

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

TWENTIETH CONGRESS
Second Regular Session

House Bill No. **10102**



Introduced by **Representative JEFFREY SORIANO**

EXPLANATORY NOTE

This bill seeks to strengthen rural communities through a Rural Development National Framework. This entails fortifying livelihood opportunities, improving access to financial services, and enhancing rural infrastructure. The proposed measure aims to reduce rural poverty, improve economic productivity, and ensure that the benefits of national growth reach communities that have long remained underserved.

Despite the country's sustained economic growth, many rural communities continue to experience high poverty incidence, limited employment opportunities, inadequate infrastructure, and restricted access to credit, technology, and markets. Farmers, fisherfolk, rural workers, and micro-entrepreneurs often struggle with low productivity, poor farm-to-market connectivity, limited value-adding opportunities, and increasing vulnerability to climate change and natural disasters. These longstanding challenges continue to widen the development gap between urban and rural areas and constrain inclusive economic growth.

This measure adopts a comprehensive approach to rural development by strengthening livelihood generation, expanding access to affordable financial services, and improving rural infrastructure. It also promotes entrepreneurship, value chain development, and the enhancement of technical and digital skills to improve rural productivity and competitiveness. Moreover, it empowers local government units, cooperatives, and community organizations to actively participate in the planning, implementation, and monitoring of development programs.

Rural development is fundamental to achieving food security, reducing inequality, generating employment, and promoting balanced national development. Investing in our rural communities goes far beyond an investment in agriculture. This move means our nation's long-term economic resilience and inclusive growth are being prioritized.

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


HON. JEFFREY SORIANO

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AN ACT
PROMOTING INCLUSIVE AND SUSTAINABLE RURAL DEVELOPMENT AND
LIVELIHOOD ENHANCEMENT IN THE PHILIPPINES, PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES

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

Section 1. *Short Title.* – This Act shall be known as the “*Rural Development and Livelihood Enhancement Act*”.

SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to foster inclusive and sustainable economic growth in rural areas of the Philippines by creating and strengthening opportunities for livelihood, improving access to essential services, and empowering rural communities. The State recognizes the vital role of rural areas in national development and commits to uplifting the socio-economic conditions of rural populations, reducing poverty incidence, and bridging the development gap between urban and rural areas, ensuring that the benefits of national growth are equitably distributed.

SEC. 3. *Objectives.* – This Act shall specifically seek to:

- a. Establish and expand programs that provide diverse and sustainable income-generating activities for rural residents, particularly those in poverty-stricken areas, including support for agriculture, fisheries, agri-tourism, micro-enterprises, and small and medium-sized enterprises (MSMEs);
- b. Enhance the availability of affordable credit, microfinance, and other financial products tailored to the needs of rural communities, farmers, fisherfolk, and small entrepreneurs, thereby stimulating economic activity;
- c. Provide relevant training, technical assistance, and capacity-building programs that equip rural residents with the necessary skills for entrepreneurship, modern agricultural practices, new technologies, and access to better employment opportunities;

d. Support the construction and improvement of essential infrastructure in rural areas, such as farm-to-market roads (FMR), irrigation systems, post-harvest facilities, and communication networks, which are crucial for economic development and connectivity;

e. Encourage the development of robust value chains in agriculture and other rural industries to ensure that producers gain better access to markets, fair prices for their products, and opportunities for value-added processing;

f. Foster community participation and self-reliance by strengthening local organizations, cooperatives, and associations, enabling them to actively engage in planning, implementing, and monitoring rural development initiatives; and

g. Uplift the socio-economic conditions of rural populations, reduce poverty incidence, bridging the development gap between urban and rural areas to ensure that the benefits of national growth are equitably distributed.

SEC. 4. *Definition of Terms.* – As used in this Act:

a. Community empowerment refers to the process by which communities gain increased control over their lives and environment, and actively participate in decision-making processes affecting their development;

b. Micro-enterprises refers to business activities with assets of not more than Three million pesos (Php 3,000,000.00).

c. Rural Areas refer to geographically isolated and disadvantaged areas, and other communities outside of highly urbanized cities, primarily dependent on agriculture, fisheries, or other natural resource-based industries;

d. Small and Medium-sized Enterprises (MSMEs) refer to enterprises with assets of more than Three million pesos (Php 3,000,000.00) up to One Hundred million pesos (Php 100,000,000.00);

e. Sustainable Livelihood refers to income-generating activities that are environmentally sound, socially equitable, and economically viable in the long term; and

f. Value Chain refers to the full range of activities required to bring a product or service from conception to delivery to final consumers, including production, processing, marketing, and distribution.

SEC. 5. *Creation of the Rural Development and Livelihood Enhancement Council.* – There is hereby created a Rural Development and Livelihood Enhancement Council, hereinafter referred to as the “Council”, which shall be the primary coordinating and policy-making body for the implementation of this Act. The Council shall be composed of:

a. The Secretary of the Department of Agriculture (DA) as Chairperson;

- b. The Secretary of the Department of Trade and Industry (DTI) as Co-Chairperson;
- c. The Secretary of the Department of Social Welfare and Development (DSWD);
- d. The Secretary of the Department of Public Works and Highways (DPWH);
- e. The Secretary of the Department of Information and Communications Technology (DICT);
- f. The Secretary of the Department of Finance (DOF);
- g. The Director-General of the Department of Economy, Planning, and Development (DEPDev);
- h. The Chairperson of the Cooperative Development Authority (CDA);
- i. One (1) representative from the private sector involved in agriculture or rural development; and
- j. One (1) representative from a recognized national organization of farmers and fisherfolk.

The Council shall formulate a comprehensive National Rural Development and Livelihood Enhancement Plan, monitor its implementation, and recommend policies and programs to achieve the objectives of this Act.

SEC. 6. *Sustainable Livelihood Opportunities Program.* – The DA, in coordination with the DTI, DSWD, and other relevant agencies, shall establish and expand programs for sustainable livelihood generation in rural areas. These programs shall include, but not be limited to:

- a. Provision of start-up capital and equipment for micro-enterprises and MSMEs;
- b. Support for diversified farming systems, organic agriculture, and climate-resilient agricultural practices;
- c. Development of community-based agri-tourism initiatives;
- d. Promotion of sustainable aquaculture and fisheries; and
- e. Facilitation of access to raw materials, technology, and market linkages for rural products.

SEC. 7. *Improved Access to Financial Services.* – The Bangko Sentral ng Pilipinas (BSP), in coordination with the Department of Finance (DOF), shall develop and implement policies to enhance the availability of affordable and accessible financial

services in rural areas. These shall include, but not be limited to:

- a. Encouraging the establishment of rural banks, cooperative banks, and microfinance institutions;
- b. Promoting innovative financial products such as agricultural insurance, crop loans, and flexible repayment schemes;
- c. Facilitating the digitalization of financial services in rural communities; and
- d. Providing financial literacy programs for rural residents.

SEC. 8. *Capacity Building and Skills Development.* – The Technical Education and Skills Development Authority (TESDA), in coordination with the DA, DTI, and other relevant agencies, shall design and implement skills development and capacity-building programs tailored to the needs of rural communities. These programs shall focus on:

- a. Modern agricultural and fishing techniques;
- b. Entrepreneurship and business management;
- c. Digital literacy and e-commerce;
- d. Vocational and technical skills relevant to emerging rural industries; and
- e. Value-adding and processing of agricultural and fishery products.

SEC. 9. *Rural Infrastructure Development.* – The DPWH, in coordination with the DA, Department of Transportation (DOTr), and other relevant agencies, shall prioritize the development and improvement of essential rural infrastructure. These shall include, but not be limited to:

- a. Construction and rehabilitation of FMRs;
- b. Development and maintenance of irrigation systems;
- c. Establishment of post-harvest facilities, cold storage, and processing centers; and
- d. Expansion of communication networks, including internet connectivity, in remote areas.

SEC. 10. *Value Chain Development.* – The DTI, in coordination with the DA and other relevant agencies, shall lead efforts in developing robust value chains for key agricultural and rural products. These shall involve:

- a. Facilitating market access for rural producers through trade fairs, online platforms, and direct linkages with buyers;

- b. Promoting product standardization, quality control, and branding;
- c. Encouraging investments in value-added processing and manufacturing in rural areas; and
- d. Strengthening partnerships between producers, processors, distributors, and consumers.

SEC. 11. *Community Empowerment and Participation.* – The Department of the Interior and Local Government (DILG), in coordination with the CDA and DSWD, shall strengthen the capacity of local government units (LGUs) and rural communities to actively participate in rural development initiatives. It shall include:

- a. Providing technical assistance to LGUs in developing and implementing their local rural development plans;
- b. Promoting the formation and strengthening of cooperatives, associations, and other community-based organizations; and
- c. Ensuring meaningful consultation and participation of rural communities in the planning, implementation, and monitoring of projects under this Act.

SEC. 12. *Funding.* – The amount necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act. The Council may also seek and receive grants, donations, and other forms of assistance from local and international sources, subject to existing laws and regulations.

SEC. 13. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Rural Development and Livelihood Enhancement Council, in consultation with relevant government agencies, LGUs, and stakeholders, shall formulate the necessary rules and regulations for the effective implementation of this Act.

SEC. 14. *Separability Clause.* – If any portion or provision of this Act is declared invalid or unconstitutional, other provisions hereof shall remain in full force and effect.

SEC. 15. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

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

Approved,