



HOUSE OF REPRESENTATIVES

H. No. 5485

BY REPRESENTATIVES RODRIGUEZ (R.), RODRIGUEZ (M.), YAP (S.), ANGARA, PALMONES, FERNANDEZ, ARROYO (I.), CELESTE, BAGUILAT, SARMIENTO (M.), ARROYO (D.), MACAPAGAL-ARROYO (G.), DEFENSOR, CALIMBAS-VILLAROSA, TEODORO, AUMENTADO, GULLAS, EVARDONE, KHO (A.), ALCALA, ORTEGA (F.), SARMIENTO (C.), CO, ABAYON, BATOCABE, GARBIN, MENDOZA (R.), YU, SAN LUIS, BAG-AO, HATAMAN-SALLIMAN, VERGARA, CASIÑO, DALOG, MATUGAS, RAMOS, UNABIA, GONZALEZ, DUAVIT, CATAMCO, ABAD, UNGAB, BERNOS, DY, MIRAFLORES, SACDALAN, VALENCIA, LAPUS, SEMA, GARCIA-ALBANO, BARZAGA, COLLANTES, JAVIER, PANOTES, DEL ROSARIO (A.A.), BULUT-BEGTANG, PARAS, ROMAN, PICHAY, ABAYA AND MANDANAS, PER COMMITTEE REPORT NO. 1511

AN ACT PROVIDING FOR THE PROTECTION, REHABILITATION
AND SUSTAINABLE MANAGEMENT OF FOREST ECOSYSTEM
AND FOR OTHER PURPOSES

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

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CHAPTER I

2

BASIC FORESTRY POLICIES

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SECTION 1. *Short Title.* – This Act shall be known as the “Sustainable
4 Forest Management Act of 2011”.

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SEC. 2. *Basic Policy.* – Pursuant to the provisions of the Constitution
to promote the general welfare and social justice in all phases of national
development, protect and advance the right of the Filipino people to a balanced

1 and healthful ecology in accord with the rhythm and harmony of nature, and to
2 conserve and develop the patrimony of the nation, the State hereby adopts the
3 following policies relative to the management, development and conservation
4 of forest ecosystem and the resources therein:

5 (a) Permanency of Forest Land. – The specific limits of forest lands
6 shall be fixed, delineated and demarcated on the ground and thereafter, shall
7 not be altered except through an act of Congress.

8 (b) Forest Resources to Promote the Common Good. – The use and
9 conservation of forest lands and the resources therein shall bear social,
10 ecological, biological and economic functions, responsibility, and
11 accountability to promote the common good of the present and future
12 generations.

13 (c) Climate Change Mitigation or Adaptation. – The mitigation of or
14 adaptation to climate change shall be vital components in the conservation,
15 management, protection and development of forest lands and natural resources.

16 (d) Good Governance. – Good governance shall be practiced in the
17 management, conservation, protection and development of forest lands and the
18 resources therein.

19 In carrying out the above policies, the following strategies shall be
20 pursued:

21 (1) Categorization of Forest Lands. – Forest lands shall be
22 categorized as protection or production forest lands in order to guide managers
23 on the intent of development and to obtain the most beneficial use for common
24 good;

25 (2) Watershed as the Basic Forest Land Management Unit. –
26 Protection and production forest lands shall be partitioned and planned into
27 forest management units based on natural topographic and hydrologic
28 boundaries and shall consider the watershed continuum approach which adopts

1 a holistic inter-relationship between the upstream and downstream areas in
2 order to carry out efficiently the rational ecological treatment of the entire
3 landscape from the mountain down to the coast;

4 (3) Community-Based Forest Management (CBFM) Founded on
5 Empowerment of Local Communities and Indigenous Peoples with
6 Multi-Sectoral Participation and Support. - Vesting access rights and
7 responsibilities to forest-dependent local communities and indigenous peoples
8 to undertake sustainable conservation, protection, management and
9 development of forest ecosystems shall have precedence over other strategies.
10 The CBFM shall have the support of the Department of Environment and
11 Natural Resources, the National Commission on Indigenous Peoples (NCIP)
12 and the local government units (LGUs). The participation of the private and
13 other sectors in the CBFM shall be encouraged and promoted in conformity
14 with pertinent regulations;

15 (4) Protection and Rehabilitation of Forest Ecosystem as Priority
16 Concerns. - The protection of forest ecosystem, as well as rehabilitation
17 through reforestation and afforestation of the degraded forest ecosystem, shall
18 be given priority to mitigate climate change, improve and conserve
19 biodiversity, enhance ecosystem functions and services, and provide long-term
20 economic benefits;

21 (5) Recognition of the Indigenous Peoples' Sustainable Forest
22 Management Practices. - The management of forest lands in ancestral lands
23 and domains shall recognize and promote the sustainable forest management
24 practices of the indigenous peoples;

25 (6) Security of Tenure of Stakeholders. - Pursuant to the principles
26 of sustainable and multi-use forest management and equitable access to forest
27 resources, a secured tenure shall be guaranteed to stakeholders concerned;

1 (7) *Investment and Public-Private Partnership.* – Investments and
2 public-private partnership shall be harnessed through favorable incentives that
3 promote the acceleration of the conservation and development of the forest
4 lands and the resources therein; and

5 (8) *Professionalism in Forest Service.* – A dynamic professional and
6 people-oriented forest service shall be established and fully supported by the
7 government.

8 SEC. 3. *Scope and Coverage.* – The provisions of this Act shall apply
9 to all forest lands and forest resources found therein: *Provided,* That all forests
10 and forest resources found in protected areas established under the National
11 Integrated Protected Areas System (NIPAS) shall be sustainably managed and
12 developed following the provisions of Republic Act No. 7586 or the NIPAS
13 Act of 1992: *Provided, further,* That the rights of indigenous cultural
14 communities or indigenous peoples to their ancestral lands and domains shall
15 be respected, and all such lands within ancestral domains and ancestral land
16 claims shall be managed and developed in accordance with this Act and the
17 provisions of Republic Act No. 8371 or “The Indigenous Peoples Rights Act
18 of 1997”.

19 All forest lands and forest resources therein under the administrative
20 jurisdiction of the Autonomous Region of Muslim Mindanao (ARMM) shall be
21 managed, developed and conserved in accordance with this Act and the
22 Regional Sustainable Forest Management Act of 2003 of the ARMM.

23 SEC. 4. *Definition of Terms.* – As used in this Act, the term:

24 (a) *Adaptation* shall refer to the adjustment in natural or human
25 systems in response to actual or expected climatic stimuli or their effects,
26 which moderates harm or exploits beneficial opportunities.

1 (b) *Afforestation* shall refer to the planting of trees or the artificial
2 establishment of forest in areas that were not previously forested.

3 (c) *Agro-forestry* shall refer to a strategy for the sustainable
4 management of lands which increases their overall productivity by properly
5 combining agricultural crops and/or livestock with forest crops simultaneously
6 or sequentially through the application of management practices which are
7 compatible with the local climate, topography, slope, soil, as well as the
8 cultural patterns or customary laws of the local population.

9 (d) *Ancestral domain* shall refer to all areas generally belonging to
10 indigenous cultural communities or indigenous peoples (ICCs/IPs) as defined
11 in Republic Act No. 8371.

12 (e) *Ancestral lands* shall refer to lands occupied, possessed and
13 utilized by members of the ICCs/IPs as defined in Republic Act No. 8371.

14 (f) *Biological diversity* or *Biodiversity* shall refer to the variability
15 among living organisms including, *inter alia*, terrestrial, marine and other
16 aquatic ecosystems and the ecological complexes of which they are part. This
17 includes diversity within and between species and ecosystems.

18 (g) *Chain-of-Custody (CoC)* shall refer to the path that forest products
19 take from the forest to the consumer, including all manufacturing,
20 transformation and distribution links.

21 (h) *Climate change* shall refer to a change in climate that can be
22 identified by changes in the mean and/or variability of its properties and that
23 persists for an extended period, typically decades or longer, whether due to
24 natural variability or as a result of human activity.

25 (i) *Communal forest* shall refer to a tract of forest land set aside and
26 established for and under the protection, administration and management of a
27 city, municipality or barangay as a source of wood material for fuel, shelter,
28 and manufactured products; as source of water for the community; and as an

1 area for ecotourism and/or environmental protection or socioeconomic projects
2 of LGUs consistent with sustainable development.

3 (j) *Co-management* shall refer to the process of management in which
4 government shares power with resource users, with each given specific rights
5 and responsibilities relating to information and decision-making.

6 (k) *Conservation* shall refer to planned protection and management of
7 forests and their resources so as to prevent waste and ensure future use.

8 (l) *Conveyance* shall refer to any vehicle, vessel, device or animal used
9 in gathering or transporting forest products.

10 (m) *Co-production agreement* shall refer to an agreement or contract,
11 entered into by and between a qualified person and the government, for the
12 former to develop, utilize and manage consistent with the principles of
13 sustainable development, land or portion of forest land wherein both parties
14 agree to provide inputs and share the products or equivalent cash value.

15 (n) *Criteria and indicators* shall refer to the set of management tools to
16 describe and assess a forest state or situation that should be met to comply with
17 sustainable forest management.

18 (o) *Degraded forests* shall refer to all forest lands containing less than
19 five (5) square meters in basal area per hectare of all tree species with
20 diameters at breast height or diameter above buttress of less than sixty-five
21 (65) centimeters.

22 (p) *Delimitation* shall refer to the establishment of permanent
23 boundaries between forest lands, national parks/protected areas and
24 agricultural lands as a result of demarcation.

25 (q) *Delineation* shall refer to the establishment of boundaries between
26 forest lands, national parks/protected areas and agricultural lands as a result of
27 a conduct of site investigation, reconnaissance and field verification in

1 accordance with the criteria set by the Department of Environment and Natural
2 Resources.

3 (r) *Demarcation* shall refer to the establishment of boundaries using
4 visible markers, monuments or known natural features/landmarks, among
5 others, as a result of the actual ground delineation.

6 (s) *Demuded forest lands* shall refer to forest lands that are devoid of
7 forest tree cover.

8 (t) *Department* shall refer to the Department of Environment and
9 Natural Resources.

10 (u) *Downstream forest-based industry* shall refer to any industry other
11 than the primary processing plants that uses timber or other forest products as
12 its raw materials or inputs to produce higher value-added forest products like
13 furnitures, handicrafts and the like.

14 (v) *Ecosystem* shall refer to living communities, the environment they
15 live in, and their interactions.

16 (w) *Ecotourism* shall refer to a nature-based activity managed by the
17 local community with government support whose primary goals are
18 conservation and enhancement of natural resources while providing economic
19 benefits to the local community without endangering the sociocultural practices
20 of its people.

21 (x) *Environmental Impact Assessment (EIA)* shall refer to the process
22 of predicting the likely environmental consequences of implementing a project
23 or undertaking and designing the appropriate preventive, mitigating or
24 enhancement measures.

25 (y) *Environmental Impact Statement (EIS) System* shall refer to the
26 organization, administration, and procedures that have been institutionalized
27 pursuant to Presidential Decree No. 1586 for purposes of assessing the
28 significance of the effects of any project or undertaking on the quality of the

1 physical, biological, and socioeconomic environment and designing the
2 appropriate mitigating and enhancement measures.

3 (z) *Expropriation* shall refer to the act of buying back by the State
4 when public interest so requires, of forest areas under private or non-state
5 ownership, subject to just compensation.

6 (aa) *Forest* shall refer to an ecosystem or an assemblage of ecosystems
7 dominated by trees and other woody vegetation; a community of plants and
8 animals interacting with one another and its physical environment. A forest
9 may be natural or established by man as in plantation.

10 (bb) *Forest auditing* shall refer to the systematic, documented
11 verification process of objectively obtaining and evaluating audit evidence to
12 determine whether specified activities, events, conditions, management
13 systems, or information conform with Sustainable Forest Ecosystem
14 Management (SFEM) principles, criteria and indicators.

15 (cc) *Forest certification* shall refer to the Department system of
16 certifying forest management units (FMUs) as fully satisfying the forest
17 certification standards consisting of the SFEM principles, criteria and
18 indicators based on third-party initial forest auditing leading to the award of a
19 forest certificate to the FMU and subsequent annual forest audit to assess the
20 maintenance of the forest certificate.

21 (dd) *Forest charges* shall refer to the levy imposed and collected by the
22 government on naturally growing timber and other forest products cut,
23 harvested or gathered from the forest lands and from alienable and disposable
24 (A&D) lands.

25 (ee) *Forest-based industries* shall refer to various industries that are
26 dependent on raw materials or products derived from forests such as, but not
27 limited to, wood, rattan, bamboo, vines, latex, resins, saps, essences, fruits,
28 flowers, or wild flora and fauna.

1 (ff) *Forest ecosystem* shall refer to a dynamic complex of plant, animal
2 and microorganism communities and their abiotic environment interacting as a
3 functional unit where trees are a key component system. Humans, with their
4 cultural, economic and environmental needs are integrated therein.

5 (gg) *Forest ecosystem goods and services* shall refer to goods and
6 services provided by a forest ecosystem including provisioning services (such
7 as food, fresh water, bio-chemicals, wood, fiber, fodder, and energy),
8 supporting natural processes (such as biodiversity maintenance, pollination,
9 soil formation and nutrient cycling, water infiltration, production of
10 atmospheric oxygen and enhancement of microclimate), regulating
11 environmental processes (such as water flow regime and soil erosion
12 regulation, carbon and climate regulation, natural hazards protection, air
13 quality regulation, and pest and disease regulation), and sustaining cultures
14 (such as cultural identity and integrity, spiritual values, aesthetic and
15 recreational values, ecotourism and local knowledge systems).

16 (hh) *Forest lands* shall refer to lands of the public domain that have
17 been classified as such and all unclassified lands of the public domain. This
18 excludes national parks, mineral lands and agricultural lands.

19 (ii) *Forest line* shall refer to the boundary on the ground between the
20 forest lands and other lands of the public domain.

21 (jj) *Forest Management Unit (FMU)* shall refer to a clearly defined
22 forest area, managed under a set of objectives and according to a long-term
23 management plan.

24 (kk) *Forest officer* shall refer to any public officer who by the nature of
25 the appointment or the functions of the position to which one is appointed is
26 vested by law and regulations or commissioned by competent authorities to
27 execute, implement or enforce the provisions of this Act and other related laws
28 and regulations.

1 (ll) *Forest plantation* or *plantation forest* shall refer to a forest stand
2 established by planting and/or seeding in the process of afforestation and
3 reforestation. The stand is either of introduced species, or indigenous species,
4 or their combination.

5 (mm) *Forest products* shall refer to goods derived from the forest such
6 as, but not limited to, timber, lumber, veneer, plywood, fiberboard, pulpwood,
7 firewood, bark, tree top, resin gum, wood oil, honey, beeswax, nipa, rattan, or
8 other forest growth such as grass, shrub and flowering plant, the associated
9 water, fish and game, scenic, historical and educational.

10 (nn) *Forest resources* shall refer to all resources whether biomass, such
11 as plants and animals including its byproducts and derivatives which can be
12 raw material assets that can produce more value-added products, or
13 non-biomass such as soil, water, scenery, as well as the intangible services and
14 values present in forest lands or in other lands devoted for forest purposes.

15 (oo) *Grazing land* shall refer to a portion of the public domain which
16 has been set aside, in view of the suitability of its topography and vegetation,
17 for the raising of livestock.

18 (pp) *Indicator* shall refer to a quantitative, qualitative or descriptive
19 attribute that, when periodically measured or monitored, indicates the direction
20 of change of sustainable forest management.

21 (qq) *Indigenous peoples (IPs)* shall refer to a group of people or tribe
22 of indigenous Filipinos as defined or described under Republic Act No. 8371
23 or "The Indigenous Peoples Rights Act of 1997".

24 (rr) *Industrial forest plantation* shall refer to any tract of land planted
25 mainly to timber-producing species including rubber and/or non-timber species
26 such as rattan, bamboo and palm, primarily to supply the raw material
27 requirements of wood or related processing plants.

1 (ss) *Joint venture agreement* shall refer to an agreement or contract, as
2 specified in the Constitution, where a company is established by the contractor
3 and the government with both parties having equity shares and sharing in
4 equity earnings.

5 (tt) *Kaingin* shall refer to forest lands which have been subjected to
6 unsustainable shifting and/or slash-and-burn cultivation.

7 (uu) *Managed forest* shall refer to a forest land under a deliberate
8 system of protection, rehabilitation and development, which include utilization
9 of resources, to ensure the continuous production of desired forest products
10 and/or services and the conservation of soil, water, wildlife and other natural
11 resources therein.

12 (vv) *Mitigation* in the context of climate change, shall refer to human
13 intervention to address anthropogenic emissions by sources and removals by
14 sinks of all green house gases (GHGs), including ozone depleting substances
15 and their substitutes.

16 (wv) *Multiple-use* shall refer to the harmonized utilization of land, soil,
17 water, wildlife, recreation value, grass and timber of forest lands.

18 (xx) *National park* shall refer to the land of public domain classified
19 as such in the 1987 Philippine Constitution which includes all areas under the
20 National Integrated Protected Areas System (NIPAS) pursuant to Republic Act
21 No. 7586, primarily set aside and designated for the conservation of native
22 plants and animals, their associated habitats and cultural diversity.

23 (yy) *Natural forest* shall refer to forests composed of indigenous trees
24 not planted by man, whose structure, functions and dynamics have been largely
25 the result of natural succession processes.

26 (zz) *Non-timber forest products* shall refer to all biological materials
27 and derivatives other than timber, which are extracted from forests for human
28 use.

1 (aaa) *Old growth forest* shall refer to forest which have never been
2 subject to human disturbance or has been so little affected by hunting,
3 gathering and tree cutting that its natural structure, function and dynamics have
4 not undergone any changes that exceed the elastic capacity of the ecosystem.

5 (bbb) *Permit* shall refer to a short-term privilege or authority granted by
6 the State to a person to utilize any limited forest resource or undertake a
7 limited activity within any forest land without any right of occupation and
8 possession therein.

9 (ccc) *Person* shall refer to a natural as well as juridical person,
10 including local forest-based communities or indigenous peoples organized in
11 accordance with law or custom.

12 (ddd) *Production sharing agreement* shall refer to an agreement in
13 accord with the Constitution wherein the government grants the contractor the
14 exclusive right to conduct development and utilization activities within a
15 specified area of the forest lands and it (the government) shares in the
16 production whether in kind or in value as owner of forest lands and/or products
17 therein. The contractor provides all the necessary financing, technology,
18 management and personnel.

19 (eee) *Protected area* shall refer to the identified portions of land and
20 water set aside by reasons of their unique physical and biological significance,
21 managed to enhance biological diversity and protected against destructive
22 human exploitation.

23 (fff) *Protection* shall refer to the act or activities of shielding from
24 injury or destruction as to maintain the state of health and integrity of the forest
25 land and its resources.

26 (ggg) *REDD Plus* shall refer to a broad range of actions to reduce
27 emissions from deforestation and forest degradation (REDD), including the

1 conservation of carbon stocks, sustainable management of forests and
2 enhancement of forest carbon stocks.

3 (hhh) *Reforestation* shall refer to the planting of trees or artificial
4 establishment of forests in areas that were previously forested.

5 (iii) *Rehabilitation* shall refer to the reforestation and afforestation
6 activities including mechanical measures such as contouring and terracing.

7 (jjj) *Residual or second growth forest* shall refer to a forest, subsequent
8 to the cutting or harvesting the then old growth forest, and which there is more
9 or less adequate volume of the desired species of trees for development,
10 management and future harvest.

11 (kkk) *Restoration* shall refer to the bringing back of the forest land to
12 its original state in terms of species composition, structure, function and
13 productivity.

14 (lll) *Restoration zones* shall refer to the area where restoration
15 activities are conducted and where the original vegetation shall be restored.

16 (mmm) *River basin* shall refer to the portion of land drained by a river
17 and its tributaries, encompassing the entire land surface dissected and drained
18 by many streams and creeks that flow downhill into one another, and
19 eventually into one river, the final destination of which is an estuary or an
20 ocean.

21 (nnn) *Secretary* shall refer to the Secretary of the Department of
22 Environment and Natural Resources.

23 (ooo) *Selection system* shall refer to the systematic removal of mature,
24 over-mature and defective trees in such a manner that leave adequate number
25 and volume of healthy residual trees of desired species necessary to assure
26 future crop of timber and forest cover for the protection and conservation of
27 soil, water and wildlife.

1 (ppp) *Silvicultural practices* shall refer to any action by man to further
2 improve or enhance the stand growth as a whole or of the single tree for future
3 use such as, but not limited to, assisted natural regeneration and tree surgery.

4 (qqq) *Sustainable development* shall refer to the meeting of the needs
5 of the present generation without compromising the ability of the future
6 generations to meet their own needs.

7 (rrr) *Sustainable Forest Ecosystem Management (SFEM)* or
8 *Sustainable Forest Management (SFM)* shall refer to the process of
9 ecosystem-based management of forest to achieve one or more clearly
10 specified objectives of management with regard to production of continuous
11 flow of desired forest products and environmental services without undue
12 reduction of its inherent values and future productivity and without undesirable
13 effects on the physical and social environment.

14 (sss) *Tenure* shall refer to a privilege given by the Department to a
15 qualified person or juridical entity to manage and utilize forest lands and the
16 resources found therein, in accordance with the modalities prescribed in the
17 Philippine Constitution.

18 (ttt) *Urban forestry* shall refer to the establishment and management
19 of forest in urban environment for the physiological and psychological
20 well-being of the people.

21 (uuu) *Upper river basin (URB)* shall refer to the portion of a major
22 river basin that extends from the ridge dividing it from other basins down to a
23 point where the gradient of the river has decreased to less than about eight
24 percent (8%), the gradient below the level at which erosion becomes
25 deposition, which generally has several tributaries, and whose catchments are
26 referred to as watersheds.

27 (vvv) *Uplands* shall refer to land areas located on slopes of more than
28 eighteen percent (18%).

1 (www) *Vulnerability assessment* shall refer to an analysis of the
2 relationship between natural and anthropogenic hazards and river basins and
3 watershed. It identifies the strength and weaknesses of the recipient subject in
4 relation to the identified hazard.

5 (xxx) *Vulnerable areas* shall refer to areas in danger of being
6 adversely affected by gradual or sudden changes in climate, including the
7 physical and biological components as well as the socioeconomic status of
8 communities therein.

9 (yyy) *Watershed* shall refer to a land area drained by a stream or fixed
10 body of water and its tributaries having a common outlet for surface runoff.

11 (zzz) *Watershed continuum* shall refer to an area consisting of the
12 watershed and its divide including its connection from the headwaters to the
13 reef.

14 (aaaa) *Watershed Ecosystems Management (WEM)* or *Watershed*
15 *Continuum Management (WCM)* shall refer to a management system that shall
16 provide the optimum social, cultural, economic and environmental benefits to
17 the greatest number of people particularly those living in, adjacent to, or
18 downstream of, individual watershed areas, while maintaining the biological
19 and cultural heritage of the country. It is based on the following guiding
20 principles: ecological sustainability, social and cultural sustainability,
21 economic sustainability and institutional sustainability.

22 (bbbb) *Wildlife* shall refer to wild forms and varieties of flora and fauna
23 in all developmental stages.

24 (cccc) *Wood-based industries* shall refer to various industries that use
25 wood as the principal raw material including, but not limited to, sawmilling,
26 veneer and plywood and wood-bound manufacturing and pulp and paper
27 making as well as furniture and secondary processed wood products
28 manufacturing.

CHAPTER II

FOREST LANDS

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3 SEC. 5. *Permanent Forest Lands.* – All lands of the public domain
4 classified as forest lands by the Department including the remaining
5 unclassified lands, shall comprise and be maintained as permanent forest lands
6 of the country. The reclassification of forest lands and/or any changes in the
7 forest lines shall require an act of Congress.

8 SEC. 6. *Establishment of Forest Lines.* – Within two (2) years upon
9 the effectivity of this Act, the Department shall undertake the actual ground
10 survey and verification of the limits of the permanent forest lands using as
11 basis all existing Land Classification (LC) maps, the latest forest cover data of
12 the National Mapping and Resource Information Authority (NAMRIA) from
13 its satellite imagery interpretations, and other available and reliable sources of
14 information.

15 Within five (5) years upon the effectivity of this Act, forest boundaries
16 of the forest lands shall be demarcated and clearly marked on the ground by
17 concrete monuments at certain fixed distances, visible cut lines, sign boards,
18 and uniformly-spaced distinctive trees maintained at all times between the
19 concrete monuments.

20 Upon approval of this Act, the Congress shall provide funds to the
21 Department to carry out the establishment of the forest lines.

22 Records pertaining to the specific limits of forest lands shall be made
23 available to the public upon request. Moreover, the Department shall furnish
24 all provincial, municipal and city governments copies of the maps of
25 permanent forest lands located within their respective territorial jurisdictions.

1 SEC. 7. *Subclassification of Forest Lands.* – The forest lands shall be
2 subclassified into the following categories according to primary use:

3 (a) Protection forest lands shall consist of all mossy and old-growth
4 forests; freshwater, swamps and marshes; all areas along the bank of rivers and
5 streams, and the shores of the seas and lakes throughout their entire length and
6 within a zone of three (3) meters in urban areas, twenty (20) meters in
7 agricultural areas, and forty (40) meters in forest areas, along their margins
8 which are subject to the easement of public use in the interest of recreation,
9 navigation, floatage, fishing and salvage shall also be subclassified as
10 protection forest lands. All extractive activities such as, but not limited to,
11 logging and mining are banned in protection forest lands: *Provided*, That the
12 provisions of the IPRA shall be respected: *Provided, further*, That restoration
13 zones shall be designated in areas surrounding or adjacent to protection forest
14 lands and, thereafter, shall become part of protection forest lands; and

15 (b) Production forest lands shall be all forest lands not subclassified as
16 protection forest lands as defined in this section, and shall be devoted to the
17 production of timber and/or non-forest products or the establishment of
18 industrial tree plantations, tree farms, communal forests, agro-forestry, grazing,
19 or as multiple-use forests including water-based energy areas such as, but not
20 limited to, hydro and geothermal power generation areas: *Provided*, That,
21 together with pockets of areas referred to in paragraph (a) of this section, if
22 present, production forest lands shall be managed and developed as part of
23 FMUs in accordance with the Department-approved management plans based
24 on sustainable forest management: *Provided, further*, That ancestral domains
25 located within production forest lands shall be governed by Republic Act No.
26 8371 or the IPRA law.

CHAPTER III

ADMINISTRATION AND PLANNING FOR SUSTAINABLE MANAGEMENT
OF FOREST LANDS

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4 SEC. 8. *Jurisdiction and Control of Forest Lands and Forest*
5 *Resources.* – The Department shall be the primary agency responsible for the
6 conservation, management, development and utilization of all forest lands and
7 the unclassified lands of the public domain including all the resources found
8 therein. In coordination with the LGUs and other government agencies, the
9 Department shall ensure that forest lands and unclassified lands of the public
10 domain are managed, conserved, developed, utilized and protected consistent
11 with the policies and strategies promulgated in this Act. The utilization and
12 development of forest lands and unclassified lands of the public domain
13 including the natural resources therein shall be undertaken in accordance with
14 the Department-approved management plans: *Provided,* That management
15 plans for protected areas shall be prepared in accordance with the provisions of
16 the NIPAS Act.

17 SEC. 9. *Partitioning of Forest Lands into Forest Management Units*
18 *(FMUs).* – For the purpose of assigning respective areas of operations and
19 management of forest lands, these shall be partitioned into FMUs based on the
20 LGU jurisdiction and ancestral domain found therein: *Provided,* That in case
21 of any unresolved boundary conflicts between or among adjoining LGUs, the
22 Department shall define the FMU boundaries along the areas of conflict:
23 *Provided, further,* That each existing area covered by an approved tenure
24 instrument shall be considered as a FMU.

1 SEC. 10. *Tenure Instruments.* – The assignment of open-access/
2 untenured FMU-level management to LGUs and other stakeholders shall be
3 determined by the Department in accordance with appropriate rules and
4 regulations: *Provided,* That existing and valid tenure instruments shall
5 continue under their terms and conditions.

6 SEC. 11. *Forest Lands Under Management of Other Agencies.* –
7 Forest lands or portions thereof which have been placed by law under the
8 administration and management of other government agencies or private
9 power/water utilities service providers, shall be included in the partitioning of
10 forest lands into appropriate categories consistent with the purpose of the
11 assigned forest lands as provided for in Section 7 of this Act, and shall remain
12 under the administration and management of the agency or utilities service
13 provider concerned: *Provided,* That the Department shall exercise oversight
14 power over FMU planning, management, utilization and assessment of all
15 forest resources in these areas. All such agencies or service providers shall be
16 guided by the CBFM strategy as described in Section 2 of this Act, and shall
17 be encouraged and supported by the Department.

18 SEC. 12. *Private Sector Participation in Management of Forest Lands.*
19 – Private sector participation in management of forest lands shall be
20 encouraged. The Department shall identify and set aside suitable forest areas
21 for private sector development and management and, together with the Board
22 of Investments, shall formulate and provide a set of incentives to the private
23 sector for this purpose. Private sector participation shall be undertaken through
24 joint venture, production sharing agreement, or co-production with concerned
25 FMU management. All forest lands currently held by the private sector shall
26 continue to be sustainably managed by such private sector under the terms and
27 conditions of their existing tenure instruments, subject to the forest
28 certification system described in Section 36 of this Act.

1 SEC. 13. *Forestry Planning System.* – The Department shall institute
2 and oversee the implementation of a forestry planning system consisting of the
3 following hierarchy of plans, which shall be regularly updated:

4 (a) *Forestry Master Plan.* – The master plan shall include a
5 multi-faceted analysis of the forestry sector, its strengths, weaknesses,
6 opportunities and threats, including vulnerabilities and threats resulting from
7 climate change; set long-term goals and medium-term objectives, formulate
8 programs to guide the long-term development of the forestry sector and
9 attainment of medium-term targets, and specify the requirements for the
10 implementation of the development programs. The master plan shall be
11 prepared by the Department in collaboration with other stakeholders and
12 submitted to the President of the Philippines through the National Economic
13 and Development Authority (NEDA) for approval. The master plan shall be
14 reviewed every five (5) years to be attuned with current and emerging issues
15 and developments.

16 (b) *River Basin Master Plans.* – River basin master plans shall be in
17 accord with the master plan for the forestry sector and shall focus on enhancing
18 the delivery of various forest ecosystems services in the river basin, with
19 emphasis on: (1) enhancing forest ecosystems adaptation to and mitigation of
20 climate change; (2) ecosystem-based adaptation that implements a range of
21 strategies for the management, conservation and restoration of forest
22 ecosystems to provide services that enable people to adapt to the impacts of
23 climate change; and (3) provision of multiple co-benefits, such as conservation
24 of biodiversity, enhancement of carbon stocks for mitigating climate change,
25 supplying of water and various economic products, and generation of
26 livelihood and income for local communities, by means of ecosystem-based
27 adaptation measures. The river basin master plans shall be prepared every five
28 (5) years by the concerned regional office(s) of the Department in

1 collaboration with the Regional Development Councils and other stakeholders
2 and submitted to the Department Secretary for approval.

3 (c) FMU Management Plans. – As co-managers of the FMU, LGUs,
4 or the private sector and other stakeholders concerned, following a
5 Department-prescribed template, shall be responsible in preparing a
6 five (5)-year FMU management plan under the supervision of accredited
7 registered private forester(s) and in accord with the river basin master plan for
8 approval of the concerned Department regional office.

9 (d) Annual Operations Plans. – To facilitate the implementation of the
10 FMU management plan, a detailed annual operations plan in accord with the
11 FMU management plan shall be prepared by the FMU concerned under the
12 supervision of accredited registered private forester(s). The FMU management
13 and operations plans shall conform to the Department's criteria and indicators
14 for sustainable forest ecosystem management.

15 CHAPTER IV

16 SUSTAINABLE FOREST ECOSYSTEM MANAGEMENT PROGRAMS AND 17 OPERATIONS

18 SEC. 14. *Assigning the Implementation of National or Local Forestry*
19 *Programs to CBFM.* – All national and local programs, their component
20 projects and the operationalization of plans related to the management,
21 development, protection and conservation of forest ecosystems shall be
22 implemented according to the CBFM approach as described in this Act. A
23 memorandum of agreement shall be entered into by all concerned FMUs which
24 shall stipulate the resources allocated for such program or project and the
25 benefit-sharing arrangements between FMU operators and project proponents.
26 These programs or projects shall include forest restoration, reforestation and
27 afforestation, industrial tree plantations, agro-forestry, biomass energy

1 production, non-timber forest products (NTFP) development, Payment for
2 Ecosystems Services (PES), and REDD Plus.

3 SEC. 15. *Carbon Sequestration and Storage.* – As part of climate
4 change mitigation and adaptation measures and to enhance ecosystems
5 services, carbon sequestration and storage shall be included in the forestry
6 master plan, river basin master plans, management framework plans, FMU
7 management plans and annual operations plans. The Department shall provide
8 support to FMU managers in implementing operations that increase carbon
9 sequestration and storage such as PES, as well as the applicable financing
10 made available for the purpose. The PES, REDD Plus, and other sources shall
11 be accessed to provide financing for carbon sequestration and storage activities
12 of FMU operators. The Department, in collaboration with the Climate Change
13 Commission, shall formulate the regulations governing carbon trading.

14 SEC. 16. *Ecotourism.* – The FMU management shall enhance and
15 conserve the ecotourism values found in forest lands. Timber harvesting for
16 whatever purposes, commercial-scale collection of NTFP, farming, grazing,
17 aquaculture, and infrastructure development shall be prohibited in ecotourism
18 zones of the FMU, except as part of the tourism development program of the
19 FMU and as indicated in the approved FMU management plan. The design
20 and construction of tourism infrastructures shall be in accord with
21 enhancement of the natural characteristics and/or attraction of the site.

22 SEC. 17. *Resources Management for Non-Timber Forest Products*
23 *(NTFP).* – The FMU management for non-timber forest production shall be
24 conducted in appropriate areas. Harvesting of NTFP shall be on sustainable
25 basis, promote productivity of the NTFP resources, and minimize any
26 disturbance of the soil, water, and biodiversity resources of the site.
27 Domestication of resource bases of NTFP shall be encouraged.

1 SEC. 18. *Silvicultural Systems.* - Silvicultural systems that are
2 appropriate to the type of forest and other considerations shall be selected and
3 applied in the timber production zones. Regeneration of harvested natural
4 forest stands shall be based on natural regeneration processes and assisted
5 natural regeneration. The Department shall conduct a review of silvicultural
6 systems including the forest management practices of indigenous peoples and
7 institute improvements that ensure sustainability of timber management and
8 increase in productivity. Clear-cutting shall be allowed only in plantations, and
9 any clear-cutting shall be followed immediately by tree planting as well as
10 maintenance of planted trees until they are fully established.

11 SEC. 19. *Agro-forestry.* - Agro-forestry shall be one of the key
12 upland development strategies to be used in developing forest areas occupied
13 by upland farmers.

14 SEC. 20. *Mangrove Development and Management.* - The
15 rehabilitation of degraded mangrove forests through afforestation/
16 reforestation/enrichment planting of appropriate mangrove species shall be
17 intensified. Fishery production in duly designated mangrove production zones
18 shall promote productivity of fishery resources and shall be accomplished
19 without cutting the naturally growing mangroves. Establishment of new
20 mangrove plantations in tandem with fishpond development (aqua-silviculture)
21 may be allowed in mangrove production zones: *Provided,* That not more than
22 twenty percent (20%) of areas to be developed shall be devoted to fishpond
23 farming activities. The mangrove plantations established within the
24 aqua-silviculture projects may be permitted to be selectively harvested for
25 domestic purposes only on a sustainable basis as deemed appropriate and that
26 the privilege to harvest shall be granted only to the private individual, group of
27 individuals or entity which established and developed the said plantations as
28 previously authorized through an approved contract or agreement for the

1 purpose: *Provided*, That harvesting shall be limited to mangroves that are part
2 of the timber management zones and non-timber production zones of the FMU
3 as indicated in the approved FMU management plan: *Provided, further*, That
4 the cutting of mangrove trees and other associated plants within
5 duly-designated mangrove protection zones whether naturally growing or
6 planted is strictly prohibited.

7 SEC. 21. *Mining in Forest Lands.* – Mining shall not be allowed in
8 protection forest lands as an imperative measure in enhancing the protection
9 and conservation of various forest ecosystems services. In production forest
10 lands, the consent of the tenure holder and the Department approval shall be
11 obtained: *Provided*, That mined-out areas shall be immediately rehabilitated.

12 SEC. 22. *Built-up Areas in Forest Lands.* – Human settlements, roads
13 and other infrastructure shall be designated built-up areas of the FMU.

14 SEC. 23. *Forest Protection.* – Protection of forest lands against
15 land-use conversion, illegal extraction of forest products, fire, pests and
16 diseases, invasive species, chemicals, climate-induced causes, and other agents
17 of forest destruction shall be included in the forestry master plan, river basin
18 master plans, FMU management plans and annual operations plans.

19 SEC. 24. *Urban Forestry.* – As part of climate change adaptation and
20 mitigation measures and to enhance ecosystems services, communal forests,
21 tree buffers along roads and waterways, and forest/tree parks in urban areas,
22 school grounds, and open spaces of housing projects shall be established in
23 cities and municipalities. The Department and forestry research and academic
24 institutions shall provide technical assistance to ensure that appropriate species
25 and technologies are employed in the establishment and maintenance of such
26 parks, communal forests and tree buffers.

CHAPTER V

UTILIZATION OF FOREST RESOURCES

1
2
3 SEC. 25. *Use of Forest Lands Exclusively for Forestry and Subsidiary*
4 *Purposes.* – The use of forest lands shall be limited to forestry and subsidiary
5 purposes in appropriate areas. The use of forest lands for purposes not
6 otherwise mentioned shall require the Department approval: *Provided,* That
7 non-extractive utilization of forest resources, particularly special uses of forest
8 lands such as bathing establishments, camp sites, telecommunication sites, log
9 pond sites, salt works, and the like, shall be allowed consistent with pertinent
10 policies and regulations that the Department may prescribe.

11 SEC. 26. *Harvesting of Forest Products.* – Harvesting of timber and
12 NTFP shall be based on the principle of sustainability and in consideration of
13 the conservation of soil, water, and biodiversity and enhancement of carbon
14 stocks as mentioned in this Act. In addition, the Department approval for
15 harvesting trees shall be subject to the conduct of a forest inventory and
16 mapping of harvestable trees, including chain-of-custody (CoC) numbering of
17 harvestable trees as mentioned in Section 35 of this Act, and reporting to the
18 Department for the updating of the Department’s database on harvested trees.

19 SEC. 27. *Management and Utilization of Forest Resources Within*
20 *Forest Lands.* – The extraction of timber and NTFP, and agricultural crops,
21 their byproducts and derivatives, whether from natural forest, planted, or raised
22 through application of appropriate silvicultural and/or agro-forestry practices,
23 from forest lands, shall require a prior permit, agreement or clearance that are
24 deemed necessary and appropriate by the Department as recommended by the
25 Forest Management Bureau (FMB): *Provided,* That extraction of timber and
26 NTFP, agricultural crops, their byproducts and derivatives from areas covered
27 by Certificate of Ancestral Domain Titles (CADT) or Certificate of Ancestral
28 Land Claims (CALC) shall be governed by Republic Act No. 8371. The

1 transport of these forest products from forest lands, including those from the
2 area of the indigenous cultural communities and indigenous peoples covered
3 by CADT or CALC, shall be covered by a CoC certificate issued by the FMU
4 management. Relevant information in the CoC shall be transmitted to the
5 Department's online database at least one (1) week prior to the actual
6 transporting as provided for in Section 35 of this Act.

7 Any extraction of forest resources considered as endangered, threatened,
8 vulnerable, and other restriction shall be done in coordination and consultation
9 with, and clearance from the Protected Areas and Wildlife Bureau (PAWB):
10 *Provided*, That any declaration of endangered, threatened, vulnerable, and
11 other restricted species shall be approved jointly with the FMB.

12 *SEC. 28. Management and Utilization of Forest Resources Within*
13 *Titled Lands.* - All forest resources planted or raised within titled lands
14 belong to the owner of the land, shall have the right to sell, contract, convey or
15 dispose of the same without the necessity of any clearance from the
16 Department: *Provided*, That the government shall provide the appropriate
17 incentives provided under Section 46 of this Act.

18 *SEC. 29. Administration and Utilization of Forest Resources Within*
19 *Ancestral Domain.* - The utilization of forest resources within ancestral lands
20 and domains shall be governed by the provisions of this Act and Republic Act
21 No. 8371. The National Commission on Indigenous Peoples (NCIP) shall
22 coordinate and consult with the Department in providing assistance to the
23 indigenous peoples in the sustainable management and development of forest
24 resources within ancestral lands and domains.

25 Any project to be implemented by a holder of a CADT or any such
26 similar instrument to develop or use forest lands or forest resources therein that
27 would result in severe soil erosion or environmental degradation shall be
28 subject to an EIA in accordance with Presidential Decree No. 1151 or the

1 Philippine Environmental Policy, and Presidential Decree No. 1586 on
2 Establishing an Environmental Impact Statement System and this Act.

3 SEC. 30. *Transport of Forest Products and Confiscated Forest*
4 *Products.* – The transport of timber and NTFP that do not carry a CoC
5 number and is not supported by CoC documentation, as provided for in Section
6 35 of this Act, shall be prohibited. Timber and NTFP that do not carry a CoC
7 number shall be considered as coming from illegal sources and subject to
8 confiscation.

9 SEC. 31. *Downstream Processing of Forest Products.* – To add value
10 to harvested forest products, further processing into finished and semi-finished
11 products shall be encouraged and supported. The CBFM and other FMU
12 operations shall be allowed to process their forest products or to make them
13 available in the open market of raw forest products subject to restrictions on
14 forest products transporting as mentioned in Section 36 of this Act and prior
15 payment of appropriate forest charges as mentioned in Section 50 of this Act.

16 SEC. 32. *Forest-Based Industries.* – To meet the demands for
17 forest-based goods and services of a growing population, the State through the
18 Department shall promote the establishment, operations and development of
19 forest-based industries.

20 SEC. 33. *Export and Sale of Locally Produced Wood Products.* –
21 Logs and raw or rough lumber manufactured from such logs, derived from
22 natural grown trees of whatever species cut, gathered or removed from the
23 local natural forest shall not be exported. Only finished and semi-finished
24 lumber products, wood manufactures, wood panels, and other finished wood
25 products from such logs may be exported by licensed exporters: *Provided,*
26 *That the license to export such finished wood products shall be granted only to*
27 *certified operators upon approval of their application. The export of forest*
28 *plantation products shall be based on Department guidelines.*

1 No person shall sell or offer for sale any log, lumber, veneer, plywood
2 or other manufactured wood products in the international or domestic market
3 without complying with the certification and grading rules established or to be
4 established by the government. Failure to adhere to the established grading
5 rules and standards, or any act of falsification on the volume of logs, lumber,
6 veneer, plywood or other wood products sold in the international or domestic
7 market shall be sufficient cause for the cancellation of export license, wood
8 processing permit, or other license or permit authorizing the manufacture or
9 sale of such products.

10 SEC. 34. *Importation and Sale of Logs and Other Forest and Wood*
11 *Products.* – Logs, lumber, and other forest- and wood-based products may be
12 imported to the country subject to the registration requirements of the
13 Department and to the tariff and duties under the Tariff and Customs Code and
14 quarantine regulations. Any product manufactured or remanufactured out of
15 imported forest and wood materials shall be allowed to be sold in the domestic
16 or international market subject to compliance with grading rules and standards
17 by the licensed finished wood product exporter.

18 CHAPTER VI

19 MONITORING AND CONTROL OF FOREST MANAGEMENT AND UTILIZATION

20 SEC. 35. *Forest Products Chain-of-Custody (CoC).* – The Department
21 shall institute a forest product CoC system to enable the tracking of
22 transported, processed or marketed forest products to their source. To be
23 considered legally harvested, all forest products from forest lands shall bear an
24 official CoC number.

25 SEC. 36. *External Monitoring and Certification Assessment of Forest*
26 *Management Operations.* – The Department shall institute a national forest
27 certification system to externally monitor and assess the performance standards

1 of FMU operations and to ensure that forest products coming from FMUs are
2 from certified sustainable sources when local consumers buy them from the
3 market.

4 **SEC. 37. *Forestry Information System (FIS).*** – The Department shall
5 establish a FIS which shall consist of comprehensive up-to-date information on
6 the physical, social, economic, biological and environmental components of
7 the country’s forest lands and forest resources. It shall include a resource
8 monitoring system to enable the Department and its field offices to track the
9 utilization, movement or transfer of forest-based goods and services from the
10 source to their end users. The Department shall conduct forest resource
11 inventory at least once every five (5) years to ensure effective management.

12 **SEC. 38. *Conflict Resolution.*** – The parties from within an FMU and
13 between or among FMUs shall be encouraged to resolve conflicts related to
14 forest management, development, protection, conservation and utilization
15 between or among themselves. Conflicts that cannot be resolved internally
16 shall be reported for adjudication and resolution by the Department. Conflicts
17 that cannot be resolved by the Department to the satisfaction of the parties in
18 conflict shall, after exhausting all administrative remedies, be submitted to the
19 proper courts for resolution.

20 CHAPTER VII

21 SUPPORT SYSTEMS

22 **SEC. 39. *Forestry Education.*** – Formal forestry education in the
23 Philippines shall be rationalized. A nationwide assessment of forestry schools
24 shall be conducted by the Commission on Higher Education (CHED). Within
25 one (1) year upon effectivity of this Act, the CHED shall evaluate forestry
26 schools and formulate guidelines to be observed in the phasing-out of
27 substandard schools in coordination with the Department, the Board of
28 Examiners of the Professional Regulation Commission (PRC), the Philippine

1 Forestry Education Network (PFEN) and the Society of Filipino Foresters,
2 Incorporated (SFFI). The main purpose of this rationalization is to ensure the
3 quality of formal forestry education and establish, support and sustain centers
4 of excellence in forestry and environmental education to develop high quality
5 manpower and promote global competitiveness. The CHED shall have the
6 power to recommend the phasing-out of substandard schools in accordance
7 with an agreed phase-out plan that considers the impact thereof on enrolled
8 students.

9 The Department of Education (DepED) shall integrate tree-planting and
10 tree maintenance activities as part of the school curriculum. The CHED shall
11 include forestry in ecology and environment courses in the general education
12 curricula.

13 SEC. 40. *Capacity-Building.* – The Department shall develop and
14 implement a program to develop the capacity of LGUs and other stakeholders
15 in forestry resources management.

16 SEC. 41. *Research and Development.* – Research and development,
17 invention, innovation and their utilization in science and technology education,
18 training and services shall be given priority. The government shall strengthen
19 existing research institutions such as the Ecosystems Research and
20 Development Bureau (ERDB), the Forest Products Research and Development
21 Institute (FPRDI) and state universities and colleges (SUCs), among others,
22 and support scientific and technological capabilities and their application to the
23 country's productive system, national life and adaptive capacity to climate
24 change. Appropriate technology shall be used to protect the environment,
25 reduce climate change effects, increase community adaptation to climate
26 change and enhance their livelihood.

1 The Department shall coordinate with other research agencies to go into
2 co-financing agreements with the private sector in the conduct of researches
3 and development of inventions: *Provided*, That the terms and conditions are
4 beneficial to forest ecosystems services for the country.

5 SEC. 42. *Policy Research and Development.* – The Forestry
6 Development Center (FDC) based at the University of the Philippines Los
7 Baños (UPLB)-College of Forestry and Natural Resources shall continue to
8 serve as the primary policy research and development center for forestry,
9 environment and natural resources management. The FDC shall perform its
10 functions in close coordination with the FMB of the Department and other
11 policy research institutions. It shall assist the Department in the formulation,
12 review and evaluation of proposed and existing policies in forestry,
13 environment and natural resources. To enable the FDC to carry out its
14 mandated function of policy research, it shall have a share in the sustainable
15 forest ecosystem development fund pursuant to Section 55 of this Act.

16 SEC. 43. *Forestry Extension Services.* – With support from the LGUs,
17 the nongovernment organizations (NGOs), media and other organizations, the
18 Philippine Information Agency (PIA), the DepED, state-owned and private
19 universities and colleges, the Department shall formulate a nationwide program
20 for sustained public information and advocacy campaign for forest and natural
21 resources conservation, sustainable forest development and on climate change.
22 Adequate and sustainable funds to implement research, technology
23 development and transfer programs shall be provided by each of the
24 aforementioned agencies and institutions under the General Appropriations
25 Act.

26 SEC. 44. *Strengthening of the Forest Management Sector.* – In order
27 to effectively implement the provisions of this Act, the FMB shall be

1 transformed into a line bureau of the *Department* with functions clearly defined
2 and enumerated under the implementing rules and regulations of this Act.

3 CHAPTER VIII

4 SYSTEM OF INCENTIVES

5 SEC. 45. *Incentives for Engaging in Forest Development.* -
6 Incentives as provided for by existing laws such as the National Internal
7 Revenue Code of 1997, as amended, and Executive Order No. 226 or the
8 Omnibus Investment Code, among other laws, shall be extended to encourage
9 qualified persons, natural or juridical, to engage in forest management
10 activities.

11 SEC. 46. *Tax Incentives for Forest Plantation Activities.* - The
12 following tax incentives shall be granted to qualified persons engaged in forest
13 plantation activities within forest lands and alienable and disposable lands of
14 the public domain:

15 (a) Expenses incurred in complying with the requirements of this Act
16 shall be allowed as deductible expenses for income tax purposes subject to the
17 provisions of the National Internal Revenue Code of 1997, as amended:
18 *Provided, That the deduction shall only apply to the taxable period when the*
19 *expenses were incurred; incentives granted to registered domestic enterprise*
20 *under the Investment Priorities Plan (IPP);*

21 (b) Exemption from the payment of forest charges imposed under the
22 provisions of this Act;

23 (c) Amounts expended by the agreement holder in the development and
24 operation of a forest plantation prior to the commercial harvest shall be
25 regarded as ordinary and necessary expenses or as capital expenditure;

26 (d) The Board of Investments (BOI) shall classify forest plantations as
27 pioneer and preferred areas of investment under its annual priority plan subject
28 to the pertinent rules and regulations;

1 (e) The tenure holder shall be given priority to access credit assistance
2 being granted by government-owned, -controlled and/or -supported financial
3 institutions; and

4 (f) Upon the premature termination of the tenure instrument at no fault
5 of the holder, all depreciable permanent and semi-permanent improvements
6 such as roads, buildings, and nurseries including the planted and standing trees
7 and other forest crops introduced and to be retained in the area shall be
8 properly evaluated and the holder shall be entitled to a fair compensation
9 thereof, the amount of which shall be mutually agreed upon by both the
10 Department and the tenure holder, and in case of disagreement between them,
11 by arbitration through a mutually acceptable and impartial third party
12 adjudicator.

13 *SEC. 47. Incentives for Forest-Based Industries.* -- To enable forest-
14 based industries to be more efficient, competitive and economically viable, the
15 following incentives are hereby granted in addition to those already provided
16 by existing laws:

17 (a) All processing plants or mills shall be assisted by the Department in
18 identifying sources of raw materials;

19 (b) All processing plants or mills shall be granted operating permits for
20 five (5) years renewable for another five (5) years: *Provided, That* permits for
21 processing plants owned or operated by holders of forest management
22 agreements or contracts shall be coterminous with said agreements or
23 contracts;

24 (c) The Department shall provide on its own or propose to the
25 President or to Congress, other incentives to encourage the establishment and
26 development of corporate, family and community forest-based industries.
27 Agreements or licenses over forest areas granted to wood-based plants shall be
28 converted into any mode authorized in this Act. Expansion in capacity of

1 wood-based plants shall be encouraged and the same shall be given priority
2 access to production forest lands and other areas available for development as
3 source of raw materials; and

4 (d) The Department shall promote and strengthen the linkages among
5 corporate, family-based and community-based industries.

6 SEC. 48. *Rewards for Informants.* – A percentage of the value of
7 confiscated materials shall be used as rewards for informants, including
8 Department personnel. Additional rewards may be provided to personnel of
9 the Department, in addition to those provided under the Government Service
10 Insurance System (GSIS) or Workmen’s Compensation Law. They shall also
11 be entitled to free legal assistance should legal cases be filed against them in
12 the performance of official duties.

13 CHAPTER IX

14 FOREST CHARGES, FEES AND SHARING

15 SEC. 49. *Fees, and Government Shares for the Utilization,*
16 *Exploitation, Occupation, Possession of, and Activities Within Forest Lands.*

17 – The Department shall prescribe appropriate fees and government shares for
18 the different kinds of utilization, exploitation, occupation, possession, or
19 activities within forest lands: *Provided, That* payment of or collection of such
20 fees and government shares shall be waived for parties/industries mandated by
21 law to manage, conserve, develop and protect forest lands and forest resources
22 found therein, except administrative fees for the filing and processing of
23 applications for the issuance and renewal of licenses, permits and agreements:
24 *Provided, further, That* watershed administrators and/or service contractors
25 that have forest management agreements with the Department shall also be
26 entitled to a waiver of fees, except administrative fees.

27 The Department shall recommend appropriate and equitable fees for the
28 use of water and forest for power generation, irrigation, domestic and

1 industrial, and for carbon sequestration and biodiversity benefits respectively,
2 by parties/industries concerned.

3 SEC. 50. *Forest Charges.* – There shall be collected charges on each
4 cubic meter of timber cut in forest lands, whether belonging to the first,
5 second, third or fourth group, twenty-five percent (25%) of the actual Free on
6 Board (FOB) market price based on species and grading: *Provided, That,* in
7 the case of pulpwood and matchwood cut in forest lands, forest charges on
8 each cubic meter shall be ten percent (10%) of the actual FOB market price.

9 (a) Charges on Firewood, Branches, and Other Recoverable Wood
10 Wastes of Timber. – There shall be collected forest charges of ten percent
11 (10%) of the actual FOB market price on each cubic meter of firewood cut in
12 natural forest, branches and other recoverable wood wastes of timber, such as
13 timber ends, tops and stumps, when used as raw materials for the manufacture
14 of finished products.

15 Only third or fourth group wood can be taken for firewood. However, if
16 jointly authorized by the secretaries of both the Department of Environment
17 and Natural Resources (DENR) and the Department of Agriculture (DA), first
18 and second group wood may be removed for firewood purposes from land
19 which is more valuable for agricultural than for forest purposes.

20 (b) Charges on Non-Timber Forest Products. – All other forest
21 products of forest lands which are not covered by the preceding section shall
22 be exempt from any or all forest charges, except rattan, gums and resins,
23 beeswax, guttapercha, almaciga resin and bamboo which shall be charged at
24 ten percent (10%) of the actual FOB market price.

25 These forest charges shall be applied to naturally growing timber and
26 NTFP gathered within forest lands, alienable and disposable lands, and private
27 lands. All planted trees and NTFP harvested from private lands shall be free
28 from forest charges.

1 For the above purpose, the valuation and the actual FOB market price of
2 forest products shall be justly determined by the Department based on
3 prevailing market price, which shall likewise provide for the time, manner and
4 place of payment of such charges. The Department shall allocate fifty percent
5 (50%) of forest charges collections to reforestation and natural regeneration
6 programs.

7 *SEC. 51. Fees for Administrative Services Rendered by the*
8 *Department.* - Fees shall be collected for various services rendered by
9 personnel of the Department in connection with their duties and responsibilities
10 as may be requested by interested parties including, but not limited to,
11 surveying, mapping and other similar service activities: *Provided,* That
12 administrative fees shall be waived for services rendered to local communities
13 or indigenous peoples in the preparation of their management plans including
14 timber/other resources inventory on farmers' land: *Provided, further,* That fees
15 collected pursuant to this section shall be deposited in the local Department
16 offices as trust funds.

17 *SEC. 52. Proper Valuation and Compensation for Ecosystems*
18 *Services.* - The Department shall formulate and institute appropriate
19 mechanisms for proper valuation and fair and comprehensive pricing of forest
20 ecosystems services provided by the forests, including water for domestic,
21 industrial, irrigation and power generation, biodiversity and ecotourism with
22 watershed ecosystems as the minimum spatial units.

23 The use of various ecosystems services provided by the forests shall be
24 compensated. Subject to existing laws, any commercial and industrial users of
25 water, energy, recreation and other ecosystems services of the forests shall be
26 charged a watershed protection and conservation fee. These fees shall be used
27 to fund research and development activities, and for the conservation and
28 management of the forests.

1 Local, regional and national plow back mechanisms of utilizing
2 proceeds from the use of watersheds, forests and forest lands for ecosystems
3 services such as, but not limited to, power generation, supplying domestic and
4 irrigation water, ecotourism and carbon trading shall be developed and
5 promoted to finance forest protection, rehabilitation, reforestation,
6 afforestation, agro-forestation and development.

7 SEC. 53. *Payments for REDD Plus.* – Entities involved in preventing
8 deforestation and sequestering carbon in their FMUs shall have equitable share
9 in the proceeds of REDD Plus payments. The capacity of local FMU managers
10 shall be developed to monitor their forest resources as basis for equitable
11 sharing in REDD Plus payments.

12 CHAPTER X

13 APPROPRIATIONS AND FINANCIAL SUPPORT

14 SEC. 54. *Appropriations.* – The Secretary of the DENR shall include
15 in the Department's program and issue such rules and regulations for the
16 implementation of the provisions of this Act, the initial funding of which shall
17 be charged against the current year's appropriations of the Department and
18 thereafter included in the annual General Appropriations Act. For LGUs, the
19 funding requirements shall be taken from their internal revenue allotment
20 (IRA) and other LGU income.

21 SEC. 55. *Sustainable Forest Ecosystems Development Fund (SFEDF).*
22 – A Sustainable Forest Ecosystems Development Fund (SFEDF) to be
23 administered by the Department as a special account in the National Treasury
24 is hereby established to provide sustainable funds for forest protection,
25 reforestation and forest development and management, including the
26 rehabilitation and preservation of watershed areas, CBFM programs,
27 information and educational campaigns as well as scholarship programs and
28 policy research. At least fifty percent (50%) of the forest charges and

1 government share in all products removed from the forest lands, rentals,
2 proceeds from sales of confiscated forest products including conveyances,
3 fines and penalties, and administrative fees collected shall be set aside for the
4 buildup of the SFEDF. The fund may be augmented by grants, donations,
5 endowment from various sources, domestic or foreign, for purposes related to
6 their functions and other innovative funding mechanisms such as securitization
7 of forest assets, among others.

8 Disbursements from the fund shall be subject to the usual accounting
9 and budgeting rules and regulations: *Provided*, That no amount shall be
10 disbursed to cover the operating expenses of the Department and other
11 concerned agencies.

12 CHAPTER XI

13 OFFENSES AND PENALTIES

14 SEC. 56. *Harvesting, Gathering and/or Collecting Timber or Other*
15 *Forest Products Without Authority.* – Harvesting, cutting, gathering,
16 collecting, or removing timber or other forest products from any forest land, or
17 naturally grown timber inside alienable and disposable land without authority
18 from the Secretary or found to possess the same without pertinent required
19 legal documents shall be punished by imprisonment ranging from *prision*
20 *mayor* minimum period to *reclusion temporal* minimum period and/or a fine
21 equivalent to ten (10) times the value of the said forest product taken:
22 *Provided*, That in the case of partnerships, associations or corporations, the
23 president, managing partner and general manager shall be held liable; and if
24 such officer is an alien, he/she shall, in addition to the penalty, be deported
25 without further proceedings on the part of the Bureau of Immigration.
26 Offenders who are public officials shall be deemed automatically dismissed
27 from office and permanently disqualified from holding any elective or
28 appointive position in the government.

1 If the market value of the timber or other forest products is more than
2 Five hundred thousand pesos (P500,000.00), the offender shall be guilty of
3 economic sabotage and the imposable penalty shall be *reclusion perpetua*, in
4 addition to the payment of the fine equivalent to ten (10) times the value of
5 said timber or forest product, and other subsidiary penalties as prescribed
6 above.

7 Any person, whether natural or juridical, who shall acquire or possess
8 logs, fitches, lumber from the economic saboteurs as defined in this section
9 and/or use the same logs, fitches, lumber, in any manner, shall likewise be
10 punished with *reclusion perpetua*, payment of fine equivalent to ten (10) times
11 the market value of said logs, fitches, lumber and the subsidiary penalties
12 provided herein.

13 All timber or any forest product cut, gathered, collected, removed, or
14 possessed and all the conveyances, machinery, equipment, implements, work
15 animals and tools used in connection with the violation shall be seized and
16 confiscated in favor of the government.

17 **SEC. 57. *Illegal Cutting as an Act of Economic Sabotage.*** – Any of
18 the acts enumerated in the preceding section when committed by any group,
19 through organized and systematic manner, for commercial purposes, shall
20 constitute an act of economic sabotage punishable with *reclusion perpetua*.

21 The commission of any of the above prohibited acts by two or more
22 individuals with the aid of any mechanical device shall constitute a *prima facie*
23 evidence that the act is organized and systematic.

24 Any person, whether natural or juridical, who shall buy logs, fitches,
25 lumber from economic saboteurs as defined in this section, and/or use the same
26 logs, fitches, lumber in government infrastructure projects shall, upon
27 conviction, be punished with *reclusion perpetua*.

1 **SEC. 58. *Use of Illegally Cut Timber in Government Infrastructure***
2 ***Projects.*** – The use of illegally cut naturally grown timber in government
3 infrastructure projects shall be sufficient cause for the imposition of penalties
4 provided in Section 56 on harvesting of forest products without authority, and
5 Section 57, on illegal cutting as an economic sabotage, including the
6 withholding of the payment to the harvesting contractor.

7 **SEC. 59. *Damage to Residual Trees.*** – To ensure the sustainability of
8 the natural forests, adequate number of residual trees and phenotypically
9 superior mother trees shall be marked, to be retained as part of the managed
10 forests and as the future timber crop, before any harvesting operation shall
11 commence. Any marked residual tree that is thirty percent (30%) or more
12 damaged during such operation is subject to a fine equivalent to four (4) times
13 the regular forest charges and reduction of future allowable harvest to
14 compensate for residual losses.

15 **SEC. 60. *Grazing Livestock on Forest Lands Without a Permit.*** – Any
16 person found to have caused the grazing of livestock in forest lands and
17 grazing lands without an authority under a lease or permit to graze, upon
18 conviction, shall be penalized with imprisonment of not less than two (2) years
19 nor more than four (4) years and a fine equivalent to ten (10) times the regular
20 shares due in addition to confiscation of the livestock and all improvements
21 introduced in the area in favor of the government: *Provided*, That in case the
22 offender is a corporation, partnership or association, the officer or director
23 thereof who directly caused or ordered such shall be liable. In case the
24 offender is a public officer or employee, he/she shall in addition to the above
25 penalties, be deemed automatically dismissed from office and permanently
26 disqualified from holding any elective or appointive position in the government
27 service.

1 SEC. 61. *Unlawful Occupation or Destruction of Forest Lands.* – Any
2 person who, without authority from the Secretary, enters and occupies or
3 possesses, or engages in *kaingin* or slash-and-burn farming and related
4 activities for own private use or for others, any forest land or grazing land, or
5 in any manner destroys such forest land or part thereof, or causes any damage
6 to the timber stands and other forest product found therein, or assists, aids or
7 abets another person to do so, or sets a fire, or negligently permits a fire to be
8 set therein, or refuses lawful orders to vacate the area when ordered to do so
9 shall, upon conviction, be punished with penalties in the amount of not less
10 than One hundred thousand pesos (P100,000.00) nor more than Five hundred
11 thousand pesos (P500,000.00) and imprisonment of not less than six (6) years
12 and one (1) day nor more than twelve (12) years for each offense: *Provided,*
13 That in the case of an offender found guilty of *kaingin* or slash-and-burn
14 farming, the penalty shall be imprisonment of not less than ten (10) years nor
15 more than twelve (12) years and a fine equivalent to ten (10) times the regular
16 forest charges due on the forest products destroyed without prejudice to
17 payment of the full cost of rehabilitation of the occupied areas as determined
18 by the Department: *Provided, further,* That the maximum of the penalty
19 prescribed herein shall be imposed upon the offender who repeats the same
20 offense, and double the maximum penalty upon the offender who commits the
21 same offense for the third time or more.

22 In all cases, the court shall further order the eviction of the offender
23 from the area occupied and the forfeiture to the government of all
24 improvements made therein, including all vehicles, domestic animals and
25 equipment of any kind used in the commission of the offense. If not suitable
26 for use by the Department, said improvements, vehicles, domestic animals and
27 equipment shall be sold at public auction, the proceeds from which shall accrue
28 to the SFEDF.

1 If the offender is an alien, he/she shall be deported after serving his/her
2 sentence and payment of fines, without any further proceedings. An offender
3 who is a government officer or employee, shall, in addition to the above
4 penalties, upon conviction, shall be deemed automatically dismissed from
5 office and permanently disqualified from holding any elective or appointive
6 position in the government service.

7 SEC. 62. *Illegal Conversion of City or Municipal Parks, Communal*
8 *Forests and Tree Parks in Subdivisions.* – Any person found to have
9 converted or caused the conversion of a city or municipal parks or communal
10 forest, or tree parks within subdivisions established pursuant to Section 24
11 herein and Section 2 of Presidential Decree No. 953, requiring the planting of
12 trees in certain places, into other uses including the construction of permanent
13 buildings therein, or in any manner destroys or causes any damage to the
14 timber stands and other forest product found therein, or assists, aids or abets
15 another person to do so, or sets a fire, or negligently permits a fire to be set
16 therein, upon conviction, shall be penalized by imprisonment of six (6) years
17 and one (1) day to twelve (12) years or a fine of not less than One hundred
18 thousand pesos (P100,000.00) nor more than Five hundred thousand pesos
19 (P500,000.00), or both fine and imprisonment at the discretion of the court.
20 The offender shall likewise be imposed a fine equivalent to ten (10) times the
21 commercial value of the forest products destroyed without prejudice to
22 payment of the full cost of rehabilitation of the areas as determined by the
23 Department: *Provided, further,* That the maximum of the penalty prescribed
24 herein shall be imposed upon the offender who repeats the same offense, and
25 double the maximum penalty upon the offender who commits the same offense
26 for the third time or more. The court shall further order the forfeiture to the
27 government of all improvements made therein, including all vehicles, domestic
28 animals and equipment of any kind used in the commission of the offense. If

1 not suitable for use by the Department, said improvements, vehicles, domestic
2 animals and equipment shall be sold at public auction, the proceeds from
3 which shall accrue to the SFEDF.

4 An offender who is a government officer or employee, in addition to the
5 above penalties, upon conviction, shall be deemed automatically dismissed
6 from office and permanently disqualified from holding any elective or
7 appointive position in the government service.

8 *SEC. 63. Misdeclaration or Falsification of Reports on Forest*
9 *Resource Inventory, Scaling, and Survey by a Government Official or*
10 *Employee.* - Any public officer or employee who knowingly misdeclares or
11 falsifies reports pertaining to forest resource inventory, scaling, survey, and
12 other similar activity which are contrary to the criteria and standards
13 established in the rules and regulations promulgated by the Secretary shall,
14 after an appropriate administrative proceeding, be dismissed from the service
15 with prejudice to re-employment. Upon conviction by a court of competent
16 jurisdiction, the same public officer or employee shall further suffer an
17 imprisonment of not less than eight (8) years nor more than twelve (12) years
18 and a fine of not less than One hundred thousand pesos (P100,000.00) nor
19 more than Five hundred thousand pesos (P500,000.00). The inventory, survey,
20 scale, classification, and similar reports referred herein shall be rendered null
21 and void.

22 *SEC. 64. Unlawful Operation of Wood Processing Plants and*
23 *Downstream Forest-Based Industries.* - Any person operating a wood
24 processing plant or downstream forest-based industry without authority from
25 the Secretary shall, upon conviction by a court of competent jurisdiction, be
26 punished by imprisonment of not less than eight (8) years nor more than twelve
27 (12) years and a fine of not less than Five hundred thousand pesos
28 (P500,000.00) and confiscation of the wood processing plant and

1 complementary equipment in favor of the government. The Department shall
2 promulgate the necessary guidelines, subject to the provisions of this Act, that
3 will define the terms and conditions including the responsibility for a person
4 who will operate and is operating a wood processing plant and/or other
5 downstream forest-based industries.

6 *SEC. 65. Prohibition on the Issuance of Tax Declaration on Forest*
7 *Lands.* - Any local government official or employee who issues a tax
8 declaration for any purpose on any part of forest lands shall, upon conviction,
9 be penalized with imprisonment for a period of not less than four (4) years nor
10 more than eight (8) years and a fine of not less than One hundred thousand
11 pesos (P100,000.00) nor more than Five hundred thousand pesos
12 (P500,000.00) and perpetual disqualification from holding an elective or
13 appointive office.

14 *SEC. 66. Unlawful Possession of Implements and Devices Used by*
15 *Forest Officers.* - Any person found possessing or using implements and
16 devices used by forest officers shall be penalized with imprisonment for a
17 period of not less than eight (8) years nor more than twelve (12) years and a
18 fine of not less than One hundred thousand pesos (P100,000.00) nor more than
19 Five hundred thousand pesos (P500,000.00) in addition to the confiscation of
20 such implements and devices and the automatic cancellation of any license
21 agreement, license, lease or permit.

22 Any forest officer who willingly allows unauthorized person(s) to use
23 these implements and devices under one's care shall be penalized with
24 imprisonment for a period of not less than six (6) years and one (1) day to no
25 more than twelve (12) years and a fine of not less than One hundred thousand
26 pesos (P100,000.00) nor more than Five hundred thousand pesos
27 (P500,000.00). In addition, the forest officer shall be dismissed from the

1 service with prejudice to reinstatement and with perpetual disqualification
2 from holding an elective or appointive position.

3 SEC. 67. *Unauthorized Introduction of Logging Tools and Equipment*
4 *Inside Forest Lands.* – It shall be unlawful for any person or entity to possess,
5 bring or introduce any logging tools or equipment inside forest lands without
6 prior authority from the Secretary or his duly authorized representative. Any
7 person found guilty of illegal possession of said logging tools or equipment
8 shall be liable to imprisonment of six (6) years and one (1) day to twelve (12)
9 years or a fine of not less than One hundred thousand pesos (P100,000.00) nor
10 more than Five hundred thousand pesos (P500,000.00) or both imprisonment
11 and fine at the discretion of the court, and confiscation of said logging tools
12 and equipment in favor of the government.

13 SEC. 68. *Non-Payment and Non-Remittance of Forest Charges.* –
14 Any person who fails to pay the amount due and payable as forest charges to
15 the government shall not be allowed to transport, convey, sell, nor use the
16 timber or forest product. Moreover, failure to pay within thirty (30) days upon
17 assessment of forest charges shall be a ground for confiscation of the said
18 timber or forest product in favor of the government. Any person who fails or
19 refuses to remit to the proper authorities said forest charges collectible
20 pursuant to the provisions of this Act or the National Internal Revenue Code of
21 1997, as amended, or who delays, obstructs or prevents the same, or who
22 orders, causes or effects the transfer or diversion of the funds for purposes
23 other than those specified in said Acts shall, upon conviction, be imprisoned
24 for not less than six (6) years nor more than twelve (12) years and fined from
25 One hundred thousand pesos (P100,000.00) to Five hundred thousand pesos
26 (P500,000.00) in addition to the payment of the assessed forest charges. If the
27 offender is a corporation, partnership or association, the officers and directors
28 thereof shall be liable.

1 SEC. 69. *Institution of Criminal Action by Forest Officers.* – Any
2 forest officer shall arrest even without a warrant any person who has
3 committed or is about to commit, or is committing in his presence any of the
4 offenses defined in this chapter. The tools, animals, equipment and
5 conveyances used in committing the offense, and the forest products cut,
6 gathered, taken or possessed by the offender in the process of committing the
7 offense shall also be seized and confiscated in favor of the government. The
8 arresting forest officer shall thereafter deliver within twenty-four (24) hours
9 from the time of arrest or seizure both the offender and the confiscated forest
10 products, conveyances, tools and equipment, or the documents pertaining to
11 the same, and file the proper complaint with the appropriate official designated
12 by law to conduct preliminary investigation and file information in court. If the
13 arrest and seizure are made in the forest far from authorities designated by law
14 to conduct preliminary investigations, the delivery to and filing of the
15 complaint with the latter shall be done within a reasonable time sufficient for
16 ordinary travel from the place of arrest to the place of delivery. The seized
17 forest products, materials, conveyances, tools and equipment shall be
18 immediately disposed of in accordance with the regulations promulgated by the
19 Secretary.

20 The Secretary may deputize any agency, barangay or barrio official, or
21 any qualified person to protect the forest and exercise the powers or authority
22 provided for in the preceding paragraph. Reports and complaints regarding the
23 commission of any of the offenses defined in this chapter not committed in the
24 presence of any forest officer or any of the deputized officers shall
25 immediately be reported to the forest officer assigned in the area where the
26 offense was allegedly committed. Thereupon, the investigating officer shall
27 receive the evidences supporting the report or complaint and submit the same

1 to the appropriate official authorized by law to conduct a preliminary
2 investigation of criminal cases and file the information in court.

3 **SEC. 70. *Liability of Custodian of Confiscated Forest Products.*** -

4 Any public officer who fails to produce the timber or forest products, including
5 tools, conveyances, equipment and devices in his custody pursuant to a seizure
6 or confiscation made thereon, or who shall appropriate, take, misappropriate,
7 or shall permit another person to take such timber or forest products, wholly or
8 partially, shall suffer the penalty provided for in malversation of public funds
9 or property, of the Revised Penal Code. In addition, the said public officer
10 shall be dismissed from service with prejudice to reinstatement and with
11 perpetual disqualification from holding any elective or appointive office.

12 **SEC. 71. *Citizen's Suit.*** - Any citizen may file an appropriate civil,
13 criminal or administrative action in the proper court against:

14 (a) Any person who violates or fails to comply with the provisions of
15 this Act or its implementing rules and regulations;

16 (b) The Department or other implementing agencies with respect to
17 orders, rules and regulations issued inconsistent with this Act; and

18 (c) Any public officer who willfully or grossly neglects to perform an
19 action specifically enjoined as a duty by this Act or its implementing rules and
20 regulations; or abuses his authority in the performance of his duty; or in any
21 manner improperly performs his duties under this Act or its implementing rules
22 and regulations. However, no suit can be filed until after thirty (30) days
23 notice has been given to the public officer or the alleged violator concerned
24 and no appropriate action has been taken.

25 **CHAPTER XII**

26 **ADMINISTRATIVE PROVISIONS**

27 **SEC. 72. *Development of Mechanisms for Private Sector Participation***
28 ***in Forest Management.*** - The Secretary is hereby authorized to adopt

1 appropriate mechanisms to strengthen private sector participation in forest
2 management, which shall include the accreditation of a national organization of
3 private investors including those for profit, NGOs and POs. The accredited
4 national organization shall assist the Department in the formulation and review
5 of relevant policies to ensure the contribution of the forestry sector to the
6 national economy and sustainable development. It shall also assist the
7 Department in evaluating applications for forest management agreements,
8 monitoring the performance of holders of commercial tenure instruments,
9 ensuring the local supply of timber and wood products, providing producers
10 with access to local and international markets; enhancing various ecosystems
11 services; and ensuring the maintenance of high conservation values.

12 SEC. 73. *Administrative Authority of the Secretary or His Duly*
13 *Authorized Representative to Order Confiscation.* – In all cases of violations
14 of this Act or other forest laws, rules and regulations, the Secretary or his duly
15 authorized representative may order the confiscation of forest products
16 illegally harvested, cut, gathered, removed or possessed or abandoned, and all
17 conveyances used either by land, water or air as well as all machinery,
18 equipment, implements and tools used in the commission of the offense and to
19 dispose of the same in accordance with pertinent laws, regulations or policies
20 on the matter.

21 If the confiscated forest products are in danger of deteriorating, the
22 Secretary may order that the same be sold at public auction even before the
23 termination of the judicial proceedings, with the proceeds kept in trust to await
24 the outcome of the judicial proceedings.

25 No court of the Philippines shall have jurisdiction to issue any *Writ of*
26 *Replevin*, restraining order, or preliminary mandatory injunction in any case
27 involving or growing out of any action by the Secretary or his duly authorized
28 representative in the exercise of the foregoing administrative authority.

1 SEC. 74. *Administrative Authority of the Secretary to Impose Fines.* -
2 In all cases of violations of this Act and other forest laws, rules and regulations
3 where fine is the principal penalty, the Secretary, after consultation with the
4 forest-based industries affected, is hereby authorized to impose
5 administratively the penalty consisting of the amount and the schedules of the
6 fine which shall be officially published in a national newspaper of general
7 circulation.

8 SEC. 75. *Authority of Forest Officers.* - When in the performance of
9 their official duties, forest officers or other government officials or employees
10 duly authorized by the Secretary shall have free entry into areas covered by a
11 contract, agreement, license, lease or permit. Forest officers are authorized to
12 inspect and to open closed vans suspected to contain illegally harvested,
13 collected or transported forest products: *Provided*, That it is done in the
14 presence of the shipper or consignee or two (2) responsible public officials in
15 the locality. Forest officers are authorized to administer oath, take
16 acknowledgment in official matters connected with the functions of their
17 office, or take testimony in official investigations conducted under the
18 authority of this Act and the implementing rules and regulations issued by the
19 Secretary pursuant thereto.

20 SEC. 76. *Visitorial Functions.* - The Secretary or his duly authorized
21 representative shall, from time to time, investigate, inspect, and examine
22 records and other documents except bank records related to the operation of
23 any person granted the privilege, contract or agreement to utilize forest
24 resources to determine compliance with the terms and conditions stipulated in
25 the grant, contract or agreement, this Act, and pertinent laws, rules and
26 regulations.

1 SEC. 77. *Authority of the Secretary to Revert Lands Needed for Forest*
2 *Purposes.* – When the national interest so demands, the Secretary is hereby
3 authorized, through any available legal remedies, to revert lands currently used
4 for agricultural production or other purposes into forest uses or for biodiversity
5 conservation.

6 SEC. 78. *Protection to Witnesses in Cases Involving Violation of*
7 *Forestry Laws.* – Witnesses to violations of this Act or other forestry laws
8 and regulations, including the immediate members of the family of said
9 witnesses shall be given protection, security and benefit, subject to the
10 provisions of Republic Act No. 6981, otherwise known as “The Witness
11 Protection, Security and Benefit Act” and its implementing rules and
12 regulations.

13 SEC. 79. *Transitory Provisions.* – Upon the approval of this Act, the
14 Department shall evaluate the conditions of all forest lands covered by existing
15 tenure instruments, memoranda of agreements (MOAs) and other agreements
16 and contracts which shall be allowed to continue until their expiration, unless
17 otherwise earlier terminated for cause.

18 SEC. 80. *Implementing Rules and Regulations.* – In consultation with
19 the Departments of the Interior and Local Government, Finance, Agriculture,
20 Budget and Management, and other relevant agencies and stakeholders, the
21 Secretary of the Department shall formulate the rules and regulations to
22 implement the provisions of this Act.

23 SEC. 81. *Congressional Oversight Committee.* – There is hereby
24 created a Congressional Oversight Committee to oversee the implementation of
25 this Act composed of seven (7) members from the Senate Committee on
26 Environment and Natural Resources and seven (7) members from the House of
27 Representatives Committee on Natural Resources.

1 The secretariat of the Oversight Committee shall be drawn from the
 2 existing secretariat personnel of the committees comprising the oversight and
 3 the funding shall be taken from the appropriations of both the House of
 4 Representatives and the Senate.

5 SEC. 82. *Moratorium or Ban on Logging.* - Congress shall provide,
 6 for such period as it may determine, measures to prohibit logging in
 7 endangered forests and watershed areas.

8 CHAPTER XIII

9 FINAL PROVISIONS

10 SEC. 83. *Separability Clause.* - If any provisions of this Act is
 11 declared unconstitutional, the validity of the other provisions shall not be
 12 affected by such declaration.

13 SEC. 84. *Repealing Clause.* - Subsections (b), (d), (e), (f), (g) and (i)
 14 of Section 4 of Act No. 3915; Republic Act No. 460; Republic Act No. 7161;
 15 Presidential Decrees Numbered 953, 1153, 1515, 705 as amended by
 16 1559, 1775 and 1998; Letter of Instruction No. 818; Executive Orders
 17 Numbered 277 and 278, series of 1987; and Executive Orders Numbered 263,
 18 318 and 725, series of 1981 are hereby repealed. All other laws, orders, rules
 19 and regulations or parts thereof that are inconsistent herewith are likewise
 20 hereby repealed or amended accordingly.

21 SEC. 85. *Effectivity.* - This Act shall take effect thirty (30) days after
 22 its publication in the *Official Gazette* or in two (2) newspapers of general
 23 circulation.

 Approved,