

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

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2430**



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

EXPLANATORY NOTE

This bill seeks to promote the growth and development of the Philippine bamboo industry, make it more competitive in foreign markets, and enable it to become a major revenue and employment. It mandates the Philippine Bamboo Industry Council as the body that shall provide the overall policy and program directions of the bamboo industry and coordinate the activities of government bodies to ensure the success of the industry. It also provides incentives to investors in plantation development and bamboo processing factories.

The development of the Philippine bamboo industry will also allow the propagation of the bamboo plant which could help us adapt to climate change, i.e., protect us against extreme weather events and disasters. Growing bamboo can reduce the sensitivity of ecosystems and help to rehabilitate degraded lands. With its specially adapted roots that grow along the surface of the soil, called rhizomes, bamboo spreads slowly outward from the original planting. These are called clumping bamboos. On the other hand, non-clumping or running bamboo has long rhizomes that can send up new shoots many feet from the original planting. These may minimize the impact of gusty winds during storms. Studies indicate that bamboo can sequester more carbon than comparable fast growing trees. Bamboos likewise show that it has the potential to grow on degraded land; as such bamboo offers an option to be included in afforestation or reforestation schemes.

This bill is an iteration of H.B. No. 7941, a consolidation of the house bills filed on the similar subject matter during the 19th Congress. This was approved on Third and Final Reading and was duly transmitted to the Senate. It was duly acted upon by the Senate Committees on Trade, Commerce and Entrepreneurship with Committee Report No. 186 as S.B. No. 2513, but it was not approved due to time constraints.

Support for the enactment of this measure is earnestly requested.

A handwritten signature in black ink, appearing to read 'Linabelle R. Villarica', with a stylized flourish at the end.

REP. LINABELLE RUTH R. VILLARICA

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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 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 the rural areas, reduce poverty, foster a sustainable environment, and mitigate the impacts 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 the 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 continuous 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.* – The Philippine Bamboo Industry Development Council, herein after referred to as the Council, shall formulate the Philippine Bamboo Industry Development Program, herein after referred to as the Program which shall include plans of actions 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 Program 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 Program 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 information about 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 providing substantial incentives to investors and encouraging the establishment of bamboo plantations and bamboo processing operations;
- (e) Provide skilled labor and manpower through continuous relevant capacity building;
- (f) Provide continuous training and capacity building in bamboo plantation operations, bamboo processing, and product development and design;
- (g) Ensure provision of locally manufactured machines of improved capacity and quality at 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, 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 Program.

The Council shall be administratively attached to the Department of Trade and Industry (DTI) and shall 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 Non-Government Organizations;
- (l) One Representative from a reputable private industry association; and
- (m) One Representative each from the Bamboo Farmers, the Bamboo Manufacturers, and the Bamboo Processors' Associations.

The Council 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.* – The Bamboo Industry Research and Development Center, hereinafter referred to as the Center, is hereby created to serve as the secretariat of the Council. It shall be headed by an Executive Director and shall consist of divisions as 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 and various 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 implementation 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 and projects.

SEC. 7. *The Executive Director of the Center.* – The Executive Director shall be appointed by the Chairperson of the Center 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 of 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 operations 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 Program. All provinces, cities, and municipalities shall establish a Bamboo Industry Development Council and shall endeavor to capacitate agricultural workers and encourage entrepreneurs 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.* – Investors in bamboo plantation development shall enjoy the following incentives:

- (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) In the case of private plantations, exemption from the requirement 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 the harvest. Inventory of the plantation prior to 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 units may impose;
- (d) Access to development loans from public financial institutions for plantation developers;
- (e) Insurance coverage of plantations and plantation development equipment by the Philippine Crop Insurance Corporation;
- (f) Tax free importation of plantation development equipment, including tree nursery facilities, pursuant to Republic Act No. 10863, otherwise known as the Customs Modernization and Tariff Act (CMTA);
- (g) To claim expenses incurred for plantation operations 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;
- (h) To claim as ordinary and necessary expenses or as capital expenditure expenses incurred in the development and operation of a bamboo plantation prior to the initial commercial harvest;
- (i) Prioritized access for plantation developers to credit assistance from government-owned, controlled or supported financial institutions;
- (j) Acceptance of plantation as collateral for loans in government-owned-or-controlled banks;
- (k) In the case of a 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 them, the matter shall be submitted to arbitration by a mutually acceptable and impartial third party adjudicator;
- (l) No volume restriction in the exportation of bamboo culms from plantation;
- (m) Tax free importation of processing equipment by processors engaged in bamboo industry, pursuant to the Customs Modernization and Tariff Act (CMTA); and

- (n) Inclusion in the annual investment program of the National Economic Development Authority of industrial bamboo plantations 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 and the Council shall, in coordination with the DENR, and DOST promulgate the rules and regulations to implement this Act.

SEC. 12. *Separability Clause.* – If any provision of this Act or part hereof is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

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,