

THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUN 30 P5:59

RECEIVED BY: Adel

S E N A T E

S. No. 488

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Introduced by Senator S. R. Osmeña III

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#### EXPLANATORY NOTE

In the year 2003 primary industries, including agriculture, fishery, and forestry, comprised no more than 18.12% of Gross National Product (GNP) in real terms. In contrast, industry accounted for 31.45% of GNP, and the service sector, 42.87%.

In the course of economic development and urbanization, it is natural that agriculture and primary sectors diminish relative to industry and services. However, even in advanced economies, agriculture continues to serve as an important resource base for other sectors, and the momentum of industrial development is often built upon the strength of the primary sectors.

The Philippines is richly endowed in natural resources yielding supplies of primary commodities – copper, zinc, forestry products, plantation crops like coconut, sugar, abaca and tobacco. The vertical integration of these sectors could lead to the production of higher value added products, generating employment for our workforce, and providing a cutting edge in our drive for competitiveness. It is important, however, that the benefits from agri-based industrialization should filter back to rural communities for the sake of efficiency and sustainability. It is important that the vertical integration of our primary industries should be pursued along lines anchored firmly on consensus and community-based management.

The present structure of government intervention, drawn along lines of bureaucratic specialization among executive departments, and with a tendency towards fragmented intervention and divisive policy planning is ill-equipped to achieve vertical integration.

This bill proposes the creation of the Department of Primary Industries which will have the mandate to nurture, shepherd, and champion our primary commodity-based products to success in the world's markets. The Department will have multisectoral coverage, from agriculture and extractive sectors, to industry and the service sectors. Linkages across these sectors are crucial in developing products that our entrepreneurs can offer to the world's competitive markets.

In view of the foregoing, early passage of this bill is earnestly requested.

*S. Osmena III*  
**SERGIO OSMEÑA III**  
Senator

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**AN ACT**  
**CREATING THE DEPARTMENT OF PRIMARY INDUSTRIES, PROVIDING FUNDS**  
**THEREFOR AND FOR OTHER PURPOSES**

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

1        **SECTION 1. Title.** - This Act shall be known as the "Charter of the  
2        **Department of Primary Industries."**

3        **SECTION 2. Declaration of Policy.** - It is hereby declared to be the  
4        policy of the State to promote the sustainable development of its primary  
5        commodities as economically and socially strategic sectors. Commodity  
6        sectors employ a large segment of the population, especially in the rural areas,  
7        and commodity exports and the processed products thereof account for a  
8        sizable proportion of the country's national income and export earnings.  
9        Commodity sectors also have vast potentials for value added products on  
10       which the country's drive for global competitiveness can be securely  
11       anchored. For these reasons, measures aimed at increasing the efficiency,  
12       productivity and competitiveness of the commodity sector will have both a  
13       deep and widespread impact on the economy, on employment, and on  
14       poverty alleviation. In order to pursue the above objectives, the state shall  
15       encourage community responsibility in the management of natural resources,  
16       consolidate and strengthen existing markets for primary commodities and

1 their products, and assist the private sector in penetrating new ones. The  
2 state shall also support the development of various downstream linkages  
3 through infrastructure and technology development. To carry out such a  
4 purpose, and in recognition of the importance of a more effective consensus  
5 mechanism that will integrate the often competing sectoral interests in the  
6 promotion of our industries, the State finds that the establishment of an  
7 executive department is desirable to achieve the best administration of the  
8 development process for the commodity-based primary industries of our  
9 country.

10 **SECTION 3. Definition of Terms.** When used in this Act, unless the  
11 context otherwise requires, the term

12 a) "Commodity Board" shall refer to the agency of the Department of  
13 Primary Industries created under Sec. 8 in relation to a specific  
14 primary industry or class of primary industries, and placed under  
15 the supervision of A commodity Director with the rank of  
16 Department Assistant Secretary.

17 b) "Commodity Fund" shall refer to the Commodity Fund established  
18 in respect to a Commodity Council under Sec.17;

19 c) "Council" shall refer to a commodity council established under Sec.  
20 11;

21 d) "primary industry" shall refer to any field of endeavor whose  
22 objective is (a) the production of agricultural or other primary  
23 produce; or (b) the extraction from the environment of minerals or  
24 substances from which energy is made available; or (c) the  
25 conservation and sustainable use and management of natural  
26 resource.

27 e) "representative organization" means, in relation to a Commodity  
28 Board, an organization declared under Sec. 10 to be a  
29 representative organization in relation to the Commodity Council ;

1 f) ".Selection Committee" shall refer to a selection committee  
2 established under Sec.19 in respect to a Commodity Council ;

3 **SECTION 4. *Establishment of Department.*** - There is hereby  
4 established at the seat of government an executive department to be known as  
5 the Department of Primary Industries.

6 **SECTION 5. *Functions of the Department .*** The Department shall  
7 have the following functions :

- 8 a) to plan and manage the various commodity sectors  
9 b) to maintain a data base on primary commodities  
10 c) to deliberate on international commodity issues and problems  
11 d) to administer the financial and development performance of the  
12 Department and its agencies and instrumentalities; and manage  
13 the operational and current issues in the various commodity sectors  
14 such as coconut, sugar, fiber, fisheries and aquaculture, abaca,  
15 tobacco, copper, etc.

16 **SECTION 6. *Powers of the Department.*** The Department shall have  
17 the power to do all things necessary or convenient to be done for, or in  
18 connection with the performance of its functions. In particular, the Department  
19 may

- 20 a) Adopt, alter, use a corporate seal; to contract, lease, buy, sell,  
21 acquire, own and dispose, movable and immovable as well as personal and  
22 real property of whatever nature (including but not limited to shares of stock or  
23 participation in private corporations or in limited partnerships, or in joint  
24 ventures with limited liability), bonds, precious metals in bullion, ingots, and  
25 easily convertible foreign exchange; to sue and be sued in order to carry out  
26 its duties, responsibilities, privilege, powers and functions as granted and  
27 provided for in this Act, and to exercise the power of eminent domain for public  
28 use and public purpose;

1           b) within the limitation provided by law, raise or borrow adequate and  
2 necessary funds from local or foreign sources to finance its projects and  
3 programs under this Act, and for that purpose to issue bonds, promissory  
4 notes and other forms of securities, and to secure the same by a guarantee,  
5 pledge, mortgage, deed of trust or an assignment of all or part of its property  
6 or assets;

7           c) form, establish organize and maintain subsidiary corporations as its  
8 business and operations may require, whether under the laws of the  
9 Philippines or not;

10          d) issue rules and regulations consistent with the provisions of this Act  
11 as may be necessary to implement and accomplish the purposes, objectives  
12 and policies herein provided; and

13          e) to exercise such powers as may be essential necessary or  
14 incidental to the power granted to it hereunder as well as those that shall  
15 enable it to carry out, implement and accomplish the purposes, objectives  
16 and policies of this Act.

17           **SECTION 7. *Designation, appointment and supervision of Department***

18   *Secretary* - There shall be at the head of the Department a Secretary of  
19 Primary Industries (hereinafter referred to as the "Secretary") who shall be  
20 appointed by the President by and with the advice and consent of Congress.  
21 The Department shall be administered under the supervision and direction of the  
22 Secretary.

23          (a) *General duties of the Secretary.* The Secretary shall, among his  
24 responsibilities, advise the President with respect to government programs and  
25 activities relating to the development of primary commodities and their  
26 respective downstream industries; develop and recommend to the President  
27 policies for fostering the orderly growth and development of the nation's primary  
28 industries; exercise leadership at the direction of the President in coordinating  
29 all government activities affecting the development of primary industries;

1 provide technical assistance and information, including a clearinghouse service  
2 to aid national and local governments, private corporations, cooperatives and  
3 other organizations in developing solutions to the development of primary  
4 industries; consult and cooperate with other government agencies, other  
5 executive departments and local government units, including, when  
6 appropriate, holding informal public hearings, with respect to government  
7 programs for the development of primary industries; encourage comprehensive  
8 planning by national and local governments with a view to coordinating public  
9 and private sector activities and enterprises; encourage private enterprise to  
10 serve as large a part in the country's development programs as it can and  
11 develop the fullest cooperation with *private enterprise in achieving* the objectives  
12 of the Department; and conduct continuing comprehensive studies, and make  
13 available findings, with respect to the development of primary industries.

14 **SECTION 8. *Officers of Department***

15 (a) There shall be in the Department an Undersecretary, and three  
16 Assistant Secretaries, who shall be appointed by the President by and with the  
17 advice and consent of Congress, and who shall perform such functions,  
18 powers and duties as the Secretary shall prescribe from time to time.

19 (b) *Director of Programs. Designation; powers and duties; studies of*  
20 *industrial development problems and recommendations for administration of*  
21 *public programs affecting such problems.* The Undersecretary shall serve as  
22 the Programs Director, who shall be designated by the Secretary. He shall  
23 assist the Secretary in carrying out his responsibilities to the President with  
24 respect to achieving maximum coordination of the programs of the various  
25 departments and agencies of the government which have a major impact on  
26 commodities and resource-based products. In providing such assistance, the  
27 Director shall make such studies of industry problems as the Secretary shall  
28 request, and shall develop recommendations relating to the administration of  
29 the development of primary industries, particularly with respect to achieving

1 effective cooperation among national and local government agencies and  
2 statutory organizations concerned. Subject to the direction of the Secretary,  
3 the Director shall in carrying out his responsibilities, (1) establish and maintain  
4 close liaison with the Executive Departments and local government units,  
5 statutory bodies concerned and other government agencies, and (2) consult  
6 with national, local and regional officials, and consider their recommendations  
7 with respect to such programs.

8 (c) *Commodity Directors.* The Assistant Secretaries shall serve as  
9 Executive Directors who shall head respectively the three Commodity Boards  
10 within the Department: one for Agriculture and Livestock; another for  
11 Fisheries and Aquaculture, and the third for Forestry and Mining. Each  
12 Assistant Secretary shall exercise supervision over the development of the  
13 respective commodities under his jurisdiction, and he/she shall have such  
14 duties and powers as may be prescribed by the Secretary. He/she shall  
15 administer, under the supervision and direction of the Secretary, the  
16 departmental programs relating to the respective commodity markets. The  
17 Secretary shall ensure to the extent practicable that managers of the  
18 Commodity Board programs, at each level of the Department, shall be  
19 accountable for program operation, risk management, management of cash  
20 and other assets, and program financing related to activities over which such  
21 managers have responsibility.

22 **SECTION 9. *Transfer of functions.*** Except as otherwise provided,  
23 there are hereby transferred to and vested in the Secretary all of the functions,  
24 powers and duties of the Philippine Coconut Authority (PCA), the Fiber  
25 Industry Development Authority (FIDA), the National Tobacco Administration,  
26 The Philippine Fisheries Development Authority, the Sugar Regulatory  
27 Administration, the Livestock Development Council, The National Agriculture  
28 and Fishery Council, and of the heads and other officers and offices of said  
29 agencies.



1           **SECTION 10. Representative Organizations** - The Secretary may,  
2 by notice published in the Gazette, declare one or more specified  
3 organizations to be representative organizations in relation to a Commodity  
4 Council. A declaration may be made in respect of a Commodity Council at  
5 any time after the making of regulation under Sec. 9 establishing the Council,  
6 even if the regulations concerned are not in force at that time. The Secretary  
7 must, in relation to each Commodity Council declare at least one organization  
8 to be a representative organization.

9           **SECTION 11. Establishment, functions and powers of Commodity**  
10 *Councils* - Where the regulations declare the establishment of an Commodity  
11 Council in respect of a primary industry or class of primary industries, there  
12 shall be established a Commodity Council, to be known by the name  
13 specified in the regulations.

14           The functions of a Commodity Council are:

15           a) to prepare an industry development plan, and an annual operational  
16 plan subject to approval by the Secretary and for implementation by the  
17 respective Commodity Boards;

18           b) to review and revise the plan;

19           c) to administer the respective Commodity Funds.

20           d) to evaluate, report to the Secretary and to Congress on projects  
21 that are funded

22           e) to facilitate the dissemination adoption and implementation of the  
23 operation plan in relation to the primary industry or class of primary industries  
24 in respect of which the Council was established;

25           f) such other functions as are conferred to the council by this Act or  
26 any other Act

27           **SECTION 12. Powers of the Council** - A commodity council has the  
28 power to do all things that are necessary or convenient to be done for, or in  
29 connection with the performance of its functions.

1           **SECTION 13.** *Constitution and meetings of the Council* - A commodity  
2 council shall meet at least once a month, or as often as deemed necessary. It  
3 shall consist of a Chairperson, a government member, and such number of  
4 other members, not fewer than 3 nor more than 7 as the Secretary determines  
5 in writing, to be appropriate for the Council.

6           **SECTION 14.** *Appointment of Council members* - The members of a  
7 Commodity Council are to be appointed by the Secretary. The Secretary must  
8 not appoint a person as a government member unless he is satisfied that the  
9 person has experience in and knowledge of, government policy processes and  
10 public administration. The nominated members of a Commodity Council are  
11 to be appointed from persons nominated by a selection committee under  
12 Sec. 21.

13           **SECTION 15.** *Commodity Development Plans and Annual Operational*  
14 *Plans* - (a) A Commodity Council must prepare an Commodity Development  
15 Plan, and an annual operational plan that is expressed to relate to the  
16 financial year during which the plan is in force.

17           (b) An annual operation plan is to specify the broad groupings of  
18 activities that the Commodity Council proposes to be funded, wholly or partly  
19 from the Council's Commodity Fund during the financial year; describe how  
20 and to what extent funding those activities will give effect to the Development  
21 plan in force during that financial year; in particular pursue the strategies  
22 outlined in the development plan and help achieve the objectives described in  
23 the plan; and provide an estimate of the total amounts likely to be spent from  
24 the Council's Commodity Fund in respect of each broad grouping of activities  
25 the Council proposes to be funded during the financial year; and the total  
26 amounts that are likely to be paid into the Council's Commodity Fund during  
27 the financial year.

28           (c) A Commodity Council must not submit a Commodity Development  
29 Plan to the Secretary for his approval or request the Secretary's approval to

1 the variation of a Commodity Development Plan unless the Council has at  
2 least one month beforehand, given a copy of the plan, variation or request to  
3 the respective Commodity Board; and if the respective Commodity Board has  
4 indicated to the Council that it wishes to have its comments accompany the  
5 plan, variation or request - the plan, variation or request is accompanied by  
6 the written comments that the Commodity Board has provided to the Council  
7 for that purpose.

8 e) To the extent that it is practicable to do so, a Commodity Council  
9 must ensure that at any time, the performance of its functions and the  
10 exercise of its powers are consistent with and designed to give effect to any  
11 Commodity Development Plan and annual operating plan prepared by it and  
12 in force at the time.

#### 13 **SECTION 16. Accountability**

14 (1) A Commodity Council must, as soon as practicable after the end  
15 of each financial year, prepare and give to the Secretary a report of its  
16 operations during the financial year just ended.

17 (2) Without limiting the matters that a Commodity Council may include  
18 in its annual report for a period, it must include in the report particulars of : the  
19 activities that it proposed should be funded, wholly or partly from its  
20 Commodity Fund, during the period; and the amount that was spend from the  
21 Fund during the period in relation to each of those activities; and revisions in its  
22 Development plan or annual operational plan approved by the Secretary  
23 during the period; agreements that the Board entered into in behalf of the  
24 Council during the period and the activities of the Board within the period in  
25 relation to agreements entered into during the period; and the Board's  
26 activities on behalf of the Council during the period; significant acquisitions  
27 and dispositions of real property by the Board on behalf of the Council during  
28 the period; an assessment of the extent to which its operations during the  
29 period have achieved its objectives as stated in the Development Plan,

1 implemented the annual operational plan applicable to the period; and an  
2 assessment of the extent to which the Council has, during the period  
3 contributed to the attainment of the objectives of the Act as set out in Section  
4 2.

5 (d) A Council must not give its annual report to the Secretary unless the  
6 council has at least one month beforehand given a copy of the report to the  
7 Commodity Board, and if the Commodity Board has indicated to the Council  
8 that it wishes to have its comments accompany the report - the report is  
9 accompanied by the written comments that the Board has provided to the  
10 Council for the purpose.

11 (e) The Secretary must cause a copy of a Commodity Council's  
12 annual report to be laid before each House of Congress within 15 working  
13 days of that House after the Secretary receives the annual report.

14 (f) The Chairperson of a Commodity Council must as soon as  
15 practicable after the Council's annual report has been submitted to the  
16 Secretary, provide copies of the report to each of the Council's  
17 representative organizations, and make arrangements with each of those  
18 organizations to attend the organization's annual conference or a meeting or the  
19 organizations executive for the purpose of enabling the annual report to be  
20 considered, and the Chairperson to deliver an address in relation to the  
21 Council's activities in the period to which the report relates; and the Council's  
22 intended activities in the financial year following the end of the period and the  
23 Chairperson to be questioned in relation to those activities.

24 **SECTION 17. Commodity Funds** - (a) Where as a result of the  
25 making of regulations, a Commodity Council is established under Sec. 11 on  
26 a particular day, a Commodity Fund is established in respect of the Council  
27 on that day, to be known by the name specified in the regulation. A  
28 Commodity Fund vests in, and is administered by a Commodity Board.

1           (b) There are to be paid into a Commodity Fund amounts equal to the  
2 amounts from time to time received by the government under the General  
3 Appropriations Act for each levy attached to the Fund; and amounts payable  
4 out of the General Fund which is appropriated accordingly.

5           (c) In addition a Commodity Board must pay into the Fund money paid to  
6 the Board for the purposes of the Fund; amounts received by the Board from  
7 the sale of any property paid for with money from the Fund; or from the sale of  
8 any property purchased in the course of activity paid for with money from the  
9 Fund; or in respect of any work paid for with money from the Fund; and  
10 amounts received by the Board as interest from the investment of money  
11 standing to the credit of the Fund.

12           (d) Except as otherwise provided by this Act, money that is in a  
13 Commodity Fund may, with the approval of a Commodity Council in respect  
14 of which the Fund was established, be spent only a) for the purpose of  
15 funding commodity development activities included in the broad groupings of  
16 activities specified in an annual operational plan prepared by the Council and  
17 in force when payments are made; b) in payment or discharge of expenses  
18 and liabilities incurred by the Board in the administration of the Fund; in  
19 payment of remuneration and allowances payable under this Act to the  
20 members of the Council; in payment or discharge of liabilities incurred by the  
21 Board as a result of entering into agreements on behalf of the Council; and in  
22 making payments in accordance with arrangements made between the Council  
23 and the Board, for services rendered by the Board for the Council at the  
24 Council's request.

25           (e) the Board is liable to pay from a Commodity Fund amounts  
26 necessary to meet the expenses and discharge of liabilities, incurred by a  
27 Selection Committee in connection with the performance of its function, and the  
28 exercise of its powers, in relation to the selection of members for appointment  
29 to the Commodity Council in respect of which the Fund was established.

1           **SECTION 18.** *Employees, consultants and administrative agreements*

2   - The Chairperson of a Commodity Council may on behalf of the Council  
3   employ persons to perform administrative and clerical services in connection  
4   with the performance of its functions and the exercise of its powers, and  
5   engage persons having suitable qualifications and experience as consultants  
6   to the council, under terms and conditions of employment to be determined  
7   by the Council.

8           **SECTION 19.** *Selection Committees* - a) The Secretary must appoint

9   on a part-time basis, a person as Presiding Member of Selection Committees  
10   for each Commodity Council. The Presiding Member shall hold office for a  
11   period not exceeding three years, subject to reappointment, specified in the  
12   instrument of appointment.

13         b) For purposes of appointing the nominated directors of a Commodity  
14   Council or filling a vacancy caused by the resignation of or termination of the  
15   appointment of any such director, the Secretary must give a written notice to  
16   the Presiding Member of Selection Committees for that Commodity Council  
17   requesting the Presiding Member to establish a Selection Committee,  
18   specifying the period within which the Selection Committee must nominate  
19   persons, or a person, for appointment.

20         c) Upon receipt of a request under paragraph b), the Presiding  
21   Member must establish a Selection Committee for the Commodity Council for  
22   the purpose of nominating a person or persons for appointment to the Council;  
23   give to each of the Council's representative organizations written notice  
24   requesting the organization to nominate to the Secretary persons for  
25   appointment to the Selection Committee.

26         d) The Selection Committee so established consists of the following  
27   members: The Presiding Member and 3 to 6 other members appointed by  
28   the Secretary on the nomination of the respective representative  
29   organizations.

1           e) Where the Secretary is satisfied that nominations for membership of  
2 a Selection Committee as provided for in paragraph C will not be made within  
3 a reasonable time, the Secretary may appoint persons to be members of the  
4 Selection Committee as if they had been so nominated.

5           f) Where the Secretary is not satisfied that a person nominated for  
6 appointment should be appointed, he may reject the nomination and request  
7 another nomination.

8           g) For the purpose of enabling it to make a nomination, the Selection  
9 Committee must invite nomination of persons for appointment by  
10 advertisements placed in a newspaper of general circulation; must invite  
11 nomination of persons for appointment from the representative organizations of  
12 the Commodity Council; and may invite nomination of persons for  
13 appointment in any other way it considers appropriate.

14          h) A notice is to include a statement containing in respect of each  
15 nominee: details of the nominee's qualifications and experience and any other  
16 information relating to the nominee that the Selection Committee considers will  
17 assist the Secretary in deciding whether or not to appoint the nominee; and  
18 specifying how, in the Selection Committee's opinion, the nomination will best  
19 ensure that the members of the Council concerned collectively possess an  
20 appropriate balance of expertise in accordance with paragraph i).

21          i) A Selection Committee must not nominate a person for appointment  
22 to a Commodity Council unless the person appears to the Selection Committee  
23 to be suitably qualified for appointment because of expertise in one of more of  
24 the following fields: commodity production; commodity processing; commodity  
25 marketing; conservation of natural resources; environmental and ecological  
26 matters; economics; development administration; finance; business  
27 management; and sociology.

28          j) The Selection Committee is to nominate only one person in respect  
29 of each appointment to be made by the Secretary. In making the nomination,

1 the Selection Committee must choose from the available candidates the  
2 person who will best ensure that the members of the Council concerned  
3 collectively possess an appropriate balance of expertise in as many as  
4 possible fields referred to in paragraph i) having in regard to the particular  
5 primary industry or class of primary industries in respect of which the Council  
6 is to be established.

7 k) A person may be nominated by a Selection Committee even if, on  
8 one or more previous occasions a proposal for a nomination for the person's  
9 appointment to a Commodity Council has been rejected at a meeting of a  
10 Selection Committee, or the Secretary has rejected such a nomination.

11 l) The Presiding Member of the Selection Committee must as soon as  
12 practicable after every calendar year prepare and give to the Minister a  
13 report of the operations during the immediately preceding calendar year of  
14 Selection Committees established by the Presiding member or another person  
15 who was the Presiding Member of Selection Committees for the Commodity  
16 Council. A report for a calendar year may, subject to agreement between the  
17 Presiding member and the Chairperson of the Commodity Council concerned,  
18 be included as a discrete part in the Council's annual report for that calendar  
19 year.

## 20 **SECTION 20. *Administrative Provisions.***

21 (a) *Transfer of personnel, assets, etc.* The personnel employed in  
22 connection with and the assets, liabilities, contracts, property, records, and  
23 unexpended balances of appropriations, authorizations, allocations, or other  
24 funds held, used, arising from or available or to be made available in  
25 connection with, the functions, powers and duties transferred by Sec. 9 of this  
26 Act are hereby transferred with such functions, powers and duties, respectively.

27 (b) *Employment, compensation, authority and duties of personnel.* The  
28 Secretary is authorized, subject to the civil service and classification laws, to  
29 select, appoint, employ and fix the compensation of such officers and



1 employees, including attorneys, as shall be necessary to carry out the  
2 provisions of this Act and to prescribe their authority and duties: *Provided*, That  
3 any other provision of the law to the contrary notwithstanding, the Secretary  
4 may fix the compensation for not more than six (6) positions in the Department  
5 at the annual rate applicable to positions in level \_\_\_\_ provided by the Salary  
6 Standardization Law

7 (c) *Delegation of authority; rules and regulations.* The Secretary may  
8 delegate any of his functions, powers and duties to such officers and employees  
9 of the Department as he may designate, may authorize such successive re-  
10 delegations of such functions, powers and duties as he may deem desirable,  
11 and may make such rules and regulations as may be necessary to carry out his  
12 functions, powers and duties.

13 (d) *Temporary employment of experts or consultants; compensation.*  
14 The Secretary may obtain services at rates for individuals not the exceed the  
15 per diem equivalent to the highest rate for GS\_\_ of the Salary Standardization  
16 Law. The Secretary is authorized to enter into contracts with private companies  
17 for the provision of such managerial support to the Department as the Secretary  
18 determines to be appropriate, including by not limited to the management of  
19 corporate or cooperativized farms, the packaging of joint venture projects with  
20 foreign investors; and the penetration of overseas markets for resource-based  
21 products.

22 (e) *Financial transactions, finality; checking accounts for funds in*  
23 *Treasury; availability of funds for administrative expenses; consolidation of*  
24 *cash for banking and checking purposes.* Except as such authority is otherwise  
25 expressly provided in any other Act administered by the Secretary, such  
26 financial transactions of the Secretary as the making of loans or grants (and  
27 vouchers approved by the Secretary in connection with such financial  
28 transactions) shall be final and conclusive upon all officers of the Government.  
29 Funds made available to the Secretary pursuant to any provision of law for such

1 financial transactions shall be deposited in a checking account or accounts with  
2 the Treasurer of the Republic of the Philippines. Such funds and any receipts  
3 and assets obtained or held by the Secretary in connection with such financial  
4 transactions shall be available, in such amounts as may from year to year be  
5 authorized by the Congress, for the administrative expenses of the Secretary in  
6 connection with such financial transactions. Notwithstanding the provisions of  
7 any other law, the Secretary may with the approval of the Budget Secretary,  
8 consolidate into one or more accounts for banking and checking purposes all  
9 cash obtained or held in connection with such financial transactions, including  
10 amounts appropriated from whatever source derived.

11 (f) *Fees and charges.* Notwithstanding any other provision of law, the  
12 Secretary is authorized to establish fees and charges, chargeable against  
13 program beneficiaries and project participants, which shall be adequate to  
14 cover over the long run, costs of project supervision, review and financing  
15 service, audit by the Commission On Audit and other beneficial rights,  
16 privileges, licenses and other services. Such fees and charges heretofore or  
17 hereafter collected shall be considered non-administrative and shall remain  
18 available for the operating expenses of the Department in providing similar  
19 services on a consolidated basis.

20 (g) *Gifts and services, acceptance; taxable status of property,*  
21 *investments; disbursement.* The Secretary is authorized to accept and utilize  
22 voluntary and uncompensated services and accept, hold, administer and utilize  
23 gifts and bequests of property, both real and personal for the purpose of aiding  
24 or facilitating the work of the Department. Gifts and bequests of money and the  
25 proceeds from sales of other property received as gifts or bequests shall be  
26 deposited in the Treasury in a separate fund and shall be disbursed upon order  
27 of the Secretary. Property accepted pursuant to this paragraph and the  
28 proceeds thereof shall be used as nearly as possible in accordance with the  
29 terms of the gift or bequest.

1 For purpose of government income, estate and gift taxes, property  
2 accepted under paragraph (g) shall be considered as a gift or bequest to or for  
3 use of the Republic of the Philippines.

4 Upon request of the Secretary, the Secretary of the Treasury may invest  
5 and reinvest in securities of the Philippine government or in securities  
6 guaranteed as to principal and interest by the Philippine government any  
7 moneys contained in the fund provided in paragraph (e). Income accruing from  
8 such securities and from any other property held by the Secretary pursuant to  
9 paragraph (e) shall be deposited to the credit of the fund and shall be disbursed  
10 upon order of the Secretary.

11 (j) *Authorization of Appropriations; allocations for staff and training.*  
12 Notwithstanding any other provisions of law, there is authorized to be  
13 appropriated for salaries and expenses to carry out the purposes of this section  
14 P\_\_\_\_\_ million which shall be available for each of the fiscal years 1998 and  
15 1999, which amounts shall be used to provide staff in regional field or zone  
16 offices of the Department to supervise the development of primary industries.

17 Of the amounts authorized to be appropriated to carry out this section,  
18 not less than P\_\_\_\_\_ million of such amount shall be available for each fiscal  
19 year exclusively for the purposes of providing ongoing training and capacity  
20 building for Department personnel.

21 **SECTION 21. Annual Reports.** The Secretary shall as soon as  
22 practicable after the end of each calendar year, make a report to the President  
23 for submission to the Congress on the activities of the Department during the  
24 preceding calendar year.

25 **SECTION 22. Transitory Provisions.** All officials and employees of  
26 the agencies mentioned in Sec. 6 of this Act shall be absorbed by the  
27 Department and shall continue in the service. Those who prefer to retire from  
28 the service, if qualified for retirement or to be laid off, shall be given gratuity  
29 equivalent to one and one-fourth (1 ¼) months gross pay for every year of

1 service, but in no case more than twenty-two months gross pay, in addition to  
2 all other benefits to which they are entitled under existing laws and regulations.  
3 For this purpose there is hereby appropriated the sum of \_\_\_\_\_ pesos so  
4 much thereof as may be necessary, out of funds of the National Treasury not  
5 otherwise appropriated.

6 **SECTION 23. *Repealing Clause.*** All laws, decrees, orders,  
7 proclamations and regulations or parts thereof inconsistent with the provisions of  
8 this Act are hereby repealed, amended or modified accordingly.

9 **SECTION 24. *Separability of Provisions.*** Notwithstanding any other  
10 evidence of the intent of Congress, it is hereby declared to be the intent of  
11 Congress that if any provision of this Act or the application thereof to any  
12 persons or circumstances, shall be adjudged by any court of competent  
13 jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the  
14 remainder of this Act, or its application to other persons and circumstances but  
15 shall be confined in its operation to the provision of this Act or the application  
16 thereof to the persons and circumstances directly involved in the controversy in  
17 which such judgment shall have been rendered.

18 **SECTION 25. *Effectivity.*** This Act shall take effect fifteen (15) days  
19 after its publication in two (2) newspapers of general circulation.

Approved,