

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
First Regular Session

HOUSE BILL NO. 5652



Introduced by Representative Michael L. Romero

EXPLANATORY NOTE

Last 04 October 2004, then President Gloria Macapagal-Arroyo, signed and approved Executive Order No. 366, entitled "*Directing a Strategic Review of the Operations and Organizations of the Executive Branch and Providing Options and Incentives for Government Employees Who May Be Affected by the Rationalization of the Functions and Agencies of the Executive Branch*" to rationalize Philippine Bureaucracy.

The Department of Budget and Management (**DBM**) approved on 29 May 2013, the Department of Budget and Management (DBM) approved the Rationalization Plan of the two (2) attached agencies of the Department of Agriculture (DA), the Fiber Industry Development Authority (**FIDA**) and the Cotton Development Administration (**CODA**). The FIDA that was created by EO 709 dated July 27, 1981 was mandated to promote the growth and development of the Philippine natural fiber, except cotton. On the other hand, the CODA that was created under RA 8486 signed on February 11, 1998 was mandated to undertake initiative that will spur the growth of the local cotton industry.

The **Philippine Fiber Industry Development Authority (PhilFIDA)** is the result of the consolidation of FIDA and CODA which is mandated to promote the growth and development of the natural fiber industry through research and development; production support; extension support, education and training services; fiber processing and utilization; and standards implementation and trade regulation.

This House Bill seeks to provide **Modernization Funding** to the **Philippine Fiber Industry Development Authority (PhilFIDA)**, to promote a progressive community of fiber producers and entrepreneurs in an environment-friendly, economically viable and globally competitive Philippine natural fiber industry.

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Thus, the early passage of this bill is earnestly requested.

A handwritten signature in black ink, appearing to read 'Michael L. Romero', with a long horizontal stroke extending to the right.

MICHAEL L. ROMERO

Republic of the Philippines
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Quezon City

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AN ACT

PROVIDING FOR MODERNIZATION FUNDINGFOR THE
PHILIPPINE FIBER INDUSTRY DEVELOPMENT AUTHORITY
(PHILFIDA), INCREASING AND REORGANIZING ITS
ADMINISTRATION, PROVIDING FOR A PROGRESSIVE
COMMUNITY OF FIBER PRODUCERS AND ENTREPRENEURS IN
AN ENVIRONMENT-FRIENDLY, ECONOMICALLY VIABLE AND
GLOBALLY COMPETITIVE PHILIPPINE NATURAL FIBER INDUSTRY
AND FOR OTHER PURPOSES

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

SECTION 1. DECLARATION OF POLICY – It shall hereby be a declared policy of the State to enhance the holistic development of the Philippine natural fiber industry through the implementation of appropriate, quality and timely support programs, projects and activities, guided by the following objectives:

- Promote integrated development of the fiber industry in various aspects of research, production, processing and regulation;

- Promote good agricultural production practices, enforce fiber standards and other regulatory policies to maintain supply of good quality fibers and to ensure worldwide acceptability;
- Improve farm productivity, thereby, increasing farmers' income; and
- Increase domestic processing for employment and higher value-added considerations and increase foreign exchange revenues.

The state shall continually improve the effectiveness of our Quality Management System towards equitable development for improved quality of life for all.

The state shall formulate policies for the efficient and effective administration and management of all manpower, skills and competencies to ensure compliance.

SECTION 2. MODERNIZATION FUNDING. – The amount of Five Hundred Million Pesos (**Php 500,000,000.00**) for the operation and administration of the **Philippine Fiber Industry Development Authority (PhilFIDA)** shall be chargeable against funds for the purpose and other sources recommended by the **Department of Budget and Management (DBM)**. Thereafter, appropriations for the **Philippine Fiber Industry Development Authority (PhilFIDA)** shall be included in the budget proposals under the Department Agriculture (**DA**).

The Department of Budget and Management (**DBM**) shall rationalize the existing organizational structure and staffing pattern of the in accordance with the provisions of this Act and relevant compensation and position classification laws, rules and regulations.

Thereafter, the amount needed for the continued implementation of the modernization program, shall be included in the annual General Appropriations Act (**GAA**).

SECTION 3. Philippine Fiber Industry Development Authority (PhilFIDA) MODERNIZATION FUND – There is hereby created the (**PhilFIDA**) *Modernization Fund* to be used exclusively for the (**PhilFIDA**) *Modernization Program*.

The (**PhilFIDA**) *Modernization Fund* shall be administered by the Secretary of the **DA** in accordance with existing government budgeting, accounting and auditing rules and regulations.

SECTION 4. PROGRESS REPORT – The Secretary of **DA** shall prepare an annual report on the status of the implementation of the (**PhilFIDA**) *Modernization Programs* which shall be submitted, to the Office of the President and to the Chairpersons of the Committee of Agriculture and Food of the Senate and the House of Representatives.

SECTION 5. PERIOD OF IMPLEMENTATION – The modernization program under this Act shall be implemented for an initial period of two (**2**) years:

Provided, that payments for multi-year contract obligations incurred under this Act may extend beyond this period:

Provided, further, That the **Philippine Fiber Industry Development Authority (PhilFIDA)** shall continue to develop, modernize and constantly update its operational capabilities to keep pace with best global practices.

SECTION 6. POWERS AND FUNCTIONS. – The **Philippine Fiber Industry Development Authority (PhilFIDA)** shall continue to exercise and uphold the following powers and functions; but not limited to:

1. Formulate and implement integrated programs and policy guidelines for the continued development of the fiber industry in consultation with the industry stakeholders;
2. Spearhead the harmonization of the programs, projects and activities of all sectors involved in the Philippine natural fiber industry;
3. Undertake research and development programs in support to production, processing and utilization of fibers;
4. Collaborate the formulation and development of standards for various commercial fibers that are or may, hereafter, be produced in the Philippines;
5. Regulate the fiber trading in accordance with the law thru licensing and registration of fiber trade participants such as traders, exporters, manufacturers and classifiers;
6. Recommend the accreditation of seed growers/nursery operators;
7. Accredite fabricators to manufacture PhilFIDA-designed machinery, tool and equipment;
8. Enforce the Philippine National Standards to include fiber classification, grading, baling, tagging and marking of Philippine natural fibers; and
9. Undertake skills development trainings and workshops to improve the technical and entrepreneurial capabilities of stakeholders

SECTION 7. INCREASE OF PERSONNEL. – The **Philippine Fiber Industry Development Authority (PhilFIDA)** shall maintain the sufficient staffing pattern. Hence, it is authorized to increase its manpower to meet such required and may continue to increase personnel per percentage rate increase of committed mandates annually or as the need arises.

SECTION 8. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 9. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty **(60)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 10. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 12. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,