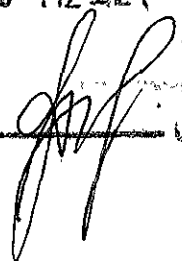


FOURTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

SENATE
OFFICE OF THE SECRETARY
7 JUN 30 12:42
RECEIVED BY: 

SENATE
S. B. No. 38

Introduced by Senator Biazon

EXPLANATORY NOTE

Republic Act No. 8178, otherwise known as the Agricultural Tarification Act, was signed into law on March 28, 1996. This is to cushion the effect of the lifting of quantitative restrictions on affected sub-sectors of Agriculture. Section 28 of said law created the Agricultural Competitiveness Enhancement Fund (ACEF) with a lifespan of nine years from the proceeds of the importation of the minimum access volumes (MAVs).

The nine-year period will expire on December 31, 2007 and thus there is a need to extend the lifespan of the ACEF to enable the government to provide the fisheries and agriculture sector the opportunity to strengthen their development activities and enhance their competitiveness. The availability of the ACEF will give an opportunity to farmers, fisherfolk and all agricultural workers to secure other sources of funds for their competitive enhancement activities.

Due to the foregoing, early passage of this measure is requested.


RODOLFO G. BIAZON
Senator

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AN ACT
EXTENDING THE UTILIZATION PERIOD OF THE AGRICULTURAL
COMPETITIVENESS ENHANCEMENT FUND, AMENDING FOR THIS
PURPOSE SECTION 8 OF REPUBLIC ACT NO. 8178, ENTITLED "AN ACT
REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON
AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING
THE AGRICULTURAL COMPETITIVENESS FUND" AND FOR OTHER
PURPOSES

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

1 SECTION 1. Section 8 of Republic Act Number 8178, entitled "An Act
2 Replacing Quantitative Import Restrictions on Agricultural Products, Except Rice, with
3 Tariffs, Creating the Agricultural Competitiveness Enhancement Fund, and for Other
4 Purposes" is hereby amended to read as follows:

5 "SEC. 8 *Agricultural Competitiveness Enhancement Fund* - To
6 implement the policy enunciated in this Act, there is hereby created the
7 Agricultural Competitiveness Enhancement Fund, hereinafter referred to as
8 the Fund. **THE FUND SHALL CONSIST OF ALL DUTIES**
9 **COLLECTED FROM** [The proceeds of] the importation of
10 **AGRICULTURAL PRODUCTS UNDER THE** minimum access volume
11 **(MAV) MECHANISM.** [shall accrue to the General Fund and shall be
12 deposited in the national Treasury.] THEREAFTER, THE LAND BANK
13 OF THE PHILIPPINES SHALL BE THE SOLE DEPOSITORY OF ACEF

1 FUNDS.

2 The **FUND** [entire proceeds] shall **CONTINUE TO** be set aside [and
3 *earmarked by Congress*] **AS FOLLOWS:** [for irrigation, farm to market roads,
4 post-harvest equipment and facilities, credit, research and development, other
5 marketing infrastructure, provision of market information, retraining, extension
6 services, and other forms of assistance and support to the agricultural sector.]

7 A) TWO HUNDRED MILLION PESOS (P200,000,000.00) IN A
8 SPECIAL FUND DEPOSITED WITH THE LAND BANK OF THE
9 PHILIPPINES FOR THE YOUNG FARMERS PROGRAM. SAID PROGRAM
10 SHALL BE ADMINISTERED BY THE DEPARTMENT OF AGRICULTURE –
11 NATIONAL AGRICULTURE AND FISHERIES COUNCIL (DA-NAFC).

12 B) ONE BILLION PESOS (P1,000,000,000.00) IN A NON-
13 DIRECTED TRUST FUND DEPOSITED WITH AND MANAGED BY THE
14 LAND BANK OF THE PHILIPPINES. THE INCOME FROM FUND
15 INVESTMENTS SHALL BE USED TO FUND SCHOLARSHIPS FOR NEEDY
16 BUT DESERVING STUDENTS ENROLLED AT MEMBER INSTITUTIONS
17 OF THE ASSOCIATIONS OF COLLEGES OF AGRICULTURE IN THE
18 PHILIPPINES (ACAP). THE GRANTS SHALL NOT EXCEED FIFTEEN
19 THOUSAND PESOS (P15,000.00) PER SCHOLAR PER YEAR INCLUDING
20 A ONE-TIME THESIS GRANT OF FIFTEEN THOUSAND PESOS
21 (P15,000.00) PER SCHOLAR WHO ARE SENIORS.

22 THE RULING BODY OF ACAP SHALL DETERMINE THE AMOUNT
23 OF SCHOLARSHIP FUNDS ALLOCATED TO EACH MEMBER
24 INSTITUTION.

25 C) ONE BILLION PESOS (P1,000,000,000.00) IN A FUND
26 DEPOSITED WITH AND MANAGED BY THE LAND BANK OF THE

1 INSTITUTIONS ACCREDITED BY THE PEOPLE'S CREDIT AND FINANCE
2 CORPORATION WHICH FINANCE INSTITUTIONS SHALL ON-LEND TO
3 SMALL FARMERS AND FISHERFOLK: *PROVIDED*, THAT NO SINGLE
4 LOAN OR SERIES OF LOANS TO A SINGLE BORROWER SHALL BE
5 MORE THAN ONE HUNDRED FIFTY THOUSAND PESOS (P150,000.00).

6 D) FOUR HUNDRED MILLION PESOS (P400,000,000.00) AS A
7 ONE-TIME GRANT TO MEMBER SCHOOLS OF ACAP TO UPGRADE
8 LABORATORY FACILITIES, PURCHASE LABORATORY EQUIPMENT,
9 AGRICULTURAL EQUIPMENT AND TO FUND RESEARCH AND
10 DEVELOPMENT PROGRAMS AND PROJECTS IN AGRICULTURE,
11 AQUACULTURE AND MARICULTURE. THE RULING BODY OF ACAP
12 SHALL DETERMINE THE AMOUNT OF GRANT FOR EACH MEMBER
13 COLLEGE.

14 E) FOUR HUNDRED MILLION PESOS (P400,000,000.00) AS A
15 ONE-TIME GRANT TO UPGRADE LABORATORY FACILITIES AND ANY
16 OTHER EQUIPMENT OR FACILITIES FOR RESEARCH AND
17 DEVELOPMENT PROJECTS TO THE FOLLOWING: FIFTEEN (15)
18 AGRICULTURAL COLLEGES IDENTIFIED BY THE PHILIPPINE
19 COUNCIL FOR AGRICULTURE AND NATURAL RESOURCES RESEARCH
20 AND DEVELOPMENT (PCARRD) AND THE DEPARTMENT OF
21 AGRICULTURE-BUREAU OF AGRICULTURAL RESEARCH (DA-BAR) AS
22 CENTERS OF EXCELLENCE IN AGRICULTURE AND FISHERIES:

- 23 1. BENGUET STATE UNIVERSITY (BSU),
- 24 2. MARIANO MARCOS STATE UNIVERSITY (MMSU),
- 25 3. ISABELA STATE UNIVERSITY (ISU),
- 26 4. CENTRAL LUZON STATE UNIVERSITY (CLSU),

- 1 6. BICOL UNIVERSITY (BU),
- 2 7. UNIVERSITY OF THE PHILIPPINES IN THE VISAYAS (UPV)
- 3 8. NEGROS ORIENTAL STATE UNIVERSITY (NORSU),
- 4 9. LEYTE STATE UNIVERSITY (LSU),
- 5 10. WESTERN MINDANAO STATE UNIVERSITY (WMSU),
- 6 11. CENTRAL MINDANAO UNIVERSITY (CMU),
- 7 12. UNIVERSITY OF SOUTHEASTERN PHILIPPINES (USEP),
- 8 13. UNIVERSITY OF SOUTHERN MINDANAO (USM),
- 9 14. NORTHERN MINDANAO STATE INSTITUTE OF SCIENCE
- 10 AND TECHNOLOGY (NMSIST), AND
- 11 15. AURORA STATE COLLEGE OF TECHNOLOGY (ASCOT).

12 THE PCARRD AND THE DA-BAR SHALL JOINTLY
13 DETERMINE THE AMOUNT OF GRANT TO EACH INSTITUTION.
14 THESE GRANTS SHALL BE IN ADDITION TO THE GRANTS THAT
15 THE ABOVELISTED SCHOOLS WILL RECEIVE IN ACCORDANCE
16 WITH SUBSECTION (D) HEREOF.

17 The Committees on Agriculture and Food, Appropriations and Finance of
18 both the Senate and House of Representatives shall conduct AN ANNUAL [a
19 periodic] review of the use of the Fund. [The Fund shall have a life of nine (9)
20 years, after which the remaining balance shall revert to the General Fund.”]

21 SEC. 2. *SUPERVISORY COUNCIL.* - A SUPERVISORY COUNCIL
22 COMPOSED OF THE SECRETARIES OF AGRICULTURE, OF THE COMMISSION
23 ON HIGHER EDUCATION, OF THE DEPARTMENT OF SCIENCE AND
24 TECHNOLOGY, OR THEIR REPRESENTATIVES WHO SHOULD HAVE RANK OF
25 UNDERSECRETARY, A SENIOR VICE PRESIDENT OF THE LAND BANK, OF
26 THE SMALL BUSINESS CORPORATION, AND THE CO-CHAIRS OF THE

1 FISHERIES MODERNIZATION (COCAF) SHALL OVERSEE THE
2 IMPLEMENTATION OF THIS FUND AND COLLECT THE REPAYMENTS OF
3 LOANS FROM ACEF BORROWERS AND DEPOSIT THE SAME WITH THE LAND
4 BANK.

5 THE COMMISSION ON AUDIT SHALL IMMEDIATELY CONDUCT AN
6 AUDIT OF THE ACEF FUND AND SUBMIT ITS REPORT TO THE SUPERVISORY
7 COUNCIL, THE COCAF AND THE COMMITTEE ON APPROPRIATIONS OF
8 THE HOUSE OF REPRESENTATIVES AND THE COMMITTEE ON FINANCE OF
9 THE SENATE WITHIN THREE MONTHS OF THE EFFECTIVITY OF THIS LAW.

10 THEREAFTER, THE COMMISSION ON AUDIT SHALL CONDUCT AN
11 ANNUAL AUDIT OF THE VARIOUS FUNDS UNDER THE ACEF INCLUDING
12 THE GRANTS GIVEN AND REPORT ITS FINDINGS TO THE SUPERVISORY
13 COUNCIL, THE COCAF, COMMITTEE ON APPROPRIATIONS OF THE HOUSE
14 OF REPRESENTATIVES, AND THE COMMITTEE ON FINANCE OF THE
15 SENATE.

16 SEC. 3. *Fund Management and Sustainability.* For the purpose of fund
17 management and sustainability, the Fund shall be DEPOSITED TO THE LAND BANK
18 OF THE PHILIPPINES, to which collections from repayments from loan beneficiaries
19 including interests, if any, shall be credited. THE SUPERVISORY COUNCIL AND
20 LAND BANK OF THE PHILIPPINES are hereby mandated to draw up a plan and such
21 other mechanisms for fund utilization and sustainability.

22 SEC. 4. *Implementing Rules and Regulations.* --The SUPERVISORY COUNCIL
23 shall promulgate within a period of ninety (90) days from the effectivity of this Act, the
24 implementing rules and regulations, for the effective implementation of this Act.

25 SEC. 5. *Repealing Clause.* -- All laws, decrees, executive issuances, rules and
26 regulations inconsistent with this Act are hereby repealed or modified accordingly.

1 SEC. 6. *Separability Clause.* – The provision of this Act are hereby declared to be
2 separable, and in the event one or more of such provision are held unconstitutional, the
3 validity of the other provision shall not be affected thereby.

4 SEC. 7. *Effectivity.* . – This Act shall take effect fifteen (15) days from the date of
5 its publication in the *Official Gazette* or in at least two newspapers of general circulation,
6 whichever comes earlier.

Approved,