

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

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SENATE S.B. No. <u>1145</u>

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RECEIVED BY:

### Introduced by SEN. WIN GATCHALIAN

#### AN ACT

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

#### **EXPLANATORY NOTE**

Bamboo is important in the lives of the Filipinos for its many uses. In the Philippines, they are used for construction, furniture and handicraft manufacture, food, musical instruments, farm and fishing implements, pulp and paper, fuel for cooking and heating, among others. Of the 62 bamboo species, 21 are endemic or native Philippine bamboos.

In 2010, Executive Order No. 879 was issued creating the Philippine Bamboo Industry Development Council (PBIDC) to promote the Bamboo Industry Development Program and to provide the over-all policy and program directions of the program for all stakeholders. It mandates the use of 20% of bamboo for reforestation, 25% for the desk requirements of all public elementary and high schools in the country, strengthening of the bamboo industry and intensification of research on bamboo production and utilization.

Due to the diminishing wood supply, bamboos are now in high demand as raw material sources for furniture, handicraft and many products. Because of this, bamboos are over cut by improper harvesting methods, causing serious genetic erosion due to unabated pressure.<sup>1</sup>

This bill aims to institutionalize the PBIDC and create its secretariat, the Bamboo Industry Development Center to formulate a holistic National Bamboo Industry Development Program which covers research, production, processing, marketing, consumption, capacity building, and regulation of the cultivation of bamboo and promote investments in the bamboo industry.

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

<sup>&</sup>lt;sup>1</sup> https://www.bioversityinternational.org/fileadmin/bioversity/publications/Web\_version/572/c h30.htm



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

SECTION 1. *Title.* - This Act shall be known as the "Philippine Bamboo Industry Development Act of 2022."

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SEC. 2. Declaration of Policy. — The State shall provide for a self-reliant and independent economy for 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:

- a) *Bamboo* refers to a tropical or semi-tropical fast-growing grass usually having hollow culms and lignocellulose matrix;
- b) *Bamboo Backyard Farming* refers to those whose plantation and operations are basically in the house backyard, with the household members as workers. The majority of bamboo processing enterprises in the Philippines belong to this category;
- c) Bamboo Industry refers to a sector with very high potential contribution in the socio-economic development and environmental protection of the country. The sector may still be classified as essentially agricultural considering that majority of its market and supply is essentially for agricultural requirements such as fish pens, banana props and other low value applications like scaffoldings, and fences;
- d) *Bamboo Industry Development Roadmap* 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. It shall contain a comprehensive national industrial strategy for the Philippine bamboo industry;
- e) *Bamboo Processing* refers to conversion of bamboo for various products and applications including walls, panels, trusses, handicraft, 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
- f) *Bamboo Stand* refers to an aggregate of clumps for plantation 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 (with unknown clump age). The latter stands have irregular spacing and species composition not necessarily uniform and the clumps are randomly and widely distributed.

SEC. 4. *Objectives.* — This Act aims to make the Philippine bamboo industry competitive in the local and international markets while providing opportunities for local employment and establishing bamboo-based community enterprises by:

- a) Promoting the integrated and holistic development of the bamboo industry in various aspects of research, production, processing, marketing, consumption, capacity building, and regulation;
- b) Ensuring that the bamboo industry has sufficient supply of quality raw materials through the establishment and management of bamboo nurseries and plantations;
- c) Ensuring that relevant and accurate data on the bamboo industry are collated and published by the Center created under Section 7 of this Act, in cooperation with various government agencies, private entities and other relevant sources, to aid in business decisions related to the industry;
- d) Promoting investments in the bamboo industry by providing substantial and attractive incentives to investors;
- e) Providing skilled labor and manpower through continuous relevant capacity building;
- f) Ensuring the provision of locally manufactured machines with improved capacity, efficiency, and quality at competitive costs;
- g) Improving bamboo industry research and development to discover new products and technologies, and advance market access for Philippine bamboo and bamboo products locally and internationally;
- h) Providing access to markets of bamboo products locally and internationally through aggressive trade promotions; and
- i) Ensuring sustainable resources in the implementation of the bamboo industry development program.

SEC. 5. Composition of the Philippine Bamboo Industry Development Council.

— The composition of the Philippine Bamboo Industry Development Council (PBIDC), as provided for under Executive Order No. 879, is hereby amended as follows:

1	a. Secretary	of the Department	t of Trade and	Industry	(DTI) as	Chair:
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- b. Secretary of the Department of Environment and Natural Resources (DENR)
   or his/her duly appointed representative, who has sufficient expertise on the Philippine
   bamboo industry;
- c. Secretary of the Department of Agriculture (DA) or his/her duly appointed representative, who shall come from the Bureau of DA-Agricultural Research (DA-BAR);
- d. Secretary of the Department of Science and Technology (DOST) or his/her duly appointed representative, who shall come from the DOST— Forest Products
  Research and Development Institute (DOST-FPRDI);
- e. Secretary of the Department of Education (DepEd) or his/her duly appointed representative;
  - f. Executive Director of the Center;

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- g. A representative from the Department of Interior and Local Government (DILG);
- h. One (1) representative each from bamboo farmers, bamboo manufacturers, 17 16 and bamboo processors associations;
- i. Two (2) representatives from Non-Governmental Organizations involved in the agricultural sector; and
- j. One (1) representative from the private sector involved in the bamboo industry.
  - The DTI secretary may designate the Undersecretary for Regional Operations
    Group (DTI-ROG) as his/her alternate and shall have the same powers as his/her
    principal and his/her acts shall be considered the acts of his/her principal.
    - The representatives from the private sector, bamboo farmers, bamboo manufacturers, bamboo processors associations, and non-governmental associations shall be appointed by the President of the Republic of the Philippines from the list of nominees submitted by the DTI Secretary. The DTI Secretary shall choose the nominees from the respective lists 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 Chair or any of the council members.

The Council shall continue to 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.

The Council shall be administratively attached to the DTI.

- SEC. 6. *Powers and Functions of the Council*. The Council shall have the following powers and functions, among others:
  - a) Formulate 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; and
- e) 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.

- SEC. 7. Bamboo Industry Development Center (BIDC). The Bamboo Industry Development Center, hereinafter referred to as the Center, shall be created to serve as the secretariat of the Council to be headed by an Executive Director.
- The Center shall consist of divisions for (1) research and development, (2) trade promotion and education, (3) networking and linkages, (4) internal administration,

and such other purposes deemed necessary by the Council. The composition and staffing of the divisions shall be prepared by the Executive Director and approved by the Council.

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 shall provide additional administrative and technical staff support upon request by the Council.

The Center shall have the following powers, functions and duties:

- a) Promote and encourage the establishment and management of bamboo nurseries and bamboo plantations for commercialization, in coordination with DENR and DA;
- b) Coordinate and partner with DOST-FPRDI for continuous research and development to advance sustainable bamboo industry development practices;
- c) Work with the Council and coordinate with the DENR and DOST-FPRDI in formulating a holistic National Bamboo Industry Development Program;
- d) Work to establish and create processing facilities that would accelerate the production and commercialization of bamboo and various bamboo products;
- e) Promote the establishment and creation of bamboo farm tourism camps in coordination with the Department of Tourism;
- f) Promote the commercialization and market access of appropriate, innovative and viable bamboo industry development technologies and products;
- g) Coordinate and partner with other government agencies in the implementation of bamboo industry development programs and projects;
- h) Monitor and evaluate the performance of the bamboo industry, and the bamboo development programs and projects;
- i) Coordinate and partner with the private sector, people's organizations and nongovernmental organizations, and State Colleges and Universities in providing assistance on matters pertaining to bamboo industry development;

j) Accept grants, donations and contributions from local and international donors and such similar sources of funds for the implementation of this Act, subject to the usual budget, accounting and auditing rules and regulations;

- k) Assist the Council, in cooperation with other appropriate government agencies, in conducting a periodic review of the Philippine Bamboo Industry Development Roadmap;
- I) Conduct capability-building initiatives for farmers, farm workers, processors, designers, and other stakeholders in the bamboo industry;
- m) Gather data and create an information system related to bamboo, including but not limited to, plantations, population, species, workers and beneficiaries, investors, product demands and supplies, and costs and benefits for market research;
  - n) Supervise the implementation of the plans and programs of the Council;
- o) Manage and administer the projects approved by the Council under this Act; and
- p) Submit periodic reports to the Council on the progress and accomplishment of bamboo industry programs and projects.

SEC. 8. The Executive Director of the Center. - The Executive Director shall be appointed on a permanent capacity by the President of the Republic Philippines from the list of nominees submitted by the DTI Secretary. He/she shall be a citizen and resident of the Philippines and must possess executive and management experience of at least three (3) years and with considerable knowledge in bamboo industry development.

The Executive Director, in addition to his/her duties in the Center, shall have the following powers and functions:

- a) Assist the Council in the performance of its tasks;
- 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 Natura/ Resources (DENR) on Bamboo for Commercialization. — In addition to its mandate, under the Bamboo Plantation Development Program (BPDP), the DENR shall ensure the development and expansion of nurseries and plantations of bamboo for commercialization and industrial purposes, while taking into consideration the ecological balance in areas identified for plantation and propagation. It shall continue to conduct research and development activities for production or propagation of bamboo.

SEC. 10. Department of Science and Technology for Research and Development — The DOST-FPRDI shall be the main research and development arm for bamboo utilization of the Council. It shall work closely in coordination with the Center and other government agencies such as the DA-BAR to innovate and advance sustainable bamboo industry development practices.

SEC. 11. Role of the Local Government Units. — Local Government Units in cooperation with the DENR, DTI and the DOST-FPRDI, and in consultation with DA and the National Commission on Indigenous People (NCIP) when necessary, shall regularly conduct surveys of existing bamboo stands, nurseries and plantations in their respective localities, and shall strengthen the local bamboo industry by promoting bamboo enterprises in their respective localities.

SEC. 12. *Provision of Incentives to Investors in Nursery and Plantation Development and Bamboo Enterprises.* — The following incentives shall be provided to investors in plantation development and bamboo processing factories:

a) Nursery and plantation owners shall be exempt from the payment of government share for the use of public lands for commercial bamboo plantation for the first ten (10) years or when the plantation owner starts to harvest the nursery or plantation subject to existing tenurial agreement with concerned government agencies;

b) Plantation owners in public lands shall be exempt from the payment of forest charges that may be imposed by national government and other fees or taxes imposed by local government units;

- 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;
- e) Bamboo plantations shall not require a cutting permit for harvesting nor shall its produce need a transport permit for transporting: *Provided,* That 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. 13. *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 DENR-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 3 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.

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SEC. 14. 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.

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SEC. 15. 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.

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SEC. 16. Repealing Clause. — Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent or contrary to the provisions of this Act is hereby repealed or modified accordingly.

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SEC. 17. Effectivity. —This Act shall take effect after fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation. Approved,