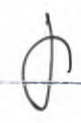


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SENATE
P.S. Res. No. 159

RECEIVED BY: 

Introduced by Senator Cynthia A. Villar

RESOLUTION
DIRECTING THE COMMITTEE ON AGRICULTURE, FOOD AND AGRARIAN REFORM TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE LACK OF CAPACITY ENHANCEMENT AND TRAININGS TO THE BENEFICIARIES OF THE COMPOSTING FACILITY FOR BIODEGRADABLE WASTE (CFBW) UNITS BY THE BUREAU OF SOILS AND WATER MANAGEMENT (BSWM) AND THE UNJUSTIFIED DOWNGRADING OF THE TECHNICAL SPECIFICATIONS IN THE PROCUREMENT AND REPORTED INFERIOR QUALITY OF THE DELIVERED CFBW UNITS TO THE PREJUDICE OF THE LOCAL FARMERS

1 WHEREAS, Article XIII, Section 5 of the 1987 Philippine Constitution, states
2 that, "the State shall recognize the right of farmers, farmworkers, and landowners, as
3 well as cooperatives, and other independent farmers' organizations to participate in
4 the planning, organization, and management of the program, and shall provide
5 support to agriculture through appropriate technology and research, and adequate
6 financial, production, marketing, and other support services."

7 WHEREAS, Section 2 of Republic Act No. 9184 or the "Government Procurement
8 Reform Act" states that, "it is the declared policy of the State to promote the ideals of
9 good governance in all its branches, departments, agencies, subdivisions, and
10 instrumentalities, including government-owned and/or -controlled corporations, and
11 local government units."

12 WHEREAS, the Fertilizer and Pesticide Authority (FPA) reported that fertilizer
13 prices rose sharply worldwide, even before the conflict in Ukraine. The international
14 price of urea rose to \$393.25 per metric ton (MT) in June 2021 from \$216 per MT in
15 June 2020.¹

¹ <https://www.bworldonline.com/economy/2022/07/07/460025/fertilizer-database-proposed-to-clarify-pricing-components/>

1 WHEREAS, the latest report of the FPA² shows that the average prices of the
2 six (6) major grade fertilizers ranges from Php1,345.70 to Php3,549.78, to wit:

CURRENT PRICES OF 6 MAJOR GRADES FERTILIZER						
August 8 to 12, 2022						
Fertilizer Grade / Price (PHP) Per 50kg. bag						
UREA (PRILLED) 46-0-0	UREA(GRANULAR) 46-0-0	AMMOSUL 21-0-0	COMPLETE 14-14-14	AMMOPHOS 16-20-0	MOP 0-0-60	DAP 18-46-0
P2,711.71	P2,607.84	P1,345.70	P2,421.48	P2,299.51	P2,501.66	P3,549.78

3
4 WHEREAS, in response to assist the local farmers due the souring fertilizer
5 prices, since 2015, the Senate, in the initiative of the Committee on Agriculture, Food
6 and Agrarian Reform, pushed for the allocation of budget for the distribution of
7 composting facilities to give the farmers the chance to make their own organic
8 fertilizers and to reduce their production cost, and at the same time manage their farm
9 wastes.

10 WHEREAS, the Bureau of Soils and Water Management (BSWM) is the agency
11 mandated to conduct the procurement process, which includes providing for the
12 technical specifications of the Composting Facility for Biodegradable Wastes (CFBW)
13 to ensure that the winning bidder is qualified and will be able to deliver the equipment
14 on time, and to conduct capacity enhancement and trainings to the beneficiaries after
15 the delivery of the units.

16 WHEREAS, the BSWM has no budget of its own for the promotion of organic
17 agriculture, environmental protection, and waste management despite being its major
18 concern.

19 WHEREAS, the budget for the procurement of CFBW has always been coming
20 from the Department of Agriculture's National Organic Agriculture Program, National
21 High-Value Crops Development Program and for the F.Y. 2022, from the budget of
22 the National Rice Program.

23 WHEREAS, under the General Appropriations Act F.Y. 2022, the BSWM was
24 given (a) Sixty-six Million Five Hundred Thousand Pesos (Php 66,500,000.00) sourced
25 from the National High-Value Crops Program; (b) One Hundred Twenty Million Five
26 Hundred Fifty-Eight Thousand Pesos (Php 120,558,000.00) sourced from the National
27 Organic Agriculture Program; and (c) Nine Hundred Fifty Million Pesos (Php
28 950,000,000.00) sourced from the National Rice Program, for the total budget of One
29 Billion, One Hundred Thirty-Seven Million, Fifty-Eight Thousand Pesos (Php
30 1,137,058,000.00), for the establishment of CFBW, in response to the continued rise
31 in the price of fertilizers and in support of the local farmers.

² <https://fpa.da.gov.ph/NW/images/FPAfiles/DATA/Prices/2022/Aug08-12-2022-Week-32.pdf>

1 WHEREAS, it is the responsibility of the BSWM to conduct capacity
2 enhancement programs and trainings to the beneficiaries on the use and maintenance
3 of the CFBWs and to maximize their outputs.

4 WHEREAS, the LGU-Caibiran in Biliran, recipient of the CFBW in November
5 2019, and LGU-Maripipi, Biliran, recipient of the unit in October 2020, reported that
6 they have not received any trainings on the use and maintenance of the units or any
7 capacity building programs by the BSWM which resulted for the CFBW units be left
8 unused since they were delivered.

9 WHEREAS, BSWM issued the technical specification for the CFBW since 2015
10 includes the "casted drum" chamber, to ensure the durability of the machine, and a
11 certificate of availability of at least 30% of the required unit, to ensure that the supplier
12 has ready stocks since the delivery of the goods will start immediately and will be
13 distributed all over the country within a specified timeframe.

14 WHEREAS, in 2020, BSWM issued new technical specifications which included
15 the "seamless steel" and "welded" chamber as a minimum requirement and
16 subsequently reduced the available units to just one (1) for demonstration and testing,
17 and to 20% of the units can only be parts ready to be assembled.

18 WHEREAS, bidders who are just distributors and not manufacturers of CFBW
19 units are allowed to bid, which does not ensure the requirements of warranty, after-
20 delivery services, parts replacement, maintenance and training to the beneficiaries.

21 WHEREAS, BSWM also issued a minimum input capacity of 1 ton per hour
22 (based on Buko Husk) and Shredding Efficiency of at least 90%, however, reports
23 from two (2) beneficiaries in Nueva Ecija were received that the shredders awarded
24 to them are not in par with the minimum requirement set by BSWM.

25 WHEREAS, due to the inferior quality of the delivered CFBW units resulting to
26 unyielding results, it is impossible for the beneficiaries to create their own organic
27 fertilizers which may lead to the possibility that the units may be left unused.

28 WHEREAS, Nueva Ecija Rice, Corn, Vegetables and Livestock Raiser Multi-
29 Purpose Cooperative, a beneficiary of a CFBW from Rizal, Nueva Ecija, reported that
30 their shredder was not able to properly shred coconut husks, bamboo sticks and even
31 banana leaves properly, and it can only shred approximately 60 kilos for 1 hour, which
32 is way below the minimum input capacity provided for by BSWM.

33 WHEREAS, the report of KAISA AKO & Sapang Malalim Multi-Purpose
34 Cooperative, from San Jose City, Nueva Ecija showed that the shredder given to them
35 was not able to shred mere dried leaves and napier grass.


36 WHEREAS, letters dated March 17, 2022, March 29, 2022 and May 6, 2022
37 were sent to BSWM asking for updates and detailed reports of the financial, physical
38 and operational accomplishments of the delivered CFBW, however, it failed to furnish
39 a reply in compliance with the requests.

1 WHEREAS, to justify its delay in the conduct of the trainings and capacity
2 enhancement programs, BSWM submitted the Department of Agriculture's
3 Memorandum dated 25 May 2022 issued by the Secretary referring to the utilization
4 of FY 2022 free unobligated balance under ESETS and R&D Services under the banner
5 programs will be put on hold.

6 WHEREAS, there is a need to review and solidify the technical specifications of
7 the units to be procured, and the procedure and operation of the BSWM in the
8 procurement and delivery of the CFBW and trainings to the farmers and beneficiaries
9 to ensure that they will be able to produce and to give them additional income in the
10 production of organic fertilizers.

11 NOW THEREFORE, BE IT RESOLVED, as it hereby resolved, to direct the
12 Committee on Agriculture, Food and Agrarian Reform to conduct an inquiry, in aid of
13 legislation, on the lack of capacity enhancement and trainings to the beneficiaries of
14 the Composting Facility for Biodegradable Waste (CFBW) units by the Bureau of Soils
15 and Water Management (BSWM) and the unjustified downgrading of the technical
16 specifications in the procurement and reported inferior quality of the delivered CFBW
17 units to the prejudice of the local farmers.

Adopted,


CYNTHIA A. VILLAR