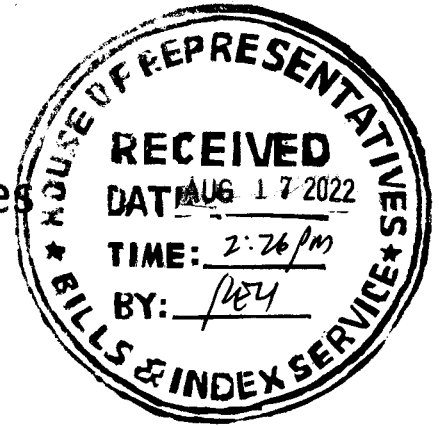




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 3747



Introduced by Representative Christian S. Unabia

EXPLANATORY NOTE

This bill seeks to to remove the minimum ten percent (10%) counterpart fund requirement of local government units (LGUs) on farm-to-market road projects by amending for the purpose Republic Act (RA) No. 8435, as amended, otherwise known as the *“Agriculture and Fisheries Modernization Act of 1997.”*

With the devolution of agricultural functions to the LGUs and the enactment of RA 8435, the local agricultural development has intensified. One of the reasons for the development is the construction of farm-to-market roads (FMR) that served as links to sustain the livelihood and food security of farming communities by facilitating the movement of goods from remote agricultural areas to market areas and triggering economic activities in the locality.

However, one of the major constraints in the identification, prioritization, and implementation of FMR projects is the LGUs’ counterpart funding requirement pursuant to the second paragraph of Section 52 of RA No. 8435, as amended, which provides that:

“Construction of farm-to-market roads shall be a priority investment of the LGUs which shall provide a counterpart of not less than ten percent (10%) of the project cost subject to their IRA level.”

As gleaned from the foregoing, the LGUs are expected to play a contributory role with the Department of Agriculture in the identification, prioritization, and implementation of the FMRs. This partnership is one of the highlights in the implementation of the desired modernization of the agriculture and fisheries sectors.

Unfortunately, there are income disparities among LGUs, particularly those belonging to the low-income 4th to 6th class municipalities. They are receiving lower national tax allotment shares than those of the 1st to 3rd class municipalities. Most of these LGUs, if not all, lack the budgetary resources to comply with the counterpart fund requirement for FMRs. They use their meager resources to provide basic services instead of investing in FMRs. Thus, there is delay of agricultural development in their localities.

With this proposed measure, the LGUs will be exempted from complying with the counterpart funding, thus allowing them to focus on the more pressing needs of their respective jurisdictions. Accordingly, this bill proposes to repeal the aforementioned provision on counterpart fund and fully realize the declared policy embodied in RA 8435 that *“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.”*

In view of the foregoing, the immediate passage of this bill is earnestly sought.


CHRISTIAN S. UNABIA



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

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HOUSE BILL NO. 3747

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1 **AN ACT**
2 **REMOVING THE MINIMUM TEN PERCENT (10%) COUNTERPART**
3 **FUND REQUIREMENT OF LOCAL GOVERNMENT UNITS ON**
4 **FARM-TO-MARKET ROAD PROJECTS, AMENDING FOR THE**
5 **PURPOSE REPUBLIC ACT NO. 8435, AS AMENDED, OTHERWISE**
6 **KNOWN AS THE “AGRICULTURE AND FISHERIES**
7 **MODERNIZATION ACT OF 1997”**
8
9

10 *Be it enacted by the Senate and House of Representatives of the Philippines in*
11 *Congress assembled:*
12

13 SECTION 1. Section 52 of Republic Act No. 8435, as amended, is hereby
14 further amended to read as follows:

15 “Sec. 52. *Farm-to-Market Roads.* – The Department shall
16 coordinate with the LGUs and the resident-farmers and fisherfolk
17 in order to identify priority locations of farm-to-market roads that
18 take into account the number of farmers and fisherfolk and their
19 families who shall benefit therefrom and the amount, kind and

1 importance of agricultural and fisheries products produced in the
2 area.”

3 ~~“[Construction of farm-to-market roads shall be a priority~~
4 ~~investment of the LGUs which shall provide a counterpart of not~~
5 ~~less than ten percent (10%) of the project cost subject to their IRA~~
6 ~~level.]”~~

7 SEC. 2. All laws, executive orders, issuances, rules and regulations, or
8 parts inconsistent with this Act are hereby repealed or modified accordingly.

9 SEC. 3. This Act shall take effect fifteen (15) days after its publication in
10 the *Official Gazette* or in a newspaper of general circulation.

11 Approved,