

Republic of the Philippines
Congress of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session
House Bill No. **7203**



Introduced by: Representative Manuel Jose M. Dalipe

EXPLANATORY NOTE

The legislative measure aims to establish a Seaweed Development Authority, the office of which is for the promotion, development, protection, and growth of the seaweed industry. It aims to institutionalize the improvement of quality of seaweed products through seaweed research and development and make it globally competitive while maintaining sustainable growth.

The Philippines has an estimated farmable marine area of 200,000 hectares along the coastlines, of which 60,000 are used for seaweeds. Zamboanga Peninsula or Western Mindanao Region contributes 12.81% of the national output of seaweed production at 252 HA, Region 4B at 24.75%, 455 HA, and Autonomous Region of Muslim Mindanao at 37.5%, 421 HA.

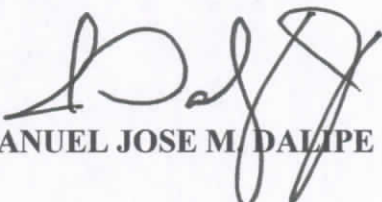
In the early days of the seaweeds industry, the Philippines was considered as the world's leading supplier of seaweeds, particularly the *Eucheuma* specie comprising about 72% of the total world supply. Luzon accounts for 29% of the seaweeds production of the entire Philippines, Visayas at 14% and Mindanao at 57%. The Philippines has abundant seaweeds, 197 species in 20 families of green algae, 153 species in 10 families in brown algae, and 543 species in 52 families of red algae with a total of 893 identified species in the Philippines.

Despite the low production, seaweeds accounted for 70.20% of the country's aquatic exports, supporting 200,000 families. In 2008, Indonesia has surpassed the Philippine volume of seaweeds produced at 2.79 million metric tons, 60% higher than the Philippines' production of 1.73 MMT.

The Bureau of Fisheries and Aquatic Resources aims to increase seaweed production by at least 5% annually from 2017-2022.

It is now imperative for the Government to create a Seaweed Development Authority in order to regulate and harness the seaweed industry and reach its full potential 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 establishing a sustainable and competitive seaweed industry.

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


MANUEL JOSE M. DALIPE

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

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

SECTION 1. Short Title. This Act shall be known as the “Philippine Seaweed Development Authority Act of 2018”.

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

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

- a. Protection from Unfair Competition. – The State shall protect small farmers from unfair competition such as monopolistic and oligopolistic practices by promoting a policy environment that provides them priority access to credit and strengthened cooperative-based marketing system. Any joint venture with foreign investors shall be consistent with the constitutional provision that at least sixty per centum of the investment shall be owned by Filipinos.
- b. Global Competitiveness. – The State shall enhance the competitiveness of the seaweed industry sector in both domestic and foreign markets.
- c. Sustainable Development. – The State shall promote development that is compatible with the conservation of the ecosystems in areas where seaweed production activities are carried out. Judicious use of the country’s natural resources shall be exercised in order to attain long-term sustainability.

- d. Poverty Alleviation and Social Equity.- The State shall ensure that the poor sectors of society have equitable access to resources, income opportunities, basic and support services and infrastructure, especially in areas where productivity is low, as a means of improving their quality of life.
- e. Rational Use of Resources.- The State shall adopt a rational approach in the allocation of public investments in the seaweed industry in order to ensure efficiency and effectiveness in the use of scarce resources and thus obtain optimal returns on its investments.
- f. People Empowerment.- The State shall promote people empowerment by enabling all citizens through direct participation or through their duly elected, chosen or designated representatives, the opportunity to participate in policy formulation and decision-making by establishing the appropriate mechanisms and by giving them access to information.

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

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

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

- a. To enhance profits and incomes in the seaweed farming, by ensuring equitable access to assets, resources and services, and promoting value-added processing;
- b. To encourage and promote people empowerment by strengthening people's organizations, cooperatives and non-government organizations of seaweed farmers and by establishing and improving mechanisms and resources for their participation in government decision-making and implementation;
- c. To pursue a market-driven approach to enhance the comparative advantage of our seaweed industry in the world market;
- d. To encourage the seaweed farming sector to continuously develop new value-added or processed seaweed products in order to minimize the marketing of raw, unfinished or unprocessed products; and
- e. To provide social and economic adjustment measures that increase productivity and improve market efficiency while ensuring the protection and preservation of the environment and equity for small farmers and fisherfolk.

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

- a. Prescribe, repeal and amend its own by-laws;
- b. Formulate and adopt a Seaweed Industry Development Masterplan covering a five (5)-tier term at a time, subject to yearly monitoring, evaluation and review;
- c. Establish, operate and maintain one central seaweed industrial processing plant and other support services within the premises of its main research and development center. Whenever necessary and practicable, it shall establish seaweed industrial processing plants in other major producing provinces geared toward the development of the seaweed industry. Furthermore, farmers shall be encouraged to partly own the processing plant in order to encourage them to increase seaweed production;
- d. Encourage and promote the exportation of seaweed and its value-added products by establishing and undertaking measures to enforce standards for domestic trade and export of seaweed and seaweed products within globally acceptable practices and market price;
- e. Review, revise, align and thereafter, integrate into the Seaweed Industry Development Masterplan, the existing policies, projects and activities of all other government agencies contributing to the attainment of the objectives of the Authority.
- f. Institutionalize seaweed research and development devoted to improvement of the quality of seaweed, its adaptation to climate and environmental changes, and its various applications, by designating/establishing seaweed research and experiment stations, and sub-stations in strategic locations nationwide, as deemed necessary.

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

- g. Ensure that seaweed farmers' organizations have direct access to markets;
- h. Facilitate the access of farmers to credit by encouraging private lending institutions to provide loans at affordable interest rate;
- i. Receive grants from any source, domestic or foreign, public or private, in accordance with existing laws;
- j. Adopt and use a corporate seal;
- k. Sue and be sued;
- l. Have continuous succession until dissolved by law;

- m. Exercise all the general powers conferred by law upon corporation as are incidental or conducive to the attainment of the purposes of this Act.

SEC. 7. Board of Directors of the Authority. – The corporate powers of the Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the Board, to be composed of the following:

- a. Secretary of the Department of Agriculture as Chairperson;
- b. Secretary of the Department of Trade & Industry as Vice-Chairperson;
- c. Director, University of the Philippines-Diliman Marine Science Institute as Member;
- d. National President, League of Cities as Member;
- e. National President, League of Municipalities as Member;
- f. President, Land Bank of the Philippines (and/or other government financing institution/s as Members/s;
- g. Three (3) representatives of seaweed farmers' organization/s – one (1) representing Luzon; one (1), Visayas; and one (1) representing Mindanao, as Members;
- h. Two (2) representatives of the national organization of the seaweed processing and exporting sector as Members.

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

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

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

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

SEC. 8. Powers and Duties of the Board.- The Board shall have the following powers and duties:

- a. Formulate and adopt policies, plans and programs and prescribe or promulgate such rules and regulations as may be necessary to implement the intent and provisions of this Act;
- b. Enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of the purposes of this Act;
- c. Approve the budget of the Authority and to determine the reasonable compensation of its personnel consistent with the provisions of Republic Act No. 6758 or "The Salary Standardization Law";
- d. Establish policies and guidelines for employment on the basis of merit, technical competence and moral character, and approve a staffing pattern of personnel defining their powers and duties subject to Civil Service laws, rules and regulations;
- e. Review and approve the appointment of personnel of the Authority from the rank of division chief or higher;
- f. Exercise final authority on administrative cases involving personnel of the Authority where the penalty imposed is suspension of thirty (30) days or more;

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

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

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

He shall have the following powers and duties:

- a) Execute the administers the policies, plans, programs and rules and regulations approved and/or promulgated by the Board;
- b) Submit for the consideration of the Board such policies, plans, and programs as he/she deems necessary to carry out this act;
- c) Direct and supervise the operation and internal administration of the Authority, including imposition of disciplinary actions among the Authority's personnel;
- d) Appoint or promote employees of the Authority subject to the confirmation of the Board;
- e) Transfer, assign, re-assign employees of the Authority as the exigencies of the service may require and approve penalties in administrative cases involving suspension for less than (30) days and lighter penalties;

- f) Recommend to the Board the appointment or promotion of personnel from the rank of division chief or higher and submit for decision by the Board administrative cases where the penalty imposed is suspension for thirty (30) days or more, demotion or separation from the services;
- g) Administer and manage the budgetary appropriations and financial disbursements of the Authority;
- h) Exercise such other powers and perform such other duties as may be directed by the Board.

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

SEC. 11. Rules and Regulations – The Department of Agriculture shall, within ninety (90) days from the approval of this Act, formulate the necessary rules and regulations for the implementation of this Act.

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

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

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

Approved,