



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2778

Introduced by HON. TUPAY T. LOONG of the 1st District of Sulu

EXPLANATORY NOTE

Seaweed farming is currently one of the largest and most productive form of livelihood among the coastal population of Sulu and its neighboring Island provinces, Tawi-Tawi and Basilan, including Zamboanga Peninsula. Data from the Bureau of Agricultural Statistics for 2001 to 2005 indicated that Sulu was among the top five seaweed producing provinces in the country, accounting for 184,776 metric tons of harvested seaweeds in 2005.

Seaweed is the main source of carrageenan, a gelatin-like extract from seaweed which is commonly used as thickener, expander, emulsifier, stabilizer and gelling agent in food, beverages, cosmetics and pharmaceuticals.

The Philippines is currently considered the world's largest producer of carrageenan, supplying about 70 to 80 percent of the world's demand for it. With the growing world market for organic food, carrageenan has recently been included in the organic food list of the United States Department of Agriculture, thus further boosting our export index for seaweeds in the international arena.

The intention of this bill is to protect the seaweed farmers and organizations.

Thus, consonant to the tenor of Article XII Section 1 of the 1987 Constitution which is aimed at raising the quality of life of the people in the countryside, this bill which seeks to create the Southern Philippines Seaweed Development Authority is anchored on integrating the diffused and isolated programs of the seaweed industry, with the end in view of sustainably expanding the seaweed output in the coming years and remaining as the main producer and supplier of raw material for carrageenan in the world market.

In view of the foregoing, passage of the bill is earnestly sought.


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**AN ACT CREATING THE SOUTHERN PHILIPPINES SEAWEED
DEVELOPMENT AUTHORITY, APPROPRIATING FUNDS THEREFORE
FOR OTHER PURPOSES**

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

ARTICLE I
TITLE AND POLICY OF THE STATE

Section 1. Short Title. - This Act shall be known as the "**Southern Philippines Seaweed Development Authority Act of 2010.**"

SEC. 2. Declaration of Policy. - It is hereby declared to be the policy of the State to promote the rapid integrated development and growth of the seaweed and other seaweed species industry in all its aspects and to ensure that the seaweed farmers become direct participants in, and beneficiaries of, such development and growth.

Consonant to this policy, the State shall ensure the development of the seaweed industry in accordance with the following principles:

- a. Protection from Unfair Competition. - The State shall protect small farmers from unfair competition such as monopolistic and oligopolistic practices by promoting a policy environment that provides them priority access to credit and strengthened cooperative-based marketing system. Any joint venture with foreign investor shall be consistent with the constitutional provision that atleast sixty per centum of the investment shall be owned by Filipino citizen.
- b. Global Competitiveness. - The State shall enhance the competitiveness of the seaweed industry sector in both domestic and foreign markets.
- c. Sustainable Development. - The State shall promote development that is compatible with the conservation of the ecosystems in areas where seaweed production activities are carried out. Judicious use of the country's natural resources shall be exercised in order to attain long-term sustainability.

- d. Poverty Alleviation and Social Equity. - The State shall ensure that the poor sectors of society have equitable access to resources, income opportunities, basic and support services and infrastructure especially in areas where productivity is low as a means of improving their quality of life compared with other sectors of society.
- e. Rational Use of Resources. - The State shall adopt a rational approach in the allocation of public investments in the seaweed industry in order to assure efficiency and effectiveness in the use of scarce resources and thus obtain optimal returns on its investments.
- f. People Empowerment. - The State shall promote people empowerment by enabling all citizens through direct participation or through their duly elected, chosen or designated representatives the opportunity to participate in policy formulation and decision-making by establishing the appropriate mechanisms and by giving them access to information.

SEC. 3. *Statement of Objectives*. - This Act shall have the following objectives:

- a. To enhance profits and incomes in the seaweed farming, by ensuring equitable access to assets, resources and services, and promoting value-added processing;
- b. To encourage and promote people empowerment by strengthening people's organizations, cooperatives and non-government organizations of seaweed farmers and by establishing and improving mechanisms and resources for their participation in government decision-making and implementation;
- c. To pursue a market-driven approach to enhance the comparative advantage of our seaweed industry in the world market;
- d. To encourage the seaweed farming sector to ascend continuously the value-added ladder by subjecting their traditional or new products to further processing in order to minimize the marketing of raw, unfinished or unprocessed products; and
- e. To provide social and economic adjustment measures that increase productivity and improve market efficiency while ensuring the protection and preservation of the environment and equity for small farmers and fisherfolk.

ARTICLE II

THE SOUTHERN PHILIPPINES SEAWEED DEVELOPMENT AUTHORITY

Section 1. *Creation of a Southern Philippines Seaweed Development Authority*. — To implement and attain the declared national policy, there is hereby created the Southern Philippines Seaweed Development Authority, hereinafter referred to as Authority, directly reporting to, and supervised by, the Department of Agriculture.

SEC. 2. *Principal Office*. — The Authority shall maintain its principal office in the Province of Sulu and establish branches and agencies within Southern Philippines as may be necessary for the proper conduct of its business.

SEC. 3. *Composition of the Authority*. - The Authority shall be composed of the following who, except for the representatives of the private sector, shall serve in ex-officio capacity.

- a. Director of Bureau of Fisheries and Aquatic Resources - Chairman
- b. Regional Director, Department of Trade and Industry - IX - Vice-Chairman
- c. Regional Secretary, ARMM Department of Agriculture - Member
- d. Regional Director, Bureau of Fisheries and Aquatic Resources Regional Office IX - Member
- e. President, Zamboanga State College of Marine Science and Technology - Member
- f. Two (2) representatives from the seaweed farmers organizations of major seaweed producing provinces specifically Sulu and Tawi-Tawi - Members
- g. One (1) representative from the seaweed producers organizations - Member

The representatives of the private sector shall be appointed by the Secretary of the Department of Agriculture, upon recommendation of the sector they represent, shall serve for a term of four (4) years.

Only citizens of the Philippines shall be officers of Authority. In case of vacancy, the appointed successor shall serve only the unexpired portion of the term of his predecessor.

The Executive Director shall serve as the Head of the Secretariat of the Authority.

SEC. 4. *Power, Duties and Functions.* — In the implementation of the declared national policy, the Authority shall have the following powers and functions:

- a. To formulate and adopt a general program of development for the seaweed industry in all its aspects;
- b. To establish, operate and maintain one central seaweed industrial processing plant and other support services in within the premises of the main office of the Authority; that, whenever necessary and practicable, shall establish other seaweed industrial processing plants in major producing provinces geared toward the development of the seaweed industry. Further, the farmers shall partly own the processing plant in order to encourage them to increase the seaweed production;
- c. To regulate the marketing and the exportation of seaweed and its by-products by establishing standards for domestic trade and export within the globally acceptable practices and market price and, thereafter, to conduct an inspection of all seaweed and its by-products proposed for export to determine if they conform to the standards established;
- d. To review and revise, and thereafter integrate into the adopted general Program of development, the existing policies, projects and activities of all other governmental agencies directly relating to the development of the industry;
- e. To establish the research and development that will contribute to the improvement of quality of seaweed and more adoptive to climate change by putting up one central research and experiment station and such sub-stations as it may prescribe, all research stations and centers, facilities and equipment operated by any governmental agency or instrumentality related thereto are all hereby transferred to the Authority;
- f. To devise and thereafter prescribe by means of rules and regulations a method of protecting small seaweed farmers from monopolies of existing seaweed industries;
- g. To ensure that seaweed farmers' organization have direct access to the markets by minimizing middle men;

- h. To explore and expand the domestic and foreign markets for seaweed and by-products;
- i. To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes and, generally, to exercise all the powers necessary to achieve the purposes and objectives for which it is organized;
- j. To exercise such other powers as may be necessary and proper for the effective enforcement of this law and the implementing rules and regulations;
- k. To facilitate the access of farmers to government lending institution offering lower interest rate for their business capital;
- l. To exempt the seaweed farmers from value added tax.(VAT) for purposes of encouraging them to engage in seaweed industry.

SEC. 5. *Meetings.* — The Authority shall hold regular quarterly meetings: Provided, That it may hold special meetings when necessary upon the call of the Chairman or upon written request of at least three (3) members. The presence of five (5) members shall constitute a quorum.

The members of the Authority shall not receive any compensation: Provided that, they shall be entitled to per diems and travel expenses and allowances, to be determined by the Authority for every attendance in the meetings.

SEC. 6. *Duties and Responsibilities of the Chairman.* — The Chairman of the Authority shall have the following duties and responsibilities:


- a. to preside over the meetings of the Authority;
- b. to supervise the operations and administration of the Authority;
- c. to exercise such other functions and perform such other duties as maybe vested in him by the Authority.

ARTICLE III THE SECRETARIAT

Section 1. *Executive Officers and Personnel.* — The chief executive officer of the Authority shall be the Executive Director assisted by two Assistant Executive Directors, all of whom shall be appointed, or removed with cause, by the President and delegated with such powers and duties as it may prescribe.

All officers and employees of the Authority shall be selected and appointed by the Authority on the basis of merit and fitness as provided under the Civil Service Omnibus Code.

SEC. 2. *Duties and Responsibilities of the Executive Director.* — The Executive Director shall have the following duties and responsibilities:

- a. to execute, direct and implement the policies, regulations and resolutions issued by the Authority;
 - b. to assist in the administration, management and supervision of the functional activities of the Authority;
 - c. to coordinate, monitor and evaluate the seaweed programs of the different government agencies;
 - d. to administer and manage the budgetary appropriations and financial disbursements of the Authority; and
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e. to supervise the Authority Secretariat and maintain official records, files and proceedings of the Authority.

SEC. 3. *Secretariat.* — The Secretariat shall furnish the necessary administration, secretarial and other support services to the Authority.

The Secretariat shall be under the direction and supervision of the Executive Director. The personnel of the Secretariat shall be appointed, and their compensation fixed by the Chairman upon the recommendation of the Executive Director in accordance with Civil Service rules and regulations.

SEC. 4. *Departments.* — The Authority may establish such departments as it may be convenient for the discharge of its duties; Provided, That only one research department shall be created.

ARTICLE IV MISCELLANEOUS PROVISIONS

Section 1. The Local Government Units and the Department of Environment and Natural Resources shall extend necessary assistance and support to the Authority and include in their Coastal Resource Management Plan the seaweed industry.

SEC. 2. *Appropriations.* The amount necessary for the implementation of this Act shall be part of budgetary expenditures of the Department of Agriculture. Thereafter, such sum as may be needed for the operation and maintenance of Authority shall be included in the annual General Appropriations Act.

SEC. 3. *Rules and Regulations.* — The Authority, with the supervision of the Department of Agriculture shall, within ninety (90) days from the effectivity of this Act, formulate the necessary rules and regulations for the implementation of this Act.

SEC. 4. *Separability Clause.* — If any part or provision of this Act shall be held invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SEC. 5. *Repealing Clause.* — All laws, decrees, executive orders, proclamations, rules and regulations, and other issuances, or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 5. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,


HON. TUPAY T. LOONG