


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



'16 JUL 20 P5:10

SENATE

S.B. No. 716

RECEIVED BY: 

Introduced by Senator Cynthia A. Villar

AN ACT INSTITUTIONALIZING THE BAMBOO DEVELOPMENT PROGRAM AND PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The government has been supporting the production and development of bamboo in recent years. In May 2010, Executive Order (EO) 879 was issued creating the Philippine Bamboo Industry Development (PBID) Council and directed the use of bamboo for at least 25 percent 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 government facilities. E.O. 879 was underpinned by Memorandum Circular No. 30 s. 2012 which directed the full implementation of the Philippine Bamboo Industry Program.

In February 2011, Executive Order No.26, Declaring an Interdepartmental Convergence Initiative for a National Greening Program to plant 1.5 billion trees covering 1.5 million hectares for a period of six (6) years from 2011 to 2016, in lands of the public domain was signed by President Aquino. This is in response to worldwide concern on global warming. The country intended to contribute to the Asean commitment of 20 million hectares of new forest by 2020 through reforestation over 500,000 hectares with bamboo. The administration's environmental initiative, has a total budget of P28.8 billion (\$59.37million) from 2011 to 2016.

As of November 20, the DENR has supposedly reforested 1.3 million hectares using around 800 million seedlings – exceeding the 2015 target.

On November 12, 2015, Executive Order No. 193 was issued expanding the coverage of the National Greening Program since there is still an estimated 7.1 million hectares of unproductive, denuded and degraded forestlands which contribute to environment-related risks such as soil erosion, landslides, and flooding; In order to accelerate the

rehabilitation and reforestation of these unproductive, denuded and degraded areas. The EO specified that the Government shall involve the participation and investment of the private sector with a view towards enabling private companies to achieve carbon neutrality; and consistent with the updated Master Plan for Forestry Development (2016 – 2028), there is a need to harmonize all forest development activities that will encourage and enhance development of forest plantations including forest parks, with greater participation from the private sector, local government units and organized upland communities. EO 193 cited the Global Forest Resources Assessment for Calendar Year 2015 of the Food and Agriculture Organization, which ranked the Philippines as fifth worldwide in having the greatest forest area gain from 2010 to 2015.

The Forest Products Research & Development Institute (FPRDI) of the Department of Science and Technology (DOST) said that bamboo is one of the most economically-important non-timber forest products in the Philippines. Its fast growth and excellent properties makes 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 DOST- PCAARRD on the other had conducted a study on the mainstreaming of engineered-bamboo products in the Philippine as raw materials for construction and furniture through appropriate S&T interventions in processing, machine engineering and design, capacity building and marketing in their study entitled bamboo Industry development program which was completed in 2013.

The Department of Trade and Industry 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.

For its efforts the Philippines was able to increase its share in the global market for bamboo which in 2006 stood at about 7 billion US dollars to US\$ 17 B from 2015. Of this market growth, the Philippines generated P306.3 million in investments, P261.8 million worth of sales, and created 13,103 jobs from 2012-2014. The country was ranked as the 5th largest bamboo exporter in the world in 2010. It is next only to China, EU, Indonesia, and Vietnam. Its total exports of bamboo reaches about \$30 million annually, which represents a mere 10 percent of what the US, the world's leading bamboo importer, buys annually from China, which amounts to about \$300 million.

There are challenges that the sector is still facing, the Philippines is the fifth top bamboo exporter in the world. Besides the US, key growth drivers for bamboo include the EU, Japan, Canada, Singapore, South Korea, Malaysia, Mexico, and Australia.

But the Philippines has an edge in design and craftsmanship, the local bamboo sector can be further developed. The honing of the Filipino capacities and skills and providing them with global perspective will definitely help our bamboo industry become a major revenue and employment generator.

Still the main challenges in developing the Bamboo Industry is the lack of land planted with it. There are about 8,500 hectares devoted to Bamboo cultivation, with four economically viable species – the Kawayan Tinik, Giant Bamboo, Buho, and Bolo. According to the DTI, while 8,500 hectares is a significant number, the huge demand for bamboo requires more coverage. The Bamboo industry could also use incentives and develop an exhaustive data base of the industry to encourage more investors in plantation development and processing plants.

A stronger convergence programs as well as partnerships between the government and other stakeholders including those outside of government sector is still needed.

A bamboo industry development program should be institutionalized to bring it to a 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 showcase its fine crafted furniture and products, it needs to still create more jobs for the rural folks and it has to protect the environment still for the harsher climatic conditions to come.

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



CYNTHIA A. VILLAR
Senator



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

'16 JUL 20 P5:10

SENATE
S.B. No. 716

RECEIVED BY: 

Introduced by SENATOR CYNTHIA A. VILLAR

AN ACT INSTITUTIONALIZING THE BAMBOO DEVELOPMENT PROGRAM AND PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

SECTION 1. Title. - This bill shall be known as the "Bamboo Industry Act of 2016".

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 to conserve, propagate and promote bamboo to be used as medium for furniture, food and as light construction materials. It shall promote the bamboo industry for poverty reduction, environmental conservation and protection, agricultural productivity enhancement, climate change mitigation and adaptation.

SEC. 3. Creation of the Philippine Bamboo Council. - There is hereby Established, prioritized and institutionalized the Philippine Bamboo Industry Development Program (PBIDP) within the mandate of the Philippine Bamboo Industry Development Council as contained in Executive Order No.879.

SEC. 4. Objectives of the PBIDP. - The PBIDP aims to make the Philippine Bamboo Industry competitive in the local and international markets while providing opportunities for local employment and providing opportunities for rural-based, micro, small and medium community enterprises to flourish by –

- a) Expand the number of bamboo nurseries with quality and disease free planting materials;
- b) Use bamboo in the manufacture of at least twenty five percent (25%) of furniture as an alternative to wood in public primary and secondary schools in the country;
- c) Require at least twenty (20%) percent of the annual planting materials needed in National Greening Program or Reforestation in open, denuded, and degraded forest be bamboo;
- d) Establish a procedure for backyard bamboo farming;

- 1 e) Ensure the propagation, breeding, site species matching and plant nutrition;
- 2 f) Ensure soil and water conservation practices are observed. Ensuring that the
- 3 bamboo industry is able to receive relevant and current research and
- 4 technological information and new product lines;
- 5 g) Promote investments in the bamboo development programs.
- 6 h) Provide skilled labor in bamboo processing by continuous training and capacity
- 7 building.
- 8 i) Ensuring that the machines to be used shall be by a local manufacturer that
- 9 provide for safety, security and competitiveness.
- 10 j) Ensure that there are markets for bamboo locally and internationally.
- 11 k) Ensure the sustainability of the bamboo industry.

12
 13 SEC. 5. The Philippine Bamboo Industry Development Program (PBIDP). The PBIDP
 14 shall be formulated by the stakeholders including planters, processors, marketing and
 15 promotion service providers, relevant government agencies, and local government
 16 units. The program shall make sure that the objectives as enumerated in Sec. 5 of this
 17 Act are met.

18
 19 SEC. 6. The Bamboo Development Framework. The Bamboo Industry Development
 20 Framework shall provide for a ten-year plan, projects, programs and policies for the
 21 scientific propagation, processing, utilization and business development of the
 22 Philippine Bamboo.

23
 24 SEC. 7. Implementing Agency. There is hereby created a Philippine Bamboo Industry
 25 Development Coordinating Council (PBIDCC), herein referred to as the Council,
 26 administratively attached to the Department of Trade and Industry, charged with the
 27 main function of coordinating the activities of various agencies and instrumentalities to
 28 ensure the accomplishment of the Philippine Bamboo Framework for Development.

29
 30 SEC. 8. Composition. The Philippine Bamboo Industry Development Coordinating
 31 Council shall be composed of the following:

- 32 a. Secretary of the Department of Trade and Industry as Chairman (DTI);
- 33 b. Undersecretary of the Department of Trade and Industry - Regional Operations
- 34 and Development Group (DTI-RODG) as Head of the Council Secretariat;
- 35 c. Executive Director of the Cottage Industry Development Center (CICT) as the
- 36 Head of the Bamboo Technical Working Group;
- 37 d. Secretary of the Department of Environment and Natural Resources (DENR);
- 38 e. Secretary of the Department of Agriculture (DA);
- 39 f. Secretary of the Department of Education (DepEd);
- 40 g. Secretary of the Department of Agrarian Reform (DAR);
- 41 h. Secretary of the Department of Science and Technology (DOST);
- 42 i. Secretary of the Labor and Employment (DOLE);
- 43 j. Representative from the League of Municipalities of the Philippines;
- 44 k. Representative from the League of Cities of the Philippines;
- 45 l. Three (3) Representatives from State Universities and Colleges, one each from
- 46 each of the island group of Luzon, Visayas and Mindanao;

- 1 m. Representative from a reputable Private Industry Association;
- 2 n. Two (2) Representatives from Bamboo Farmers'/Producers'/Processors'
- 3 Associations;
- 4 o. One (1) Representative from Non-Governmental Organization promoting
- 5 bamboo.

6

7 The Council shall regularly meet every two (2) months and may hold special meetings,
8 whenever the need arises, to consider urgent matters upon the call of the Chairman or
9 any eight (8) Council members.

10

11 Section 9. Council Secretariat. The Council Secretariat shall be headed by the
12 Undersecretary of the Department of Trade and Industry-Regional Operations and
13 Development Group (DTI-RODG). Technical support shall be provided by the Bamboo
14 Technical Working Group as headed by the Executive Director of the Cottage Industry
15 Development Center (CICT).

16

17 The Secretariat and technical staff shall be detailed from the existing personnel of the
18 DTI without prejudice to the designation of such additional staff members as it may
19 deem necessary for the proper discharge of its functions and responsibilities.

20

21 SEC.10. Authority to generate resources. The PBIDC through its Secretariat is
22 authorized to accept donations and contributions from local and international donors,
23 sources for the attainment of its objectives;

24

25 SEC. 11. Participation of the League of Municipalities, Cities and Provinces. The
26 League of Municipalities, Cities and Provinces are hereby directed to participate in the
27 implementation of this Act by establishing their own Bamboo Industry Development
28 Program and the creation of their Bamboo Industry Development Councils in their
29 respective Local Government Units;

30

31 SEC. 12. Incentives to Investors in Plantation Development and Bamboo Processing
32 Factories.

33

a) Free from the payment of rent in government land used for commercial bamboo
34 plantation for the first five years or until the planter is able to harvest his
35 plantation;

36

b) Forest plantation in private lands shall be free to cut and transport their products
37 without the necessary cutting permit for harvesting as long as their plantation is
38 registered with the Community Environment and Natural Resources Office
39 (CENRO) of the DENR. Inventory of the plantation prior to harvest shall not be
40 required. Only a notice to the CENRO of the date and volume of harvest should
41 be made by the plantation owner. The CENROs are required to have a book of
42 registry containing the list of all the bamboo plantations in private lands and their
43 application.

44

c) Free of payment of forest charges and other fees or taxes that local government
45 units may impose;

45

- 1 d) Private owners of bamboo plantations shall not be subject to inspection during
2 the transport of their bamboo products in check points;
3 e) Private owners of bamboo plantations can access loans from public financial
4 institutions;
5 f) Plantations and equipment can be insured by the Philippine Crop Insurance
6 Corporation;
7 g) Tax free importation of plantation equipment and facilities;
8 h) Provision of preferential rates and special window to bamboo farmers, producers,
9 processors and exporters by the Land Bank of the Philippines;
10 i) Bamboo business entity or enterprise to be registered under the Board of
11 Investments (BOI) shall be entitled to the existing pertinent fiscal incentives as
12 provided by the Board of Investments or those provided under Executive Order
13 No. 226, as amended, otherwise known as the Omnibus Investment Code of
14 1987.

15
16 SEC. 13. Report. - The PBIDCC shall submit an annual report to the Office of the
17 President, the Senate, and the House of Representatives of their accomplishment and
18 status of the bamboo development in the country.
19

20 SEC. 14. Appropriation for the Philippine Bamboo Industry Development Fund. - Upon
21 approval of this law, the Office of the President through PAGCOR shall so allocate a
22 One hundred (Ph100, 000,000.00) Million initial fund as the Philippine Bamboo Industry
23 Development Fund for the funding requirements for the propagation, production,
24 processing, marketing and distribution of Philippine Bamboo Program. For the
25 succeeding years, an annual allocation of not less than Two Hundred (P200,
26 000,000.00) Million Pesos shall be included in the General Appropriations Act for the
27 Philippine Bamboo Industry Development Fund lodged in the Department of Trade and
28 Industry's Regional Operations and Development Group (DTI-RODG), for the
29 implementation of this Act. The budgetary requirements of cooperating agencies shall
30 be incorporated in their respective annual budgets.
31

32 SEC. 15. Implementing Rules and Regulations. The Philippine Bamboo Industry
33 Development Coordinating Council shall formulate and prescribe the necessary
34 implementing rules and regulations to carry out the provisions of this Act.
35

36 SEC. 16. Repealing Clause. All laws or parts thereof, decrees, orders, rules and
37 regulations inconsistent with the provisions of this Act are hereby repealed or modified
38 accordingly.
39

40 SEC. 17. Separability Clause. - If any part, section, or provision of this Act shall be held
41 invalid or unconstitutional, the rest of the provisions shall not be affected thereby.
42

43 SEC. 18. Effectivity. - This Act shall take effect fifteen (15) days from the date of its
44 publication in the Official Gazette or in at least two (2) newspapers of general circulation.
45

46 Approved,