

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6470

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Introduced by **Hon. ANGELO B. PALMONES**

EXPLANATORY NOTE

Rattan had always been a material of commerce in the Philippines and elsewhere where tropical forests exist particularly in the Asian region. The Philippines was the first among the Asian countries to manufacture and export rattan furniture. The exquisite design and expert artisanship of Philippine furniture made it one of the most sought-after furniture in the United States and Europe and later in the Middle East.

In addition to furniture, rattan handicrafts made in the Philippines also became well-known world-wide. These two industries did not only bring in needed foreign currency but also provided employment to a large number of Filipinos. In 2008 the reported value of exported rattan furniture amounted to USD42.41 million.

The success of the country in developing the rattan-based industries led to rapid extraction of the resource from the natural forest. Furthermore, around the 1950s the country started to export unprocessed rattan to neighboring countries as well as to the United States and Europe. Also, starting in this period the forest of the country, which is the habitat of rattan started to be harvested in earnest thus for every hectare of forest lost was also a hectare of natural rattan lost. This led to the depletion of naturally grown rattan. Ban on the export of un-processed rattan became the policy of the government. This also led to the imposition of the requirement that rattan concessionaires plant rattan in their concession areas. A rattan-deposit was later imposed on concessionaires to cover the cost of rattan plantation development. It is not clear how much plantations were developed out of this rattan-deposit. Although there were private initiatives at rattan plantation development these were minimal.

It is said that bamboo is the "tree of life" simply because the uses of bamboo covers from cradle to grave. It is not a tree but belongs to the family of grasses. Its uses include crib, kitchen utensils, furniture (in whole or in part), and construction materials. Bamboo is widely distributed in tropical and sub-tropical countries. In the Philippines it can be found along the breadth and length of the country. However, its distribution is amorphous, scattered. It is found mostly in the forest areas where the forest vegetation has been removed or reduced. Much less is found in the lowlands. They are located along creeks and river banks.

The near depletion of timber resources world-wide has opened the eyes of entrepreneurs and investors of the option of utilizing alternative materials such as coconut lumber and bamboo for purposes where erstwhile wood had been used. Bamboo is the better alternative because when bamboo is harvested only a few culms from a clump are cut while one has to cut the entire tree in the case of coconut, besides it is unlawful to cut coconut that is still highly productive. Bamboo has been used for construction from the dawn of history. However, new technologies have produced products for construction known as the "engineered bamboo". This has opened the door for new architectural designs and processes of construction. And new industries have been established. In the Philippines, however, the advent of these new industries is hampered by the inadequacy of supply of the appropriate species in the right locations.

There had been attempts to develop small plantations by private initiatives but the results of these efforts, though commendable, have not generated sufficient resources to support bamboo-based industries. The government does not have a concerted program to develop the resource base. It was only lately that government allows the use of bamboo as a reforestation species by Integrated Forest Management Agreements (IFMA), albeit in very limited percentage of the area for development. Recently, however, bamboo has been included in the National Greening Program of the President as one of the species for plantation development. To help develop the bamboo industry the Philippine Bamboo Industry Development Council (PBIDC) was created through Executive Order 879 to shepherd the industry.

Because of the resurgence in the importance of bamboo not only for construction but also as food there has been a spate of research and development conducted by the government sector particularly the DENR through the Ecosystems Research and Development Bureau and the Philippine Council for Agriculture and Aquatic Resources Research and Development (PCAARRD) and the Forest Products Research and Development Institute (FPRDI) of the Department of Science and Technology (DOST). Likewise, the private sector has become cognizant of the tremendous potentials of bamboo in generating employment and income for small-hold growers as well as corporate plantation developers that a number of non-government organizations, particularly the Philippine Bamboo Foundation, Incorporated (FBFI) have taken the advocacy for the production of bamboo planting materials as well bamboo plantation development.

The economic importance of rattan and bamboo, in terms of income of families and of government, cannot be overestimated. There is therefore a need for government to harness this new-found enthusiasm and initiative in the private sector, provide the policy directions and the incentives for development before it dissipates. It is for this reason that the creation of the Philippine Bamboo and Rattan Development Authority (PBRDA) is hereby proposed by this Act.



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HOUSE BILL NO. _____

Introduced by Hon. ANGELO B. PALMONES

AN ACT
CREATING THE PHILIPPINE BAMBOO AND RATTAN DEVELOPMENT
AUTHORITY (PBRDA) TOWARDS HARMONIZING ECOLOGICAL BALANCE
WITH LIVELIHOOD GENERATION AND INDUSTRIAL DEVELOPMENT AND
APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Title.* - This Act shall be known as the “*Bamboo and Rattan Development Act of 2012.*”

SECTION 2. *Declaration of Principles and Policies.* - The Constitution provides that the State shall develop a self-reliant and independent national economy effectively controlled by Filipinos. It also provides that the State shall support indigenous, appropriate and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life. The State recognizes the role of bamboo and rattan in contributing to national development, the preservation of indigenous culture and traditions, as well as in providing opportunities for rural livelihood and addressing poverty among indigenous peoples and local communities. Towards this end, the State shall conserve, propagate and promote bamboo and rattan and provide adequate measures, including incentives to insure the sustainability of production, equitable access and sharing of benefits, and the viability of bamboo and rattan industries.

The welfare and interest of the people will receive the highest consideration and will be served best when equilibrium is achieved between sustainable environment and industrial development as the Act promotes ecological awareness and moves the nation towards industrialization and progress.

SECTION 3. *Definition of Terms.* - As used in this Act, the following terms shall mean:

- a) *Bamboo* refers to all members of the tall or shrubby grasses with woody culms under the Subfamily *Bambusoideae* of the Family *Graminae* or *Poaceae*;

- b) *Rattan* refers to all members of the climbing palm belonging to Subfamily *Calamoideae* of the Family *Palmae* or *Arecaceae*;
- c) *Indigenous Cultural Communities/Indigenous Peoples (ICC/IP)* - refer to a group of people or homogenous societies identified by self-ascription and ascription by others, who have continuously lived as organized community on communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed customs, tradition and other distinctive cultural traits, or who have, through resistance to political, social and cultural inroads of colonization, non-indigenous religions and culture, became historically differentiated from the majority of Filipinos. ICCs/IPs shall likewise include peoples who are regarded as indigenous on account of their descent from the populations which inhabited the country, at the time of conquest or colonization, or at the time of inroads of non-indigenous religions and cultures, or the establishment of present state boundaries, who retain some or all of their own social, economic, cultural and political institutions, but who may have been displaced from their traditional domains or who may have resettled outside their ancestral domains;
- d) *Nursery* refers to an area where high quality bamboo and rattan planting stocks are raised or produced;
- e) *Semi-Commercial Production* refers to a farmer owning or cultivating a farmland of more than five (5) hectares;
- f) *Smallholder Farmer* refers to a farmer owning or cultivating a farmland of less than or equal to five (5) hectares;
- g) *Cultivar* refers to species or varieties of bamboo and rattan that are potential sources of propagules or propagating materials.

SECTION 4. *Creation of the Philippine Bamboo and Rattan Development Authority.* - There is hereby created a Philippine Bamboo and Rattan Development Authority, hereinafter referred to as the **PBRDA**, which shall be under the supervision and control of the Department of Environment and Natural Resources.

SECTION 5. *Objectives.* - The PBRDA shall have the following objectives:

- a) To oversee the development of all aspects of the production, industrial processing, promotion and marketing of bamboo and rattan;
- b) To formulate and harmonize policies on bamboo and rattan to encourage the development of bamboo and rattan plantations and the establishment of bamboo and rattan industries;
- c) To improve the quality of life of Filipino farmers, indigenous peoples, and rural communities through bamboo and rattan-farming in areas suitable for these products;
- d) To safeguard the profitability of bamboo and rattan farmers and manufacturing enterprises through their adoption of state-of-the-art technology; and
- e) To promote biosafety and the conservation and protection of bamboo and rattan genetic resources, to ensure their sustainability, their contribution to the preservation of biodiversity, and the perpetuation of the beneficial services of forest and related ecosystems.

SECTION 6. *Powers and Functions of PBRDA.*

- a) To promulgate rules and regulations to govern bamboo and rattan production, the propagation and distribution of planting materials, the areas for bamboo and rattan-growing, harvesting and transport of bamboo and rattan, the establishment of bamboo and rattan industries, and the marketing, trade and promotion of bamboo and rattan products;
- b) To design and implement monitoring and information system including the establishment of data bases for bamboo and rattan, to guide plantation development, marketing of raw materials and products, and sourcing of raw materials by the bamboo and rattan industries;
- c) To enable the farmers, particularly smallholder farmers, CARP beneficiaries and forest-dependent communities to avail themselves of high quality bamboo and rattan planting stocks at all times and at reasonable prices through an organized program of propagation, breeding, training and distribution;
- d) To coordinate and grant funds for research studies of existing research institutions on all aspects of bamboo and rattan production, processing, utilization, machine design, enterprise development and marketing;
- e) To spearhead capacity-building programs to enhance bamboo and rattan production and manufacturing, and the development of human and physical resources to improve the quality, competitiveness and productivity of bamboo and rattan plantations and manufacturing enterprises;
- f) To package and disseminate recommended technologies to guide bamboo and rattan production and manufacturing activities in the country;
- g) To provide other forms of assistance to small hold farmers, bamboo and rattan gatherers, indigenous peoples, bamboo and rattan industries, and local government units in developing bamboo and rattan plantations and enterprises;
- h) To administer the package of incentives set forth in this Act and to design such other incentives to promote private sector investments in bamboo and rattan; and
- i) Enter into memoranda of agreement and receive donations from local and foreign sources. Upon the recommendation of the PBRDA Governing Board, the Bamboo and Rattan Development Centers may enter into agreements directly with funding agencies through their respective regional heads.

SECTION 7. *Priorities.* The PBRDA shall give priority to the following activities:

- a) Formulation of the national bamboo and rattan industries development framework/plan, defining the scope and stakeholders, support industries, and prescribing targets, programs and strategies to achieve them;
- b) Inventory and assessment of existing bamboo and rattan resources as well as the projected requirements of existing and proposed bamboo and rattan industries;
- c) Establishment of data bases for rattan and bamboo and the industries thereof;
- d) Expansion of, or improvement in the quality and productivity of bamboo and rattan plantations, including the provision of quality planting materials, the development of pest management practices, product development, and the design,

fabrication, and procurement of machines for more efficient product manufacturing;

- e) Prescriptions on rules for bamboo and rattan plantation development especially in forest lands, as well as the guidelines for access, resource use, collection, harvesting and transport of products from forestlands, imposition of appropriate levy from bamboo and rattan from natural stands, and mechanisms to more easily distinguish products derived from natural stands from those in plantations in both forest and A&D lands;
- f) Socio-economic researches to determine needs of bamboo and rattan farmers, gatherers, and indigenous peoples' groups, and to ensure economic viability and acceptance of technology by farmers;
- g) Establishment of at least five (5) hectares bambusetta and five (5) hectares rattan gene bank, one each in Luzon, Visayas, and Mindanao to ensure the preservation of the existing bamboo and rattan genetic materials in the Philippines and to provide options to farmers based on species-site suitability, indigenous knowledge systems, and market requirements.

SECTION 8. *PBRDA Governing Board.*

1. The PBRDA Governing Board shall be composed of the following:

- a) Secretary of the Department of Environment and Natural Resources or his representative as Chair;
- b) Secretary of the Department of Trade and Industry or his representative;
- c) Secretary of the Department of Agriculture or his representative;
- d) Secretary of the Department of Science and Technology or his representative;
- e) Secretary of the Department of Education or his representative;
- f) The President of the League of Governors of the Philippines
- g) The President of the League of Municipalities of the Philippines;
- h) Three (3) Heads of SUCs each representing Luzon, Visayas and Mindanao regions;
- i) Administrator of PBRDA;
- j) The President of the Chamber of Furniture Industries of the Philippines, Inc.;
- k) The President of the Chamber of Handicraft Industries, Inc.;
- l) Farmers' representative to be appointed by the President;
- m) Representative of indigenous peoples' groups to be appointed by the President; and
- n) Representative of civil society/non-government organizations dealing with bamboo and rattan to be appointed by the President.

2. All appointed members of the PBRDA Governing Board shall have a term of two years, without prejudice to renewal for another two years and provided further that they have not been replaced or removed for cause by the sector/association they represent.

SECTION 9. *Functions of the PBRDA Governing Board.*

The PBRDA Governing Board shall perform the following functions:

- a) Approve the structure and staffing pattern of the Authority upon the recommendation of the Administrator;
- b) Recommend to the President the appointment of the Administrator and Deputy Administrator, and Center Directors;
- c) Appoint the Chiefs of Divisions and other personnel of the Authority in line with the approved staffing pattern;
- d) Formulate policies, programs, and projects for the development of the bamboo and rattan in the country;
- e) Review and recommend the annual budget of the PBRDA;
- f) Evaluate the implementation, efficiency, and effectiveness of the programs and projects of the PBRDA;
- g) Appoint representatives of farmers, indigenous peoples, private industry groups, civil society organizations/NGOs, as members of the PBRDA Governing Board; and
- h) Approve appropriate sites for the establishment of Bamboo and Rattan Development Centers, one each in Luzon, Visayas, and Mindanao and of additional centers if deemed necessary.

The PBRDA Governing Board and the PBRDA shall take over the functions of the Philippine Bamboo Industry Development Council (PBIDC) created through Executive Order 879, which shall be deemed dissolved upon approval of the Implementing Rules and Regulations of this Act, not more than sixty days after its promulgation.

SECTION 10. *The Philippine Bamboo and Rattan Development Authority* – The PBRDA shall be headed by an Administrator who will have the rank of an Undersecretary in a regular department of the Executive Branch and shall be assisted by one Deputy Administrator, who will have the rank of an Assistant Secretary. The Authority shall have three functional divisions, one each for technical matters on bamboo and on rattan, and one for administration, and which shall be headed by a Chief of Division with rank of Director.

The qualifications of the Administrator, the Deputy Administrator, Center Directors and Chiefs of Division shall be prescribed in the implementing rules and regulations (IRR) of this Act. The IRR shall also prescribe the duties and responsibilities of the Deputy Administrator and Chiefs of Division.

The Administrator, the Deputy Administrator, and Center Directors shall be appointed by the President of the Philippines upon the recommendation of the Governing Board.

SECTION 11. *Administrator of the PBRDA.* - The Administrator of the PBRDA shall have the following functions:

- a) Recommend to the Governing Board the appointments of the Deputy Administrator, Center Directors, Chiefs of Division and other personnel of the Authority;
- b) Oversee the implementation of the policies, programs, and projects of the PBRDA;
- c) Assist the PBRDA Governing Board in the review, evaluation and monitoring of the Bamboo and Rattan Industries Development Program; and

- d) Perform such other functions as may be assigned by the PBRDA Governing Board.

SECTION 12. *Establishment of Bamboo and Rattan Development Centers in Luzon, Visayas and Mindanao.* – Three bamboo and rattan development centers shall initially be established, one each in Luzon, Visayas and Mindanao, not later than one year after the promulgation of this Act.

SECTION 13. The Bamboo and Rattan Development Centers shall have the following functions:

- a) Establish at least a 5-hectare bambusetum and a 5-hectare rattan gene bank;
- b) Establish a bamboo and rattan nursery for distribution and dispersal of bamboo and rattan planting materials;
- c) Coordinate with the provinces in their planning, implementation, and conduct of activities in pursuit of bamboo and rattan development;
- d) Render an annual report to the PBRDA.

SECTION 14. *Appointment of Directors of Bamboo and Rattan Development Centers.* - The Centers shall be headed by Directors who shall be appointed by the President upon the recommendation of the PBRDA Governing Board.

SECTION 15. *Functions of the Directors of Bamboo and Rattan Development Centers.* - Subject to the policies of the PBRDA, the Bamboo and Rattan Development Centers shall perform the following functions:

- a) Administer the policies, programs, and projects of the PBRDA in their respective centers and areas of responsibility;
- b) Recommend the creation of divisions and sections including the staffing pattern of the centers;
- c) Prepare the annual budget of their centers;
- d) Approve the expenditures of their respective budgets;
- e) Recommend the appointment of personnel or consultants;
- f) Establish data bases for bamboo and rattan within the area of jurisdiction of the Center;
- g) Recommend policies, programs, and projects to the Administrator of the PBRDA;
- h) Coordinate with the bamboo and rattan development councils of the provinces, cities and municipalities, including barangays, on their development plans, programs and projects on bamboo and rattan; and
- i) Perform such other functions as may be assigned by the Administrator of the PBRDA.

SECTION 16. *Provincial Bamboo and Rattan Development Councils* - Provincial Bamboo and Rattan Development Councils shall be created in provinces with significant bamboo and rattan resources, except in provinces where a Provincial Bamboo Industry Development Council already exists by virtue of Executive Order 879, which may opt to expand to include rattan in their activities. Such Councils shall be chaired by the Provincial Governor, with the Environment and Natural Resources Officer (PENRO) as Vice Chair, the Provincial Planning and Development Officer, one (1) representative each from the regional offices of the Departments of Agriculture (DA), Science and Technology (DOST), Trade and Industry

(DTI) and the state university or college that implements research, development and extension (RDE) activities on bamboo and rattan in the province, as members.

SECTION 17. The Provincial Bamboo and Rattan Development Councils shall coordinate with the Bamboo and Rattan Development Center and monitor the implementation of the Bamboo and Rattan Development Program in the province. It shall provide the necessary information on the provisions of the Bamboo and Rattan Development Program, the guidelines issued by the PBRDA and shall make a written report on the progress of the Program in the Province.

SECTION 18. *City/Municipal Bamboo and Rattan Development Program Councils.* – There shall be established a City/Municipal Bamboo and Rattan Development Council in every city or municipality with significant bamboo and rattan resources. The Council shall consist of the City or Municipal Mayor as Chairman, the Community Environment and Natural Resources Officer (CENRO) as Vice Chairman, and the following as members: City/Municipal Planning and Development Officer, two (2) members of the local council concerned, the association of Barangay Councils, one (1) representative each from DA, DOST, DTI and the state university or college in the city/municipality that is doing significant RDE activities on bamboo and rattan.

SECTION 19. The City/Municipal Bamboo and Rattan Development Council shall perform the following functions, duties:

- a) determine and identify the prospective location sites for bamboo and rattan nursery and dispersal centers;
- b) determine the would-be bamboo and rattan cultivars;
- c) assist the DENR-PENRO in the preparation of the reports on the progress of the implementation of the Bamboo and Rattan Development Program by the local government units (LGU) concerned for submission to the PBRDA;
- d) assist farmer groups, indigenous peoples, communities, or private individuals in establishing semi-commercial or small hold plantations of bamboo and rattan;
- e) facilitate the establishment of bamboo and rattan industries; and
- f) Such other functions that may be assigned by the PBRDA.

SECTION 20. *Budget provisions for the Provincial and City/Municipal Bamboo and Rattan Development Councils* – Budgetary support shall be provided to the Provincial and City/Municipal Councils which shall be incorporated into the regular appropriations of the PBRDA.

SECTION 21. Incentives for Bamboo and Rattan Industries Development. – The government shall encourage/promote the development of bamboo and rattan plantations, especially in private lands and open, unused public lands and processing of the same by providing strong and attractive incentives, such as:

- a) All tenure-agreements in forest lands to be used as bamboo and rattan plantations and the processing permits shall have security of tenure in accordance with existing constitutional provisions and laws/regulations. Government institutions shall not unilaterally terminate or suspend tenures and permits without due process of law;

- b) Bamboo and rattan plantations shall be classified as green and pioneering projects under the Board of Investments (BOI) and can avail of current incentives under these categories which shall be automatic and not subject to priorities;
- c) Rent-free use of open government lands for commercial bamboo and rattan plantations for the first rotation of five years for a bamboo plantation, and for the first ten years for rattan plantation;
- d) No harvest and transport permits shall be required of bamboo and rattan plantations products provided these are registered with the Community Environment and Natural Resources Office (CENRO) of the DENR, and provided further, that the CENRO is duly informed in writing in advance that the plantations will be harvested in a given date together with the owner-determined volume to be harvested. Inventory of the plantation prior to harvest shall not be required. CENROs are obligated to approve and enter into their book of registry applications for registration for private plantations in public or private lands within 30 days from receipt of request for registration. Failure of the CENROs to notify applicants for registration within 30 day shall mean that the plantations are registered automatically. Owners shall be issued certificates of registration by the CENROs concerned;
- e) Exemption from payment of forest charges for plantation grown bamboo and rattan products and other forms of fees or taxes that local government units may impose;
- f) Exemption from inspection in check points;
- g) Bamboo and rattan plantations and plantation development equipment shall be covered by the Philippine Crop Insurance Corporation (PCIC);
- h) Equipment for bamboo and rattan plantation development and for bamboo and rattan processing that are not locally manufactured shall be free from import taxes;
- i) Bamboo and rattan plantation development expenses, including expenses for research shall be deducted from income tax, provided that the deductions shall only apply to the taxable period when the development expenses were incurred;
- j) All Government agencies and instrumentalities shall remove all restrictions on the export of bamboo and rattan products coming from plantations, in accordance with appropriate certification rules. The Department of Trade and Industry shall promote international trade of these products.
- k) No environmental compliance certificate (ECC) shall be required for bamboo and rattan plantation development as well as harvesting of products from these plantations.
- l) The free and prior informed consent (FPIC) of indigenous peoples (IPs) shall be issued by the IPs through the National Commission of Indigenous Peoples (NCIP) within 30 days from filing of request for the FPIC. Failure of the NCIP to issue the FPIC within 30 days shall mean approval of the request;
- m) Private investors can enter into joint-ventures with community-based forest management agreement holders as well as holders of ancestral domain titles and claims;

- n) Bamboo and rattan products from plantations shall be exempt from payment of value added tax (VAT), unless processed and sold as processed products.

SECTION 22. *Appropriation.* – Funds collected from the rattan special deposit shall be transferred to the PBRDA to constitute its initial funding. Thereafter, the amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law thereafter.

SECTION 23. *Use of Funds.* - Not more than fifty percent (50%) of funds allocated under this Act and in subsequent annual appropriations shall be used for personal services and maintenance and operating expenses; at least ten percent (10%) shall be allocated for research and development. The PBRDA is hereby authorized to retain all incomes derived from sale of products as well as donations and deposited in a Trust Fund in a government financial institution and shall be used to augment the budget of the PBRDA. The Office of the President, through PAGCOR, shall also allocate 50M yearly for bamboo and rattan plantation development, processing and entrepreneurship assistance to farmers/growers, indigenous peoples groups, and community-based bamboo and rattan processors and for research, development and extension activities.

SECTION 24. *Annual Report.* - The PBRDA shall submit an annual report to the Office of the President, the Senate, and the House of Representatives indicating among others hectareage of established bamboo and rattan plantations, the number of bamboo and rattan distributed, and the names of the beneficiaries.

SECTION 25. *Separability Clause.* - If any part, section, or provision of this Act shall be held invalid or unconstitutional, the rest of the provisions shall not be affected thereby.

SECTION 26. *Repealing Clause.* - All laws, executive orders, rules and regulations, or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly: Provided, however, that nothing in this Act shall amend, modify or repeal the provision of Republic Act No. 7160, otherwise known as the Local Government Code.

SECTION 27. *Implementing Rules and Regulations.* - The Department of Environment and Natural Resources (DENR) shall issue the implementing rules and regulations of this Act within 60 days from its approval.

SECTION 28. *Effectivity.* - This Act shall take effect fifteen (15) days from the date of its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,