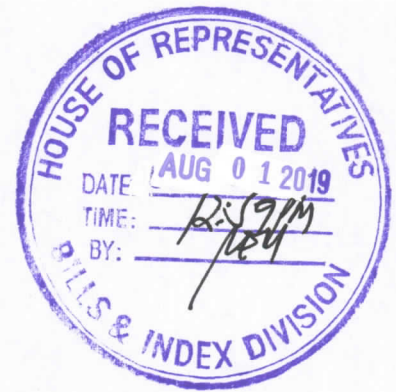


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 3309



Introduced by **REP. CAMILLE A. VILLAR**

AN ACT
INSTITUTIONALIZING THE BAMBOO INDUSTRY DEVELOPMENT IN THE
PHILIPPINES, CREATING THE BAMBOO INDUSTRY RESEARCH AND
DEVELOPMENT CENTER (BIRDC), APPROPRIATING FUNDS THEREFOR,
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Philippine government has been supporting the production and development of bamboo in the country in recent years. In May 2010, Executive Order (EO) No. 879, series of 2010 was issued creating the Philippine Bamboo Industry Development (PBID) Council and directed the use of bamboo for at least twenty five percent (25%) 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 reinforced 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, series of 2011, which 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 issued by then President Aquino. This is in response to worldwide concern on global warming as 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.

On November 12, 2015, EO No. 193, series of 2015 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 needing reforestation and rehabilitation in order to arrest the environment-related risks such as soil erosion, landslides, and flooding. 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 and parks, with greater participation from the private sector, local government units and organized upland communities.

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 make 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 boosted the value of bamboo by completing a study on mainstreaming engineered-bamboo products as raw materials for construction and furniture, through appropriate S&T interventions in processing, machine engineering and design, capacity building and marketing.

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.

Through concerted efforts from relevant stakeholders, the Philippines was able to increase its share in the global market for bamboo. Based on figures from the Philippine Bamboo Industry Cluster Report, the global market for bamboo rose to US\$17 billion in 2015 from US\$7 billion in 2009. Of this market growth, the Philippines generated P306.3 million in investments, P261.8 million worth of sales, and created 13,103 jobs from 2012-2014.¹ The country was ranked as the 5th largest bamboo exporter in the world in 2010, next 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.

The Philippines has an edge in design and craftsmanship and the local bamboo sector can be further developed. The honing of the Filipino capacities and

¹ DTI Corner. MSMEs to advance local bamboo industry. The Freeman. 23 February 2016

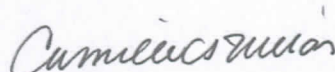
skills and providing them with global perspective will definitely help our bamboo industry become a major revenue and employment generator.

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 a comprehensive database of the industry to encourage more investors in plantation development and processing plants.

Stronger convergence programs and cooperation among the government, private sector and other stakeholders are 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.

I therefore recommend the early approval of the bill.


CAMILLE A. VILLAR
Representative
Lone District, Las Piñas City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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AN ACT
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AND FOR OTHER PURPOSES

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

1 Section 1. *Title.* – This Act shall be known as the “Philippine Bamboo Industry
2 Development Act of 2019.”

3 Sec. 2. *Declaration of Policy.* – The State shall provide for a self-reliant and
4 independent economy to its people. It shall support indigenous, scientific and
5 technological capabilities, and skills. It shall establish a program for a sustainable
6 utilization, propagation and promotion of bamboo as furniture, food, construction and
7 design materials, food and other uses. It shall promote the bamboo industry for
8 poverty reduction, inclusive growth, environmental conservation and protection,
9 agricultural productivity enhancement and climate change mitigation and adaptation.

10 Sec. 3. *Definition of Terms.* – As used in this Act:

11 a) Bamboo refers to a plant belonging to the subfamily Bambusoideae of
12 grass family Gramineae (Poaceae) whose culms (stems) are woody;

13 b) Bamboo stand - for plantation, an aggregate of clumps occupying a
14 specific area and sufficiently uniform in composition (species), age, spacing, and
15 condition as to be distinguished from the natural and or existing bamboo stands (with
16 unknown clump age). The latter stands have irregular spacing and species
17 composition not necessarily uniform and the clumps are randomly and widely
18 distributed;

1 c) Bamboo Industry – a sector with very high potential contribution in the
2 socio-economic development and environmental protection of the country. The
3 sector may still be classified as essentially agricultural considering that majority of its
4 market and supply is essentially for agricultural requirements such as fish pens,
5 banana props and other low value applications like scaffoldings, and fences;

6 d) Bamboo Backyard Farming – those whose plantation and operations are
7 basically in the house backyard, with the household members as workers. The
8 majority of bamboo processing enterprises in the Philippines belong to this category;
9 and

10 e) Bamboo Processing – conversion of bamboo poles for various products
11 and applications including walls, panels, trusses, handicraft, and novelty products
12 (furniture, handicraft, and decors) focused on the possible use of bamboo as
13 substitutes for wood for various applications (plywood, composites, pulp and paper,
14 bamboo arts, and other architectural applications).

15 Sec. 4. *Objectives.* – This Act aims to make the Philippine bamboo industry
16 competitive in the local and international markets while providing opportunities for
17 local employment and establishing bamboo-based community enterprises by:

18 a) Ensuring that the bamboo industry has sufficient supply of quality raw
19 materials through the establishment and management of bamboo nurseries and
20 plantations;

21 b) Ensuring that the bamboo industry continuously receives from the
22 research and development sector relevant technologies and new products;

23 c) Ensuring that the industry receives pertinent and accurate data from the
24 Center created under Sec. 9 of this Act, and other relevant sources upon which the
25 industry can make business decisions;

26 d) Promoting investments in the bamboo industry by providing substantial
27 and attractive incentives to investors;

28 e) Providing skilled labor and manpower through continuous relevant
29 capacity building;

30 f) Ensuring provision of locally manufactured machines of improved
31 capacity, efficiency, and quality at competitive costs;

32 g) Ensuring continuing and new material and design research and
33 development to advance market access for Philippine bamboo and bamboo products
34 locally and internationally;

1 h) Providing access to markets of bamboo products locally and
2 internationally through aggressive trade promotions; and

3 i) Ensuring sustainable resources in the implementation of the bamboo
4 industry development program.

5 Sec. 5. *The Philippine Bamboo Industry Development Roadmap (PBIDR).* –
6 To be able to attain the policy and objectives set forth in this Act, there shall be
7 established a Philippine Bamboo Industry Development Roadmap, hereinafter
8 referred to as the Roadmap, which shall include but not be limited to programs and
9 projects for the scientific propagation, development and management, processing,
10 utilization, business development, and commercialization of Philippine bamboo and
11 bamboo products. The Roadmap shall include the following objectives, among
12 others:

13 a) Expand the number of bamboo nurseries with quality planting materials;

14 b) Ensure the propagation, breeding, site species matching and plant
15 nutrition;

16 c) Observe sustainable planting, management and harvesting, and soil and
17 water conservation practices;

18 d) Encourage bamboo backyard farming;

19 e) Ensure the sustainability and viability of the bamboo industry;

20 f) Promote investments in the bamboo industry development programs;

21 g) Advance market access for Philippine bamboo and bamboo products
22 locally and internationally;

23 h) Extend technical and financial assistance for the development,
24 processing, commercialization and marketing of various bamboo products;

25 i) Require bamboo to be at least twenty percent (20%) of the annual
26 planting materials needed in the national greening program or in reforestation of
27 open, denuded, and degraded forest lands;

28 j) Use bamboo in the manufacture of at least twenty five percent (25%) of
29 desks and chairs, as an alternative to wood, in public primary and secondary schools
30 in the country;

31 k) Make available to the bamboo industry relevant and current research and
32 technological information and new product lines;

1 l) Provide continuous training and capacity building in the bamboo industry
2 development; and

3 m) Provide technical and financial assistance in the local design and
4 fabrication of high capacity processing equipment and machineries for the bamboo
5 industry.

6 Sec. 6. *Philippine Bamboo Industry Development Council.* – There is hereby
7 created a Philippine Bamboo Industry Development Council (PBIDC), herein referred
8 to as the Council, which shall provide the overall policy and program directions and
9 coordinate the activities of various agencies and instrumentalities to ensure the
10 implementation, accomplishment, and periodic review and enhancement of the
11 Roadmap.

12 The Council shall be administratively attached to the Department of Trade and
13 Industry (DTI).

14 Sec. 7. *Powers and Functions of the Council.* – The Council shall have the
15 following powers and functions:

16 a) Formulate the Philippine Bamboo Industry Development Roadmap;

17 b) Identify specific programs and projects in support and in line with the
18 Philippine Bamboo Industry Development Roadmap;

19 c) Identify sources of financing to expand bamboo industry development;

20 d) Identify programs, projects and activities to be funded by the Philippine
21 Bamboo Industry Development Trust Fund through a resolution;

22 e) Submit annual reports to the Office of the President, the Senate
23 Committee on Trade, Commerce and Entrepreneurship, and the House of
24 Representatives Committee on Trade and Industry on the status of the
25 implementation of the Roadmap and the bamboo industry development in the
26 country; and

27 f) Promulgate such rules and regulations and exercise such other powers
28 and functions as may be necessary to carry out effectively the attainment of the
29 purposes and objectives of this Act.

30 Sec. 8. *Composition of the Council.* – The Council shall be composed of the
31 following:

32 a) Secretary of the Department of Trade and Industry (DTI) as the
33 Chairperson;

1 b) Secretary of the Department of Environment and Natural Resources
2 (DENR);

3 c) Secretary of the Department of Agriculture (DA);

4 d) Secretary of the Department of Science and Technology (DOST);

5 e) Secretary of the Department of Labor and Employment (DOLE);

6 f) Secretary of the Department of Interior and Local Government (DILG);

7 g) Three (3) representatives from state universities and colleges, one each
8 from the island group of Luzon, Visayas and Mindanao;

9 h) One (1) representative each from bamboo farmers, bamboo
10 manufacturers, and bamboo processors associations; and

11 i) One (1) representative from non-government organization promoting
12 bamboo.

13 The DTI Secretary may designate the Undersecretary for Regional Operations
14 Group (DTI-ROG) as his/her alternate and shall have the same powers as his/her
15 principal and his/her acts shall be considered the acts of his/her principal.

16 The Council members from the different Departments may designate their
17 respective alternates who shall be at least Assistant Secretary in rank and whose
18 designation shall be on a permanent capacity and their acts shall be considered the
19 acts of their principals.

20 The representatives from the state universities and colleges, private industry
21 associations, bamboo farmers/producers/processors association, and non-
22 government organizations shall be appointed by the President of the Republic of the
23 Philippines from the list of nominees submitted by the DTI Secretary. The DTI
24 Secretary shall choose the nominees from the respective lists submitted by the
25 different organizations and associations.

26 The representatives must be citizens and residents of the Philippines and
27 must be knowledgeable in bamboo industry development and committed to the
28 policies and programs provided under this Act. They shall serve for a term of three
29 (3) years, and may be reappointed once.

30 The Council shall meet quarterly and may hold special meetings whenever
31 the need arises to consider urgent matters upon the call of the Chairman or any
32 seven (7) Council members.

1 Sec. 9. *Bamboo Industry Research and Development Center (BIRDC)*. – The
2 Bamboo Industry Research and Development Center, hereinafter referred to as the
3 Center, shall be created to serve as the secretariat of the Council to be headed by
4 an executive director. The Center shall consist of divisions for the following
5 purposes: research and development; trade promotion and education; networking
6 and linkages; internal administration; and such other purposes as necessary. The
7 composition of the divisions shall be prepared by the executive director and
8 approved by the Council.

9 The organizational structure, staffing pattern and compensation schedule of
10 the Center shall be drawn up in accordance with existing laws, rules and regulations.
11 Other member agencies of the Council shall provide additional administrative and
12 technical staff support upon the determination of the necessity by the Council.

13 The Center shall have the following powers and functions:

14 a) Promote and encourage the establishment and management of bamboo
15 nurseries, plantations and processing facilities that would accelerate the production
16 and commercialization of bamboo and various bamboo products;

17 b) Promote the commercialization and market access of appropriate,
18 innovative and viable bamboo industry development technologies and products;

19 c) Monitor and evaluate the performance of bamboo industry development
20 programs and projects;

21 d) Coordinate and partner with other government agencies in the
22 implementation of bamboo industry development programs and projects;

23 e) Coordinate and partner with the private sector, people's organizations and
24 non- governmental organizations, and the academe in providing assistance on
25 matters pertaining to bamboo industry development;

26 f) Accept grants, donations and contributions from local and international
27 donors and such similar sources of funds for the implementation of this Act, subject
28 to the usual budget, accounting and auditing rules and regulations;

29 g) Conduct, in cooperation or partnership with appropriate government
30 agencies, a periodic review of the Philippine Bamboo Industry Development
31 Roadmap;

32 h) Conduct capability-building initiatives for farmers, processors, designers,
33 and other stakeholders in the bamboo industry;

34 i) Conduct research and development in partnership with appropriate
35 government agencies to advance sustainable bamboo industry development
36 practices;

37 j) Supervise the implementation of the plans and programs of the Council;

1 k) Manage and administer the projects identified by the Council under
2 Section 7(d) of this Act; and

3 l) Submit periodic reports to the Council on the progress and
4 accomplishment of programs and projects.

5 Sec. 10. *The Executive Director of the Center.* – The Executive Director shall
6 be appointed on a permanent capacity by the President of the Republic Philippines
7 from the list of nominees submitted by the DTI Secretary. He/she shall be a citizen
8 and resident of the Philippines and must possess executive and management
9 experience of at least three (3) years and with considerable knowledge in bamboo
10 industry development.

11 The Executive Director, in addition to his/her duties in the Center, shall have
12 the following powers and functions:

13 a) Assist the Council in the performance of its tasks;

14 b) Provide technical and administrative support to the Council;

15 c) Oversee the day-to-day operations of the Center; and

16 d) Perform such other functions, duties and responsibilities as may be
17 necessary to implement this Act.

18 Sec. 11. *Establishment of Local Bamboo Industry Development Councils.* –
19 Regions, provinces, cities and municipalities, when applicable, shall establish their
20 respective local Bamboo Industry Development Councils. Local government units
21 shall regularly conduct a survey of existing bamboo stands, nurseries and
22 plantations and bamboo enterprises in their respective localities.

23 Sec. 12. *Provision of Incentives to Investors in Nursery and Plantation*
24 *Development and Bamboo Enterprises.* – The following incentives shall be provided
25 to investors in plantation development and bamboo processing factories:

26 a) The Board of Investments (BOI) shall classify bamboo nurseries and
27 plantations as pioneer and bamboo processing as preferred areas of investment
28 under its Investment Priorities Plan (IPP) subject to pertinent rules and regulations;

29 b) Nursery and plantation owners shall be exempt from the payment of rent
30 for the use of public lands for commercial bamboo plantation for the first 10-years or
31 when the plantation owner starts to harvest his/her nursery/plantation subject to
32 existing tenorial agreement with concerned government agencies.

33 c) Plantation owners in public lands shall be exempt from the payment of
34 forest charges imposed by national government and other fees or taxes imposed by
35 local government units;

1 d) Plantation owners, including nursery facilities, bamboo processing, and
2 other related businesses shall be exempt from the payment of import duties for
3 imported machines and equipment subject to pertinent rules and regulations;

4 e) Expenses incurred shall be allowed as deductible expenses for income
5 tax purposes, subject to the provisions of the National Internal Revenue Code of
6 1997, as amended. Provided, that the deduction shall only apply to the taxable
7 period, when expenses were incurred;

8 f) Expenses incurred in the development and operation of a bamboo
9 plantation prior to the commercial harvest shall be regarded as ordinary and
10 necessary expenses or as capital expenditures for purposes of tax treatment;

11 g) Bamboo plantations shall not require a cutting permit for harvesting nor
12 shall it need a transport permit. Provided, that such plantation is registered with the
13 Community Environment and Natural Resources Office (CENRO) of the Department
14 of Environment and Natural Resources (DENR).

15 h) Bamboo plantations and plantation development equipment shall be
16 covered by the Philippine Crop Insurance Corporation;

17 i) Bamboo plantations shall be accepted as among the collateral for loans in
18 government-owned or controlled banks;

19 j) The bamboo plantation developer and bamboo processors shall be given
20 priority to access credit assistance and guarantee schemes being granted by
21 government-owned, controlled and/ or -supported financial institutions;

22 k) For tenured developer, upon the premature termination of the tenurial
23 agreement at no fault of the holder, all capital improvements, depreciable permanent
24 and semi-permanent improvements such as roads, buildings, nurseries including the
25 planted and standing bamboo and other intercrops, introduced and to be retained in
26 the area, shall be evaluated and the holder shall be entitled to a fair compensation
27 thereof, the amount of which shall be mutually agreed upon by both the DENR and
28 the tenure-holder and in case of disagreement between them, by arbitration through
29 a mutually acceptable and impartial third party adjudicator through the DENR; and

30 l) The export of bamboo poles shall be regulated by the Council while other
31 bamboo products, may be exported without restrictions in volume.

32 Sec. 13. *The Philippine Bamboo Industry Development Trust Fund.* – There is
33 hereby established a Special Account in the General Fund with the National
34 Treasury to be called the Philippine Bamboo Industry Development Trust Fund
35 herein referred to as the Trust Fund. The purpose of the fund is for research and
36 development, trade promotion, credit, human resource development in the bamboo
37 industry and for the welfare of farmers, workers, processors and other stakeholders.

1 The Trust Fund shall be capitalized, managed, utilized and accounted for in the
2 manner provided under this Act.

3 Upon approval of this law, the Office of the President through Philippine
4 Amusement and Gaming Corporation (PAGCOR) shall allocate One Hundred Million
5 Pesos (PHP100,000,000.00) as initial funding for the Trust Fund for the
6 implementation of this Act. Thereafter, the amount of not less than Two Hundred
7 Million Pesos (PHP200,000,000.00) shall be allocated every year for the next twenty
8 (20) years for the Trust Fund lodged in the Center.

9 The program of expenditures for the programs, projects and activities to be
10 funded by the Trust Fund shall be itemized on a project-to-project basis and
11 submitted annually to Congress. In the identification and prioritization of specific
12 programs, projects and activities, the Council shall conduct prior consultation with
13 representatives of farmers, manufacturers, processors associations and the
14 academe.

15 Sec. 14. *Appropriations.* – The sum of One Hundred Million Pesos (PHP
16 100,000,000.00) to be sourced from the unexpended contingency fund of the Office
17 of the President and the existing budget for bamboo industry development under the
18 DTI is hereby appropriated for the initial budgetary requirements of the Center.
19 Thereafter, such amount as may be necessary for the continuous operation of the
20 Center shall be included in the annual GAA. The budgetary requirements of
21 cooperating agencies shall be incorporated in their respective annual budgets. Sec.
22 15. *Implementing Rules and Regulations.* – Within six (6) months fi-om the effectivity
23 of this Act, the DTI, in consultation with other concerned government agencies, the
24 academe, the private sector, and non-government organizations, shall promulgate
25 the necessary implementing rules and regulations for the effective implementation of
26 this Act.

27 Sec. 15. *Separability Clause.* – If any portion or provision of this Act is
28 declared unconstitutional or invalid, the remainder of this Act or any provisions
29 hereof not affected thereby shall continue to be in force and effect.

30 Sec. 16. *Repealing Clause.* – Any law, presidential decree or issuance,
31 executive order, letter of instruction, rule or regulation inconsistent or contrary to the
32 provisions of this Act is hereby repealed or modified accordingly.

33 Sec. 17. *Effectivity.* –This Act shall take effect after fifteen (15) days following
34 its complete publication in the Official Gazette or a newspaper of general circulation.

35 Approved,