

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
SECOND REGULAR SESSION

HOUSE BILL NO. 6745



Introduced by Butil Farmers Partylist Rep. Cecilia Leonila V. Chavez

Explanatory Note

Recognizing that the agriculture sector has the formidable task of feeding a rapidly growing population and employing a significant proportion of the country's workforce, Section 21 of the 1987 Philippine Constitution provides that "The State shall promote comprehensive rural development and agrarian reform."

In the Philippines, local agricultural development has taken prominence with the devolution of some functions of the Department (DA) to local government units (LGUs). The main feature of the Local Government Code (R.A. 7160) is the relinquishing of responsibilities of the national government in favor of local government units in the provision of public goods and social services. To efficiently deliver the devolved tasks, the LGUs were given increased powers to mobilize their own resources.

Despite some gains, problems from the passage of the RA 7160 remains. One is the insufficient funds transfers to local governments. Secondly, there is the problem of absorptive capacity. Lastly, there is lack of synchronization between DA at the national office and the LGU plans as a result of structural problems and unclear policy coordination.

Insufficient Financing. Fiscal autonomy is the ability to spend what one earns. In the Philippines where there are wide income disparities among LGUs, this equity-promoting principle has left poorer LGUs worse off than they were before devolution. Poorer LGUs need to spend more on agriculture and fisheries than richer ones. Their production areas are generally unfavorable and a greater proportion of their population is rural. Unfortunately, their IRA is also smaller. In most cases, it is barely enough to pay for salaries. The result is much compromised extension service i.e., limited extension mobility, ineffective

adaptation trials. Maintenance and other operating expenses (MOOE), pays for the incidental costs of extension work like transportation, holding farmer classes, trainings and seminars, monitoring visits, and meetings. Almost nothing is left for capital investments, like equipment acquisition, etc. This allocation supports the observation among many Agriculture Technicians (AT) and Municipal agriculture Officers (MAO) that the national government devolved to the LGUs the personnel, but not the functions, of agricultural extension.

Absorptive Capacity. Many LGUs did not have the funds to absorb the DA staff and the staff transferred often did not have the skills needed by the locality. While LGUs have been reported in almost every case to have operational control over local affairs, they have the inability to sustain local development programs due to political intervention and change of leadership; high dependence on the Local Chief Executive's priorities and orientation, disincentives to agricultural workers and lack of funds/low IRA.

When LGUs strike out on their own, they are hampered by the lack of resources and skills. Hence, LGU-initiated programs are usually ad hoc in character, at best irregular, and definitely smaller-scale. Poorer LGUs are particularly at a disadvantage.

Structural Problems. While there is an operational links between the regional and provincial offices and between the provincial and municipal offices, sometimes these links are not fully functional. Devolution broke the single administrative line of command in the delivery of agricultural services. There is no clear command structure. The devolved structure of agricultural offices hardly defines who and how the integration of local plans and their evaluation can be made. Oftentimes, plans of the two did not jibe and at the same time LGU priorities are not captured in the national agriculture programs. To this day, no formal mechanism allows regular coordination among DA units with each other particularly from regional to provincial to municipal offices. Linkages are mostly informal and based on individual initiative.

There is also lack of a clear framework for planning and implementing agricultural program. The periodic planning held by Office of the Provincial Agriculturist and Municipal Agriculture Office is not necessary guided by a comprehensive framework for local agricultural development planning. LGUs are rarely able to articulate agricultural vision/framework, agenda and strategies for local agricultural development of their municipalities or province. More often than not, they look to the national office for guidance and direction. This situation is reflected in the fact that majority of the programs implemented by LGUs are centrally initiated, designed and funded.

Lack of institutional mechanism to sustain LGU leadership. The local chief executive (LCE), i.e. the Provincial Governor or the Mayor heads both the

OPA and the OMA. In light of the mandate given to LGUs to take the lead in local agricultural development, the role and intervention of the LCE becomes critical. Agriculture development then becomes highly dependent on the priorities and orientation of the LCEs and the provincial/municipal councils.

Ironically, except for Provinces where the positions of Agriculturist and Veterinarians are mandatory, the Local Government Code mandated the "optional" creation of the Municipal or City Agricultural Services/Office of the Agriculturist which is headed by the Municipal or City Agriculturist (for Cities the position of Veterinarian is required). This limits the LGUs, particularly low-income municipalities, to perform their devolved functions and to initiate local agricultural development programs.

Meanwhile, RA 8435, otherwise known as the Agriculture and Fisheries Modernization Act of 1997, or AFMA, strengthens the provisions of RA7160 on the central role of the LGU in agricultural production and the attainment of food security. The Agriculture and Fisheries Modernization (AFMA) plan is a major strategy of the Philippine government to facilitate development of the agricultural economy as it head towards trade liberalization. AFMA further directs LGUs to prepare agriculture and fisheries modernization plans (AFMPs) which shall form the basis for the national AFMP to be prepared by the DA. Among others, AFMA strengthened the role of local governments in agricultural production in a way that ameliorated the perceived negative effects of RA7160 on agriculture.

It is therefore this bill's strategy to strengthen the LGUs in terms of their capacity, structure and funding support in order to more effectively revive and save the country's agriculture sector. This can only be the real context of a "sagipsaka" program.

The urgent approval of this bill is earnestly requested.

A handwritten signature in green ink, appearing to read "Reahores", is located at the bottom left of the page.

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AN ACT TO SUPPORT FARMER AND FISHERFOLK ENTREPRENEURIAL DEVELOPMENT BY WAY OF RESTRUCTURING AND STRENGTHENING LOCAL GOVERNMENT PROGRAMS IN AGRICULTURE TO BE KNOWN AS “SAGIP SAKA”, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES.

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

Chapter I

General Provisions

SECTION 1. Title. – This Act shall be known as the “**Sagip SakaLocal Agriculture Development Act of 2017.**”

SEC. 2. Declaration of Policy –It is hereby declared the policy of the State to promote, localize and accelerate the development and modernization of Philippine agriculture and fisheries and improve the economic and social well-being of rural folks particularly the farmers and fishermen.

A healthy and dynamic agricultural sector is an important foundation of rural development, generating strong linkages to other economic sectors. Rural livelihoods are enhanced through effective participation of rural people and rural communities in the management of their own social, economic and environmental objectives by applying the bottom-up approach.

The State shall likewise develop the countryside and with the local government units as its main partner in improving food security and increasing farm and fisheries income, increasing rural folks employment, and resiliency to climate change risks and promoting sustainable development in the countryside.

It is the policy of the state to promote a sustainable and ecological food system to end hunger, achieve food security and improved nutrition and promote sustainable agriculture; ensure healthy lives and promote well-being of all ages; ensure sustainable consumption and production patterns; take urgent actions to combat climate change and its impacts by regulating emissions; conserve and sustainably use the oceans, seas and marine resources for sustainable development; protect, restore and promote sustainable use of terrestrial ecosystems, halt and reverse land degradation and halt biodiversity loss.

Towards this end, there shall be a comprehensive program on agriculture development and food security in all local government units which shall form part of the basic, regular and direct services it shall deliver to the inhabitants within their territorial jurisdiction.

SEC. 3. Scope and Coverage. – This Act shall be implemented in all Local Government Units in consultation and partnership with all stakeholders, including the farmers organizations and cooperatives, crop and livestock producers and processors, other agriculture industry support enterprises, non-governmental organizations, the various agencies of the Department of Agriculture and other agriculture-related agencies of the government.

SEC. 4. Sagip Saka Local Agriculture Development Program. There is hereby created the **Sagip Saka Local Agriculture Development Program** which shall focus on supporting and strengthening the areas identified as factors contributing to the competitiveness of the agriculture industry. These are seeds and other inputs, labor and mechanization and post-harvest, irrigation maintenance, marketing, credit, guarantee, and insurance, farming systems, and organic farming, among others.

Towards this end, the Local Government Units shall implement programs that shall:

1. Enhance, strengthen and promote agriculture and fisheries as a major livelihood in the locality;
2. Establish an agriculture and fisheries office and strengthen the capacities of its personnel who shall see to the implementation of the agriculture and fisheries programs and projects;
3. Conserve, protect and manage the agriculture and aquatic environment using good agricultural and aquaculture practices;
4. Promote the easy access to financial institutions of agriculture stakeholders;

5. Strengthen linkages and partnerships among various partners in agriculture development;
6. Develop and strengthen the capacities and the technical skills of farmers and fisherfolks throughout the production, harvesting, processing, storage and transport stages in the value chain including simple business management and profitability;
7. Monitor and assess the implementation of the agriculture and fisheries development program and evaluate its impact to the citizenry;
8. Enhance capability of Local Chief Executives to plan coordinate, and/or deliver agriculture programs;
9. Provide appropriate infrastructure and equipment for post-harvest technology especially in processing, packaging and marketing;
10. Coordinate with national government agencies, non-governmental organizations and private companies and individuals which promote agricultural productivity through appropriate technology compatible with environmental integrity;

Chapter III

INSTITUTIONAL MECHANISMS

SEC. 5. (a) *Implementing Agencies* - The Department of Agriculture shall be responsible for the promotion of agricultural development by providing the policy framework, public investments, and support services including infrastructure support, research, development and extension, including agribusiness and market development services, regulation and policy planning.

It shall use a bottom-up self-reliant farm system approach that will emphasize social justice, equity, productivity and sustainability in the use of agricultural resources. The convergence framework recognizes that "one size does not fit all" – that different rural communities have different opportunities, needs and aspirations.

The DA shall also ensure national and local food policy, plans and programs that contribute to rural development, fight poverty and hunger, premised on achieving food and nutrition security, climate resilience while protecting our health and environment through our local food producers, particularly farmers, fishers and indigenous communities; such policies, plans and programs prioritizes domestic ecological food production, which enables

livelihoods in rural and urban poor communities that are safe, healthy and economically viable.

(b) Farmers and Fisherfolk Enterprise Development Program. — The DA through the Agricultural and Fishery Councils (AFCs) of the Philippine Council for Agriculture and Fisheries, shall carry out a Farmers and Fisherfolk Enterprise Development Program which shall be integrated and be made consistent with the Agriculture and Fisheries Modernization Plan, and the Micro, Small and Medium Enterprises Development Plan.

To support the implementation of the Program, there is hereby created a Farmer and Fisherfolk Enterprise Development Fund, to be funded through annual general appropriations, grants from multilateral and bilateral agencies, and donations from the private sector. The Development Fund shall be used to promote business opportunities available in the agriculture and fisheries sector. Releases from the Development Fund shall be considered as a project grant.

(c) Regional Agricultural Development and Food Council (RADC). — There shall be a Regional Agricultural Development Council (RADC) which shall be composed of the Field Regional Offices of the Department of Agriculture (DA-RFU), the Regional Directors of the Department of Interior and Local Government (DILG), Department of Agrarian Reform (DAR), Department of Science and Technology (DOST), the National Economic Development Authority (NEDA), Department of Public Works and Highways, Department of Tourism (DOT), Regional Integrated Agriculture Research Centers (RIARC), The Regional Fisheries Research Centers (RFRC), The Regional Director of the Agricultural Training Institute (Regional Director- ATI), The Regional Head of the Philippine Association of State Colleges and Universities (Regional Head of PASUC), The Head of the Regional Agricultural and Fisheries Council, the Provincial Agriculture and Fisheries Council Head, the Office of the Provincial Agriculturists (OPA) and the Provincial Governors, and all City Mayors and the Municipal Mayors. The Council shall be headed by the DA-Regional Executive Director.

The Council shall meet as often as necessary but not less than once a semester. It shall assist in the preparation, monitoring and evaluation of short and long-term Local Government Unit's development plans and investment programs.

The offices of the various regional agencies of the government shall, upon request of the local chief executives, provide such technical support as may be required in the discharge of their functions.

Through convergence the DA and the LGU shall maximize the partnership in development to reduce cost in the delivery of services and maximize knowledge on programs, funding and investment access.

Funds necessary for the RADC operations, project monitoring and evaluation, implementation of special projects shall be included in the General Appropriations Act of the DA, subject to the usual auditing and accounting rules and regulations.

(d) Provincial Agriculture Food Council - The Governors through the Office of the Provincial Agriculturist shall activate the Provincial Agriculture Food Council which shall monitor the formulation, development, and implementation of the cities/municipalities agriculture development plans, programs and projects within their jurisdictions.

(e) Municipal Agriculture and Food Council - The Municipal and Component City Mayors shall activate their agriculture Food sectoral council which shall formulate and implement a three year agriculture development plan with measurable and time bounded annual goals, programs, activities and projects. The Local Chief Executive (LCE) shall see to timeliness, transparency and accountability in the delivery of technical know-how, goods and services to farmers and fisherfolks. The agriculture development plan of each Local Government Units shall be submitted to the Governor through the Provincial Development Council. An annual report containing accomplishment and impact of the programs shall be submitted to the Provincial Development Council on or before March 31, of the succeeding year.

The Municipal and City Planning Office shall be the Secretariat of the Agricultural Sectoral Council. The members of the council shall be the following -The barangay chairmen of the agricultural barangays, the Chair of the Municipal/City Sanggunian Bayan in charge of Agriculture and Fisheries, three (3) representative of the local farmer's organization, the head of the local fisheries organization, an NGO in agriculture operating in the Municipality/City, a representative of a local agricultural development cooperative, the Local Chief Executive, the DA-Regional Executive Director or his representative.

SEC. 7. Incentives and Awards. - There shall be established an incentives and award system which shall be administered by the board under such rules and regulations as may be promulgated by the Department of Agriculture together with the Department of Interior and Local Government to deserving LGUs for their outstanding performance in promoting agriculture development and implementing effective agricultural practices.

SEC. 8. Direct Purchase by National and Local Government Agencies. - To promote and support farmers and fisherfolk enterprises, national and local government agencies are hereby mandated to directly purchase agricultural and fishery products from farmers and fisherfolk cooperatives and enterprises.

For purposes of this Act, the procurement by national and local government agencies of said agricultural and fishery products shall be exempt from the application of the bidding process prescribed under relevant government procurement laws.

SEC. 9. Incentives and Awards. - There shall be established an incentives and award system to deserving LGUs for their outstanding performance in promoting agriculture development and implementing effective agricultural practices which shall be administered by the Department of Agriculture together with the Department of Interior and Local Government.

Chapter IV

AMENDATORY PROVISIONS

SEC.10. the Local Government Code of 1991, is hereby amended to read as follows:

1. Section 17 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows :

“Section 17. Basic Services and Facilities. -

- (a) Local government units shall endeavor to be self-reliant and shall continue exercising the powers and discharging the duties and functions currently vested upon them. They shall also discharge the functions and responsibilities of national agencies and offices devolved to them pursuant to this Code. Local government units shall likewise exercise such other powers and discharge such other functions and responsibilities as are necessary, appropriate, or incidental to efficient and effective provisions of the basic services and facilities enumerated herein.

THE LOCAL GOVERNMENTS SHALL CAPACITATE THEIR CONSTITUENTS AND THEIR INSTITUTIONS TO BECOME FOOD SECURE BY TRAINING THEIR SMALL FARMERS AND FISHERFOLKS AND MICRO AND SMALL BUSINESSES IN AGRICULTURAL PRODUCTION, PROCESSING, TRADING AND PROMOTION; MINIMIZE THEIR RISKS AND LOSSES; AND ESTABLISH CLIMATE CHANGE ADAPTATION STRATEGIES, INCLUDING PEST MANAGEMENT AND THE PROMOTION OF FOOD SAFETY.”

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2. Section 106 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

“Section 106. Local Development Councils. –

(a) Each local government unit shall have a comprehensive multi-sectoral development plan to be initiated by its development council and approved by its Sanggunian. For this purpose, the development council at the provincial city, municipal, or Barangay level, shall assist the corresponding Sanggunian in setting the direction of economic and social development, and coordinating development efforts within its territorial jurisdiction. **THE LOCAL CHIEF EXECUTIVE SHALL CONVENE THEIR RESPECTIVE LOCAL DEVELOPMENT COUNCILS WITHIN THIRTY (30) DAYS FROM THEIR ASSUMPTION TO OFFICE.**”

3. Section 110 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, hereby amended to read as follows:

“Section 110. Meetings and Quorum. – The local development council shall meet at least [once every six (6) months] **FOUR (4) TIMES A YEAR, PREFERABLY EVERY MARCH, JUNE, SEPTEMBER, AND DECEMBER EACH YEAR**, or as often as may be necessary.”

4. Section 287 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, hereby amended to read as follows:

“Section 287. Local Development Projects. – Each local government unit shall appropriate in its annual budget no less than twenty percent (20%) of its annual internal revenue allotment for development projects. Copies of the development plans of local government units shall be furnished the Department of Interior and Local Government. Of this amount the “Local government units shall allocate not less than ten percent (10%) for the implementation of programs, projects and activities of the local council for their agriculture and/or fisheries development.”

5. Section 443 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, hereby amended to read as follows:

“Section 443. Officials of the Municipal Government. –

(a) There shall be in each municipality a municipal mayor, a municipal vice-mayor, sangguniang bayan members, a secretary to the sangguniang bayan, a municipal treasurer, a municipal assessor, a municipal accountant, a municipal budget officer, a municipal planning and development coordinator, a municipal engineer/building official, a municipal health officer, **A MUNICIPAL AND CITY AGRICULTURIST**, and a municipal civil registrar.

6. Section 482 (a) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, hereby amended to read as follows:

“Section 482. Qualifications, Powers and Duties. –

(a) No person shall be appointed agriculturist unless he is a citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a holder of a college degree in agriculture or any related course from a recognized college or university, and a first grade civil service eligible or its equivalent. He must have practiced his profession in agriculture or acquired experience in a related field for at least five (5) years in the case of the provincial and city agriculturist, and three (3) years in the case of the municipal agriculturist.

The position of the agriculturist shall be mandatory for the provincial, **MUNICIPAL AND CITY** government [and optional for the city and municipal governments:]

- (b) A new section denominated as Section 511 (a) of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, hereby incorporated to read as follows:

“SECTION 511-A. FAILURE TO CONVENE THE LOCAL DEVELOPMENT COUNCIL UNDER SECTION 106A AND 106 HEREOF WITHOUT VALID GROUNDS SHALL BE PUNISHED WITH SUSPENSION FROM OFFICE FOR A PERIOD OF THIRTY (30) DAYS. SUBSEQUENT VIOLATIONS SHALL BE PUNISHED WITH SUSPENSION FROM OFFICE FOR A PERIOD OF NINETY (90) DAYS.”

SEC. 11. Funding. – The initial funding requirements for the implementation of this Act shall be charged against the current appropriations of the LGU. Thereafter, such sums as may be necessary to the implementation of this Act shall be included in the yearly budget of the LGU from their Internal Revenue Allocation, provided that at least five percent (5%) shall be set aside from the Internal Revenue Allotments for agriculture and fisheries programs and agriculture development support projects.

SEC. 12. *Implementing Rules and Regulations.* – The DILG, in consultation with the DA and other concerned agencies and stakeholders, shall promulgate the implementing rules and regulations of this Act within ninety (90) days from the effectivity of this Act.

SEC. 13. *Non-impairment Clause.* – Nothing in this Act shall be construed as to diminish, impair, or repeal the prohibited acts under existing laws, presidential decrees, executive orders, ordinances, rules and regulations, and other issuances.

SEC. 14. *Separability Clause.* – If for any reason, any section or provision of this Act shall be declared to be unconstitutional or invalid, the other sections or provisions not affected thereby shall remain in full force and effect.

SEC. 15. *Repealing Clause.* – All laws, presidential decrees, executive orders, ordinances, rules and regulations, and other issuances or parts thereof which are inconsistent with this Act, are hereby repealed or modified accordingly.

SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the country.

Approved,