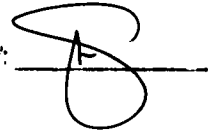


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SENATE

S. No. 2513

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(In Substitution of S.B. Nos. 605, 615, 1044, 1118, 1145, 1552, 2172 and 2358,
taking into consideration H. B. No. 7941)

Prepared by the Committees on Trade, Commerce and Entrepreneurship; Ways and Means; and Finance, with Senators Zubiri, Villar C., Villanueva, Legarda, Gatchalian, Lapid, Estrada, Revilla Jr., and Villar M. as authors thereof

AN ACT

**INSTITUTIONALIZING THE BAMBOO INDUSTRY DEVELOPMENT IN THE
PHILIPPINES AND APPROPRIATING FUNDS THEREFOR**

*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 “Kawayan Act”.

2 Sec. 2. *Declaration of Policy.* – It is the policy of the State to foster a self-reliant
3 and independent economy that supports indigenous, scientific and technological
4 capabilities, and skills improvement.

5 The State aims to promote and support industries that generate employment,
6 especially in rural areas, reduce poverty, foster a sustainable environment, integrate
7 cultural development, and mitigate the impacts of climate change.

8 Recognizing the strategic importance of bamboo as a sturdy, versatile, and
9 renewable material that can be a sustainable source of livelihood and a catalyst for
10 agro-industrial productivity, the State shall ensure the integrated and continuous
11 development of the Philippine bamboo industry through policies and programs that
12 will encourage bamboo planting, accelerate the development of bamboo-based
13 products and designs, and promote Philippine bamboo products in the domestic and

1 international markets. Toward this end, it shall establish a roadmap for the sustainable
2 production, utilization, propagation, marketing, and promotion of bamboo as furniture,
3 food, construction and design material, and other uses and provide substantial and
4 attractive incentives to help stimulate the bamboo industry.

5 *Sec. 3. Definition of Terms. – As used in this Act:*

6 a) *Bamboo* refers to tropical or semi-tropical fast-growing grass usually
7 having hollow culms and lignocellulose matrix;

8 b) *Bamboo Industry* refers to the industry associated with the planting and
9 cultivation of bamboo for sustainable raw materials and bamboo-based
10 products, including, but not limited to, handicrafts, bamboo shoots,
11 bamboo utilized for construction purposes, bamboo for industrial
12 production involving mechanized processing of larger volumes of culms,
13 such as for flooring, laminated furniture, chopsticks, mat boards,
14 charcoal, paper and pulp, biomass, pellets, textiles, and unprocessed
15 bamboo culms utilized in applications such as scaffolding and traditional
16 construction;

17 c) *Bamboo Processing* refers to the process of conversion of bamboo for
18 various products and applications;

19 d) *Bamboo Plantations* refer to aggregates of clumps occupying a specific
20 area and sufficiently uniform in composition (species), age, spacing, and
21 condition as to be distinguished from the natural and/or existing bamboo
22 stands; and

23 e) *Bamboo Natural Stands* refer to sporadically distributed and existing
24 clumps with different bamboo species occurring in a given area.

25 *Sec. 4. The Philippine Bamboo Industry Development Roadmap (PBIDR). –*

26 There shall be a Philippine Bamboo Industry Development Roadmap, which sets forth
27 a comprehensive national strategy for the Philippine bamboo industry and provides
28 specific programs and projects, including the timeline for the propagation,
29 development and management, processing, utilization, business development, and
30 commercialization of the Philippine bamboo and bamboo products. It shall be a five-
31 year roadmap subject to regular review and updating and shall be supported by an

1 annual work and financial plan for the effective implementation of the law. The
2 roadmap shall be guided by the following objectives, among others:

- 3 a) To make available a sufficient supply of bamboo raw materials for various
4 industries and end products;
- 5 b) To establish vibrant bamboo enterprises for domestic and international
6 markets;
- 7 c) To develop bamboo-based communities with elevated income and freedom
8 from poverty;
- 9 d) To establish a policy environment supportive to the development of the bamboo
10 industry;
- 11 e) To use bamboo as a medium to help attain the country's desire for sustainable
12 environmental sustainability and climate change adaptation and mitigation;
- 13 f) To realize a significant contribution of the bamboo industry to the Philippine
14 economy and to inclusive growth; and
- 15 g) Identify other necessary activities approved by the Council.

16 *Sec. 5. Philippine Bamboo Industry Development Council.* – The Philippine Bamboo
17 Industry Development Council, created under Executive Order No. 879, series of 2010,
18 hereinafter referred to as the Council, is hereby reconstituted and shall be composed
19 of the following:

- 20 a) Secretary of the Department of Trade and Industry (DTI) as Chairperson;
- 21 b) Secretary of the Department of Environment and Natural Resources (DENR) as
22 Vice-Chairperson;
- 23 c) Secretaries of the Department of Agriculture (DA), the Department of Science
24 and Technology (DOST), the Department of Interior and Local Government
25 (DILG), and the Chairperson of the National Commission on Indigenous Peoples
26 (NCIP), as members; and
- 27 d) Three (3) representatives from the private sector and non-governmental
28 organizations (NGOs) involved in the bamboo industry and agriculture as
29 members, who shall serve for a term of three (3) years and may be re-
30 appointed once. The DTI Secretary shall appoint them from a list of at least six
31 (6) nominees submitted by different organizations and associations.

1 The Council shall meet quarterly and may hold special meetings whenever the
2 need arises to consider urgent matters upon the call of the Chairperson or any of the
3 Council members: *Provided*, That each Council member may designate his/her
4 representatives whose rank shall not be lower than an Assistant Secretary or its
5 equivalent.

6 The Council shall be assisted by a Secretariat headed by an Executive Director.
7 Other member agencies of the Council shall provide additional administrative and
8 technical staff support on secondment or detailed arrangement to the secretariat upon
9 the determination by the Council of the necessity for such augmentation. The
10 appointment of officers and employees of the secretariat shall be in accordance with
11 the civil service laws.

12 *Sec. 6. Powers and Functions of the Council.* – The Council shall have the
13 following powers and functions, among others:

- 14 a) Formulate and publish the PBIDR, which shall be updated and revised
15 periodically as may be determined by the Council;
- 16 b) Identify specific programs and projects aligned with the PBIDR;
- 17 c) Identify the specific roles, and ensure compliance and coordination among
18 government agencies for the attainment of the goals laid out in the PBIDR;
- 19 d) Lead the creation of, and serve as the host organization to maintain a
20 national and integrated information system related to bamboo, including
21 but not limited to, plantations, population, species, workers and
22 beneficiaries, investors, product demands and supplies, and costs and
23 benefits for market research, and continuous research and development
24 to advance sustainable bamboo industry development practices;
- 25 e) Identify sources of financing and facilitate credit windows with
26 government financial institutions to expand bamboo industry
27 development;
- 28 f) Promote the establishment of additional processing facilities that would
29 accelerate the production and commercialization of bamboo and various

- 1 bamboo products in the domestic and international markets and identify
2 land areas devoted to bamboo plantations;
- 3 g) Promote the establishment and creation of bamboo farm tourism camps
4 in coordination with the Department of Tourism (DOT);
- 5 h) Implement mechanization of production in the bamboo industry through
6 the provision of machinery and equipment;
- 7 i) Harmonize and institutionalize fragmented capacity-building, business
8 mentoring, and entrepreneurship programs, of relevant government
9 agencies for farmers, farm workers, processors, designers, and other
10 stakeholders in the bamboo industry;
- 11 j) Strengthen market access, linkage and promotion of Philippine bamboo
12 and locally made bamboo-based products through extensive marketing
13 strategy;
- 14 k) Promote the establishment of an agri-insurance program for bamboo
15 plantations and farmers;
- 16 l) Coordinate and partner with the private sector, people's organizations and
17 NGOs, and state colleges and universities in providing technical assistance
18 to bamboo farmers and the industry commensurate to the size of the
19 bamboo plantation or farm;
- 20 m) Accept grants, donations, and contributions from local and international
21 donors, and such similar sources of funds for the implementation of this
22 Act, subject to the usual budget, accounting and auditing rules and
23 regulations;
- 24 n) Appoint the official representative of the Philippines to international
25 bamboo organizations;
- 26 o) Submit annual reports on the status of the implementation of the roadmap
27 and the bamboo industry development in the country to the office of the
28 President, the Senate Committee on Trade, Commerce and
29 Entrepreneurship, and the House of Representatives Committee on Trade
30 and Industry;
- 31 p) Recommend to the Department of Budget and Management (DBM) the
32 required yearly appropriations for the plan and implementation of the

1 bamboo industry development programs and ensure the inclusion of
2 proposals, through program convergence budgeting to avoid duplication
3 of funding for similar programs, activities and projects by the
4 implementing agencies; and

- 5 q) Promulgate rules and regulations, and exercise such other powers and
6 functions as may be necessary to carry out effectively the attainment of
7 the purposes and objectives of this Act.

8 *Sec. 7. Executive Director.* – By a vote of a simple majority of all its members,
9 the Council shall appoint an Executive Director who shall head the secretariat and
10 serve as the administrative officer of the Council. The appointee must possess
11 competencies and knowledge in bamboo industry development and shall have a fixed
12 term of six (6) years and may be reappointed, subject to the approval of the Council.

13 With the concurrence of the Council, the Executive Director shall determine the
14 staffing complement as to the organizational structure, staffing pattern, and
15 compensation system of the Secretariat.

16 *Sec. 8. Use of Bamboo in Environmental Rehabilitation, Conservation, and*
17 *Protection Programs of the National Government.* – The DENR shall use bamboo as
18 the planting material for at least twenty-five percent (25%) of its annual reforestation
19 and rehabilitation programs, especially in provinces and towns that are engaged in or
20 have the potential to engage in bamboo-based industries, or where trees are difficult
21 to grow because of poor site quality, susceptibility to erosion or adverse and steep
22 gradients. The Mines and Geosciences Bureau (MGB) shall likewise encourage mining
23 contractors and permit holders to plant bamboo outside the disturbed areas mining
24 sites, subject to pertinent rules and conditions as determined by relevant agencies.

25 *Sec. 9. Use of Assistance Funds for Small and Medium Bamboo Enterprises.* –
26 Twenty percent (20%) of DOST's small and medium enterprises (SMEs) assistance
27 funds such as the Small Enterprise Technology Upgrading Program (SETUP) and the
28 Technology Application and Promotion Institute (TAPI) venture capital program shall
29 be allocated to bamboo-based enterprises.

30 *Sec. 10. Promotion of Bamboo Products in Domestic and International Markets.*
31 – The DTI, the DOT, and their attached agencies mandated to promote domestic
32 products, shall be directed to conduct aggressive marketing and trade campaigns of

1 bamboo and bamboo products through domestic and international expositions, fairs
2 and exhibits.

3 The DTI shall likewise be mandated to scale up domestic investment promotion
4 by hosting business-matching activities through its existing micro, small and medium
5 enterprises programs, to prioritize the access of its shared services facilities, and to
6 provide marketing assistance through its One Town One Product (OTOP) and other
7 shows and concept stores for the bamboo industry.

8 *sec. 11. Research, Development and Innovation for the Bamboo Industry. –*
9 The DOST, in coordination with other government and private research institutions,
10 shall conduct research and development on bamboo, innovate to develop more
11 marketable bamboo-based products for both domestic and international consumers,
12 and advance sustainable bamboo industry development practices.

13 *Sec. 12. Use of Bamboo in Public Schools and Government Facilities. –* As far
14 as practicable, at least twenty-five percent (25%) of all the annual school desks and
15 armchairs requirement of all public elementary and secondary schools nationwide
16 procured by the Department of Education (DepEd) shall be made from bamboo. The
17 use of bamboo in furniture and fixtures of government facilities shall also be
18 considered when feasible.

19 *Sec. 13. Incentives. –* The following incentives shall be provided:

20 a) The Board of Investments (BOI) shall classify bamboo farms/plantations,
21 production or processing thereof, and other bamboo-related activities as
22 preferred areas of investments under its Strategic Investments Priority
23 Plan (SIPP) subject to pertinent rules and regulations;

24 b) Nursery and plantation owners shall be exempt from the payment of rent
25 for the use of public lands for commercial bamboo plantation subject to
26 existing tenorial agreements with concerned government agencies;

27 c) Bamboo plantation owners in public lands shall be exempt from the
28 payment of forest charges that may be imposed by the national
29 government;

30 d) The produce of Bamboo plantations shall be accepted as among the
31 collaterals for loans in government-owned or controlled banks, subject to
32 its rules and regulations;

- 1 e) Bamboo plantation developers and bamboo processors shall be given
2 priority to access credit assistance and guarantee schemes being granted
3 by government-owned, controlled and/ or supported financial institutions;
4 f) Bamboo plantations shall not be required a cutting permit for harvesting
5 nor shall their produce need a transport permit for transporting: *Provided,*
6 That such plantation is registered with the Community Environment and
7 Natural Resources Office (CENRO) of the DENR;
8 g) Bamboo plantations and plantation development equipment shall be
9 covered by the Philippine Crop Insurance Corporation (PCIC); and
10 h) For tenured bamboo plantation owners, upon the premature termination
11 of the tenurial agreement with no fault of the holder, all capital
12 improvements, depreciable permanent and semi-permanent
13 improvements such as roads, buildings, nurseries including the planted
14 and standing bamboo and other intercrops, introduced and retained in the
15 area, shall be evaluated and the holder shall be entitled to a fair
16 compensation thereof, the amount of which shall be mutually agreed upon
17 by both the DENR and the tenure-holder and in case of disagreement
18 between them, by arbitration through a mutually acceptable and impartial
19 third party adjudicator through the DENR.

20 Sec. 14. *Appropriations.* – The amount necessary for the initial implementation
21 of this Act shall be charged against the current year’s appropriations of the
22 departments/agencies concerned. Thereafter, such sums as may be necessary for the
23 continued implementation shall be included in the annual General Appropriations Act
24 (GAA).

25 Sec. 15. *Implementing Rules and Regulations.* – Within six (6) months from the
26 effectivity of this Act, the DTI, in consultation with other concerned government
27 agencies, the academe, the private sector, and NGOs shall promulgate the necessary
28 implementing rules and regulations for the effective implementation of this Act.

29 Sec. 16. *Separability Clause.* – If any provision of this Act is declared
30 unconstitutional, the remainder thereof not otherwise affected shall remain in full force
31 and effect.

1 Sec. 17. *Repealing Clause.* –All laws, presidential decrees, executive orders,
2 letters of instruction, and administrative regulations that are inconsistent with the
3 provisions of this Act are hereby repealed, amended, or modified accordingly.

4 Sec. 18. *Effectivity.* – This Act shall take effect fifteen (15) days after its
5 publication in the Official Gazette, or in a newspaper of general circulation.

6

7 Approved,