

Republic of the Philippines
Congress of the Philippines
Metro Manila
Fourteenth Congress
First Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of July, two thousand seven.

[REPUBLIC ACT NO. **9496**]

AN ACT TO EXTEND THE UTILIZATION PERIOD OF THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AMENDING 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 House of Representatives of the Philippines in Congress assembled:

SECTION 1. 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" is hereby amended, to read as follows:

"SEC. 8. *Agricultural Competitiveness Enhancement Fund.* - To implement the policy enunciated in this Act, there is

hereby created the Agricultural Competitiveness Enhancement Fund, hereinafter referred to as the Fund. The Fund shall consist of all duties collected from the importation of agricultural products under the minimum access volume (MAV) mechanism, including unused balances and collections from repayments from loan beneficiaries including interests, if any. The Fund shall be automatically credited to Special Account 183 in the General Fund of the National Treasury: *Provided, That* fund releases shall not be subject to any ceiling by the Department of Budget and Management (DBM).

"The Fund shall continue to be set aside up to the year 2015, after which the collection of duties from the MAV mechanism and the setting aside of the amount collected for the purpose shall terminate. However, any remaining balance(s) at the date of expiration of the Fund shall not revert to the General Fund but shall continue to be used for the purpose for which it was collected and set aside.

"The Fund shall be set aside and earmarked by Congress: (a) for the protection of farmers against unfair trade practices such as smuggling, dumping of agricultural products or other similar acts of unfair trade practices; and (b) for the increased productivity of farmers by providing the necessary support services such as, but not limited to, irrigation, farm-to-market roads, post-harvest equipment and facilities, credit, research and development, other marketing infrastructure, provision of market information, retraining, extension services, micro, small and medium scale enterprises (MSMSE) in agriculture, aquaculture and fisheries sectors; young entrepreneurs, out-of-school youth, graduates of agriculture, fisheries and related courses; agriculture and fishery cooperatives, corporations and other entrepreneurs engaged in economic enterprises related to agriculture and fisheries and assistance and support to agricultural activities including, but not limited to, the reduction of input cost, quality improvement, supply chain efficiency and other infrastructure including access as well as an established transportation mechanism towards speedy delivery of products: *Provided, That:*

(1) preferential attention should be continuously given to products or people adversely affected by the repeal or removal of

quantitative import restrictions to agricultural products as provided for in Section 1 of this Act:

(2) be consistent with the policies and priority thrusts under Republic Act No. 8435, as amended, otherwise known as the Agriculture and Fisheries Modernization Act *vis-a-vis* Goals 1 and 2 under the Medium-Term Philippine Development Plan (MTPDP);

(3) be complementary and supportive of the various and current funding assistance windows or programs of the Department of Agriculture and other government institutions;

(4) enhance the competitiveness of target project beneficiaries or sectors, especially the small farmers and fisherfolk;

(5) provide product or service competitiveness in the local and foreign markets in terms of product or service prices or fees and quality;

(6) promote upstream and downstream linkages with related and complementary agricultural activities;

(7) provide clear and verifiable proof of sustainability of operations; and

(8) be beneficial to most, and not only selected, firms or groups within a sector.

For purposes of this Act, local government units, state universities and colleges or other government institutions involved in the research and development of agricultural products may avail of the ACEF in the form of financial grant without any collateral or security.

The Fund shall be set aside and earmarked as follows:

(1) Seventy percent (70%) for agri-based production and post-production, and processing activities including, but not limited to, new export industries and agri-related infrastructure and equipment to achieve modern agricultural practices; and for public information and promotion activities including the establishment

of a principal mechanism therefore to promote the desired agricultural products and activities and create new market.

The following areas are likewise accorded priorities: assistance to individual Filipino farmers and fisherfolk, cooperatives and micro, small and medium scale enterprises as defined in Republic Act No. 6977 engaged in the agricultural production, farming, fisheries, agri-business and similar activities;

(2) Twenty percent (20%) for research and development and the commercialization of such, including the upgrading of research facilities of qualified state universities and colleges; and

(3) Ten percent (10%) to be used for the funding of a comprehensive scholarship program for agriculture, forestry, fisheries, and veterinary medicine education.

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

SEC. 2. The Department of Agriculture, in consultation with the Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM), shall forthwith revise and reform its implementing guidelines including the approval procedures in order to speed up the processing and disbursement process and, in coordination with the Philippine Information Agency, shall ensure the widest information dissemination possible of this Act.

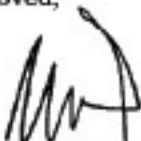
The Department of Agriculture with the concurrence of the Congressional Oversight Committee on Agricultural and Fisheries Modernization shall draw up a prioritization plan for the optimum utilization of the Fund.

SEC. 3. *Repealing Clause.* - Republic Act No. 8178 is hereby amended. All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 4. *Separability Clause.* - The provisions of this Act are hereby declared to be separable and, in the event one (1) or more of such provisions are held unconstitutional, the validity of the other provisions shall not be affected thereby.

SEC. 5. *Effectivity.* – This Act shall take effect immediately upon its approval.

Approved,



MANNY VILLAR
President of the Senate

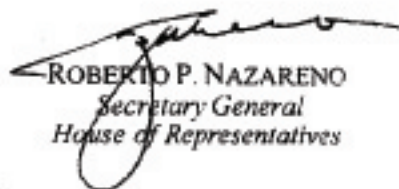


JOSE DE VENECIA JR.
*Speaker of the House
of Representatives*

This Act which is a consolidation of House Bill No. 2976 and Senate Bill No. 1648 was finally passed by the House of Representatives and the Senate on December 18, 2006.




EMMA LIRIO-REYES
Secretary of the Senate



ROBERTO P. NAZARENO
*Secretary General
House of Representatives*

Approved: FEB 28 2006



GLORIA MACAPAGAL-ARROYO
President of the Philippines

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