

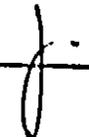
SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
Third Regular Session )



Senate  
Office of the Secretary

16 FEB -1 P6:04

SENATE  
S.B. No. 3206

RECEIVED BY: 

---

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

---

**AN ACT**  
**INSTITUTIONALIZING A PHILIPPINE BAMBOO INDUSTRY DEVELOPMENT PROGRAM**

Explanatory Note

There is tremendous potential in the bamboo industry. Globally, the value of exports of bamboo and bamboo products is estimated to be US\$12 billion. Locally the reported value of exports of bamboo and bamboo products in 2014 was US\$ 10 million. Bamboo production and processing has provided direct and indirect employment to an estimated 190,000 people and these numbers can continue to climb, with the right support systems in place for the industry.

However, bamboo is officially classified as a minor forest product by virtue of PD No. 705 otherwise known as the Revised Forestry Code. As a consequence of this classification, the main considerations and attention of the Department of Environment and Natural Resources (DENR) has been focused on timber and timber products, which is understandable because of timber's sizable economic contributions.

But with the destruction of our forests and the diminution of the supply of wood and wood products for construction, there are attempts to fill the void with suitable substitutes such as bamboo.

Bamboo has always been an important construction material in the rural areas. Because of its versatility it has found applications in many uses, from house construction, farm implements, kitchen utensils, furniture and handicrafts. Bamboo is also relatively cheap given its ubiquity and ready availability in the rural areas. However, its low price is also a result of low natural durability against agencies of deterioration and its poor reputation as a material for construction.

Fortunately, the research sector has been working on technologies to lengthen the service life of bamboo and has developed new bamboo products such as engineered bamboo, which can take the place of wood as panel products and for structural purposes. Today, furniture and handicraft manufacturers incorporate bamboo in the design of their products with amazing results, even attracting foreign buyers. Bamboo has also become a medium in carving and architects have designed structures entirely made of bamboo.

In the environmental front, bamboo has been found to excellently reduce erosion. It is also capable of absorbing heavy metals in mined-out areas. Studies have also shown that it can sequester carbon dioxide of about 45% of its dry weight.

An important advantage of bamboo to tree plantations is that there is a need to replant when trees in plantations are harvested. In contrast only mature culms are harvested from a clump of bamboo and if managed well a clump of bamboo can continuously provide raw materials indefinitely.

With these developments and benefits, bamboo has been gaining popularity both locally and in foreign countries. Unfortunately there is no national program on bamboo industry development.

It is recognized in the industry that there is a general insufficiency of raw materials for which reason many enterprises on bamboo processing have closed down because of lack of raw materials yet there is little initiative in bamboo plantation development. Support to research and development is sorely insufficient and product marketing is left generally to the private sector.

In order for the country to be more competitive in foreign markets, capture a sizeable portion of the global market, provide livelihood to rural communities, and take advantage of the environmental contributions of bamboo to rehabilitate degraded watersheds, sequester carbon dioxide, and assist in the mitigation of climate change, it is necessary to have an organized and well managed bamboo industry development program.

In view of the foregoing, the passage of this measure is earnestly sought.



Senator Paolo Benigno "Bam" A. Aquino IV

'16 FEB -1 P6:04

SENATE  
S.B. No. 3206

RECEIVED BY: 

---

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

---

AN ACT  
INSTITUTIONALIZING A PHILIPPINE BAMBOO INDUSTRY DEVELOPMENT PROGRAM

*Be It enacted by the Senate and House of Representatives of the Philippines In Congress assembled:*

1           **SECTION 1. *Short Title.*** - This Act shall be known as the "Philippine Bamboo Industry  
2 Development Program Act of 2016".

3           **SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the State to protect  
4 and promote the right of the Filipino people to a better quality of life through programs that  
5 provide sustainable livelihood, increase employment and improve the environment.

6           **SEC. 3. *Definition of Terms.*** - For the purpose of this Act, the following terms shall refer  
7 to:

8           (a) *Program* - the Philippine Bamboo Industry Development Program designed to  
9 promote competitiveness of the bamboo industry.

10          (b) *Philippine Bamboo Industry Development Council (PBIDC)* - the Council established  
11 under EO No. 879 of 2010.

12          (c) *Secretariat* - the Secretariat under the PBIDC established to provide assistance to  
13 the PBIDC Executive Committee created under EO No. 879 of 2010.

14          **SEC. 4. *Institutionalizing the Philippine Bamboo Industry Development Program***  
15 **(PBIDP).** - There is hereby established and institutionalized the Philippine Bamboo Industry  
16 Development Program within the mandate of the Philippine Bamboo Industry Development  
17 Council (PBIDC) which was created under Executive Order No. 879 of 2010.

18          **SEC. 5. *Objectives of the Philippine Bamboo Industry Development Program.*** - The  
19 PBIDP aims to make the Philippine bamboo industry competitive in the local and global markets  
20 while providing opportunities for local employment and establishing bamboo-based community  
21 enterprises by:

22          (a) Ensuring that the bamboo industry has sufficient quality raw materials;

23          (b) Ensuring that the bamboo industry continuously receives from the research and  
24 development sector relevant technologies and new products;

25          (c) Ensuring that the industry receives pertinent and accurate data from the PBIDC upon  
26 which the industry can make business decisions;

- 1 (d) Promoting investments in bamboo industry by establishing bamboo plantations and  
2 establishing bamboo processing operations by providing substantial incentives to  
3 investors;  
4 (e) Providing skilled labor and manpower through continuous relevant capacity  
5 building;  
6 (f) Ensuring provision of locally manufactured machines of improve capacity and quality  
7 at competitive costs;  
8 (g) Ensuring markets of bamboo products locally and globally; and  
9 (h) Ensuring sustainable resources for implementing the bamboo industry development  
10 program.

11 **SEC. 6. *The Philippine Bamboo Industry Development Program.*** – The PBIDC through its  
12 strengthened Secretariat shall formulate a national bamboo industry development program  
13 through close participation of all stakeholders of the industry that includes producers of raw  
14 materials, processors and marketing and promotion service providers and concerned national  
15 agencies and local government units (LGUs). The program shall ensure that the objectives  
16 indicated in Section 5 of this Act can be achieved.

17 **SEC. 7. *Authority to generate resources for the implementation of the Program.*** - The  
18 PBIDC through its strengthened Secretariat is hereby authorized to accept donations and  
19 secure loans from local and international donor and funding agencies and organizations to  
20 implement the Program.

21 **SEC. 8. *Support to the program by the League of Provinces and League of***  
22 ***Municipalities.*** – The League of Provinces and the League of Municipalities are hereby directed  
23 to participate closely in the implementation of the Program through the establishment of  
24 corresponding Bamboo Industry Development Councils.

25 **SEC. 9. *Incentives to investors in plantation development and bamboo processing***  
26 ***factories.*** – The following incentives shall be provided to investors in bamboo plantation  
27 development and bamboo processing factories:

- 28 1. Free from payment of rent for the use of government lands for commercial bamboo  
29 plantation for the first 5 years or when the plantation owner starts to harvest his  
30 plantation;  
31 2. Forest plantations in private lands shall not be required to secure a cutting permit for  
32 harvesting nor shall it need a transport permit, for as long as the plantation is registered  
33 with the Community Environment and Natural Resources Office (CENRO) of the DENR.  
34 All that is required is for the plantation owner to inform the CENRO that the plantations  
35 will be harvested in a given date, including the estimated volume that will be  
36 harvested. Inventory of the plantation prior to harvest shall not be required. CENROs  
37 are obligated to approve and enter into their book of registry, application for  
38 registration for plantations in private lands;  
39 3. Free from payment of forest charges and other fees or taxes that local government units  
40 may impose;  
41 4. Bamboo from plantation from public and private lands shall not be subjected to  
42 inspection in check points;  
43 5. Plantation developers can access development loans from the public financial  
44 institutions;  
45 6. Insurance coverage of plantations and plantation development equipment by the  
46 Philippine Crop Insurance Corporation;  
47 7. Tax-free importation of plantation development equipment; including tree nursery  
48 facilities;

- 1 8. Expenses Incurred shall be allowed as deductible expenses for income tax  
2 purposes, subject to the provisions of the National Internal Revenue Code of 1997, as  
3 amended. Provided, that the deduction shall only apply to the taxable period, when the  
4 expenses were incurred;
- 5 9. Expenses Incurred in the development and operation of a bamboo plantation prior to  
6 the commercial harvest shall be regarded as ordinary and necessary expenses or as  
7 capital expenditures;
- 8 10. The Board of Investments (BOI) shall classify bamboo plantations as pioneer and  
9 preferred areas of investment under its annual priority plan, subject to pertinent rules  
10 and regulations;
- 11 11. The plantation developer shall be given priority to access credit assistance being granted  
12 by Government-owned, -controlled and/or -supported financial institutions;
- 13 12. Plantations shall be accepted as collateral for loans in government owned or controlled  
14 banks;
- 15 13. For tenured developer, upon the premature termination of the agreement at no fault of  
16 the holder, all depreciable permanent and semi-permanent improvements such as  
17 roads, buildings, and nurseries including the planted and standing trees and other forest  
18 crops, introduced and to be retained in the area, shall be properly evaluated and the  
19 holder shall be entitled to a fair compensation thereof, the amount of which shall be  
20 mutually agreed upon by both the Department and the tenure-holder and in case of  
21 disagreement between them, by arbitration through a mutually acceptable and  
22 impartial third party adjudicator;
- 23 14. Bamboo culms from plantations may be exported without restrictions in volume;
- 24 15. Processors of bamboo may import processing equipment, tax-free; and
- 25 16. The National Economic and Development Authority (NEDA) shall include in its annual  
26 investment program, the use of forest lands to establish industrial bamboo plantations,  
27 and to give first priority in allocating adequate funds, both from external and internal  
28 sources.

29 **SEC. 10. Funding.** – The amount necessary to fully implement this Act shall be provided in  
30 the General Appropriations Act (GAA) of the year following its enactment into law under the  
31 budgetary appropriations of the Department of Trade and Industry (DTI).

32 **SEC. 11. Implementing Rules and Regulations.** - The DTI-PBIDC, the Department of  
33 Environment and Natural Resources, Department Science and Technology shall promulgate the  
34 implementing rules and regulations (IRR) of this Act within sixty (60) days after the effectivity  
35 hereof.

36 **SEC. 12. Separability Clause.** - If any provision or part hereof is held invalid or  
37 unconstitutional, the remainder of the law or the provision not otherwise affected shall remain  
38 valid.

39 **SEC. 13. Repealing Clause.** - Any law, presidential decree or issuance, executive order, letter  
40 of instruction, administrative order, rule or regulation contrary to or inconsistent with the  
41 provisions of this Act is hereby repealed, modified or amended accordingly.

42 **SEC. 14. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in the  
43 Official Gazette or two (2) newspapers of general circulation.

44 *Approved,*