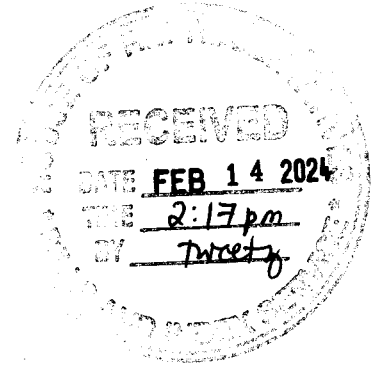




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **9933**



Introduced by Representative Crispin Diego “Ping” D. Remulla

AN ACT
STRENGTHENING THE FARM-TO-MARKET ROAD DEVELOPMENT
PROGRAM AND PROVIDING FOR A SUSTAINED REGULAR FUNDING
SUPPORT TO ACCELERATE ITS IMPLEMENTATION

EXPLANATORY NOTE

Farm-to-Market Roads, or FMRs, are vital to agriculture because they are a catalyst for enhancing rural economies and reducing poverty levels in local communities. In addition, they are key in the increased transportation of people, goods, and services that are necessary to increase food production and lower the price of agricultural products. Moreover, FMRs aid in accessing job opportunities, social services, boosting local trade, productivity, and reducing the cost of transportation and post-harvest losses.

The World Bank, however, identified a crucial issue in the Mandanas Ruling concerning the FMR Development Program (FMRDP). These include potential underfunding for operations, repairs, rehabilitation, and maintenance of FMRs. With this, it is essential that the FMRDP receive sufficient funding support to ensure its effective implementation.

In view of the foregoing, the approval of this measure is earnestly sought.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a cursive 'D' and 'R'.

CRISPIN DIEGO "PING" D. REMULLA



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

1 **SECTION 1. Short Title.** - This act shall be known as the “Farm-to-Market Road
2 Development and Acceleration Act of 2024. “

3 **SEC. 2. Declaration of Policy.** - The State recognizes the vital importance and
4 contribution of farm-to-market roads in providing connectivity for transporting inputs to
5 farmers and bringing their production areas to distant markets, facilitating the transport of
6 produce and goods in an efficient, cost-effective, and convenient manner, thus helping achieve
7 national food security and improve the lives of farmers and fisher folks.

8 Given this, the State shall strengthen the Farm-to-Market Roads Development Program and
9 provide adequate funding support to accelerate its implementation.

10 **SEC. 3. Definition of Terms.** – For purposes of this Act, the following terms shall be
11 defined as follows:

a. Farm-to-Market Roads (FMR) - shall refer to public infrastructure projects within agricultural, livestock, and fishery production, marketing, and processing areas linked to all-weather or higher road class such as municipal, city, provincial, national primary, and secondary roads. These are either barangay roads, purok or sitio roads, and other farm-access roads.

b. Farm Access Roads- shall refer to existing road access within agricultural production, processing, and related infrastructure including private roads, trails, and tire-path, which are not yet classified as a municipal, city, provincial, national primary, and secondary roads.

SEC. 4. Strengthening the Farm-to-Market Road Development Program. - The Farm-to-Market Road Development Program (FMRDP) of the Department of Agriculture is hereby strengthened with the following objectives:

a) Formulate and update the National Farm-to-Market Road Modernization Network Plan;

b) Strengthen the identification, validation, and prioritization of FMRs to ensure rational and equitable funding allocation;

c) Accelerate the construction of climate-smart and standards-compliant farm-to-market roads in key agricultural and fisheries production areas;

d) Strengthen the support services at the national and local levels relative to the implementation of FMRs;

e) Institute convergence and coordination among concerned national government agencies and local government units insofar as to the planning and implementation of farm-to-market roads; and

f) Improve and sustain the maintenance of farm-to-market roads by the Local Government Units.

SEC. 5. Implementation of FMRDP. - The Department of Agriculture (DA) through its Bureau of Agricultural and Fisheries Engineering (BAFE) shall oversee and manage the

FMRDP and develop a state-of-the-art system to effectively monitor its implementation. The DA shall likewise:

a) Serve as the lead implementing agency and fund administrator of the FMRDP and is hereby authorized to issue the necessary and appropriate operational guidelines and policies to fully implement the Program;

b) In collaboration with DPWH and other concerned entities and agencies, shall formulate a strategy to ensure the timely implementation of projects, such as but not limited to the setting of technical specifications, clustering, and geo-tagging of projects for cost efficiency in the procurement thereof and effective management and implementation of projects; and

c) Submit annual reports of its implementation status to the Congressional Oversight Committee on Agriculture and Fisheries Modernization.

Towards this end, the BAFE is hereby strengthened and operates as a line bureau of DA and establishes its regional and field offices to implement this program effectively and efficiently, as well as its mandates on agri-fisheries mechanization and infrastructures. The BAFE is further given the mandate and authority to implement, conduct procurement and supervise contractors of the GAA-funded FMR projects as well as foreign-assisted projects following the provisions of Republic Act 9184 and other applicable laws, adapting the guidelines to be promulgated by the DA, and using the relevant methodologies and tools of the Philippine Rural Development Project.

SEC. 6. Formulation and Updating of Farm-to-Market Road Modernization Network Plan. – The Department of Agriculture (DA) through the Bureau of Agricultural and Fisheries Engineering (BAFE) in coordination and consultation with concerned national government agencies, local government units, farmer and fisher folk groups, private sector, civil society organizations, and other stakeholders shall formulate a 20-year Farm-to-Market

1 Road Modernization Network Plan (FMRMNP) which shall be reviewed and updated every
2 year from the effectivity of this Act.

3 The FMRMNP shall list all priority farm-to-market road projects for opening, repair,
4 rehabilitation, and upgrading to higher road pavement class in the Philippines interfaced with
5 the Local Road Network Plan formulated by the concerned local government units. This plan
6 shall also contain the validated FMR project proposals by the DA to be funded annually by the
7 national government based on formulated science-based tools and prioritization criteria, and
8 operational guidelines to be issued by the Secretary of Agriculture.

9 The DA shall submit to the Department of Budget and Management (DBM) within one
10 (1) year from the effectivity of this Act and within the budget preparation call of every year
11 thereafter, an annual national Farm-to-Market Road Modernization Network Plan of the Public
12 Investment Program (PIP).

13 **SEC. 7. Incorporation of Existing Farm-to-Market Road Projects.** - All continuing
14 and existing farm-to-market road projects being funded and implemented by the national
15 government are hereby incorporated in the FMRMNP under this Act.

16 The continuing appropriations for all FMR projects being funded and implemented by the
17 national government prior to the effectivity of this Act, except those funded under the
18 Grassroots Participatory Budgeting (GPB) program or any other similar programs and are
19 included in the Plan, shall be considered part of the Program's appropriation as provided in
20 Section 20.

21 New FMR programs and projects to be funded through official development assistance
22 after the effectivity of this Act are encouraged to be incorporated into the Plan.

23 **SEC. 8. Identification and Prioritization Criteria.** - The Department shall coordinate
24 with the LGUs and the resident farmers and fisherfolk to identify priority locations of farm-to-
25 market roads that take into account the number of farmers and fisherfolk and their families who

shall benefit therefrom and the amount, kind, and importance of agricultural and fisheries products produced in the area.

The prioritization of FMRs shall be based on the following criteria:

- (a) Agro-industrial potential of the area;
- (b) Socio-economic contributions of the investments in the area;
- (c) Absence of public investments in the area; and
- (d) Presence of agrarian reform beneficiaries and other small farmers and fisher folk in the area.

Farm-to-market road investments shall give preference to the kind, type, and design of facilities that are cost-effective and will be useful for the production, conservation, and distribution of most commodities and should benefit the most number of agriculture and fisheries producers and processors.

Sec. 9. Management Information System. - The existing Agricultural and Biosystems Engineering Management Information System (ABEMIS) shall be strengthened to monitor the project implementation of FMRs which include the following:

- a) pre-implementation activity such as survey, detailed engineering design, a program of work, right-of-way acquisition, feasibility study;
- b) procurement;
- c) progress construction monitoring;
- d) operation and maintenance audit; and
- e) completed inventory list.

SEC. 10. Design and Construction Standards. – All FMRs to be implemented shall conform to the existing, developed, and adopted design and construction standards by the DA and DPWH, PNS/PABES, and other relevant standards.

SEC. 11. FMR Monitoring and Evaluation. - All procuring entities implementing FMR projects shall require the evaluation of the performance of their constructors following the NEDA-approved Constructors Performance Evaluation System (CPES) Guidelines to ensure conformance to the specified requirements. The funding/implementing agency's CPES-Implementing Unit shall be responsible for the implementation of CPES Implementing Guidelines and the conduct of CPES methodology for their ongoing FMR projects. The BAFE shall likewise undertake the monitoring and evaluation of FMRs.

SEC. 12. Research and Development for FMRs. - The DA-BAFE shall formulate a Research and Development Agenda for Agricultural Infrastructure Program encompassing among others the following thematic areas:

- a) Periodic preparation of a National Research, Development & Engineering (RD&E) Agenda for Agricultural Infrastructure aligned to formulated commodity roadmaps and the national development plans;
- b) Formulation of locally applicable measurement and monitoring tools for improving Accessibility, Road Influence Area Estimation among others;
- c) Conduct of National Impact Assessment/Evaluation on FMR contribution to agricultural potential, productivity, and competitiveness by 2020;
- d) FMR Road Condition Survey nationwide;
- e) Analyze the implication of average daily traffic count in the prioritization and selection of road design for FMR in light of limited & competing needs for government budget;
- f) Identify institutions such as State Universities and Colleges (SUCs), Bureau of Soils and Water Management (BSWM), and National Irrigation Administration (NIA), among others to conduct these R&Ds related to FMR and other agricultural infrastructures.
- g) FMR Road Accessibility Index; and

h) Other aspects and issues on FMR and other agricultural infrastructures in relation to economic development; and

The DA-Bureau of Agricultural Research shall integrate the identified researchable themes in its plans and programs and shall allocate a portion from its yearly R&D budget to implement this provision in addition to the available funds provided in Section 24 of this Act.

SEC. 13. Human Resource Development. - The DA through BAFE in collaboration with Technical Education and Skills Development Authority (TESDA), Commission on Higher Education (CHED), and other concerned government agencies shall formulate and implement a Human Resource Development Program to support the FMRDP. This includes the conduct of training and other capacity development activities for agricultural and biosystems engineers, construction workers, barangay Local Government Units (LGUs) for the maintenance of FMRs, and other FMR workforce.

The DA and the Department of Public Works and Highways (DPWH) shall provide the necessary skills and capacity development to all agencies implementing FMR including the LGUs in the preparation of engineering designs, plans, specifications, project studies, feasibility studies, and estimates, and the supervision, and management and monitoring of the construction. The Department of Labor and Employment (DOLE), through the Occupational Safety and Health Center, shall maintain and monitor the implementation of occupational safety and health standards on the construction site.

SEC. 14. Climate Smart FMRs. – Climate-Smart FMRs shall be pursued through the provision of slope protection structures using coco net or bioengineering technologies and the integration of polymer-based soil stabilizers, as necessary in the detailed engineering design of FMRs, which will ensure compactness and stability of sub-base/base course.

SEC. 15. Roles and Responsibilities of the Local Government Units. - The Local Government Units shall have the following roles and responsibilities:

- 1 a) Identify proposed FMR project sites in coordination and consultation with farmers’
2 organizations and other stakeholders.
- 3 b) Ensure the settlement of road right-of-way for the FMR projects submitted to the DA.
- 4 c) Through its Agricultural and Biosystems Engineering Office at the provincial, city, and
5 municipal levels, assist the BAFE and Regional Agricultural Engineering Division (RAED) of
6 their respective region on the:
- 7 1. Site survey and staking to ensure participatory validation and concurrence;
8 2. Monitoring of completed FMRs;
9 3. Establishment and updating of the FMR database in the ABEMIS;
10 4. Preparation and updating of provincial, city, and municipal FMRNP which shall form
11 part of the LGUs Local Roads Network Development Plans (LRNDP) and share their
12 respective shape file (.shp) and KMZ file (.kmz) to BAFE; and
13 5. Conduct joint inspections with RAED and DPWH District Offices to ensure the full
14 delivery of the items/works specified in the contract and assess the status and condition of the
15 road; and
16 6. Assist in the preparation of requirements prior to and after the site validation.
- 17 d) Ensure that the proposed FMR projects are included in the Local Development
18 Investment Plan (LDIP) or Local Agriculture and Fisheries Modernization Plan (AFMP) or
19 Provincial Commodity Investment Plan (PCIP).
- 20 e) Responsible for repair and maintenance of FMRs, as provided under Section 16 of this
21 Act.

22 **SEC. 16. Right of Way and Road Maintenance.** - All right-of-way issues including
23 the payment of just compensation to property owners shall be adequately addressed and settled
24 by the concerned Local Government Unit (LGU) where the road project is located and the
25 applicable provisions of the amended Road Right of Way Act and other relevant laws.

1 The LGU shall be responsible for the maintenance of farm-to-market roads upon its
2 completion and turn-over. Furthermore, the LGUs are hereby authorized to allocate not more
3 than 20% from their Development Fund for the maintenance of the FMRs within their territorial
4 jurisdiction.

5 **SEC. 17. Incentive for Road Right of Way Lot Donors.** - Lot donors of Farm-to-
6 Market Road projects throughout the country including those that are not yet perfectly
7 segregated from the title or tax declaration of lot owners for earlier FMR projects funded by
8 the government which has a duly notarized deed of donation are hereby entitled to a 20-year
9 real property tax payment holiday to the specific lot parcel where the FMR right of way is
10 constructed as a form of incentives. The DA, Department of Interior and Local Government
11 (DILG), and Department of Finance (DOF) are hereby authorized to issue the corresponding
12 implementing rules and regulations of this provision.

13 The pertinent provisions of Republic Act 10023, such other laws and implementing
14 guidelines issued to govern the issuance of special and free patents in favor of the Philippine
15 government, its branches, and instrumentalities, to lot parcels used and intended for
16 government projects, are hereby incorporated in this Act.

17 **SEC. 18. Incentives for private sector participation in FMRDP.** - The applicable
18 provisions of RA 7718 (amended Philippine Build Operate Transfer—BOT—Law) are hereby
19 incorporated specifically the inclusion of farm-to-market road among the eligible projects
20 covered by this law and the corresponding incentives and modalities appropriate thereto.

21 **SEC. 19. Inclusion of Farm-to-Market Roads in the Philippine Road Network**
22 **Classification System.** – The DPWH, DILG, and the Local Government Units are hereby
23 mandated to include farm-to-market roads as a distinct and separate class from barangay roads
24 in the Philippine Road network classification system. Towards this end, the concerned LGUs

shall designate the FMRs within their respective jurisdiction and incorporate them in the updating of their Local Road Network Development Plan.

SEC. 20. Appropriations. – Annual appropriations for the Program shall include the amounts necessary to support and administer the implementation requirements of all farm-to-market road infrastructure projects included in the Plan.

The Program shall be allocated at least Php 20 billion per year under the General Appropriations Act (GAA). Additional funds over and above the regular yearly budget of the Department shall be sourced from:

- a) not less than 10% of the project cost from the development fund of LGUs as their counterpart;
- b) 30% of the 80% Special Road Support Fund collected under Republic Act 8794 (Motor Vehicle User Charge Law);
- c) 20% of the 80% remaining balance of incremental revenue derived from RA 10351 (Restructuring the Excise Tax Rate for Cigars, Cigarette, and Alcoholic Beverages) and its amendments;
- d) 50% of the collected penalties imposed by Agri-Agra Law;
- e) 20% of the interest and other earnings of the Coconut Levy Fund to be allocated to coconut-producing areas certified by the Philippine Coconut Authority;
- f) Official Development Assistance (ODA) and such other sources as may be determined by the national government and Local Government Units upon effectivity of this Act.

Provided, and that such allocation for the balance appropriation thereafter shall be determined by Congress upon the recommendation of the Secretary of the Department of Agriculture and the Department of Budget and Management.

Provided further, that the appropriations to implement this Act shall be integrated into the Department of Agriculture budget every fiscal year. An amount not exceeding 10% of the

1 annual allocation shall be earmarked for administrative expenses, developmental activities, and
2 capital outlays to be managed by the DA-BAFE for the administrative, overhead, research and
3 development, and capital expenses to implement the purposes of this Act.

4 **SEC. 21. Equitable Allocation of FMR Projects.** – Notwithstanding any provision of
5 the law to the contrary, the appropriations for farm-to-market road projects shall be allocated
6 among provinces and municipalities in the following manner:

7 (a) Thirty percent (30%) of the farm-to-market road appropriations to be allocated for
8 provinces; and

9 (b) Seventy percent (70%) of the farm-to-market road appropriations to be allocated for
10 municipalities:

11 Provided, that the share of each province and municipality shall be determined based on the
12 following formula:

13 (a) Twenty-five percent (25%) of farm-to-market road appropriations to be allocated pro-rata
14 according to the population of the province or municipality in relation to the total population
15 of the country;

16 (b) Fifty percent (50%) of farm-to-market road appropriations to be allocated pro-rata
17 according to the land area of the province or municipality in relation to the total land area of
18 the country; and

19 (c) Twenty-five percent (25%) of farm-to-market road appropriations are to be allocated
20 equally among the provinces or municipalities.

21 **SEC. 22. Congressional Oversight Committee.** - There is hereby created a
22 Congressional Oversight Committee to monitor and oversee the implementation of the
23 provisions of this Act. It shall be under the auspices of the Congressional Oversight Committee
24 on Agricultural and Fisheries Modernization.

SEC. 23. Periodic Review. - The Congressional Oversight Committee shall conduct a periodic review of the implementation of this Act every fifth year from its effectivity. The periodic review shall cover a systematic evaluation of the accomplishments and impact of this Act, the performance and organizational structure of its implementing agencies, and other funding sources for purposes of determining remedial legislation to fully carry out the intent of this Act.

SEC. 24. Implementing Rules and Regulations. - The Secretary of Agriculture shall issue rules and regulations as he or she may deem necessary for the implementation of this Act.

SEC. 25. Penal Provision. - Violation of any provision of this Act is hereby declared a criminal offense. Any individual or juridical entity in the private sector or government service who caused or was involved in any violation of this Act shall be imposed with a penalty of One Hundred Thousand Pesos (Php 100,000.00) and imprisonment per offense as may be determined by a court of competent jurisdiction.

SEC. 26. Repealing Clause. - All laws, decrees, executive orders, proclamations, rules, and regulations, or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

SEC. 27. Separability Clause. - If any provisions of this Act are held invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SEC. 28. Effectivity. - This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation and shall remain valid and effective up to twenty (20) years thereof.

Approved,