

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 0106



Introduced by **Rep. LAWRENCE LEMUEL H. FORTUN**

EXPLANATORY NOTE

This bill seeks to set a clear and concrete policy direction in the formulation of programs for the protection and sustainable management of our forests ecosystems.

Philippine forests are among the world's most diverse and richest source of plant and animal species, but they are also considered among the most threatened. Our forest covers been reduced to an alarming 18.3% as early as 1999 and estimated to be shrinking by at least 2% every year. The major causes have been attributed to commercial and illegal logging, forest conversion, population growth, migration and fuel wood harvesting.

It is crucial that the country adopt a systematic, coherent and responsive forest management system to restore the integrity of our forest ecosystem. This bill recognizes the Sustainable Forest Ecosystems Management (SFEM) strategy as the principal policy framework for all programs in the forestry sector. The bill prioritizes the protection and rehabilitation of our forest systems through regeneration or restoration of natural forests. It likewise recognizes the indispensable role and respects the rights of stakeholders such as the local government units, the local community and the indigenous peoples.

Certain versions of this bill have been filed in the 14th, 15th, 16th Congresses in cognizance of the exigency of addressing the immediate need for effective, efficient and sustainable management of all forest ecosystems in the country. The bill, however, languished in the committee.

In the 17th Congress, the bill saw some light of day as it was approved by the House on Third and Final Reading and transmitted to the Senate. It is earnestly hoped that in the 18th Congress, the measure is finally enacted into law.

REP. LAWRENCE LEMUEL H. FORTUN
1ST District Agusan del Norte

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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 House of Representatives of the Philippines in Congress assembled:

**ARTICLE I
GENERAL PROVISIONS**

1 **Section 1. Short Title.** - This Act shall be known as the "Sustainable
2 Forest Management Act"

4 **Section 2. Declaration of Policy.** - It is the policy of the State to promote
5 social justice and the general welfare in all phases of national development;
6 protect and advance the right of the Filipino people to a balanced and healthful
7 ecology in accord with the rhythm and harmony of nature; and to conserve and
8 develop the patrimony of the nation. Therefore, the State hereby adopts the
9 following policies for the sustainable management and conservation of forest
10 lands and forest resources 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 Congress;
- 14 b. The use and conservation of forest lands and forest resources found
15 therein shall bear a social, cultural, ecological, biological, and
16 economic functions, responsibility and accountability to promote the
17 common good of present and future generations;
- 18 c. The protection of forest ecosystem, as well as rehabilitation through
19 reforestation and afforestation of the degraded forest ecosystem shall
20 be given priority to mitigate climate change, improve and conserve
21 biodiversity, enhance ecosystem functions and services and provide
22 long-term economic benefits;
- 23 d. Forest lands shall be partitioned and planned into forest management
24 units (FMUs) based on natural topographic and hydrologic boundaries
25 and shall consider the watershed continuum approach which adopts
26 a holistic inter-relationship between the rational ecological treatment
27 of the entire landscape from the mountain down to the coast;
- 28 e. The management, protection, conservation and development of forest
29 resources shall be done in an integrated, inclusive, developmental, and
30 sustainable manner, focusing on the forest resource and the people
31 who manage, conserve and benefit from it.

33 **Section 3. Objectives.** The general objective of this bill is to optimize the
34 utilization of forest resources to support sustainable development of the country
35 by providing equitable access and benefit sharing to stakeholders. The specific
36 objectives are:

- 37 a. To deregulate the management of forest lands and forest resources;
- 38 b. To provide sustainable livelihood and enterprises especially among
39 those depending and temporarily residing in forest lands;
- 40 c. To strengthen institutional mechanism to respond to forest
41 management concerns namely, development of the forest industry; law
42 enforcement; and management of watershed;
- 43 d. To create the Sustainable Forest Development Fund as a support
44 mechanism for funding requirements of forest management units;
- 45 e. To reorient the role of the Forest Management Bureau to be more
46 responsive and pro-active consistent with the objectives of this Act;
- 47 f. To ensure that required forest cover is achieved to maintain the
48 provision of ecological services.

49
50 **Section 4. Scope and Coverage.**- The provisions of this Act shall apply
51 to all forest lands and all forest resources in lands over which the Philippines
52 has sovereignty and jurisdiction: *Provided*, That all forest lands and forest
53 resources found in protected areas established under the National Integrated
54 Protected Areas System (NIPAS) shall be sustainably managed and developed
55 following the principles of this Act and consistent with the provisions of Republic
56 Act No. 7586, or the "National Integrated Protected Areas System act of 1992",
57 as amended by Republic Act No. 10629, and Republic Act No. 11038, or the
58 "Expanded National Integrated System Act of 2018"; *Provided further*, That all
59 wildlife resources and critical habitats found in forest lands, including alienable
60 and disposable lands, shall be governed by Republic Act. 9147, or the "Wildlife
61 Resources Conservation and Protection Act", *Provided furthermore*, that the
62 rights of indigenous cultural communities and indigenous peoples to their
63 ancestral forest lands shall be respected, as provided for in Republic Act No.
64 8371 or the "Indigenous Peoples' Rights Act of 1997"; *Provided finally*, that all
65 forest lands under the management or administration of local government units
66 and other government agencies or instrumentalities shall be managed in
67 accordance with their duly legislated charter and the principles and provisions
68 of this Act.

69
70 **Section 5. Definition of Terms.** – As used in this Act:

- 71 a. *Biodiversity* refers to the variability among living organisms from all
72 sources, including, *inter alia*, terrestrial, marine, and other aquatic
73 ecosystems in the ecological complexes of which they are part of;
- 74 b. *Climate Change* refers to a change in climate that can be identified
75 by changes in the mean and/or variability of its properties and that
76 persists for an extended period, typically decades or longer whether
77 due to natural variability or as a result of human activity;
- 78 c. *Climate Change Adaptation* refers to the adjustment in natural or
79 human systems in response to actual or expected climatic stimuli or
80 their effects, which moderates harm or exploits beneficial
81 opportunities;
- 82 d. *Climate Change Mitigation* refers to human intervention to reduce
83 anthropogenic emissions by sources and removals by sinks of all
84 greenhouse gases including ozone depleting substances and their
85 substitutes;
- 86 e. *Ecosystem* refers to a community of living organisms interacting with
87 each other and with their physical environment;

- 89 f. *Ecotourism* refers to a form of sustainable tourism within a natural
90 and/or cultural heritage area where community participation,
91 protection and management of natural resources, culture, and
92 indigenous knowledge and practices, environmental education and
93 ethics, as well as economic benefits are fostered and pursued for the
94 enrichment of host community and satisfaction of visitors;
- 95 g. *Forest* refers to an ecosystem or an assemblage of ecosystems
96 dominated by trees and other natural vegetation; a community of
97 plants and animals interacting with one another and its natural
98 environment;
- 99 h. *Forestland* refers to land of the public domain classified as needed
100 for forest purposes, including both production and protection. They
101 shall include all forest reserves of the public domain;
- 102 i. *Forest Management Unit (FMU)* refers to a clearly defined forest area
103 assigned for management based on a set of objectives and a long-
104 term watershed-based management plan. All current forest tenurial
105 instruments may be considered FMUs;
- 106 j. *Forest-Based Industries* refer to various industries that are
107 dependent on raw materials or products derived from forests such
108 as, but not limited to, wood, rattan, bamboo, vines, latex, resins,
109 saps, essences, fruits, flowers, or wild flora and fauna;
- 110 k. *Forest Resources* refer to all products and resources whether
111 biomass such as plants and animals including its by-products and
112 derivatives, which can be a raw material, or non-biomass such as
113 soil, water, scenery, as well as the intangible services and values
114 present in forest lands or in other lands devoted for forest purposes;
- 115 l. *Forest Reforestation* refers to a management strategy applied in
116 degraded primary forest to enhance and accelerate natural
117 processes of forest ecosystem;
- 118 m. *Indigenous species* refer to species or genotypes that have evolved in
119 the same area, region or biotope and are adapted to the specific
120 predominant ecological conditions at the time of establishment;
- 121 n. *Multiple-Use* refers to the harmonized utilization of land, soil, water,
122 wildlife, recreation value, grass and timber of forest lands;
- 123 o. *Natural Forest* refers to a forest composed of naturally growing
124 indigenous trees, not planted by man, whose structure, composition,
125 and dynamics have been largely the result of natural succession
126 process;
- 127 p. *Non-Timber Forest Products* refer to all biological materials and
128 derivatives other than timber;
- 129 q. *Plantation* refers to forest stand established by planting and/or
130 seeding in the process of afforestation or reforestation. The stand is
131 of either introduced species (all planted stands), or an intensively
132 managed stand of any indigenous species, which meets all the
133 following criteria: one or two species at plantation, even-aged class,
134 and regular spacing;
- 135 r. *Processing Plant* refers to any establishment or infrastructure
136 housing any mechanical set-up, device, machine, or combination of
137 machines used for the conversion of logs and other forest raw
138 materials into lumber, fiberboard, pulp, papers, or other finished
139 wood products;
- 140 s. *Reforestation* refers to the establishment of forest plantations on
141 temporarily un-stocked lands that are considered as forests;
- 142 t. *Sustainable Forest Management* refers to the process of watershed-
143 based management of forest land and resources to achieve one or
144 more clearly specified objectives of management with regard to the

145 continuous production of desired forest products and the delivery of
146 ecosystem services without undue reduction of its inherent values,
147 biodiversity and future productivity without undesirable effects on
148 the physical and social environment; and
149 u. *Watershed* refers to the land area drained by a stream or fixed body
150 of water and its tributaries having a common outlet for surface
151 runoff. A watershed can be part of a larger landscape that includes
152 connections from the headwaters to the reef.
153

ARTICLE II

ADMINISTRATION, DEVELOPMENT, MANAGEMENT AND UTILIZATION OF FOREST LANDS AND FOREST RESOURCES

158 **Section 6. Administration, Development, Management and Utilization of Forestlands.** – Forestlands and forest resources shall be under
159 the full supervision and control by the State. The development and utilization
160 thereof shall be under the State's full control and supervision. The State may
161 directly undertake such activities or may enter into agreements with qualified
162 persons in order for these persons to receive technical assistance and
163 appropriate incentives.
164

166 The Forest Management Bureau, hereinafter referred to as the FMB, shall
167 be the primary government agency responsible for the administration,
168 development, management and utilization of forest lands as defined in this Act.
169 It shall have the authority to enter into management agreements or issue tenure
170 instruments on behalf of the Government, promulgate rules and regulations for
171 the effective enforcement of this Act, and administratively adjudicate offenses
172 provided for in this Act in order to facilitate the speedy resolution of forestry-
173 related cases.
174

175 **Section 7. Categories of Forestlands.** – For the purpose of
176 administration, development, management and utilization, forest lands in the
177 Philippines shall be categorized into ancestral forest lands, private forest lands,
178 and public forest lands.
179

- a. Ancestral forestlands are ancestral lands and domains defined as such
180 under Republic Act No. 8371, otherwise known as the "Indigenous
181 Peoples Rights Act of 1997".
182 b. Private forests are alienable and disposable lands registered under the
183 current land registration system of the country which are devoted for
184 forestry purposes.
185 c. Public forestlands shall include all lands of the public domain that have
186 not been declared as a National Park under Section 5 of Republic Act
187 No. 7586, otherwise known as the "National Integrated Protected Areas
188 System Act of 1992", as amended by Republic Act No. 11038; mineral
189 lands pursuant to Republic Act No. 11038; mineral lands pursuant to
190 Republic Act No. 7942 otherwise known as the "Philippine Mining Act
191 of 1995", and those lands not classified as agricultural based on the
192 maps developed by the National Mapping and Resources Information
193 Authority (NAMRIA).
194

195 **Section 8. Demarcation and Delimitation.** - Within five (5) years from
196 the approval of this Act, the DENR shall demarcate on the ground the actual
197 land classification lines, in coordination with LGUs and agencies assigned by law
198 to administer and manage forestlands or parts thereof; *Provided*, That the DENR
199 Secretary, upon completion of the actual assessment of the demarcated land

200 classification lines, shall recommend to Congress the delimitation of the
201 forestlands fund to be suitable and capable for its purpose.
202

203 Public forest lands shall not be reclassified, except through an act of
204 Congress.
205

206 **Section 9. Management of Forest Lands.** - For purposes of
207 management and planning, all forest lands shall be managed for protection or
208 production purposes only.

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

- 212 1. Virgin forest and old-growth, dipterocarp forest;
213 2. All areas one thousand (1,000) meters above sea level;
214 3. All areas with a slope of fifty percent (50%) or more;
215 4. All areas along the bank of rivers and streams, and the shores
216 of the seas and lakes throughout entire length and within a
217 zone of three (3) meters in urban areas, twenty (20) meters in
218 agricultural areas and forty (40) meters in forest areas, along
219 their margins which are subject to the easement of public use.
220

221 All extractive activities, including harvesting, gathering, and collection of
222 forest resources except planted mangrove species and non-timber forest
223 products are prohibited within forest lands for protection purposes. However,
224 the sustainable traditional resource rights of indigenous peoples shall be
225 respected. Only indigenous species shall be planted or introduced within
226 protection forest lands.
227

228 b. Production Forest Lands. All public forest lands not classified as protection
229 forest lands, pursuant to this Section, shall constitute the production
230 forest lands of the country. These lands shall be devoted for the
231 production or timber and non-timber forest products to supply the
232 domestic forest resource demand of the country and facilitate international
233 trade of forest resources.
234

235 **Section 10. Forest Management Units.** - For purposes of assigning
236 respective areas of operations and management, all public forest or timber land
237 shall be assigned and registered as "Forest Management Units" (FMUs) with the
238 DENR: *Provided*, That all areas under an existing and valid tenure agreement or
239 management with the DENR before the passage of this Act shall be considered
240 as FMUs.

241 The FMU shall be managed for protection and/or production purposes.
242 Protection FMUs shall have the primary function of protecting life support
243 systems to regulate water, prevent flooding, control erosion, prevent seawater
244 intrusion, maintain soil fertility, and of conserving plant and wildlife biodiversity
245 and their ecosystem. Production FMU shall have the primary function of
246 producing forest products, food, energy and/or fresh water among others.
247

248 **Section 11. Qualified managers of FMUs.** - To ensure effective
249 management of forest lands, managers of FMUs shall be confined to qualified
250 and capable persons, or entities which include indigenous and local households,
251 civil society organizations, business organizations, forest land use tenure
252 holders, and dedicated national and local government units including
253 government-owned and controlled corporations subject to the requirements to
254 be provided in the implementing rules and regulations of this Act.
255

256 **Section 12. FMU Development and Management Planning.** – Every FMU
257 shall have a management plan, formulated by the FMU Manager that were
258 reviewed and concurred by a Registered Professional Forester which shall be
259 approved by the DENR. The FMU management plan shall contain the following:
260

- 261 a. FMU management objective;
- 262 b. Description of the physical, environmental, socio-economic, and
263 administrative profile of the FMU;
- 264 c. Mapping and zoning of the FMU into production and high conservation
265 value-forest zones;
- 266 d. Management prescriptions to be applied in each zone to meet the FMU
267 management objectives;
- 268 e. Implementation plan; and
- 269 f. Expected benefits and impacts of the plan.

270 **Section 13. Sustainable Management of Mangrove Resources.** -

271 Mangrove species planted within protection or production forest lands can be
272 harvested, gathered or collected, taking into consideration the basic forestry
273 policies and strategies provided for in this Act. The harvesting, gathering, and
274 collection of mangrove species shall be upon the authority provided for by the
275 Bureau.

276 **Section 14. Mined-Out Areas and Abandoned Fishpond Areas.** – The

277 management and administration of all forest lands that are considered as either
278 mined-out areas or abandoned fishpond lease areas shall be reverted back to the
279 FMB.

280 **Section 15. Utilization of Forest Resources.** – The harvesting,

281 gathering and collection of all planted forest resources within production forest
282 lands and private forests, including its by-products and derivatives, shall not
283 require any clearance from the DENR: *Provided*, That any request for clearances
284 for domestic transport of forest resources submitted to the DENR shall be acted
285 within seven (7) days from the date of its submission with the proper office. After
286 a lapse of seven (7) days and no action has been taken by the DENR, the
287 clearance of transport is deemed approved.

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

291 All timber and non-timber forest products planted within private lands
292 shall belong to the owner of the land who shall have the right to harvest, gather,
293 and collect the same without any clearance from any government institutions.
294

295 **Section 16. Regulation and Utilization of Forest Resources within**

296 **Ancestral Forest Lands.** – The rights of the indigenous cultural communities
297 or indigenous peoples over their ancestral forest lands shall be respected:
298 *Provided*, That management of forest resources within those lands shall be
299 regulated by the DENR as provided for by laws, rules, and regulations.

300 **ARTICLE III**
301 **FOREST-BASED INDUSTRIES**

302 **Section 17. Development of an Open and Competitive Market for**

303 **Forest Resources.** – To meet the demands for forest goods and services of the
304 country, the State, through the DENR shall promote and rationalize the
305

312 establishment, operations, and development of forest-based industries. The
313 DENR shall institute measures to develop an open and competitive market for
314 forest products including among others the liberalization of forest products
315 harvesting, transport, and marketing.

316

317 **Section 18. Export of Certified Forest Products.** – No person shall sell
318 or offer for sale any forest resources in the international market without
319 complying with the certification system establishment by the Government.
320 Failure to adhere to the established standards, or any act of falsification shall be
321 sufficient cause for the cancellation of export licenses and other permits
322 authorizing the manufacture or sale of such resources.

323

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

330

331 **Section 20.. Enhance Private Investments and Economic
332 Contribution.** - Forest-based industries shall be supported to promote global
333 competitiveness, support demands for wood and other products, and enhance
334 economic contribution to the country. Appropriate incentives shall be provided
335 such as establishment of agroforestry economic zones in order to ease the
336 conduct of business and attract local and foreign investments that are mutually
337 beneficial to the government, concerned communities, partner organizations and
338 the investors concerned.

339

340 **Section 12. Community-Based Forest Enterprises.**- Economic activities
341 and practices of local communities, including indigenous cultural communities,
342 and indigenous peoples, on forest-based enterprises, including non-timber forest
343 products, that promote the sustainable use of forest resources shall be
344 supported and promoted to address food security and improve quality of life.

345

346

347 **ARTICLE IV**
348 **EMPOWERING AND ENABLING CONDITIONS FOR SUSTAINABLE FOREST
349 MANAGEMENT**

350

351 **Section 22. Forest Land Use and Tenure Instruments.** – The State,
352 represented by the DENR, may undertake the exploration, development, and
353 utilization of forest lands and forest resources found therein with qualified
354 persons, whether natural or juridical, through tenure instruments.

355

356 **Section 23. Forest Management Agreement.**- The State, through the
357 DENR and a qualified person, whether natural or juridical, may enter into a
358 Forest Management Agreement for the exploration, development, and utilization
359 of forest lands and forest resources found therein. The Forest Management
360 Agreement shall have a duration of twenty-five (25) years and may be extended
361 for another twenty-five (25) years.

362

363 **Section 24. Scope of Forest Management Agreement.** – The Forest
364 Management Agreement may be entered into for the following purposes:
365

- a. Agroforestry plantation (in accordance to the standards of the
366 DENR Forest plantation development);
- b. Forest plantation development with processing plant;
- c. Ecotourism development; and

368 d. Special uses for forest lands;

369
370 A Forest Management Agreement may be entered into for a single purpose
371 or a combination of any of the abovementioned purposes.

372
373 **Section 25. Special Uses of Forest Lands.** A Forest Management
374 Agreement may be entered into for a special use of forest land which shall include
375 the following:

- 376 a. Dry Dock Site;
377 b. Industrial Processing Site;
378 c. Herbal or Medicinal Plantation;
379 d. Fish Drying Site;
380 e. Communication Station Site;
381 f. Public Landing Site or Airstrip;
382 g. Log Pond or Log Depot;
383 h. Lumber Yard;
384 i. Motor Pool Site;
385 j. Power Station Site;
386 k. Transmission Line Site;
387 l. Right-of-Way;
388 m. Farm-to-Market Roads;
389 n. Government Facility Site (e.g. schools, clinics, satellite offices
390 among others);
391 o. Water Reservoir;
392 p. Renewable energy projects;

393
394 Provided, That for government facilities or infrastructures like farm-to-
395 market roads, public school sites, public hospitals or clinics, etc. free from any
396 fee, charge, or other pecuniary obligations under the Forest Management
397 Agreement.

398
399 **Section 26. Qualified Persons.** – The following person are qualified to
400 enter into a Forest Management Agreement with the State:

- 401
402 a. Filipino citizens;
403 b. Corporations or associations at least sixty (60%) percent of whose
404 capital is owned by Filipinos;
405 c. Local government units, when the purpose of the Forest Management
406 Agreement is for public use or the establishment of government center
407 and facilities; or
408 d. Other National Government Agencies or Government-Owned or
409 Controlled Corporations, when the purpose of the Forest Management
410 Agreement is for national interest, like transmission lines, water
411 reservoirs, or distribution lines for electricity.

412
413 **Section 27. Production Sharing.** – The following schemes shall be
414 observed by the Parties to a Forest Management Agreement in relation to the
415 sharing of benefits derived from the agreement:

- 416
417 a. Forest Plantations, Forest Plantations with Processing Plants. The
418 sharing of outputs from Forest Management Agreements entered into
419 for the purpose of developing and managing forest plantations, and
420 forest plantations with processing plants shall be based on the total
421 gross output of the plantation harvests. Said sharing shall be based
422 on the total gross output of the plantation harvests. Said sharing shall

- 423 be done in a manner advantageous to national interest without
424 prejudice for incentives that may be described by the DENR.
- 425 b. For ecotourism purposes, the person who entered into a Forest
426 Management Agreement with the State for the purpose of ecotourism
427 or other special uses for forest lands shall have the obligation to pay an
428 annual user's fee equivalent to five percent (5%) of the nearest
429 commercial zonal value per square meter or a fraction thereof.
- 430 c. Government facilities or Infrastructures. Non-income generating
431 government facilities such as public school sites, public hospitals or
432 clinics, government center or offices, roads, farm-to-market access
433 roads, and public buildings are exempt from paying any fee or other
434 pecuniary obligation with the Sate. Provided, that the use of these
435 establishments or infrastructures shall not be subject to privatization.

437 **Section 28. Forestry Research, Education, Training, and Extension.**

438 Research and technology development of the Ecosystems Research and
439 Development Bureau, Forest Products Research and Development Institute,
440 Universities, and other research institutions shall be strengthened to support
441 sustainable management of forest resources. For this reason, Forestry
442 Development Center of the University of the Philippines Los Baños shall lead in
443 forest policy research in collaboration with schools, universities, and colleges
444 (SUCs) as well as other stakeholders.

446 The DENR, the Department of Science and Technology, the Commission
447 on Higher Education, and Universities, within one (1) year from the passage of
448 this Act, shall prepare a comprehensive sustainable national forestry and
449 environmental research and technology development and transfer program in
450 furtherance of sustainable forest management, which shall be implemented,
451 monitored, and reviewed in accordance with existing research management
452 systems.

454 The Continuing Professional Development shall be promoted and upheld
455 through selected universities and training institutions on forestry and natural
456 resources management subject of the Professional Regulation Commission's
457 accreditation system. Forestry education in the Philippines shall be rationalized
458 to ensure the quality of formal forestry education and establish, support and
459 sustain the national and regional centers of development and excellence in
460 forestry and environmental education to develop high quality human resources
461 and promote global competitiveness. The Commission on Higher Education shall
462 include forest ecology and environment courses in general education curricula.
463 The DENR shall formulate a nationwide program for sustained public
464 information and advocacy campaign for forests and natural resources
465 conservation sustainable forest management, and climate change.

467 **Section 29. The Sustainable Forest Development Fund.** A Sustainable

468 Forest Development Fund (SFDF) is hereby established to provide concessional
469 financing particularly for forest development projects proposed by qualified
470 managers of FMUs. Said Fund shall be administered by government financial
471 institution as a trust account managed under the "capital preservation"
472 principle.

473 The preferred government financing institution (GFI), together with the
474 DENR, shall invest at most seventy-five percent (75%) of the net interest income
475 from loans to forest development- support facilities including road networks,
476 seedling nurseries, water supply systems, and research facilities subject to
477 recommendation by the FMB.

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

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

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

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

Section 30. Importation and Sale. – Forest resources may be imported into the country, subject to existing laws, rules, and regulations. All imported forest resources shall comply with the Philippines 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 the standards shall be a precondition for the sale or disposition of these products in the Philippines.

ARTICLE VI ORGANIZATIONS AND GOVERNANCE

Section 31. Creation of the Position of the 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 recommendation in aide sustainable forest management; and
 - e. Promote cost-effectiveness of forestry investments among local and international investors and donors in line with sustainable forest management.

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

Section 32. 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, which functions specifically as follows:

- 535
- 536 a. Implementation of all policies, plans, programs, project and
537 activities concerning forest lands with provision for effective
538 feedbacking and reporting mechanisms;
- 539 b. Ensure sufficient provision of technical, marketing, financial
540 tenurial and infrastructure support to persons and entities
541 engaged in FMU management;
- 542 c. Enforce watershed-based planning approaches in all forest-land
543 development and management endeavors;
- 544 d. Encourage the participation of forestry stakeholders thru multi-
545 sectoral consultative bodies in all forestry-related consultative
546 process;
- 547 e. Develop and implement an effective geographical information
548 system in aide of forestry planning, monitoring and policy
549 formulation;
- 550 f. Monitor and evaluate the physical, environmental and socio-
551 economic outcomes in the management of all FMUs; and
- 552 g. Formulate and publish periodic reports informing stakeholders of
553 the status Philippine forest lands using both qualitative and
554 quantitative methods.
- 555

556 **Section 33. Composition of the Forest Management Bureau.** - As a

557 line bureau, the FMB shall be headed by a Director and assisted by two (2)
558 Assistant Directors who shall supervise the administrative and technical services
559 of the Bureau respectively. There shall be a FMB Regional Director in such
560 administrative region with corresponding offices and positions.

561 **Section 34. Assistance of Law Enforcement Agencies.** - Local

562 Government Units, the Department of Interior and Local Government, and the
563 DENR, may, when they deemed necessary, call upon law enforcement agencies
564 and instrumentalities of the Government such as the Philippine National Police
565 (PNP), the Armed Forces of the Philippines (AFP), the Philippine Coast Guard
566 (PCG) and the National Bureau of Investigation (NBI) for the enforcement of
567 environmental laws, executive orders, and their implementing rules and
568 regulations.

569 **Section 35. Creation of Community-based Law Enforcement Team.**

570 - The Community-based Forest Law Enforcement Team (CFLET) shall be
571 organized with members composed of representatives from direct stakeholders
572 in a particular watershed. Said Team shall be deemed as quick responders on
573 complaints to be augmented or reinforced by the Forest Ranger. Funding for
574 CFLET's operational requirements shall be sourced from agreed contributions
575 from FMU Managers agreed with the DENR, proceeds from sale of confiscated
576 forest products, donations from various sources.

577 **Section 36. Local Government Units.** - Enabling mechanisms shall be

578 developed to enhance the participation of the local government units in the
579 sustainable management and utilization of forest resources within their
580 territorial jurisdiction, including those assigned by law to other government
581 agencies.

582 LGUs with forest lands inside their jurisdiction shall align their CLUPs,
583 local development plans, disaster risk reduction management plans and other
584 required plans according to the objectives specified herein and in protected area
585 management plans.

590 **Section 37. Other Government Agencies.** - Forest lands or portions
591 thereof, which have been placed under the administration and management of
592 other government agencies, shall remain under the administration and
593 management of the said government agencies; with the DENR exercising
594 oversight power these areas: *Provided*, That their administration and
595 management shall be based on the policies, strategies, and programs that are
596 consistent with the provision of this Act; *Provided, further*, That the concerned
597 agencies shall submit an annual accomplishment report to the DENR.
598

599 **Section 38. Multi-Sectoral Consultative Bodies in Relation to**
600 **Natural Resources Governance.** - A technical and multi-sectoral consultative
601 body involving all stakeholders concerned within a watershed shall be convened
602 by the DENR pursuant to this Act, specifically for each FMU and cluster of FMUs
603 as appropriate and shall be consulted at least once a year to review and make
604 recommendations on watershed-based management related policies at the local
605 and regional level. Further, the DENR shall extend technical assistance to multi-
606 sectoral bodies organized for the purpose of policy making in relation to
607 environment and natural resources governance specifically on forest governance
608 issues.
609

610 **Section 39. Function of Multi-sectoral Consultative Bodies.** - The
611 body shall be responsible for the over-all policy direction in the management of
612 the forest lands and forest resources found within their respective jurisdiction in
613 accordance with the provision of this Act. Specifically, (a) it shall review and
614 recommend implementation of programs and projects, (b) perform oversight
615 functions on matter pertaining to environment and natural resources, and (c)
616 participate in the review and recommend relevant policies for the protection,
617 conservation and restoration efforts within the watershed in ensuring significant
618 contribution of the forestry sector to national economy, ecological sustainability
619 and sustainability development closely adhering to the principles and priority
620 programs of the Government. Said body may also facilitate the initiation of the
621 LGU's participation in the devolution program and monitoring the transfer and
622 implementation of devolved functions to the LGUs.
623

624 **Section 40. Power and Water Utility Service Providers.** - Forest lands
625 or portion thereof, which have been placed by law or agreement under the
626 administration and management of government and private power and water
627 utilities service providers, shall be included in the partitioning of forest lands
628 into appropriate categories consistent with the purpose of the assigned forest
629 land, and shall remain under the administration and management of the said
630 utilities service providers concerned; *Provided*, That the DENR shall exercise
631 oversight power on the planning, management, utilization, and assessment of
632 all forest resources in these areas.
633

634 **Section 41. Governance Mechanism.** - The following mechanisms shall
635 be developed, established and used for the sustainable forest management:

- 636 a. The principles and practices of transparency, accountability, and
637 participatory decision-making, in transactions, decision, and
638 actions affecting forestry, in all level, and the policy of streamlining,
639 decentralization, devolution, and deregulation shall be adopted,
640 promoted, and institutionalized in the DENR.
- 641 b. Updating and preparation of forest land use plans shall be integrated
642 with updating and preparation of comprehensive land use plans of
643 local government units.
- 644 c. Networks and linkages with local and international institutions, civil
645 society organization, local government units and industries involved

in the promotion and practice of sustainable forest management shall be strengthened.

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

ARTICLE VII OFFENSES AND PENALTIES

Section 42. Harvesting, Gathering, Collection, or Possession of Forest Resources from Protection Forest Lands. – Any person who shall harvest, gather, collect, or possess any forest resources 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 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 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.

702 In case of aliens, the Bureau of Immigration shall deport them without
703 further proceedings after paying the fine imposed.
704

705 **Section 43. Illegal Harvesting, Gathering, Collection, or Possession**
706 **of Forest Resource as an Act of Economic Sabotage.** – Any of the acts
707 enumerated in the proceeding section shall be considered as an economic
708 sabotage when committed by:

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

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

717 **Section 45. Grazing Livestock in Forest Lands without Authority.** –

718 Any
719 person found to have caused the grazing of livestock in forest lands without an
720 authority from the DENR shall be punished with the imprisonment of two (2)
721 years, four (4) months, and one (1) day to four (4) years and two (2) months. The
722 livestock shall be confiscated in favor of the Government.

723 **Section 45. Unlawful Occupation of Forest Lands.** – Any person who,
724 without the authority from the DENR, possesses or occupies any parcel of forest
725 lands shall be punished with a penalty of imprisonment of six (6) year and one
726 (1) day to twelve (12) years and a fine of not less than One hundred thousand
727 pesos (P100,000.00) but not more than Five hundred thousand pesos
728 (P500,000.00).

729 **Section 46. Destruction of Forest Lands.** – Any person who shall
730 destroy or cause destruction within forest lands or assist, aids, or abets another
731 person to do so, shall be punished with a penalty of imprisonment of six (6)
732 years and one (1) day to twelve (12) years, and a fine of not less than One hundred
733 thousand pesos (P100,000.00) but not more than Five hundred thousand pesos
734 (P500,00.00).

735 **Section 47. Unlawful Operations of Sawmills, Wood Processing**
736 **Plants, and Forest-Based Industries.** – Any person operating sawmills, wood
737 processing plants, and forest-based industries without any authority from the
738 DENR, shall be punished with a penalty of imprisonment for six (6) years and
739 one (1) day to twelve (12) years and a fine of not less than Five hundred thousand
740 pesos (500,000.00).

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

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

748 **Section 48. Prohibition on the Issuance of Land Titles or Tax**
749 **Declaration of Forest Lands.** – All land titles and tax declaration issued over

758 forest lands shall be deemed void *ab initio*. Any person who shall issue land titles
759 and tax declarations over any forest land or a parcel thereof shall be punished
760 with imprisonment of six (6) and one (1) day to twelve (12) years a fine not less
761 than One hundred thousand pesos (P100,000.00) nor more than Five hundred
762 thousand pesos (P500,000.00) the accessory penalty of disqualification shall be
763 imposed for a period for twelve (12) years and one (1) day.
764

765 **Section 49. Non-Payment and Non-Remittance of Forestry Fees and**
766 **Charges.** – Any person who fails to pay the amount due and payable as forestry
767 fees or charges to the government or remit the same to the proper authorities
768 shall be punished with a penalty of imprisonment for a period of six (6) years
769 and one (1) day to twelve (12) years with a fine of not less than One hundred
770 thousand pesos (P100,000.00) no more than Five hundred thousand pesos
771 (P500,000.00).
772

773 **Section 50.. Non-Establishment of Tree Parks and Green Spaces.** –
774 Every local government unit shall establish and maintain tree parks and green
775 spaces pursuant to their comprehensive land use plans. Funds for the
776 establishment and maintenance of the same shall form part of the local
777 government unit's annual budget.
778

779 Every owner of land subdivided into residential, commercial, or industrial
780 lots shall reserve, establish and maintain at least thirty percent (30%) of the total
781 land area of the subdivision, exclusive roads, service streets and alleys as green
782 space for tree parks.
783

784 No subdivision plan shall be approved by the Housing and Land Use
785 Regulatory Board unless at least thirty percent (30%) of the total area of the
786 subdivision has been reserved as green space. The owner must develop the green
787 space within three (3) years from the approval of the subdivision plan.
788

789 Any local government unit or owner of a parcel of land subdivided into
790 residential, commercial, or industrial lots who fails to establish green spaces or
791 tree parks as provided in the preceding paragraphs shall be penalized with a fine
792 of not less than Five hundred thousand pesos (P500,000.00) nor more than One
793 million pesos (P1,000,000.00)
794

795 **Section 51. Illegal Conversion of Tree Parks and Green Spaces.** – Any
796 person who shall convert or cause to convert any tree park or green space for a
797 purpose inconsistent with that which is provided for by this Act shall be
798 punished with a penalty imprisonment for six (6) years and one (1) day to twelve
799 (12) years and/or a fine not less than Five hundred thousand pesos
800 (P500,000.00) nor more than One million pesos (P1,000,000.00).
801

802 If the offender is a public official or employee, the accessory penalty of
803 disqualification is imposed for a period of twelve (12) years and one (1) day. If
804 offender is an official or an employee of the DENR, the accessory penalty of
805 permanent disqualification shall be imposed.
806

807 **Section 52. Arrest and Detention.** – If the apprehension was conducted
808 in remote areas far from the place where person authorized to conduct inquest
809 proceedings are located, the delivery to the proper judicial authorities shall be
810 done within a reasonable time period, taking into consideration the ordinary
811 travel time from the place of arrest to the place of delivery.
812

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

Section 53. Public Auction of Forest Resources. - If the confiscated forest resources are in danger of deteriorating, the DENR may order that the same be sold at public auction even before the termination of the judicial proceedings, with the proceeds kept in trust to await the outcome of the judicial proceedings.

Section 54. Authority of Forest Protection Officers. - When in the performance of their official duties, forest protection officers or other public officials or employees authorized by the DENR, shall have free access into forest lands or any parcel thereof.

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

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

ARTICLE VIII ADMINISTRATIVE PROVISIONS

Section 55. Administrative Authority of the Secretary or his Duly Authorized Representative to Order Confiscation. – In all cases of violations this Act or other forest laws, rules and regulations, the Secretary or the duly authorized representative may order the confiscation of forest resources illegally harvested, collected, gathered, possessed and of forest resources illegally harvested, collected, gathered, possessed and those that are abandoned. This authority shall extend to all conveyances used either on land, water or air as well as machinery, equipment, implements, and tools used in the commission of the offense and to dispose of the same in accordance with pertinent laws, rules and regulations.

Section 56. Administrative Authority of the Secretary to Impose Fines. – In all cases of violations of this Act and other forest laws, rules, and regulations where fine is the principal penalty, the Secretary or the duly authorized representative, after the consultation with the forest-based industries affected, is hereby authorized to impose administratively the penalty consisting of the amount and the schedules of the fine which shall be officially published in a national newspaper of general circulation.

Section 57. Fines Escalation Clause. – The fines herein prescribed shall be increased by at least ten percent (10%) every three (3) years to compensate for inflation and to maintain the deterrent function of such fines.

Section 58. Informant's Incentive.- Twenty percent (20%) of the value of confiscated materials shall be used as incentives to informants including forest management councils, forest management councils, forest management boards.

improperly performs the duties under this law or its implementing rules and regulations.

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

Section 61. Implementing Rules and Regulations.- The DENR, in consultation with other government agencies and relevant stakeholders charged with the administration and enforcement of this Act shall promulgate the necessary implementation rules and regulations within one (1) year from the effectivity of this Act.

Section 62. Transitory Provisions. - Upon the approval of this act, the DENR shall evaluate the conditions of all forest lands covered by existing tenure instruments, agreements or contracts, permits, and the like, which shall be allowed to continue until their expiry unless otherwise earlier terminated for cause.

Section 63. Separability Clause. - Should any provision of this Act be subsequently declared not constitutional, such declaration shall not affect the validity or the legality of other provisions.

Section 64. Repealing Clause. - All laws, decrees, executive orders, rules and regulations, issuance or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 65. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,