

**[ REPUBLIC ACT NO. 10848, May 23, 2016 ]**

**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 NO.  
9496, 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, as amended, otherwise known as "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 further 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 2022, 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 collection of duties for 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 released for:

(a) the increased productivity of farmers and fisherfolk by providing the necessary credit to farmers and fisherfolk and their cooperatives and associations, and micro and small-scale enterprises, for the acquisition and establishment of production, postharvest, and processing

machineries, equipment and facilities, farm inputs and improvement; (b) research and development on agricultural and fishery products of state universities and colleges; and (c) a comprehensive and attractive grant-in-aid program for agriculture, forestry, fisheries, and veterinary medicine education to promote the development of agriculture and fisheries: *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 4 of this Act;

"(2) the use of the Fund shall 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* the Medium-Term Philippine Development Plan (MTPDP);

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

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

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

"(6) upstream and downstream linkages with related and complementary agricultural activities are promoted;

"(7) clear and verifiable proof of sustainability of operations is determined and supported; and

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

"The Fund shall be set aside and earmarked as follows:

"(1) Eighty percent (80%), in the form of credit with reasonable interest, which shall not exceed Five million pesos (P5,000,000.00) per project loan, for the acquisition and establishment of agri-based production and post-production, and processing machineries, equipment and facilities to achieve modern agricultural practices, to be extended to Filipino farmers and fisherfolk associations and cooperatives, and micro and small-scale enterprises as defined in Republic Act No. 6977, as amended, engaged in agricultural production, farming, fisheries, agri-business and similar activities, and not to exceed One million pesos (P1,000,000.00) to individual farmers and fishermen to finance the purchase of farm inputs, equipment, or for farm improvement.

"The loan beneficiaries shall provide a counterpart fund or equity of not