



HOUSE OF REPRESENTATIVES

H. No. 6524

BY REPRESENTATIVES ENVERGA, SALCEDA, SINGSON-MEEHAN, SACDALAN, GARCIA (D.), SUANSING (M.A.), ALVAREZ (J.), SUAREZ, RIVERA, TARRIELA, BRIONES, VILLA, GARDIOLA, BALINDONG, ARENAS, CABREDO, PLAZA, ZUBIRI, COJUANGCO (J.), KHONGHUN, LUISTRO, PLEYTO, FARIÑAS, HERNANDEZ, PADUANO, LEE, LAGON (S.), HARESCO, TY, VERGARA, ARROGANCIA, FLORES, REYES, GATCHALIAN, CASTRO (F.), PALMA, DAGOOC, MAGSINO AND DALIPE, PER COMMITTEE REPORT NO. 210

AN ACT

FURTHER EXTENDING THE PERIOD OF IMPLEMENTATION OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND (ACEF), AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8178, AS AMENDED BY REPUBLIC ACT NOS. 9496, 10848 AND 11203, 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 House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. Section 12 of Republic Act No. 8178, as amended, otherwise known as “An
2 Act Replacing Quantitative Import Restrictions on Agricultural Products, Except Rice, With
3 Tariffs, Creating the Agricultural Competitiveness Enhancement Fund, and For Other Purposes”,
4 is hereby further amended, to read as follows:

5 “SEC. 12. *Agricultural Competitiveness Enhancement Fund.* To implement the policy
6 enunciated in this Act, there is hereby created the Agricultural Competitiveness Enhancement
7 Fund, hereinafter referred to as the Fund. The Fund shall consist of all duties collected from the
8 importation of agricultural products, except rice, under the MAV mechanism, including unused
9 balances and collections from repayments from loan beneficiaries including interests, if any. The
10 Fund shall be automatically credited to Special Account 183 in the General Fund of the National
11 Treasury: *Provided*, That fund releases shall not be subject to any ceiling by the Department of
12 Budget and Management (DBM).

13 “The Fund shall continue to be set aside up to the year [2022] 2028, after which the
14 collection of duties from the MAV mechanism and the setting aside of the amount collected for

1 the purpose shall terminate. However, any remaining balance(s) at the date of expiration of the
2 collection of duties for the Fund shall not revert to the General Fund but shall continue to be used
3 for the purpose for which it was collected and set aside.

4 “The Fund shall be set aside and released for:

5 “(a) the increased productivity of farmers and fisherfolk by providing the necessary credit
6 to farmers and fisherfolk and their cooperatives and associations, and micro and small-
7 scale enterprises, for the acquisition and establishment of production, postharvest, and
8 processing machineries, equipment and facilities, farm inputs and improvement; (b)
9 research and development on agricultural and fishery products of state universities and
10 colleges; and (c) a comprehensive and attractive grant-in-aid program for agriculture,
11 forestry, fisheries, and veterinary medicine education to promote the development of
12 agriculture and fisheries: *Provided, That:*

13 “(1) preferential attention should be continuously given to products or people adversely
14 affected by the repeal or removal of quantitative import restrictions to agricultural products
15 as provided for in Section 4 of this Act;

16 “(2) the use of the Fund shall be consistent with the policies and priority thrusts under
17 Republic Act No. 8435, as amended, otherwise known as the Agriculture and Fisheries
18 Modernization Act *vis-a-vis* the Medium-Term Philippine Development Plan (MTPDP);

19 “(3) the use of the Fund shall be complementary and supportive of the various and current
20 funding assistance windows or programs of the Department of Agriculture and other
21 government institutions;

22 “(4) projects to be funded shall enhance the competitiveness of target project beneficiaries
23 or sectors, especially the small farmers and fisherfolk;

24 “(5) product or service competitiveness in the local and foreign markets in terms of product
25 or service prices or fees and quality is achieved;

26 “(6) upstream and downstream linkages with related and complementary agricultural
27 activities are promoted;

28 “(7) clear and verifiable proof of sustainability of operations is determined and supported;
29 and

30 “(8) projects funded shall be beneficial to most, and not only selected firms or groups
31 within a sector.

32 “The Fund shall be set aside and earmarked as follows:

33 “(1) Eighty percent (80%), in the form of credit with reasonable interest, which shall not
34 exceed Five million pesos (P5,000,000.00) per project loan, for the acquisition and
35 establishment of agri-based production and post-production, and processing machineries,

1 equipment and facilities to achieve modern agricultural practices, to be extended to Filipino
2 farmers and fisherfolk associations and cooperatives, and micro and small-scale enterprises
3 as defined in Republic Act No. 6977, as amended, engaged in agricultural production,
4 farming, fisheries, agri-business and similar activities, and not to exceed One million pesos
5 (P1,000,000.00) to individual farmers and fishermen to finance the purchase of farm inputs,
6 equipment, or for farm improvement.

7 “The loan beneficiaries shall provide a counterpart fund or equity of not less than ten
8 percent (10%) of the total project cost, which may be in the form of capital outlay, labor,
9 land for the project site, facilities, equipment, and salaries.

10 “The Land Bank of the Philippines shall manage the credit facility funded out of the Fund
11 and shall determine the eligibility requirements and set the required loan security or
12 collateral and reasonable interest for the loan. For this purpose, the Land Bank is hereby
13 authorized to charge a management fee from the Fund;

14 “(2) Ten percent (10%) as grants for research and development of agricultural and fishery
15 products, and the commercialization of such, including the upgrading of research facilities,
16 of qualified state universities and colleges, which shall not exceed Five million pesos
17 (P5,000,000.00) per project; and

18 “(3) Ten percent (10%) to be used for the funding of a comprehensive and attractive grant-
19 in-aid program for agriculture, forestry, fisheries, and veterinary medicine education, to be
20 implemented by the Commission on Higher Education.

21 “To ensure the attainment of the objectives of the Fund, there is hereby created an ACEF
22 Executive Committee, composed of:

23 “(a) The Secretary of Agriculture, as chair;

24 “(b) The President of the Land Bank of the Philippines;

25 “(c) The Chairperson of the Commission on Higher Education;

26 “(d) A representative of farmers associations and cooperatives; and

27 “(e) A representative of fisherfolk associations and cooperatives.

28 “The Committee shall promulgate the policies and guidelines necessary for the planning,
29 administration, coordination and monitoring of the utilization of the Fund.

30 “The Congressional Oversight Committee on Agricultural and Fisheries Modernization
31 (COCAFAM) shall conduct a periodic review of the use of the Fund.”

32 **SEC. 2.** Section 8-A of RA 8178, as amended, is hereby renumbered as Sec. 12-A and is
33 amended to read as follows:

1 “SEC. [8]12-A. – *Accounting of Duties Collected from the Minimum Access Volume*
2 *Mechanism.* – Within one hundred twenty (120) days from the approval of this Act, the following
3 reports shall be submitted to the ACEF Executive Committee and the COCAF:

4 “(a) Bureau of Customs – duties collected from the MAV mechanism for the period [2009-2015]
5 **2016-2022;**

6 “(b) Bureau of Treasury – funds remitted and credited to ACEF (Special Account 183); and

7 “(c) Department of Budget and Management – ACEF funds released to the Department of
8 Agriculture for the period [2009-2015] **2016-2022.**”

9 **SEC. 3.** Section 8-B of RA 8178, as amended, is hereby renumbered as Sec. 12-B and is
10 amended to read as follows:

11 “SEC. [8]12-B. *Inventory and Collection of ACEF Loans.* Within one hundred (100) days
12 upon the effectivity of this Act, the ACEF Executive Committee shall conduct a complete
13 accounting and inventory of the ACEF loan portfolio.

14 “The Commission on Audit (COA) shall conduct, within the same period, a full audit and
15 report the status of ACEF grants and loans extended for the period [2000-2011] **2016-2021.**

16 “The COA report and the loan portfolio report shall be transmitted by the ACEF Executive
17 Committee to the Office of the Solicitor General (OSG), which shall exhaust all legal remedies to
18 exact collection of all ACEF past due accounts and liquidation of all grants.

19 “The OSG is hereby allowed to charge reasonable fees for its legal services and collection
20 efforts from the actual collections of outstanding ACEF loans.

21 “The remaining amount collected shall be remitted to the ACEF and shall be utilized based
22 on the provisions of this Act.

23 “The OSG shall submit, every six (6) months, a collection performance report to the ACEF
24 Executive Committee and the COCAF.”

25 **SEC. 4. *Separability Clause.*** – If any provision of this Act is declared invalid or
26 unconstitutional, the other provisions not affected by such declaration shall remain in full force
27 and effect.

28 **SEC. 5. *Repealing Clause.*** – All laws, presidential decrees, executive orders, rules and
29 regulations or parts thereof which are inconsistent with the provisions of this Act are hereby
30 repealed or modified accordingly.

31 **SEC. 6. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the
32 *Official Gazette* or in a newspaper of general circulation.

Approved,