



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



EIGHTEENTH CONGRESS
First Regular Session

5484
House Bill No. _____

Introduced by **HON. JOSEPHINE VERONIQUE “Jaye” R. LACSON - NOEL**
Malabon City, Lone District

EXPLANATORY NOTE

According to the Philippine Economic update of the World Bank Organization on Macroeconomics and Fiscal Management Global Practice in East Asia and Pacific Region published in April 2017, the Philippines is a net exporter of wood, articles of wood and wood charcoal.¹

Most people in the country, especially those located in the far-flung areas where there is no other power or energy option, use charcoal as an alternative source of power or energy for their household chores - for cooking, lighting, heat, among many others. Its different uses and undeniable resilience result in the emergence of micro and small charcoal burners all over the country, wondering the income it can potentially deliver to the state. In the City of Malabon alone, the monthly income generated by a micro charcoal burner without any intervention from either the local or national government programs amounts to Php 18,000 to Php 20,000 and that is Php 216,000 to 240,000 per year. Imagine if that amount is multiplied by the vast number of micro and small charcoal burners not just in my city but all over the country.

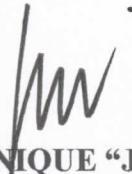
Unfortunately, there are two factors that hinder the growth of this industry. First is the environmental impact which many of us are most concern of. For the long-term, this industry contributes to the worsening case of climate change since the primary raw material being used is wood. Second is the inability of these micro and small charcoal burners to get monetary support from well-known and fully accredited financial institutions for growth, rather, they resort to easier options such as the “instant utang” or 5-6 which charges them more way more that the latter.

1. <http://documents.worldbank.org/curated/en/746271491832911953/pdf/114151-REVISED-4-17-Philippines-Economic-Update-FINAL.pdf>

Thus, this bill.

It is the fervent hopes of this bill to (1) create and establish sustainable programs and look for alternative and raw materials to be used by the micro and small charcoal burners which will not be very detrimental to our environment through help afforded by the Department of Environment and Natural Resources and the innovations of Department of Science and Technology; and (2) provide credit access for the growth of the industry.

IN VIEW OF THE FOREGOING, approval of this bill is earnestly sought.



JOSEPHINE VERONIQUE "Jaye" R. LACSON - NOEL



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AN ACT
PROMOTING AND SUPPORTING THE DEVELOPMENT OF THE
CHARCOAL INDUSTRY AND FOR OTHER PURPOSES

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

SECTION 1. Short Title – This Act shall be known as the ***“Charcoal Industry Development Act of 2019”***

SECTION 2. Definition of Terms. – As used in this Act, the following terms shall be defined as follows:

“Charcoal” shall refer to the lightweight black carbon residue produced by removing water and other volatile constituents from animal and plant materials;

“Charcoal Burner” shall refer to people whose occupation is to manufacture charcoal;

“Micro Charcoal Burner Enterprises” shall refer to small enterprises whose total assets will amount to not more than P3,000,000.00 or less and their main supply of product comes from the manufacture of charcoal;

“Small Charcoal Burner Enterprises” shall refer to small enterprises whose total assets will amounting to not more than P15,000,000.00 but not less than P3,000,000.00 and their main supply of product comes from the manufacture of charcoal;

SECTION 3. Declaration of Policy – It is hereby declared that the state shall promote and support the development of the coal industry, increase the income of micro and small charcoal burners through improved productivity, product diversification and employment generation.

For this purpose, the State shall establish productivity improvement programs, provide the needed infrastructure support, enhance research and development on product diversification, provide human resource development and extension services, and provide financial assistance to micro and small charcoal burners.

SECTION 4. Productivity Improvement Programs. – To boost the production of charcoal, and increase the incomes of charcoal burners, the following Productivity Improvement Programs shall be implemented:

- a. **Product/Process Development and Improvement** - The Department of Science and Technology (DOST), through its Product/Process Development and Improvement Program, shall establish the charcoal product/process development and improvement.
- b. **Charcoal Support Program** – The Department of Energy and Natural Resources (DENR) shall make available a support program which shall include, among others, the provision of credit access and a charcoal management and technical assistance services.
 - i. **Credit Access** - shall be made available, through the Land Bank of the Philippines (LBP), for the acquisition of charcoal inputs, charcoal machineries and implements necessary for the continuous production of charcoal. *Provided*, that the loans shall be made available to micro and small enterprises: *Provided, further*, that the lender shall have a lien on the charcoals of the charcoal burner who obtained the loan until the loan is fully paid: *Provided, finally*, that borrowers cannot be granted another loan until existing loans are fully paid.
 - ii. **Charcoal Sustainability, Management and Technical Assistance Services** – The DENR, DOST, DOLE, TESDA, State universities and colleges (SUCs), and other concerned private and NGO's, shall formulate and implement a deployment program of charcoal engineers and technicians for the provision of charcoal sustainability, management and technical assistance services to charcoal burners.
- c. **Charcoal Mechanization Program** – Charcoal burners shall be encouraged and trained to utilize appropriate machineries and equipment necessary for the efficient production of charcoal. The DENR and/or the DOST, in partnership with LGUs, shall:
 - i. Introduce and expand the use of machineries for the different stages of charcoal burning; and
 - ii. Formulate and implement a Charcoal Burning Mechanization Program at the Barangay level.

To develop and deploy appropriate machineries and equipment, the DENR and/or the DOST, through their research centers, shall formulate and conduct research development and extension programs for charcoal burning mechanization and engineering.

SECTION 5. Research and Development. – The DENR and DOST in coordination with relevant SUC's, the government research and development institutions, and the private sector, shall intensify researches on charcoal burning, analyses of sustainable charcoal and other methods on the production of charcoal, as well as other viable raw materials that can derive charcoal and other products that can be derived from it.

SECTION 6. Extension Services. – Extension services that can be provided shall include, but not limited to provision of technical and mechanical assistance and advice, conduct of tests, safety of use and production.

SECTION 7. Human Resources Development. – The DOLE, in collaboration with the Commission on Higher Education, TESDA, and PRC, and the private sector, shall formulate and implement a Human Resources Development (HRD) Master Plan for the charcoal industry which shall include, but not limited to, the following:

- a. Capacity-building, skills training, institutional strengthening of charcoal burners and their organizations to actively contribute in productivity and competitiveness.
- b. Conduct of capability training or attendance to local or international trainings and seminars by charcoal burners on the latest technologies related to charcoal burning and production of other products from charcoal;
- c. Formulation and implementation of competency standards and training regulations for technical vocational education and training for the charcoal industry by the TESDA;
- d. Upgrading of facilities, faculty development and strengthening of the on-the-job training programs for higher education institutions in the charcoal industry towards the production of highly employable and globally competitive graduates needed by the charcoal industry.

SECTION 8. Infrastructure Support. – To facilitate the transport, marketing and export of charcoal and other products derived therefrom, and complement productivity improvement measures in this Act, transport infrastructures, farm-to-market roads and other necessary infrastructures shall herewith be provided.

- a. **Transport Infrastructures** – The NEDA, DOTC, DPWH, and the PPA, shall include in their annual Development Plans and Priority Investment Programs the immediate construction and/or improvement of new/existing transloading ports for coast-wide transport, sale or export of charcoal products in key charcoal producing areas.

SECTION 9. Appropriations – The amount necessary shall be charged against the existing appropriations of DOST to initially implement the promotion of the charcoal industry through its "Product/Process Development and Improvement" program and all else necessary to carry out the provisions of this Act shall be charged against the existing appropriations of the DENR. Thereafter, the amount needed for the continuous implementation of this Act shall be included in the respective General Appropriations Act of the agencies.

SECTION 10. Implementing Rules and Regulations – The DENR, in consultation with concerned agencies and charcoal industry stakeholders, shall issue the implementing rules and regulations of this Act within ninety (90) days from the effectivity of this Act.

SECTION 11. Separability Clause – If any provision of this Act is declared unconstitutional, the remaining provisions of this act shall remain in full force and effect.

SECTION 12. Repealing Clause – All laws, decrees, executive orders, letter of instruction, rules or regulations contrary to or inconsistent with any provisions of this Act is hereby repealed, modified or amended 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,