

EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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Senate
Office of the Secretary

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SENATE
S.B. NO. 225

RECEIVED

Introduced by SENATOR IMEE R. MARCOS

**AN ACT
ESTABLISHING THE
PHILIPPINE CORN RESEARCH INSTITUTE
AND APPROPRIATING FUNDS THEREFOR**

EXPLANATORY NOTE

This bill seeks to establish the Philippine Corn Research Institute (PhilCorn) that shall unify, coordinate, fund, implement, and strengthen all corn research and development (R&D) as well as manpower training and extension of technologies on corn and corn-based farming systems for the production of more food, feeds, forage, industrial materials, and bioenergy purposes, including those subsequent (or rotation) crops that are grown after rice in rainfed farms and in dryland and marginal upland farms in the country.

The national government affirms its goal of ensuring the country's food, feeds, forage, and bioenergy security through the development of a modern, highly productive and efficient, and competitively secured agriculture. The success in this new and comprehensive venture of modernizing corn production and its industrialization would tremendously help improve and advance people's employment and livelihood opportunities and thus, reduce poverty and hunger, particularly in the rural areas. Therefore, it is important to identify our target areas and to consider as well the vulnerable upland and dryland agro-ecosystems where many of the resource-poor farmers, particularly the corn farmers, grow their food

and feed crops, including poultry and livestock.

Corn is the second most important national food crop next to rice. It serves as the staple food of 20 percent (20%) of the Philippine population. Furthermore, corn is the main component of up to 75% of formulated feeds for livestock, poultry, and aquaculture fishery. Corn is grown mainly in rainfed farms after rice is harvested, and in upland and dryland farms, including steep hillsides, in over 2.5 million hectares, mostly in Mindanao, Cagayan Valley, Ilocos Region, Central Luzon, Central Visayas, and Palawan.

The current national grain yield in various ecological regions is still low, ranging from 0.5 to 2.5 tons per hectare in resource-poor areas although yields can be as high as 6 to 10 tons for hybrid corn varieties in few favorable farm environments, suggesting that there is bright prospect in further increasing corn yields in specific farm sites. Consequently, the country needs to improve the overall productivity not only to achieve self-sufficiency but also to stabilize food security and nutrition among our rural population and increase farm incomes. We can also target the export markets over the medium- and long-term view.

The demand for both white corn as human food and yellow corn as animal feeds and for industrial uses have been increasing rapidly because of the high demand of our growing human population, the expanding livestock and poultry industries, and the rapid growth of the emerging industrial and bioenergy program (RA 9367, The Biofuels Act of 2006) designed to augment imports of fossil-based fuel as energy source.

Low crop yields and household income of majority of corn farmers in the rainfed, upland, and dryland farms are still far below those obtained in experiment stations because of the following factors and situations:

1. Limited access of farmers to and adoption of genetically improved seeds;
2. Inadequate information and use of integrated nutrient and pest management systems;
3. Slow adoption of crop rotation technologies;

4. Ineffective drought mitigation approaches;
5. Inadequate mechanization of field operations from land preparation to harvesting and drying;
6. Large portions of the corn-growing areas are hilly land with highly variable soil fertility; and
7. Many farms are prone to drought due to erratic rainfall pattern and therefore irrigation facilities should be installed.

Of the major crops other than rice that support the national economy, corn and corn-based farming systems (*including crops planted after corn such as grain legumes*) are the most neglected in research support with an allocation of less than 0.05 percent of the gross value added (GVA) compared to rice at 0.25 percent, coconut at 0.30 percent, and sugarcane at 0.5 percent. The Philippines has more than three million hectares of upland and dryland areas inhabited by about five million households, most of whom are very poor especially those in Southern Mindanao, Central and Eastern Visayas, parts of Western Luzon, Palawan, and the Bicol Region.

Recurrent droughts and typhoons, environmental degradation due to short-duration and erratic rainfall, recurring El Nino and climate change phenomenon, soil infertility and inaccessibility of high-quality crop seeds aggravate the low productivity and untold hardships of poor corn farming communities.

The millions of degraded lands and infertile soils in the upland and dryland areas without irrigation facilities, however, comprise an untapped *potential* resource for the growing of drought-tolerant corn and corn-based cropping systems such as, for example, sorghum and grain legumes for food and feeds. However, when properly managed, these crops will help ensure household food security and sustainable farm productivity.

In the Philippines, there are well established research institutes devoted to major crops and disciplines such as: rice, coconut, sugarcane, fiber and abaca, cotton, silkworm, tobacco, root crops, biotechnology, plant breeding, crop

protection, farming systems, irrigation, carabao, dairy, fishery, hogs, farm mechanization and post-harvest, and other strategic commodities and disciplines.

However, there is no such similar institute, that is devoted to crops such as corn and corn-based farming systems that includes crops such as sorghum and grain legumes that are important as food, feed, forage, and fuel.

It is time to establish the Philippine Corn Research Institute (PhilCorn).

Globalization and climate change require that the country must enhance its capability to continuously develop cutting-edge technology and agricultural innovations that will enable corn farmers to become prosperous by increasing the productivity and quality of their produce through modern farm planting practices, harvesting, processing, and packaging techniques for the domestic and global markets.

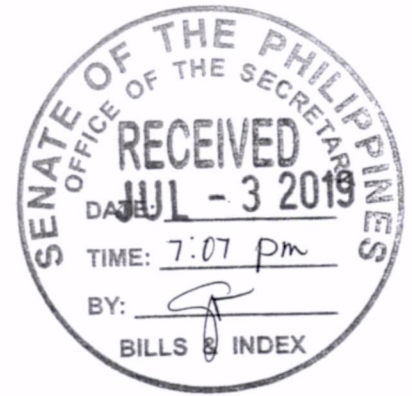
From these observations, it is clear that there is an urgent need to establish a proactive, modern agricultural research and extension institute – The Philippine Corn Research Institute (PhilCorn) -- that is designed and committed to:

1. Unify, coordinate, fund, implement, and strengthen all national and farm-level efforts on Research & Development, Extension (RDE) for corn and corn-based farming systems for food, feeds, forage, and fuel;
2. Hasten technology sharing activities that will improve the livelihood of resource- poor farming communities and empower them to cope up with low yields owing to frequent occurrences of drought, warming temperatures, land degradation, and other risks arising from environmental calamities and climate changes;
3. Ensure adequate and stable supply of quality corn products for domestic and foreign markets; and
4. Improve the economic condition and income of farmers in the upland and dryland regions of the country.

In view of the foregoing and in order to dramatically reduce poverty, improve people's employment and livelihood, particularly in the rural areas, and to ensure the country's food sufficiency and energy security, approval of this bill is strongly recommended.


IMEE R. MARCOS

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



SENATE
S. B. No. 225

Introduced by SENATOR IMEE R. MARCOS

**AN ACT ESTABLISHING
THE PHILIPPINE CORN RESEARCH INSTITUTE AND
APPROPRIATING FUNDS THEREFOR**

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

1 Section 1. *Short Title.* - This Act shall be known as the Philippine Corn
2 Research Institute Act.

3 Sec. 2. *Philippine Corn Research Institute.* - The Philippine Corn
4 Research Institute, hereinafter referred to as PhilCorn, is hereby established
5 as a *body corporate attached* to the Department of Agriculture (DA) to
6 modernize the corn industry and consequently improve the livelihood and
7 household income of resource-poor corn farmers in the rainfed, upland, and
8 dryland farming communities and to empower farmers with the tools of
9 science and technologies so that they can cope up with problems of low
10 yields, droughts, floods, land degradation, global warming, and other risks
11 arising from environmental and climate changes.

12 Sec. 3. *Objectives.* - The objectives and goals of this Act are as follows:

1 a) To develop and implement a strong, dynamic, and innovative farmer-
2 centered and need-based national corn research and development,
3 technology sharing, training, and extension programs;

4 b) To strengthen the national capacity for corn research and extension,
5 modernize production and utilization as well as industrial processing of corn
6 and corn-based crops, diversify harvests through sequential crops to sustain
7 soil health and fertility and thus enhance long-term higher productivity and
8 household income;

9 c) To improve the livelihood and economic conditions of small-scale and
10 resource-poor farmers who are growing corn after rainfed rice as well as in
11 upland and dryland farming ecosystems;

12 d) To work closely with regulatory agencies such as the BPI (i.e.
13 National Seed Quality Control Laboratory, NSQCL; Quarantine Division, and
14 National Seed Industry Council, NSIC), Bureau of Agriculture and Fisheries
15 Standards (BAFS), and private stakeholders (i.e. PhilMaize) and NGOs in the
16 collection, conservation, and utilization of endemic or traditional corn varieties
17 as well as in the experimentation, planting, and monitoring of corn hybrid and
18 genetically engineered varieties;

19 e) To develop and implement sustainable and environment-friendly corn
20 and corn-based farming systems in the vulnerable and marginal areas like
21 sloping terrains and evaluate those areas where crops other than corn may be
22 more appropriate to grow;

23 f) To gather and provide reliable, up-to-date data to guide policy
24 makers with regard to corn improvement and development, import and export
25 volumes, and develop strong linkages among stakeholders in promoting the
26 national corn industry;

1 g) To expand employment opportunities through corn and corn-based
2 farming systems in the rural areas, and ultimately promote the general
3 welfare of the people through higher efficiency and profitability in production,
4 industrial products development, processing, and marketing;

5 h) To initiate and undertake such other related programs in consultation
6 and partnership with the DA-Bureau of Agricultural Research (DA-BAR), the
7 DA regional research centers (DA-RIARCs), the Philippine Council for
8 Agriculture, Aquatic Resources, Forestry, and Natural Resources Research and
9 Development (PCAARRD), State Colleges and Universities (SCUs), and the
10 private sector.

11 Sec. 4. *Principal and Regional Offices.* - The PhilCorn shall have its
12 principal office at the Isabela State University or *at any other suitable site* as
13 the Board of Trustees may decide*.

14 It may also establish other offices, branches, satellite offices, or
15 subsidiaries in any geographically suitable region in the Philippines that are
16 major producers of corn and as may be necessary or proper for the
17 accomplishment of its purposes and objectives.

18 Sec. 5. *Duties and Functions.* - The PhilCorn shall exercise the following
19 duties and functions:

20 a) Unify, plan, fund, conduct, monitor, and evaluate corn research,
21 development, and technology promotion in different scientific and
22 technological fields and programs, including but not limited to the following
23 thrusts: (1) germplasm collection, conservation, breeding, and biotechnology;
24 (2) natural resources management, watershed conservation, drought
25 adaptation and mitigation; (3) corn engineering, farm mechanization, and
26 postharvest management; (4) pest surveillance, early warning system,

1 integrated pest management, and biological control methods; (5) socio-
2 economics, impact assessment, and policy advocacy; (6) technology
3 packaging and demonstration, promotion and deployment, training and
4 communication; (7) processing and industrial-chemical products development;
5 and (8) corn- based farming systems, farm management improvement, and
6 experiment station development.

7 b) Unify, lead, fund, and coordinate a national network of corn and
8 corn-based farming systems research and extension agencies, centers, and
9 stations located in the different agro- ecological regions of the country where
10 corn is a major crop;

11 c) Develop technologies suitable for the rainfed, upland, and dryland
12 agro-ecosystems that will maximize the productivity and quality of locally
13 grown corn and corn-based crops while also reducing production costs and
14 ensuring long-term and sustainable corn and corn-based production systems
15 through genetic improvement and environmental resources and conservation
16 measures;

17 d) Enhance income of corn farmers by developing suitable corn-based
18 crops and livestock farming systems as well as crop rotations where
19 applicable; value-adding corn technologies including on-farm verification,
20 processing, packaging, marketing, and promotion of economically viable
21 technologies as well as entrepreneurial skills, giving emphasis on those
22 aspects necessary for group endeavors of small-scale farmers, cooperatives,
23 and seed growers;

24 e) Develop databases needed in the identification and preparation of
25 necessary policy recommendations towards efficient, highly productive and
26 competitive corn industry and corn-based farming systems through
27 appropriate socio-economic measures and public-private sector mobilization

and participation;

f) Organize and develop strong training and communication programs for corn and corn-based farming systems scientists, research managers, and extension specialists to enable them undertake effective and timely technology promotion of packaged technologies among clusters of farmers and corporate growers by utilizing modern extension systems such as information, education, and communication (IEC) technology and participatory social mobilization procedures;

g) Publish and disseminate research and extension findings and recommendations through scientific journals, books, technical and extension bulletins, videos, and other print and communication channels.

Sec. 6. *Corporate Powers.* - The PhilCorn shall exercise the following corporate powers:

a) Exercise all the powers of a corporation under the general corporation law, in so far as such powers are not inconsistent with the provisions of this Act;

b) Enter into, make and execute contracts and agreements of any kind or nature, and to sue and be sued in its corporate name;

c) Borrow funds and obtain loans from all sources, whether local or foreign and whether government or private, to help finance its research programs and its capital and operating expenditures, or support to farmer entrepreneurial activities;

d) Invest in, purchase or otherwise acquire, own, lease, mortgage, pledge, sell, assign, convey, exchange, encumber, borrow, or otherwise deal in real and/or personal properties of whatever kind and nature, or any interest

1 therein, including shares of stock, bonds, notes, securities, and other
2 evidences of indebtedness of natural or juridical persons, whether domestic or
3 foreign and whether government or private;

4 e) Receive and acquire from any person, government and private
5 entities, whether foreign or domestic, or from any corporation, partnership,
6 association or other entity such characters, licenses, franchises, rights,
7 privileges, concessions, assistance, grants, donations, loans, and contributions
8 consisting of such properties, real or personal, including funds and valuable
9 effects, as may be useful, necessary or proper to finance its research, capital
10 and operating expenditures or otherwise carry out its purposes and
11 objectives, and to administer the same in accordance with the terms and
12 agreement consistent with its purposes and objectives; and

13 f) Acquire from the government, whether national or local or from any
14 person, corporation, partnership, association or other entity, such characters,
15 franchises, rights, privileges, assistance, financial or otherwise and
16 concessions as may be conducive to and necessary or proper for the
17 attainment of the purposes and objectives of PhilCorn.

18 Sec. 7. *Board of Trustees.* - The Board of Trustees, hereinafter referred
19 to as the Board, shall exercise all the corporate functions and powers of the
20 PhilCorn and shall control all its businesses, activities, and properties that are
21 relevant to the goals and functions of the Institute.

22 The Board shall be composed of the Secretary of Agriculture or his
23 designate as *ex-officio* Chairperson and fourteen (14) members from the
24 following agencies and sectors:

25 a) Executive Director of the Philippine Council for Agriculture,
26 Aquaculture, Forestry, and Natural Resources Research and

1 Development (PCAARRD) of the Department of Science and
2 Technology (DOST) who will act as Co-Chairperson;

3 b) Director of the Bureau of Agricultural Research (BAR) who will
4 act as Vice-Chairperson;

5 c) Regional Executive Director (RED) representing the DA
6 Regional Field Offices (DA-RFOs);

7 d) Undersecretary of the Department of Budget and Management
8 (DBM);

9 e) Director of the Agriculture Division of the National Economic
10 and Development Authority (NEDA);

11 f) Director of the DA-Philippine Council for Agriculture and
12 Fisheries (DA-PCAF);

13 g) two (2) University Presidents from the State Universities and
14 Colleges (SUCs) representing major corn producing and corn-
15 based agriculture regions;

16 h) four (4) private sector representatives, namely: one each from
17 among the national outstanding corn farmers, farmers'
18 organizations or federations (Philippine Maize Federations,
19 Inc.), private companies engaged in corn research and seed
20 production, and the livestock/poultry industry; and

21 i) two (2) distinguished scientists from the public and private
22 sectors.

23 The credentials of private sector representatives shall be evaluated and
24 scrutinized by competent members of the Board.

25 b) The term of office of the members of the Board who are heads or
26 officials from their respective agencies or institutions shall be co-terminus with
27 their respective appointments; *Provided*, however, That the term of office of
28 the Regional Executive Director who represents the DA-RFOs where corn is a

1 major crop and the four (4) private sector representatives shall be for five
2 years without prejudice to a reappointment for another five years based on
3 merits and excellent performance in the Board. The PhilCorn Executive
4 Director shall serve as Secretary of the Board. All government officials in the
5 Board shall serve as *ex-officio* members and shall not receive any salary or
6 compensation.

7 c) The Chairperson, Co-Chairperson, Vice-Chairperson, and members of
8 the Board shall receive *per diem*, as the Board may determine, for each Board
9 meeting actually attended; *Provided*, however, That such members shall also
10 be entitled to reimbursable transportation and representation allowances in
11 going to and coming from board meetings and in transacting official business
12 for the Institute.

13 d) The Board shall meet regularly at least once (1) every quarter or as
14 often as the exigencies of the service demands. The presence of the
15 Chairperson, Co-Chairperson or Vice-Chairperson and at least seven (7)
16 members of the Board shall constitute a quorum and the majority vote of the
17 members present, there being a quorum, shall be necessary for the adoption
18 of any resolution, rule, regulation, decision or any other act of the Board.

19 Sec. 8. *Powers and Functions of the Board.* - The PhilCorn Board shall
20 exercise the following powers and functions:

21 a) Adopt its by-laws and promulgate policies, rules, regulations, and
22 procedures for the efficient and effective operations of the Institute;

23 b) To define and guide in the formulation of the vision, mission,
24 strategy, and research- extension priorities, general plans and programs, and
25 guidelines for the proper operation and management of the PhilCorn in
26 accordance with its purposes and objectives and in line with research planning

1 and monitoring policies and procedures of PCAARRD and BAR;

2 c) To approve the PhilCorn's organizational structure and staffing
3 pattern, operation and capital expenditures, and financial budget prepared in
4 accordance with its corporate plans;

5 d) To approve the plantilla and salary ranges, benefits, privileges,
6 bonuses, scholarship and manpower development, housing facilities and
7 support to staff, and other terms and conditions of service, including
8 promotion systems similar to those in the State Universities and Colleges
9 (SUCs) and the Department of Science and Technology (DOST) as well as life
10 and medical insurances and retirement schemes or benefits for all officers and
11 employees of the PhilCorn, upon recommendation of the Executive Director;

12 e) To appoint, promote, transfer, suspend, remove or otherwise
13 discipline any subordinate officer or employee of the Institute, upon
14 recommendation of the Executive Director;

15 f) To create such committee or committees and appoint the members
16 thereof, as may be necessary and proper for the management of the PhilCorn
17 or for the attainment of its purposes and objectives; and

18 g) To exercise such other powers and functions and perform such other
19 acts as may be necessary or proper for the attainment of the purposes and
20 objectives of the PhilCorn, or as may be delegated by the Secretary of
21 Agriculture or any competent authority through the Board of Trustees.

22 Sec. 9. *Executive Director and Other Officers.* - The PhilCorn shall be
23 headed by an Executive Director who shall be appointed by the President of
24 the Philippines, upon recommendation of the Board of the Trustees (BOT),
25 based on the findings and recommendations of a *Search Committee* duly
26 organized and commissioned by the Board for such purpose.

1 a) The Executive Director shall serve for a term of five (5) years,
2 subject to a one term extension of five (5) years for very meritorious
3 performance, or a maximum total of ten (10) years without further extension
4 for any reason whatsoever; *Provided*, however, That there shall be a reserved
5 plantilla position of the same salary rate for the outgoing Executive Director, if
6 he is previously a holder of a plantilla position at PhilCorn and shall not yet be
7 of retirement age at the end of his term as Executive Director; *Provided*,
8 further, That the Board of Trustees, through a *Search Committee* duly
9 organized at least four (4) months earlier, shall have chosen a new Executive
10 Director who shall immediately assume office during a turn-over ceremony on
11 the expiration date of the term of office of the outgoing Executive Director;
12 and *Provided*, finally, that no *Officer-in-Charge* shall be designated as head of
13 the Institute.

14 b) The Executive Director shall be assisted by two (2) Deputy Executive
15 Directors, Division Heads, and Branch Station Directors or Managers as the
16 Board may determine, to carry out the purposes and objectives of the
17 PhilCorn.

18 Sec. 10. *Powers, Functions, and Duties of the Executive Director.* - The
19 Executive Director shall be directly responsible to the Board and shall have the
20 following powers, functions, and duties:

21 a) To exercise dynamic leadership, create a vision, map out the mission,
22 provide strategic direction, and undertake systematic supervision over the
23 planning and implementation of all research, development, technology sharing
24 programs, training and extension, upgrading of scientists and staff of the
25 Institute and, in general, administer and direct the management and
26 operation in a transparent and corrupt-free administration of the PhilCorn;

27 b) To execute all contracts, incur obligations, acquire and dispose of

1 assets, and deliver documents on behalf of the PhilCorn within the framework
2 of the authority delegated by the Board;

3 c) To implement and enforce policies, decisions, orders, rules, and
4 regulations that are promulgated or adopted by the Board;

5 d) To arrange for the conduct of an External Program and Management
6 Review (EPMR) by a Panel of Experts every 5 years or as often as necessary
7 in order to understand the output and impact of PhilCorn programs to the
8 farmers and stakeholders of the corn industry and to provide guidance to
9 management in charting the future of the institute; and

10 e) To exercise such other powers and functions and performs such
11 other duties as may be authorized, assigned, or delegated by the Board.

12 Sec. 11. *Technical Advisory Committee.* - A Technical Advisory
13 Committee (TAC), organized and approved by the Board, shall assist the
14 Executive Director, Division heads, Program Directors, and Branch Station
15 Directors or Managers in pursuing inter-agency activities and participation of
16 the national RD&E network.

17 The TAC shall be composed of not more than nine (9) members, or as
18 the Board may designate, who are heads, representatives, or scientists and
19 experts of agencies, government or private, that are actively involved in any
20 critical aspect of corn research, corn-based farming systems, seed quality
21 certification, training and extension, production and processing, marketing
22 and consumption, policy advocacy, and capacity building. TAC members may
23 be assigned to assist specific programs, divisions, or branch stations as the
24 services may require in achieving the goals of PhilCorn.

25 Sec 12. *Services of Government Personnel.* - The PhilCorn may, for the
26 purpose of its research, development, training, and extension activities, obtain

1 and secure the services of scholars and scientists as well as specialists in
2 research, training, extension, and communication of any unit, experiment
3 station, institute or center of the Department of Agriculture, University of
4 Southern Mindanao, Central Mindanao University, Visayan State University,
5 University of the Philippines Los Banos, Mariano Marcos State University,
6 Isabela State University, Central Luzon State University, and other agencies
7 and universities of the national government and foreign institutions.

8 Those personnel of national and international reputations, from public
9 or private institutions, shall be designated as visiting scientists and research
10 fellows for a term of one year to five years to assist in conducting major
11 research problems of strategic importance and consequences in pursuing the
12 goals and objectives of the Institute. The selected personnel may be paid
13 such honoraria or incentives acceptable to all concerned and as may be fixed
14 and authorized by the Board.

15 Sec. 13. *Buildings, Facilities, and Equipment.* -The PhilCorn is hereby
16 authorized to own, acquire, borrow, lease, plan, and construct or repair
17 buildings, laboratories, experimental farms, and other facilities as may be
18 necessary or proper to attain its purposes and objectives. It may also utilize
19 facilities of any unit of any cooperating SUC, the Department of Agriculture,
20 and of the national government that is engaged, directly or indirectly, in
21 activities that relate to agriculture, farming systems, corn production or
22 products development of the corn industry.

23 The PhilCorn is further authorized to purchase equipment, materials and
24 articles, either locally or abroad, as may be necessary or proper to carry out
25 its powers and functions and attain its purposes and objectives.

26 It shall be exempted from the payment of any and all forms of taxes,
27 duties, fees and charges on any and all such importation of equipment,

1 materials, articles, and services; *Provided*, however, That the same are not
2 available locally on favorable terms.

3 The PhilCorn shall be authorized to expropriate lands for corn and corn-
4 based farming systems research and development purposes provided that just
5 compensation is paid to the owners of the land. If the land belongs to the
6 government or is inalienable, the Institute is granted automatic title to the
7 land.

8 Likewise, all lands, farms, plantations, whether directly or indirectly
9 owned, used, utilized or administered by the PhilCorn and those that it may
10 hereinafter acquire or utilize for research, training, extension and technology
11 demonstration, and seed production purposes shall be exempted from the
12 coverage of the Comprehensive Agrarian Reform Law.

13 Sec. 14. *Appropriation.* - The Secretary of Agriculture and the Secretary
14 of Budget and Management are hereby authorized and directed to set aside
15 out of the existing funds of the Department of Agriculture the amount of Four
16 Hundred Million Pesos (P400M) as the initial fund of the PhilCorn for CY 2019
17 to be used for its initial operations, including provisions for salary of
18 personnel, conduct of research and technology promotion, construction of
19 laboratories and other physical infrastructures, purchase and development of
20 experimental farms, and acquisition and purchase of equipment for
21 laboratories, farm development, and offices. This initial amount shall be
22 drawn from the DA National Corn Program, BAR appropriations for research,
23 RP-Japan Fertilizer Grant (KR-2), Public Law PL 480 (PL480), and/or any other
24 existing bilateral funding sources in the Department of Agriculture. Thereafter,
25 the government contribution to the Institute's operations shall be provided for
26 under its own Key Budgetary Inclusion (KBI) in the Annual General
27 Appropriations Act.

1 Furthermore, the PhilCorn Board of Trustees shall seek financial support
2 from foreign donors such as Japan International Japan Agency (JICA), Korean
3 International Cooperation Agency (KOICA), Australian Agency for
4 International Development (AusAID), United States Agency for International
5 Development (USAID), and similar institutions for the establishment and
6 improvement of PhilCorn infrastructures, laboratory facilities, field experiment
7 station development, and training and scholarship of qualified personnel.

8 The annual appropriations herein provided shall be subject to the fiscal
9 control and management procedures provided for in Executive Order 714 of
10 1981. All funds, savings, grants, and income of the PhilCorn shall constitute a
11 revolving fund, to be managed as Trust Fund, and shall be considered part of
12 the funds automatically released to the PhilCorn.

13 Sec. 15. *Applicability of Civil Service Laws.* -The PhilCorn and its officers
14 and employees shall be subject to the Civil Service Law, rules and regulations;
15 *Provided*, however, That all technical personnel shall be selected on the basis
16 of the highest standards of merit and fitness for public officials and
17 employees, preferably those with postgraduate degrees, to be determined in
18 accordance with such policies and guidelines as may be approved by the
19 Board.

20 Sec. 16. *Auditor.* - The Chairperson of the Commission on Audit (COA)
21 shall be the *Ex- Officio* Auditor of the PhilCorn. For this purpose, he may
22 appoint a representative who shall be the auditor of the PhilCorn, together
23 with the necessary personnel to assist the COA representative in the
24 performance of his duties.

25 Sec. 17. *Legal Counsel.* - The Government Corporate Counsel shall be
26 the Legal Counsel of the PhilCorn; *Provided*, however, That the PhilCorn may
27 establish its own legal unit, subject to the supervision and control of the

1 Government Corporate Counsel, to handle the day-to-day legal matters
2 affecting the affairs of the PhilCorn.

3 Sec. 18. *Annual Report.* - The Board shall submit to the President of the
4 Philippines through the Secretary of Agriculture an annual report, together
5 with the audit report on the relevant accounts, generally dealing with the
6 activities and operations of the PhilCorn.

7 Sec. 19. *Separability Clause.* - The provisions of this Act are hereby
8 declared separable. If any portion hereof shall be held invalid or
9 unconstitutional, such invalidity or unconstitutionality shall not affect the other
10 provisions, which shall remain in full force and effect in their entirety.

11 Sec. 20. *Effectivity.* - This Act shall take effect within fifteen (15) days
12 from its publication in the Official Gazette or in any national newspaper of
13 general circulation.

14 Approved,