

CREATING THE ABACA INDUSTRY DEVELOPMENT AUTHORITY

PRESIDENTIAL DECREE NO. 1208, October 08, 1977

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WHEREAS, the Philippines is the leading producer and exporter of abaca fiber in the world;

WHEREAS, there exists an unstable world market for abaca fiber subject to volatile price fluctuations;

WHEREAS, abaca farmers are shifting to other crops in view of an unstable market for their products;

WHEREAS, an orderly and stable market is necessary for the maintenance and growth of the abaca industry;

WHEREAS, it is Government policy to provide adequate assistance to the agricultural sector in line with the national objective of increasing agricultural production and boosting exports;

WHEREAS, the foregoing considerations make it desirable to have one agency to regulate abaca production, processing, distribution, sale, transport and storage;

WHEREAS, since the abolition of the Abaca Corporation in 1970 and the abolition of the Abaca and Other Fiber Development Board in 1972, there has been no single government agency in charge of the integrated development of the abaca industry;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the following:

SECTION 1. Creation of the Abaca Industry Development Authority.—The Abaca Industry Development Authority, hereinafter referred to as the AIDA, is hereby established and attached to the Department of Agriculture for the purpose of promoting the accelerated growth and development of the abaca industry in all its aspects. AIDA shall rationalize the research, production, processing, and marketing of abaca, and provide continued leadership and support for the integrated development of the industry;

SEC. 2. Transfer of Functions.—All functions and all powers of the Bureau of Fiber Development and Inspection Service (BFDIS) of the Department of Trade pertinent to the abaca industry except for grading and inspection functions are hereby transferred to the AIDA. Such transfer shall include the corresponding balances of appropriations, records, equipment, properties and such personnel as may be necessary, Provided, That the Bureau of Fiber Development and Inspection Service (BFDIS); shall henceforth be renamed Bureau of Fiber and Inspection Service (BFDIS); Provided, further, That the AIDA, through its Board, shall effect the transfer herein provided in a manner that will ensure the least disruption of on-going programs and projects.

The Abaca Production and Development Program (APDP) is hereby transferred from the Department of Agriculture to the AIDA, together with all corresponding balances of appropriations, records, equipment, properties and such personnel as may be necessary; Provided, That the AIDA through its Board, shall effect the transfer herein provided in a manner that will ensure the least disruption of ongoing programs and projects.

SEC. 3. Board of Directors.—The powers and functions of the AIDA shall be vested in and exercised by a Board of Directors which shall be composed of the following officials or their representatives:

1.

Secretary of Agriculture —

Chairman

2.

Secretary of Trade —

Member

3.

Chairman of Board of Investments —

Member

4.

Secretary of Local Governments and Community Development —

Member

5.

Governor of the Central Bank —

Member

6.

Governor, Development Bank of the Philippines —

Member

7.

President, Philippine National Bank —

Member

8.

A representative of the abaca producers —

Member

9.

A representative of the abaca traders —

Member

The President shall appoint the representatives of the abaca producers and traders upon recommendation of the Secretary of Agriculture and they shall hold office for a term of three (3) years unless sooner removed for cause or until their successors shall have been appointed and qualified.

The members of the Board from the government sector, if unable to attend a Board meeting, may designate their respective alternates whose acts shall be considered the acts of principals.

The members of the Board shall elect a Vice-Chairman who shall act as Chairman in case of the absence, inability or temporary incapacity of the Chairman; Provided, That in the absence of the Chairman and Vice-Chairman, the Board shall elect a temporary presiding officer.

The members of the Board may receive per diems per meeting actually attended at such amount to be fixed by the Board, but not to exceed one thousand pesos per month.

SEC. 4. Organization.—The AIDA is empowered to determine and create its organizational structure in order to achieve its objectives, including the number, positions and salaries of its officers and employees. The Board shall create the positions of Administrator, Deputy Administrator or Administrators, and such other subordinate officials as may be required. The Board shall appoint all the officers of the AIDA, establish a compensation scheme including allowances and benefits, working hours and other conditions of employment as it may deem proper, discipline and/or remove for cause employees, and exercise such other powers over its personnel as may be necessary for the efficient operation of the AIDA. The management of the AIDA shall be vested in an Administrator to be appointed by the Board who shall have the following functions and powers:

- To direct and manage the affairs and business of the Authority in accordance with policies enunciated by the Board;
- To establish and maintain, upon approval by the Board, an organization with specific functions and responsibilities for each operating unit;
- To perform such other duties as may be assigned to him by the Board from time to time. Managerial and technical personnel shall be specifically exempt from OCPC and Civil Service requirements.

SEC. 5. To carry out the objectives and purposes mentioned in Section 1 of this Decree, the AIDA, through its Board, shall have the following powers and functions:

- Formulate and implement in cooperation with related agencies, integrated programs and comprehensive policy guidelines for the accelerated development of the industry as a whole;
- Regulate research, production, processing, and marketing of abaca in both the domestic and the international markets when necessary;
- Establish a monitoring system for the assessment of the abaca supply and demand situation, both domestic and worldwide;
- Negotiate and enter into contracts for the export of abaca under such terms and conditions as it may deem reasonable when necessary;

- Negotiate and enter into contracts for shipping facilities necessary for the export of abaca including the purchase and/or charter of vessels when necessary;
- Establish and maintain storage facilities for abaca in the country or in major foreign markets whenever such facilities are deemed necessary;
- Establish and administer a price scheme and maintain a stockpile of abaca when necessary to stabilize prices for the benefit of abaca fanners in the country;
- Promote and undertake reasearch in abaca in coordination with the Philippine Council for Agriculture and Resources Research and other appropriate agencies with a view to expanding the production, utilization, processing, marketing of abaca for domestic and foreign uses;
- Borrow from local and international financing institutions, and issue bonds and other instruments of indebtedness, subject to existing rules and regulations of the Central Bank and the Department of Finance, for the purpose of financing programs and projects deemed vital and necessary for the early attainment of its goals and objectives;
- Formulate and recommend for adoption by financial institutions, credit programs to support research, production, processing, and marketing of abaca;
- Formulate and recommend for adoption by other agencies and instrumentalities, such programs and projects as may be found necessary to accelerate industry development;
- Enter into, make and execute contracts of any kind as may be necessary to achieve the objectives of the AIDA;
- Receive and administer funds provided by law and draw, with the approval of the President, funds from existing appropriations as may be necessary in support of its program, and to accept donations, grants, gifts and assistance from all kinds of international and local private foundations, associations, or entities, and to administer the same in accordance with the instructions or directions of the donor, or in default thereof, in the manner it may, in its discretion determine;
- Invest and deal with the funds of the Authority, in order not to make such funds idle and unproductive pending their full utilization for the principal objects and purposes for which the AIDA has been organized;
- Obtain complete access to all pertinent information on the operations of the industry.

SEC. 6. Power to Issue Rules and Regulations to Implement Decree.— The AIDA is hereby authorized to issue or to promulgate rules and regulations to implement and carry out the purposes and provisions of this Decree.

SEC. 7. Appropriations.—For the fiscal years 1977 and 1978, all unexpended and unprogrammed appropriations out of funds already stipulated for abaca development from the appropriations of the Bureau of Fiber and Inspection Service of the Department of Trade and all unexpended funds, programmed and unprogrammed, appropriated for the Abaca Production and Development Program of the Department of Agriculture are hereby transferred to the AIDA.

Any provision of existing law to the contrary notwithstanding, AIDA may impose fees or receive grants, subsidies, donations, or contributions from any entity and retain such funds for its operation.

SEC. 8. Separability Clause.—The provisions of this Decree are hereby declared to be separable, and in the event any one or more provisions are held unconstitutional, the validity of other provisions shall not be affected.

SEC. 9. Repealing Clause.— All laws, decrees, acts, executive orders, ordinances, rules and regulations which are

inconsistent with the provisions of this Decree are hereby repealed, amended or modified accordingly.

SEC. 10. Effectivity.—This Decree shall take effect upon approval.

Done in the City of Legazpi this 8th day of October in the year of our Lord nineteen hundred and seventy-seven.

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