

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 2707



Introduced by

HON. YEDDA MARIE K. ROMUALDEZ
and
HON. JUDE A. ACIDRE

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

EXPLANATORY NOTE

Abaca, internationally known as Manila hemp, is endemic to the Philippines. The Philippines dominates the global abaca trade as the country supplies about 86.1 percent of the world's abaca fiber requirements, and Ecuador and Costa Rica the remaining 13.7 percent and 0.2 percent, respectively, as of 2019.¹ It is also considered as the "strongest natural fiber in the world" by the Philippine Department of Science and Technology (DOST) and the Philippine Fiber Industry Development Authority (PhilFIDA). The Philippine abaca has nine grades/classifications of abaca fiber making it versatile in applications.

Aside from its various uses and its superior strength, the Abaca fiber helps meet the growing demand for environment-friendly material, being a natural fiber. Waste materials from Abaca are useful, too, as fertilizer. The Abaca plant is good to the environment as it helps improve the water holding capacity of the soil, thereby

¹ The Philippine Abaca Industry Roadmap 2021-2025 by PhilFIDA

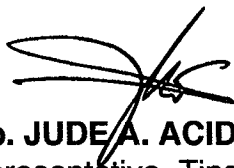
preventing soil erosion, floods, and landslides, and addresses sedimentation problems in coastal areas where sea fishes breed.

Because of these, Abaca continues to be one of the priority agricultural commodities of the Department of Agriculture.² This legislation intends to support the growth of the Abaca industry by institutionalizing the Philippine Abaca Industry Development Program, a 10-year framework for plans, projects, and policies for scientific propagation, processing, utilization, and expansion of trade of Philippine Abaca. The framework shall include plans, projects, and policies on planting site identification, production support and extension, market promotion, infrastructure development, quality assurance, and information center establishment.

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



Rep. YEDDA MARIE K. ROMUALDEZ
Representative, Tingog Sinirangan



Rep. JUDE A. ACIDRE
Representative, Tingog Sinirangan

² According to Department of Agriculture Philippine Rural Development Project (DA-PRDP)

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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 Abaca Industry Development Program of 2022."

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. *Council* refers to the Philippine Abaca Industry Development Coordinating Council (PAIDCC) established herewith;
- b. *Program* refers to the Philippine Abaca Industry Development Program designed to promote competitiveness of the Abaca Industry worldwide; and,
- c. *Secretariat* refers to the Secretariat of the PAIDC as contained herewith

and shall be headed by Philippine Fiber Development Authority (PhilFiDA).

Section 4. *Creation of the Philippine Abaca Industry Development Coordinating Council (PAIDCC).* There is hereby created a Philippine Abaca Industry Development Coordinating Council, hereinafter referred to the Council, administratively attached to the Department of Agriculture (DA), 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 of the Council.* The PAIDCC shall be composed of the following:

- a. Secretary of the DA as Chairman;
- 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; and,
- l. 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. *Institutionalization the Philippine Abaca Industry Development Program (PAIDP).* There is hereby established the Philippine Abaca Industry Development Program within the mandate of the 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 DENR in coordination with the DA, DAR, and the local government units (LGUs), 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 DENR and the DOST 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 DENR, DA, DTI, and the DOST, in coordination with the LGUs and NGOs, 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, and 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 DTI, in coordination with Private Industry Associations, shall linkup 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 and transport facilities of existing government agencies shall be facilitated by the DENR, LGUs, and the DA.
- f. *Quality Assurance.* To ensure health and proper trading, the DTI, DOST, 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 by-products.
- g. *Philippine Abaca Information Center.* The DTI, in coordination with LGUs, shall establish a Philippine Abaca Information Center in areas where abacas are abundant.

Section 7. *Creation of Philippine Abaca Development Fund (PADF).* 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 (Php 500,000,000.00) 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 (Php 50,000,000.00) 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 (Php 500.000.000.00) 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. *Head of 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 PAIDCC shall formulate and prescribe the necessary implementing rules and regulations to carry out the provisions of this Act.

Section 10. *Repealing Clause.* All laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 11. *Separability Clause.* If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

Section 12. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,