

[PRESIDENTIAL DECREE NO. 1208, October 08, 1977]

CREATING THE ABACA INDUSTRY DEVELOPMENT AUTHORITY

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:

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| 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