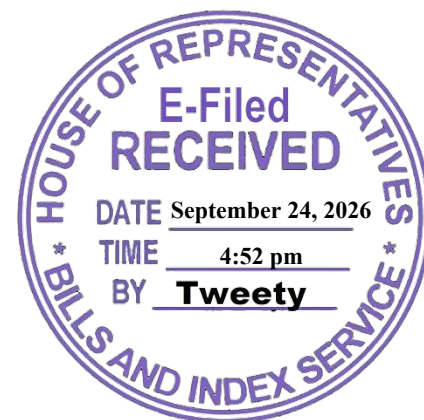


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

TWENTIETH CONGRESS
Second Regular Session

House Bill No. **11475**



Introduced by **HON. NICANOR M. BRIONES**
Representative, AGAP Party List

EXPLANATORY NOTE

Since its enactment in 2021, Republic Act No. 11524 or the Coconut Farmers and Industry Trust Fund Act, has been regarded as the much-awaited hope for the coconut industry. With over 3.5 million coconut farmers in the Philippines and 14.5 million metric tons of coconuts produced in 2025, we are recognized as the second-largest coconut producer in the world. As such, it is imperative upon the government that we continue to improve and develop this industry.

The Coconut Farmers and Industry Trust Fund (CFITF) established pursuant to RA 11524, aims to boost the coconut industry through programs geared towards development and sustainability. However, coconut farmers have yet to experience the benefits of the programs under this law as much of the fund remains unused. President Marcos himself sought for the amendment of the law in order to facilitate faster utilization and disbursement of the funds and ensure effective and responsive programs for the industry.

This bill is thus filed to address these issues and strengthen its implementation. The bill provides for the creation of the Coconut Farmers and Industry Development Plan and identified the programs where the CFITF will be utilized. This includes the massive coconut planting, fertilization, and irrigation which ensures continuous planting of coconut trees to sustain production. This bill also includes the Philippine Coconut Authority as part of the Trust Fund Management Committee to ensure that funds are properly managed to fund relevant programs for coconut farmers.

Through this bill, it is hoped that the CFITF will be efficiently and effectively utilized to support the industry and adequately address their needs. The passage of this bill is thus earnestly sought.



NICANOR M. BRIONES
Representative
AGAP Partylist

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AN ACT
STRENGTHENING THE IMPLEMENTATION, MANAGEMENT, AND
UTILIZATION OF THE COCONUT FARMERS AND INDUSTRY TRUST
FUND, AMENDING FOR THE PURPOSE CERTAIN SECTIONS OF
REPUBLIC ACT NO. 11524, OTHERWISE KNOWN AS THE COCONUT
FARMERS AND INDUSTRY TRUST FUND ACT

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

SECTION 1. Section 3 (a) of Republic Act 11524, also known as “The Coconut Farmers and Industry Trust Fund Act, is hereby amended, and a new sub-item (e) is added, to read as follows:

“Section 3. Definition of Terms. - As used in this Act:

(a) Coconut Farmer shall refer to:

- (1) An owner of a coconut farm who:
 - (i) Tills the land (owner-cultivation); or
 - (ii) Does not till the land, but has control and supervision over the cultivation of the coconut farm;
- (2) A leaseholder or tenant who tills or supervises the cultivation of the coconut farm; or

x x x

Provided That, for purposes of programs and benefits under this Act, the maximum benefit that may be derived by a coconut farmer shall be equivalent to the services for up to five (5) hectares of landholding, regardless of the actual size of the farm, with priority given to smallholders.

x x x

(e) Comprehensive Insurance refers to yield insurance, crop insurance, and term insurance, and other forms of insurance that may be available.”

SEC. 2. Section 4 of Republic Act 11524, is hereby amended to read as follows:

“Section 4. *Preparation of the Coconut Farmers and Industry Development Plan.* – The Coconut Farmers and Industry Development Plan (Plan) shall be formulated, to be facilitated by Philippine Coconut Authority (PCA), in coordination with relevant government agencies and industry stakeholders, and shall be submitted to the President of the Philippines for approval. The utilization of the Trust Fund created under this Act, or any portion thereof, shall be in accordance with the Plan, subject to such adjustments as the PCA may deem necessary to address agency absorptive capacities, needs of coconut farmers and the industry.

In the performance of this mandate, the PCA shall ensure participatory consultation with coconut farmers and their organizations, industry associations, civil society organizations, the academe, relevant government agencies, and other stakeholders in the coconut industry, to guarantee that the Plan reflects the needs of its intended beneficiaries.

The Plan shall establish the long-term vision, goals, policies, and strategies for the development, rehabilitation, and modernization of the coconut industry over a period of fifty (50) years and shall include mechanisms for periodic review and updating to respond to emerging challenges and opportunities.

x x x

The Plan shall include a national program for:

- (a) Increased coconut productivity and sustainability thru massive coconut planting and replanting, fertilization and coconut farm irrigation;
- (b) Community-based enterprises, including integrated processing of products and downstream products, intended to increase incomes of coconut farmers;
- (c) Social protection that directly benefits coconut farmers, farm workers, and their families, taking into consideration existing social protection programs of the government; and
- (d) Innovative research projects and their practical application on coconut processing, production and

distribution towards developing the local coconut industry.

x x x

The Plan shall utilize the annual allocation from the Trust Fund to priority programs that directly uplift the welfare and income of coconut farmers and their families, and the sustainability of the coconut industry, including but not limited to the following:

- (a) Massive coconut planting, coconut fertilization, and coconut farm irrigation;
- (b) Development of hybrid coconut seed farms, nursery for planting and replanting, and research;
- (c) Training for farmers and their families, as listed in the Coconut Registry, shall be conducted through Technical-Vocational Institutions, farm schools, and other accredited or recognized agricultural training sites, and shall cover coconut production and processing technologies, value addition, diversified and sustainable farming systems, financial literacy, and farm business management, including suitable intercropping or integrated enterprises in coconut-based farming systems and other appropriate crops or livelihood activities that optimize land use and enhance income opportunities;
- (d) Research, marketing, and promotion;
- (e) Comprehensive Crop Insurance;
- (f) Farm improvements through diversification and/or intercropping;
- (g) Shared facilities for processing for coconut farmer cooperatives, in its absence, to the local government units (LGUs) of identified coconut producing towns;
- (h) Organizing and empowerment of coconut farmers and their organizations through facilitating their membership in existing coconut farmer cooperatives or assisting in the organization and registration of their own cooperatives, including the provision of related institutional and entrepreneurial strengthening support. Relative to this, LGUs shall create local small coconut farmer councils to provide a mechanism for consultation and participation;
- (i) Credit programs;
- (j) Infrastructure development in identified coconut-producing LGUs. The use of coconut coir or coconut bio-engineering solutions shall be prioritized for soil erosion control and slope stabilization in roads and other infrastructure projects, where technically appropriate and consistent with approved engineering standards and site conditions;

- (k) Scholarship program for farmers and their families; and
- (l) Health and medical program for farmers and their families; thereby creating a special unit within PCA for the purpose.

Provided That, 5% of the annual allocation from the Trust Fund shall be set aside as financial assistance to coconut farmers in the event of natural or human-induced disasters, public health emergencies, or other unforeseen circumstances that materially affect coconut farmers and the coconut industry.

The Plan shall be reviewed and updated every five (5) years, taking into account the results of monitoring and evaluation, emerging challenges and opportunities, stakeholders' feedback, and evolving local and global industry conditions, and to evaluate the impact of the programs and projects. In that case, the PCA shall submit to the President a revised Plan with funding requirement or allocation of any or all programs and projects to be funded under the Trust Fund.

Within ninety days (90) days from the effectivity of this Act, the PCA shall prepare a revised Plan which shall be submitted to the President for approval.

The PCA shall facilitate the completion of the Coconut Farmers Registry and conduct an annual verification in partnership with the LGUs and the Department of Agriculture (DA) to ensure its accuracy. Specific criteria for beneficiaries shall be established under the Plan, with priority given to small farm holders.

Before the revised Plan is finalized and submitted to the President for approval, the Department of Budget and Management (DBM), DOF, DTI, DA and the Department of Economy, Planning, and Development (DEPDev) shall provide their advisory opinions on the following matters:

- (a) Whether the Plan is supportive and consistent with socio-economic development plans and oriented towards the achievement of explicit objectives and expected results, to ensure that the utilization of Coconut Levy Fund is conducted effectively;
- (b) Whether the Plan manages Coconut Levy Assets and Funds judiciously and in a manner supportive of development objectives;
- (c) Whether the Plan accelerates and sustains economic growth for the coconut industry; and
- (d) Whether the Plan is programmed within the context of well-formulated and consistent long, medium and short-

term development plans and policies that will promote both the growth of the economy and the equitable distribution of the benefits of said growth to various members of the society.

The PCA shall issue the implementing rules and regulations for the effective implementation of Section 4 of this Act.”

SEC 3. Section 5 of Republic Act 11524 is hereby amended to read as follows:

“SEC 5. *The Philippine Coconut Authority (PCA).* –

x x x

The PCA, as the lead agency, shall strengthen the implementation of the Plan and may propose additional units and plantilla positions necessary for the effective implementation, planning, and monitoring of the programs under the Plan to hasten the development of the coconut industry.

A Program Management Office (PMO) shall be established within the PCA to serve as the central coordinating, planning, monitoring, and oversight unit for the effective and timely implementation of the Plan.

The PCA shall submit a PCA Board-approved organizational strengthening plan and staffing pattern to the Governance Commission for Government-Owned or -Controlled Corporations (GCG) for review and approval: *Provided that*, no transfer, reassignment and other similar movement of PCA personnel, demotion or diminution in rank and salary and other emoluments shall be effected without the consent and approval of the GCG and the DBM. The approved personnel complement of the PCA, including the PMO, shall be provided for in the General Appropriations Act.”

SEC. 4. Section 10 of Republic Act 11524 is hereby amended to read as follows:

“SEC 10. *Creation of a Trust Fund Management Committee.* – There is hereby created a Trust Fund Management Committee (TFMC), which shall be comprised of authorized representatives of the DOF, DBM, Department of Justice (DOJ), PCA, and one representative each from three coconut farmers organizations to be nominated by the sector.

x x x

(j) To withhold the remittance of dividends from the disposition of Coconut Levy Assets, specifically those from GOCCs, if such remittance would adversely affect the valuation or financial viability of the said assets.

(k) In cases where companies holding or controlling Coconut Levy Assets lack duly constituted board of directors or officers, the TFMC shall act as the ex-officio board of such companies, solely for the purposes of implementing the disposition of the assets in accordance with this Act, existing laws, and relevant issuances.

(l) Other guidelines as may be necessary to fulfill its mandate under this Act.

The Secretary of DOF, or his designated alternate, with a rank of Undersecretary, shall serve as the Chair of TFMC, unless otherwise all the members of the TFMC elected a different chair.

The BTr shall act as the TFMC Secretariat and shall maintain records and accounts of all investments, receipts, disbursements, and other transactions relating to the management, administration, and utilization of the Trust Fund: Provided, That these records and accounts shall be maintained in accordance with existing accounting and auditing laws, rules and regulations, and shall be audited by the COA.

For the above purposes, an amount of one-half of one percent of the Trust Fund Principal shall be utilized as Trust Fund Management Expense, which shall be sourced from the Trust Fund. The Trust Fund Management Expense shall answer for all expenses directly incurred in the management of the Trust Fund, including, but not limited to, transaction fees, redemption fees, placement fees, investment fees, transaction costs, and other operating expenses.”

SEC. 5. Section 13 of Republic Act 11524 is hereby amended to read as follows:

“SEC. 13. Disposition of Non-Cash Coconut Levy Assets. - Coconut Levy Assets defined in Section 3 hereof, as a general rule, shall be privatized or disposed subject to the regulatory approvals as required by law. Provided that, assets determined by the TFMC to directly benefit the coconut industry and its beneficiaries, may be acquired or utilized by the National Government for such purpose.

For purposes of this Act, the disposition and privatization shall encompass, where appropriate, the dissolution or sale of Coconut Levy Assets, as well as the acquisition or utilization of such assets by the National Government, if determined to advance the broader interest and long-term development of the coconut industry.

Provided, further, That, the acquisition or utilization of any asset by the National Government shall only be made after the favorable recommendation based on a thorough study conducted by an external, independent organization or research/consulting firm to be procured by the requesting government entity and shall bear the cost thereof, and subject to the approval of the TFMC.

The Non-Cash Coconut Levy Assets shall, upon review and recommendation of the Trust Fund Manager, be assigned by the TFMC to the DDEs for purposes of facilitating their disposition, within one (1) year of the reconveyance of the Asset to the ROP.

The DDE shall be responsible for the disposition of the Asset within a period of ten (10) years from the date of said assignment.

The TFMC may grant an extension to the disposition timeline, provided that such extension is justified in writing by the DDE. Additionally, the TFMC may re-assign an asset to a different DDE for practicality/efficiency purposes.

This Act shall in no case exempt Coconut Levy Assets from the respective jurisdictions of the various applicable regulators, particularly the Governance Commission for Government-owned or controlled Corporations (GCG), the Bangko Sentral ng Pilipinas (BSP), the Philippine Deposit Insurance Corporation (PDIC), and the Insurance Commission (IC)."

SEC. 6. Section 16 of Republic Act 11524 is hereby amended to read as follows:

"SEC. 16. Reporting Requirements. – To ensure transparency, accountability, and public participation in the implementation of the CFIDP, the PCA shall release an annual report on the following information, including but not limited to:

- (a) Annual and quarterly budgets, allocations, and releases;
- (b) Status of project implementation, including physical and financial accomplishments;
- (c) Names of beneficiary cooperatives, organizations, or individuals, subject to applicable data privacy laws; and

- (d) Audit findings, evaluation reports, and other relevant documents.

The TFMC shall, on a semi-annual basis, submit to the President and to the Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFAM) a report on the status of disposition of the Coconut Levy Assets, which shall include, among others, a description of the individual assets disposed of, their purchasers, the consideration received, and the agreed terms of payment.

The DDEs shall, within three (3) months following the closure of books at the end of each fiscal year, submit a comprehensive annual report duly approved or endorsed by the PCA to the President and to the COCAFAM on the status of its privatization efforts and its disposition program for the Coconut Levy Assets, which shall include the items described in the immediately preceding paragraph.

The COCAFAM shall conduct a mandatory review to assess the performance, effectiveness, and continuing relevance of the Fund and its utilization as provided for under this Act every five (5) years.

Based on the results of such review, COCAFAM shall submit its findings and recommendations to the Congress for policy-related consideration and effective fund utilization.”

SEC. 7. A new section to the Republic Act 11524 will be added to read as follows:

Public-Private Partnership (PPP) Arrangements for CFIDP Implementation. To enhance the efficiency, sustainability, and impact of the CFIDP, the PCA, in coordination with the TFMC may enter into Public-Private Partnership (PPP) arrangements with qualified private sector entities for the financing, design, construction, operation, maintenance, or management of programs, projects, and activities under the CFIDP.

Such PPP arrangements shall be governed by the provisions of Republic Act No. 11966, otherwise known as the "Public-Private Partnership (PPP) Code of the Philippines," and its Implementing Rules and Regulations, as may be applicable, and shall be consistent with the objectives and priorities of the CFIDP.

All PPP contracts entered into pursuant to this section shall be subject to review and approval by the appropriate

government bodies as provided under existing laws and regulations.

SEC. 8. *Separability Clause.* – If any provision of this Act shall be held unconstitutional or invalid, the remaining provisions which are not affected thereby shall continue to be in full force and effect.

SEC. 9. *Repealing Clause.* – All other laws, decrees, executive orders, rules, or regulations inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

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

Approved,