

SIXTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session



Senate
Office of the Secretary

13 JUL -9 09:45

SENATE
S.B. No. 692

RECEIVED BY: *ji*

Introduced by Senator Loren Legarda

EXPLANATORY NOTE

Seaweed industry in the Philippines has great market potential. In 2010 alone, the Philippines produced 84,500 MT, which is 70% of the total world's supply. However, such rich industry has not been fully developed and utilized. Currently, only 23% of the potential seaweed farm is operational. Moreover, in 2008, Indonesia had replaced the Philippines as the top seaweed producer in the world.

This bill aims to create a seaweed development authority that is responsible for the promotion, development and growth of the seaweed industry. Through the said authority, seaweed research and development devoted to improve the quality of seaweed especially in the face of climate and environmental changes shall be institutionalized. Such will make the industry more globally competitive while maintaining sustainable growth.

Through this proposal, the Philippine seaweed industry can reach its full potential by being a major producer in the world market. This will bring greater income for the country, more work for seaweed farmers and better economy.

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


LOREN LEGARDA
Senator



13 JUL -9 A9:45

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S.B. No. 692

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Introduced by Senator LOREN LEGARDA

AN ACT
CREATING THE PHILIPPINE SEAWEED DEVELOPMENT AUTHORITY
AND DEFINING ITS OBJECTIVES, POWERS AND FUNCTIONS

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

1 **Section 1. Short Title.** - This Act shall be known as the "Philippine Seaweed
2 Development Authority Act of 2013."
3

4 **SEC. 2. Declaration of Policy.** - It is hereby declared to be the policy of the State to
5 promote the rapid, integrated development and growth of the seaweed industry in
6 all its aspects and to ensure that the seaweed farmers become direct participants in,
7 and beneficiaries of, such development and growth.
8

9 Consonant to this policy, the State shall ensure the development of the seaweed
10 industry in accordance with the following principles:
11

12 a. Protection from Unfair Competition. - The State shall protect small farmers
13 from unfair competition such as monopolistic and oligopolistic practices by
14 promoting a policy environment that provides them priority access to credit and
15 strengthened cooperative-based marketing system. Any joint venture with
16 foreign investors shall be consistent with the constitutional provision that at
17 least sixty per centum of the investment shall be owned by Filipinos.
18

19 b. Global Competitiveness. - The State shall enhance the competitiveness of the
20 seaweed industry sector in both domestic and foreign markets.
21

22 c. Sustainable Development. - The State shall promote development that is
23 compatible with the conservation of the ecosystems in areas where seaweed
24 production activities are carried out. Judicious use of the country's natural
25 resources shall be exercised in order to attain long-term sustainability.
26

27 d. Poverty Alleviation and Social Equity. - The State shall ensure that the poor
28 sectors of society have equitable access to resources, income opportunities, basic
29 and support services and infrastructure, especially in areas where productivity
30 is low, as a means of improving their quality of life.
31

32 e. Rational Use of Resources. - The State shall adopt a rational approach in the
33 allocation of public investments in the seaweed industry in order to ensure

1 efficiency and effectiveness in the use of scarce resources and thus obtain
2 optimal returns on its investments.

3
4 f. People Empowerment. - The State shall promote people empowerment by
5 enabling all citizens through direct participation or through their duly elected,
6 chosen or designated representatives, the opportunity to participate in policy
7 formulation and decision-making by establishing the appropriate mechanisms
8 and by giving them access to information.
9

10 **SEC. 3. *Creation of the Philippine Seaweed Development Authority.*** - To implement and
11 attain the declared state policy and consistent with the principles enumerated above,
12 there is hereby created the Philippine Seaweed Development Authority, hereinafter
13 referred to as Authority, under the Department of Agriculture.
14

15 **SEC. 4. *Principal Office.*** - The Authority shall maintain its administrative principal
16 office in Zamboanga City and shall establish its main research and development
17 center in the Province of Sulu. It may establish branches and other research or
18 marketing centers in other parts of the country as may be necessary for the proper
19 conduct of its operations.
20

21 **SEC. 5. *Statement of Objectives.*** - The Authority shall have the following objectives:
22

23 a. To enhance profits and incomes in the seaweed farming, by ensuring
24 equitable access to assets, resources and services, and promoting value-added
25 processing;
26

27 b. To encourage and promote people empowerment by strengthening people's
28 organizations, cooperatives and non-government organizations of seaweed
29 farmers and by establishing and improving mechanisms and resources for their
30 participation in government decision-making and implementation;
31

32 c. To pursue a market-driven approach to enhance the comparative advantage
33 of our seaweed industry in the world market;
34

35 d. To encourage the seaweed farming sector to continuously develop new value-
36 added or processed seaweed products in order to minimize the marketing of
37 raw, unfinished or unprocessed products; and
38

39 e. To provide social and economic adjustment measures that increase
40 productivity and improve market efficiency while ensuring the protection and
41 preservation of the environment and equity for small farmers and fisherfolk.
42

43 **SEC. 6. *Power and Functions.*** - To carry out its objectives, the Authority shall have
44 the following powers and functions:
45

46 a. Prescribe, repeal and amend its own by-laws;
47

48 b. Formulate and adopt a Seaweed Industry Development Masterplan
49 covering a five (5)-year term at a time, subject to yearly monitoring, evaluation
50 and review ;
51

52 c. Establish, operate and maintain one central seaweed industrial processing
53 plant and other support services within the premises of its main research and
54 development center. Whenever necessary and practicable, it shall establish

1 seaweed industrial processing plants in other major producing provinces geared
2 toward the development of the seaweed industry. Furthermore, farmers shall be
3 encouraged to partly own the processing plant in order to encourage them to
4 increase seaweed production;

5
6 d. Encourage and promote the exportation of seaweed and its value-added
7 products by establishing and undertaking measures to enforce standards for
8 domestic trade and export of seaweed and seaweed products within globally
9 acceptable practices and market price;

10
11 e. Review, revise, align and thereafter, integrate into the Seaweed Industry
12 Development Masterplan, the existing policies, projects and activities of all other
13 government agencies contributing to the attainment of the objectives of the
14 Authority.

15
16 f. Institutionalize seaweed research and development devoted to
17 improvement of the quality of seaweed, its adaptation to climate and
18 environmental changes, and its various applications, by
19 designating/establishing seaweed research and experiment stations, and sub-
20 stations in strategic locations nationwide, as deemed necessary.

21
22 The Authority shall ensure that sufficient budgetary allocation is available for
23 the operations of the seaweed research and experimental stations and sub-
24 stations enabling them to conduct all researches, tests and experiments needed
25 for the development of the industry;

26
27 g. Ensure that seaweed farmers' organizations have direct access to markets;

28
29 h. Facilitate the access of farmers to credit by encouraging private lending
30 institutions to provide loans at affordable interest rate;

31
32 i. Receive grants from any source, domestic or foreign, public or private, in
33 accordance with existing laws;

34
35 j. Adopt and use a corporate seal;

36
37 k. Sue and be sued;

38
39 l. Have continuous succession until dissolved by law;

40
41 m. Exercise all the general powers conferred by law upon corporations as are
42 incidental or conducive to the attainment of the purposes of this Act.

43
44 **SEC. 7. Board of Directors of the Authority.** - The corporate powers of the Authority
45 shall be vested in and exercised by a Board of Directors, hereinafter referred to as
46 the Board, to be composed of the following:

47
48 a. Secretary of the Department of Agriculture as Chairperson;

49
50 b. Secretary of the Department of Trade & Industry as Vice-Chairperson;

51
52 c. Director, University of the Philippines-Diliman Marine Science Institute as
53 Member;

- 1 d. National President, League of Cities as Member;
- 2 e. National President, League of Municipalities as Member;
- 3
- 4 f. President, Land Bank of the Philippines (and/or other government financing
- 5 institution/s as Member/s);
- 6
- 7 g. Three (3) representatives of seaweed farmers' organization/s—one (1)
- 8 representing Luzon; one (1), Visayas; and one (1) representing Mindanao, as
- 9 Members;
- 10
- 11 h. Two (2) representatives of the national organization of the seaweed
- 12 processing and exporting sector as Members.
- 13

14 The representatives of the private sector shall be appointed by the President of
15 the Philippine Republic, upon recommendation of the sector they represent, and
16 shall serve for a term of four (4) years.

17
18 Only citizens of the Philippines shall be appointed Board Members of the
19 Authority. In case of vacancy, the appointed successor shall serve only the
20 unexpired portion of the term of his predecessor.

21
22 The Board of Directors that belong to the government sector may appoint their
23 respective regular representatives to the Board provided these representatives
24 belong to the top three ranks in their respective agencies.

25
26 The Board shall meet regularly at least once every quarter or as often as it deems
27 necessary. At least six (6) members shall constitute a quorum. The Board may be
28 convoked by the Chairperson or Vice Chairperson. The Board of Directors shall each
29 receive a per diem of Ten Thousand Pesos (P10,000.00) for every session attended,
30 but in no case shall the total thereof exceed Twenty Thousand Pesos (P20,000.00) per
31 month.

32
33 **SEC. 8. Powers and Duties of the Board.** – The Board shall have the following powers
34 and duties:

- 35
- 36 a. Formulate and adopt policies, plans and programs and prescribe or
- 37 promulgate such rules and regulations as may be necessary to implement the
- 38 intent and provisions of this Act;
- 39
- 40 b. Enter into, make and execute contracts of any kind as may be necessary or
- 41 incidental to the attainment of the purposes of this Act;
- 42
- 43 c. Approve the budget of the Authority and to determine the reasonable
- 44 compensation of its personnel consistent with the provisions of Republic Act
- 45 No. 6758 or "The Salary Standardization Law";
- 46
- 47 d. Establish policies and guidelines for employment on the basis of merit,
- 48 technical competence and moral character, and approve a staffing pattern of
- 49 personnel defining their powers and duties subject to Civil Service laws, rules
- 50 and regulations;
- 51
- 52 e. Review and approve the appointment of personnel of the Authority from the
- 53 rank of division chief or higher;
- 54

1 f. Exercise final authority on administrative cases involving personnel of the
2 Authority where the penalty imposed is suspension of thirty (30) days or more;

3
4 g. Exercise such other powers as may be necessary and proper for the effective
5 enforcement of this Act and its implementing rules and regulations.
6

7 **SEC. 9. Management.** - The management of the Authority and the general conduct of
8 its operations shall be vested in the General Manager who shall serve as the Chief
9 Executive Officer. The General Manager shall be a natural-born Filipino citizen, at
10 least thirty (30) years old, and a person of known integrity and competence in
11 technical and administrative fields related to the purposes of this Act.
12

13 He shall be appointed by the President of the Republic for a term of four (4)
14 years and may be re-appointed once for another term.
15

16 He shall receive a salary to be determined by the Board in accordance with the
17 Salary Standardization Law.
18

19 He shall have the following powers and duties:
20

21 a) Execute and administer the policies, plans, programs and rules and
22 regulations approved and/or promulgated by the Board;

23
24 b) Submit for the consideration of the Board such policies, plans and programs
25 as he/she deems necessary to carry out this Act;
26

27 c) Direct and supervise the operation and internal administration of the
28 Authority, including imposition of disciplinary actions among the Authority's
29 personnel;
30

31 d) Appoint or promote employees of the Authority subject to the confirmation
32 of the Board;
33

34 e) Transfer, assign, re-assign employees of the Authority as the exigencies of the
35 service may require and approve penalties in administrative cases involving
36 suspension for less than thirty (30) days and lighter penalties;
37

38 f) Recommend to the Board the appointment or promotion of personnel from
39 the rank of division chief or higher and submit for decision by the Board
40 administrative cases where the penalty imposed is suspension for thirty (30)
41 days or more, demotion or separation from the service;
42

43 g) Administer and manage the budgetary appropriations and financial
44 disbursements of the Authority;
45

46 h) Exercise such other powers and perform such other duties as may be directed
47 by the Board.
48

49 **SEC. 10. Assistance from Other Government Entities.** - The Local Government Units
50 (LGUs), the Department of Environment and Natural Resources (DENR), the Bureau
51 of Fisheries and Aquatic Resources (BFAR) and all other government agencies
52 concerned shall extend the necessary assistance and support to the Authority,
53 particularly by including the development of the seaweed industry in their coastal
54 resource management plans and programs.

1
2 *SEC. 11. Rules and Regulations.* - The Department of Agriculture shall, within ninety
3 (90) days from the approval of this Act, formulate the necessary rules and
4 regulations for the implementation of this Act.
5

6 *SEC. 12. Separability Clause.* - If any part or provision of this Act shall be held
7 invalid or unconstitutional, the remaining parts or provisions not affected thereby
8 shall remain in full force and effect.
9

10 *SEC. 13. Repealing Clause.* - All laws, decrees, executive orders, proclamations, rules
11 and regulations, and other issuances, or parts thereof which are inconsistent with
12 the provisions of this Act are hereby repealed or modified accordingly.
13

14 *SEC. 14. Effectivity.* - This Act shall take effect fifteen (15) days after its publication
15 in the Official Gazette or in at least two (2) national newspapers of general
16 circulation.
17

18 *Approved,*
19
20
21
22
23
24