

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. **2804**



Introduced by Representatives
DIOSDADO MACAPAGAL ARROYO and GLORIA MACAPAGAL ARROYO

AN ACT
PRESCRIBING THE STRENGTHENING OF THE NATIONAL EXTENSION SYSTEM
TO ACCELERATE AGRICULTURE AND FISHERIES DEVELOPMENT,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Through the years, the state of Philippine agriculture has been in a downward spiral. The country has continually faced the problem of high food cost and it has the highest food prices among ASEAN countries. Our recent experience where there was shortage of rice only shows that we still need to strengthen our agricultural base. The high cost of food, it being wage goods, has severely affected the competitiveness of our country's industry especially those engaged in export. Making matters worse is the problem of high rural poverty.

Agriculture and Fisheries extension is central to growth and development of both the agriculture and fisheries sector. If we are able to manage well agriculture knowledge through extension services will be crucial to agriculture growth and development. This enables, empowers and gives producers the competitive edge. Extension, along with the complementing Research and Development (R&D), ensures the highest return of investment (ROI) among policy instruments which makes it worth investing in.

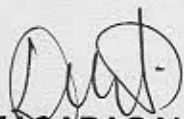
Agriculture growth emanates from knowledge-intensive practices such as crop intensification. However, knowledge-intensive agriculture (KIA) is dependent on a dynamic, responsive agriculture and fisheries extension with strong linkage to

knowledge generation. This is where our problem lies since Philippine Agriculture and Fisheries Extension Services (AFES) face serious problems which affect its efficiency and effectiveness. Being highly fragmented, it therefore lacks coherent direction. Also, our present AFES is composed of demoralized and aging personnel who have not fully recovered from the effects of decentralization which results to weak research-extension linkage, underinvestment, and highly politicized structure among others.

The proposed Agriculture and Fisheries Extension bill will address the current problems and more. The bill seeks to:

1. Strengthen the country's extension system by decentralizing it to the appropriate level of political unit that provides a viable economic unit for agriculture development i.e., the province;
2. Making the national government pay for the salaries and wages of extension personnel under the administrative direction of the provincial government;
3. Professionalizing and standardizing the salaries and wages of the Local Government Unit (LGU) extension personnel to that of equivalent positions in the national government;
4. Creating a national agency, the Philippine Agriculture & Fisheries Extension Agency (PAFEA) to orchestrate, provide national directions, set standards of performance, and provide institutionalized financial and technical support to the LGUs.

In view of the paramount importance of this proposal, its immediate approval is earnestly sought.



DIOSDADO MACAPAGAL ARROYO
Second District, Camarines Sur



GLORIA MACAPAGAL ARROYO
Second District, Pampanga

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

ARTICLE I. GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the "Agriculture and Fisheries Extension Act of 2013."

SECTION 2. *Declaration of Policy.* – The goals of the national economy are a more equitable distribution of opportunities, income and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.

The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. In pursuit of these goals, all sectors of the economy and all regions of the country shall be given optimum opportunity to develop.

Thus, it is hereby declared the policy of the State to enable those who belong to the agriculture and fisheries sector to participate and share in the fruits of development and growth in a manner that utilizes the nation's resources in the most efficient and sustainable way possible by establishing a more equitable access to assets, income, basic and support services and infrastructure.

The State shall give priority to promote science, technology and human resource development as essentials for national development and progress.

The State shall utilize research results through information, extension and communication services. It shall support the development of a national extension system that will help accelerate the transformation of agriculture and fisheries sectors of the Country from a resource-based industry to a knowledge and technology-based and market-oriented industry.

The State shall adopt the market approach in assisting the agriculture and fisheries sector while recognizing the contribution of these sectors to food security, environmental protection, and balanced urban and rural development, without neglecting the welfare of the consumers, especially the lower income groups. The State shall promote market-oriented policies in agricultural production to encourage farmers to shift to more profitable crops.

The State shall empower the agriculture and fisheries sector to develop and sustain themselves to meet present and future needs of the Country. Toward this end, the State shall ensure the establishment and development of the agriculture and fisheries extension system that increases and sustains its contributions to the achievement of the goals of agriculture modernization as mandated by Republic Act 8435: a) Poverty Alleviation and Social Equity; b) Food Security; c) Rational Use of Resources and Sustainable Development; d) Global Competitiveness; and e) People Empowerment.

SECTION 3. *Definition of Terms.* – As used in this Act, the term:

1. "Agriculturist" refers to a person who is a graduate of a bachelor's degree in agriculture or any related course registered and licensed with the Professional Regulation Commission or Civil Service Commission; who performs communication, curriculum development, econometrics, statistical work, training and extension works in agriculture production, trade, and processing including crop and animal protection, food safety, agricultural and natural resource economics, and marketing;

2. "Agricultural Engineer" refers to a person registered with the Professional Regulation Commission or Civil Service Commission performing training and extension work in agricultural and fisheries mechanization, irrigation, drainage, soil and water conservation, agricultural buildings and structures, agricultural processing and postharvest facilities;

3. "Catalytic Financing" - the provision of financial support to achieve excellence, equity and increased investment by the local governments in the implementation of agriculture and fisheries extension services towards the achievement of national goals;
4. "Civil Society" - refers to the group of organizations whose uncoerced collective action revolves around shared interests, purposes and values. Civil societies are organizations composed of community groups, women's organizations, faith-based organizations, professional associations, trade unions, self-help groups, social movements, business associations, coalitions and advocacy groups;
5. "Consumers" - are those that acquire goods or services for direct use or ownership rather than for resale or use in production and manufacturing;
6. "Empowerment" - is the expansion of assets and capabilities of people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives; it involves providing authority, responsibility, and information to people directly engaged on agriculture and fishery production, primarily at the level of the farmers, fisherfolk and those engaged in food and non-food production and processing, in order to give them enhanced economics rights;
7. "Fisheries" - refers to all systems or networks of interrelated activities which include the production, growing, harvesting, processing, marketing, developing, conserving and managing of all aquatic and fisheries areas;
8. "Fisheries Technologist" refers to a person who is a graduate of a four year course in Fisheries and registered and licensed with the Professional Regulation Commission or Civil Service Commission performing training and extension on fisheries, marine resources and aquaculture;
9. "Food Security" - refers to the policy objective, plan and strategy of meeting the food requirements of the present and future generations, of Filipinos in substantial quantity, ensuring the availability and affordability of safe and nutritious food to all, either through local production or importation, or both, based on the country's existing and potential resource endowment and related production advantages, and consistent with the overall national development objectives and policies;
10. "Formula grants" - these are national government financial transfers to the local governments to support the regular expenditures in the provision of Agriculture and Fisheries Extension Services (AFES) based on a formula that takes into consideration, among others, the level of economic development of a municipality or a province;

11. "Gross Value Added in Agriculture" - refers to the total value, excluding the value of non-agricultural or fisheries intermediate inputs, of goods and services contributed by the agricultural and fisheries sectors;

12. "Knowledge Management" - is a systematic approach which invents, understands, shares, creates and utilizes knowledge in order to create values such as customer's value, employee's value, stockholder's value, business partner's value and social value to achieve the vision and goal of the organization;

13. "Partnership" - a relationship between and among agencies that is characterized by mutual cooperation and responsibility towards the achievement of shared goals;

14. "Private sector" - the part of a nation's economy that is not owned and managed by the government;

15. "Producer" - one that produces, especially a person or organization, that produces goods or services for sale;

16. "RBOs" - are rural based organizations or people's organizations composed of various sectors of the rural community such as farmers, fisherfolk, growers, seed producers, women, and youth;

17. "Targeted financial transfer" - is a financial support provided by the national government to the LGUs in support of national goals or programs;

18. "Value chain" - is a process from seed to shelf or from the producers to the consumers, showing activities and interventions off/for a chosen commodity/ties based on understanding the needs for such interventions;

19. "Veterinarian" refers to a person registered with the Professional Regulation Commission performing professional services related to the practice of veterinary medicine including training and extension on disease prevention control and animal health.

SECTION 4. *Statement of Goals.* – Agricultural extension is a policy instrument for empowering individuals and organizations; public agriculture extension shall contribute towards the achievement of the national goals of agriculture development.

SECTION 5. *Statement of Objectives.* – Agriculture and fisheries extension shall contribute to the following objectives:

a) To enhance the economic rights of Producers, especially the poor, to use the most appropriate technologies they feel will give them the best profit and to choose the

most affordable loans in producing the quality and quantity of products and to sell their products freely; Traders, to move goods in the expectation of profits unconstrained by serious lack of knowledge and information; and Consumers, to buy safe and nutritious foods at the lowest prices possible.

b) To manage knowledge in strengthening the individual and organizational capabilities of producers, traders and consumers; and

c) To help create an enabling environment that strengthens the linkage between knowledge generation and knowledge use and encourages increased investment in agriculture extension by the private sector, civil society, and Local Governments.

SECTION 6. *Clients.* – The clients of Philippine agricultural and fisheries extension system are the producers (farmers, fisherfolk, agricultural processors), traders, and consumers along the value chain. Public extension shall focus on the delivery of public goods. The priority clients shall be the economically and socially disadvantaged groups in agriculture and fisheries. Local Government Units shall put primary attention to these groups in the provision of extension services through formula grants and targeted and catalytic financing of National Government Agencies.

ARTICLE II. Structure and Organization

SECTION 7. *Creation of the Philippine Agriculture and Fisheries Extension Agency (PAFEA).* – The Agricultural Training Institute is hereby strengthened and transformed into the Philippine Agriculture and Fisheries Extension Agency (PAFEA). It shall serve as the national apex organization for a unified and efficient agriculture and fisheries extension system of the country. It shall ensure that public extension services meet the national standards of performance and effectively contribute towards the achievement of the national goals of agriculture and fisheries modernization.

The Philippine Agricultural and Fisheries Extension Agency (PAFEA), shall coordinate all government extension programs in agriculture and fisheries.

SECTION 8. *Powers and Functions.* -

a) Provide direction in the development of national extension policies in agriculture and fisheries;

b) Orchestrate the development of extension strategic plan including its financing in coordination with the Department of Budget and Management and other stakeholders;

c) Develop and implement national policies and programs aimed at the continuous improvement of the quality of extension methods, products, and services

towards a more efficient and client-responsive national agriculture and fisheries knowledge management system;

d) Develop a system towards the management of the country's extension resources for agriculture and fisheries to ensure a sustainable, participatory and efficient system of funding for information, education, and communication materials (IEC) and to achieve optimal efficiency along the value chain;

e) Provide leadership in the development and implementation of the National Agriculture & Fisheries Knowledge Network (NAFKN) in agriculture and fisheries of the Department through a system of partnerships that may include, but not be limited to, the (Local Government Units) LGUs, the regional development council (RDC), the Regional Agriculture and Fisheries Council (RAFCs), the academe especially the SUCs of agriculture and fisheries, the Civil Society Organizations (CSOs), producers, rural based organizations (RBOs) and the private sector;

f) Provide national leadership in consultation with agriculture and fisheries councils (AFCs), in developing extension partnerships towards increased investment and private sector participation;

g) Team up with state universities and colleges (SUCs) of agriculture and fisheries as key partners in the implementation of the national programs specially in the areas of extension innovations, national training, and monitoring and evaluation of extension institutions and programs;

h) Provide leadership in developing and implementing a national system of strengthening institutional extension capacities at all levels of implementation; and

i) In coordination with the Department of Budget and Management (DBM); the Local Government Units, The Department of Local governments, and other stakeholders, the PAFEA shall set up a review mechanism for all agriculture and fisheries extension programs and budgets of national agencies to determine cost-effectiveness of operations and potential impacts to national goals.

SECTION 9. *Structure of PAFEA.* – It shall be headed by a Director General (DG) with a rank of Assistant Secretary to be assisted by two Deputy Director Generals (DDG) and they shall be appointed by the President upon recommendation of the Secretary of Agriculture from a list submitted by an independent Search Committee organized and based on the qualification standards set by the Council for Extension Research Development in Agriculture and Fisheries (CERDAF). They shall have a fixed tenure of six (6) years and may be re-appointed for an additional term of four (4) years based on very satisfactory performance.

SECTION 10. *The Council for Extension Research Development in Agriculture and Fisheries (CERDAF)* – The Council for Extension Research Development in Agriculture and Fisheries (CERDAF) is hereby strengthened. It shall ensure that the

agriculture and fisheries research, development and extension policies and programs of the Department are consistent with national policies and priorities.

a) Functions and duties of the Council for Extension Research Development in Agriculture and Fisheries (CERDAF).

- (1) Approve policies covering program priorities and resource allocation in research and extension of all agencies of the Department;
- (2) Enhance coordination and linkage of government institutions involved in agriculture and fisheries research, development and extension;
- (3) Strengthen the participation of various stakeholders, especially the civil society, local government units, and private sector in the development of National Research Development and Extension (NRDE) agenda and programs;
- (4) Strengthen the institutional efficiency of the NRDE system, including the setting up of a monitoring and evaluation system on the effectiveness and efficiency of its various components; and
- (5) Set guidelines in the use of services and facilities, collection of fees and in the utilization of income.

SECTION 11. *Composition of the Council for Extension Research Development in Agriculture and Fisheries (CERDAF).* – The Undersecretary for Policy and Planning of the DA shall be the Chair of the Council. There shall be a Vice-Chair to be elected from among the other members of the Board. The Executive Director of the Philippine Agriculture and Fisheries Extension Agency (PAFEA) and the Director of the Bureau of Agriculture Research (BAR) shall be *ex officio* members and the Chair shall appoint the Executive Director of PAFEA as Secretary of the Council. The CERDAF shall have the following as members:

- (1) Designated Undersecretaries for Policy & Planning of the following Departments:
 - i. Department of Science and Technology;
 - ii. Department of Environment and Natural Resources;
 - iii. Department of Agrarian Reform;
- (2) Presidents of the following LGU organizations:
 - i. League of Provinces;
 - ii. Union of Local Authorities of the Philippines (ULAP);

(3) Four (4) CSO representatives from the rural youth, rural women, and farmer, and fisherfolk sectors as identified and selected by the Department of Agriculture;

(4) One (1) private sector representative designated by the Management Association of the Philippines (MAP);

(5) Representatives from scientific/professional organizations/societies;

(6) One representative each from the following national professional organizations: i) agriculturists; ii) agricultural engineers; iii) fishery technologists and iv) veterinarians.

SECTION 12. *Offices under the PAFEA.* – To carry out the functions of the Agency, PAFEA shall have four technical offices as follows: (1) Policy Development; (2) Extension Innovations & National Training; (3) Knowledge Products & Services Development; and (4) Extension Governance & Partnerships.

The PAFEA shall maintain a small regional office to: (1) liaise with the Department Regional Field Units (RFUs) that should serve as the principal arm of the Department to implement extension policies and programs in the regions; (2) provide regional technical assistance in the implementation of PAFEA policies and programs; and (3) monitor and evaluate extension offices and programs being undertaken by government agencies. The PAFEA is authorized to utilize existing Agricultural Training Institute (ATI) plantilla positions but in no case shall it exceed 85% of the plantilla positions in 2008.

ARTICLE III. Organization of the Local Government Extension Services

SECTION 13. *Province as the LGU Unit of Operation for Agriculture & Fisheries Extension.* – To achieve efficiency and to provide more responsive services, the administrative unit for the planning and implementation of the extension services at the level of Local Government Units is the province through a Provincial Agriculture and Fisheries Extension Services under the Office of the Governor. The Provincial Agriculture and Extension Services shall be headed by a technically-qualified career Provincial Agriculturist (PA). The PAS shall be appointed by the Director General of PAFEA chosen from three qualified nominees submitted by the Governor. Its staff shall be composed of technically qualified career agriculturists, economists, statisticians, agricultural engineers, fishery technologists and veterinarians appointed by the Provincial Governor.

SECTION 14. *Extension Personnel in the Municipalities.* – All municipal and non-chartered agriculture and fisheries extension personnel are hereby transferred to the province, and they shall be appointed by Governor and become employees of the provincial government upon the effectivity of this Act. However, they will continue to serve municipalities and non-chartered cities as detailed employees of the province

based on a rationalized organizational structure endorsed by the LGUs and approved by the PAFEA and the DBM. The Municipal Agriculture and Extension Services shall be headed by a technically-qualified career Municipal Agriculturist Officer (MAO) who shall be appointed by the Director General of PAFEA chosen from three qualified nominees submitted by the Governor.

SECTION 15. *Salaries and Wages of Extension Personnel.* – The salaries and wages of the agriculture and fisheries technical extension personnel shall be paid by the National Government through an annual grant-in-aid to be paid out of the regular appropriation of the PAFEA of the Department of Agriculture; *Provided, however, that* during the first year of the effectivity of this Act, the local government concerned shall reallocate its savings from the personal services for agricultural personnel to its agriculture and fisheries operations; *Provided, further, that* every year thereafter, the concerned LGU shall appropriate the equivalent funds as the minimum amount for its agricultural and fisheries operation or counterparts to national grants-in-aid in agriculture and fisheries, without prejudice to the provision of additional funds that may be allocated by the LGUs for this purpose. The salaries and wages of technical extension personnel shall be standardized and equal to that of comparable positions of national employees without prejudice to the provision of additional staff benefits by concerned LGUs where finances warrant. The provision of grants in aid to pay for the salaries and wages of the technical personnel of the LGU extension services shall be subject to external review and evaluation every five years to determine its impact to the quality of services and its cost-effectiveness. A copy of the report shall be provided to Congress and serve as the basis for the continuation or modification of the grants-in-aid.

SECTION 16. *Professionalization of Extension Services.* – The PAFEA, in coordination with the Civil Service Commission and subject to the approval of the CERDAF, shall develop qualification standards beyond the minimum set by the Civil Service Commission for the various managerial, technical, and nontechnical positions of the extension services of the country including that of all local government units. The PAFEA shall also develop a career path of all technical extension personnel that will allow them regardless of assignment or location in government, to move vertically in the promotion system. Managerial positions shall be open to all qualified personnel regardless of geographic or agency assignment. Towards this end, the PAFEA shall issue guidelines for the creation of a merit promotion boards for each extension agency that will include representatives of the SUCs of agriculture and fisheries.

SECTION 17. *Structure of the Provincial Extension Services.* – The provincial agriculture and fisheries extension services shall organize and structure its services based on the agricultural and extension needs of the province and on the standards set by the PAFEA. The technical positions of the PAFEA, and the Provincial Extension Services shall be rationalized to provide the required number of positions for agriculturists, communication and curriculum specialists, economists, agricultural engineers, fishery technologists and veterinarians.

SECTION 18. *LGU Livestock Production Services*. – In recognition of the need to provide an integrated extension approach to total farm development, the LGU livestock production Services shall be part and parcel of the Provincial Agricultural Office (PAO). In cases where these functions were transferred to the Provincial Veterinary Services, they shall be returned and integrated to the rest of the PAO services.

SECTION 19. *Strategic Plan in Agriculture & Fisheries*. – To provide coherence of all government plans in agriculture and fisheries and to achieve efficiency in the use of resources, all provincial governments are required to develop a five-year strategic plan in agriculture and fisheries based on the framework and principles provided by the Department of Agriculture (DA). The Strategic Plan shall serve as the basis for the DA to provide short-term and long term assistance. The yearly program of work and budget shall be derived from the strategic plan.

ARTICLE IV. Funding for Extension Services

SECTION 20. *Initial Appropriation*. – For the first year of implementation of this Act, the amount of Five Billion Pesos (PHP 5,000,000,000.00) shall be appropriated out of the total budget of the Department of Agriculture (DA) for personal services, grants-in-aid to the LGUs, operation and capital outlay requirements of the Philippine Agriculture and Fisheries Extension Agency (PAFEA).

The Department of Budget and Management (DBM) is hereby mandated to include annually in the President's program of expenditures for submission to Congress and release an amount not less than five billion pesos (PHP5,000,000,000.00) or one percent of the gross value added in agriculture and fisheries, whichever is higher, for the implementation of this Act.

The PAFEA is authorized to utilize part of its yearly appropriation to set up or upgrade necessary facilities to improve the provision of national extension services.

All assets, resources both human and financial of Agriculture Training Institute (ATI), shall be transferred to the PAFEA.

All revenues generated out of the use of services, facilities and equipment shall be utilized by the Agency to augment its maintenance and operating expenditures subject to the approval of the Governing Board.

ARTICLE IV. Final Provisions

SECTION 21. *Oversight Committee*. – The Congressional Oversight Committee for Agriculture and Fisheries Modernization shall oversee the implementation of this Act for a period not exceeding five (5) years from its effectivity.

SECTION 22. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the implementing rules and regulations shall be formulated by the Department of Agriculture in coordination with the members of the Congressional Oversight Committee on Agriculture and Fisheries Modernization. The said rules and regulations shall be submitted by the Secretary of the Department of Agriculture (DA) to the Committee of Agriculture of both Houses of Congress.

SECTION 23. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations, issuances or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SECTION 24. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 25. *Effectivity Clause.* – This Act shall take effect thirty (30) days from the date of its publication in the Official Gazette or in at least in two (2) national newspapers of general circulation

Approved,