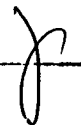


SEVENTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



'16 JUL 20 P 3:14

SENATE  
S.B. No. 665

RECEIVED BY: 

---

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

---

**AN ACT**  
**TO PROMOTE THE DEVELOPMENT OF THE BAMBOO INDUSTRY IN THE PHILIPPINES**  
**AND AMEND CERTAIN PROVISIONS OF EXECUTIVE ORDER NO. 879 THAT CREATED**  
**THE PHILIPPINE BAMBOO INDUSTRY DEVELOPMENT COUNCIL (PBIDC), EXPAND ITS**  
**MANDATES, PROVIDE ADDITIONAL PERSONNEL AND REGULAR BUDGET OF THE**  
**SECRETARIAT OF THE COUNCIL**

**EXPLANATORY NOTE**

Bamboo is gaining in popularity as construction material as a result of the declining supply of wood and is now widely distributed in private lands in the lowlands as well as in forest lands.

On a global scale, the value of the world's bamboo market was estimated to be US\$8 billion<sup>1</sup> for traditional and non-traditional bamboo products.

It can be concluded that the development of the bamboo industry in the Philippines can be a vehicle for generating more jobs and self-employment opportunities, especially in the rural areas. However, this potential cannot be met until we address the issue of the low supply of the raw bamboo materials.

The reported demand for bamboo poles in the country by all industry sectors is about 22 million culms a year while the estimated supply of the preferred species bamboo, such as kawayan tinik, giant Bamboo, bulo, buho, bayog, kawayan killing, kayali and laak, is only about 10 million culms.

---

<sup>1</sup> EO No. 879. Creating the Philippine Bamboo Industry Development Council (PBIDC) to promote the bamboo industry development project and directing the use of bamboo for at least twenty five (25%) percent of the 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 and allocating funds therefore and other purposes. May 14, 2010.

Though the government has previously attempted to spur the bamboo industry's growth through Executive Order No. 879 in May 2010, which created the Philippine Bamboo Industry Development Council (PBIDC), we have yet to draft a national bamboo development plan.

One of the main reasons for this is that the Council was not imbued with sufficient power to direct other government agencies and the private sector that are members of the Council to formulate the industry development program. Furthermore, The Secretariat of the Council does not have permanent personnel and the Council does not have a regular budget.

The twenty million pesos (PhP20 million) that was originally allocated for the operations of the Council has long been expended and it has not been replenished. Furthermore, the budget request for the Council for 2016 has been scrapped by the Department of Budget and Management.

This Act seeks to remedy these issues so that the Council can effectively develop the bamboo industry to generate employment, help the bamboo export sector capture a greater market, promote environmental sustainability and help mitigate the impacts of climate change, and assist the government in achieving inclusive economic growth.

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

  
Senator Paolo Benigno "Bam" A. Aquino IV

SEVENTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
First Regular Session



Senate  
Office of the Secretary

'16 JUL 20 P3:14

SENATE  
S.B. No. 665

RECEIVED BY: 

---

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

---

AN ACT  
TO PROMOTE THE DEVELOPMENT OF THE BAMBOO INDUSTRY IN THE PHILIPPINES AND  
AMEND CERTAIN PROVISIONS OF EXECUTIVE ORDER NO. 879 THAT CREATED THE  
PHILIPPINE BAMBOO INDUSTRY DEVELOPMENT COUNCIL (PBIDC), EXPAND ITS MANDATES,  
PROVIDE ADDITIONAL PERSONNEL AND REGULAR BUDGET OF THE SECRETARIAT OF THE  
COUNCIL

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

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

3           **SEC. 2. Declaration of Policy.** - It is the policy of the State to promote and support  
4 industries that create and generate employment especially in the rural areas, reduce  
5 poverty, promote sustainable environment, mitigate the impacts of climate change, and  
6 promote inclusive growth.

7           **SEC. 3. Objectives.** - It is the objective of this Act to promote Philippine bamboo  
8 industry by providing the institution to manage it, prepare and implement industry  
9 development program, provide incentives to investors in the establishment bamboo  
10 plantations and processing plants, establish regional, provincial and municipal councils that  
11 will establish their own bamboo industry development programs.

12           **SEC. 4. Membership of the Philippine Bamboo Industry Development Council**  
13 **(PBIDC).** - The membership of the Philippine Bamboo Industry Development Council shall  
14 be amended to include the League of Provinces.

15           **SEC. 4.1 Abolition of the Executive Committee.** - Section 1.2 of EO No. 879 is  
16 amended to abolish the Executive Committee.

17           **SEC. 5. Strengthening of the Secretariat of the Philippine Bamboo Industry**  
18 **Development Council.** - The Secretariat of the Philippine Bamboo Industry Development  
19 Council shall be headed by the Undersecretary for Regional Operations and Development  
20 Group (RODG) of the Department of Trade and Industry (DTI). The Undersecretary for RODG

1 shall be the ex-officio Executive Director of the Secretariat of the Council. The Head of the  
2 Secretariat shall be assisted by a Deputy Executive Director who shall be appointed by the  
3 Chairman of the Council upon the recommendation of the Executive Director.

4 **SEC. 5.1. Divisions of the Secretariat.** –The Secretariat shall consist of two divisions,  
5 a Technical Division and an Administrative Division. The composition of the two divisions  
6 shall be prepared by the Executive Director and approved by the Council. The personnel  
7 complements of the two divisions shall follow the Civil Service rules and regulation including  
8 the salary ranges of the various levels of the personnel.

9 **SEC. 5.2. Appointments of the Secretariat Personnel.** – The Council, upon the  
10 recommendation of the Executive Director, shall appoint the Secretariat personnel.

11 **SEC. 5.3. Functions of the Secretariat.** - Section 1 of EO No. 879 shall be amended to  
12 include in the functions of the Secretariat as indicated in Section 6 under the Duties of the  
13 Executive Director.

14 **SEC. 6. Duties of the Executive Director.** – The Executive Director shall have the  
15 following duties and responsibilities:

- 16 1. Formulate the Bamboo Industry Development Program for approval of the  
17 Council and implement the program as approved by the Council;
- 18 2. Establish and manage a data and information system on the bamboo industry  
19 and provide such data and information upon request by the stakeholders;
- 20 3. Generate funds and resources for the implementation of the Industry  
21 Development Program and for other purposes that will promote the bamboo  
22 industry;
- 23 4. Receive donations and apply for loans from international sources for  
24 implementation of programs of the industry;
- 25 5. Recommend to the Council through the Executive Committee the appointment  
26 of Secretariat personnel;
- 27 6. Prepare the annual budget of the Secretariat and the Council through the  
28 Executive Committee for the approval of the Council and for inclusion in the  
29 Appropriations Act; and
- 30 7. Perform other activities as ordered by the Council.

31 **SEC. 7. Duties of the Deputy Executive Director.** – The Deputy Executive Director  
32 shall have the following duties and responsibilities:

- 33 1. Assume the duties and responsibilities of the Executive Director during his  
34 absence; and
- 35 2. Assist the Executive Director implement the latter’s duties and responsibilities.

36 **SEC. 8. Provision of incentives to investors in plantation development and bamboo**  
37 **processing factories.** – The following incentives shall be provided to investors in plantation  
38 development and bamboo processing factories:

- 1 1. Free from payment of rent for the use of government lands for commercial  
2 bamboo plantation for the first plantation for the first 5 years or when the  
3 plantation owner starts to harvest his plantation;
- 4 2. Forest plantations in private lands shall not require a cutting permit for  
5 harvesting nor shall it need a transport permit, for as long as the plantation is  
6 registered with the Community Environment and Natural Resources Office  
7 (CENRO) of the DENR. All that is required is for the plantation owner to inform  
8 the CENRO that the plantations will be harvested in a given date, including the  
9 estimated volume that will be harvested. Inventory of the plantation prior to  
10 harvest shall not be required. CENROs are obligated to approve and enter into  
11 their book of registry, application for registration for plantations in private  
12 lands;
- 13 3. Free from payment of forest charges and other fees or taxes that local  
14 government units may impose;
- 15 4. Bamboo from plantation from public and private lands shall not be subjected  
16 to inspection in check points;
- 17 5. Plantation developers can access development loans from the public financial  
18 institutions;
- 19 6. Insurance coverage of plantations and plantation development equipment by  
20 the Philippine Crop Insurance Corporation;
- 21 7. Tax-free importation of plantation development equipment; including tree  
22 nursery facilities;
- 23 8. Expenses incurred shall be allowed as deductible expenses for income tax  
24 purposes, subject to the provisions of the National Internal Revenue Code of  
25 1997, as amended. Provided, that the deduction shall only apply to the taxable  
26 period, when the expenses were incurred;
- 27 9. Expenses incurred in the development and operation of a bamboo plantation  
28 prior to the commercial harvest shall be regarded as ordinary and necessary  
29 expenses or as capital expenditures;
- 30 10. The Board of Investments (BOI) shall classify bamboo plantations as pioneer  
31 and preferred areas of investment under its annual priority plan, subject  
32 to pertinent rules and regulations;
- 33 11. The plantation developer shall be given priority to access credit assistance  
34 being granted by Government-owned, -controlled and/or -supported financial  
35 institutions;
- 36 12. Plantations shall be accepted as collateral for loans in government owned or  
37 controlled banks;
- 38 13. For tenured-developer, upon the premature termination of the agreement at  
39 no fault of the holder, all depreciable permanent and semi-permanent  
40 improvements such as roads, buildings, and nurseries including the planted  
41 and standing trees and other forest crops, introduced and to be retained in the  
42 area, shall be properly evaluated and the holder shall be entitled to a fair  
43 compensation thereof, the amount of which shall be mutually agreed upon by  
44 both the Department and the tenure-holder and in case of disagreement  
45 between them, by arbitration through a mutually acceptable and impartial  
46 third party adjudicator;

- 1           14. Plantation logs, lumber and other finished wood products and plantation-  
2           grown non-wood may be exported without restrictions in volume;  
3           15. Processors of bamboo may import processing equipment, tax-free; and  
4           16. The National Economic and Development Authority (NEDA) shall include in its  
5           annual investment program, the use of forest lands to establish industrial  
6           bamboo plantations, and to give first priority in allocating adequate funds,  
7           both from external and internal sources.

8           **SEC. 9. *Establishment of Provincial and Municipal Bamboo Industry Development***  
9           ***Councils and Bamboo Industry Development Programs.*** – Provincial and Municipal Local  
10          Government Units (PLGUs and MLGUs) are hereby directed to establish Provincial and  
11          Municipal Bamboo Industry Development Councils and to formulate and implement their  
12          respective Bamboo Industry Development Programs within two (2) years from the  
13          enactment of this Law.

14          **SEC. 10. *Survey of local bamboo resources and processing enterprises.*** – The  
15          Municipal Local Government Units through their Municipal Bamboo Industry Development  
16          Councils are hereby directed to conduct a survey of existing bamboo clumps and bamboo  
17          processing enterprises in their municipalities.

18          **SEC. 11. *Budget of the Secretariat.*** – The Secretariat shall have an initial  
19          appropriation of One Hundred Million Pesos (Php 100,000,000) upon enactment of this bill  
20          into law and shall have an annual appropriation of no less than One Hundred Million Pesos  
21          annually to be included in the Annual Appropriations Act to carry out its functions. The DTI  
22          shall provide for the budget of the Philippine Bamboo Industry Development for its  
23          operations. The members of the Council shall be entitled to an honorarium the amount of  
24          which shall be as provided by law for each meeting attended.

25          **SEC. 12. *Allocation of funds to support bamboo plantation development and***  
26          ***processing by the Land Bank of the Philippines and the Development Bank of the***  
27          ***Philippines.*** – The Land Bank of the Philippines and the Development Bank of the Philippine  
28          shall allocated One Billion Pesos (Php 1,000,000,00) annually for loans to investors in the  
29          bamboo industry at preferential interest rates.

30          **SEC. 13. *Implementing Rules and Regulations.*** – Within sixty (60) days from the  
31          effectivity of this Act, the Department of Trade and Industry in consultation with the  
32          Department of Environment and Natural Resources (DENR) and other concerned  
33          government agencies and the private sector, shall promulgate the necessary implementing  
34          rules and regulations for the effective implementation of this Act.

35          **SEC. 14. *Separability Clause.*** – Should any provision herein be declared  
36          unconstitutional, the same shall not affect the validity of the other provisions of this Act.

37          **SEC. 15. *Repealing Clause.*** – All laws, decrees, orders, rules, and regulations or  
38          other issuances or parts inconsistent with the provisions of this Act are hereby repealed or  
39          modified accordingly.

1           **SEC. 16. *Effectivity.*** – This Act shall take effect fifteen (15) days following its full  
2 publication in the Official Gazette or two (2) newspapers of general circulation in the  
3 Philippines.

4           *Approved,*