

EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

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SENATE

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**COMMITTEE REPORT No. 31**

Submitted by the Committees on Trade, Commerce and Entrepreneurship; Ways and Means; and Finance on DEC 17 2019.

Re: Senate Bill No. 1240 prepared by the Committees

Recommending its approval in substitution of Senate Bill Nos. 337 and 524.

Sponsor: Senator Aquilino "Koko" Pimentel III

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**Mr. President:**

The Committees on Trade, Commerce and Entrepreneurship; Ways and Means; and Finance, to which were referred **Senate Bill No. 337**, introduced by Senator Villar, *entitled*:

**"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"**

and **Senate Bill No. 524**, introduced by Senator Zubiri, *entitled*:

**"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"**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached **Senate Bill No. 1240** prepared by the Committees, entitled:

**"AN ACT  
INSTITUTIONALIZING BAMBOO INDUSTRY DEVELOPMENT IN THE  
PHILIPPINES, CREATING THE BAMBOO INDUSTRY DEVELOPMENT CENTER  
(BIDC), APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"**

be approved in substitution of Senate Bill Nos. 337 and 524 with Senators Villar, Zubiri and Pimentel III, as authors thereof.

Respectfully submitted:

*Chairpersons*

**SEN. PIA S. CAYETANO**

*Committee on Ways and Means  
Vice Chairperson, Committee on Finance*



**SEN. AQUILINO "KOKO" PIMENTEL III**

*Committee on Trade, Commerce and  
Entrepreneurship  
Member, Committee on Finance*

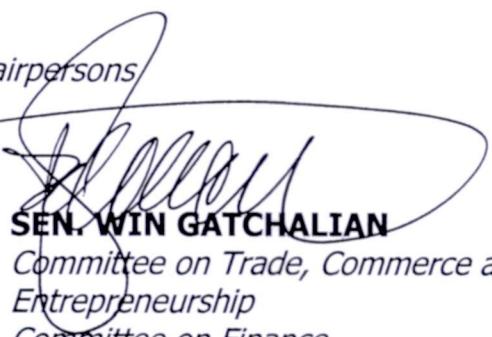
  
**SEN. SONNY ANGARA**

*Committee on Finance  
Vice Chairperson, Committee on Ways and Means  
Member, Committee on Trade, Commerce and Entrepreneurship*

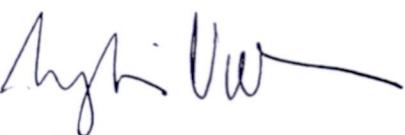
*Vice-Chairpersons*

  
**SEN. IMEE R. MARCOS**

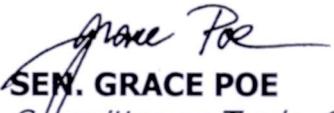
*Committee on Finance  
Member, Committee on Ways and Means*

  
**SEN. WIN GATCHALIAN**

*Committee on Trade, Commerce and  
Entrepreneurship  
Committee on Finance  
Member, Committee on Ways and Means*

  
**SEN. CYNTHIA A. VILLAR**

*Committee on Finance  
Member, Committee on Trade, Commerce  
and Entrepreneurship*

  
**SEN. GRACE POE**

*Committee on Trade, Commerce and  
Entrepreneurship  
Member, Committee on Ways and Means  
Member, Committee on Finance*

  
**SEN. PANFILO M. LACSON**

*Committee on Finance  
Member, Committee on Ways and Means*

  
**SEN. JOEL VILLANUEVA**

*Committee on Finance*



**SEN. RICHARD J. GORDON**  
*Committee on Finance*  
*Member, Committee on Ways and Means*  
*Member, Committee on Trade, Commerce*  
*and Entrepreneurship*

**SEN. CHRISTOPHER BONG GO**  
*Committee on Finance*  
*Member, Committee on Ways and Means*



**SEN. RISA HONTIVEROS**  
*Committee on Finance*  
*Member, Committee on Ways and Means*



**SEN. MANUEL "Lito" M. LAPID**  
*Committee on Ways and Means*  
*Committee on Finance*

*Members*



**SEN. MARIA LOURDES NANCY S.  
BINAY**  
*Committee on Trade, Commerce and  
Entrepreneurship*  
*Committee on Finance*



**SEN. RONALD "Bato" DELA ROSA**  
*Committee on Ways and Means*  
*Committee on Finance*

**SEN. EMMANUEL "Manny" D.  
PACQUIAO**  
*Committee on Ways and Means*  
*Committee on Finance*



**SEN. RAMON BONG REVILLA Jr.**  
*Committee on Ways and Means*  
*Committee on Finance*



**SEN. FRANCIS "Tol" N. TOLENTINO**  
*Committee on Finance*

**SEN. FRANCIS "KIKO" PANGILINAN**  
*Committee on Trade, Commerce and  
Entrepreneurship*  
*Committee on Ways and Means*  
*Committee on Finance*

**SEN. LEILA M. DE LIMA**  
*Committee on Trade, Commerce and  
Entrepreneurship*  
*Committee on Ways and Means*  
*Committee on Finance*

*Ex-Officio Members:*

  
**SEN. RALPH G. RECTO**

President Pro-Tempore

  
**SEN. JUAN MIGUEL "MIGZ" F.  
ZUBIRI**

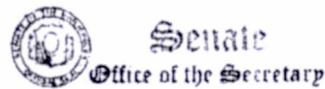
Majority Floor Leader

  
**SEN. FRANKLIN M. DRILON**

Minority Floor Leader

**HON. VICENTE SOTTO III**

Senate President  
Senate of the Philippines  
Pasay City



EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

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SENATE  
S. No. 1240

(In Substitution of SB Nos. 337 and 524)

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Prepared by the Committee on Trade, Commerce and Entrepreneurship joint with the Committees on Ways and Means; and Finance, with Senators Villar, Zubiri and Pimentel III, as authors thereof.

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**AN ACT  
INSTITUTIONALIZING BAMBOO INDUSTRY DEVELOPMENT IN THE  
PHILIPPINES, CREATING THE BAMBOO INDUSTRY DEVELOPMENT CENTER  
(BIDC), APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

1       **SECTION 1. Title.** – This Act shall be known as the "Philippine Bamboo  
2 Industry Development Act of 2019."

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

11

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

- 2       a) *Bamboo* - refers to a tropical or semi-tropical fast-growing grass usually having  
3           hollow culms and lignocellulose matrix;
- 4       b) *Bamboo Backyard Farming* - those whose plantation and operations are  
5           basically in the house backyard, with the household members as workers. The  
6           majority of bamboo processing enterprises in the Philippines belong to this  
7           category;
- 8       c) *Bamboo Industry* - a sector with very high potential contribution in the socio-  
9           economic development and environmental protection of the country. The sector  
10          may still be classified as essentially agricultural considering that majority of its  
11          market and supply is essentially for agricultural requirements such as fish pens,  
12          banana props and other low value applications like scaffoldings, and fences;
- 13       d) *Bamboo Industry Development Roadmap* – shall provide specific programs and  
14          projects, including the timeline for the propagation, development and  
15          management, processing, utilization, business development, and  
16          commercialization of the Philippine bamboo and bamboo products. It shall  
17          contain a comprehensive national industrial strategy for the Philippine bamboo  
18          industry;
- 19       e) *Bamboo Processing* - conversion of bamboo for various products and  
20          applications including walls, panels, trusses, handicraft, consumer products  
21          (tooth brush, tissues, toothpicks, and chopsticks among others) and novelty  
22          products (furniture, handicraft, and decors), focused on the possible use of  
23          bamboo as substitutes for wood for various applications (plywood, composites,  
24          pulp and paper, bamboo arts, and other architectural applications); and
- 25       f) *Bamboo Stand* - for plantation, an aggregate of clumps occupying a specific  
26          area and sufficiently uniform in composition (species), age, spacing, and  
27          condition as to be distinguished from the natural and/or existing bamboo stands  
28          (with unknown clump age). The latter stands have irregular spacing and species  
29          composition not necessarily uniform and the clumps are randomly and widely  
30          distributed.

1           **SEC. 4.** *Objectives.* – This Act aims to make the Philippine bamboo industry  
2 competitive in the local and international markets while providing opportunities for  
3 local employment and establishing bamboo-based community enterprises by:  
4           a) Promoting the integrated and holistic development of the bamboo industry in  
5 various aspects of research, production, processing, marketing, consumption,  
6 capacity building, and regulation;  
7           b) Ensuring that the bamboo industry has sufficient supply of quality raw materials  
8 through the establishment and management of bamboo nurseries and  
9 plantations;  
10          c) Ensuring that relevant and accurate data on the bamboo industry are collated  
11 and published by the Center created under Section 7 of this Act, in cooperation  
12 with various government agencies, private entities and other relevant sources,  
13 to aid in business decisions related to the industry;  
14          d) Promoting investments in the bamboo industry by providing substantial and  
15 attractive incentives to investors;  
16          e) Providing skilled labor and manpower through continuous relevant capacity  
17 building;  
18          f) Ensuring the provision of locally manufactured machines with improved  
19 capacity, efficiency, and quality at competitive costs;  
20          g) Improving bamboo industry research and development to discover new  
21 products and technologies, and advance market access for Philippine bamboo  
22 and bamboo products locally and internationally;  
23          h) Providing access to markets of bamboo products locally and internationally  
24 through aggressive trade promotions; and  
25          i) Ensuring sustainable resources in the implementation of the bamboo industry  
26 development program.

27           **SEC. 5.** *Composition of the Philippine Bamboo Industry Development Council.*—  
28 The composition of the Philippine Bamboo Industry Development Council (PBIDC), as  
29 provided for under Executive Order No. 879, is hereby amended as follows:  
30           a. Secretary of the Department of Trade and Industry (DTI) as Chair;

- 1        b. Secretary of the Department of Environment and Natural Resources (DENR) or  
2                his/her duly appointed representative, who has sufficient expertise on the  
3                Philippine bamboo industry;
- 4        c. Secretary of the Department of Agriculture (DA) or his/her duly appointed  
5                representative, who shall come from the Bureau of DA-Agricultural Research  
6                (DA-BAR);
- 7        d. Secretary of the Department of Science and Technology (DOST) or his/her duly  
8                appointed representative, who shall come from the DOST- Forest Products  
9                Research and Development Institute (DOST-FPRDI);
- 10      e. Secretary of the Department of Education (DepEd) or his/her duly appointed  
11                representative;
- 12      f. Executive Director of the Center;
- 13      g. A representative from the Department of Interior and Local Government  
14                (DILG);
- 15      h. One (1) representative each from bamboo farmers, bamboo manufacturers,  
16                and bamboo processors associations;
- 17      i. Two (2) representatives from Non-Governmental Organizations involved in the  
18                agricultural sector; and
- 19      j. One (1) representative from the private sector involved in the bamboo industry.

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

23                The representatives from the private sector, bamboo farmers, bamboo  
24                manufacturers, bamboo processors associations, and non-governmental associations  
25                shall be appointed by the President of the Republic of the Philippines from the list of  
26                nominees submitted by the DTI Secretary. The DTI Secretary shall choose the  
27                nominees from the respective lists submitted by the different organizations and  
28                associations. They shall serve for a term of three (3) years, and may be re-appointed  
29                once.

30                The Council shall meet quarterly and may hold special meetings whenever the  
31                need arises to consider urgent matters upon the call of the Chair or any of the council  
32                members.

1        The Council shall continue to provide the overall policy and program directions  
2 of the bamboo industry, coordinate activities of the various government agencies and  
3 instrumentalities, and ensure the implementation, accomplishment, and periodic  
4 review of the Bamboo Industry Development Roadmap.

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

7        **SEC. 6. Powers and Functions of the Council.** – The Council shall have the  
8 following powers and functions, among others:

- 9        a) Formulate the Philippine Bamboo Industry Development Roadmap;
- 10      b) Identify specific programs and projects in support of, and in line with the  
11        Philippine Bamboo Industry Development Roadmap;
- 12      c) Identify sources of financing to expand bamboo industry development;
- 13      d) Submit annual reports to the Office of the President, the Senate Committee on  
14        Trade, Commerce and Entrepreneurship, and the House of Representatives  
15        Committee on Trade and Industry on the status of the implementation of the  
16        Roadmap and the bamboo industry development in the country; and
- 17      e) Promulgate such rules and regulations and exercise such other powers and  
18        functions as may be necessary to carry out effectively the attainment of the  
19        purposes and objectives of this Act.

20        **SEC. 7. Bamboo Industry Development Center (BIDC).** – The Bamboo Industry  
21 Development Center, hereinafter referred to as the Center, shall be created to serve  
22 as the secretariat of the Council to be headed by an Executive Director.

23        The Center shall consist of divisions for (1) research and development, (2) trade  
24 promotion and education, (3) networking and linkages, (4) internal administration,  
25 and such other purposes deemed necessary by the Council. The composition and  
26 staffing of the divisions shall be prepared by the Executive Director and approved by  
27 the Council.

28        The organizational structure, staffing pattern and compensation schedule of the  
29 Center shall be drawn up in accordance with the Civil Service Commission (CSC) law,  
30 rules and regulations. Government agencies represented in the Council shall provide  
31 additional administrative and technical staff support upon request by the Council.

1       The Center shall have the following powers, functions and duties:

- 2       a) Promote and encourage the establishment and management of bamboo  
3           nurseries and bamboo plantations for commercialization, in coordination with  
4           DENR and DA;
- 5       b) Coordinate and partner with DOST-FPRDI for continuous research and  
6           development to advance sustainable bamboo industry development practices;
- 7       c) Work with the Council and coordinate with the DENR and DOST-FPRDI in  
8           formulating a holistic National Bamboo Industry Development Program;
- 9       d) Work to establish and create processing facilities that would accelerate the  
10          production and commercialization of bamboo and various bamboo products;
- 11       e) Promote the establishment and creation of bamboo farm tourism camps in  
12          coordination with the Department of Tourism;
- 13       f) Promote the commercialization and market access of appropriate, innovative  
14          and viable bamboo industry development technologies and products;
- 15       g) Coordinate and partner with other government agencies in the implementation  
16          of bamboo industry development programs and projects;
- 17       h) Monitor and evaluate the performance of the bamboo industry, and the bamboo  
18          development programs and projects;
- 19       i) Coordinate and partner with the private sector, people's organizations and non-  
20          governmental organizations, and State Colleges and Universities in providing  
21          assistance on matters pertaining to bamboo industry development;
- 22       j) Accept grants, donations and contributions from local and international donors  
23          and such similar sources of funds for the implementation of this Act, subject to  
24          the usual budget, accounting and auditing rules and regulations;
- 25       k) Assist the Council, in cooperation with other appropriate government agencies,  
26          in conducting a periodic review of the Philippine Bamboo Industry Development  
27          Roadmap;
- 28       l) Conduct capability-building initiatives for farmers, farm workers, processors,  
29          designers, and other stakeholders in the bamboo industry;
- 30       m) Gather data and create an information system related to bamboo, including but  
31          not limited to, plantations, population, species, workers and beneficiaries,

- 1       investors, product demands and supplies, and costs and benefits for market  
2       research;
- 3       n) Supervise the implementation of the plans and programs of the Council;
- 4       o) Manage and administer the projects approved by the Council under this Act;  
5       and
- 6       p) Submit periodic reports to the Council on the progress and accomplishment of  
7       bamboo industry programs and projects.

8           **SEC. 8. *The Executive Director of the Center.*** – The Executive Director shall be  
9       appointed on a permanent capacity by the President of the Republic Philippines from  
10      the list of nominees submitted by the DTI Secretary. He/she shall be a citizen and  
11      resident of the Philippines and must possess executive and management experience  
12      of at least three (3) years and with considerable knowledge in bamboo industry  
13      development.

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

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

21           **SEC. 9. *Department of Environment and Natural Resources (DENR) on Bamboo***  
22      *for Commercialization* – In addition to its mandate, under the Bamboo Plantation  
23      Development Program (BPD), the DENR shall ensure the development and expansion  
24      of nurseries and plantations of bamboo for commercialization and industrial purposes,  
25      while taking into consideration the ecological balance in areas identified for plantation  
26      and propagation. It shall continue to conduct research and development activities for  
27      production or propagation of bamboo.

28           **SEC. 10. *Department of Science and Technology for Research and***  
29      *Development* – The DOST – Forest Products Research and Development Institute  
30      (DOST-FPRDI) shall be the main research and development arm for bamboo utilization  
31      of the Council. It shall work closely in coordination with the Center (BDIC) and other

1 government agencies such as the DA-BAR to innovate and advance sustainable  
2 bamboo industry development practices.

3 **SEC. 11.** *Role of the Local Government Units* – Local Government Units in  
4 cooperation with the DENR, DTI and the DOST-FPRDI, and in consultation with DA  
5 and the National Commission on Indigenous People (NCIP) when necessary, shall  
6 regularly conduct surveys of existing bamboo stands, nurseries and plantations in their  
7 respective localities, and shall strengthen the local bamboo industry by promoting  
8 bamboo enterprises in their respective localities.

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

- 12 a) The Board of Investments (BOI) shall classify bamboo nurseries and plantations  
13 as a “pioneer” industry, and bamboo processing as preferred area of investment  
14 under its Investment Priorities Plan (IPP) subject to pertinent rules and  
15 regulations. *Provided*, that the mandatory classification as such shall only be  
16 for a period of five (5) years, and thereafter its inclusion in the preferred area  
17 of investment under the IPP shall be decided by the BOI;
- 18 b) Nursery and plantation owners shall be exempt from the payment of  
19 government share for the use of public lands for commercial bamboo plantation  
20 for the first ten (10) years or when the plantation owner starts to harvest the  
21 nursery or plantation subject to existing tenurial agreement with concerned  
22 government agencies;
- 23 c) Plantation owners in public lands shall be exempt from the payment of forest  
24 charges that may be imposed by national government and other fees or taxes  
25 imposed by local government units;
- 26 d) Plantation owners, including those with nursery facilities, bamboo processing  
27 plants, and other related businesses shall be exempt from the payment of  
28 import duties for imported machines and equipment to be used exclusively  
29 therein, subject to all pertinent rules and regulations;
- 30 e) Ordinary and necessary expenses incurred for the business shall be allowed as  
31 deductible expenses for income tax purposes, subject to the provisions of the

- National Internal Revenue Code of 1997, as amended. *Provided*, that the deduction shall only apply to the taxable period, when expenses were incurred;
- f) Expenses incurred in the development and operation of a bamboo plantation prior to the commercial harvest shall be regarded as ordinary and necessary expenses or as capital expenditures for purposes of tax treatment;
  - g) Bamboo plantations shall be accepted as among the collaterals for loans in government-owned or controlled banks, subject to its rules and regulations;
  - h) 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;
  - i) Bamboo plantations shall not require a cutting permit for harvesting nor shall its 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;
  - j) Bamboo plantations and plantation development equipment shall be covered by the Philippine Crop Insurance Corporation (PCIC);
  - k) 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; and
  - l) The export of bamboo poles shall be regulated by the Council while other bamboo products, may be exported without restrictions in volume.

**SEC. 13. 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, the existing budget for bamboo industry development under the DTI, the existing budget allocation for DENR-FPRID's bamboo related research and development, and the existing budget allocation for DENR's BPDP, are hereby

1 appropriated for the initial budgetary requirements of the Center. Thereafter, such  
2 amount as may be necessary for the continuous operation of the Center shall be  
3 included in the annual GAA. The budgetary requirements of cooperating agencies  
4 shall be incorporated in their respective annual budgets.

5       **SEC. 14.** *Implementing Rules and Regulations.* – Within six (6) months from  
6 the effectivity of this Act, the DTI, in consultation with other concerned government  
7 agencies, the academe, the private sector, and non-government organizations, shall  
8 promulgate the necessary implementing rules and regulations for the effective  
9 implementation of this Act.

10       **SEC. 15.** *Separability Clause.* – If any portion or provision of this Act is  
11 declared unconstitutional or invalid, the remainder of this Act or any provisions hereof  
12 not affected thereby shall continue to be in force and effect.

13       **SEC. 16.** *Repealing Clause.* – Any law, presidential decree or issuance,  
14 executive order, letter of instruction, rule or regulation inconsistent or contrary to the  
15 provisions of this Act is hereby repealed or modified accordingly.

16       **SEC. 17.** *Effectivity.* – This Act shall take effect after fifteen (15) days following  
17 its complete publication in the Official Gazette or a newspaper of general circulation.

*Approved,*