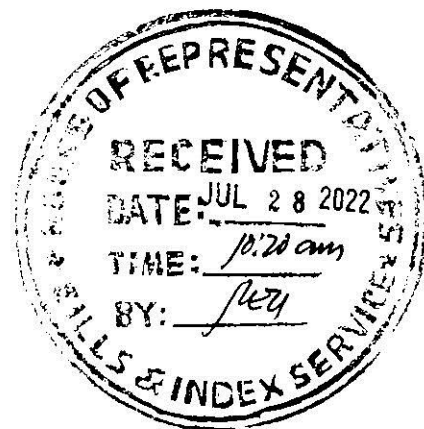


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **2643**



Introduced by HON. LINABELLE RUTH R. VILLARICA
4TH DISTRICT, BULACAN

EXPLANATORY NOTE

Bamboos grow rapidly and reach maturity in three to five years making it a viable alternative to hardwood and traditional timber when it comes to the furniture industry. For small farmers it can be an attractive and sustainable community project since the return on investment is faster. Because of its huge income potential, it can be utilized to improve the lives of people in the countryside.

In addition to its contribution to the economy, bamboo can also contribute to humanity's battle against climate change. A hectare of bamboo is capable of isolating or removing up to 12 tons of carbon every year. Bamboo can address the worldwide concern of deforestation since it can prevent soil erosion, landslides and flooding.

Presently, however, the local market of the bamboo industry has to be fully developed before it can be globally competitive. It should also be enabled as a revenue and employment generator.

This proposed bill seeks to address these concerns by: 1.) Institutionalizing the Philippine Bamboo Industry Council (PBIC); 2.) Establishing the secretariat of the Council, the Bamboo Industry Research and Development Center (BIRDC); 3.) Mandating the PBIC to formulate the Philippine Bamboo Industry Development Program (PBIDP); 4.) Directing the Provincial and Municipal Governments to establish their respective Bamboo Industry Development Councils to formulate and implement their respective Bamboo Industry Development Programs; 5.) Providing incentives to investors to plantation development and bamboo processing factories; 6.) Allocating funds thru the annual budget of the Department of Trade and Industry (DTI) under the General Appropriations Act.

This bill was filed during the 16th, 17th, and 18th Congresses but was not taken up due to time constraints. This is re-filed in this 19th Congress for its consideration.

Support for the enactment of this measure is earnestly requested.


REP. LINABELLE RUTH R. VILLARICA

Republic of the Philippines
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HOUSE BILL NO. **2643**

Introduced by HON. LINABELLE RUTH R. VILLARICA
4TH DISTRICT, BULACAN

AN ACT

PROMOTING THE DEVELOPMENT OF THE BAMBOO INDUSTRY BY STRENGTHENING THE PHILIPPINE BAMBOO INDUSTRY DEVELOPMENT COUNCIL, CREATING THE BAMBOO INDUSTRY RESEARCH AND DEVELOPMENT CENTER, PROVIDING INCENTIVES FOR BAMBOO PLANTATION DEVELOPMENT, AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* - This Act shall be known as the 'Philippine Bamboo Industry Development Act'.

SEC. 2. *Declaration of Policy.* - It is the policy of the State to promote and support industries that generate employment especially in rural areas, reduce poverty, foster a sustainable environment and mitigate the impact of climate change.

It shall also be the policy of the State to foster a self-reliant and independent economy that supports indigenous, scientific and technological capabilities, and skills. To this end, the State shall recognize the strategic importance of bamboo as a sturdy, versatile, and replenishable material that can be a sustainable source of livelihood and catalyst for agricultural productivity.

The State shall likewise ensure the integrated and continued development of the Philippine bamboo industry through policies and programs that encourage the planting of bamboo, accelerate the development of bamboo-based products and designs, and promote Philippine bamboo products in international markets. It shall establish a program for a sustainable utilization, propagation and promotion of bamboo as furniture, food, construction and design material, and other uses.

SEC. 3. *The Philippine Bamboo Industry Development Program (PBIDP).* - The PBIDC shall formulate the Philippine Bamboo Industry Development Program which shall include programs and projects for the scientific propagation, development and management, processing, utilization, business development, and commercialization of Philippine bamboo

and bamboo products through the cooperation of all stakeholders of the industry that include producers of raw materials, processors, marketing and promotion service providers, and concerned national agencies and local government units (LGUs).

SEC. 4. Objectives of the Philippine Bamboo Industry Development Program. - The PBIDP shall aim to make the Philippine bamboo industry competitive in the local and global markets and provide opportunities for local employment and the establishment of bamboo-based community enterprises. The PBIDP shall:

- (a) Ensure that the bamboo industry has sufficient quality raw materials through the establishment and management of bamboo nurseries and plantations;
- (b) Ensure that the bamboo industry continuously receives from the research and development sector relevant technologies and new products;
- (c) Ensure that the industry receives pertinent and accurate data from the PBIDC upon which the industry can make business decisions;
- (d) Promote investment in the bamboo industry by establishing bamboo plantations and bamboo processing operations, and providing substantial incentives to investors;
- (e) Provide skilled labor and manpower through continuous relevant capacity building;
- (f) Provide continuous training and capacity building in the bamboo industry development;
- (g) Ensure provision of locally manufactured machines of improved capacity and quality of competitive costs;
- (h) Ensure markets of bamboo products locally and globally; and
- (i) Ensure sustainable resources for implementing the bamboo industry development program.

SEC. 5 Role of the Philippine Bamboo Industry Development Council. - The Philippine Bamboo Industry Development Council (PBIDC), created under Executive Order No. 879, series of 2010, hereinafter referred to as the Council shall provide the overall policy and program directions of various agencies and instrumentalities to ensure the implementation of the Philippine Bamboo Industry Development Program (PBIDP).

The Council shall be administratively attached to the Department of Trade and Industry (DTI) and shall now be composed of the following:

- (a) Secretary of the Department of Trade and Industry (DTI) as Chairperson;
- (b) Secretary of the Department of Environment and Natural Resources (DENR);
- (c) Secretary of the Department of Agriculture (DA);
- (d) Secretary of the Department of Education (DepEd)
- (e) Secretary of the Department of Science and Technology (DOST);
- (f) Secretary of the Department of Labor and Employment (DOLE);
- (g) Executive Director of the Bamboo Industry Research and Development Center;
- (h) Chairperson of the National Commission of Indigenous Peoples;
- (i) National President of the League of Municipalities of the Philippines;
- (j) Executive Director of the Union of Local Authorities of the Philippines;
- (k) Two (2) representatives from the Non-Government Organizations;

- (l) One (1) representative from a reputable private industry association; and
- (m) One (1) representative each from the Bamboo Farmers, the Bamboo Manufacturers, and the Bamboo Processors' Associations.

The PBIDC shall promulgate such rules and regulations as may be necessary for the attainment of the objectives of this Act.

SEC. 6. *Bamboo Industry Research and Development Center (BIRDC)*. - The Bamboo Industry Research and Development Center, hereinafter referred to as the Center is hereby created to serve as the secretariat of the Council to be headed by an Executive Director. The Center shall consist divisions a may be necessary to ensure the effective implementation of the goals and objectives of the Center, including the following functions: research and development; trade promotion and education; networking and linkages; internal administration and finance; and such other divisions as may be necessary.

The organizational structure, staffing pattern and compensation schedule of the Center shall be prepared in accordance with existing laws, rules and regulations. Other member agencies of the Council shall provide additional administrative and technical staff support to the Center upon the determination by the Council of the necessity for such augmentation.

The Center shall perform the following powers and functions:

- a) Promote and encourage the establishment and management of bamboo nurseries, plantations and processing facilities that would accelerate the production and commercialization of bamboo products;
- b) Promote the commercialization and market access of appropriate, innovative and viable bamboo industry development technologies and products;
- c) Monitor and evaluate the performance of bamboo industry development programs and projects;
- d) Coordinate and partner with other government agencies in the implementation of bamboo industry development programs and projects;
- e) Coordinate and partner with the private sector, people's organizations and non-governmental organizations and the academe in providing assistance on matters pertaining to bamboo industry development;
- f) Accept grants, donations and contributions from local and international donors and such similar sources of funds for the implementation of the provisions of this Act, subject to the usual budget, accounting and auditing rules and regulations;
- g) Conduct capability-building initiatives for farmers, processors, designers, and other stakeholders in the bamboo industry;
- h) Conduct research and development in partnership with appropriate government agencies to advance sustainable bamboo industry development practices;
- i) Supervise the implantation of the plans and programs of the Council;
- j) Manage and administer the projects identified by the Council;
- k) Conduct, in cooperation or partnership with appropriate government agencies, a periodic review of the Philippine Bamboo Industry Development Roadmap; and
- l) Submit periodic reports to the Council on the progress and accomplishment of programs

SEC.7. *The Executive Director of the Center.* – The Executive Director shall be appointed by the Chairperson of the PBIDC with the approval of the Council. The Executive Director shall be a citizen and resident of the Philippines and must possess executive and management experience for at least three (3) years, and considerable knowledge about the bamboo industry.

In addition, the Executive Director shall have the following powers and functions:

- a) Oversee the day-to-day operation of the Center;
- b) Provide technical and administrative support to the Council;
- c) Assist the Council in the performance of its tasks; and
- d) Perform such other functions, duties and responsibilities as may be necessary to implement this Act.

SEC. 8. *Support to the Program by Local Government Units.* – Local government units (LGUs) shall participate in the implementation of the PBIDP. Each LGU shall establish a Bamboo Industry Development Council and shall endeavor to capacitate agricultural workers and encourage entrepreneurs to acquire the needed competencies in harvesting and post-harvesting operations.

Provincial governments shall formulate and implement their respective bamboo industry development programs within two (2) years from the enactment of this law.

SEC. 9. *Incentives for Bamboo in plantation development.* – The following incentives shall be provided to investors in bamboo plantation development:

- a) Exemption from the payment of rent for the use of government lands for commercial bamboo plantation for the first five (5) years of operation reckoned from the date of the first harvest of the plantation;
- b) Exemption of private plantations from the requirements to secure a cutting permit for the harvesting of bamboo and a transport permit for as long as the plantation is registered with the Community Environment and Natural Resources Office (CENRO) of the DENR: *Provided*, that the plantation owner shall inform the CENRO about the date of harvest, and the estimated volume of that harvest. Inventory of the plantation prior to the harvest shall not be required. All CENROs shall approve and enter into a registry, the names of private bamboo plantation investors;
- c) Exemption from the payment of forest charges and other fees for taxes that local government unit may impose;
- d) No inspection of harvested bamboo at the check points;
- e) Access to development loans from public financial institutions for plantation developers;
- f) Insurance coverage of plantation and plantation development equipment by the Philippine Crop Insurance Corporation (PCIC);
- g) Tax-free importation of plantation development equipment, including the nursery facilities, pursuant to Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act;

- h) Expenses incurred for plantation operations shall be allowed as deductible expenses for income tax purposes, subject to the provisions of the National Internal Revenue Code of 1997, as amended: *Provided:* that the deduction shall only apply to the taxable period when the expenses were incurred;
- i) Expenses incurred in the development and operation of a bamboo plantation prior to the commercial harvest shall be regarded as ordinary and necessary expenses or as capital expenditure;
- j) Prioritized access for plantation developers to credit assistance from government-owned, controlled and/or supported financial institutions;
- k) Acceptance of plantation as collateral for loans in government-owned or controlled banks;
- l) For tenured developer, entitlement to fair compensation upon the premature termination of the agreement at no fault of the holder: *Provided:* that all depreciable, permanent and semi-permanent improvements such as roads, buildings, and nurseries including the planted and standing trees and other forest crops introduced and retained in the area, shall be properly evaluated: *Provided further,* that the amount of compensation shall be mutually agreed upon by both the Department and the tenure-holder: *Provided finally,* that in case of disagreement between the matter shall be submitted to arbitration by a mutually acceptable and impartial third party adjudicator;
- m) Exportation of bamboo culms from plantation without restriction in volume;
- n) Tax-free importation of processing equipment by processors engaged in bamboo industry, pursuant to Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act; and
- o) Inclusion in the annual investment program of the National Economic Development Authority of industrial bamboo plantation in forest lands and priority access to funds from external and internal sources.

SEC. 10. *Appropriations.* – The funds necessary to carry out the initial implementation of this Act shall be charged against the current year's budget of the DTI. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 11. *Implementing Rules and Regulations.* – Within sixty (60) days after the effectivity of this Act, the DTI-PBIDC shall in coordination with the DENR, and DOST promulgate the rules and regulations to implement this Act.

SEC. 12. *Separability Clause.* – All laws, executive and administrative orders, rules and regulations inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 13. *Repealing Clause.* – All laws, executive and administrative orders, rules and regulations inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 14. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,