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FIFTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session

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SENATE S.B. No. <u>1354</u>

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Introduced by Senator Loren Legarda

EXPLANATORY NOTE

This bill mandates the planting of one billion trees all over the Philippines to address the depletion of the forests in our country.

The rate of deforestation in the Philippines has reached an alarming rate of 2.1 percent between the years 2000 to 2005, the highest in the South East Asia region. Some 887 square kilometers of forest area are denuded annually. Of the total land area of the Philippines of 30 million hectares, the forest area has decreased from 22.4 percent in 1995 to 19.4 percent in 2002. According to the World Bank, the Philippines reforestation efforts had been inconsistent with minimal tree survival rates. The increasing demands of urbanization and industrialization have led to environmental transgressions such as illegal logging and forest fires.

This bill seeks to address the need to restore the richness of our biodiversity by reviving the richness of our forests through the planting of one billion trees all over the country. The proposed measure enlists the participation of different sectors of society in the task of restoring the grandeur of our forest lands. Various government agencies, local government units, non-government organizations, private landowners, corporations, indigenous peoples, individual families and government personnel who form themselves into cooperatives, the upland, lowland and coastal communities, and interested individuals are in partnership to plant forest and fruit tree species in private lands, in idle portions of alienable and disposable lands (A & D), and open and denuded public forest lands.

Groups and individuals who participate in this program are given benefits and incentives. For instance, those who planted and maintained the trees along highways, roadsides, and other vacant portions of public A & D land shall have exclusive right to harvest and utilize the trees when they mature. Moreover, community-based forest managers shall have the right to make the reforested and protected area an eco-tourism spot. They can collect entrance fees and put up income-generating auxiliary services for the maintenance and conservation of the area. They are also exempted from forest charges and real property tax.

Finally, this bill makes it illegal for any person who is not a member of the community or cooperative that planted the trees to cut or gather trees from reforested areas. It will also prohibit the conversion of forestlands into agricultural, pasture and mining and other non-forest uses.

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

LOREN LEGARDA Senator

FIFTEENTH CONGRESS OF THE)	OFFICE CO. T. T. Br. H.
REPUBLIC OF THE PHILIPPINES) First Regular Session)	10 JUL 13 AH :15
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S.B. No1354	neceived po. K.

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AN ACT

TO SPUR THE PLANTING OF A BILLION TREES THROUGH COMPLEMENTARY TREE PLANTING PROGRAMS OF THE DENR AND VARIOUS GOVERNMENT AGENCIES, LOCAL GOVERNMENT UNITS AND COMMUNITIES, SCHOOLS AND UNIVERSITIES, AND CIVIC AND NON-GOVERNMENTAL ORGANIZATIONS, PROTECTING THE REMAINING NATURAL FORESTS AND FOREST PLANTATIONS, AND CREATING A FUND THEREFORE, AND FOR OTHER PURPOSES

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

1	CHAPTER 1
2	BASIC POLICIES, OBJECTIVES, COVERAGE
3	AND IMPLEMENTING AGENCIES INVOLVED
4	
5	SECTION 1. Title This Act shall be known as the "Billion Trees Act of
6	2010."
7	,
8	SECTION 2. Declaration of Policy The State shall protect and advance the
9	right of the people to a balanced and healthful ecology in accord with the rhythm
10	and harmony of nature. The protection and rehabilitation of forest lands shall be
11	given the highest priority to ensure environmental stability of the nation.
12	
13	The State shall adopt and implement a sustainable forest development and
14	management program. It shall promote the participation of all sectors of society,

management program. It shall promote the participation of all sectors of society, particularly national government agencies, the upland, lowland, and coastal communities, local government units (LGUs), non-governmental organizations (NGOs), schools, colleges and universities, private landowners and corporations and indigenous people in replanting denuded forest land and idle and disposable (A & D) land.

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1	The State shall likewise promote community-based forest management.
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3	SECTION 3. Objectives The Billion Trees Program aims to improve the
4	country's ecology and the forest regeneration capacity. More specifically, it intends:
5 6	(a) To significantly increase reforestation efforts in upland, lowland and coastal
7	communities in a more efficient manner;
8	(b) To reverse the deteriorating effects of soil erosion, flash flooding, siltation of
9	rivers and dams, drought and other negative consequences of denuded
10	upland;
11	(c) To make forest and fruit tree seedlings available and more accessible to all
12	cities and municipalities in the country;
13	(d) To promote forest diversity by planting dipterocrap, pine, mossy and
14	mangrove forest species in portions of the plantation whenever feasible;
15	(e) To help rehabilitate wildlife habitat through effective forest protection
16	strategy;
17	(f) To ensure adequate supply of forest and agricultural products in the future;
18	(g) To generate employment opportunities and provide additional income to the
19	countryside and rural communities.
20	
21	SECTION 4. Coverage At least one million (1,000,000) hectares of open and
22	denuded public forest lands, private lands, and idle portions of alienable and
23	disposable (A & D) lands are targeted for the for the first five (5) years to be planted
24	to both forest and fruit tree species.
25	
26	SECTION 5. Definition of Terms As used in this Act, the following terms
27	shall mean:
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29	(a) "Critical watershed" refers to a drainage area of a river system, lake or water
30	reservoir supporting existing and proposed hydroelectric power plants,
31	domestic water supply, and irrigation works needing immediate
32	rehabilitation and protection to minimize soil erosion and improve water
33	yield.
34	(b) "Community" is a group people who may or may not share common
35	interests, needs, visions, goals, and beliefs, occupying a particular territory
36	inside or adjacent to forest land or national park.

(c) "Eco-tourism spot" is a plantation site developed for biodiversity conservation, cultural, and human enjoyment such as a forest park, bird, and some wildlife sanctuary, and where sound tourism activities are sustainability implemented, yielding socio-economic benefits. The developer can put up auxiliary services, collect appropriate fees, for his/her income and for the maintenance of the area.

- (d) "Forest diversity" is the variety and variability of forest species growing in the forest land. In the plantation, at least three (3) different species, including fuelwood species, and other species such as banana, bamboo, and the like, should be planted every ten (10) hectares, with the least planted species occupying at least one-fifth (1/5) of the ten-hectare area.
- (e) "Forest charges" refer to the charges imposed and collected by the government on forest products cut, harvested or gathered from forest lands as specifically provided for under Republic Act No. 7l61.
- (f) "Forest lands" are those lands of the public domain, which have been classified into production forest lands and protection forest. Forest reservation refers to forest lands, which have been set aside by the law for a specific purpose, such as watershed reservation, military or civil reservation.
- (g) "Community-based Forest Management and Agreement (CBFMA)" refers to an agreement between the Department of Environment and Natural Resources (DENR) and an organized community acting through its duly authorized forest manager, known as community-based forest manager (CBFM), for the management by said community of a specified area in the public domain according to a comprehensive management and development plan and, in consideration therefore and certain other obligation, grants, said community the right to harvest, process, sell or otherwise utilize the trees and other products grown by them or from the residual forest within their specified area. The agreement is granted for fifteen (15) year, renewable for another fifteen (15)years.

All references to "Forest Land Management Agreement (FLMA)" and "Forest Land Manager (FLM)" are likewise hereby amended as "Community-based Forest Management Agreement (CBFMA), and Community-based Forest Manager (CBFM)" and Community-based Forest Manager (CBFM)", respectively.

(h) "Fuelwood species" are species of high calorific value and are suitable for fuelwood or firework such as, but not limited to ipil-ipil, kakawate, agoho, kamachile, gmelina, acacia, bakaua, and neem tree.

- (i) "Industrial Forest Plantation Management Agreement (IFPMA)" is a contract entered into by and between a qualified person and the government for the former to occupy and possess for a definite period of time in consideration of a specified rental a specific area of the production forest land, in order to establish an industrial forest plantation.
- (j) "Indigenous peoples" refer to a tribe or indigenous Filipinos who have continuously lives as communities on communally bounded and defined land since time immemorial and have succeeded in preservations, maintaining and sharing common bonds or languages, customs, traditions, and other distinctive cultural traits.
- (k) "Military reservation" refers to forestland, which have been proclaimed by the President for military purposes such as air bases, campsites, docks and harbors, firing ranges, naval bases, target rangers, and wharves.
- (1) "National Park" refers to a land of the public domain essentially of natural, wilderness, scenic or historic character which has been withdrawn from settlement, occupancy, or any form of development, except in conformity with an approved management plan, and set aside such to conserve the area and to preserve the scenery, the natural and historic objects, wild animals and plants therein mainly for biodiversity and/or human enjoyment.
- (m) "People-oriented forestry" is a program democratizing access and management of forest land to poor upland and coastal dwellers. Aside from CBFMA, this may include Integrated Social Forestry Program (ISFP), Community Forestry Program (CFP), and Ancestral Land Management.
- (n) "Silviculture" refers to scientific method of growing forest trees, their management and harvest. This includes such practices as assisted natural regeneration (ANR), timber stand improvement (TSI), and selective cutting method.
- (o) "Private lands" refers to lands covered by either administrative or judicial titles such as free patent, homestead, and sales patent, torrens title obtained under the Land Registration Act (Act No. 49), as amended.

SECTION 6. *Implementing Agencies Involved.* - The following departments shall perform major roles:

(a) The Department of Environmental and Natural Resources (DENR) and its network of Provincial/Community Environment and Natural Resources Offices (PENROs/CENROs) shall be the overall coordinating and monitoring agency of the Program, particularly in the identification, selection and allocation of sites, making available quality planting materials, using recyclable potting materials whenever possible, the planting of the right species in particular areas, prioritization of critical watersheds, application of efficient reforestation technologies like cover cropping prior to plantation, the planting of fuelwood species in specific areas, the necessary steps to protect the remaining natural forests and national parks, and information and campaign drive

- It shall ensure that the permit to cut and transport trees from plantation shall be issued within thirty (30) working days from the date the application is filed.
 - (b) The Department of Interior and Local Government (DILG) and local government units (LGUs) shall mobilize the police and help organize communities and other sectors of society to participate in the Program. It shall create special police units.
 - (e) The Department of National Defense (DND) shall organize a special unit whose main responsibility is reforesting denuded portions of military reservations and other areas designated by the DENR, and protecting forested areas, both natural and plantation. It shall also assign DND personnel on a full-time basis in protecting forest areas, in accordance with Section 24 hereof.
 - (d) The Department of Agriculture shall assist upland communities raise fruit tree seedling, and provide them knowledge on proper and sustainable agricultural technologies and practices.
 - (e) The Department of Education (DepEd) shall strengthen environmental education and mobilize the students to plant trees and take care of them in appropriate vacant areas in their localities.
 - (o) The Department of Public Works and Highways (DPWH) shall organize special units to plant appropriate and available species on strips of land along national and arterial roads and maintain and protect them.
- (g) The Department of Tourism (DOT) shall identify and promote eco-tourism
 plantation in coordination with the DENR.

(h) Other government agencies and state colleges and universities with administrative jurisdiction over tracts of public lands shall, as necessary, also rehabilitate and reforest said lands.

CHAPTER 2

REFORESTATION BY UPLAND COMMUNITIES

SECTION 7. Community Reforestation with Community-Based Forest Management Agreement (CBFMA). - New reforestation, assisted natural regeneration (ANR), and related programs shall be awarded mainly to upland and coastal communities. Individuals, families, police, military, and other government personnel who wish to participate shall form themselves into cooperatives. The agreement shall be granted for twenty-five (25) years, subject to the terms and conditions in the CBFMA and subsequent rules and regulations promulgated in accordance with Section 36 hereof.

SECTION 8. Role of Non-governmental Organizations (NGOs) and Academic Institutions. - The NGOs and academic institutions shall be tapped to handle relevant services, especially social and technical training and monitoring and evaluation of the reforested area: *Provided*, That the NGOs and academic institutions that handled the training will not be the same ones that will conduct the monitoring and evaluation of the reforested area.

SECTION 9. Rights and Obligations of the Community-Based Forest Manager (CBFM). - The CBFM can harvest, process, sell or otherwise utilize the products grown by him/her on land covered by the CBFMA, or make portions of the contracted area into an eco-tourism spot. The CBFM shall have the following obligations:

- (a) Practice appropriate silvicultural system or cutting regimes for mature trees in accordance with management plans; cleared areas shall be immediately replanted within one (1) year after cutting;
- (b) Promote forest biodiversity by planting indigenous forest species and conserving natural forest species in contracted forest areas. Fuelwood trees can be planted to add to species diversity and to eliminate the community's need to cut prime wood species for fuel and charcoal purposes.

- (c) Pay the government through the DENR, a production share out of income from sales of products harvested from the CBFMA areas in an amount equivalent to the real value of government investment in the area;
- (d) The awarded groups shall ensure high survival rate of planted seedlings, maintain and protect trees until maturity, in exchange for their right to harvest and utilize and trees after sometime.

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SECTION 10. Additional Area for Fruit Trees Plantation. - For every six (6) hectares of area planted to forest species, the community is allowed to plant one (1) hectare to fruit trees and other agricultural crops. The land tenure shall be coterminus with the terms of the CBFMA.

The DA and developed extension workers shall assist the community contracts raise fruit tree seedlings. They shall also train the communities proper agricultural technologies and practices.

SECTION 11. *Other Incentives.* - CBFMs shall enjoy the following benefits:

- (a) Reforested are as an eco-tourism spot. Community forest managers and CBFMs shall have the right to make the reforested and protected area an eco-tourism spot. They can collect gate/entrance fees and put up incomegenerating auxiliary services for the maintenance and conservation of the area. Operation of the area shall be coordinated with the Department of Tourism (DOT) for tourism promotion, and the LGUs for infrastructure support and collection of appropriate taxes.
- 26 (b) Market linkage for the agricultural output. The DA, in coordination with 27 agribusiness research organizations of the private sector shall update upland 28 farmers of market prices of fruits and other agricultural products, and assist 29 them in identifying buyers and marketing outlets.
 - (c) Market linkage for their forest products. The DENR and other concerned agencies and groups, shall update upland forest managers and CBFMs of domestic buyers of particular forest products, including the specified product quality.
 - (d) Option to turn over the management and right to harvest the reforested land to the DENR at least after five (5) years of the CBFMA. This is particularly applicable in plantations and ecotourism spots where the trees are better left

1	to grow and mature beyond the fifty (5) year constitutional limit. The
2	government, through the DENR, shall compensate the CBFM the amount
3	equivalent to the stumpage value of standing trees minus real investment of
4	the government in the area.
5	(e) Priority to be granted additional area for reforestation with CBFMA, or
6	through an Industrial Forest Plantation Management Agreement (IFPMA) of
7	purely plantation establishment type.
8	(f) Exemption from forest charges and real property tax. CBFMs and awardees

- (f) Exemption from forest charges and real property tax. CBFMs and awardees of other people-oriented forestry programs shall be exempted form paying taxes on revenue from reforested and protected areas.
- (g) Right to secure the growing trees. CBFMs may use the plantation of at least five (5) years old with adequate forest stand, in the issuance of asset-backed securities, such as bonds and stocks, to finance the reforestation of another area. Said asset-backed securities shall enjoy tax breaks and other incentives whenever possible, already provided under existing laws.

CHAPTER 3

REFORESTATION BY AFP/PNP PERSONNEL

SECTION 12. Reforestation of Denuded Military Reservation Areas. - Spearheaded by the organized special units, all units of the Armed Forces of the Philippines (AFP) stationed in the military reservation area, whether temporarily or permanently, shall be involved in reforesting denuded portions of the area not utilized for military and training purposes. They and the succeeding units shall maintain and protect the trees until maturity. Reforestation costs for three (3) years shall be funded by the DND. Likewise, maintenance costs shall be shouldered solely by the DND.

SECTION 13. *Incentives.* - The military and police personnel participating in the reforestation shall be entitled to the following incentives.

- (a) Additional allowance in compensation for the particular task or phase of the contract they have completed;
- 34 (b) Rights and obligations of the Community-based Forest Manager under 35 Sections 9 and 11 above;

- (c) Acquisition of the shares of stock of the cooperative/corporation to be formed representing the economic value of trees planted;
- (d) Earning from said stocks and revenue shares from the sale of forest products yielded by the plantation as their retirement credits in the future.

SECTION 14. *Report to the DENR*. - The AFP and the PNP shall submit an annual report to the DENR on the progress of their projects including the area they have reforested, and the results of their operations in forest protection as mandated in Chapter 6 of this Act.

CHAPTER 4

PRIVATE INDIVIDUALS AND CORPORATIONS' INVOLVEMENT

SECTION 15. Adoption of a Reforestation Project. - Private corporations, foundations, foreign and local NGOs, and similar institutions shall be invited by the DENR and local government officials to adopt and finance a denuded area for reforestation and protect trees. The assistance can be channeled directly from the donor to the upland implementers and beneficiaries and assisting local NGOs, The DENR shall be informed of such arrangement for assistance in identifying priority areas of reforestation. If funds are channeled through the DENR, the latter shall enter into a Memorandum of Agreement (MOA) with the donor to account for wise and proper spending of the donated funds.

SECTION 16. Adoption of a Forested Area for Protection. - The private sector, in coordination with the DENR, may adopt a particular forested area, like portions of a national park, for protection and biodiversity conservation through MOA with the DENR. The mechanics for the channeling of funds as specified in Section 15 above shall be adopted. The DENR shall be identify and publish area available for adoption.

- SECTION 17. Development of Private Forestry and Incentives. Private landowners who shall plant forest trees in their lands shall enjoy the following incentives:
 - (a) Technical assistance from the DENR on proper silvicultural practices;
 - (b) Update of forest products market and prices by the DENR and wood producers' groups or association;

- (c) Exemption from forest charges under Republic Act No. 7161 and value-added tax (VAT) for the sale, barter or exchange of timber and forest products, and from real property tax under Republic Act No. 7160;
- (d) Priority in credit assistance granted by the government-owned and controlled corporations at reasonable interest rates; and
- (e) No restriction in exporting timber and other forest products grown in the land.

For certification purposes, tree plantations shall be registered with the barangays and municipal offices, which shall maintain permanent registry books.

SECTION 18. Planting of Fuelwood Species. - The DENR shall disseminate technology on the planting of fuelwood species for firewood purposes to lessen the pressure on the cutting and harvesting of prime wood species for firewood purposes.

SECTION 19. Ownership of Planted Trees Along Highways. - Those who planted and maintained the trees along highways, roadsides, and other vacant portions of public act A & D land shall have exclusive right to harvest and utilize the trees when they mature. The local CENRO shall allocate among interested individuals and/or groups the space available for this arrangement, and issue the necessary papers granting such exclusive rights and ownership to the awarded party.

Should the local DENR office and the local government unit decide to keep the trees for ecological and beautification purposes, they shall compensate the parties who planted and protected the trees the value equivalent to the market value of the trees at the time the turn-over is made.

SECTION 20. Recognition Award. - In recognition, the DENR, the Department of Trade and Industry (DTI) and the Philippine Information Agency (PIA) shall advertise the names of participating corporations, agencies and NGOs and their environmental projects. Awards and recognition shall be determined by the DENR in collaboration with other government agencies in the implementing rules and regulations (IRR) to be promulgated pursuant to Section 36 of this Act.

CHAPTER 5

REFORESTATION BY LOCAL GOVERNMENT UNITS

SECTION 21. Seedling Nursery in Every City/Municipality. - Pursuant to Section 17b (1.i, 3iii) of the Local Government Code, seedling nurseries shall be established in every city or municipality, for this purpose, local governments shall be allowed to enter into contract with private enterprises. Nursery supervisors whose positions shall be created by LGUs shall be hired and designated by LGUs to establish and oversee such nurseries containing both forest and fruit tree species, though mainly the former, seeds shall be sourced from certified Seed Production Areas (SPAs) certified by the DENR.

22. Establishment Mini-Forest Parks SECTION of in Every City/Municipality. - Every city or municipality shall establish a mini-forest park or multi-purpose park such as a botanical garden at a ration of not less than one (1) park per fifty thousand (50,000) population, each park to be at least half a hectare or five thousand square meters (5,000 sq.m.) in area whenever practicable or to the extent possible. Each city or municipality shall submit to the DENR the list of available lands for such purpose and include in its yearly budget the necessary funds for the establishment and maintenance of the urban forest parks. The Secretaries of the DENR and DILG shall coordinate closely to ensure compliance with this provision, and shall coordinate with various agencies of the national government and the private sector to enhance the implementation of urban forestry.

Roadsides and islands, campuses, office compounds, cemeteries, riverbanks, shorelines and other areas shall also be planted with trees. Students, employees, members of civic and people's organizations shall be invited to undertake the activity. The maintenance and protection of the trees shall be closely coordinated by the LGUs, the DENR and all other concerned agencies.

Every subdivision project to be developed after the promulgation of *this* Act shall be included the establishment of parks not less than twenty five percent (25%) of the required open space in accordance with Presidential Decree No. 953. Guidelines for the establishment and maintenance of these parks within subdivisions shall be prepared jointly by the Housing and Land Use Regulatory Board (HLURB) and the Department of Environment and Natural Resources.

SECTION 23. Recognition of Outstanding of "Greenest" City or Municipality. - Three (3) years after the effectivity of this Act, the outstanding city or municipality in each province having the best mini-forest parks and reforested idle portions of A & D land shall be given recognition and awards by the DENR and promoted by the Department of Tourism (DOT) as among the priority eco-tourism destination areas in the country: *Provided*, That the necessary infrastructure and tourism services must already be in place before the area is promoted as an ecotourism attraction.

CHAPTER 6

FOREST PROTECTION

SECTION 24. *Forest Protection Teams.* - The Secretary of DENR shall enforce forestry laws to protect the remaining natural forests and plantation forests from illegal loggers, poachers, kaingin farmers, pests and diseases, fires and other forest destroyers. Forest protection teams under the DENR shall be organized consisting of personnel drawn from the DENR, the AFP, and the PNP on a full-time basis. They shall be assisted by personnel from other government agencies, civilian volunteers, and concerned NGOs. Equipments shall be acquired by the DENR aside from equipment support provided by other units.

SECTION 25. *Incentives.* - Members of the teams shall be granted incentives to include, but not limited to, higher base pay, hazard pay, uniform allowance, group issuance, and a reward system of twenty percent (20%) of the value of the confiscated materials.

SECTION 26. Forest Protection Equipment. - The DENR, as lead agency, the DILG, and the DND, shall provide the teams with primary equipment such as aircraft, global positioning systems, land transportation, communication facilities, ground fire fighting equipment, and basic pesticides against common forest pests and insects.

SECTION 27. Control of Forest Conversion to Agricultural Use. - The DENR, the DA, and the Department of Agrarian Reform (DAR) shall stop illegal conversion of forest lands into agricultural, mining, pasture, and other non-forest uses of the land. The DENR shall cause the cancellation of instructions issued such lands and

repossesses said lands for reforestation purposes, and the farmers shall be organized to regenerate the land through people-friendly forestry.

SECTION 28. Sloping Agricultural Land Technology (SALT). - In direct support to this reforestation program, the DENR, the DA, and the DAR shall implement the Sloping Agricultural Land Technology (SALT) and other applicable technology in all upland areas cultivated by their respective program clientele/beneficiaries for agricultural purposes.

CHAPTER 7

FINANCING THE PROGRAM

SECTION 29. *Program Cost.* - The cost of the Billion Trees Program shall not exceed Seven Hundred Fifty Million Pesos (P750,000,000.00) per year for a period of five (5) years. Two Hundred Fifty Million Pesos (P250,000,000.00) of which shall be appropriated. The sources of the other Five Hundred Million Pesos (P500,000,000.00) are hereby identified.

SECTION 30. Forest Management Fund. - The Forest Management Fund (FMF) is hereby created for the plantation, protection and management of the billion trees. For this purpose, fifty percent (50%) of the forest charges collected under Republic Act No. 7161 under the Timber License Agreement (TLA), or in the case of Timber Production Sharing Agreement (TPSA), fifteen percent (15%) of the government share therefrom; forest users fees; silvicultural fees; rentals for special use of forest lands; all proceeds from disposition of illegal cut forest products and timber and penalties and fines, shall go to the Fund.

The Fund shall be administered by a body created by the DENR which shall include but shall not be limited to representatives from the wood industry, a nongovernmental organization, the duly accredited forestry professional association, the Department of Budget and Management, the DILG and local government units and the DENR itself. The body shall establish the necessary operating guidelines of allocation, use and safeguarding of the Fund.

SECTION 31. Other Sources of Funds. -

- (a) At least one percent (1%) of the Countrywide Development Fund of Senators and Congressmen, which shall be managed by them in coordination with local government units;
- (b) Securitization of the grown trees which are at least five (5) years old which may be used as asset-backed securities, such as bonds and stocks, to finance the reforestation of other areas, whether by upland communities, AFP/PNP personnel, or the private sector.

SECTION 32. Fund Management. - In the case of the contract reforestation, the funds shall be channeled by the Department of Budget and Management (DBM) through the Land Bank of the Philippines (LBP), the Development Bank of the Philippines (DBP), or the LBP/DBP accredited rural banks. Funding shall be discontinued if found misused and scheduled activities not followed. The DENR shall be advise the banks the amount and the period of release of funds to the community contractors.

CHAPTER 8

CRIMINAL OFFENSE AND PENALTIES

SECTION 33. *Misuse of Funds.* - Any contractor, officer of a cooperative, government official including a local official, or an employee, who shall unlawfully and maliciously divert funds under this Act for purposes other than intended, shall be criminally prosecuted and, if found guilty, shall be punished with imprisonment of not less than four (4) months but not more than four (4) years.

SECTION 34. Illegal Cutting of Planted Trees. Any person who is not a member of the community or cooperative who planted the trees who shall cut or gather trees from reforested areas, shall be fined with twice the current market value of the trees removed, and/or imprisoned for not less than four (4) months but not more than four (4) years.

SECTION 35. Premature Cutting of the Planted Trees and Noncompliance with Other terms of CBFMA. - CBFMs who shall prematurely cut the trees up to one-fifth (1/5) of the area without any authority from the PENRO or CENRO, or replant dipterocarp and other endemic species, not in accordance with sound forestry management practice, shall be disqualified from their rights under the

1	CBFMA and shall not be compensated for the value of the remaining standing trees.
2	The jurisdiction of the reforested area shall revert to the DENR. In addition, if the
3	estimated value of the felled trees is larger than the real investment of the
4	government in the area, such guilty party shall pay the difference in value; shall not
5	be eligible for future government reforestation and other forestry-related activities;
6	and shall be criminally prosecuted and imprisoned for a period of not less than four
7	(4) months but not more than four (4) years.
8	
9	CHAPTER 9
10	ADMINISTRATIVE PROCEDURES AND SPECIAL CLAUSES
11	
12	SECTION 36. Monitoring and Evaluation Periodic monitoring and
13	evaluation of reforestation contract, other people-oriented forestry, urban
14	reforestation, and forest protection activities shall be conducted by the
15	CENRO/PENRO or an independent entity contracted for the purpose, whichever is
16	practical, to ensure that proper use of resources and desired targets are
17	accomplished on time.
18	
19	SECTION 37, Promulgation of Rules and Regulations The Secretary of the
20	DENR, in coordination with the Secretaries of the DILG and the DND, shall prepare
21	and publish the rules and regulations implementing this Act within sixty (60) days
22	from the date of its effectivity.
23	
24	SECTION 38. Separability Clause If any provisions of this Act shall be held
25	unconstitutional, the remaining portions not otherwise affected shall remain in full
26	force and effect.
27	
28	SECTION 39. Repealing Clause All laws, executive orders, rules and
29	regulations, or parts thereof inconsistent with any of the provisions of this Act are
30	hereby amended, repealed or modified accordingly.
31	
32	SECTION 40. Effectivity This Act shall take effect after its complete
33	publication in at least two (2) newspapers of general circulation.
34	
35	Approved,