliance with these standards shall be  
3 a precondition for the sale or disposition of these products in the Philippines.

## 4 **ARTICLE V**

### 5 **Organization and Governance**

6 *Sec. 31. Creation of the Office of the Undersecretary for Forestry.* – The Office  
7 of the Undersecretary for Forestry shall be created within the DENR. It shall be headed  
8 by an officer with the rank of Undersecretary who shall be appointed by the President  
9 of the Republic of the Philippines, and whose office, structure, and staffing, shall be  
10 determined by the Secretary subject to existing laws, rules, and regulations.

11 *Sec. 32. Powers and Functions of the Office of the Undersecretary for Forestry.*  
12 – The Office shall have the following powers and functions:

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

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

- 29 a. Implementation of all policies, plans, programs, projects, and activities  
30 concerning forest lands with provision for effective feed-backing and reporting  
31 mechanisms;

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

13 *Sec. 34. Composition of the Forest Management Bureau.* – As a line bureau,

14 the FMB shall be headed by a Director and assisted by two (2) Assistant Directors who

15 shall supervise the administrative and technical services of the Bureau respectively.

16 There shall be an FMB Regional Director in each administrative region with

17 corresponding offices and positions.

18 *Sec. 35. Assistance of Law Enforcement Agencies.* – LGUs, the Department of

19 the Interior and Local Government (DILG), and the DENR, may, when they deem

20 necessary, call upon law enforcement agencies and instrumentalities of the

21 Government such as the Philippine National Police (PNP), the Armed Forces of the

22 Philippines (AFP), the Philippine Coast Guard (PCG), and the National Bureau of

23 Investigation (NBI) for the enforcement of environmental laws, executive orders, and

24 their implementing rules and regulations.

25 *Sec. 36. Creation of Community-based Law Enforcement Team.* – The

26 Community-based Forest Law Enforcement Team (CFLET) shall be organized with

27 members composed of representatives from direct stakeholders in a particular

28 watershed. The Team shall be deemed as quick responders on complaints to be

29 augmented or reinforced by the Forest Ranger. Funding for CFLET’s operational

30 requirements shall be sourced from agreed contributions from FMU Managers agreed

31 with the DENR, proceeds from sale of confiscated forest products, and donations from

32 various sources.

1            *Sec. 37. Local Government Units.* – Enabling mechanisms shall be developed  
2 to enhance the participation of the LGUs in the sustainable management and utilization  
3 of forest resources with their territorial jurisdiction, including those assigned by law to  
4 other government agencies.

5            LGUs with forest lands within their jurisdiction shall align their Comprehensive  
6 Land Use Plans (CLUPs), local development plans, disaster risk reduction management  
7 plans and other required plans according to the objectives specified herein and in the  
8 protected area management plans.

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

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

26            *Sec. 40. Function of Multi-Sectoral Consultative Body* – The body shall be  
27 responsible for the overall policy direction in the management of the forest lands and  
28 forest resources found within their respective jurisdictions in accordance with the  
29 provisions of this Act. Specifically, it shall:

- 30            a. Review and recommend implementation of programs and projects;
- 31            b. Perform oversight functions on matters pertaining to the environment and  
32            natural resources; and

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

6 The Multi-sectoral Consultative Body may also facilitate the initiation of the  
7 LGUs' participation in the devolution program and monitoring the transfer and  
8 implementation of devolved functions to the LGUs.

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

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

- 19 a. The principles and practices of transparency, accountability, and  
20 participatory decision making in transactions, decision, and actions affecting  
21 forestry, in all levels, and the policy of streamlining, decentralization,  
22 devolution, and deregulation shall be adopted, promoted, and  
23 institutionalized in the DENR;
- 24 b. Updating and preparation of forest land use plans shall be integrated with  
25 the updating and preparation of CLUPs of LGUs;
- 26 c. Networks and linkages with local and international institutions, civil society  
27 organizations, LGUs and industries involved in the promotion and practice  
28 of sustainable forest management shall be strengthened;
- 29 d. The DENR shall prescribe appropriate fees and government shares for  
30 different kinds of utilization, occupation, possession, or activities within  
31 forest lands, as well as the corresponding administrative fees for permits,  
32 agreements, and other services;

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

## 28 **ARTICLE VI**

### 29 **Offenses and Penalties**

30 *Sec. 43. Harvesting, Gathering, Collection, or Possession of Forest Resources*  
31 *from Protection Forest Lands.* – Any person who shall harvest, gather, collect, or  
32 possess any forest resource from protection forest lands shall be punished with

1 imprisonment ranging from six (6) years and one (1) day to twelve (12) years and  
2 one (1) day and/or a fine equivalent to ten (10) times the value of the said forest  
3 resource. The Forest Protection Officers shall have the authority to estimate the  
4 present market value of the forest resources subject of the illegal harvest, gathering,  
5 collection, or possession based on the guidelines promulgated by the DENR.

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

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

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

- 13 a. At least two (2) or more persons through an organized and systematic  
14 manner; and  
15 b. Any person, when the amount of forest resources harvested, gathered,  
16 collected, or possessed amounts to at least One million pesos  
17 (P1,000,000.00).

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

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

25 *Sec. 46. Unlawful Occupation of Forest Lands.* – Any person who, without the  
26 authority from the DENR, possesses or occupies any parcel of forest land shall be  
27 punished with a penalty of imprisonment of six (6) years and one (1) day to twelve  
28 (12) years and a fine of not less than One hundred thousand pesos (P100,000.00) but  
29 not more than Five hundred thousand pesos (P500,000.00).

30 *Sec. 47. Destruction of Forest Lands.* – Any person who shall destroy or cause  
31 destruction within forest lands or assist, aids, or abets another person to do so, shall  
32 be punished with a penalty of imprisonment of six (6) years and one (1) day to twelve

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

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

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

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

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

23 *Sec. 50. Non-Payment and Non-Remittance of Forestry Fees and Charges.* –  
24 Any person who fails to pay the amount due and payable as forestry fees or charges  
25 to the government or remit the same to the proper authorities shall be punished with  
26 a penalty of imprisonment for a period of six (6) years and one (1) day to twelve (12)  
27 years with a fine of not less than one hundred thousand pesos (P100,000.00) nor  
28 more than Five hundred thousand pesos (P500,000.00).

29 *Sec. 51. Non-Establishment of Tree Parks and Green Spaces.* – Every LGU shall  
30 establish and maintain tree parks and green spaces pursuant to their CLUPs. Funds  
31 for the establishment and maintenance of the same shall form part of the LGU's annual  
32 budget.

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

5 No subdivision plan shall be approved by the Department of Human Settlements  
6 and Urban Development unless thirty percent (30%) of the total area of the  
7 subdivision has been reserved as green space. The owner must develop the green  
8 space within three (3) years from the approval of the subdivision plan.

9 Any LGU or owner of a parcel of land subdivided into residential, commercial,  
10 or industrial lots who fails to establish green spaces or tree parks as provided in the  
11 preceding paragraphs shall be penalized with a fine of not less than Five hundred  
12 thousand pesos (P500,000.00) nor more than One million pesos (P1,000,000.00).

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

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

23 *Sec. 53. Arrest and Detention.* – If the apprehension was conducted in remote  
24 areas far from the place where persons authorized to conduct inquest proceedings are  
25 located, the delivery to the proper juridical authorities shall be done within a  
26 reasonable time period, taking into consideration the ordinary travel time from the  
27 place of arrest to the place of delivery.

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





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

4           Sec. 59. *Informant's Incentive.* – Twenty percent (20%) of the value of  
5 confiscated materials shall be used as incentives to informants including forest  
6 management councils and forest management boards. They shall also be entitled to  
7 free legal assistance should cases be filed against them in the performance of official  
8 duties.

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

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

15           b. A suit and strategic legal action against public participation may be  
16 interposed as a defense by a person involved in the enforcement of  
17 environmental laws, protection of the environment, or assertion of  
18 environmental rights. The suit or strategic legal action shall be supported  
19 by documents, affidavits, papers, and other evidence. The person involved  
20 in the enforcement of environmental laws may also, by way of counterclaim,  
21 pay for damages, attorney's fees, and costs of suit.

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

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

28           c. The hearing on the suit or strategical legal action shall be summary in  
29 nature. The parties must submit all available evidence in support of their  
30 respective positions. The party seeking the dismissal of the case must prove  
31 by substantial evidence that their act for the enforcement of this Act is a  
32 legitimate action for the protection, preservation, and rehabilitation of the

1 environment. The party filing the action assailed as a Strategic Lawsuit  
2 against Public Participation (SLAPP) shall prove by preponderance of  
3 evidence that the action is not a SLAPP and is a valid claim.

- 4 d. The affirmative defense of a SLAPP shall be resolved within thirty (30) days  
5 after the summary hearing. If the Court dismisses the action, the Court may  
6 award damages, attorney's fees, and costs of suit under a counterclaim if  
7 such has been filed. The dismissal shall be with prejudice. If the Court  
8 rejects the suit or strategic legal action, the evidence adduced during the  
9 summary hearing shall be treated as evidence of the parties on the merits  
10 of the case. The action shall proceed in accordance with the Rules of Court.

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

- 13 a. Any person who violates or fails to comply with the provisions of this Act or  
14 its implementing rules and regulations;  
15 b. The DENR or other implementing agency with respect to orders, rules, and  
16 regulations issued inconsistent with this Act; and  
17 c. Any public officer who willfully or grossly neglects the performance of an  
18 act specifically enjoined as a duty by this Act or its implementing rules and  
19 regulations; or abuses his authority in the performance of his duty; or in  
20 any manner improperly performs his duties under this law or its  
21 implementing rules and regulations.

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

25 **Sec. 62. *Implementing Rules and Regulations.*** – The DENR, in consultation with  
26 other government agencies and relevant stakeholders charged with the administration  
27 and enforcement of this Act, shall promulgate and issue the rules and regulations  
28 within one (1) year from the effectivity of this Act.

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

1           Sec. 64. *Separability Clause.* – Should any provision herein be declared  
2 unconstitutional, the other provisions not affected shall remain in full force and effect.

3           Sec. 65. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or  
4 other issuances or parts inconsistent with the provisions of this Act are hereby  
5 repealed, amended, or modified accordingly.

6           Sec. 66. *Effectivity.* – This Act shall take effect thirty (30) days after its  
7 publication in the *Official Gazette* or in at least two (2) national newspapers of general  
8 circulation.

*Approved,*