

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7267



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

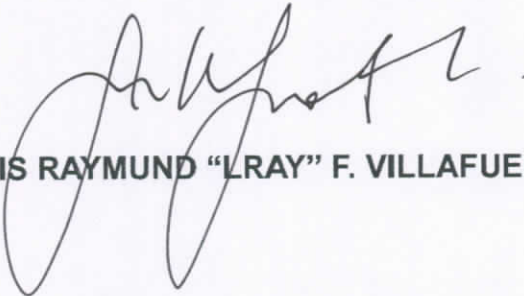
The bill proposes the creation of the Philippine Seaweed Development Authority (PSDA) tasked to formulate and adopt a Seaweed Industry Development Masterplan. The Masterplans aims to promote the rapid and integrated growth and development of the seaweed industry in all its aspects, and to ensure that the seaweed farmers become direct participants in, and beneficiaries of such progress.

The Philippines has always been a major exporter of seaweed products. In fact, we used to be the largest exporter of raw seaweed in the world until Indonesia surpassed our production 10 years ago. The Seaweed Industry Association of the Philippines (SIAP) reported that while the price and demand for seaweed products have remained high, the country's production has been in steady decline. In 2004, the industry generated about \$158 million in exports. Aside from this, the country was also exporting other seaweed products, mucilage and other algae valued at US\$410 million. Come 2016, the revenues went down to only \$57 million. Additionally, while it used to command manpower of 250,000, the workforce has now gone down to 120,000 seaweed farmers.

Last year, the Department of Agriculture (DA) expressed its commitment to reignite the seaweed industry in the Philippines by crafting the country's seaweed roadmap. The Bureau of Fisheries and Aquatic Resources (BFAR) now targets to

increase seaweed production by at least five percent annually from 2017-2022. In light of these recent developments, this Representation believes that an institutionalized body such as the Philippine Seaweed Development Authority is needed to jumpstart this initiative, and ensure the fruition of our targets.

In light of the foregoing, the passage of this bill is humbly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7267

Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

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 in Congress assembled:

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

SECTION 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.

SECTION 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 Philippine Seaweed Development Authority, hereinafter referred to as Authority, directly reporting to, and supervised by, the Department of Agriculture.

SECTION 4. Principal Office – The Authority shall maintain its administrative principal office in Zamboanga City and shall 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 operations.

SECTION 5. Statement of Objectives. – The Authority shall have the following objectives:

A. To ensure 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 implementations;

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.

SECTION 6. Power and Function. – To carry out its objectives, the Authority shall have the following powers and functions:

- A. Prescribe, repeat, and amend its own by-laws;
- B. Formulate and adopt a Seaweed Industry Development Masterplan overcoming a 5-year 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 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 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;
- G. 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;

- H. Ensure that seaweed farmers' organizations have direct access to markets;
- I. Facilitate the access of farmers to credit by encouraging private lending institutions to provide loans at affordable interest rate;
- J. Receive grants from any source, domestic or foreign, public or private, in accordance with existing laws;
- K. Adopt and use a corporate seal;
- L. Sue and be sued;
- M. Have continuous succession until dissolved by law; and
- N. Exercise all the general powers conferred by law upon corporations as and incidental or conducive to the attainment of the purposes of this Act.

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

- A. Secretary of the Department of Agriculture as Chairman;
- B. Secretary of the Department of Trade and Industry as Vice-Chairman;
- 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 Member/s);
- G. Two (2) representatives of seaweed farmers' organization/s – one (1) representing Luzon; one (1) representing 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.
- I. The representatives of the private sector shall be appointed by the President of the Republic; upon recommendation of the sector they represent, and shall serve for a term of four (4) years.

- J. 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.
- K. The Board Directors that belong to the Government Sector may appoint their respective regular representatives to the Board provided these representatives belong to the top three (3) ranks in their respective agencies.
- L. The Board Directors 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 be the total thereof exceed Twenty Thousand Pesos (P20, 000.00) per month.

SECTION 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 R.A. 6758 "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 where the penalty imposed is suspension of thirty (30) days or more;
- G. Exercise such other powers as may be necessary and proper for the effective enforcement of this Act and its implementing rules and regulations.

SECTION 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 a 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 and administer 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 of thirty (30) days or more;

F.) Exercise final authority on administrative cases involving personnel of the Authority where the penalty imposed is suspension of thirty (30) days or more;

G.) Exercise such other powers as may be necessary and proper for the effective enforcement of this Act and its implementing rules and regulations.

SECTION 10. Assistance from 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.

SECTION 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.

SECTION 12. Funding Requirement. – The initial funding requirement of the Authority shall be determined by the Department of Agriculture and shall be lodged against the Department's budget for the year following the approval of this Act. Thereafter, the Authority shall submit, through the Department of Agriculture, its yearly funding requirement for inclusion in the National Expenditure Program of the government in accordance with government policies, rules and regulations.

SECTION 13. Separability Clause. – If any part or 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,

SECTION 14. Repeating Clause. – All laws, decrees, executive orders, proclamation, rules and regulations, and other issuances, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 15. 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,