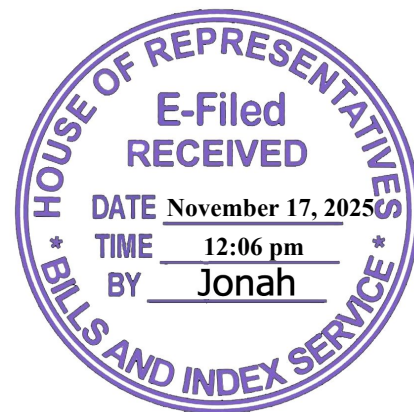




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 6016



Introduced by
REPRESENTATIVE MUNIR N. ARBISON, JR.

**AN ACT AMENDING REPUBLIC ACT NO. 11524, OTHERWISE
KNOWN AS THE "COCONUT FARMERS AND INDUSTRY TRUST
FUND ACT," TO STRENGTHEN ITS IMPLEMENTATION, ALIGN
FUND UTILIZATION WITH INDUSTRY EXPANSION AND FARMER
NEEDS, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

This House Bill proposes amendments to Republic Act No. 11524, known as the "Coconut Farmers and Industry Trust Fund Act," to strengthen its implementation and ensure the strategic utilization of the Trust Fund.

Since its enactment, the implementation of the law has revealed institutional constraints leading to the inability of certain agencies to fully utilize their fixed-percentage allocations due to factors such as procurement bottlenecks or limited absorptive capacity. Concurrently, other technically sound and approved proposals aligned with the Coconut Farmers and Industry Development Plan (CFIDP) remain unfunded because their statutory caps have been reached.

To address this imbalance and ensure that public funds are directed to programs that are ready and relevant, this Bill introduces the following crucial amendments:

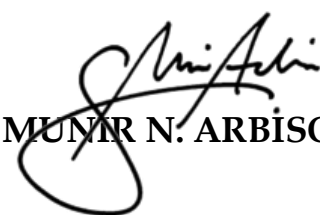
1. **Fund Reallocation Mechanism:** It institutes a limited corrective mechanism allowing the Trust Fund Management Committee (TFMC), in consultation with the Philippine Coconut Authority (PCA), to reallocate unutilized funds in the following fiscal year. This

reallocation prioritizes other implementing agencies named in the Act that have submitted eligible and underfunded proposals.

2. **Strategic Priority for Expansion:** It mandates that the annual disbursement plan must include a strategic program allocation focused on coconut industry expansion, specifically prioritizing nationwide planting and replanting, hybrid seedling propagation, seed farm establishment, and export-oriented enterprise support. This aligns fund use with national efforts to increase coconut productivity and export competitiveness.
3. **Institutionalized Farmer Oversight:** It ensures the institutionalization of participation by accredited coconut farmers' organizations in the planning and prioritization of programs, especially planting and replanting initiatives, and in identifying community-based project sites.

In summary, this measure seeks to unblock legislative bottlenecks, improve the absorptive capacity of the overall program, and reinforce the national objective of accelerating coconut industry modernization. It safeguards the intent of the law and unlocks the full potential for the benefit of smallholder coconut farmers.

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



MUNIR N. ARBISON, JR.



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

SECTION 1. Section 2 of Republic Act No. 11524 is hereby amended to read
as follows:

"SEC. 2. Declaration of Policy. — It is hereby declared the policy of the State to consolidate and manage the coconut levy assets for the ultimate benefit of coconut farmers and the development of the coconut industry, and to use the fund for the rehabilitation and modernization of the industry, increased coconut productivity and income, poverty alleviation, and social equity.

**IT IS LIKEWISE THE POLICY OF THE STATE TO
ENSURE THAT FUND UTILIZATION UNDER THIS ACT IS
STRATEGIC, RESPONSIVE TO THE NEEDS OF COCONUT
FARMERS, AND SUPPORTIVE OF NATIONAL GOALS FOR
INDUSTRY EXPANSION, RURAL DEVELOPMENT, AND
AGRICULTURAL EXPORT GROWTH."**

SEC. 2. Section 4 of Republic Act No. 11524 is hereby amended to read as follows:

“SEC. 4. Objectives. — The Coconut Farmers and Industry Development Plan shall be formulated to accomplish the following objectives:

(a) Increase the income and productivity of coconut farmers; (b) Promote poverty alleviation, education, and social equity; (c) Modernize and industrialize the coconut industry; (d) Ensure sustainable and equitable development of coconut-based enterprises; (e) Provide support to coconut farmers, farm workers, and their families, including through emergency support; and **(f) INSTITUTIONALIZE AND IMPLEMENT A NATIONWIDE COCONUT PLANTING AND REPLANTING PROGRAM, INCLUDING THE ESTABLISHMENT AND EXPANSION OF SEED FARMS AND NURSERIES, THE PRODUCTION AND DISTRIBUTION OF HIGH-YIELDING AND HYBRID COCONUT SEEDLINGS, AND THE PROVISION OF TECHNICAL AND LOGISTICAL SUPPORT FOR COCONUT REHABILITATION.”**

SEC. 3. Section 8 of Republic Act No. 11524 is hereby amended by inserting a new paragraph after the second paragraph, to read as follow:

“SEC. 8. Trust Fund Management Committee. — The Trust Fund Management Committee shall be composed of the Secretary of Finance as Chairperson, the Secretary of Budget and Management as Vice Chairperson, and the Secretary of Agriculture as member.

The Committee shall approve disbursements from the Trust Fund only in accordance with the Coconut Farmers and Industry Development Plan, as prepared, approved, and validated in accordance with Sections 3 and 6 of this Act.

THE TRUST FUND MANAGEMENT COMMITTEE SHALL ENSURE THE PRIORITIZATION AND INCLUSION IN EACH YEAR’S DISBURSEMENT PLAN OF A STRATEGIC PROGRAM ALLOCATION FOR COCONUT INDUSTRY EXPANSION, FOCUSING ON NATIONWIDE PLANTING AND REPLANTING, HYBRID SEEDLING PROPAGATION,

SEED FARM ESTABLISHMENT, AND EXPORT-ORIENTED ENTERPRISE SUPPORT. THE COMMITTEE SHALL COORDINATE CLOSELY WITH THE PHILIPPINE COCONUT AUTHORITY IN DETERMINING THESE PRIORITIES BASED ON THE TARGETS OF THE COCONUT FARMERS AND INDUSTRY DEVELOPMENT PLAN.”

SEC. 4. Section 9 of Republic Act No. 11524 is hereby amended by inserting a new paragraph after the second paragraph, to read as follows:

“SEC. 9. Allocation and Use of the Trust Fund. — The utilization of the Trust Fund shall be in accordance with the Coconut Farmers and Industry Development Plan. The initial allocation from the Trust Fund shall be utilized as follows:

(a) Fifteen percent (15%) for the planting and replanting of hybrid coconut seedlings by the Philippine Coconut Authority (PCA); (b) Five percent (5%) for the training of coconut farmers and their families as listed in the Coconut Farmers Registry in farm schools through the Technical Education and Skills Development Authority (TESDA) and Agricultural Training Institute (ATI); (c) Five percent (5%) for research and development by the Department of Science and Technology – Philippine Council for Agriculture, Aquatic and Natural Resources Research and Development (DOST-PCAARRD), PCA, and the Department of Agriculture – Bureau of Agricultural Research (DA-BAR); (d) Ten percent (10%) for crop insurance through the Philippine Crop Insurance Corporation (PCIC); (e) Ten percent (10%) for farm-to-market roads through the Department of Public Works and Highways (DPWH); (f) Five percent (5%) for scholarships for farmers and their families through the Commission on Higher Education (CHED); (g) Five percent (5%) for health and medical programs for farmers and their families through the Department of Health (DOH); (h) Five percent (5%) for credit programs through the Development Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP); and (i) Thirty percent (30%) for shared facilities programs through the PCA.

DURING THE YEAR, IF ANY OF THE IMPLEMENTING AGENCIES IDENTIFIED IN THIS SECTION IS UNABLE TO UTILIZE OR OBLIGATE ITS PROGRAMMED ALLOCATION

WITHIN A REASONABLE PERIOD, THE TRUST FUND MANAGEMENT COMMITTEE MAY, IN CONSULTATION WITH THE PHILIPPINE COCONUT AUTHORITY, REALLOCATE SUCH UNUTILIZED FUNDS IN THE NEXT FISCAL YEAR TO OTHER PROGRAMS AND PROJECTS CONSISTENT WITH THE OBJECTIVES OF THE COCONUT FARMERS AND INDUSTRY DEVELOPMENT PLAN. IN SUCH CASES, PRIORITY SHALL BE GIVEN TO OTHER IMPLEMENTING AGENCIES ALSO IDENTIFIED UNDER THIS ACT THAT HAVE SUBMITTED QUALIFIED BUT UNFUNDED OR UNDERFUNDED PROPOSALS DUE TO LIMITED INITIAL ALLOCATIONS."

SEC. 5. A new section is hereby inserted after Section 11 of Republic Act No. 11524 to read as follows:

"SEC. 11-A. INTER-AGENCY IMPLEMENTATION. – THE PHILIPPINE COCONUT AUTHORITY, IN COORDINATION WITH THE DEPARTMENT OF AGRICULTURE, THE DEPARTMENT OF TRADE AND INDUSTRY, AND LOCAL GOVERNMENT UNITS IN COCONUT-PRODUCING AREAS, SHALL IMPLEMENT THE COCONUT PLANTING AND REPLANTING PROGRAM AND RELATED SUPPORT PROGRAMS UNDER THIS ACT.

THE IMPLEMENTING AGENCIES SHALL ENSURE THE ESTABLISHMENT AND OPERATION OF SEED FARMS AND NURSERIES, THE TIMELY PROCUREMENT AND DISTRIBUTION OF HYBRID SEEDLINGS, AND THE PROMOTION OF VALUE-ADDED AND EXPORT-ORIENTED COCONUT PRODUCTS.

AN ANNUAL IMPLEMENTATION REPORT SHALL BE SUBMITTED TO THE TRUST FUND MANAGEMENT COMMITTEE AND TO CONGRESS, INDICATING PLANTING PERFORMANCE, FUND UTILIZATION, AND MEASURABLE FARMER OUTCOMES."

SEC. 6. Section 15 of Republic Act No. 11524 is hereby amended to read as follows:

“SEC. 15. Participation of Coconut Farmers. – Recognized and accredited coconut farmers' organizations shall be consulted in the formulation and updating of the Coconut Farmers and Industry Development Plan and shall be represented in the monitoring of implementation.

THEIR PARTICIPATION SHALL BE INSTITUTIONALIZED IN THE PLANNING AND PRIORITIZATION OF PROGRAMS FUNDED UNDER THIS ACT, PARTICULARLY IN PLANTING AND REPLANTING INITIATIVES, AND IN THE IDENTIFICATION OF COMMUNITY-BASED PROJECT SITES AND RECIPIENTS.”

SEC. 7. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Trust Fund Management Committee shall promulgate the implementing rules and regulations necessary for the implementation of this Act.

SEC. 8. *Separability Clause.* – If any provision of this Act is declared unconstitutional or invalid, the remainder shall not be affected and shall remain in full force and effect.

SEC. 9. *Repealing Clause.* – All laws, executive orders, rules and regulations, or parts thereof, inconsistent herewith are hereby repealed, amended or modified accordingly.

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

Approved,