

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

2007-05-11-11

SENATE  
S. No. **1538**

RECEIVED BY: JG

---

Introduced by **Senator Richard J. Gordon**

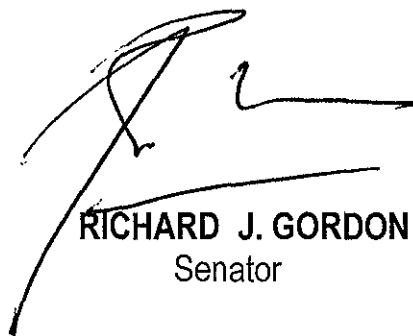
---

**EXPLANATORY NOTE**

The Agricultural Competitiveness Enhancement Fund (ACEF) was created through Republic Act No. 8178 (R.A. 8178), entitled "An Act Replacing Quantitative Import Restrictions on Agricultural Products, Except Rice, With Tariffs, Creating the Agricultural Competitiveness Enhancement Fund." This fund consists of in-quota tariffs collected from the importation of Minimum Access Volumes (MAVs) of agricultural and fisheries products. The entire proceeds will be earmarked for irrigation, farm-to-market roads, post-harvest equipment and facilities, credit, research and development, extension services, and other forms of assistance and support to the agricultural and fisheries sector.

On December 21, 2007, the balance of the ACEF is set to revert to the General Fund, as mandated under Section 8 of R.A. 8178. Considering that our farmers and fisherfolk still belong to the most socio-economically challenged of sectors, the life of the ACEF must be extended to support projects that will help them compete in a global setting. Furthermore, an effective information dissemination mechanism must be set in place to inform the general public, especially the intended beneficiaries of the ACEF, of its availability, in order to ensure participation of the widest range and effectiveness of the program towards a viable, efficient, and globally competitive agriculture sector.

In view of the impending end of the utilization period of the ACEF, the passage of this bill is urgently sought.



**RICHARD J. GORDON**  
Senator

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

7 SEP 5

RECEIVED BY: JH

SENATE  
S. No. 1538

Introduced by **Senator Richard J. Gordon**

**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  
ENHANCEMENT FUND," AND FOR OTHER PURPOSES**

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

1           **SECTION 1.** Section 8 of Republic Act No. 8178, entitled "An Act Replacing  
2 Quantitative Import Restrictions on Agricultural Products, Except Rice, with Tariffs, Creating  
3 the Agricultural Competitiveness Enhancement Fund, and for Other Purposes," is hereby  
4 amended to read as follows:

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

14           The FUND [entire proceeds] shall CONTINUE TO be set aside [and  
15 earmarked by Congress] AS FOLLOWS: [for irrigation, farm to market  
16 roads, post-harvest equipment and facilities, credit, research and  
17 development, other marketing infrastructure, provision of market

1 information, retraining, extension services, and other forms of assistance  
2 and support to the agricultural sector.]

3 1) EIGHTY-FIVE PERCENT (85%) FOR AGRI-BASED PRODUCTION  
4 AND POST PRODUCTION AND PROCESSING ACTIVITIES, INCLUDING  
5 BUT NOT LIMITED TO NEW EXPORT INDUSTRIES AND AGRI-  
6 RELATED INFRASTRUCTURE AND EQUIPMENT TO ACHIEVE  
7 MODERN AGRICULTURAL PRACTICES; AND FOR PUBLIC  
8 INFORMATION AND PROMOTION ACTIVITIES, INCLUDING THE  
9 ESTABLISHMENT OF A PRINCIPAL MECHANISM THEREFOR TO  
10 PROMOTE THE DESIRED AGRICULTURAL PRODUCTS AND  
11 ACTIVITIES AND CREATE NEW MARKETS; AND

12 2) FIFTEEN PERCENT (15%) FOR RESEARCH, DEVELOPMENT, AND  
13 THE COMMERCIALIZATION OF SUCH, INCLUDING THE UPGRADING  
14 OF THE RESEARCH FACILITIES OF QUALIFIED UNIVERSITIES AND  
15 COLLEGES.

16 The Committees on Agriculture and Food, Appropriations and Finance of  
17 both the Senate and House of Representatives shall conduct AN ANNUAL  
18 [ a periodic] review of the use of the Fund. The Fund shall have a life of UP  
19 TO THE YEAR 2015 [nine (9) years], after which THE [all] remaining  
20 balance[S] shall revert to the General Fund.”

21 **Sec. 2. Fund Management and Sustainability.** - For the purpose of fund  
22 management, the Fund shall be deposited to the Land Bank of the Philippines (LBP). The  
23 Department of Agriculture and the LBP are hereby mandated to draw up a plan that shall  
24 allow regional application, processing and release of the fund to local farmers and such  
25 other mechanisms for fund utilization and sustainability.

26 **Sec. 3. Public Information.** - The Department of Agriculture (DA), in coordination  
27 with the Philippine Information Agency (PIA) and the Department of Trade and Industry  
28 (DTI), shall ensure the proper information dissemination of this Act, including administrative  
29 orders and/or implementing rules and regulations promulgated for the utilization of the Fund,  
30 to the general public, especially its intended beneficiaries.

31 **Sec. 4. Repealing Clause.** – All laws, decrees, orders, rules and regulations or other  
32 issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or  
33 modified accordingly.

1           **Sec. 5. Separability Clause.** – If any portion or provision of this Act is declared  
2 unconstitutional, the remainder of this Act or any provision not affected thereby shall remain  
3 in force and effect.

4           **Sec. 6. Effectivity.** – This Act shall take effect after fifteen (15) days following the  
5 completion of its publication either in the Official Gazette or in a newspaper of general  
6 circulation in the Philippines.

7           Approved,