



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 121



Introduced by HONORABLE CHRISTOPHER SHEEN P. GONZALES
HONORABLE MARCELINO C. LIBANAN

EXPLANATORY NOTE

The Philippines is a global leader in coconut production, with the coconut industry serving as a vital economic driver for many regions, including Eastern Visayas. Eastern Samar, known for its extensive coconut plantations, significantly contributes to this industry. Recently, a bill was proposed to establish a coconut oil milling and refinery plant in Sulat, Eastern Samar, which promises to bolster the local economy and create employment opportunities. However, to further enhance the impact of this initiative, it is crucial to establish another coconut oil milling and refinery plant in Quinapondan, Eastern Samar. This location offers strategic advantages that will benefit the southern towns of Eastern Samar and Samar provinces, as well as parts of Leyte province.

Quinapondan is uniquely positioned with a port that provides significant logistical benefits, making it an ideal location for a coconut oil milling and refinery plant. The presence of this port enables efficient transportation of raw materials and finished products, not only within the region but also to national and international markets. This strategic location reduces transportation costs and time, making the production and distribution process more efficient and cost-effective. The port's accessibility to the southern towns of Eastern Samar and Samar provinces, as well as Leyte, positions Quinapondan as a central hub for the coconut industry in the region. This will enhance the competitiveness of local producers and ensure smoother operations, ultimately benefiting the entire value chain.

The establishment of a plant in Quinapondan will complement the one proposed in Sulat by providing services to a broader area. While Sulat caters to the central and northern parts of Eastern Samar, Quinapondan's strategic location will specifically serve the southern towns, making it easier for coconut farmers in these areas to access processing facilities. This reduces the need for long-distance transportation, thereby lowering costs for farmers and increasing their

profitability. The plant's proximity to the port further ensures that products can be shipped out efficiently, improving market access and boosting overall production efficiency.

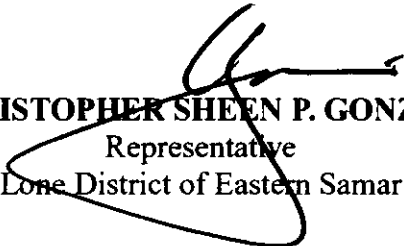
Further, the establishment of a coconut oil milling and refinery plant in Quinapondan will serve as a catalyst for economic development in the region. The plant will generate direct employment opportunities in manufacturing and processing, as well as in related sectors such as logistics, packaging, and services. The port's strategic location is likely to attract additional investments, further driving economic growth in the area. The increased economic activity will contribute to poverty reduction and significantly improve the standard of living for residents in the surrounding communities.

With the growing global demand for coconut-based products, the new facility in Quinapondan will be crucial in enhancing the value-added production capabilities of the region. The plant will allow for the efficient processing of raw materials close to the source, reducing waste and promoting sustainable practices. By leveraging the port's accessibility, the facility can integrate into global value chains, facilitating the export of high-quality coconut products. This not only increases the value of local produce but also aligns with national efforts to promote sustainability and the efficient use of natural resources.

Eastern Samar, like many parts of the Visayas, remains one of the less developed regions in the Philippines. The development of a new coconut oil milling and refinery plant in Quinapondan will directly contribute to the region's development goals. By tapping into the strategic location of Quinapondan's port, the region can become a more significant player in the coconut industry, attracting more investments and fostering broader economic growth. This initiative will help address regional economic disparities and support the government's efforts to promote inclusive growth and poverty alleviation in the Visayas.

In view of the foregoing, the establishment of a coconut oil milling and refinery plant in Quinapondan, Eastern Samar, is not only a strategic economic investment but also a necessary step toward ensuring the continued growth and resilience of the coconut industry in the region. The town's port provides a crucial logistical advantage, making it an ideal location to serve the southern towns of Eastern Samar and Samar provinces, as well as Leyte province. This project will boost the local economy, create jobs, enhance the region's role in the national coconut industry, and contribute to sustainable development practices. It is therefore imperative that this bill be given favorable consideration to fully harness the potential of our coconut industry and to contribute to the broader objectives of regional development and poverty alleviation in the Visayas.

This was filed in the 19th Congress of the Philippines. The bill is still pending in the Committee on Agriculture and Food since 04 September 2024.



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Lone District of Eastern Samar



MARCELINO C. LIBANAN
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Introduced by **HONORABLE CHRISTOPHER SHEEN P. GONZALES**
HONORABLE MARCELINO C. LIBANAN

AN
ACT ESTABLISHING A COCONUT OIL MILLING AND REFINERY PLANT IN THE
MUNICIPALITY OF QUINAPONDAN, PROVINCE OF EASTERN SAMAR,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. This Act shall be known as the ***“South Eastern Samar Coconut Oil Milling and Refinery Plant Act.”***

SECTION 2. Declaration of Policy. It is hereby declared the policy of the State to promote the development and growth of the coconut industry as a vital component of the national economy. In line with this policy, the State shall establish a coconut oil milling and refinery plant in the Municipality of Quinapondan, Eastern Samar to enhance the value-added processing of coconut products, create employment, and stimulate economic development in the province and in nearby provinces.

SECTION 3. Establishment of the Coconut Oil Milling and Refinery Plant. There shall be established, under the supervision of the Philippine Coconut Authority (PCA), a state-of-the-art coconut oil milling and refinery plant in a strategic location within the Municipality of Quinapondan in the Province of Eastern Samar. The exact location shall be determined by the PCA, in consultation with the Local Government Unit of Quinapondan and the Provincial Government of Eastern Samar, based on the availability of land, proximity to coconut production areas, and accessibility to transportation infrastructure.

SECTION 4. Objectives. The coconut oil milling and refinery plant shall have the following objectives:

- (a) To process raw coconuts into coconut oil and other high-value coconut-based products for domestic and international markets;
- (b) To provide a stable and profitable market for coconut farmers in Eastern Samar and nearby provinces, thereby increasing their income and improving their livelihood;
- (c) To generate employment opportunities in Eastern Samar and neighboring provinces;
- (d) To contribute to the national economy by enhancing the export potential of the country's coconut products; and
- (e) To promote the sustainable and environmentally friendly use of coconut by-products.

SECTION 5. Administration and Management. The Department of Agriculture, through the Philippine Coconut Authority (PCA) shall oversee the establishment, operation, and management of the coconut oil milling and refinery plant. The PCA is authorized to enter into public-private partnerships (PPP), joint ventures, or other cooperative arrangements with private entities, local government units (LGUs), and other relevant stakeholders to ensure the efficient and effective operation of the facility.

SECTION 6. Appropriation of Funds. The initial funding for the establishment of the coconut oil milling and refinery plant shall be charged against the current appropriations of the Philippine Coconut Authority (PCA) and the Department of Agriculture (DA). Thereafter, the amount necessary for the continued operation and maintenance of the plant shall be included in the annual General Appropriations Act (GAA).

SECTION 7. Incentives. The plant, along with its investors and operators, shall be entitled to tax incentives and other benefits as provided under existing laws, including, but not limited to, the following:

- (a) Income tax holidays for the first five (5) years of operation;
- (b) Exemption from customs duties and national taxes on importation of capital equipment, raw materials, and other inputs necessary for the plant's operations; and
- (c) Priority access to financing programs and credit facilities offered by government financial institutions.

SECTION 8. Support to Coconut Farmers. The PCA, in coordination with the Department of Agriculture (DA) and the Department of Trade and Industry (DTI), shall implement programs to support and capacitate coconut farmers in Eastern Samar and nearby provinces. These programs shall include technical assistance, training on sustainable farming practices, and access to affordable credit and inputs.

SECTION 9. Monitoring and Evaluation. The PCA shall regularly monitor and evaluate the performance of the coconut oil milling and refinery plant to ensure that it meets its objectives. The PCA shall submit an annual report to Congress on the plant's operations, including its economic impact on Eastern Samar and the surrounding areas.

SECTION 10. Implementing Rules and Regulations. Within ninety (90) days from the effectivity of this Act, the Philippine Coconut Authority (PCA), in consultation with the Department of Agriculture (DA) and other relevant government agencies, shall promulgate the necessary rules and regulations to implement the provisions of this Act.

SECTION 11. Separability Clause. If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 12. Repealing Clause. All laws, decrees, executive orders, rules, and regulations, or parts thereof that are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 13. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,