

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

4806
House Bill No. _____



Introduced by **DIWA Party-list Representative Emmeline Y. Aglipay – Villar**

EXPLANATORY NOTE

Abaca plant (*Musa textiles*) is indigenous to the Philippines. Long before the Spaniards came here, abaca fiber, known worldwide as the Manila hemp, were already being woven into breathable fabrics and made into sturdy sandals in different parts of the country.

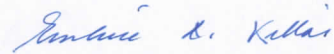
Abaca fiber is considered the strongest among other natural fibers, which gained high demand in global trade. Abaca fiber has remarkable superior tensile strength and resistance especially to salt water decomposition, which boasts of high demands all over the world as raw material for ropes and other cordage products; textile and fiber crafts, such as bags, hats, place mats and the likes; handicrafts; abaca pulp; and specialty papers. The global demands for abaca continue to expand due to the increasing number of its uses. It is now setting its place in the automobile industry being used as the strongest natural fiber material for dashboards and car interiors.

At present, Philippines is the top exporter of abaca with an average annual export earnings of US\$80 million.¹ However, despite our dominance in the world market, the country's abaca industry is confronted by challenges including poor technology adoption of farmers; lack of high-yielding and virus-resistant planting materials; prevalence of pest and diseases pressures; and typhoon devastation and other natural calamities. In addition, the meager income from abaca farming that is not sufficient to sustain the needs of small farmers compel them to shift to other viable crops.

The global demand for abaca increases but with the many industry problems and challenges, our abaca production shows trifling growth in the past years. As compared to other abaca producing countries – Ecuador, Indonesia and other Southeast Asian countries – which aggressively develop plantations for abaca production, abaca farmers in the Philippines are in dire need of more government support on the production side. If the serious concerns of our abaca farmers are not immediately addressed, we are at risk of losing our leadership in the abaca global scene in the years to come.

¹ <http://www.dost.gov.ph/knowledge-resources/news/44-2015-news/746-improved-abaca-varieties-to-nail-ph-as-top-exporting-country-abaca-weaving-more-opportunities-into-farmers-lives>

This bill –filed as a counterpart of Senate Bill No. 717 with the support of its author, Senator Cynthia Villar– seeks to revive the Philippine abaca industry to make it more competitive in the international market and to sustain and retain our global leadership in abaca production. Institutionalizing the abaca industry in the Philippines will enhance and ensure the formulation and implementation of plans, projects, programs, and policies for the scientific propagation, processing, utilization resources and technologies, and expansion of market.



EMMELINE Y. AGLIPAY – VILLAR
Representative, DIWA Party-list

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AN ACT
INSTITUTIONALIZING THE PHILIPPINE ABACA INDUSTRY DEVELOPMENT
PROGRAM, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "Philippine Abaca Industry Development Program of 2016".

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State to protect and promote the right of the Filipino people to a better quality of life, improve their living conditions, through programs that provide sustainable livelihood, increase employment and protect the environment.

SECTION 3. Definition of Terms. - For the purpose of this Act, the following terms shall refer to:

- a) Program the Philippine Abaca Industry Development Program designed to promote competitiveness of the Abaca Industry worldwide.
- b) Philippine Abaca Industry Development Council (PAIDC) the Council established herewith.
- c) Secretariat the Secretariat of the PAIDC as contained herewith shall be PhilFida.

SECTION 4. There is hereby created a Philippine Abaca Industry Development Coordinating Council (PAIDCC), hereinafter referred to as the Council, administratively attached to the Department of Agriculture, charged with the main function of coordinating the activities of various agencies and instrumentalities to ensure the accomplishment of the Philippine Abaca Framework for Development.

The Chairman of the Council shall submit an annual report to both Houses of Congress on the status of the implementation of this Act.

SECTION 5. Composition. The Philippine Abaca Industry Development Coordinating Council shall be composed of the following:

- a) Secretary of the Department of Agriculture as Chairman (DA);
- b) The Executive Director of PhilFIDA as Head of the Council Secretariat;
- c) Head of the National Abaca Research Center (NARC);
- d) Secretary of the Department of Environment and Natural Resources (DENR);
- e) Secretary of the Department of Agrarian Reform (DAR)
- f) Secretary of the Department of Science and Technology (DOST);
- g) Secretary of the Department of Trade and Industry (DTI);
- h) Representative from the League of Municipalities of the Philippines;
- i) Representative from the League of Provinces;
- j) Representative from a reputable Private Abaca Industry Association;
- k) Two (2) Representatives from Abaca Farmers'/Producers'/Processors' Associations;
 - a. One (1) Representative from Non-Governmental Organizations (NGOs).

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

SECTION 6. Institutionalizing the Philippine Abaca Industry Development Program (PAIDP). - There is hereby established the Philippine Abaca Industry Development Program within the mandate of the Philippine Fiber Development Authority (PhilFIDA) which shall be a ten (10) year Framework for Development, to be validated and updated annually. Such Framework shall serve as guide to the formulation and implementation of plans, projects, programs, and policies for the scientific propagation, processing, utilization, and expansion of trade of Philippine Abaca. The Framework shall likewise provide for the following:

- a) Site Identification - The Department of Environment and Natural Resources in coordination with the Department of Agriculture, Department of Agrarian Reform and the local government units shall identify the broad areas suitable for the planting and propagation of Philippine Abaca, within six (6) months after the effectivity of this Act.
- b) Scientific Propagation and Development - The Department of Environment and Natural Resources and the Department of Science and Technology shall establish cultivation and propagation of Philippine disease free and disease resistant varieties of abaca. The DOST shall also provide for the transfer and improvement of appropriate technology and techniques, which will be utilized in the production, processing, marketing and distribution. Particular emphasis shall also be made on adoption and upgrading of post-harvest technology;
- c) Production Support and Extension - The Department of Environment and Natural Resources, Department of Agriculture, Department of Trade and industry, and the Department of Science and Technology in coordination with the Local Government Units, and Non-Governmental Organizations, Technical Education and Skills Development Authority (TESDA), Cooperative Development Authority (CDA), state universities and colleges (SUCs), and other relevant government agencies, shall establish programs which promote and provide adequate training on adapting technologies to individuals engaged in propagation, production, processing, marketing and distribution of Philippine abaca, strengthen farmers'/ producers'/processors' cooperatives and organizations involved in the sustainable and viable development of Philippine abaca.
- d) Market Promotion and Expansion of Trade - The Department of Trade and Industry, in coordination with Private Industry Associations, shall link-up agribusiness cooperatives and organizations directly with consumers' cooperatives and organizations, agro-processing companies, or exporters to provide marketing outlets and assure relatively higher and stable prices of abaca. This also includes exploring national and international markets and facilitating the participation of local farmers, growers, and exporters in local and international conferences, trade fairs, expositions, and exhibits;
- e) Infrastructure Development - Access to post harvest facilities, storage and distribution/transport facilities of existing government agencies shall be facilitated by the Department of Environment and Natural Resources, Local Government Units, and the Department of Agriculture.
- f) Quality Assurance - To ensure health and proper trading, the Department of Trade and Industry, Department of Science and Technology, and PhilFIDA, respectively, shall establish and enforce standards in grading, sampling and inspection, tests and analysis, specifications, nomenclature, units of measurement, packaging, preservation, conservation or transportation of Philippine abaca products and byproducts; and

- g) Philippine Abaca Information Center of the Department of Trade and industry in coordination with Local Government Units shall establish a Philippine Abaca Information Center in areas where they are abundant.

Section 7. Philippine Abaca Development Fund - To provide for the funding requirements for the propagation, production, processing, marketing, promotion and distribution of Philippine abaca, there is hereby created a Philippine Abaca Development Fund (PADF), with an initial amount of Five Hundred Million Pesos (Php500, 000,000.00) upon the approval of this Act and every year thereafter, to be provided by the Department of Budget and Management in the PhilFIDA's budget. This is in addition to PhilFIDA's existing allocation under the General Appropriations Act for the development of other fibers and its administrative, regulatory and operational expenses. Of this amount, Fifty Million Pesos (P50,000,000.00) shall be allocated for the Philippine Abaca Research Center, Visayas State University in Baybay, Leyte, for the abaca research and development and extension program.

For the succeeding years, for the next nine (9) years from the approval of this Act, a minimum amount of not less than Five Hundred Million Pesos (Php500,000,000.00) annually shall be allocated for the development and sustainability of the Abaca industry. The requirements of cooperating agencies shall be incorporated in their respective budget from the General Appropriations fund.

SECTION 8. The Council Secretariat - The Council Secretariat shall be headed by the Executive Director of the PhilFIDA. The Secretariat and technical staff shall be detailed from their existing personnel without prejudice to the designation by the Council of such additional staff members as it may deem necessary for the proper discharge of its function and responsibilities.

SECTION 9. Implementing Rules and Regulations. The Philippine Abaca Industry Development Coordinating Council shall formulate and prescribe the necessary implementing rules and regulations to carry out the provisions of this Act.

SECTION 10. Repealing Clause. All laws or parts thereof, decrees, orders, rules and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. Separability Clause. If any of the provisions of this Act is declare invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 12. Effectivity Clause. This Act shall take effect immediately following its publication in two newspapers of general circulation or in the Official Gazette.

Approved,