

Comments on **Senate Bill No. 1138**, entitled: “*AN ACT STRENGTHENING LOCAL GOVERNMENT PARTICIPATION IN AGRICULTURE DEVELOPMENT BY INSTITUTIONALIZING A TEN PERCENT (10%) BUDGETARY ALLOCATION FROM THEIR INTERNAL REVENUE ALLOTMENT FOR THE IMPLEMENTATION OF PROGRAMS, ACTIVITIES, AND SERVICES FOR AGRICULTURE AND FISHERIES, AND AMENDING FOR THE PURPOSE SECTIONS 17, 106, 107, 110, 287, 443, 454, 482(A), AND 511-A OF REPUBLIC ACT 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE AND FOR OTHER PURPOSES*” (introduced by Sen. Villar)

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1. General comments:

- The bill rightly grounds the importance of the agricultural sector and its role in development, poverty reduction and food security.
- Another important feature of the bill is highlighting what is called the convergence framework recognizing that “one size does not fit all,” that different rural communities have different opportunities, needs and aspirations (Ch. III, Sec. 6).
- Furthermore, Sec. 2 of the Local Government Code of 1991 (LGC), reinforced with the recently released Executive Order No. 138 on “Full devolution of certain functions of the Executive Branch to local governments, creation of a committee on devolution, and for other purposes” gives LGUs “local autonomy to enable them to attain their fullest development as self-reliant communities and make them effective partners in the attainment of national goals.”
- With this, because of the varied profiles and expenditure, revenue-raising and investment programming priorities of local government units (LGUs), earmarking LGU funds for agricultural development would limit what LGUs can spend on. The inefficiency would be more pronounced for LGUs that do not have an agriculture sector such as those that are urban² (Table 1).
- In addition, there are 3 regions (NCR, Region IX and XI) where Ch. 8 of the PDP (Economic Opportunities in Agriculture and Fisheries) does not rank in the Top 3 priorities³ indicators in the drafted provincial results matrices.

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² Figures of LGUs classified as entirely urban: (1) 33 highly urbanized of 146 cities (22%); (2) 3 component cities of 146 cities (2%); (4) 7,437 barangays out of 42,046 (18%).

³ As defined based on the assessment of the largest proportion of indicators in the drafted provincial results matrices in 2018/19 (PIDS-DILG study on PDP Localization, forthcoming).

Table 1. Total Population and Number of Barangays of Component Cities and Municipalities that are Entirely Urban: 2015

Component City/Municipality	Total Number of Barangays	Total Population
Cabuyao City, Laguna	18	308,745
City of Santa Rosa, Laguna	18	353,767
City of Antipolo, Rizal	16	776,386
Marilao, Bulacan	16	221,965
Kalayaan, Laguna	3	23,269
Taytay, Rizal	5	319,104
Talaingod, Davao del Norte	3	27,482
Jolo, Sulu	8	125,564

Source: PSA Urban population in the Philippines (Results of the 2015 Census of Population) (Mar 2019). <https://psa.gov.ph/content/urban-population-philippines-results-2015-census-population>

2. Specific comments on:

2.1. Scope and coverage (Ch. 1 Sec. 3): Not all LGUs have and agriculture and fisheries sector and earmarking funds would reduce efficiency in diverting funds from other priority areas.

2.2. Local agriculture development program (Ch. 1 Sec. 4.3): “allocate a minimum of ten percent (10%) of their annual development fund to the agriculture and fisheries sector’s value chain of production, processing, and marketing, including but not limited to production inputs, technical assistance, mechanization, promotion of crop diversification, post-harvest and processing facilities, and promotion of sustainable agribusiness.”

- Earmarking a minimum of 10% of their annual development fund (the annual development fund is understood to be the mandated, “no less than 20% of its annual IRA on development projects,”) to the agriculture and fishery’s sector might be a challenge:
 - Because not all LGUs have strong or prioritize agriculture sectors. This would reduce efficiency by crowding out other prioritized areas
 - LGUs do not spend their mandated local development funds (76% in 2017).

2.3. Local agriculture development program (Ch. 1 Sec. 4.4): “create a committee on agriculture and fisheries development in the Legislative Council.”

- Similar to earlier comment that LGUs are given the autonomy to identify their priority areas so requiring this by law might limit LGUs if this is not identified as a priority area in their LGU.

2.4. Local agriculture development program (Ch. 1 Sec. 4.5/8): Create a position of city and municipal agriculturalist in the regular plantilla and office.

- This is already provided for in Sec. 482 of the LGC and is also dependent on the prioritization of the LGU in hiring.

2.5. Institutions (Ch. III Institutional mechanisms, Sec. 6): The creation of a Regional Agriculture Development Council.

- Agreeably, there is a need to strengthen vertical and horizontal linkages in development planning and investment programming⁴. There have been continuing efforts with national government oversight agencies to do so.
- Instead of the creation of an RADC, can strengthen the RDC function since it is already mandated to convene committees, and if agriculture development is a priority within the region then the RDC should ensure that this be reflected in the Regional Development Plans and Investment Programs.

2.6. Amendatory Provisions (Ch. IV Amendatory Provisions, Sec. 8):

2.6.1. Sec. 8.1 The proposed amendment is not recommended to be adopted since it narrowed the original intent of Sec. 17(a) of Republic Act No. 7160 therefore made it an inconsistent precursor of Sec. 17(b) Basic Services and Facilities (Table 2):

“THE LOCAL GOVERNMENT UNITS SHOULD STRIVE TO CAPACITATE THEIR CONSTITUTENTS AND THEIR INSTITUTIONS TO BECOME FOOD SECURE BY: TRAINING THEIR SMALL FARMERS, FISHERFOLKS, AND THE MICRO AND SMALL BUSINESSES IN AGRICULTURE BE IT IN PRODUCTION, PROCESSING, TRADE, AND PROMOTION; MINIMIZING THEIR RISKS AND LOSSES; ESTABLISHING CLIMATE CHANGE ADAPTATION STRATEGIES, INCLUDING PEST MANAGEMENT; AND PROMOTING FOOD SAFETY.”

Table 2. Local Government Unit Basic Services and Facilities (LGC, Sec. 17)

<p>ECONOMIC SERVICES</p> <ul style="list-style-type: none"> <i>Agricultural extension and On-site research</i> <i>Community based forestry projects</i> <i>Tourism facilities and tourism promotion and development</i> <i>Public works and infrastructure projects funded out of local funds</i> <i>Telecommunication services for provinces and cities</i> <p>SOCIAL SERVICES</p>
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⁴ A PIDS Study Assessing the Local Planning and Budgeting Framework (2019) and DILG-PIDS Study on PDP Localization efforts (forthcoming) have highlighted this.

School building program

Field health and hospital services and other tertiary health services

Social welfare services such as programs and projects on rebel returnees and evacuees; relief operations and population development services

Housing projects for provinces and cities such as low-cost housing and other mass dwellings

OTHER SERVICES

Investment support and Industrial research and development

2.6.2. Sec.8.2 Amending Sec. 106 of Republic Act No. 7160 is a good recommendation since this would require immediate action of local chief executives:

“THE LOCAL CHIEF EXECUTIVES SHALL CONVENE THEIR RESPECTIVE LOCAL DEVELOPMENT COUNCILS WITHIN THIRTY (30) DAYS FROM THEIR ASSUMPTION TO OFFICE.”

2.6.3. Sec. 8.3 Amending Secs. 107(b) and (c) of Republic Act No. 7160 to add: (1) the vice mayor and vice governor to the respective development councils; and, (2) provincial President of the Vice Mayor’s League to include the committee on infrastructure and planning in all levels of legislature except the barangays might affect/muddle the underlying check and balance structure between the local chief executive (mayor or governor) and the head officer of the legislative branch (vice mayor or vice governor as the presiding officer of the local legislative body, the *Sanggunian*).

2.6.4. Sec. 8.4 Amending Sec. 110 of the Republic Act No. 7160 to require LDCs to meet more frequently is a good suggestion.

2.6.5. Sec. 8.5 Amending Sec. 287 of Republic Act No. 7160 mandating “ten percent (10%) of the local development fund be allocated to agriculture and/or fisheries development.” This is not recommended since not all LGUs have agriculture and fisheries sectors and adopting this amendment could lead to inefficient use of resources because of the crowding out of other priorities of such LGUs.

2.6.6. On proposed amendments Secs. 8.6, 8.7 and 8.8 referring to Secs. 443, 454 and 482 of the Republic Act No. 7160, respectively, on making the hiring of an agriculturalist mandatory at the city/municipal level, may lead to the crowding out of other hiring priorities of LGUs. In the interim, the lower level LGUs can rely on the mandatory provincial agriculturalist if agriculture and fisheries are included in their priorities.

2.6.7. Sec. 8.9 Adding a Sec. 511-A to punish local chief executives that fail to convene LDCs under either existing or proposed amendments to Republic Act No. 7160 is a welcome proposal.

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