

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila
TWENTIETH CONGRESS
First Regular Session
House Bill No. **2884**



INTRODUCED BY REPRESENTATIVE PM VARGAS

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

Bamboo has long been a reliable construction material in the Philippines because of its abundance, durability and flexibility. With its abundance nationwide, the Philippines has the potential to become the second-largest bamboo producer in the world. In 2009, the Philippines ranked sixth as the biggest exporter of bamboo products in the world, with a total export value reaching \$30 million. Economically, this plant has been proven to be a sustainable alternative to wood as it can reach maturity in five years and can be harvested once every two years for about 100 to 120 years. Environmentally, bamboo has also been showcased as a strategic tool to mitigate the effects of climate change.

This bill seeks to promote the sustainable management and proper utilization of the country's bamboo resources. It shall provide guidelines for massive bamboo reforestation and rehabilitation projects, education, and awareness-raising campaigns, adequate technology transfer mechanisms, and capacity-building programs ranging from support services to incentives to bamboo farmers and exporters, among others, while also promoting research on the versatility and marketability of bamboo products.

Refiled in this Congress, this measure builds on its earlier momentum—having passed on third reading and been transmitted to the Senate—with renewed urgency to harness bamboo’s full economic, environmental, and social potential for greener, more resilient Philippines.

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



REP. PM VARGAS
Fifth District, Quezon City

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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.”

SECTION 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 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 bamboo as a sturdy, versatile, and replenishable material that can be a sustainable source of livelihood and a 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 the

sustainable utilization, propagation, and promotion of bamboo as furniture, food, construction and design material, and other uses.

SECTION 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).

SECTION 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 at competitive costs;
- (h) Ensure markets of bamboo products locally and globally; and
- (i) Ensure sustainable resources for implementing the bamboo industry development program.

SECTION 5. *Role of the Philippine Bamboo Industry Development Council (PBIDC).* – 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 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 PBIDC shall promulgate such rules and regulations as may be necessary for the attainment of the objectives of this Act.

SECTION 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 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 nongovernmental 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.

SECTION 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 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.

SECTION 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.

SECTION 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 that 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) No inspection of harvested bamboo at checkpoints;
- e) Access to development loans from public financial institutions for plantation developers;
- f) Insurance coverage of plantations and plantation development equipment by the Philippine Crop Insurance Corporation (PCIC);
- g) 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);
- 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 expenditures;
- 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 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;
- m) Exportation of bamboo culms from plantation without restrictions 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 (CMTA); and
- o) 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.

SECTION 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.

SECTION 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.

SECTION 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.

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

SECTION 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,