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(In Substitution of SB Nos. 652, 665 and 716)

Prepared by the Committee on Trade, Commerce & Entrepreneurship joint with the Committees on Ways & Means and Finance with Senators, Aquino IV, Legarda, Villar and Zubiri, as authors thereof.

AN ACT

INSTITUTIONALIZING THE BAMBOO INDUSTRY DEVELOPMENT IN THE
PHILIPPINES, CREATING THE BAMBOO INDUSTRY RESEARCH AND
DEVELOPMENT CENTER (BIRDC), APPROPRIATING FUNDS THEREFOR, AND
FOR OTHER PURPOSES

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

1 **SECTION 1. Title.** – This Act shall be known as the “Philippine Bamboo Industry Development Act of 2017.”

3 **SEC. 2. Declaration of Policy.** – The State shall provide for a self-reliant and independent economy to its people. It shall support indigenous, scientific and technological capabilities, and skills. It shall establish a program for a sustainable utilization, propagation and promotion of bamboo as furniture, food, construction and design materials, food and other uses. It shall promote the bamboo industry for poverty reduction, inclusive growth, environmental conservation and protection, agricultural productivity enhancement and climate change mitigation and adaptation.

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

11 a) *Bamboo* refers to a plant belonging to the subfamily Bambusoideae of grass family Gramineae (Poaceae) whose culms (stems) are woody;

- 1 b) *Bamboo stand* - for plantation, an aggregate of clumps occupying a specific area and
2 sufficiently uniform in composition (species), age, spacing, and condition as to be
3 distinguished from the natural and or existing bamboo stands (with unknown clump age).
4 The latter stands have irregular spacing and species composition not necessarily uniform
5 and the clumps are randomly and widely distributed;
- 6 c) *Bamboo Industry* - a sector with very high potential contribution in the socio-economic
7 development and environmental protection of the country. The sector may still be
8 classified as essentially agricultural considering that majority of its market and supply is
9 essentially for agricultural requirements such as fish pens, banana props and other low
10 value applications like scaffoldings, and fences;
- 11 d) *Bamboo Backyard Farming* - those whose plantation and operations are basically in the
12 house backyard, with the household members as workers. The majority of bamboo
13 processing enterprises in the Philippines belong to this category; and
- 14 e) *Bamboo Processing* - conversion of bamboo poles for various products and applications
15 including walls, panels, trusses, handicraft, and novelty products (furniture, handicraft,
16 and decors) focused on the possible use of bamboo as substitutes for wood for various
17 applications (plywood, composites, pulp and paper, bamboo arts, and other architectural
18 applications).

19 **SEC. 4. *Objectives of This Act.*** – This Act aims to make the Philippine bamboo industry
20 competitive in the local and international markets while providing opportunities for local
21 employment and establishing bamboo-based community enterprises by:

- 22 a) Ensuring that the bamboo industry has sufficient supply of quality raw materials through
23 the establishment and management of bamboo nurseries and plantations;
- 24 b) Ensuring that the bamboo industry continuously receives from the research and
25 development sector relevant technologies and new products;
- 26 c) Ensuring that the industry receives pertinent and accurate data from the Center created
27 under Sec. 9 of this Act, and other relevant sources upon which the industry can make
28 business decisions;

- 1 d) Promoting investments in the bamboo industry by providing substantial and attractive
2 incentives to investors;
- 3 e) Providing skilled labor and manpower through continuous relevant capacity building;
- 4 f) Ensuring provision of locally manufactured machines of improved capacity, efficiency,
5 and quality at competitive costs;
- 6 g) Ensuring continuing and new material and design research and development to advance
7 market access for Philippine bamboo and bamboo products locally and internationally;
- 8 h) Providing access to markets of bamboo products locally and internationally through
9 aggressive trade promotions; and
- 10 i) Ensuring sustainable resources in the implementation of the bamboo industry
11 development program.

12 **SEC. 5. *The Philippine Bamboo Industry Development Roadmap (PBIDR).*** – To be able to
13 attain the policy and objectives set forth in this Act, there shall be established a Philippine
14 Bamboo Industry Development Roadmap, hereinafter referred to as the Roadmap, which shall
15 include but not be limited to programs and projects for the scientific propagation, development
16 and management, processing, utilization, business development, and commercialization of
17 Philippine bamboo and bamboo products. The Roadmap shall include the following objectives,
18 among others:

- 19 a) Expand the number of bamboo nurseries with quality planting materials;
- 20 b) Ensure the propagation, breeding, site species matching and plant nutrition;
- 21 c) Observe sustainable planting, management and harvesting, and soil and water
22 conservation practices;
- 23 d) Encourage bamboo backyard farming;
- 24 e) Ensure the sustainability and viability of the bamboo industry;
- 25 f) Promote investments in the bamboo industry development programs;
- 26 g) Advance market access for Philippine bamboo and bamboo products locally and
27 internationally;
- 28 h) Extend technical and financial assistance for the development, processing,
29 commercialization and marketing of various bamboo products;

- 1 i) Require bamboo to be at least twenty percent (20%) of the annual planting materials
- 2 needed in the national greening program or in reforestation of open, denuded, and
- 3 degraded forest lands;
- 4 j) Use bamboo in the manufacture of at least twenty five percent (25%) of desks and chairs,
- 5 as an alternative to wood, in public primary and secondary schools in the country;
- 6 k) Make available to the bamboo industry relevant and current research and technological
- 7 information and new product lines;
- 8 l) Provide continuous training and capacity building in the bamboo industry development;
- 9 and
- 10 m) Provide technical and financial assistance in the local design and fabrication of high
- 11 capacity processing equipment and machineries for the bamboo industry.

12 **SEC. 6. *Philippine Bamboo Industry Development Council.*** – There is hereby created a
13 Philippine Bamboo Industry Development Council (PBIDC), herein referred to as the Council,
14 which shall provide the overall policy and program directions and coordinate the activities of
15 various agencies and instrumentalities to ensure the implementation, accomplishment, and
16 periodic review and enhancement of the Roadmap.

17 The Council shall be administratively attached to the Department of Trade and Industry
18 (DTI).

19 **SEC. 7. *Powers and Functions of the Council.*** – The Council shall have the following powers
20 and functions:

- 21 a) Formulate the Philippine Bamboo Industry Development Roadmap;
- 22 b) Identify specific programs and projects in support and in line with the Philippine Bamboo
- 23 Industry Development Roadmap;
- 24 c) Identify sources of financing to expand bamboo industry development;
- 25 d) Identify programs, projects and activities to be funded by the Philippine Bamboo Industry
- 26 Development Trust Fund through a resolution;
- 27 e) Submit annual reports to the Office of the President, the Senate Committee on Trade,
- 28 Commerce and Entrepreneurship, and the House of Representatives Committee on Trade

1 and Industry on the status of the implementation of the Roadmap and the bamboo
2 industry development in the country; and

3 f) Promulgate such rules and regulations and exercise such other powers and functions as
4 may be necessary to carry out effectively the attainment of the purposes and objectives of
5 this Act.

6 **SEC. 8. *Composition.*** – The Council shall be composed of the following:

- 7 a) Secretary of the Department of Trade and Industry (DTI) as the Chairperson;
8 b) Secretary of the Department of Environment and Natural Resources (DENR);
9 c) Secretary of the Department of Agriculture (DA);
10 d) Secretary of the Department of Science and Technology (DOST);
11 e) Secretary of the Department of Labor and Employment (DOLE);
12 f) Secretary of the Department of Interior and Local Government (DILG);
13 g) Three (3) representatives from state universities and colleges, one each from the island
14 group of Luzon, Visayas and Mindanao;
15 h) One (1) representative each from bamboo farmers, bamboo manufacturers, and bamboo
16 processors associations; and
17 i) One (1) representative from non-government organization promoting bamboo.

18 The DTI Secretary may designate the Undersecretary for Regional Operations Group
19 (DTI-ROG) as his/her alternate and shall have the same powers as his/her principal and his/her
20 acts shall be considered the acts of his/her principal.

21 The Council members from the different Departments may designate their respective
22 alternates who shall be at least Assistant Secretary in rank and whose designation shall be on a
23 permanent capacity and their acts shall be considered the acts of their principals.

24 The representatives from the state universities and colleges, private industry associations,
25 bamboo farmers/producers/processors association, and non-government organizations shall be
26 appointed by the President of the Republic of the Philippines from the list of nominees submitted
27 by the DTI Secretary. The DTI Secretary shall choose the nominees from the respective lists
28 submitted by the different organizations and associations.

1 The representatives must be citizens and residents of the Philippines and must be
2 knowledgeable in bamboo industry development and committed to the policies and programs
3 provided under this Act. They shall serve for a term of three (3) years, and may be reappointed
4 once.

5 The Council shall meet quarterly and may hold special meetings whenever the need
6 arises to consider urgent matters upon the call of the Chairman or any seven (7) Council
7 members.

8 **SEC. 9 *Bamboo Industry Research and Development Center (BIRDC).*** – The Bamboo
9 Industry Research and Development Center, hereinafter referred to as the Center, shall be created
10 to serve as the secretariat of the Council to be headed by an executive director. The Center shall
11 consist of divisions for the following purposes: research and development; trade promotion and
12 education; networking and linkages; internal administration; and such other purposes as
13 necessary. The composition of the divisions shall be prepared by the executive director and
14 approved by the Council.

15 The organizational structure, staffing pattern and compensation schedule of the Center
16 shall be drawn up in accordance with existing laws, rules and regulations. Other member
17 agencies of the Council shall provide additional administrative and technical staff support upon
18 the determination of the necessity by the Council.

19 The Center shall have the following powers and functions:

- 20 a) Promote and encourage the establishment and management of bamboo nurseries,
21 plantations and processing facilities that would accelerate the production and
22 commercialization of bamboo and various bamboo products;
- 23 b) Promote the commercialization and market access of appropriate, innovative and viable
24 bamboo industry development technologies and products;
- 25 c) Monitor and evaluate the performance of bamboo industry development programs and
26 projects;
- 27 d) Coordinate and partner with other government agencies in the implementation of bamboo
28 industry development programs and projects;

- e) Coordinate and partner with the private sector, people's organizations and non-governmental 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 this Act, subject to the usual budget, accounting and auditing rules and regulations;
- g) Conduct, in cooperation or partnership with appropriate government agencies, a periodic review of the Philippine Bamboo Industry Development Roadmap;
- h) Conduct capability-building initiatives for farmers, processors, designers, and other stakeholders in the bamboo industry;
- i) Conduct research and development in partnership with appropriate government agencies to advance sustainable bamboo industry development practices;
- j) Supervise the implementation of the plans and programs of the Council;
- k) Manage and administer the projects identified by the Council under Section 7 (d) of this Act; and
- l) Submit periodic reports to the Council on the progress and accomplishment of programs and projects.

SEC. 10. *The Executive Director of the Center.* The Executive Director shall be appointed on a permanent capacity by the President of the Republic Philippines from the list of nominees submitted by the DTI Secretary. He/she shall be a citizen and resident of the Philippines and must possess executive and management experience of at least three (3) years and with considerable knowledge in bamboo industry development.

The Executive Director, in addition to his/her duties in the Center, shall have the following powers and functions:

- a) Assist the Council in the performance of its tasks;
- b) Provide technical and administrative support to the Council;
- c) Oversee the day-to-day operations of the Center; and
- d) Perform such other functions, duties and responsibilities as may be necessary to implement this Act.

1 **SEC. 11. Establishment of Local Bamboo Industry Development Councils** – Regions,
2 provinces, cities and municipalities, when applicable, shall establish their respective local
3 Bamboo Industry Development Councils. Local government units shall regularly conduct a
4 survey of existing bamboo stands, nurseries and plantations and bamboo enterprises in their
5 respective localities.

6 **SEC. 12. Provision of Incentives to Investors in Nursery and Plantation Development and**
7 **Bamboo Enterprises.** – The following incentives shall be provided to investors in plantation
8 development and bamboo processing factories:

- 9 a) The Board of Investments (BOI) shall classify bamboo nurseries and plantations as
10 pioneer and bamboo processing as preferred areas of investment under its Investment
11 Priorities Plan (IPP) subject to pertinent rules and regulations;
- 12 b) Nursery and plantation owners shall be exempt from the payment of rent for the use of
13 public lands for commercial bamboo plantation for the first 10-years or when the
14 plantation owner starts to harvest his/her nursery/plantation subject to existing tenurial
15 agreement with concerned government agencies.
- 16 c) Plantation owners in public lands shall be exempt from the payment of forest charges
17 imposed by national government and other fees or taxes imposed by local government
18 units;
- 19 d) Plantation owners, including nursery facilities, bamboo processing, and other related
20 businesses shall be exempt from the payment of import duties for imported machines and
21 equipment subject to pertinent rules and regulations;
- 22 e) Expenses incurred shall be allowed as deductible expenses for income tax purposes,
23 subject to the provisions of the National Internal Revenue Code of 1997, as amended.
24 Provided, that the deduction shall only apply to the taxable period, when expenses were
25 incurred;
- 26 f) Expenses incurred in the development and operation of a bamboo plantation prior to the
27 commercial harvest shall be regarded as ordinary and necessary expenses or as capital
28 expenditures for purposes of tax treatment;

- 1 g) Bamboo plantations shall be accepted as among the collateral for loans in government-
2 owned or controlled banks;
- 3 h) The bamboo plantation developer and bamboo processors shall be given priority to access
4 credit assistance and guarantee schemes being granted by government-owned, controlled
5 and/ or –supported financial institutions;
- 6 i) Bamboo plantations shall not require a cutting permit for harvesting nor shall it need a
7 transport permit. Provided, that such plantation is registered with the Community
8 Environment and Natural Resources Office (CENRO) of the Department of Environment
9 and Natural Resources (DENR).
- 10 j) Bamboo plantations and plantation development equipment shall be covered by the
11 Philippine Crop Insurance Corporation;
- 12 k) For tenured developer, upon the premature termination of the tenurial agreement at no
13 fault of the holder, all capital improvements, depreciable permanent and semi-permanent
14 improvements such as roads, buildings, nurseries including the planted and standing
15 bamboo and other intercrops, introduced and to be retained in the area, shall be evaluated
16 and the holder shall be entitled to a fair compensation thereof, the amount of which shall
17 be mutually agreed upon by both the DENR and the tenure-holder and in case of
18 disagreement between them, by arbitration through a mutually acceptable and impartial
19 third party adjudicator through the DENR; and
- 20 l) The export of bamboo poles shall be regulated by the Council while other bamboo
21 products, may be exported without restrictions in volume .

22 **SEC. 13. *The Philippine Bamboo Industry Development Trust Fund.*** – There is hereby
23 established a Special Account in the General Fund with the National Treasury to be called the
24 Philippine Bamboo Industry Development Trust Fund herein referred to as the Trust Fund. The
25 purpose of the fund is for research and development, trade promotion, credit, human resource
26 development in the bamboo industry and for the welfare of farmers, workers, processors and
27 other stakeholders. The Trust Fund shall be capitalized, managed, utilized and accounted for in
28 the manner provided under this Act.

Upon approval of this law, the Office of the President through Philippine Amusement and Gaming Corporation (PAGCOR) shall allocate One Hundred Million Pesos (PHP100,000,000.00) as initial funding for the Trust Fund for the implementation of this Act. Thereafter, the amount of not less than Two Hundred Million Pesos (PHP200,000,000.00) shall be allocated every year for the next twenty (20) years for the Trust Fund lodged in the Center.

The program of expenditures for the programs, projects and activities to be funded by the Trust Fund shall be itemized on a project-to-project basis and submitted annually to Congress. In the identification and prioritization of specific programs, projects and activities, the Council shall conduct prior consultation with representatives of farmers, manufacturers, processors associations and the academe.

SEC. 14. Appropriations. - The sum of One Hundred Million Pesos (PHP100,000,000.00) to be sourced from the unexpended contingency fund of the Office of the President and the existing budget for bamboo industry development under the DTI is hereby appropriated for the initial budgetary requirements of the Center. Thereafter, such amount as may be necessary for the continuous operation of the Center shall be included in the annual GAA. The budgetary requirements of cooperating agencies shall be incorporated in their respective annual budgets.

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 non-government organizations, shall promulgate the necessary implementing rules and regulations for the effective implementation of this Act.

Sec. 16. Separability Clause. – If any provision of this Act shall be declared invalid or unconstitutional, the same shall not affect the validity of the other provisions of this Act.

Sec. 17. Repealing Clause. – All laws, decrees, orders, rules, and regulations or other issuances which are incompatible or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 18. Effectivity. – This Act shall take effect fifteen (15) days following its full publication in the Official Gazette or two (2) newspapers of general circulation in the Philippines.

Approved,