

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

SENATE
S.B. No. 1651

RECEIVED BY: 

Introduced by Senator Loren Legarda

EXPLANATORY NOTE

This bill seeks to create the Philippine Rubber Research Institute (PRRI) to initiate and administer research and development programs that will improve the quality and increase productivity of rubber, especially for the benefit of small-holder rubber producers and processors.

In 1905, rubber tree seedlings were introduced in the country, almost at the same time when Indonesia and Malaysia started their own rubber industries. According to the International Rubber Study Group, these countries are now among the leading rubber producers and exporters, together with Thailand and India. Data from the Department of Agriculture (DA) suggests that there is great demand for rubber, as world consumption of rubber has been increasing. World production of natural rubber is projected to increase at 3-5% per year up to 2020, that is from 6.6 million tons in 2006 to 17.4 million tons in 2010 to 28.1 million in 2020.

The Philippines, however, is lagging behind its Asian neighbors in the production and exportation of rubber. The country's rubber industry accounted for only 1.05 % of the world consumption of rubber in 2004, according to the DA. The slow progress of the rubber industry is attributed to the low quality of rubber products, lack of planting materials for expansion and lack of investments for the establishment of bud wood garden and nurseries.

This proposed measure aims to increase rubber productivity and further develop and expand the Philippine rubber industry by creating the *Philippine Rubber Research Institute*, which shall propagate and promote the planting, maintenance and utilization of rubber trees. This proposed measure likewise seeks to provide access to quality rubber tree seedlings, modern production techniques, and other support services, undertake training and other capacity-building programs for stakeholders in the rubber industry. This bill also supports the establishment of village-based rubber enterprises by providing them access to resources, technological know-how, research and development projects.


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



LOREN LEGARDA
Senator

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**AN ACT
CREATING THE PHILIPPINE RUBBER RESEARCH INSTITUTE TO DEVELOP
THE PHILIPPINE RUBBER INDUSTRY AND FOR OTHER PURPOSES**

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

Section 1. Title. - This Act shall be known as the "*Philippine Rubber Research Institute Act of 2007.*"

Section 2. Declaration of Policy. - It is a declared policy of the State to develop self-reliant industries effectively controlled by Filipinos, encourage investments and provide incentives to private enterprise, promote employment and livelihood opportunities for the poor, ensure well-balanced ecology in the use of natural resources for industrial purposes, and, prioritize education and training particularly in science and technology for sustainable development.

In support of these State policies, the establishment of the Philippine Rubber Research Institute aims to comprehensively realize the goals of human empowerment and economic development in the countryside through programs and projects that will increase rubber production in the country, and improve quality of life especially in poor rural communities that depend primarily on this industry.

Section. 3. Definition of Terms. - As used in this Act, the following terms are defined as follows:

- (a) "Philippine Rubber Research Institute" refers to the main institute for rubber at the Mindanao State University (MSU) to be based in the Municipality of Naga, Province of Zamboanga Sibugay and its satellite units as may be subsequently established whose mandate is to initiate and administer research and development programs to improve quality and increase productivity of rubber especially for the benefit of small-holder rubber producers and processors;
- (b) "Rubber Tree" refers to the robust, perennial crop and the source of natural rubber also scientifically known as *Hevea brasilienses*;

- (c) "latex" refers to a milky usually white fluid that is produced by cells of rubber trees, and is the raw material used in the manufacture of industrial, automotive, and other latex products;
- (d) "Small-holder rubber producers" refer to individuals, cooperatives, or corporations owning and/or cultivating five (5) hectares or less of rubber plantation;
- (e) "Small-holder rubber processors" refer to individuals, cooperatives, or corporations, which maintain and/or operate small-scale processing plants of finished or semi-finished rubber products, capable of processing not more than fifty (50) metric tons of rubber annually;
- (f) "Rubber cooperatives" refer to duly organized and registered enterprises collectively owned and operated by groups of rubber producers and/or processors who partake of and share among themselves the benefits and profits of their economic ventures.
- (g) "Big-holder rubber producers" refer to individuals, cooperatives, or corporations owning and/or cultivating more than five (5) hectares of rubber plantation;
- (h) "Big-holder rubber processors" refer to individuals, cooperatives, or corporations which maintain and/or operate large-scale processing plants of finished or semi-finished rubber products, capable of processing more than fifty (50) metric tons of rubber annually.

Sec. 4. Creation of the Philippine Rubber Research Institute. - There is hereby created the Philippine Rubber Research Institute, hereinafter referred to as the PRRI, which shall be under the control and supervision of the Department of Agriculture.

Sec. 5. Powers and Functions of the PRRI. - The PRRI shall have the following powers and functions:

- (a) Propagate and promote the planting, maintenance, as well as wise utilization of rubber trees as source of latex and finished rubber products;
- (b) Enable rubber producers and processors, especially small-holders, to have access to quality rubber tree seedlings, modern production techniques, and other support services from production to marketing of rubber produce;
- (c) Undertake training and capacity-building programs for rubber producers, processors, and cooperatives in order to increase production of quality rubber and raise level of income especially of poor small-holders;
- (d) Aid in the establishment of village-based rubber enterprises to generate livelihood opportunities and improve general well-being of the large percentage of workforce in agricultural communities;
- (e) Promote cooperative development among small-holders and provide them access to resources, technological know-how, as well as decision-making processes for the enhancement of their rubber enterprises and the protection of their welfare;

- (f) Initiate research and development projects on rubber in order to address technology and policy gaps in promoting robust rubber industry, ensuring standard in production, and meeting demands for quality rubber in both domestic and international trade;
- (g) Enter into memoranda of agreement and receive grants from local and foreign funding agencies through the Department of Agriculture upon the recommendation of the PRRI Advisory Board; or through the respective academic boards of satellite units housed in concerned State Universities and Colleges upon the recommendation of the PRRI Advisory Board.

Sec. 6. Executive Director of PRRI. The Institute shall be headed by an Executive Director who shall be responsible for the planning, implementation and supervision of the program and activities of the Institute. He shall be appointed by the President of the Philippines for a term of three years, upon recommendation of the Department of Agriculture. All other officers and employees shall be appointed by the Director of the Institute, in accordance with the Civil Service Law

The Executive Director must possess high degree of educational, technical, and managerial competencies in research and development, as well as of integrity and proven probity in public service.

Sec. 7. Functions of the PRRI Executive Director. - The following are the functions and powers of the Executive Director of PRRI:

- (a) Recommend the creation of divisions and sections including the staffing pattern of the PRRI;
- (b) Recommend to Agriculture Secretary the appointments of personnel and consultants;
- (c) Oversee the planning, implementation, and evaluation of the policies, programs and projects of the PRRI;
- (d) Consolidate and approve the overall budget of PRRI; and,
- (e) Perform such other functions as may be assigned by the PRRI Advisory Board.

Sec. 8. Appointments of Division Chiefs and Unit Heads of PRRI. - Division Chiefs, Unit Heads, Coordinators, Project leaders, and other positions in PRRI shall be recommended by the Executive Director, and appointed by the Secretary of the Department of Agriculture. Appointments to various positions in PRRI are subject to corresponding qualification standards established by PRRI, and to rules and regulations set by the Civil Service Commission.

Sec. 9. Composition of the PRRI Advisory Board. - There is hereby created an Advisory Board which is mandated to develop policies and programs aimed at improving the state of technologies needed for the Philippine rubber industry in order to meet global standards for competitiveness and product quality.

The Advisory Board shall be composed of the following:

- a. Secretary of the Department of Agriculture or his representative, as chairman;
- b. Undersecretary of Department of Agriculture, as vice-chairman;
- c. Executive Director of the Bureau of Agricultural Research;
- d. Executive Director of the Bureau of Plant Industry;
- e. Executive Director of the Philippine Rubber Research Institute;
- f. One representative from the rubber producers, and one representative from rubber processors, as members, to be appointed by the President of the Philippines, upon recommendation of the Department of Agriculture, for a term of three years.

Sec. 10. *Functions and Powers of the PRRI Advisory Council.* - The Advisory Board shall perform the following duties and functions:

- a. Formulate policies and initiate programs for the development of the Philippine rubber industry;
- b. Review and recommend the annual budget of the Institute;
- c. Evaluate the implementation, efficiency and effectiveness of the programs and projects of the Institute; and
- d. Recommend the establishment or abolition of satellite units or branches as may be deemed necessary.

Sec. 11. *Coordination among Stakeholders of PRRI and Linkages with Other Research Institutions.* - The Institute shall monitor and evaluate the rubber research programs and identify the immediate needs and essential concerns in the rubber industry in consonance with the local and national economic development; It shall likewise coordinate with other government agencies in order to formulate strategies that would jump-start the growth of the rubber industry.

The Institute and the local government units where there are suitable areas for the planting of rubber trees shall jointly implement projects and programs necessary to achieve the goals of this Act.

Sec. 12. *Allocation of Funds.* - Not more than forty percent (40%) of funds allocated under this Act and in subsequent annual appropriations shall be used for personnel services, and maintenance and operating expenses; thirty-five percent (35%) for research and development as well as training and information; twenty-five percent (25%) for seedling propagation and dispersal of rubber trees.

Sec. 13. *Annual Report.* - The PRRI submit an annual report to the Office of the President, the Senate, and the House of Representatives indicating among others, the administration and institutional development of PRRI, and the progress of programs and projects on rubber industry and its stakeholders.

Sec. 14. Appropriation. - The amount necessary to carry out the provisions of this Act shall be included in the General Appropriations Act of the year following its enactment into law and thereafter.

Sec. 15. Separability Clause. - If any part, section, or provision of this Act shall be held invalid or unconstitutional, the rest of the provisions shall not be affected thereby.

Sec. 16. Repealing Clause. - All laws, executive orders, rules and regulations, or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 17. Effectivity. - This Act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,