

SENATE

'19 JUL 15 A10 :39

S. No. 474

Introduced by Senator Ralph G. Recto

AN ACT
PROVIDING FOR THE FAIR AND EQUITABLE ALLOCATION OF FARM-TO-
MARKET ROADS PROJECTS OF THE DEPARTMENT OF AGRICULTURE

EXPLANATORY NOTE

Farm-to-market roads offer distinct advantages to the agricultural sector. One, it increases farmers' profit, reduces transportation costs and post-harvest losses and introduces competition among traders and suppliers alike. Second, it provides access to social services and agricultural support services, which in turn improves productivity of farm workers and enhances agricultural efficiency.

Farm-to-market roads also serve other developmental roles in the countryside. In an Asian Development Bank (ADB) study on the effectiveness of poverty reduction interventions on agrarian reform communities in the Philippines, it was observed that rural infrastructure – roads, in particular – has the strongest impact on poverty¹. Rural road development can lead to influx of micro and small investments, short-term employment, enhancement of quality and frequency of public transportation, and improved access to medical, health, and other social services. As former National Economic Development Authority Director General Arsenio Balisacan argued, "investment in land quality and in access to infrastructure, together with sound fundamentals (i.e., fiscal and monetary restraint), are critical to the building of initial conditions for broad-based growth and development²."

For Fiscal Year 2019, P10.21 billion was appropriated under the budget of the Department of Agriculture (DA) for farm-to-market road projects. However, such appropriations came with no institutionalized mechanism to ensure equitable distribution of government appropriations for farm-to-market roads. This situation renders the

¹ Setboonsarng, S. (2008 June). The Impact of Rural Infrastructure and Agricultural Support Services on Poverty: The Case of Agrarian Reform Communities in the Philippines. *ADB Institute Discussion Paper No. 110*. Tokyo: Asian Development Bank Institute.

² Balisacan, A. M. (2001 February). Pathways of Poverty Reduction, Rural Development and Transmission Mechanisms in the Philippines. Paper presented at the Asia and Pacific Forum on Poverty: Reforming Policies and Institutions for Poverty Reduction. Manila, Philippines.

allocation of farm-to-market roads vulnerable to exploitation by unscrupulous individuals who seek to further their own personal and political interests.

This bill seeks to make countryside development inclusive through fair and equitable distribution of government resources. It establishes a formula for the allocation of farm-to-market road appropriations, taking into account the exigencies of factors such as land area and population. Additionally, it penalizes willful misallocation of farm-to-market road appropriations with incarceration and perpetual disqualification to hold public office. Through the adoption of criteria for farm-to-market roads allocation, this bill seeks to ensure that no locality shall be left behind.

In light of this, the approval of this bill is earnestly sought.



RALPH G. RECTO

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

1 Section 1. *Short Title.* – This Act shall be known as the "Farm-to-Market Roads for
2 All Act of 2019."

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 encourage rural development and to empower the agricultural sector towards meaningful
5 and inclusive economic development. Accordingly, the State shall provide for the
6 development of the agricultural sector of the entire country through the fair and equitable
7 provision of adequate and appropriate services, infrastructure and resources. With this end
8 in view, the State shall ensure the effective utilization of government resources through
9 the establishment of a mechanism that would ensure the fair and equitable allocation of
10 farm-to-market road projects of the Department of Agriculture (DA).

11 Sec. 3. *Definition of Farm-to-Market Road.* – For the purpose of this Act, the term
12 "Farm-to-Market Road" refers to a road linking the agriculture and fisheries production
13 sites, coastal landing points or post-harvest facilities to the markets, and arterial roads or
14 highways.

15 Sec. 4. *Allocation of Farm-to-Market Roads.* – Notwithstanding any provision of the
16 law to the contrary, the appropriations for farm-to-market road projects under the DA
17 shall be allocated among provinces and municipalities in the following manner:

18 (a) Thirty percent (30%) of farm-to-market road appropriations to be allocated for
19 provinces; and

20 (b) Seventy percent (70%) of farm-to-market road appropriations to be allocated
21 for municipalities:

1 *Provided*, That the share of each province and municipality shall be determined on the
2 basis of the following formula:

3 (a) Twenty-five percent (25%) of farm-to-market road appropriations to be
4 allocated *pro rata* according to the population of the province or municipality in relation to
5 the total population of the country;

6 (b) Fifty percent (50%) of farm-to-market road appropriations to be allocated *pro*
7 *rata* according to the land area of the province or municipality in relation to the total land
8 area of the country; and

9 (c) Twenty-five percent (25%) of farm-to-market road appropriations to be
10 allocated equally among the provinces or municipalities.

11 *Sec. 5. Implementing Rules and Regulations.* – Within sixty (60) days from the
12 effectivity of this Act, the DA shall, in coordination with the Department of Public Works
13 and Highways (DPWH) and the Department of Budget and Management (DBM),
14 promulgate the necessary rules and regulations to effectively implement the provisions of
15 this Act.

16 *Sec. 6. Separability Clause.* – If, for any reason, any provision of this Act is declared
17 unconstitutional or invalid, such parts or portions not affected thereby shall remain in full
18 force and effect.

19 *Sec. 7. Repealing Clause.* – All laws, executive orders, presidential decrees,
20 issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act
21 are hereby repealed or modified accordingly.

22 *Sec. 8. Effectivity.* – This Act shall take effect fifteen (15) days following its
23 publication in at least two (2) newspapers of general circulation or in the *Official Gazette*.

Approved,