

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



Senate
Office of the Secretary

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SENATE

S. No. 988

RECEIVED BY: _____

Introduced by SENATOR RAMON BONG REVILLA, JR.

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

EXPLANATORY NOTE

Forests are our lifelines. They provide us with practically all of our needs, from food, water, and clean air to community resilience, prevention of outbreaks, protection against effects of climate change, and even calmness of mind. Thus, threats to the existence and health of our forests are direct threats to the survival of humankind.

Unfortunately, Philippine forests have been degraded, deforested and overexploited through the years. The country has only over 20% of forest cover. This is far from the ideal 40-50% forest area in relation to land that is needed to sustain ecological balance, protect communities from landslides, and ensure availability of water. We are also losing 47,000 hectares of forest cover every year.

This bill seeks to provide a policy on sustainable management of forests and forest resources. Specifically, it has the following objectives:

1. Strengthen institutional mechanisms to respond to forest management concerns namely, development and regulation of the forest-based industries, law enforcement, and management of watershed;
2. Create the Sustainable Forest Development Fund as a support mechanism for funding requirements of forest management units;

3. Reconstitute the Forest Management Bureau to be a more responsive and proactive administrator, manager and protector of forests and forest resources;
4. Ensure that required forest cover is achieved to maintain the provision of ecological services.

Lastly, this proposal aims to ensure that the coming generations will continue to enjoy and experience the wide array of benefits that our forests generously provide.

This measure has already been approved on Third and Final Reading by the House of Representatives during the Third Regular Session of the Seventeenth Congress.

In this light, the immediate passage of this bill is highly recommended.



RAMON BONG REVILLA, JR.

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

**ARTICLE I
GENERAL PROVISIONS**

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

6 Sec. 2. *Declaration of Policy.* - It is a policy of the State to promote social
7 justice and the general welfare in all phases of national development; protect and
8 advance the right of the Filipino people to a balanced and healthful ecology in accord
9 with the rhythm and harmony of nature; and to conserve and develop the patrimony
10 of the nation. Therefore, the State hereby adopts the following policies for the
11 sustainable management and conservation of forest lands and forest resources found
12 therein:

13 (a) The specific limits of forest lands, after these have been fixed and
14 demarcated, shall not be altered, except through an act of Congress;

15 (b) The use and conservation of forest lands and forest resources found therein
16 shall bear social, cultural, ecological, biological and economic functions,
17 responsibility and accountability to promote the common good of present
18 and future generations;

1 (c) The protection of forest ecosystem, as well as rehabilitation through
2 reforestation and afforestation of the degraded forest ecosystem shall be
3 given priority to mitigate climate change, improve and conserve
4 biodiversity, enhance ecosystem functions and services and provide long-
5 term economic benefits;

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

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

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

19 (a) To deregulate the management of forest lands and forest resources;

20 (b) To provide sustainable livelihood and enterprises especially among those
21 depending and temporarily residing in forest lands;

22 (c) To strengthen institutional mechanism to respond to forest management
23 concerns namely, development of the forest industry; law enforcement;
24 and management of watershed;

25 (d) To create the Sustainable Forest Development Fund as a support
26 mechanism for funding requirements of forest management units;

27 (e) To reorient the role of Forest Management Bureau to be more responsive
28 and proactive consistent with the objectives of this Act;

29 (f) To ensure that required forest cover is achieved to maintain the provision
30 of ecological services.

31 Sec. 4. *Scope and Coverage.* – The provisions of this Act shall apply to all forest
32 lands and all forest resources in lands over which the Philippines has sovereignty and

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

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

- 17 (a) *Biodiversity* – refers to the variability among living organisms from all
18 sources, including, *inter alia*, terrestrial, marine, and other aquatic
19 ecosystems in the ecological complexes they are part of;
- 20 (b) *Climate change* – refers to a change in climate that can be identified by
21 changes in the mean and/or variability of its properties and that persists for
22 an extended period, typically decades or longer whether due to natural
23 variability or as a result of human activity;
- 24 (c) *Climate change adaptation* – refers 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;
- 27 (d) *Climate change mitigation* – refers to human intervention to reduce
28 anthropogenic emissions by sources and removals by sinks of all
29 greenhouse gases including ozone depleting substances and their
30 substitutes;
- 31 (e) *Ecosystem* – refers to a community of living organisms interacting with each
32 other and with their physical environment;

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

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

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31 **ARTICLE II**
32 **ADMINISTRATION, DEVELOPMENT, MANAGEMENT AND UTILIZATION**
33 **OF FOREST LANDS AND FOREST RESOURCES**

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

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

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

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

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

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

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

11 (a) Protection Forest Lands – All areas within the forest lands designated or set
12 aside as such shall constitute the protection forest lands. They shall consist
13 of the following:

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

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

26 Only indigenous species shall be planted or introduced within protected forest
27 lands.

28 (b) Production Forest Lands – All public forest lands not classified as protection
29 forest lands, pursuant to this Section, shall constitute the production forest
30 lands of the country. These lands shall be devoted for the production of
31 timber and non-timber forest products to supply the domestic forest

1 resource demand of the country and facilitate international trade of forest
2 resources.

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

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

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

21 *Section. 12. FMU Development and Management Planning.* – Every FMU shall
22 have a management plan, formulated by the FMU Manager that was reviewed and
23 concurred by a Registered Professional Forester which shall be approved by the DENR.
24 The FMU management plans shall contain the following:

- 25 (a) FMU management objective;
- 26 (b) Description of the physical, environmental, socio-economic, and
27 administrative profile of the FMU;
- 28 (c) Mapping and zoning of the FMU into production and high conservation value
29 - forest zones;
- 30 (d) Management prescriptions to be applied in each zone to meet the FMU
31 management objectives;
- 32 (e) Implementation plan; and

1 (f) Expected benefits and impacts of the plan.

2 Sec. 13. *Sustainable Management of Mangrove Resources.* – Mangrove species
3 planted within protection or production forest lands can be harvested, gathered or
4 collected, taking into consideration the basic forestry policies and strategies provided
5 for in this Act. The harvesting, gathering and collection of mangrove species shall be
6 upon the authority provided for by the Bureau.

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

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

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

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

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

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ARTICLE III
FOREST-BASED INDUSTRIES

Sec. 17. *Development of an Open and Competitive Market for Forest Resources.*
– To meet the demands for forest goods and services of the country, the State,

1 through the DENR shall promote and rationalize the establishment, operations and
2 development of forest-based industries. The DENR shall institute measures to develop
3 an open and competitive market for forest products including among others the
4 liberalization of forest products, harvesting, transport and marketing.

5 *Sec. 18. Export of Certified Forest Products.* – No person shall sell or offer for
6 sale any forest resources in the international market without complying with the
7 certification system established by the Government. Failure to adhere to the
8 established standards, or any act of falsification shall be sufficient cause for the
9 cancellation of export licenses and other permits authorizing the manufacture or sale
10 of such resources.

11 *Sec. 19. Regulation of Forest-based Industries.* – All processing plants using
12 forest resources as raw materials shall be subject to existing regulations prescribed by
13 law, including the Environmental Impact Assessment (EIA) System; *Provided,* That
14 these processing plants are registered with the Department of Trade and Industry
15 (DTI) as well as clearance from the Local Government Unit to operate.

16 *Sec. 20. Enhance Private Investments and Economic Contribution.* – Forest-
17 based industries shall be supported to promote global competitiveness, support
18 demands for wood and other products, and enhance economic contribution to the
19 country. Appropriate incentives shall be provided such as establishment of
20 agroforestry economic zones in order to ease the conduct of business and attract local
21 and foreign investments that are mutually beneficial to the government, concerned
22 communities, partner organization and the investors concerned.

23 *Sec. 21. Community-Based Forest Enterprises.* – Economic activities and
24 practices of local communities, including indigenous cultural communities and
25 indigenous peoples, on forest-based enterprises, including non-timber forest products,
26 that promote the sustainable use of forest resources shall be supported and promoted
27 to address food security and improve quality of life.

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ARTICLE IV
EMPOWERING AND ENABLING CONDITIONS FOR
SUSTAINABLE FOREST MANAGEMENT

1 Sec. 22. Forest Land Use and Tenure Instruments. – The State, represented by
2 the DENR, may undertake the exploration, development and utilization of forest lands
3 and forest resources found therein with qualified persons, whether natural or juridical,
4 through tenure instruments.

5 Sec. 23. *Forest Management Agreement.* – The State, through the DENR and
6 a qualified person, whether natural or juridical, may enter into a Forest Management
7 Agreement for the exploration, development, and utilization of forest lands and forest
8 resources found therein. The Forest Management Agreement shall have a duration of
9 twenty-five (25) years and may be extended for another twenty-five (25) years.

10 Sec. 24. *Scope of Forest Management Agreement.* – The Forest Management
11 Agreement may be entered into for the following purposes:

- 12 (a) Agroforestry plantations (in accordance to the standards of the DENR)
13 Forest plantation development;
- 14 (b) Forest plantation development with processing plant;
- 15 (c) Ecotourism development; and
- 16 (d) Special uses for forest lands.

17 A Forest Management Agreement may be entered into for a single purpose or
18 a combination of any of the above mentioned purposes.

19 Sec. 25. *Special Uses of Forest Lands.* – A Forest Management Agreement may
20 be entered into for a special use of forest land which shall include the following:

- 21 (a) Dry Dock Site;
- 22 (b) Industrial Processing Site;
- 23 (c) Herbal or Medicinal Plantation;
- 24 (d) Fish Drying Site;
- 25 (e) Communication Station Site;
- 26 (f) Public Landing Site or Airstrip;
- 27 (g) Log Pond or Log Depot;
- 28 (h) Lumber Yard;
- 29 (i) Motor Pool Site;
- 30 (j) Power Station Site;
- 31 (k) Transmission Line Site;
- 32 (l) Right-of-Way;

- 1 (m) Farm-to-market Roads;
- 2 (n) Government Facility Site (e.g. schools, clinics, satellite offices, among
- 3 others);
- 4 (o) Water Reservoir;
- 5 (p) Renewable energy projects;

6 *Provided*, That for government facilities or infrastructures like farm-to-market
7 roads, public school sites, public hospitals or clinics, etc. shall be free from any fee,
8 charge or other pecuniary obligations under the Forest Management Agreement.

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

- 11 (a) Filipino citizens;
- 12 (b) Corporations or associations at least sixty percent (60%) of whose capital
- 13 is owned by Filipinos;
- 14 (c) Local government units, when the purpose of the Forest Management
- 15 Agreement is for public use or the establishment of government centers
- 16 and facilities; or
- 17 (d) Other National Government Agencies or Government-Owned or -Controlled
- 18 Corporations, when the purpose of the Forest Management Agreement is
- 19 for national interest, like transmission lines, water reservoirs, or distribution
- 20 lines for electricity.

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

- 24 (a) Forest Plantations, Forest Plantation with Processing Plants. The sharing of
- 25 outputs from Forest Management Agreements entered into for the purpose
- 26 of developing and managing forest plantations, and forest plantations with
- 27 processing plants shall be based on the total gross output of the plantation
- 28 harvests. Said sharing shall be done in a manner advantageous to national
- 29 interest without prejudice for incentives that may be described by the
- 30 DENR.
- 31 (b) For ecotourism purposes, the person who entered into a Forest
- 32 Management Agreement with the State for the purpose of ecotourism or

1 other special uses for forest lands shall have the obligation to pay an annual
2 user's fee equivalent to five percent (5%) of the nearest commercial zonal
3 value per square meter or a fraction thereof.

4 (c) Government facilities or infrastructures. Non-income generating
5 government facilities such as public school sites, public hospitals or clinics,
6 government center or offices, roads, farm-to-market access roads and
7 public buildings are exempt from paying any fee or other pecuniary
8 obligation with the State. *Provided*, That the use of these establishments
9 or infrastructures shall not be subject to privatization.

10 *Sec. 28. Forestry Research, Education, Training and Extension.* – Research and
11 technology development for the Ecosystems Research and Development Bureau,
12 Forest Products Research and Development Institute, Universities, and other research
13 institutions shall be strengthened to support sustainable management of forest
14 resources. For this reason, the Forestry Development Center of the University of the
15 Philippines Los Baños shall lead in forest policy research in collaboration with schools,
16 universities and colleges (SUCs), as well as other stakeholders.

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

23 Forestry education in the Philippines shall be rationalized to ensure the quality
24 of formal forestry education and establish, support, and sustain the national and
25 regional centers of development and excellence in forestry and environment education
26 to develop high quality human resources and promote global competitiveness. The
27 Commission on Higher Education shall include forest ecology and environment courses
28 in general education curricula. The DENR shall formulate a nationwide program for
29 sustained public information and advocacy campaigns for forests and natural
30 resources conservation, sustainable forest management, and climate change.

31 *Sec. 29. The Sustainable Forest Development Fund.* – A Sustainable Forest
32 Development Fund (SFDF) is hereby established to provide concessional financing

1 particularly for forest development projects proposed by qualified managers of FMUs.
2 Said Fund shall be administered by a government financial institution as a trust
3 account managed under the "capital preservation" principle.

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

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

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

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

16 The DENR shall include in the implementing rules and regulations of this Act
17 the guidelines for the management, development, and operationalization of the SFDF,
18 in coordination with other concerned agencies and civil society organizations.

19 *Sec. 30. Importation and Sale.* – Forest resources may be imported into the
20 country, subject to existing laws, rules and regulations. All imported forest resources
21 shall comply with the Philippine National Standards to be developed by the Department
22 of Trade and Industry in coordination with the Forest Products Research and
23 Development Institute and the DENR. Compliance with these standards shall be a
24 precondition for the sale or disposition of these products in the Philippines.

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ARTICLE V
ORGANIZATIONS AND GOVERNANCE

1 *Sec. 31. Creation of the Position of the Undersecretary for Forestry.* – There is
2 hereby created in the DENR the position of Undersecretary for Forestry who shall
3 perform the following functions:

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

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

20 *Sec. 32. Reconstitution of the Forest Management Bureau.* – The Forest
21 Management Bureau is hereby reconstituted as a line bureau under the DENR, which
22 shall be responsible for the administration, management, development, and protection
23 of forest lands and forest resources of the country, with functions specifically as
24 follows:

- 25 (a) Implementation of all policies, plans, programs, projects and activities
26 concerning forest lands with provision for effective feedbacking and
27 reporting mechanisms;
- 28 (b) Ensure sufficient provision of technical, marketing, financial, tenurial and
29 infrastructure support to persons and entities engaged in FMU
30 management;
- 31 (c) Enforce watershed-based planning approaches in all forest land
32 development and management endeavors;

- 1 (d) Encourage the participation of forestry stakeholders through multi-sectoral
2 consultative bodies in all forestry-related consultative process;
- 3 (e) Develop and implement an effective geographical information system in aid
4 of forestry planning, monitoring, and policy formulation;
- 5 (f) Monitor and evaluate the physical, environmental, and socio-economic
6 outcomes in the management of all FMUs; and
- 7 (g) Formulate and publish periodic reports informing stakeholders of the status
8 of Philippine forest lands using both qualitative and quantitative methods.

9 *Sec. 33. Composition of the Forest Management Bureau.* – As a line bureau,
10 the FMB shall be headed by a Director and assisted by two (2) Assistant Directors who
11 shall supervise the administrative and technical services of the Bureau respectively.
12 There shall be an FMB Regional Director in such administrative regions with
13 corresponding offices and positions.

14 *Sec. 34. Assistance of Law Enforcement Agencies.* – Local Government Units,
15 the Department of the Interior and Local Government, and the DENR, may, when
16 deemed necessary, call upon law enforcement agencies and instrumentalities of the
17 Government such as the Philippine National Police (PNP), the Armed Forces of the
18 Philippines (AFP), the Philippine Coast Guard (PCG), and the National Bureau of
19 Investigation (NBI) for the enforcement of environmental laws, executive orders, and
20 their implementing rules and regulations.

21 *Sec. 35. Creation of Community-based Forest Law Enforcement Team.* – The
22 Community-based Forest Law Enforcement Team (CFLET) shall be organized with
23 members composed of representatives from direct stakeholders in a particular
24 watershed. Said Team shall be deemed as quick responders on complaints to be
25 augmented or reinforced by the Forest Ranger. Funding for CFLET's operational
26 requirements shall be sourced from agreed contributions from FMU Managers agreed
27 with the DENR, proceeds from sale of confiscated forest products and donations from
28 various sources.

29 *Sec. 36. Local Government Units.* – Enabling mechanisms shall be developed
30 to enhance the participation of the local government units in the sustainable
31 management and utilization of forest resources within their territorial jurisdiction,
32 including those assigned by law to other government agencies.

1 LGUs with forest lands inside their jurisdiction shall align their CLUPs, local
2 development plans, disaster risk reduction and management plans, and other required
3 plans according to the objectives specified herein and in protected area management
4 plans.

5 *Sec. 37. Other Government Agencies.* – Forest lands or portions thereof, which
6 have been placed under the administration and management of other government
7 agencies shall remain under the administration and management of the said
8 government agencies; with the DENR exercising oversight power over these areas;
9 *Provided;* That their administration and management shall be based on the policies,
10 strategies, and programs that are consistent with the provisions of this Act; *Provided*
11 *further,* That the concerned agencies shall submit an annual accomplishment report
12 to the DENR.

13 *Sec. 38. Multi-Sectoral Consultative Bodies in Relation to Natural Resources*
14 *Governance.* – A technical and multi-sectoral consultative body involving all
15 stakeholders concerned within a watershed shall be convened by the DENR pursuant
16 to this Act, specifically for each FMU and cluster of FMUs as appropriate and shall be
17 consulted at least once a year to review and make recommendations on watershed-
18 based management related policies at the local and regional level. Further, the DENR
19 shall extend technical assistance to multi-sectoral bodies organized for the purpose of
20 policy making in relation to environment and natural resources governance specifically
21 on forest governance issues.

22 *Sec. 39. Function of Multi-sectoral Consultative Bodies.* – The body shall be
23 responsible for the overall policy direction in the management of the forest lands and
24 forest resources found within their respective jurisdictions in accordance with the
25 provisions of this Act. Specifically:

- 26 (a) Review and recommend implementation of programs and projects;
27 (b) Perform oversight functions on matter pertaining to environment and
28 natural resources; and
29 (c) Participate in the review and recommend relevant policies for the
30 protection, conservation and restoration efforts within the watershed in
31 ensuring significant contribution of the forestry sector to the national

1 economy, ecological sustainability and sustainable development closely
2 adhering to the principles and priority programs of the Government.

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

6 *Sec. 40. Power and Water Utility Service Providers.* – Forest lands or portions
7 thereof, which have been placed by law or agreement under the administration and
8 management of government and private power and water utilities service providers,
9 shall be included in the partitioning of forest lands into appropriate categories
10 consistent with the purpose of the assigned forest land, and shall remain under the
11 administration and management of the said utilities service providers concerned;
12 *Provided,* That the DENR shall exercise oversight power on the planning,
13 management, utilization, and assessment of all forest resources in these areas.

14 *Sec. 41. Governance Mechanism.* – The following mechanisms shall be
15 developed, established, and used for the sustainable forest management:

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

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

30 **ARTICLE VI**
31 **OFFENSES AND PENALTIES**
32

1 *Sec. 42. Harvesting, Gathering, Collection, or Possession of Forest Resources*
2 *from Protection Forest Lands.* – Any person who shall harvest, gather, collect, or
3 possess any forest resource from protection forest lands shall be punished with
4 imprisonment ranging from six (6) years and one (1) day to twelve (12) years and
5 one (1) day and/or a fine equivalent to ten (10) times the value of the said forest
6 resource. The Forest Protection Officers shall have the authority to estimate the
7 present market value of the forest resources of the illegal harvest, gathering, collection
8 or possession based on the guidelines promulgated by the DENR.

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

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

13 *Sec. 43. Illegal Harvesting, Gathering, Collection or Possession of Forest*
14 *Resource as an Act of Economic Sabotage.* – Any of the acts enumerated in the
15 preceding section shall be considered as an economic sabotage when committed by:

16 (a) At least two or more persons through an organized and systematic manner;
17 and

18 (b) Any person when the amount of forest resources harvested, gathered,
19 collected, or possessed amounts to at least One million pesos
20 (P1,000,000.00).

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

23 *Sec. 44. Grazing Livestock in Forest Lands without Authority.* – Any person
24 found to have caused the grazing of livestock in forest lands without an authority from
25 the DENR shall be punished with the imprisonment of two (2) years, four (4) months,
26 and one (1) day to four (4) years and two (2) months. The livestock shall be
27 confiscated in favor of the Government.

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

1 Section 46. *Destruction of Forest Lands.* – Any person who shall destroy or
2 cause the destruction within forest lands or assist, aid or abet another person to do
3 so, shall be punished with a penalty of imprisonment of six (6) years and one (1) day
4 to twelve (12) years, and a fine of not less than One hundred thousand pesos
5 (P100,000.00) but not more than Five hundred thousand pesos (P500,000.00).

6 Sec. 47. *Unlawful Operation of Sawmills, Wood Processing Plants, and Forest-*
7 *Based Industries.* – Any person operating sawmills, wood processing plants, and
8 forest-based industries without any authority from the DENR, shall be punished with
9 a penalty of imprisonment of six (6) years and one (1) day to twelve (12) years and a
10 fine of not less than Five hundred thousand pesos (P500,000.00).

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

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

18 Sec. 48. *Prohibition on the Issuance of Land Titles or Tax Declarations of Forest*
19 *Lands.* – All land titles and tax declaration issued over forest lands shall be deemed
20 void *ab initio*. Any person who shall issue land titles and tax declarations over any
21 forest land or a parcel thereof shall be punished with imprisonment of six (6) years
22 and one (1) day to twelve (12) years and a fine of not less than One hundred thousand
23 pesos (P100,000.00) but not more than Five hundred thousand pesos (P500,000.00).
24 The accessory penalty of disqualification shall be imposed for a period of twelve (12)
25 years and one (1) day.

26 Sec. 49. *Non-payment and Non-Remittance of Forestry Fees and Charges.* –
27 Any person who fails to pay the amount due and payable as forestry fees or charges
28 to the government or remit the same to the proper authorities shall be punished with
29 a penalty of imprisonment of six (6) years and one (1) day to twelve (12) years with
30 a fine of not less than One hundred thousand pesos (P100,000.00) but not more than
31 Five hundred thousand pesos (P500,000.00).

1 *Sec. 50. Non-Establishment of Tree Parks and Green Spaces.* – Every local
2 government unit shall establish and maintain tree parks and green spaces pursuant to
3 their Comprehensive Land Use Plans. Funds for the establishment and maintenance
4 of the same shall form part of the local government unit’s annual budget.

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

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

13 Any local government unit or owner of a parcel of land subdivided into
14 residential, commercial, or industrial lots who fails who fails to establish green spaces
15 or tree parks as provided in the preceding paragraphs shall be penalized with a fine
16 of not less than Five hundred thousand pesos (P500,000.00) but not more than One
17 million pesos (P1,000,000.00).

18 *Sec. 51. Illegal Conversion of Tree Parks and Green Spaces.* – Any person who
19 shall convert or cause to convert any tree park or green space for a purpose
20 inconsistent with those provided for by this Act shall be punished with a penalty of
21 imprisonment of six (6) years and one (1) day to twelve (12) years and/or a fine of
22 not less than Five hundred thousand pesos (P500,000.00) but not more than One
23 million pesos (P1,000,000.00).

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

28 *Sec. 52. Arrest and Detention.* – If the apprehension was conducted in remote
29 areas far from the place where the person authorized to conduct inquest proceedings
30 is located, the delivery to the proper judicial authorities shall be done within a
31 reasonable time period, taking into consideration the ordinary travel time from the
32 place of arrest to the place of delivery.

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

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

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

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

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

19
20 **ARTICLE VII**
21 **ADMINISTRATIVE PROVISIONS**
22

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

31 *Sec. 56. Administrative Authority of the Secretary to Impose Fines.* – In all
32 cases of violations of this Act and other forest laws, rules and regulations where fine
33 is the principal penalty, the Secretary or the duly authorized representative, after the

1 consultation with the forest-based industries affected, is hereby authorized to impose
2 administratively the penalty consisting of the amount and the schedules of the fine
3 which shall be officially published in a national newspaper of general circulation.

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

7 *Sec. 58. Informant's Incentives.* – Twenty percent (20%) of the value of
8 confiscated materials shall be used as incentives to informants including forest
9 management councils and forest management boards. They shall also be entitled to
10 free legal assistance should cases be filed against the in the performance of official
11 duties.

12 *Sec. 59. Suits and Strategic Legal Action Against Public Participation and the*
13 *Enforcement of this Act.* –

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

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

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

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

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

31 The parties must submit all available evidence in support of their respective
32 positions. The party seeking the dismissal of the case must prove by

1 substantial evidence that his act for the enforcement of this Act is a
2 legitimate action for the prosecution, preservation and rehabilitation of the
3 environment. The party filing the action assailed as a SLAPP shall prove by
4 preponderance of evidence that the action is not a SLAPP and is a valid
5 claim.

6 (d) The affirmative defense of a SLAPP shall be resolved within thirty (30) days
7 after the summary hearing. If the court dismisses the action, the court may
8 award damages, attorney's fees and costs of suit under a counterclaim if
9 such has been filed. The dismissal shall be without prejudice.

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

13 *Sec. 60. Citizen's Suit.* – Any citizen may file an appropriate civil, criminal or
14 administrative action with the proper court against:

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

17 (b) The DENR or other implementing agency with respect to orders, rules and
18 regulations issued inconsistent with this Act;

19 (c) Any public officer who willfully or grossly neglects the performance of an
20 act specifically enjoined as a duty by this Act or its implementing rules and
21 regulations; or abuses one's authority in the performance of duty; or in any
22 manner improperly performs the duties under this law or its implementing
23 rules and regulations.

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

27 *Sec. 61. Implementing Rules and Regulations.* – The DENR, in consultation with
28 other government agencies and relevant stakeholders charged with the administration
29 and enforcement of this Act shall promulgate the necessary implementing rules and
30 regulations within one (1) year from the effectivity of this Act.

31 *Sec. 62. Transitory Provisions.* – Upon the approval of this Act, the DENR shall
32 evaluate the conditions of all forest lands covered by existing tenure instruments,

1 agreements or contracts, permits, and the like, which shall be allowed to continue
2 until their expiry unless otherwise terminated for cause.

3 *Sec. 63. Separability Clause.* – If any provision or part hereof is held invalid or
4 unconstitutional, the remainder of the law or the provision or part not otherwise
5 affected shall remain valid and subsisting.

6 *Sec. 64. Repealing Clause.* – Any law, presidential decree or issuance,
7 executive order, letter of instruction, administrative order, rule, or regulation contrary
8 to or inconsistent with the provisions of this Act are hereby repealed, modified, or
9 amended accordingly.

10 *Sec. 65. Effectivity.* – This Act shall take effect fifteen (15) days after its
11 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,