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14<sup>th</sup> CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session

8 MAY 27 PILE?

**SENATE** 

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Senate Bill No. 2331

### Introduced by Senator EDGARDO J. ANGARA

Philippine agriculture is in crisis. The country has continually faced the problem of high food cost; it has the highest food prices among the ASEAN countries. And most recently, it experienced shortage of its most important staple food: rice. The high cost of food, being wage goods, has affected the competitiveness of the country's industry specially those in export. Compounding the problem is high rural poverty.

Agriculture and Fisheries extension is central to growth and development of the agriculture and fisheries sector. How a country manages its agriculture knowledge through its extension services is crucial to agriculture growth and development. Knowledge at the hands of the producers empowers and gives them the competitive edge. Extension, along with Research and Development (R&D), has the highest return of investment (ROI) among policy instruments. Therefore, it is worth investing on it.

Agriculture growth should come from knowledge-intensive practices in agriculture such as crop intensification. However, knowledge intensive agriculture (KIA) is dependent on a dynamic, responsive agriculture and fisheries extension with strong linkage to knowledge generation. Unfortunately, Agriculture and Fisheries Extension Services (AFES) in the Philippines face serious problems that affect its efficiency and effectiveness. The extension unit is highly fragmented, lacks a coherent direction, demoralized and composed of aging personnel who has not fully recovered from the effects of decentralization, weak research-extension linkage, underinvestment, and highly politicized structure among others.

The proposed Agriculture and Fisheries Extension bill will address the current problems and more.

The bill seeks to:

- 1. Strengthen the country's extension system by decentralizing it to the appropriate level of political unit that provides a viable economic unit for agriculture development i.e., the province;
- 2. Making the national government pay for the salaries and wages of extension personnel under the administrative direction of the provincial government;
- 3. Professionalizing and standardizing the salaries and wages of the Local Government Unit (LGU) extension personnel to that of equivalent positions in the national government;
- 4. Creating a national agency, the Philippine Agriculture & Fisheries Extension Agency (PAFEA) to orchestrate, provide national directions, set standards of performance, and provide institutionalized financial and technical support to the LGUs.

Hence, the approval of this bill is earnestly sought.

EDGARDO J. ANGARA

**SENATOR** 

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	SENATE	HECEIVED BY
	S. No. <b>2331</b>	
Introduced by S	SENATOR EDGARE	OO J. ANGARA
AN ACT PRESCRIBING TO ACT EXTENSION SYSTEM TO ACT DEVELOPMENT, APPROPR	CCELERATE AGRIC	CULTURE AND FISHERIES
DEVELOR MENT, AT THOSE N	PURPOSES	EREI OR ARD FOR OTHER
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Be it enacted by the Sen	ate and the House o	f Representatives of the
·	nes in Congress asse	·
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GE	NERAL PROVISION	NS
Section 1. Short Title This	Act shall be known	as the "Philippine Agriculture
and Fisheries Extension Act of	of 2008."	
Sec. 2. Declaration of Policy.	· ·	·
equitable distribution of op		
increase in the amount of go	•	•
benefit of the people; and an		
quality of life for all, especially	y the underprivileged	I.
The State shall promote indu	strialization and full (	employment based on sound
agricultural development and		•
agnoultural development and	a agrarian reform, ti	modgi madsules that make

full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. In pursuit of these goals, all sectors of the economy and all regions of the country shall be given optimum opportunity to develop.

Thus, it is hereby declared the policy of the State to enable those who belong to the agriculture and fisheries sector to participate and share in the fruits of development and growth in a manner that utilizes the nation's resources in the most efficient and sustainable way possible by establishing a more equitable access to assets, income, basic and support services and infrastructure.

The State shall give priority to promote science, technology and human resource development as essentials for national development and progress. The State shall utilize research results through information, extension and communication services. It shall support the development of a national extension system that will help accelerate the transformation of agriculture and fisheries sectors of the Country from a resource-based industry to a technology-based industry.

The State shall adopt the market approach in assisting the agriculture and fisheries sector while recognizing the contribution of said sectors to food security, environmental protection, and balanced urban and rural development, without neglecting the welfare of the consumers, especially the lower income groups. The State shall promote market-oriented policies in agricultural production to encourage farmers to shift to more profitable crops.

The State shall empower the agriculture and fisheries sector to develop and sustain themselves to meet present and future needs of the Country. Toward this end, the State shall ensure the establishment and development of the agriculture and fisheries extension system that increases and sustains its contributions to the achievement of the following goals of agriculture modernization as mandated by Republic Act 8435:

a) Poverty Alleviation and Social Equity – The State shall ensure that the poorer sector of the society have equitable access to resources, income opportunities, basic and support services and infrastructure:

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b) Food Security – The State shall assure the availability, adequacy, accessibility and affordability of quality and nutritious food supplies to all at all times:

c) Rational Use of Resources and Sustainable Development - The State shall adopt a rational approach in the allocation of public investment in agriculture and fisheries in order to assure efficiency and effectiveness in the use of scarce resources and thus obtain optimal return on its investments. The State shall promote development that is compatible with the preservation of the ecosystem in areas where agriculture and fisheries activities are carried out;

 d) Global Competitiveness – The State shall enhance the competitiveness of the agriculture and fisheries sector in both domestic and foreign markets; and

e) People Empowerment – The State shall promote people empowerment by enabling all citizens through direct participation or through their duly elected chosen or designated representatives the opportunity to participate in policy formulation and decision making by establishing the appropriate mechanisms and by giving them access to information.

Sec. 3. Definition of Terms.

"Agricultural and Fisheries Extension Services" (AFES) – refer to the provision of training, information, communication support, and other educational services by the government, private sector, civil society, and other non-government organizations to improve the individual and organizational capabilities of clients along the value chain towards increased income and improved quality of rural life.

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2 "Agricultural Sector" - is the sector engaged in the cultivation of the soil,

planting of crops, growing of fruit trees, raising of livestock, poultry, or fish,

4 including the harvesting and marketing of such farm products, and other farm

5 activities and practices.

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7 "Catalytic Financing" -- the provision of financial support to achieve excellence,

8 equity and increased investment by the local governments in the

9 implementation of agriculture and fisheries extension services towards the

10 achievement of national goals.

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"Civil Society" – refers to the group of organizations whose uncoerced collective action revolves around shared interests, purposes and values. Civil societies are organizations composed of community groups, women's organizations, faith-based organizations, professional associations, trades

unions, self-help groups, social movements, business associations, coalitions

and advocacy groups.

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"Clients" – refer to the producers (farmers, fisherfolk, and agricultural processors), traders and consumers along the food value chain.

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"Comparative Advantage" – refers to competitive edge in the provision of services or development of a product in terms quality and/or price. It likewise refers to the ability to produce a product or provide a service with the greatest relative efficiency in the use of resources.

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"Consolidation" – a process of merging agencies/firms for greater efficiency of resources and strategy.

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"Consumers" – are those that acquire goods or services for direct use or ownership rather than for resale or use in production and manufacturing.

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"Decentralization" - means the dispersion or distribution of functions and power from a central authority to regional and/or local governing bodies;

assigning responsibilities to the lowest level of government closest to the clients i.e., the Local Government Units or LGU's

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"Empowerment" – is the expansion of assets and capabilities of people to participate in, negotiate with, influence, control and hold accountable institutions that affect their lives; it involves providing authority, responsibility, and information to people directly engaged on agriculture and fishery production, primarily at the level of the farmers, fisherfolk and those engaged in food and non-food production and processing, in order to give them

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enhanced economics rights.

"Extension Policy" – edicts, executive orders, laws, orders, and other course of action of the government intended to influence and determine decisions, actions, and other matters related to provision of extension services of the Country.

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"Fisheries Sector" – is the sector engaged in the production, growing, harvesting, processing, marketing, developing, conserving, and managing of all aquatic resources and fisheries areas.

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"Fisheries" – refers to all systems or networks of interrelated activities which include the production, growing, harvesting, processing, marketing, developing, conserving and managing of all aquatic and fisheries areas.

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"Food Security" – refers to the policy objective, plan and strategy of meeting the food requirements of the present and future generations of Filipinos in substantial quantity, ensuring the availability and affordability of safe and nutritious food to all, either through local production or importation, or both, based on the country's existing and potential resource endowment and related production advantages, and consistent with the overall national development objectives and policies.

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"Formula grants" – these are national government financial transfers to the local governments to support the regular expenditures in the provision of

- Agriculture and Fisheries Extension Services (AFES) based on a formula that
- takes into consideration, among others, the level of economic development of
- 3 a municipality or a province. .

- 5 "Global Competitiveness" refers to the ability to compete in terms of price,
- 6 quality and volume of agriculture and fishery products relative to those of
- 7 other countries.

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- 9 "Gross Value-Added" refers to the total value, excluding the value of non-
- agricultural or fisheries intermediate inputs, of goods and services contributed
- by the agricultural and fisheries sectors.

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- "Jurisdictional Spillover" a service should be controlled and financed at the
- 14 jurisdictional level where there are no spillovers or externalities on
- 15 neighboring jurisdictions.

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- 17 "Knowledge Management" is a systematic approach which invents,
- understands, shares, creates and utilizes knowledge in order to create values
- such as customer's value, employee's value, stockholder's value, business
- 20 partner's value and social value to achieve the vision and goal of the
- 21 organization.

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- 23 "Partnership" a relationship between and among agencies that is
- 24 characterized by mutual cooperation and responsibility towards the
- 25 achievement of a shared goal.

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- 27 "Policy Framework" a structure that serves as guidelines to ensure
- 28 coherence among the various policies adopted by the government and the
- 29 different plans and programs they entail.

- 31 "Private Goods" are goods with a high degree of subtractability and
- excludability, which should be paid by the private sector. In agriculture, these
- 33 include seeds/seedlings, fertilizers, small-scale irrigation systems, small cold
- storage facilities, farm machinery and equipment, abattoir, processing plants.

1 "Private sector" - the part of a nation's economy that is not owned and 2 managed by the government. "Processors and Traders" – a wide variety of businesses and entrepreneurs in 5 the agricultural market system that are principally engaged in agricultural 6 activities such as processing, marketing, input provision and storage. 8 "Producer" - one that produces, especially a person or organization that 9 10 produces goods or services for sale. 11 "Public Sector" - the part of the economy concerned with providing basic

"Public Sector" – the part of the economy concerned with providing basic government services that a non-payer cannot be excluded from services that benefits all of society rather than just the individual who uses the services; services provided by government that encourages equal opportunity.

"RBOs" – are rural based organizations or people's organizations composed of various sectors of the rural community such as farmers, fisherfolk, growers, seed producers, women, and youth.

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32 33 "Specialization" – a principle in the provision of public goods wherein limits are imposed on the domain that an organization has authority to assume responsibility for autonomous decision-making.

25 "Subsidiarity" - administrative responsibilities are assigned to the lowest level 26 of governance capable of carrying out responsibilities competently.

"Targeted financial transfer" – is a financial support provided by the national government to the LGUs in support of national goals or programs.

"Toll Goods" – are goods characterized by excludability, but low subtractability.

1	"Value chain" – is a process from seed to shelf or from the producers to the
2	consumers, showing activities and interventions of/for a chosen
3	commodity/ties based on understanding the needs for such interventions.
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7	Sec. 4. Statement of Goals Agricultural extension is a policy instrument for
8	empowering individuals and organizations; public agriculture extension shall
9	contribute towards the achievement of the national goals of agriculture
10	development.
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12	Sec. 5. Statement of Objectives Agriculture and fisheries extension shall
13	contribute to the following objectives:
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15	a) To enhance the economic rights of:
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17	<ul> <li>Producers, especially the poor, to use the most appropriate</li> </ul>
18	technologies they feel will give them the best profit and to choose
19	the most affordable loans in producing the quality and quantity of
20	products and to sell their products freely, domestic or abroad;
21	<ul> <li>Traders, to move goods in the expectation of profits unconstrained</li> </ul>
22	by serious lack of knowledge and information or peace and order;
23	and
24	<ul> <li>Consumers, to buy safe and nutritious foods at the lowest prices</li> </ul>
25	possible.
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27	b) To manage knowledge in strengthening the individual and
28	organizational capabilities of producers, traders and consumers; and
29	
30	c) To help create an enabling environment that encourages increased
31	investment in agriculture extension by the private sector, civil society,

and Local Governments.

Sec. 6. *Clients.* – The clients of Philippine agricultural and fisheries extension system are the producers (farmers, fisherfolk, agricultural processors), traders, and consumers along the value chain. Public extension shall focus on the delivery of public goods; its priority clients shall be the disadvantaged groups in agriculture and fisheries such as the farmers and fisherfolk in the marginal areas or fragile environments.

#### **ARTICLE II**

## Structure and Organization

Sec. 7. Creation of the Philippine Agriculture and Fisheries Extension Agency (PAFEA). — The Agricultural Training Institute is hereby strengthened and transformed into the Philippine Agriculture and Fisheries Extension Agency (PAFEA). It shall serve as the national apex organization for a unified and efficient agriculture and fisheries extension system of the country. It shall ensure that public extension services meet the national standards of performance and effectively contribute towards the achievement of the national goals of agriculture and fisheries modernization.

Sec. 8. Powers and Functions.

a) Provide leadership in the development of national extension policies in agriculture and fisheries;

 b) Orchestrate the development of extension strategic plan for agriculture and fisheries to accelerate the achievement of the goals of the agriculture and fisheries modernization;

c) Develop and implement national policies and programs aimed at the continuous improvement of the quality of extension methods, products, and services towards a more efficient and client-responsive national agriculture and fisheries knowledge management system;

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- d) Manage the national extension resources for agriculture and fisheries and ensure a sustainable and cost-effective system of funding public agriculture and fisheries information, education, and communication materials (IEC);
- e) Assume leadership in developing and implementing a participatory national agriculture and fisheries knowledge management system to achieve optimal efficiency along the value chain;
- f) Provide leadership in the development and implementation of the National Agriculture & Fisheries Knowledge Network (NAFKN) in agriculture and fisheries of the Department through a system of partnerships that includes the (Local Government Units) LGUs, the academe specially the state colleges/universities of agriculture and fisheries, the Civil Society Organizations (CSOs), producers, RBOs, and the private sector;
- g) Provide national leadership in developing extension partnerships towards increased investment and private sector participation;
- h) Team up with state universities and colleges (SUCs) of agriculture/fisheries as key partners in the implementation of the national programs specially in the areas of extension innovations, national training, and monitoring and evaluation of extension institutions and programs; and
- i) Provide leadership in developing and implementing a national system of strengthening institutional extension capacities at all levels of implementation.
- The Department, through the Philippine Agricultural and Fisheries Extension Agency (PAFEA), shall lead and coordinate all national and local government
- extension programs in agriculture and fisheries. In coordination with the

- Department of Budgat and Management (DBM), the PAFEA shall review and
- endorse all agriculture and fisheries IEC programs and budgets of national 2
- agencies. 3

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- 5 Sec. 9. Structure of PAFEA. – It shall be headed by a Director General (DG)
- with a rank of Assistant Secretary to be assisted by two Deputy Director 6
- Generals (DDG) and they shall be appointed by the Secretary of Agriculture 7
- upon recommendation by an independent Search Committee organized and 8
- based on the qualification standards set by the Governing Board for 9
- Research, Development and Extension (GBRDE) in Agriculture and 10
- Fisheries. They shall have a fixed tenure of six (6) years without prejudice for 11
- reappointment of one additional term of four (4) years in the same position 12
- based on very satisfactory performance. 13

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- Governing Board for Research, Development and Extension 15
- (GBRDE) in Agriculture and Fisheries. The Council for Extension Research 16
- Development in Agriculture and Fisheries (CERDAF) is hereby strengthened 17
- and transformed into the Governing Board for Research, Development and 18
- Extension (GBRDE) in Agriculture and Fisheries. It shall ensure that the 19
- agriculture and fisheries research, development and extension policies and 20
- programs of the Department are consistent with national policies. 21

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a) Functions and duties of the Governing Board.

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- (1) Approve policies covering program priorities and resource allocation in research and extension of all agencies of the
- Department; 27
  - (2) Enhance coordination and linkage of government institutions involved in agriculture and fisheries research, development and
- extension; 30
- (3) Strengthen the participation of various stakeholders, especially the 31
- civil society, local government units, and private sector in the 32
- development of National RDE agenda and programs; 33

1	(4) Strengthen the institutional efficiency of the National Research,
2	Development and Extension (NRDE) system, including the setting
3	up of a monitoring and evaluation system on the effectiveness and
4	efficiency of its various components; and
5	(5) Set guidelines in the use of services and facilities, collection of fees
6	and in the utilization of income.
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8	b) Composition of the Governing Board for Research, Development and
9	Extension (GBRDE) in Agriculture and Fisheries. The Undersecretary
10	for Policy and Planning of the DA shall be the Chair of the Board.
11	There shall be a Vice Chair to be elected from among the other
12	members of the Board. The Executive Directors of the Philippine
13	Agriculture and Fisheries Extension Agency (PAFEA) and the Director
14	of the Bureau of Agriculture Research (BAR) shall be ex-officio
15	members and the Chair shall appoint Executive Director of PAFEA as
16	Secretary of the Board. The GBRDE shall have the following as
17	members:
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19	(1) Designated Undersecretaries for Policy & Planning of the following
20	Departments:
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22	<ol> <li>Department of Science and Technology</li> </ol>
23	ii. Department of Environment and Natural Resources
24	iii. Department of Agrarian Reform;
25	
26	(2) Presidents of the following LGU organizations:
27	
28	i. League of Provinces
29	<ol> <li>Union of Local Authorities of the Philippines (ULAP);</li> </ol>
30	
31	(3) Four (4) CSO representatives from the rural youth, rural women,
32	and farmer, and fisherfolk sectors as identified and selected by the

Department of Agriculture\*

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2	(4) One (1) private sector representative designated by the
3	Management Association of the Philippines (MAP);
4	
5	(5) Representatives for scientific/professional organizations/societies;
6	<ul> <li>One representative for agriculture;</li> </ul>
7	<ul> <li>One representative of the national professional association</li> </ul>
8	of agriculture/fisheries extension; and
9	<ul> <li>One representative for fisheries.</li> </ul>
10	
11	Sec. 11. Offices under the PAFEA To carry out the functions of the Agency,
12	PAFEA shall have four technical directorates as follows:
13	Policy Development
14	<ul> <li>Extension Innovations &amp; National Training</li> </ul>
15	<ul> <li>Knowledge Products &amp; Services Development</li> </ul>
16	<ul> <li>Extension Governance &amp; Partnerships</li> </ul>
17	•
18	The PAFEA shall maintain a small regional office to: (1) liaise with the
19	Department Regional Field Units (RFUs) that should serve as the principal
20	arm of the Department to implement extension policies and programs in the
21	regions (2) provide regional technical assistance in the implementation of
22	PAFEA functions and (3) monitor and evaluate extension offices and
23	programs being undertaken by the government agencies. The PAFEA is
24	authorized to utilize existing Agricultural Training Institute (ATI) plantilla
25	positions but in no case shall it exceed 85% of the plantilla positions in 2008.
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28	ARTICLE III
29	Organization of the Local Government Extension Services
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31	Sec. 12. Province as the LGU Unit of Operation for Agriculture & Fisheries
32	Extension. – To achieve efficiency and to provide a more responsive services,
33	the administrative unit for the planning and implementation of the Local

- Government Units Extension Services is the province under the Office of the
- 2 Governor that shall be headed by a technically-qualified career Provincial
- 3 Agriculturist with a rank equal to that of Board Member of the province.

Sec. 13. Extension Personnel in the Municipalities. – All municipal and nonchartered agriculture and fisheries extension personnel are hereby transferred to the province, and they shall become provincial employees upon the enactment of this Act. However, they will continue to serve municipalities and non-chartered cities as detailed employees of the province based on a rationalized organizational structure endorsed by the PAFEA and approved by the Department of Budget & Management.

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Sec. 14. Salaries and Wages of Extension Personnel. – The salaries and wages of the agriculture and fisheries technical extension personnel shall be paid by the National Government through an annual grant-in-aid to be paid out of the regular appropriation of the Department of Agriculture. The salaries and wages of technical extension personnel shall be standardized equal to that of comparable positions of national employees.

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Sec. 15. Structure of the Provincial Extension Services. – The provincial agriculture and fisheries extension services shall organize and structure its services based on the standards set by the National Government. The PAFEA shall have technical supervision of all agencies of government undertaking agriculture and fisheries extension services

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Sec. 16. *LGU Veterinary Services.* – The LGU veterinary services shall principally perform regulatory functions of inspection to protect animal health and public safety. In cases where veterinary services also perform development functions in livestock production or development, these functions shall be integrated with the other development functions of the agriculture extension services of the Office of the Provincial Agriculturists to avoid conflict of interest.

Section 17. Strategic Plan in Agriculture & Fisheries. To provide coherence of all government plans in agriculture and fisheries and to achieve efficiency in the use of resources, all provincial governments are required to develop a five-year strategic plan in agriculture and fisheries based on the framework and principles provided by the Department of Agriculture (DA). The Strategic Plan shall serve as the basis for the DA to provide short-term and long-term assistance. The yearly program of work and budget shall be derived from the strategic plan. 

# ARTICLE IV

## **Funding for Extension Services**

Sec. 18. *Initial Appropriation.* – For the first year of implementation of this Act, the amount of five billion pesos (PHP 5B) shall be appropriated out of the total budget of the Dept of Agriculture (DA) for the personal services, operation and capital outlay requirements of the Philippine Agriculture and Fisheries Extension Agency (PAFEA).

The Department of Budget and Management (DBM) is hereby mandated to include annually in the President's program of expenditures for submission to Congress and release an amount not less than five billion or one percent of the gross value added in agriculture and fisheries, whichever is higher, for the implementation of this Act.

The PAFEA is authorized to utilize part of its yearly appropriation to set up or upgrade necessary facilities to improve the provision of national extension services.

All assets, resources both human and financial of Agriculture Training Institute (ATI), shall be transferred to the PAFEA.

All revenues generated out of the use of services, facilities and equipment shall be utilized by the Agency to augment its maintenance and operating expenditures subject to the approval of the Governing Board.

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2	ARTICLE IV
3	Final Provisions
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5	Sec. 19. Oversight Committee It is hereby created a Joint Congressional
6	Oversight Committee to oversee the implementation of this Act for a period
7	not exceeding five (5) years from its affectivity. The Committee shall be
8	composed of the Chairmen of the Senate & House Committees on Agriculture
9	and Food and two (2) members from each houses of Congress appointed
10	respectively by the Senate President, and Speaker of the House of
11	Representatives.
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13	Sec. 20. Implementing Rules and Regulations. – Within ninety (90) days from
14	the promulgation of this Act, the necessary rules and regulations for the
15	proper implementation of its provisions shall be formulated by the members of
16	the Oversight Committee created under Section 19 hereof. The said rules
17	and regulations shall be approved by the Secretary of the Dept of Agriculture
18	(DA).
19	
20	Sec. 21. Repealing Clause. – All laws, decrees, executive orders, rules and
21	regulations, issuances or parts thereof inconsistent with this Act are hereby
22	repealed or amended accordingly.
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24	Sec. 22. Separability Clause. – If any provision of this Act is declared invalid
25	or unconstitutional, the other provisions not affected thereby shall remain valid
26	and subsisting.
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28	Sec. 23. Effectivity Clause. – This Act shall take effect thirty (30) days from
29	the date of its publication in the Official Gazette or in at least in two (2)
30	national newspapers of general circulation.

APPROVED: