

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

 Office of the Secretary

'22 AUG -9 P5 :44

SENATE

S. No. 1118

RECEIVED BY



Introduced by Senator Loren B. Legarda

AN ACT
PROMOTING THE DEVELOPMENT OF THE BAMBOO INDUSTRY BY
STRENGTHENING THE PHILIPPINE BAMBOO INDUSTRY DEVELOPMENT
COUNCIL, CREATING THE BAMBOO INDUSTRY RESEARCH AND
DEVELOPMENT CENTER, PROVIDING INCENTIVES FOR BAMBOO
PLANTATION DEVELOPMENT, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The use and promotion of bamboo have long been touted as a climate change and disaster resilience tool. Bamboo is essential in climate change mitigation as it absorbs more carbon dioxide and releases more oxygen in the atmosphere than trees. It also provides a low-carbon alternative to materials including timber, cement, and steel.

Bamboo is also considered resilient. Its extensive use applies to food, construction of houses, transport, furniture and fixtures, clothing, health products, creative arts, and bioenergy.

The local and global bamboo industry is aligned with several UN Sustainable Development Goals, such as affordable and clean energy, decent work and economic growth, sustainable cities and communities, and climate action.¹

¹ <https://www.climate.gov.ph/news/595>

In 2020, the Department of Trade and Industry (DTI) reported that it had provided 125 Shared Service Facilities (SSF) to MSMEs engaged in the bamboo agribusiness and the manufacturing of bamboo-based products. However, the local supply of bamboo is not sufficient. There is a need to increase the plantation of bamboo to meet the demand.² Propagating bamboo can further create green jobs, resilient enterprises, and sustainable livelihoods for people in rural areas.

In sum, bamboo can restore degraded land, mitigate climate change, empower indigenous and grassroots communities, preserve cultural heritage, and alleviate poverty.

Stressing the great potential of the Philippine bamboo industry in environmental protection and socio-economic development, the bamboo industry warrants protection through natural capital accounting and reforestation and propagation of bamboo plantations. The country's bamboo sector requires fiscal and technical support from the government to make it more competitive in both local and international markets.

To this end, this bill seeks to promote the development of the Philippine bamboo industry through policies and programs that promote the planting of bamboo and accelerate the development of bamboo-based designs and products. In this regard, a Bamboo Industry Research and Development Center shall be created, which is tasked to ensure the effective implementation of the goals and objectives of the measure through research and development, trade and propagation promotion and education, capacity-building initiatives for farmers, processors, designers, and other stakeholders in the bamboo industry, among others.

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



LOREN LEGARDA

² <https://www.dti.gov.ph/archives/news-archives/bamboo-industry-key/>

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

1 Section 1. *Short Title.* – This Act shall be known as the “Philippine Bamboo
2 Industry Development Act.”

3 Sec. 2. *Declaration of Policy.* – It is the policy of the State to promote and support
4 industries that generate employment, especially in the rural areas, reduce poverty,
5 foster a sustainable environment, and mitigate the impacts of climate change.

6 It shall also be the policy of the State to foster a self-reliant and independent
7 economy that supports indigenous, scientific, and technological capabilities and skills.
8 To this end, the State shall recognize the strategic importance of bamboo as a sturdy,
9 versatile, and replenishable material that can be a sustainable source of livelihood and
10 catalyst for agricultural productivity.

11 The State shall likewise ensure the integrated and continuous development of
12 the Philippine bamboo industry through policies and programs that encourage the
13 planting of bamboo, accelerate the development of bamboo-based products and
14 designs, and promote Philippine bamboo products in international markets. It shall
15 establish a program for sustainable utilization, propagation, and promotion of
16 bamboo as furniture, food, construction and design material, and other uses.

1 Sec. 3. *The Philippine Bamboo Industry Development Program (PBIDP).*—The PBIDC
2 shall formulate the Philippine Bamboo Industry Development Program, which shall
3 include programs and projects for the scientific propagation, development and
4 management, processing, utilization, business development, and commercialization
5 of Philippine bamboo and bamboo products, through the cooperation of all
6 stakeholders of the industry that include producers of raw materials, processors,
7 marketing and promotion service providers, and concerned national agencies and
8 local government units (LGUs).

9 Sec. 4. *Objectives of the Philippine Bamboo Industry Development Program.* –
10 The PBIDP shall aim to make the Philippine bamboo industry competitive in the local
11 and global markets and provide opportunities for local employment and the
12 establishment of bamboo-based community enterprises. The PBIDP shall:

- 13 a. Ensure that the bamboo industry has sufficient quality raw materials through
14 the establishment and management of bamboo nurseries and plantations;
- 15 b. Ensure that the bamboo industry continuously receives from the research and
16 development sector relevant technologies and new products;
- 17 c. Ensure that the industry receives pertinent and accurate data from the PBIDC
18 upon which the industry can make business decisions;
- 19 d. Promote investment in the bamboo industry by establishing bamboo
20 plantations and bamboo processing operations, and providing substantial
21 incentives to investors;
- 22 e. Provide skilled labor and manpower through continuous relevant capacity
23 building;
- 24 f. Provide continuous training and capacity building in the bamboo industry
25 development;
- 26 g. Ensure provision of locally manufactured machines of improved capacity and
27 quality at competitive costs;
- 28 h. Ensure markets of bamboo products locally and globally; and
- 29 i. Ensure sustainable resources for implementing the bamboo industry
30 development program.

31 Sec. 5. *Role of the Philippine Bamboo Industry Development Council (PBIDC).* –
32 The Philippine Bamboo Industry Development Council (PBIDC), created under

1 Executive Order No. 879, series of 2010, hereinafter referred to as the Council, shall
2 provide the overall policy and program directions of various agencies and
3 instrumentalities to ensure the implementation of the Philippine Bamboo Industry
4 Development Program (PBIDP).

5 The Council shall be administratively attached to the Department of Trade and
6 Industry (DTI) and shall now be composed of the following:

- 7 a) Secretary of the Department of Trade and Industry (DTI) as Chairperson;
- 8 b) Secretary of the Department of Environment and Natural Resources (DENR)
- 9 c) Secretary of the Department of Agriculture (DA);
- 10 d) Secretary of the Department of Education (DepEd);
- 11 e) Secretary of the Department of Science and Technology (DOST);
- 12 f) Secretary of the Department of Labor and Employment (DOLE);
- 13 g) Executive Director of the Bamboo Industry Research and Development Center;
- 14 h) Chairperson of the National Commission of Indigenous Peoples;
- 15 i) National President of the League of Municipalities of the Philippines;
- 16 j) Executive Director of the Union of Local Authorities of the Philippines;
- 17 k) Two (2) Representatives from Non-Government Organizations;
- 18 l) One representative from a reputable private industry association; and
- 19 m) One representative each from the Bamboo Farmers, the Bamboo
20 Manufacturers, and the Bamboo Processors' Associations.

21 The PBIDC shall promulgate such rules and regulations as may be necessary for
22 the attainment of the objective of this Act.

23 *Sec. 6. Bamboo Industry Research and Development Center (BIRDC).* – The Bamboo
24 Industry Research and Development Center hereinafter referred to as the Center, is
25 hereby created to serve as the secretariat of the Council to be headed by an Executive
26 Director. The Center shall consist of divisions as may be necessary to ensure the
27 effective implementation of the goals and objectives of the Center, including the
28 following functions: research and development; trade promotion and education;
29 networking and linkages; internal administration and finance; and such other
30 divisions as may be necessary.

31 The organizational structure, staffing pattern, and compensation schedule of the
32 Center shall be prepared in accordance with existing laws, rules, and regulations.

1 Other member agencies of the Council shall provide additional administrative and
2 technical staff support to the Center upon the determination by the Council of the
3 necessity for such augmentation.

4 The Center shall perform the following powers and functions:

- 5 a) Promote and encourage the establishment and management of bamboo
6 nurseries, plantations, and processing facilities that would accelerate the
7 production and commercialization of bamboo and various bamboo products;
- 8 b) Promote the commercialization and market access of appropriate, innovative,
9 and viable bamboo industry development technologies and products;
- 10 c) Monitor and evaluate the performance of bamboo industry development
11 programs and projects;
- 12 d) Coordinate and partner with other government agencies in the implementation
13 of bamboo industry development programs and projects;
- 14 e) Coordinate and partner with the private sector, people's organizations and
15 non-governmental organizations, and the academe in providing assistance on
16 matters pertaining to bamboo industry development;
- 17 f) Accept grants, donations, and contributions from local and international
18 donors and such similar sources of funds for the implementation of the
19 provisions of this Act, subject to the usual budget, accounting, and auditing
20 rules and regulations;
- 21 g) Conduct capability-building initiatives for farmers, processors, designers, and
22 other stakeholders in the bamboo industry;
- 23 h) Conduct research and development in partnership with appropriate
24 government agencies to advance sustainable bamboo industry development
25 practices;
- 26 i) Supervise the implementation of the plans and programs of the Council;
- 27 j) Manage and administer the projects identified by the Council;
- 28 k) Conduct, in cooperation or partnership with appropriate government agencies,
29 a periodic review of the Philippine Bamboo Industry Development Roadmap;
30 and
- 31 l) Submit periodic reports to the Council on the progress and accomplishment of
32 programs and projects.

1 Sec. 7. *The Executive Director of the Center.* - The Executive Director shall be
2 appointed by the Chairperson of the PBIDC shall with the approval of the Council.
3 The Executive Director shall be a citizen and resident of the Philippines and must
4 possess executive and management experience of at least three (3) years and
5 considerable knowledge about the bamboo industry.

6 In addition, the Executive Director shall have the following powers and functions:

- 7 a) Oversee the day-to-day operations of the Center;
- 8 b) Provide technical and administrative support to the Council;
- 9 c) Assist the Council in the performance of its tasks; and
- 10 d) Perform such other functions, duties, and responsibilities as may be necessary
11 to implement this Act.

12 Sec. 8. *Support to the Program by Local Government Units.* - Local government
13 units (LGUs) shall participate in the implementation of the PBIDP. Each LGU shall
14 establish a Bamboo Industry Development Council and endeavor to capacitate
15 agricultural workers and encourage entrepreneurs to acquire the needed
16 competencies in harvesting and post-harvesting operations.

17 Provincial governments shall formulate and implement their respective bamboo
18 industry development programs within two (2) years from the enactment of this law.

19 Sec. 9. *Incentives for bamboo in plantation development.* The following incentives
20 shall be provided to investors in bamboo plantation development:

- 21 a) Exemption from the payment of rent for the use of government lands for
22 commercial bamboo plantation for the first five (5) years of operation reckoned
23 from the date of the first harvest of the plantation;
- 24 b) Exemption of private plantations from the requirements to secure a cutting
25 permit for the harvesting of bamboo and a transport permit for as long as the
26 plantation is registered with the Community Environment and Natural
27 Resources Office (CENRO) of the DENR: *Provided*, that the plantation owner
28 shall inform the CENRO about the date of harvest, and the estimated volume
29 that of the harvest. Inventory of the plantation prior to harvest shall not be
30 required. All CENROs shall approve and enter into a registry the names of
31 private bamboo plantation investors;

- 1 c) Exemption from the payment of forest charges and other fees for taxes that local
2 government units may impose;
- 3 d) No inspection of harvested bamboo at checkpoints;
- 4 e) Access to development loans from public financial institutions for plantation
5 developers;
- 6 f) Insurance coverage of plantations and plantation development equipment by
7 the Philippine Crop Insurance Corporation (PCIC);
- 8 g) Tax-free importation of plantation development equipment, including tree
9 nursery facilities, pursuant to Republic Act No. 10863, otherwise known as the
10 Customs Modernization and Tariff Act (CMTA);
- 11 h) Expenses incurred for plantation operations shall be allowed as deductible
12 expenses for income tax purposes, subject to the provisions of the National
13 Internal Revenue Code of 1997, as amended: *Provided*, that the deduction shall
14 only apply to the Taxable Period when the expenses were incurred;
- 15 i) Expenses incurred in the development and operation of a bamboo plantation
16 prior to the commercial harvest shall be regarded as ordinary and necessary
17 expenses or as capital expenditure;
- 18 j) Prioritized access for plantation developers to credit assistance from
19 government-owned and controlled, and/or supported financial institutions;
- 20 k) Acceptance of plantation as collateral for loans in government-owned or
21 controlled banks;
- 22 l) For the tenured developer, entitlement to fair compensation upon the
23 premature termination of the agreement at no fault of the holder: *Provided* that
24 all depreciable permanent and semi-permanent improvements such as roads,
25 buildings, and nurseries, including the planted and standing trees and other
26 forest crops introduced and retained in the area, shall be properly evaluated:
27 *Provided further*, that the amount of compensation shall be mutually agreed
28 upon by both the Department and the tenure- holder: *Provided finally*, that in
29 case of disagreement between them, the matter shall be submitted to arbitration
30 by a mutually acceptable and impartial third party adjudicator;
- 31 m) Exportation of bamboo culms from plantation without restrictions in volume;

- 1 n) Tax-free importation of processing equipment by processors engaged in
2 bamboo industry, pursuant to Republic Act No. 10863, otherwise known as the
3 Customs Modernization and Tariff Act (CMTA); and
4 o) Inclusion in the annual investment program of the National Economic
5 Development Authority of industrial bamboo plantations in forest lands and
6 priority access to funds from external and internal sources.

7 Sec. 10. *Appropriations.* – The funds necessary to carry out the initial
8 implementation of this Act shall be charged against the current year’s budget of the
9 DTI. Thereafter, such sums as may be necessary for the continued implementation of
10 this Act shall be included in the annual General Appropriations Act.

11 Sec. 11. *Implementing Rules and Regulations.* – Within sixty (60) days after the
12 effectivity of this Act, the DTI-PBIDC shall, in coordination with the DENR and DOST,
13 promulgate the rules and regulations to implement this Act.

14 Sec. 12. *Separability Clause.* – If any provision of this Act or part hereof is
15 declared invalid or unconstitutional, the other provisions not affected by such
16 declaration shall remain in full force and effect.

17 Sec. 13. *Repealing Clause.* – All laws, executive and administrative orders, rules,
18 and regulations inconsistent with this Act are hereby repealed or amended
19 accordingly.

20 Sec. 14. *Effectivity.* – This Act shall take effect fifteen (15) days after its
21 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,