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Introduced by Representative Rufus B. Rodriguez

EXPLANATORY NOTE

In view of the foregoing, immediate approval of this measure is earnestly requested.

RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 6396

AN ACT

TO PROMOTE AND STRENGTHEN THE PHILIPPINE BAMBOO INDUSTRY, PRESCRIBING ITS SCIENTIFIC PROPAGATION, PROCESSING, UTILIZATION, AND BUSINESS DEVELOPMENT AS A PRIORITY PROGRAM, AND ALLOCATING FUNDS THEREFOR AND FOR OTHER PURPOSES.

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

Section 1. **Title.** This Act shall be known as the "*Philippine Bamboo Industry Development Act*".

Section 2. **Declaration of Policy.** It is hereby declared the policy of 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 which are competitive in both domestic and foreign markets. To this end, the State shall promote the rapid, steady and continuous integrated development and growth of the Philippine bamboo industry, recognizing the bamboo's salient role as a strategic, indigenous, replenishable and renewable source of livelihood and tool for agricultural productivity. It is also hereby declared a policy of the state to acknowledge the great contribution of bamboo in environmental protection and management, more importantly in light of the perils of climate change.

Section 3. **Priority Program.** It is hereby authorized and prescribed, as a priority program, the scientific propagation, processing, utilization and business development of Philippine bamboo under the Philippine Bamboo Framework for Development.

Section 4. **Implementing Agency.** there is hereby created a Philippine Bamboo Industry Development Coordinating Council (BIDCC), hereinafter referred to as the Council, administratively attached to the Department of Trade and Industry, charged with the main function of coordinating the Activities of various agencies and instrumentalities to ensure the accomplishment of the Philippine Bamboo Framework for Development.

If ever practicable and required, the Chairman of the Council shall submit an annual report to both houses of Congress on the status of the implementation of this Act.

Section 5. **Composition.** The Philippine Bamboo Industry Development Coordinating Council shall be composed of the following:

- a. Secretary of the Department of Trade and Industry as Chairman (DTI);
- b. Undersecretary of the Department of Trade and Industry-Regional Operations and Development Group (DTI-RODG) as Head of the Council Secretariat;
- c. Executive Director of the Cottage Industry Development Center (CICT) as Head of the Bamboo Technical Working Group;
- d. Secretary of The Department of Environment and Natural Resources (DENR);
- e. Secretary of the Department of Agriculture (DA);

- f. Secretary of the Department of Education (DepEd);
- g. Secretary of the Department of Agrarian Reform (DAR);
- h. Secretary of the Department of Science and Technology (DOST);
- i. Secretary of the Department of Labor and Employment (DOLE);
- j. Representative from the League of Municipalities of the Philippines;
- k. Representative from the League of Cities of the Philippines;
- l. Representative from reputable Private Industry Association;
- m. Two (2) representatives from Bamboo Farmers'/Producers'/Processors' Associations;
- n. One (1) representative from Non-Governmental Organizations (NGOs);

The Council shall regularly meet every two (2) months and may hold special meetings, whenever the need arises, to consider urgent matters upon the call off the chairman or any eight (8) Council members.

Section 6. Council Secretariat. The Council Secretariat shall be headed by the Undersecretary of the Department of Trade and Industry-Regional Operations and Development Group (DTI-RODG). Technical support shall be provided by the Bamboo Technical Working Group as headed by the executive director of the Cottage Industry Development Center (CICT).

The secretariat and technical staff shall be detailed from the existing personnel of the Department of Trade and Industry without prejudice to the designation of the Council of such additional staff members as it may deem necessary for the proper discharge of its function and responsibilities.

Section 7. Philippine Bamboo Framework for Development. The Philippine Bamboo Industry Development Coordinating Council shall formulate a ten- year Framework for Development, to be validated and updated annually. Such framework shall serve as guide to the formulation and implementation of plans, projects, programs, and policies for the scientific propagation, processing, utilization, and business development of Philippine Bamboo. The Framework shall likewise provide the following:

- a. *Site Identification* - the Department of Environment and Natural Resources in coordination with the Department of Agriculture, Department of Agrarian Reform, and the Local Government Units, shall identify the broad areas suitable for the planting and propagation off Philippine bamboo, within six (6) months after the effectivity of this Act. The Department of Environment and Natural Resources shall also establish nurseries focusing on species suitable for shoot production.
- b. *Scientific Propagation and Development* – The Department of Environment and Natural Resources and the Department of Science and Technology shall establish sites and/or pilot farms for the cultivation and propagation of Philippine bamboo. The same also covers the transfer and improvement of appropriate technology and techniques, which will be utilized in ever phase of bamboo production, processing, marketing and distribution. Particular emphasis shall be made on adoption and upgrading of post-harvest technology;
- c. *Production and Extension* - The Department of Environment and Natural Resources, Department of Agriculture, Department of Trade and Industry, and the Department of Science and Technology in coordination with the Local Government Units, non-governmental organizations, Technical Education and Skills Development Authority (TESDA), Cooperative Development Authority (CDA), state universities and colleges (SUCs), and other relevant government agencies, shall establish programs which promote and provide adequate training on adapting technologies to individuals engaged in propagation, production, processing, marketing and distribution of Philippine bamboo strengthen farmers'/producers'/processors' cooperative's and organizations involved in the sustainable and viable development of Philippine

bamboo, and afford opportunities for participation in international conventions, workshops and fora.

- d. *Market Promotion and Business Development* - The Department of Trade and Industry, in coordination with private industry associations, shall link-up agribusiness cooperatives and organizations directly with consumers' cooperatives and organizations, agro-processing companies, or exporters to provide marketing outlets and assure relatively higher and stable prices of bamboo. This also includes exploring national and international markets and facilitating the participation of local farmers, growers, and exporters in local and international conferences, trade fairs, expositions, and exhibits;
- e. *Infrastructure Development* - Access to post harvest facilities, storage and distribution/transport facilities of existing government agencies shall be facilitated by the Department of Environment and Natural Resources, Local Government Units, and Department of Agriculture. Assistance shall be given to qualified and viable farmers'/producers'/processors' cooperatives and organizations and the availment of soft loans or grants for the construction of post-harvest, processing and storage facilities;
- f. *Quality Assurance* - To ensure health and proper trading, the Department of Trade and Industry and Department of Science and Technology, respectively, shall establish and enforce standards in grading, sampling and inspection, tests and analysis, specifications, nomenclature, units of measurement, packaging, preservation, conservation or transportation of Philippine bamboo products and by-products; and
- g. *Philippine Bamboo Information Center* - the Department of Trade and Industry and coordination with Local Government Units shall establish a Philippine Bamboo Information Center and areas identified pursuant to section 7(a) of this Act.

Section 8. Bamboo as Planting Material for Annual Reforestation and Rehabilitation. The Department of Environment and Natural Resources shall use Philippine bamboo as planting material for at least twenty percent (20%) of its annual reforestation and rehabilitation program.

Section 9. Bamboo Furniture Procurement Project. The Department of Education shall procure at least twenty-five (25%) of the annual school desk and/or armchair requirements of public elementary and secondary schools nationwide with the use of Philippine bamboo pursuant to schedules and arrangements to be agreed upon with the Department of Trade and Industry.

Section 10. Bamboo Livelihood Programs. The Department of Labor and Employment, in cooperation with the Council and Local Government Units, shall formulate and implement Bamboo Livelihood Programs for preference employment of special groups and organizations of Persons with Disabilities (PWDs), marginalized sectors, the unemployed, and retrenched Overseas Filipino Workers (OFWs). The program shall have an appropriate training and/or skills-retooling component to be provided by the Commission on Information and Communications Technology (CICT) in coordination with the Technical Education and Skills Development Authority (TESDA) or allied government institution.

Section 11. Philippine Bamboo Development Fund. To provide for the funding requirements for the propagation, production, processing, marketing and distribution of Philippine bamboo, there is hereby created a Philippine Bamboo Development Fund (PBDF) with an initial amount of 15 Million Pesos (P50,000,000.00) to be provided by the Department of Budget and Management to the Department of Trade and Industry-Regional Operations and Development Group (DTI-RODG) while the budgetary requirements of cooperating agencies shall be incorporated in their respective locally-funded projects. Other sources of funds including, but not limited to borrowings from local and international funding institutions, shall also be authorized to further support the Fund.

Section 12. **Incentives and Tax Exemptions.** The Department of Agriculture may give cash reward in recognition of the best bamboo farm or Plantation in the country. Bamboo farmers, producers, processors, and exporters shall also avail of the following incentives and tax exemptions:

- a. Exception from taxes and duties subject to the provisions of Article 62 of Republic Act 6938 or the Cooperative Code of the Philippines;
- b. Exemption from the value-added tax in accordance with Section 103 of the National Internal Revenue Code, as amended;
- c. Exemption from taxes, fees and charges under Title One of Book Two of the Local Government Code of 1991 in accordance with Section 133(n) of the said Code;
- d. Exemption from the payment of duties on the importation of agricultural equipment, machinery and implements as provided under Republic Act 8435, otherwise known as the *Agriculture and Fisheries Modernization Act* as amended by Republic Act 9281;
- e. Zero-rated value-added tax (VAT) on transactions involving the sale/purchase of organic farm inputs;
- f. Provision of preferential rates and special window to bamboo farmers producers, processors, and exporters by the Land Bank of the Philippines;
- g. Credit, insurance, and financing services under Republic Act 8435 otherwise known as the *Agriculture and Fisheries Modernization Act* and Republic Act 10000 otherwise known as the *Agri-Agra Reform Credit Act of 2009*
- h. Incentives and benefits under Republic Act 9178 otherwise known as the *Barangay Micro Business Enterprises (BMBE) Act of 2002* for bamboo business entity or enterprise whose total assets including those arising from loans but exclusive of the land on which that particular business entity's office, plant and equipment are situated, are not more than Three Million Pesos (P3,000,000.00); and
- i. Bamboo business entity or enterprise to be registered under the Board of Investments (BOI) shall be entitled to the existing pertinent fiscal incentives as provided by the Board of Investments or those provided under Executive Order No. 226, as amended, otherwise known as the Omnibus Investment Code of 1987.

Section 13. **Implementing Rules and Regulations.** The Philippine Bamboo Industry Development Coordinating Council shall formulate and prescribe the necessary implementing rules and regulations to carry out the provisions of this Act.

Section 14. **Repealing Clause.** All laws or parts thereof, decrees, orders, rules and regulations inconsistent with the provisions of this Act are here by repealed or modified accordingly.

Section 15. **Separability Clause.** If any of the provisions of this Act is declared invalid, the other provisions not affected thereby shall remain in full force and effect.

Section 16. **Effectivity Clause.** This Act shall take effect immediately following its publication in 2 newspapers of general circulation or in the Official Gazette whichever comes first.

Approved,