

Republic of the Philippines
House of Representatives
Quezon City



SIXTEENTH CONGRESS
Second Regular Session

House Bill No. **5781**

Introduced by Representative Mark Llandro L. Mendoza

AN ACT

FURTHER EXTENDING THE PERIOD OF IMPLEMENTATION OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND (ACEF), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, AS AMENDED BY REPUBLIC ACT NO. 9496, ENTITLED: AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AND FOR OTHER PURPOSES

On March 28, 1996, Republic Act No. 8178 was signed into law which aimed, among others, to maximize the country's gain from the policy of trade liberalization and minimize adjustment cost in the shift toward a liberalized trade regime, in order to increase agri productivity and enable the agri sector to achieve higher levels of competitiveness. It had a life span of nine (9) years which expired on December 2007. Republic Act 9496, enacted on 28 February 2008, extended the law up to 2015.

This bill seeks to further extend the law up to 2022 wherein the available funds shall be used primarily to provide grant assistance to qualified beneficiaries while earmarking ten percent (10%) for the funding of a comprehensive scholarship program for agriculture, forestry, fisheries, and veterinary medicine education.

The extension of the law will further boost the improvements we have gained, thus, enactment is earnestly sought.

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

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

SECTION 1. Section 8 of Republic Act No. 8178, entitled “An Act Replacing Quantitative Import Restrictions on Agricultural Products, Except Rice, With Tariffs, Creating the Agricultural Competitiveness Enhancement Fund, and for other Purposes” is hereby amended, to read as follows:

“SEC. 8. Agricultural Competitiveness Enhancement Fund. – To implement the policy enunciated in this Act, there is hereby created the Agricultural Competitiveness Enhancement Fund, hereinafter referred to as the Fund. The Fund shall consist of all duties collected from the importation of agricultural products under the minimum access volume (MAV) mechanism, including unused balances and collections from repayments from loan beneficiaries including interests, if any. The Fund shall be automatically credited to Special Account 183 in the General Fund of the National Treasury: *Provided*, That fund releases shall not be subject to any ceiling by the Department of Budget and Management (DBM).

“**The fund shall continue to be set aside up to the year 2022**, after which the setting aside of the amount collected for the purpose shall

terminate. However, any remaining balance(s) at the date of expiration of the Fund shall not revert to the General Fund but shall continue to be used for the purpose for which it was collected and set aside.

“The Fund shall be set aside and earmarked by Congress: (a) for the protection of farmers/fisherfolk against unfair trade practices such as smuggling, dumping of agricultural products or other similar acts of unfair trade practices; and (b) for the increased productivity of farmers/fisherfolk by providing the necessary support services such as, but not limited to, irrigation, farm-to-market roads, post-harvest equipment and facilities, credit, research and development, other marketing infrastructure, provision of market information, retraining, extension services, micro, small and medium scale enterprises (MSME) in agriculture, aquaculture and fisheries sectors; young entrepreneurs, out-of-school youth, graduates of agriculture, fisheries and related courses; agriculture and fishery cooperatives, corporations and other entrepreneurs engaged in economic enterprises related to agriculture and fisheries and assistance and support to agricultural activities including, but not limited to, the reduction of input cost, quality improvement, supply chain efficiency and other infrastructure including access as well as an established transportation mechanism towards speedy delivery of products: *Provided, That:*

(1) preferential attention should be continuously given to products or people adversely affected by the repeal or removal of quantitative import restrictions to agricultural products as provided for in Section 4 of this Act;

(2) be consistent with the policies and priority thrusts under Republic Act No. 8435, as amended, otherwise known as the Agriculture and Fisheries Modernization Act and the revised Agriculture and Fisheries Modernization Plan.

(3) be complementary and supportive of the various and current funding assistance windows or programs of the Department of Agriculture and other government institutions;

(4) enhance the competitiveness of target project beneficiaries or sectors, especially the small farmers and fisherfolk;

(5) provide product or service competitiveness in the local and foreign markets in terms of product or service prices or fees and quality;

(6) promote upstream and downstream linkages with related and complementary agricultural activities;

(7) provide clear and verifiable proof of sustainability of operations;
and

(8) be beneficial to most, and not only selected, firms or groups within a sector.

“For purposes of this Act, local government units, state universities and colleges, other government institutions and accredited non-government organizations, people’s organization, cooperatives, farmer/fisherfolk organizations and other accredited similar organized groups involved in agricultural development and promotion may avail of the ACEF.

The Fund shall be set aside and used primarily to provide grant assistance to qualified beneficiaries while earmarking ten percent (10%) for the funding of a comprehensive scholarship program for agriculture, forestry, fisheries and veterinary medicine education.

The provision of grant assistance shall be guided by a Strategic Investment Plan to be formulated by the Department of Agriculture, in consultation with the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) which shall periodically evaluate the Plan and review the utilization of the Fund.

The Plan shall take into consideration the urgency of supporting priority interventions including, but not limited to, the following:

1) establishment of common service facilities (public investments) for agri-based production and post-production and processing support including agri-related infrastructures and equipment to promote modern agricultural practices and create new markets;

2) funding of research and development and commercialization of matured research technologies, including the upgrading of research facilities;

3) conduct of market promotion activities; and

4) conduct of related feasibility studies and technical assistance.

A portion of the Fund, equivalent to 2% of the Fund running balance or P20 million annually, whichever is lower, shall be set aside to support the administrative and operating expenses of the ACEF National Technical Committee/Secretariat.

SECTION 2. The Department of Agriculture, in consultation with the COCAFAM, shall forthwith revise and promulgate such rules and guidelines as are

necessary to implement and ensure the widest possible information dissemination of the provisions this Act.

SECTION 3. *Repealing Clause.* – Republic Act No. 8178 is hereby amended. All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 4. *Separability Clause.* – The provisions of this Act are hereby declared to be separable and, in the event one (1) or more of such provisions are held unconstitutional, the validity of the other provisions shall not be affected thereby.

SECTION 5. *Effectivity.* – This Act shall take effect immediately upon its approval.
Approved,