

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 7433



Introduced by Honorable EULOGIO "LEO" R. RODRIGUEZ

EXPLANATORY NOTE

Section 1, Article XII of the 1987 Constitution mandates the State to promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and are competitive in both domestic and foreign markets. In line with this constitutional mandate, the abaca industry continue to serve as a vital driver for rural employment, sustainable community development, and increase export income. The Island Province of Catanduanes, the largest abaca producer in the Philippines and formally recognized as the "Abaca Capital of the Philippines" under Republic Act No. 11700, plays a significant role in the national fiber industry.

Despite the importance of the abaca, the industry continues to face persistent challenges, including low productivity, limited access to modern technologies, inadequate research and development, significant post-harvest losses, and insufficient market linkages. Abaca farmers, particularly women, youth, and other marginalized groups, often lack the necessary technical expertise, training, and support to maximize the potential of abaca farming, limiting their overall productivity and income opportunities.

Recognizing that these challenges cut across multiple stages of the abaca industry value chain highlights the urgent need for a unified, science-based, and nationally coordinated approach. Fragmented interventions and limited sectoral coordination have constrained the industry's growth, underscoring the necessity of an institutional framework that harmonizes policies, aligns government programs, strengthens inter-agency collaboration, and drives long-term, industry-wide development.

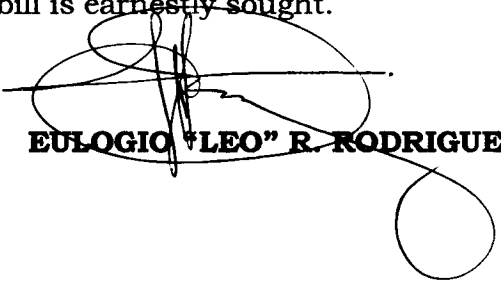
This bill seeks to address these industry challenges through the institutionalization of the Philippine Abaca Industry Development Program and the creation of the Philippine Abaca Industry Development Council as the principal policy-making, coordinating, and implementing body of the abaca sector. The Program aims to provide a long-term, strategic, and science-based framework to guide national and local initiatives, research and development, production enhancement, post-harvest processing, innovation, and market expansion of abaca and abaca-based products.

To strengthen the industry's knowledge base and technological capacity, the bill establishes a Philippine Abaca Research and Development Institute (PARDI) in the Province of Catanduanes under the administrative and technical supervision of the Philippine Fiber Industry Development Authority (PhilFIDA) and the policy directions of the Council. The PARDI shall serve as hubs for scientific research,

variety improvement, pest and disease management, technological innovation, extension services, enterprise development, and capacity building activities for farmers, cooperatives, processors, and other industry stakeholders.

Institutionalizing the Program will improve productivity, sustainability, and global competitiveness of the abaca industry; improve market access; empower abaca farmers and industry workers, and contribute to rural employment, poverty reduction, and inclusive growth.

Hence, the immediate passage of this bill is earnestly sought.



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AN ACT
INSTITUTIONALIZING THE PHILIPPINE ABACA INDUSTRY DEVELOPMENT
PROGRAM, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. – This Act shall be known as the “Philippine Abaca Industry Development Act (PAIDA)”

SEC. 2. Declaration of Policy. – It is hereby declared a policy of the State to promote the sustainable development, productivity, and competitiveness of the abaca industry, recognizing its vital contribution to the socio-economic growth of the nation. The State shall support research and development initiatives that enhance abaca production, pest and disease management, post-harvest processing, production innovation, and marketing strategies, while providing technical assistance, training, and capacity-building programs for farmers, cooperatives, and industry stakeholders. The State shall ensure equitable participation of women, youth, and other marginalized groups in abaca development programs and initiatives, and shall facilitate the adoption of modern and sustainable practices to improve yield and fiber quality, strengthen linkages among government agencies, academic institutions, and the private sector, and expand market access for abaca-based products. The State aims to ensure that the development of the abaca industry contributes to poverty reduction, rural employment, and inclusive growth for all sectors of society.

SEC. 3. Creation of the Philippine Abaca Industry Development Council.
– There is hereby created a Philippine Abaca Industry Development Council, hereinafter referred to as the Council, which shall be the principal policy-making, coordinating, and implementing body of the Program. The Council shall be administratively attached to the Department of Agriculture (DA).

SEC. 4. Composition of the Council. – The Council shall be composed of the following:

- (a) The Secretary of the DA as Chairperson;
- (b) The Secretary of the Department of Science and Technology (DOST) as Vice Chairperson;

(c) The Secretary of the Department of Trade and Industry (DTI) as Vice Chairperson;

(d) The Executive Director of the Philippine Fiber Industry Development Authority (PhilFIDA) as Head of the Council Secretariat;

(e) The Secretary of the Department of Environment and Natural Resources (DENR);

(f) The Secretary of the Department of Agrarian Reform (DAR);

(g) The Secretary of the Department of Economy, Planning, and Development (DEPDEV);

(h) The Administrator of the Cooperatives Development Authority (CDA);

(i) The Head of the Philippine Textile Research Institute (PTRI);

(j) Representative from the League of Provinces;

(k) Representative from the League of Municipalities of the Philippines;

(l) Representative from a reputable Private Abaca Industry Association;

(m) Two (2) Representatives from accredited Abaca Farmers/Producers/Processors Associations; and

(n) Representative from Civil Society Organizations (CSOs).

The Representatives from LGUs, the private sector, farmer, producers, and processors, and CSOs shall be appointed by the Council from a list of nominees submitted by their respective groups. They shall serve for a term of two (2) year and may be reappointed for a second term unless their representation is withdrawn by the sector they represent. Appointment to any vacancy shall be only for the unexpired term of the predecessor.

All Cabinet Members may designate a representative, not lower than an Assistant Secretary, who shall attend and act on their behalf during meetings of the Council.

SEC. 5. Meetings of the Council. – The Council shall meet at least once every three (3) months, or as often as may be deemed necessary by the Chairperson.

SEC. 6. Powers and Functions of the Council. – The Council shall have the following powers and functions:

(a) Ensure the integration of the abaca development program into the national and local development plans and programs;

(b) Formulate a strategic framework on the abaca industry development to serve as basis for formulation and implementation of plans, programs and projects, research and development, production, processing, utilization, and marketing of abaca;

(c) Exercise policy coordination to ensure alignment of programs to the strategic framework;

(d) Recommend key development areas for investment; including production, processing, manufacturing into finish products, and marketing;

(e) Facilitate capacity building activities and provide technical, institutional, and financial assistance to abaca-producing communities, cooperatives, processors, manufacturers, and other value-chain actors;

(f) Develop and implement a comprehensive information, education, and communication (IEC) and knowledge-sharing program, which shall include policy papers, studies, research studies, best practices, market information, and other relevant data necessary for the growth of the abaca industry.

SEC. 7. *The Philippine Abaca Industry Development Program.* – The Council shall, within six (6) months from the effectivity of this Act, formulate a ten (10) year strategic framework which shall be the Philippine Abaca Industry Development Program, hereinafter referred to as the Program, which shall be reviewed, validated and updated annually. The Program shall serve as basis for formulation and implementation of plans, programs and projects, research and development, production, processing, utilization, and marketing of abaca.

SEC. 8. *Objectives of the Program.* – The Program shall have the following objectives:

(a) To significantly increase the production of high-quality abaca fiber and raw materials, thereby increasing the value of raw and processed abaca;

(b) To promote research and development on abaca genetic improvement, pest and disease control, and innovative product applications;

(c) To modernize abaca farming and processing technologies to produce higher quality products with reduced input costs;

(d) To enhance market access for abaca products;

(e) To improve the socio-economic conditions of abaca farmers and industry workers by ensuring that abaca farming is sufficiently profitable;

(f) To ensure equitable participation of women, youth, and other marginalized sectors to the abaca program; and

(g) To ensure the sustainable management of abaca farms and the environment.

SEC. 9. *Roles and Responsibilities of Government Agencies.* – To ensure the effective, coordinated, and efficient implementation of the Program, the following agencies shall have the following duties and responsibilities, under the overall policy guidance of the Council:

(a) The DA shall lead the implementation of production and technology transfer programs, provide technical services and training on modern farming

methods, pest and disease management, and sustainable practices. It shall also provide livelihood grants and rehabilitation assistance to abaca workers, particularly during lean months or in the aftermath of calamities;

(b) The PhilFIDA shall serve as the primary implementing arm of the Council in the production, regulation, and quality control. It shall promulgate a national abaca fiber grading and classification standards, and conduct regular inspection of abaca grading establishments;

(c) The DOST shall lead the research and development program on abaca fiber processing and development of new applications of abaca;

(d) The PTRI shall conduct research and development on textile application of abaca fibers, testing of abaca fiber and product quality assessment, and facilitate the transfer of new technologies to the abaca processing sector;

(e) The DTI shall lead the promotion of abaca products in both domestic and international markets, including linking farmers to large processing enterprises and international markets. It shall also provide assistance in product standardization, quality control, and certification to meet global quality standards, ensuring that pricing remains stable and sufficiently profitable for abaca workers;

(f) The DENR shall identify suitable areas for sustainable abaca cultivation, particularly in government-owned lands for agroforestry;

(g) The DAR shall identify and develop abaca farming areas within Agrarian Reform Communities (ARCs) and provide support to Agrarian Reform Beneficiaries (ARBs);

(h) The DOLE shall ensure the safety, welfare, and rights of abaca farm and processing workers. It shall also provide emergency employment, particularly during lean months or in the aftermath of calamities;

(i) The CDA shall facilitate the formation of abaca farmers' cooperatives and associations, to enable better access to government support, technical training, and market linkages;

(j) The Philippine Crop Insurance Corporation shall provide free insurance coverage for abaca crops, machineries, equipment, transport facilities, other related infrastructure, and life and accident insurance to registered abaca farm and processing workers;

(k) The Land Bank of the Philippines and Development Bank of the Philippines shall develop and offer specialized and affordable credit and financing programs for abaca farmers, cooperatives, processors, and manufacturers; and

(l) The Local Government Units shall integrate the abaca program in their respective local development plans and budgets.

SEC. 10. Establishment of Philippine Abaca Research and Development Institute (PARDI). – A Philippine Abaca Research and Development Institute (PARDI) shall be established in the Province of Catanduanes, under the administrative and technical supervision of the PhilFIDA and the policy direction of the Council. The

Council may authorize the establishment of additional PARDIs in other abaca-producing regions in the country, if necessary, based on production volume, industry demand, geographical accessibility, and research needs essential to achieving the objectives of this Act.

SEC. 11. Powers and Functions of the PARDI. – The PARDI, shall have the following powers and functions:

(a) Conduct scientific studies and technological research to support the sustainable and competitive production, processing, utilization, and marketing of abaca and abaca products;

(b) Formulate evidence-based policy recommendations to strengthen the abaca industry;

(c) Establish and maintain abaca nurseries and gene banks for the propagation and distribution of high quality and disease resilient abaca varieties;

(d) Undertake research and innovation to increase productivity, reduce losses, and develop new and marketable abaca-based products and technologies;

(e) Provide technical assistance to farmers, cooperatives, and processors, including support for organizing and strengthening of abaca-based enterprises;

(f) Implement coaching and consultancy programs aimed at improving quality, value addition, and marketability of abaca products;

(g) Link farmers, cooperatives, and processors to various government agencies for assistance; and

(h) Publish, in print and online, a quarterly bulletin on the programs, activities, research outputs and status of projects undertaken by the PARDI.

SEC. 12. Administration of the PARDI. – The PARDI shall be headed by an Executive Director, with Salary Grade 27, who shall render full-time service and be responsible for its administration, management, and operation.

The Executive Director shall be appointed by the President of the Philippines, upon the recommendation of the Council, in accordance with the rules and regulations of the Civil Service Commission and the qualification requirements for such office.

SEC. 13. Organizational Structure and Staffing. – The organizational structure and staffing pattern of the PARDI shall be prepared by the PhilFIDA and shall be submitted to the Council for approval, subject to applicable civil service laws, rules, and regulations.

All officers and employees of the PARDI shall be appointed by the Executive Director of PhilFIDA, subject to civil service laws, rules, regulations, and consistent with the approved staffing pattern.

SEC. 14. Authority to Receive Donations and/or Grants. – The PARDI is hereby authorized to accept grants, contributions, donations, endowments, bequests, or gifts in cash, or in kind from local and foreign sources in support of the

development and implementation of abaca research and development programs and plans: *Provided*, That in case of donations from foreign sources, acceptance thereof shall be subject to prior clearance and approval of the President of the Philippines upon recommendation of the Secretary of Foreign Affairs: *Provided, further*, That such donations shall not be used to fund personnel services expenditures and other operating expenses of the PARDI.

Such proceeds shall be used to finance:

- (a) Research, development, demonstration and promotion of technologies;
- (b) Conduct of assessment of Abaca vulnerabilities and adaptation capability of Abaca farmers;
- (c) Advocacy, networking, and communication activities in the conduct of information campaign; and
- (d) Conduct of such other activities reasonably necessary to carry out the objectives of this Act, as may be defined in the Implementing Rules and Regulations.

SEC. 15. Annual Report. – The Council shall submit to the president and to both Houses of Congress, not later than March 30 of every year following the effectivity of this Act, a report giving detailed account of the status of the implementation of this Act, a progress report on the implementation of the Philippine Abaca Industry Development Program and recommended legislations, if necessary.

SEC. 16. Appropriations. – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the DA-PhilFIDA. If such appropriations are insufficient, the amount shall be charged against the Contingent Fund in the current General Appropriations Act. Thereafter, the funds necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SEC. 17. Implementing Rules and Regulations. – Within ninety (90) days after the effectivity of this Act, the DA, in consultation with the DOST, DTI, DENR, DEPDEV, DA-PhilFIDA, DOST-PTRI, and other stakeholders, promulgate the necessary rules and regulations for the effective implementation of this Act.

SEC. 18. Separability. – If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 19. Repealing Clause. – All laws, presidential decrees, executive orders, letters of instruction, administrative rules and regulations or parts thereof, which are contrary to or inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

SEC. 20. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,