


FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 AUG -7 P5:08

SENATE

S. B. No. 2523RECEIVED BY: 

INTRODUCED BY HONORABLE MAR ROXAS

EXPLANATORY NOTE

Public markets are the primary trading centers for all cities and municipalities. However, most of the public markets in the country are in a state of disrepair thus hampering their potential as hubs for efficient domestic retail trade.

The enactment of this bill is intended to establish every public market as the primary foundation of Philippine trade and commerce. To ensure the achievement of this objective, the efforts for the development of each public market shall be hinged on the initiative of the local government units through its internal revenue allotment and counter-parted with more substantial support from the Departments of Trade and Industry, Agriculture and Finance.

Specifically, this bill intends to set up a five-year plan to ensure an integrated approach to the development of public markets beginning 2008. This will be done through a menu of development modules consisting primarily of infrastructure improvements, micro-financing projects, institutional support programs and other support services for consumer protection. Prioritization of initiatives shall begin within each local government unit and coordinated under the leadership of the Department of Trade and Industry.

The support of government financial institutions and agencies together with the Priority Development Assistance Fund of the Senators and Congressmen and the Social Fund of the President of the Republic of the Philippines are also encouraged in this bill. Incentives are also given to private persons who provide assistance in the implementation of this Act.

It is hoped that after a period of five years there will be more public markets that will allow the efficient trading of goods for the benefit of the domestic economy.

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




MAR ROXAS
Senator

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AN ACT
TO PROVIDE FOR A FIVE-YEAR PUBLIC MARKETS PROGRAM
INVOLVING INFRASTRUCTURE IMPROVEMENT, MICRO-
FINANCING SUPPORT, INSTITUTIONAL ADVANCEMENT AND
CONSUMER PROTECTION.

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

I. INTRODUCTION

Section 1. Title. - This Act shall be known as the "Public Markets Infrastructure
Development, Micro-Financing Support and Related Skills Training Program Act of 2008."

Section 2. Declaration of Policy. - The State recognizes the vital role of public markets
in providing an environment conducive to the sustained development of the national economy
particularly its function as a trading and commercial post for the benefit of small and medium
sized enterprises. In furtherance thereof, the State hereby advocates the formulation of a set of
development modules for the optimum integration and consolidation of all matters related to the
establishment and improvement of public markets within the next five years.

Section 3. Definition of Terms. - For purposes of this Act, the definitions of the
following terms are:

- (a) "*Public Market*" refers to a place, building or structure of any kind owned and/or
operated by a city or municipality designated as such by their respective Sanggunians
and dedicated to the service of the public in general and where basic food items and
other commodities are displayed and offered for sale. The term also includes market
stalls, *tiendas*, buildings, roads, subways, waterways, drainage, parking spaces, and
other appurtenances that are an integral part thereof.

1 (b) “*Development Modules*” refers to the whole package intended for the development of
2 any public market which shall be comprised primarily of four aspects; namely,
3 infrastructure improvement, extension of micro-financing services, institutional
4 advancement and consumer protection.

5 (c) “*LGU*” refers to local government units that may either be the local governments of
6 highly urbanized cities, provinces, cities, and/or municipalities.

7 (d) “*Counter-parting*” refers to the process by which funding for the execution of any of
8 the public market development modules is shared and sourced from various
9 government entities and/or even with the assistance of non-governmental
10 organizations.

11 (e) “*Earmarking*” refers to the automatic allocation of the proceeds of any revenues
12 generated from the development of any public market for a specific purpose, which
13 must be for the benefit of the operations of the said public market.

14 **Section 4. Criteria of Development Modules.** – The development modules shall be
15 implemented based on the following minimum criteria:

16 (a) On Infrastructure Improvements – This shall include at its minimum the following
17 specific improvements on the infrastructure of any public market:

18 (a.1) Constructive Repairs comprised of infrastructure refurbishments, construction of
19 comfort rooms, directional signs and drainage systems.

20 (a.2) Waste Disposal comprised of garbage bins, regular sanitation treatments and
21 waste disposal maintenance systems.

22 (a.3) Ads Space comprised of the construction of advertisement spaces or billboards
23 which shall be bid out by the local government unit to any supplier of goods
24 traded in the public market; provided, that the lease payments from such shall be
25 earmarked for the construction of more advertisement spaces or as payments for
26 the regular sanitation of the public market.

27 (b) On Micro-Financing Support – This shall include at its minimum the following
28 conditions on micro-financing:

1 (b.1) Unless otherwise prescribed by law, interest rates imposed for micro financing
2 shall be based on prevailing market rates.

3 (b.2) Collaterals shall not be required from any debtor who avails of a micro-
4 financing package as provided under this Act of not more than Fifty Thousand
5 Pesos (P50,000.00).

6 (b.3) Market Vendors Cooperatives shall be given priority to syndicate a part not
7 exceeding eighty percent (80%) of the micro-financing package; provided, that
8 it guarantees to pay the said loan as agreed upon and lends out the said loan in
9 smaller portions to its members only subject to the condition imposed by the
10 prior paragraph.

11 (b.4) Sources of funds for micro-financing shall come from Government Financial
12 Institutions.

13 (c) On Institutional Advancement – This shall include at its minimum the educational
14 and training programs on entrepreneurship, financial management, networking and
15 such other subjects necessary for the enhancement of the skills of market vendors.

16 (d) On Consumer Protection – This shall include at its minimum the following programs
17 that will ensure consumer protection; namely, regular price monitoring, providing
18 credible weighing scales, creating an awards system for market vendors in the public
19 market, providing a responsive consumer desk where suggestions and complaints
20 may be filed, among others.

21 **Section 5. Timetable of Development** – Within the first two years of this Act, priority
22 should be given to the development of at least one public market located within every highly
23 urbanized city and capital city. In the latter three years of this Act, the priority shall be given to
24 the development of at least one public market located within any municipality wherein the
25 concerned LGU provides a development study that complies with the requirements set by the
26 coordinating government agencies.

II. DEVELOPMENT MODULES

Section 6. Module of Public Markets Infrastructure Development, Financing Support and Training Program Module for Highly Urbanized Cities. – In the development of public markets located in highly urbanized cities, the local government unit shall take the initiative in the adoption of the provisions of this Act. It shall be done by the appropriate approval of an ordinance issued by the City Council and duly certified by the City Mayor of the area where the public market is located. The development module shall comply with the following minimum requirements:

(a) On Infrastructure Improvement – a minimum of at least Twelve Million Pesos (P12,000,000.00) must be set aside to fund infrastructure related projects for public markets located within highly urbanized cities.

(b) On Micro-financing – a minimum of at least Thirty Million Pesos (P30,000,000.00) must be set aside to fund micro-financing related projects of small and medium sized enterprises based in public markets located within highly urbanized cities.

(c) On Institutional Advancement - a minimum of at least One Million Pesos (P1,000,000.00) must be set aside to fund institutional development programs for public markets located within highly urbanized cities.

(d) On Consumer Protection – a minimum of at least Five Hundred Thousand Pesos (P500,000.00) must be set aside to fund consumer protection programs for public markets located within highly urbanized cities.

Section 7. Module of Public Markets Infrastructure Development, Financing Support and Training Program Module for Cities. - In the development of public markets located in capital cities, the local government unit shall take the initiative in the adoption of the provisions of this Act. It shall be done by the appropriate approval of an ordinance issued by the City Council and duly certified by the City Mayor of the area where the public market is located. The development module shall comply with the following minimum requirements:

(a) On Infrastructure Improvement – a minimum of at least Five Million Pesos (P5,000,000.00) must be set aside to fund infrastructure related projects for public markets located within provincial cities.

(b) *On Micro-financing – a minimum of at least Fifteen Million Pesos (P15,000,000.00)* must be set aside to fund micro-financing related projects of small and medium sized enterprises based in public markets located within provincial cities.

(c) *On Institutional Advancement - a minimum of at least Five Hundred Thousand Pesos (P500,000.00)* must be set aside to fund institutional development programs for public markets located within provincial cities.

(d) *On Consumer Protection – a minimum of at least Three Hundred Thousand Pesos (P300,000.00)* must be set aside to fund consumer protection programs for public markets located within provincial cities.

Section 8. Module of Public Markets Infrastructure Development, Financing Support and Training Program Module for Municipalities. – In the development of public markets located in municipalities, the local government unit shall take the initiative in the adoption of the provisions of this Act. It shall be done by the appropriate approval of an ordinance issued by the Municipal Council and duly certified by the Municipal Mayor of the area where the public market is located. The development module shall comply with the following minimum requirements:

(a) *On Infrastructure Improvement – a minimum of at least Three Million Pesos (P3,000,000.00)* must be set aside to fund infrastructure related projects for public markets located within provincial municipalities.

(b) *On Micro-financing – a minimum of at least Seven Million Pesos (P7,000,000.00)* must be set aside to fund micro-financing related projects of small and medium sized enterprises based in public markets located within provincial municipalities.

(c) *On Institutional Advancement - a minimum of at least Three Hundred Thousand Pesos (P300,000.00)* must be set aside to fund institutional development programs for public markets located within provincial municipalities.

(d) *On Consumer Protection – a minimum of at least Two Hundred Thousand Pesos (P200,000.00)* must be set aside to fund consumer protection programs for public markets located within provincial municipalities.

III. PARTICIPANTS

Section 9. Role of Local Government Units. – All local government units of cities and municipalities must adopt and choose at least one public market in its area of responsibility as the pioneer public market for development based on the provisions of this Act. Each local government unit must prepare a comprehensive feasibility study for the development of the public market it has chosen to benefit under the provisions of this Act. Each local government unit must fund through its internal revenue allotment at least thirty percent (30%) of the total funding cost related to public market infrastructure improvements, institutional advancement and consumer protection.

The provincial government must choose as priority projects at least one public market within its capital city and at least another one within any of the municipalities within its jurisdiction. It must likewise fund through its internal revenue allotment at least thirty percent (30%) of the total funding cost related to public market infrastructure improvements, institutional advancement and consumer protection.

Section 10. Role of Government Financial Institutions. – All government financial institutions shall set aside funding for micro-financing operations related to the purposes of this Act. Each government financial institution must fund at least twenty one (21) micro-financing projects for the benefit of public markets identified under this Act; provided, that this shall be distributed evenly at seven (7) public markets each for Luzon, Visayas and Mindanao, respectively. The participating government financial institutions shall include the Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP) and other government financial institutions.

Section 11. Primary Coordinating Government Agencies. – The Department of Trade and Industry shall be the lead agency which will ensure the implementation of this Act. The Departments of Agriculture, Finance and Public Works and Highways and the Commission on Audit shall also assist in the evaluation and coordination of all public market improvements.

Section 12. Role of Public Market Vendors Cooperatives. – Only duly registered market vendors cooperatives shall be recognized for purposes of this Act. Subject to the supervision of the primary coordinating government agencies, public market vendors'

1 cooperatives shall be given the first priority in availing of the micro-financing services and
2 institutional development programs provided herein. However, such services shall never
3 exclusively benefit public market vendors' cooperatives.

4 **Section 13. Public Consultation.** – Prior to the final approval of any development of any
5 public market under this Act, the lead and other coordinating government agencies must hold
6 public consultations with all interested parties at the city or municipality where the said public
7 market is located. The Regional Head of the Department of Trade and Industry or his duly
8 designated representative shall chair and convene the consultations with the public. A notice
9 informing such shall be posted in a conspicuous place in the city or municipal hall for a period of
10 two (2) consecutive weeks prior to the date of the hearing.

11 12 **IV. PROJECT IMPLEMENTATION**

13 **Section 14. Technical Assistance and Resource Mobilization Coordinating Council**
14 **on Public Markets Development.** – To facilitate the implementation of this Act, a technical
15 assistance and resource mobilization coordinating council shall be formed to support, promote,
16 and encourage the LGUs in the development of any public market based on the provisions of this
17 Act. The following shall be the members of the committee:

- 18 (a) The Secretary of the Department of Trade and Industry or his duly authorized
19 representative who must have the rank of undersecretary, as Chairman;
- 20 (b) The Secretary of the Department of Agriculture or his duly authorized
21 representative who must have the rank of undersecretary, as Vice-Chairman;
- 22 (c) The Secretary of Finance or his duly authorized representative who must have the
23 rank of undersecretary, as member;
- 24 (d) The Secretary of Public Works and Highways or his duly authorized
25 representative who must have the rank of undersecretary, as member;
- 26 (e) The Secretary of the Department of Interior and Local Government or his duly
27 authorized representative who must have the rank of undersecretary and, as may
28 be necessary and upon proper invitation, the President, or his representative, of
29 national LGU officers organizations.

1 (f) The President of the Development Bank of the Philippines or his duly authorized
2 representative, as member; and

3 (g) The President of the Land Bank of the Philippines or his duly authorized
4 representative, as member.

5 The committee shall have the following functions:

6 (a) Provide technical assistance and resource mobilization to local government units
7 qualified to undertake the establishment, maintenance, and development of public
8 markets in accordance with this Act;

9 (b) Coordinate and facilitate the procurement of micro-financing operations and the
10 funding of at least seventy percent (70%) of the total funding cost related to
11 public market infrastructure improvements, institutional advancement and
12 consumer protection in accordance with this Act;

13 (c) Screen and determine local government units qualified to undertake public market
14 development through the compliance of the requirements provided under Section
15 9 of this Act; and

16 (d) Monitor, evaluate, and submit annual reports to the President of the Philippines,
17 the President of the Senate and the Speaker of the House of Representatives, an
18 annual accomplishment report on projects covered in this Section, which shall
19 include the total amount of micro-financing released as of the end of the calendar
20 year, local government units granted micro-financing and the amount thereof, and
21 a list and description of accomplished and pending public market development
22 projects.

23 **Section 15. Engineering and Administrative Overhead Expenses.** - Appropriations
24 for projects authorized in this Act shall be used solely for project implementation which shall
25 include direct engineering, consulting and/or administrative overhead expenditures incidental
26 thereto, including but not limited to salaries of employees who may be hired for the duration of
27 the project, office supplies and similar operational costs. These engineering and administrative
28 overhead expenditures shall be reflected in the program of work for the project concerned and

1 shall not exceed four percent (4%) of the amount actually released for the project; Provided, that
2 the said percentage shall be reduced as the total project cost increases.

3 The program of work shall include, among others, estimates of the work items, quantities
4 and costs, and the schedule of project activities and disbursements.

5 **Section 16. Program of Work.** – The development of any public market must begin with
6 the initiative of the local government unit through its endorsement of a feasibility study for
7 public consultation. After the completion of the said public consultation, a copy of the feasibility
8 study shall be submitted to the Technical Assistance and Resource Mobilization Coordinating
9 Council for technical endorsement. Thereafter, the bidding out of the project shall be done before
10 the concerned local government unit where the public market is located, in accordance with the
11 harmonized procedures on procurement under Republic Act 9184 or the Government
12 Procurement Reform Act. Once these are done, the actual implementation shall begin with the
13 introduction of infrastructure improvements and followed by the implementation, as deemed
14 necessary, of the micro financing project, the institutional development program and the
15 consumer protection project.

16 **Section 17. Public Bidding.** – Once the development plan of any public market is
17 cleared for implementation, all projects covered under this Act shall be implemented by contract
18 awarded after competitive public bidding open to all qualified bidders and shall be awarded to
19 the bidder who submits the lowest evaluated bid that is most advantageous to the government
20 based on existing laws and regulations. A notice of the schedule of the bidding must be
21 published for three (3) consecutive weeks in a conspicuous place within the city or municipal
22 hall where the public market is located.

23 **Section 18. Negotiated Contracts.** – No project in this Act shall be implemented by
24 negotiated contract except in any of the following cases: (a) when there is an emergency arising
25 from natural calamities or where immediate actions is necessary to comply with government
26 commitments; (b) when there is failure to award a contract after competitive public bidding for a
27 valid cause; (c) upon the termination or rescission of contract; (d) when the project is to be
28 implemented in areas with critical peace and order problems as certified by the Department of

1 National Defense; or (e) as expressly authorized by the President of the Philippines when
2 national interest so requires.

3 The authority to negotiate and approve contracts under this section shall be obtained by
4 them from the Secretary of the Department of Trade and Industry.

5 **Section 19. Publication and Posting of Public Markets Development Contracts. –**

6 All contracts for public market development projects shall be published three times on three
7 separate days once a week for three consecutive weeks in a newspaper with a general circulation
8 at the region where the said public market is located. In addition thereto, a copy thereof shall be
9 posted in a public place in the province, city or municipality where the project will be
10 implemented.

11 Such publication shall contain the subject matter of the contract, including the persons
12 authorized by the government to give consent in its behalf; the type of materials used; the
13 contract time; the bidders, if public bidding is undertaken before granting the contract; and other
14 terms of the contract.

15 For purposes of this Act, the local government unit concerned shall allow interested
16 parties to inquire into the particular contract. Such inquiry shall be made in writing during
17 regular office hours and the same shall be for a legitimate purpose stated therein. The copies of
18 the documents, papers and records pertinent to the public markets development contract that is
19 the subject of inquiry shall be made available at the expense of the interested parties.

20
21 **V. SOURCES OF FUNDS AND INCENTIVES**

22 **Section 20. Sources of Funding. –** The development of any public market under the
23 provisions of this Act shall be funded through the counter parting of funds from various
24 government offices, entities or agencies; provided, that each local government unit must fund
25 through its internal revenue allotment at least thirty percent (30%) of the total funding cost
26 related to public market infrastructure improvements, institutional advancement and consumer
27 protection.

28 The Department of Agriculture shall provide counter part funds sourced from
29 appropriations for post harvest facilities as provided under R.A. No. 8435, otherwise known as

1 the Agriculture and Fisheries Modernization Act of 1997, as amended, as well as from R.A. No.
2 8178, otherwise known as the Agricultural Competitiveness Enhancement Fund as amended by
3 R.A. No. 9496. At least twenty (20) public markets every year beginning from the approval of
4 this Act must be provided with the counter part funds by the Department of Agriculture.

5 Any government agency or instrumentality, including government owned and controlled
6 corporations and/or the offices of any Senator and/or Congressman through their Priority
7 Development Assistance Fund and/or the Social Fund of the President of the Republic of the
8 Philippines, may also provide the counter part funds to finance any aspect of this project.

9 Only government financial institutions are required to fund all micro-financing projects
10 for the benefit of public markets. Subject to reasonable terms and conditions, nothing, however,
11 prohibits private financial institutions from providing all or part of the funds needed to support
12 the micro-financing projects as provided in this Act.

13 All government agencies and/or offices that have committed to support the development
14 of any public market shall expressly state such on a Memorandum of Agreement that shall be
15 executed per criteria.

16 **Section 21. Incentives for Private Support.** – Any person may donate funds,
17 equipment, materials or services for the use and benefit of any stage of the development
18 modules. Such donations shall be done through a Memorandum of Agreement (MOA) between
19 the LGU and the donor. The MOA shall expressly state the market value of the donated funds,
20 materials or services. The value of the donation shall be automatically exempt from all national
21 internal revenue taxes including customs duties and other importation charges, if applicable.
22 Subject to the issuance of the appropriate revenue regulations by the Bureau of Internal Revenue,
23 the value of the donation shall also be deductible as an expense in the determination of the
24 taxable income of any donor.

25 **Section 22. Valuation of Private Support.** - Unless such donations are capable of
26 pecuniary estimations, these contributions shall be based on the market value of the said goods
27 that shall be stated on a Memorandum of Agreement to be executed between the donor and the
28 local government unit where the concerned public market is located.

1 **VI. REPORTORIAL AND OVERSIGHT REQUIREMENTS**

2 **Section 23. Reports.** – The Secretary of the Department of Trade and Industry shall
3 submit to the President of the Philippines, the President of the Senate and the Speaker of the
4 House of Representatives, an annual accomplishment report on projects covered in this Act,
5 which shall include the appropriations released as of the end of the calendar year, the extent of
6 the works accomplished, further works to be done, and any recommendations for additional
7 appropriations or charges thereof. A detailed break report also as to the sources of counter-part
8 funds utilized per public market project as implemented in this Act shall likewise be provided.

9 **Section 24. Implementing Rules and Regulations.** – The Department of Trade and
10 Industry in consultation with the Technical Assistance and Resource Mobilization Coordinating
11 Council and the LGUs, shall prepare such rules and regulations for the proper and effective
12 implementation of this Act, within sixty (60) days from the date of publication of this Act. The
13 Department of Trade and Industry shall publish once a week for two (2) consecutive weeks in
14 two newspapers of general circulation the rules and regulations promulgated pursuant to this
15 provision.

16 **Section 25. Separability Clause.** – Any portion or provisions of this Act that may be
17 declared unconstitutional or invalid shall not have the effect of nullifying other portions and
18 provisions hereof as long as such remaining portion or provision can still subsist and be given
19 effect in their entirety.

20 **Section 26. Repealing Clause.** – All laws, decrees, executive orders, proclamations and
21 administrative regulations, or parts thereof inconsistent herewith are hereby repealed or modified
22 accordingly.

23 **Section 27. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
24 publication in at least two (2) national papers of general circulation or in the Official Gazette.

25
26 Approved,