

SENATE

'14 FEB 19 P6:29

S. No. **2131**

RECEIVED BY: *ji*

Introduced by Senator Ralph G. Recto

AN ACT
TO EXTEND THE UTILIZATION PERIOD OF THE AGRICULTURAL
COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THE PURPOSE
REPUBLIC ACT NO. 8178, AS AMENDED ENTITLED "AN ACT REPLACING
QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS,
EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL
COMPETITIVENESS ENHANCEMENT FUND AND FOR OTHER PURPOSES"

Explanatory Note

In 1996, Republic Act No. 8178 or "The Agricultural Tariffication Act" was enacted for the purpose of preparing the Philippines' agriculture sector for global competition in the face of trade liberalization; protecting Filipino farmers, fisherfolk and other producers of agricultural products; protecting Filipino firms against unfair trade; and raising farm productivity levels. The law also created the Agricultural Competitiveness Enhancement Fund (ACEF) to exist as a Special Fund for nine (9) years after which the balance shall be transferred to the General Fund after December 21, 2007.

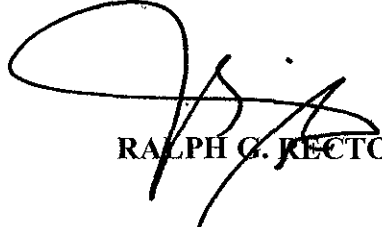
Congress granted an extension up to 2015 through R. A. No. 9496 entitled "An Act to Extend The Utilization Period of the Agricultural Competitiveness Enhancement Fund, Amending Republic Act No. 8178, Entitled 'An Act Replacing Quantitative Import Restrictions on Agricultural Products, Except Rice, With Tariffs, Creating the Agricultural Competitiveness Enhancement Fund, And For Other Purposes'".

The Fund is earmarked for irrigation, farm-to-market roads, post-harvest equipment and facilities, credit, research and development, other marketing infrastructure, provision of marketing information, retaining, extension services, and other forms of assistance and support to the agricultural sector.

The Congressional Oversight Committee on Agriculture and Fisheries Modernization (COCAFAM) reports that the Department of Budget and Management had already released P8,463,579,802.00 for 318 projects out of the Total Actual Collection of P11,843,852,948.00, as of May 15, 2013. There remains P2,992,451,173.08 as Total Amount Available whose idle status is unconscionable in light of the immense needs of the agricultural sector facing stiff competition with the lifting of trade barriers in a free trade era.

The programs and projects to be funded through the ACEF are vital to the accomplishment of the targets under the Pathways to Philippine Agriculture 2020, as follows: Gross Value Added of 7% annually until 2020; employment of 22.6 Million; and a 9.4 % share in Philippine exports, to name a few.

With the end of the utilization period of the Fund next year, the passage of this Bill seeking an extension of the Fund utilization period for five (5) years until 2020, is urgently sought.


RALPH G. RECTO

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

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

1 **SECTION 1.** Section 8 of Republic Act No. 8178, as amended is hereby further
2 amended to read as follows:

3 "Sec. 8. *Agricultural Competitiveness Enhancement Fund.*- XXX.

4 "The Fund shall continue to be set aside up to the year [2015] **2020**, after which
5 the collection of duties from the MAV mechanism and the setting aside of the amount
6 collected for the purpose shall terminate. However, any remaining balance(s) at the date
7 of expiration of the Fund shall not revert to the General Fund but shall continue to be
8 used for the purpose for which it was collected and set aside.

9 "XXX.

10 "XXX.

11 "XXX.

12 "XXX.

13 "XXX."

14 **SEC. 2.** A new Sub-Section 8-A is hereby inserted after Section 8, to read as follows:

15 "Sec. 8-A. *Fund Administration and Management.* -- The Land Bank of the
16 Philippines (LBP) shall administer and manage the Fund. The LBP and the Executive
17 Committee of the ACEF shall organize an ACEF Project Management Office in the LBP
18 for this purpose consisting of organic staff of the LBP.

19 "All applications for Fund utilization by target project beneficiaries shall be
20 submitted to the ACEF Project Management Office in the LBP."

1 **SEC. 3. *Transitory Provision.*** – The ACEF Executive Committee (Execom) including its
2 members shall hold office at the Land Bank of the Philippines Head Office in Manila, for the
3 purpose of implementing the provisions of this Act.

4 The Secretariat of the ACEF Project Executive Committee shall be composed of organic
5 staff from the LBP.

6 **SEC 4. *Implementing Rules and Regulations.*** – The LBP and the Department of Budget
7 and Management in consultation with the Congressional Oversight Committee on Agricultural
8 and Fisheries Modernization (COCAFAM), shall revise and reform the implementing guidelines of
9 R. A. No. 8178, as amended, including the approval procedures in order to speed up the
10 processing and disbursement process.

11 Such rules and regulations shall take effect after they have been made and shall be
12 published in at least two (2) newspapers of general circulation.

13 **SEC. 5. *Repealing Clause.*** – All laws, acts, decrees, executive orders, issuances, and
14 rules and regulations or parts thereof which are contrary to and inconsistent with this Act are
15 hereby repealed, amended or modified accordingly.

16 **SEC. 6. *Effectivity.*** - This Act shall take effect fifteen (15) days following its publication
17 in at least two (2) newspapers of general circulation or the Official Gazette.

18 Approved,