Office of the Secretary

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

22 JUL 14 P2:10

SENATE

s. No. <u>615</u>

RECEIVED BY:

Introduced by **SENATOR CYNTHIA A. VILLAR**

AN ACT

INSTITUTIONALIZING BAMBOO INDUSTRY DEVELOPMENT IN THE PHILIPPINES, CREATING THE BAMBOO INDUSTRY DEVELOPMENT CENTER, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Section 12, Article XII of the 1987 Constitution provides that the State shall promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive.

In this connection, we are blessed that bamboo, considered as one of the most economically-important non-timber products, thrives within the Philippines. Bamboo's fast growth and excellent properties make it an ideal substitute to wood for furniture, handicrafts, construction material, and chemical products. Bamboo utilization is geared to exploit its use as substitute to wood. The value of bamboo was further boosted by studies and S&T interventions in processing, machine engineering, design, capacity building and marketing that mainstreamed engineered-bamboo products as raw materials for construction and furniture making.

The Philippine government has been supporting the production and development of bamboo in the country for sometime now. In May 2010, Executive Order (EO) No. 879, series of 2010 was issued creating the Philippine Bamboo Industry Development (PBID) Council and directed the use of bamboo for at least twenty five percent (25%) of desk and other furniture requirements of public elementary and secondary schools and prioritizing the use of bamboo in furniture,

fixtures and other construction requirements of government facilities. Thus, bamboo was tapped as the main material to substitute for the reduced supply of wood in government facilities. E.O. 879 was reinforced by Memorandum Circular No. 30 s. 2012, which directed the full implementation of the Philippine Bamboo Industry Program.

The Department of Trade and Industry (DTI) through the years has been providing MSMEs across the country access to better technology and more sophisticated equipment through shared services facility (SSF) that could boost productivity and improve efficiency. The SSF program addresses both the gaps and bottle necks in the value chain of priority industry clusters, while increasing agriculture and rural based MSMEs' reach and profit. The DTI has identified bamboo as one of the eight priority industry clusters. Bamboos are now being used for the nourishment of people in rural areas, the construction of simple infrastructure, as well as in producing world-class Filipino furniture and handicrafts renowned in all parts of the globe.

The Philippines hopes to increase its share in the global market for bamboo. As of December 2021, DTI reported that nationwide, the initiatives of the bamboo industry cluster enabled the creation of 7,432 jobs with a total of P88.40 million investments and P101.99 million sales, helping a total of 2,953 MSMEs.¹ The country was ranked as the 28th largest bamboo exporter in the world in 2020 with its total exports of bamboo reaching about \$44,761 annually.² Given the said figures, there is much room for improvement.

Even though the Filipino designers have come up with brilliant bamboo craftsmanship, the local bamboo sector can still be further developed. The honing of the Filipino skills and providing them with global perspective will definitely help our bamboo industry become a major revenue and employment generator. Thus, a bamboo industry development program should be institutionalized to bring more efficient, transparent, and effective service delivery set-up. The task is not yet completed. The Philippines still has more international markets to reach to

https://pia.gov.ph/news/2022/02/09/dti-cl-continues-to-promote-bamboo-industry

² https://trendeconomy.com/data/commodity_h2/140110

showcase its fine crafted furniture and products, it needs to create more jobs for the rural folks, and it still has to protect the environment for the harsher climatic conditions to come.

I therefore recommend the early approval of the bill.

CYNTHIA A. VILLAR

Office of the Secretary NINETEENTH CONGRESS OF THE) REPUBLIC OF THE PHILIPPINES First Regular Session

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SENATE

s. No. 615

Introduced by SENATOR CYNTHIA A. VILLAR

AN ACT

DEVELOPMENT BAMBOO INDUSTRY INSTITUTIONALIZING **DEVELOPMENT** THE BAMBOO INDUSTRY PHILIPPINES, CREATING CENTER, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

Section 1. Title. – This Act shall be known as the "Philippine Bamboo Industry 1 Development Act of 2022". 2

Sec. 2. Declaration of Policy. - The State shall provide for a self-reliant and independent economy to its people. It shall support indigenous, scientific and technological capabilities, and skills. It shall establish a program for sustainable consumption, production, propagation and promotion of bamboo as furniture, construction and design materials, food and other uses. It shall promote the bamboo industry for poverty reduction, inclusive growth, environmental conservation and protection, agricultural productivity enhancement and climate change mitigation and adaptation.

Sec. 3. Definition of Terms. - As used in this Act:

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Bamboo - refers to a non-timber forest product classified as grass, a) which usually has hallow culms and lignose-cellulose matrix, that is used as timber substitute and as raw material for bamboo-based products, including, but not limited to, pulp and paper, textiles, house construction material, coal, cutleries, cosmetics, dental care, and food;

- b) Bamboo Industry the industry associated with the planting and cultivation of bamboo and bamboo-based products, including, but not limited to, handicrafts, bamboo shoots, bamboo utilized for construction purposes, bamboo for industrial production involving mechanized processing of larger volumes of culms, such as for flooring, laminated furniture, chopsticks, mat boards, charcoal, paper and pulp, textiles, and unprocessed bamboo culms utilized in applications such as scaffolding and traditional construction;
- c) Bamboo Industry Development Roadmap refers to the comprehensive national industrial strategy for the Philippine bamboo industry and shall provide specific programs and projects, including the timeline for the propagation, development and management, processing, utilization, business development, and commercialization of the Philippine bamboo and bamboo products;
- d) Bamboo Processing the process of conversion of bamboo for various products and applications including, but not limited to, walls, panels, trusses, handicraft, textiles, consumer products (tooth brush, tissues, toothpicks, and chopsticks among others) and novelty products (furniture, handicraft, and decors), focused on the possible use of bamboo as substitutes for wood for various applications (plywood, composites, pulp and paper, bamboo arts, and other architectural applications); and
- e) Bamboo Stand an aggregate of clumps occupying a specific area and sufficiently uniform in composition (species), age, spacing, and condition as to be distinguished from the natural and/or existing bamboo stands.

Sec. 4. Objectives. - This Act aims to make the Philippine bamboo industry 1 competitive in the local and international markets while providing opportunities for 2 local employment and establishing bamboo-based community enterprises by: 3 Promoting the integrated and holistic development of the bamboo 4 a) industry in various aspects of research, production, processing, 5 marketing, consumption, capacity building, quality assurance, testing 6 and regulation; 7 Ensuring that the bamboo industry has sufficient supply of quality raw b) 8 materials through the establishment and management of bamboo 9 nurseries and plantations; 10 Ensuring that relevant and accurate data on the bamboo industry are C) 11 collated and published by the Center created under Section 7 of this 12 Act, in cooperation with various government agencies, private entities 13 and other relevant sources, to aid in business decisions related to the 14 industry; 15 Promoting investments in the bamboo industry by providing substantial d) 16 and attractive incentives to investors; 17 Providing skilled labor and manpower through continuous relevant e) 18 capacity building; 19 Ensuring the provision of locally manufactured machines with improved 20 f) capacity, efficiency, and quality at competitive costs; 21 Improving bamboo industry research and development to discover new 22 q) products and technologies, for commercial, industrial, housing or 23 military purposes, and advance market access for Philippine bamboo 24 and bamboo products locally and internationally; 25 Providing access to markets of bamboo products locally and h) 26 internationally through aggressive trade promotions; and 27 Ensuring sustainable resources in the implementation of the bamboo i) 28 industry development program.

- Sec. 5. *Philippine Bamboo Industry Development Council.* The Philippine Bamboo Industry' Development Council is hereby created. It shall be composed of the following:
- a) Secretary of the Department of Trade and Industry (DTI) or his/her duly authorized representative as Chair;
- b) Secretary of the Department of Environment and Natural Resources (DENR) or his/her duly authorized representative, as Co-chair;
- Secretary of the Department of Agriculture (DA) or his/her duly authorized representative;
- d) Secretary of the Department of Science and Technology (DOST) or his/her duly authorized representative;

e) Three (3) representatives from the private sector and the non-governmental organizations involved in the bamboo industry and agriculture. They would be appointed by the DTI Secretary from the list of at least six (6) nominees submitted by the different organizations and associations. They shall serve for a term of three (3) years, and may be re-appointed once.

The Council shall meet quarterly and may hold special meetings whenever the need arises to consider urgent matters upon the call of the Chairman or any of the council members.

The Council shall be administratively attached to the Department of Environment and Natural Resources (DENR) for the first three (3) years from the effectivity of this Act and, thereafter, shall be attached to the Department of Trade and Industry (DTI).

Sec. 6. *Powers and Functions of the Council*. – The Council shall have the following powers and functions, among others:

- a) Formulate, update and publish the Philippine Bamboo Industry
 Development Roadmap;
- b) Identify specific programs and projects in support of, and in line with the Philippine Bamboo Industry Development Roadmap;
 - c) Identify sources of financing to expand bamboo industry development;
 - d) Submit annual reports to the Office of the President, the Senate Committee on Trade, Commerce and Entrepreneurship, and the House of Representatives Committee on Trade and Industry on the status of the implementation of the Roadmap and the bamboo industry development in the country;
 - e) Regulate the export of bamboo poles;

- f) Promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out effectively the attainment of the purposes and objectives of this Act; and
- g) Provide the overall policy and program directions of the bamboo industry, coordinate activities of the various government agencies and instrumentalities, and ensure the implementation, accomplishment, and periodic review of the Bamboo Industry Development Roadmap.
- Sec. 7. Bamboo Industry Development Center. The Bamboo Industry Development Center, hereinafter referred to as the Center, shall be created to serve as the secretariat of the Council. It shall be headed by an Executive Director.
- The organizational structure, staffing pattern and compensation schedule of the Center shall be drawn up in accordance with the Civil Service Commission (CSC) law, rules and regulations. Government agencies represented in the Council may provide additional administrative and technical staff support upon request of the Council.
 - The Center shall have the following powers and functions:

Promote and encourage the establishment and management of 1 a) bamboo nurseries and bamboo plantations for commercialization, in 2 coordination with DENR and DA; 3 Coordinate and partner with DOST for continuous research and 4 b) development to advance sustainable bamboo industry development 5 practices; 6 Work with the Council and coordinate with the DENR, DOST, DTI, and c) 7 the DA in formulating a holistic National Bamboo Industry Development 8 Program; 9 To establish and create processing facilities that would accelerate the d) 10 production and commercialization of bamboo and various bamboo 11 products; 12 Promote the establishment and creation of bamboo farm tourism 13 e) camps in coordination with the Department of Tourism; 14 Promote the commercialization and market access of appropriate, 15 f) innovative and viable bamboo industry development technologies and 16 products; 17 Coordinate and partner with other government agencies in the q) 18 implementation of bamboo industry development programs and 19 20 projects; Monitor and evaluate the performance of the bamboo industry, and the h) 21 bamboo development programs and projects; 22 Coordinate and partner with the private sector, people's organizations i) 23 non-governmental organizations, and State Colleges 24 Universities in providing assistance on matters pertaining to bamboo 25 industry development; 26 Accept grants, donations and contributions from local and international j) 27

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donors and such similar sources of funds for the implementation of this

- Act, subject to the usual budget, accounting and auditing rules and 1 regulations; 2 Assist the Council, in cooperation with other appropriate government k) 3 agencies, in conducting a periodic review of the Philippine Bamboo 4 Industry Development Roadmap; 5 Conduct capability-building initiatives for farmers, farm workers, 6 1) processors, designers, and other stakeholders in the bamboo industry; 7 Gather data and create an information system related to bamboo, m) 8 including but not limited to, plantations, population, species, workers 9 and beneficiaries, investors, product demands and supplies, and costs 10 and benefits for market research; 11 Supervise the implementation of the plans and programs of the 12 n) Council; 13 Manage and administer the projects approved by the Council under this 0) 14 Act; and 15 Submit periodic reports to the Council on the progress and p) 16 accomplishment of bamboo industry programs and projects. 17 Sec. 8. Executive Director of the Center. - The Executive Director shall be 18 appointed by the DTI Secretary from the list of nominees submitted by the Council. 19 He/she shall be a citizen and resident of the Philippines and must possess executive 20 and management experience of at least three (3) years and with considerable 21 knowledge in bamboo industry development. He/she shall serve for a period of six 22 (6) years. In case of vacancy, the President shall appoint a replacement who shall 23 serve only for the duration of the unexpired term. 24 The Executive Director, in addition to his/her duties in the Center, shall have 25
- a) Assist the Council in the performance of its tasks;

the following powers and functions:

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b) Provide technical and administrative support to the Council;

c) Oversee the day-to-day operations of the Center; and

d) Perform such other functions, duties and responsibilities as may be necessary to implement this Act.

Sec. 9. Department of Environment and Natural Resources. – The DENR shall ensure the development and expansion of nurseries and plantations of bamboo for commercial and industrial purposes, taking into consideration the ecological balance in areas identified for plantation and propagation. It shall continue to conduct research and development activities, and capability trainings for the production or propagation of bamboo. Likewise, the DENR shall use bamboo as the planting material for at least twenty five percent (25%) of its annual reforestation and rehabilitation areas especially in provinces and towns which are engaged in or have the potential to engage in bamboo-based industries or where trees are difficult to grow because of poor site quality, susceptibility to erosion or adverse and steep gradients.

DENR, through the Ecosystems Research and Development Bureau (ERDB) and other concerned offices, shall continuously generate bamboo production technology which shall be transferred and disseminated to farmers.

Sec. 10. Department of Science and Technology. — The DOST shall be the main research and development arm for bamboo utilization of the Council. It shall coordinate with the Center and other government agencies to innovate and advance sustainable bamboo industry development practices. The DOST shall likewise allocate twenty percent (20%) of its Small and Medium Enterprises (SMEs) assistance funds such as the Small Enterprise Technology Upgrading Program (SETUP) and the Technology Application and Promotion Institute (TAPI) venture capital program to bamboo-based enterprises.

Sec. 11. *Department of Trade and Industry*. – The DTI shall provide NGOs, LGUs, cooperatives, people's organizations and business associations shared service facilities for bamboo processing and manufacturing. The Technical Education and Skills Development Authority (TESDA), shall provide trainings on bamboo industry related courses under its scholarship programs.

Sec. 12. *Department of Agriculture.* – The Department of Agriculture shall identify idle and marginalized agricultural areas suitable for bamboo plantations. This should be done without sacrificing areas used for food production. It shall also assist in establishing bamboo nurseries and in bamboo propagation with focus on bamboo shoots production.

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- Sec. 13. *Non-governmental Organizations.* The non-governmental organizations (NGOs) and the private sector representatives shall lead in advocating the planting and utilization of bamboo nationwide and in providing market information, market research development, and other similar undertakings.
- Sec. 14. *Local Governments Units.* Local Government Units shall regularly conduct surveys of existing bamboo stands, nurseries and plantations and shall strengthen the local bamboo industry by promoting and utilizing bamboo products in their respective localities.
- Sec. 15. *Bamboo in Public Schools*. At least twenty-five percent (25%) of all the annual school desks and armchairs requirement of all of public elementary and secondary schools nationwide procured by the Department of Education (DepEd) shall when practicable be made from bamboo.

Sec. 16. *Incentives.* – The following incentives shall be provided:

- a) Nursery and plantation owners shall be exempt from the payment of rent for the use of public lands for commercial bamboo plantation subject to existing tenurial agreement with concerned government agencies;
- b) Bamboo plantation owners in public lands shall be exempt from the payment of forest charges that may be imposed by national government;
 - c) Bamboo plantations shall be accepted as among the collaterals for loans in government-owned or controlled banks, subject to its rules and regulations;

d) Bamboo plantation developers and bamboo processors shall be given priority to access credit assistance and guarantee schemes being granted by government-owned, controlled and/ or supported financial institutions;

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- e) Bamboo plantations shall not be required a cutting permit for harvesting nor shall its produce need a transport permit for transporting: *Provided,* That the such plantation is registered with the Community Environment and Natural Resources Office (CENRO) of the DENR;
- f) Bamboo plantations and plantation development equipment shall be covered by the Philippine Crop Insurance Corporation (PCIC);
- g) For tenured bamboo plantation owners, upon the premature termination of the tenurial agreement with no fault of the holder, all capital improvements, depreciable permanent and semi-permanent improvements such as roads, buildings, nurseries including the planted and standing bamboo and other intercrops, introduced and retained in the area, shall be evaluated and the holder shall be entitled to a fair compensation thereof, the amount of which shall be mutually agreed upon by both the DENR and the tenure-holder and in case of disagreement between them, by arbitration through a mutually acceptable and impartial third party adjudicator through the DENR; and
- h) The export of bamboo poles shall be regulated by the Council while other bamboo products may be exported without restrictions in volume.

Sec. 17. Appropriations. – The sum of One hundred million pesos (P100,000,000.00) to be sourced from the unexpended contingency fund of the Office of the President, the existing budget for bamboo industry development under the DTI, the existing budget allocation for DOST-FPRID's bamboo related research and development, and the existing budget allocation for DENR's BPDP, are hereby appropriated for the initial budgetary requirements of the Center. Thereafter, such

- amount as may be necessary for the continuous operation of the Center shall be included in the annual GAA. The budgetary requirements of cooperating agencies shall be incorporated in their respective annual budgets.
- Sec. 18. *Implementing Rules and Regulations.* Within six (6) months from the effectivity of this Act, the DTI, in consultation with other concerned government agencies, the academe, the private sector, and non-government organizations, shall promulgate the necessary implementing rules and regulations for the effective implementation of this Act.
 - Sec. 19. Separability Clause. If any portion or provision of this Act is declared unconstitutional or invalid, the remainder of this Act or any provisions hereof not affected thereby shall continue to be in force and effect.
 - Sec. 20. *Repealing Clause*. Executive Order No. 879, series of 2010 is hereby repealed. Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent or contrary to the provisions of this Act is likewise repealed or modified accordingly.
- Sec. 21. *Effectivity.* This Act shall take effect after fifteen (15) days following its complete publication in the Ofiicia/ Gazette or a newspaper of general circulation.
- 19 Approved,

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