

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4830



Introduced by: Kababaihan Kabalikatan para sa Kapakanan at Kaunlaran ng Bayan (4K) Party-list
Representative Iris Marie D. Montes

AN ACT
INSTITUTIONALIZING THE BAMBOO INDUSTRY DEVELOPMENT IN THE
PHILIPPINES AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

According to the Food Products Research and Development Institute, "Bamboo is one of the most economically-important non-timber forest products in the Philippines. Its fast growth and excellent properties makes it an ideal substitute to wood for furniture, handicrafts, construction material, and chemical products. Thus, it is explicable that most of the initiatives undertaken worldwide on bamboo utilization are to exploit its use as substitute to wood. Global market for bamboo in 2006 stands at about 7 billion US dollars and was projected to increase to US\$ 17 B from 2015 to 2020.

The United Nations Conference on Trade and Development (UNCTAD), recognizes that building with bamboo could help governments to provide affordable housing in developing countries since bamboo is cheaper compared to timber, steel, and concrete, and much more widely available something worth considering to help address the housing shortage in the country.

Apart from its economic benefits, bamboo is also significant ecologically due to its capacity to mitigate flood and soil erosion.

According to an UNCTAD study, the Philippines was included in the top 10 bamboo exporters in 2020. In the same year, the Philippines was the largest exporter of wood made of bamboo used in builders' joinery and carpentry products, accounting for almost 70% of global exports and a trade value of USD113.5million.

However, in spite of its economic and ecological benefits, the bamboo industry remains plagued with a number of issues. According to the Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (PCAARRD), these include the lack of reliable and updated data on bamboo supply and location; lack of knowledge on potential uses of bamboo; absence of consolidated policies on bamboo harvesting, transportation, and exportation; weak transfer of technology strategies; and lack of a fully developed bamboo industry value chain.

This bill seeks to promote the development of the Philippine bamboo industry by reconstituting the Philippine Bamboo Industry Development Council, which was created under Executive Order No. 879 series of 2010, and mandating it to formulate the Philippine Bamboo Industry Development Roadmap.

The Roadmap shall include programs and projects that will make the Philippine bamboo industry competitive in local and global markets and allow for the creation of local employment and the establishment of community enterprises.

This measure aims to strengthen Executive Order no. 879, series of 2010, which created the Philippine Bamboo Industry Development Council in order to help the bamboo sector capture a greater market, promote environmental sustainability and help mitigate the impacts of climate change, and assist the government in achieving inclusive economic growth.

In view thereof, approval of this bill is earnestly sought.


IRIS MARIE D. MONTES
Kababaihan Kabalikatan para sa Kapakanan
at Kaunlaran ng Bayan (4K) Party-list

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

SECTION 1. *Short Title.* - This Act shall be known as the "Kawayan Act".

SEC. 2. *Declaration of Policy.* - It is the policy of the State to foster a self-reliant and independent economy that supports indigenous, scientific and technological capabilities, and skills improvement.

The State aims to promote and support industries that generate employment especially in the rural areas, reduce poverty, foster a sustainable environment, integrate cultural development, and mitigate the impacts of climate change.

Recognizing the strategic importance of the bamboo as a sturdy, versatile, and renewable material that can be a sustainable source of livelihood and catalyst for agricultural productivity, the State shall ensure the integrated and continuous development of the Philippine bamboo industry through policies and programs that will encourage bamboo planting, accelerate the development of bamboo-based products and designs, and promote Philippine bamboo products in the domestic and international markets. Towards this end, it shall establish a roadmap for sustainable production, utilization, propagation, marketing, and promotion of bamboo as furniture, food, construction and design material, and other uses and provide substantial and attractive incentives to help stimulate the bamboo industry.

SEC. 3. *Definition of Terms.* - As used in this Act:

(a) Bamboo refers to tropical or semi-tropical fast-growing grass usually having hollow culms and lignocellulose matrix;

(b) Bamboo Industry refers to the industry associated with the planting and cultivation of bamboo for sustainable raw materials and bamboo-based products, including, but not limited to handicrafts, bamboo shoots, bamboo utilized for construction purposes, bamboo for industrial production involving mechanized processing of larger volumes of culms, such as for flooring, laminated furniture, chopsticks, mat boards, charcoal, paper and pulp, biomass, pellets, textiles, and

unprocessed bamboo culms utilized in applications such as scaffolding and traditional construction;

(c) Bamboo Processing refers to the process of conversion of bamboo for various products and applications; and

(d) Bamboo Natural Stands refer to sporadically distributed and existing clumps with different bamboo species occurring in a given area.

SEC. 4. *The Philippine Bamboo Industry Development Roadmap (PBIDR).* There shall be a Philippine Bamboo Industry Development Roadmap, which sets forth a comprehensive national strategy for the Philippine bamboo industry and provides specific programs and projects, including the timeline for the propagation, development and managements, processing, utilization, business development, and commercialization of the Philippine bamboo and bamboo products. It shall be a five-year roadmap subject to regular review and updating and shall be supported by an annual work and financial plan for the effective implementation of the law. The roadmap shall be guided by the following objectives, among others:

(a) To make available a sufficient supply of bamboo raw materials for various industries and end products;

(b) To establish vibrant bamboo enterprises for domestic and international markets;

(c) To establish bamboo-based communities with elevated income and freedom from poverty;

(d) To establish a policy environment supportive to the development of the bamboo industry;

(e) To use bamboo as a medium to help attain the country's desire for sound environmental sustainability and climate change adaptation and mitigation;

(f) To realize a significant contribution of the bamboo industry to the Philippine economy and to inclusive growth; and

(g) To identify other necessary activities approved by the Council.

SEC. 5. *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, is hereby reconstituted 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) Secretaries of the Department of Agriculture (DA), Department of Science and Technology (DOST), Department of the Interior and Local Government (DILG), and the Chairperson of the National Commission on Indigenous Peoples (NCIP), as members; and

(d) Three (3) representatives from the private sector and non-governmental organizations (NGOs) involved in the bamboo industry and agriculture as members, who shall serve for a term of three (3) years and may be reappointed once. The DTI Secretary shall appoint them from a list of at least six (6) nominees submitted by different organizations and associations.

The Council shall meet quarterly and may hold special meetings whenever the need arises to consider urgent matters upon the call of the Chairperson or any of the Council members: Provided, That each Council member may designate his/her representatives whose rank shall not be lower than an Assistant Secretary or its equivalent.

The Council shall be assisted by a Secretariat headed by an Executive Director. Other member agencies of the Council shall provide additional administrative and technical staff support on secondment or detailed arrangement to the secretariat upon the determination by the Council of the necessity for such augmentation. The appointment of officers and employees of the secretariat shall be in accordance with the civil service laws.

SEC. 6. Powers and Functions of the Council. - The Council shall have the following powers and functions, among others:

(a) Formulate and publish the PBIDR, which shall be updated and revised periodically as may be determined by the Council;

(b) Identify specific programs and projects aligned with the PBIDR;

(c) Identify the specific roles, and ensure compliance and coordination among government agencies for the attainment of the goals laid out in the PBIDR;

(d) Lead the creation of, and serve as the host organization to maintain a national and integrated information system related to bamboo including, but not limited to, plantations, population, species, workers and beneficiaries, investors, product demands and supplies, and costs and benefits for market research, and continuous research and development to advance sustainable bamboo industry development practices;

(e) Identify sources of financing and facilitate credit windows with government financial institutions to expand bamboo industry development;

(f) Promote the establishment of additional processing facilities that would accelerate the production and commercialization of bamboo and various bamboo products in the domestic and international markets and identify land areas devoted to bamboo plantations;

(g) Promote the establishment and creation of bamboo farm tourism camps in coordination with the Department of Tourism (DOT);

(h) Implement mechanization of production in the bamboo industry through the provisions of machinery and equipment;

(i) Harmonize and institutionalize fragmented capacity-building, business mentoring, and entrepreneurship programs, of relevant government agencies for farmers, farm workers, processors, designers, and other stakeholders in the bamboo industry; j) strengthen market access, linkage and promote of Philippine bamboo and locally-made bamboo-based products through extensive marketing strategy;

(j) Promote the establishment of an agri-insurance program for bamboo plantations and farmers;

(k) Coordinate and partner with the private sector, people's organizations and NGOs, and state colleges and universities in providing technical assistance to bamboo farmers and the industry commensurate to the size of the bamboo plantation or farm;

(l) Accept grants, donations, and contributions from local and international donors, and such similar sources of funds for the implementation of this Act, subject to the usual budget, accounting and auditing rules and regulations;

(m) Appoint the official representative of the Philippines to international bamboo organizations;

(n) Submit annual reports on the status of the implementation of the roadmap and the bamboo industry development in the country to the Office of the President, the Senate of the Philippines, and the House of Representatives;

(o) Recommend to the Department of Budget and Management (DBM) the required yearly appropriations for the plan and implementation of the bamboo industry development programs and ensure the inclusion of proposals, through program convergence budgeting to avoid duplication of funding for similar programs, activities and projects by the implementing agencies; and

(p) Promulgate rules and regulations, and exercise such other powers and functions as may be necessary to carry out effectively the attainment of the purposes and objectives of this Act.

SEC. 7. *Executive Director.* - By a vote of a simple majority of all its members, the Council shall appoint an Executive Director who shall head the secretariat and serve as the administrative officer of the Council. The appointee must possess competencies and knowledge in bamboo industry development and shall have a fixed term of six (6) years and may be reappointed, subject to the approval of the Council.

With the concurrence of the Council, the Executive Director shall determine the staffing complement as to the organizational structure, staffing pattern, and compensation system of the Secretariat.

SEC. 8. *Use of Bamboo in Environmental Rehabilitation, Conservation, and Protection Programs of the National Government.* - The DENR shall use bamboo as the planting material for at least twenty-five percent (25%) of its annual reforestation and rehabilitation programs, especially in provinces and towns that are engaged in or have the potential to engage in bamboo-based industries, or where trees are difficult to grow because of poor site quality, susceptibility to erosion or adverse and steep gradients. The Mines and Geosciences Bureau (MGB) shall likewise encourage mining contractors and permit holders to plant bamboo outside the disturbed areas mining sites, subject to pertinent rules and conditions as determined by relevant agencies.

SEC. 9. *Use of Assistance Funds for Small and Medium Bamboo Enterprises.*-Twenty percent (20%) of DOSTs small and medium enterprises (SMEs) assistance funds such as the Small Enterprise Technology Upgrading Program (SETUP) and the Technology Application and Promotion Institute (TAPI) venture capital program shall be allocated to bamboo-based enterprises.

SEC. 10. *Promotion of Bamboo Products in Domestic and International Markets.* - The DTI, the DOT, and their attached agencies mandated to promote domestic products, shall be directed to conduct aggressive marketing and trade campaigns of bamboo and bamboo products through domestic and international expositions, fairs and exhibits.

The DTI shall likewise be mandated to scale up domestic investment promotion by hosting business-matching activities through its existing micro, small and medium enterprises program, to prioritize the access of its shared services facilities, and to provide marketing assistance through its One Town One Product (OTOP) and other shows and concept stores for the bamboo industry.

SEC. 11. *Research, Development and Innovation for the Bamboo Industry.* - The DOST, in coordination with other government and private research institutions shall conduct research and development on bamboo, innovate to develop more marketable bamboo-based products for both domestic and international consumers, and advance sustainable bamboo industry development practices.

Sec. 12. *Use of Bamboo in Public Schools and Government Facilities.* - As far as practicable, at least twenty-five percent (25%) of all the annual school desks and armchairs requirement of all public elementary and secondary schools nationwide procured by the Department of Education (DepEd) shall be made from bamboo. The use of bamboo in furniture and fixtures of government facilities shall also be considered when feasible.

SEC. 13. *Incentives.* - The following incentives shall be provided:

(a) The Board of Investments (BOI) shall classify bamboo farms/plantations, production or processing thereof, and other bamboo-related activities as preferred in areas of investments under its Strategic Investments Priority Plan (SIPP) subject to pertinent rules and regulations;

(b) Nursery and plantation owners shall be exempt from the payment of rent for the use of public lands for commercial bamboo plantation subject to existing tenurial agreements with concerned government agencies;

(c) Bamboo plantation owners in public lands shall be exempt from the payment of forest charges that may be imposed by the national government;

(d) The produce of bamboo plantations shall be accepted as among the collaterals for loans in government-owned or controlled banks, subject to its rules and regulations;

(e) Bamboo plantation developers and bamboo processors shall be given priority to access credit assistance and guarantee schemes being granted by government-owned, controlled and/or supported financial institutions;

(f) Bamboo plantations shall not be required a cutting permit for harvesting nor shall their produce need a transport permit for transporting: Provided, That such plantation is registered with the Community Environment and Natural Resources Office (CENRO) of the DENR;

(g) Bamboo plantations and plantation development equipment shall be covered by the Philippine Crop Insurance Corporation (PCIC); and

(h) For tenured bamboo plantation owners, upon the premature termination of the tenurial agreement with no fault of the holder, all capital improvements depreciable permanent and semi-permanent improvements such as roads, buildings, nurseries including the planted and standing bamboo and other intercrops, introduced and retained in the area, shall be evaluated and the holder shall be entitled to a fair compensation thereof, the amount of which shall be mutually agreed upon by both the DENR and the tenure-holder and in case of disagreement between them, by arbitration through a mutually-acceptable and impartial third party adjudicator through the DENR.

SEC. 14. *Appropriations.* - The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the departments / agencies concerned. Thereafter, such sums as may be necessary for the continued implementation shall be included in the annual General Appropriations Act (GAA).

SEC. 15. *Implementing Rules and Regulations.* - Within six (6) months from the effectivity of this Act, the DTI, in consultation with other concerned government agencies, the academe, the private sector, and NGOs shall promulgate the necessary implementing rules and regulations for the effective implementation of this Act.

SEC. 16. *Separability Clause.* - Should any provision herein be declared unconstitutional, the other provisions not affected shall remain in full force and effect.

SEC. 17. *Repealing Clause.* - All laws, decrees, orders, rules and regulations

or other issuances or parts inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,