

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session
1308

HOUSE BILL NO. _____



Introduced by **Representative ED CHRISTOPHER S. GO**

**AN ACT ESTABLISHING
THE PHILIPPINE CORN RESEARCH INSTITUTE
AND APPROPRIATING FUNDS THEREOF**

EXPLANATORY NOTE

This bill seeks to establish the **Philippine Corn Research Institute** (PhilCorn) that shall unify, coordinate, fund, implement, and strengthen all corn research and development (R&D) as well as manpower training and extension of technologies on corn and corn-based farming systems for the production of more food, feeds, forage, industrial materials, and bioenergy purposes, including those subsequent (or rotation) crops that are grown after rice in rainfed farms and in dryland and marginal upland farms in the country.

The national government affirms its goal of ensuring the country's food, feeds, forage, and bioenergy security through the development of a modern, highly productive, efficient, and competitively secured agriculture. The success in this new and comprehensive venture of modernizing corn production and its industrialization would tremendously help improve and advance people's employment and livelihood opportunities and thus reduce poverty and hunger, particularly those in the rural areas. Therefore, it is important to identify our target areas and to consider as well the vulnerable upland and dry-land agro-ecosystems where many of the resource-poor farmers, particularly the corn farmers, grow their food and feed crops, including poultry and livestock.

Corn is the second most important national food crop next to rice. It serves as the staple food of 20 percent of the Philippine population. Furthermore, corn is the main component of up to 75% of formulated feeds for livestock, poultry, and aquaculture fishery.

Corn is grown mainly in rainfed farms after rice is harvested, and in upland and dryland farms, including steep hillsides, in over 2.5 million hectares, mostly in Mindanao, Cagayan Valley, Ilocos Region, Central Luzon, Central Visayas, and Palawan.

The current national grain yield in various ecological regions is still low, ranging from 0.5 to 2.5 tons per hectare in resource-poor areas. However, yields can be as high as 6 to 10 tons for hybrid corn varieties in more favorable farm environments, suggesting that there is a bright prospect in further increasing corn yields in specific farm sites. Consequently, the country needs to improve the overall productivity among farmers, not only to achieve self-sufficiency, but also to stabilize food security and nutrition among our rural population. We can also target the export markets over the medium and long-term view.

The demand for both white corn as human food, and yellow corn as animal feeds and for industrial uses has been increasing rapidly because of the high demand of our growing human population, the expanding livestock and poultry industries, and the rapid growth of the emerging industrial and bioenergy program under Republic Act No. 9367, the Biofuels Act of 2006.

Low crop yields and the meager household income of the majority of corn farmers in the rainfed, upland, and dryland farms are still far below those obtained in experiment stations because of the following factors and situations:

1. Limited access of farmers to and adoption of genetically improved seeds;
2. Inadequate information and use of integrated nutrient and pest management systems;
3. Slow adoption of crop rotation technologies;
4. Ineffective drought mitigation approaches;
5. Inadequate mechanization of field operations from land preparation to harvesting and drying;
6. Large portion of the corn-growing areas are hilly land with highly variable soil fertility, and
7. Many farms are prone to drought due to erratic rainfall pattern and therefore irrigation facilities should be installed.

Of the major crops other than rice that support the national economy, corn and corn-based farming systems (*including crops planted after corn such as grain legumes*) are the most neglected in research support with an allocation of less than 0.05 percent of the gross value added (GVA) compared to rice at 0.25 percent, coconut at 0.30 percent, and sugarcane at 0.5 percent.

The Philippines has more than three million hectares of upland and dryland areas inhabited by about five million households, most of which are very poor - especially those in Southern Mindanao, Central and Eastern Visayas, parts of Western Luzon, Palawan, and the Bicol Region.

Recurrent droughts and typhoons, environmental degradation due to short-duration and erratic rainfall, recurring El Nino and climate change phenomena, soil infertility, and inaccessibility of high-quality crop seeds aggravate the low productivity and untold sufferings of poor corn farming communities.

The spacious degraded lands and infertile soils in the upland and dry-land areas without irrigation facilities, however, comprise an untapped *potential* resource for the growing of drought-tolerant corn and corn-based cropping systems such as, for example, sorghum and grain legumes for food and feeds. When properly nurtured, these crops will help ensure household food security and sustainable farm productivity.

In the Philippines, there are well established research institutes devoted to major crops and disciplines such as: rice, coconut, sugarcane, fiber and abaca, cotton, silkworm, tobacco, root crops, biotechnology, plant breeding, crop protection, farming systems, irrigation, carabao, dairy, fishery, hogs, farm mechanization and post-harvest, and other strategic commodities and disciplines.

However, there is no such similar institute that is devoted to corn and corn-based farming systems that include crops such as sorghum and grain legumes that are important as food, feed, forage, and fuel.

Therefore, it is time to establish the Philippine Corn Research Institute (PhilCorn).

Globalization and climate change require that the country must enhance its capability to continuously develop cutting-edge technology and agricultural innovations that will enable corn farmers to become prosperous by increasing the productivity and quality of their produce through modern farm planting practices, harvesting, processing, and packaging techniques for the domestic and global markets.

From these observations, it is clear that there is an urgent need to establish a proactive modern agricultural research and extension institute – **The Philippine Corn Research Institute (PhilCorn)** -- that is designed and committed:

1. To unify, coordinate, fund, implement, and strengthen all national and farm-level efforts on RDE for corn and corn-based farming systems for food, feeds, forage, and fuel;
2. To hasten technology sharing activities that will improve the livelihood of resource-poor farming communities and empower them to cope up with low yields owing to frequent occurrences of drought, warming temperatures, land degradation, and other risks arising from environmental calamities and climate changes;
3. To insure adequate and stable supply of quality corn products for domestic and foreign markets, and
4. To improve the economic condition and income of farmers in the upland and dry-land regions of the country.

In view of the foregoing information and in order to dramatically reduce poverty and improve people's employment and livelihood, particularly those in the rural areas, and to ensure the country's food sufficiency and energy security, approval of this landmark legislation is earnestly sought.



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Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
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HOUSE BILL NO. 1368

Introduced by Representative ED CHRISTOPHER S. GO

**AN ACT ESTABLISHING
THE PHILIPPINE CORN RESEARCH INSTITUTE
AND APPROPRIATING FUNDS THEREOF**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. ***Short Title.*** – This Act shall be known as the **Philippine**
2 **Corn Research Institute Act.**

3 SEC. 2. ***Philippine Corn Research Institute.*** – The Philippine Corn
4 Research Institute, hereinafter referred to as **PhilCorn**, is hereby established
5 as a body corporate attached to the Department of Agriculture (DA) to
6 modernize the corn industry and consequently improve the livelihood and
7 household income of resource-poor corn farmers in the rainfed, upland, and
8 dryland farming communities and to empower farmers with the tools of science
9 and technologies so that they can cope up with problems of low yields,
10 droughts, floods, land degradation, global warming, and other risks arising from
11 environmental and climate changes.

12 SEC. 3. ***Objectives.*** The objectives and goals of this Act are as follows:
13

14 a) To develop and implement a strong, dynamic, and innovative farmer-
15 centered and need-based framework for national corn research and
16 development, technology sharing, training, and extension programs;

17 b) To strengthen the national capacity for corn research and extension,
18 modernize production and utilization as well as industrial processing of corn
19 and corn-based crops, diversify harvests through sequential crops to sustain
20 soil health and fertility and thus enhance long-term higher productivity and
21 household income;

22 c) To improve the livelihood and economic conditions of small-scale and
23 resource-poor farmers who are growing corn after rainfed rice as well as in
24 upland and dryland farming ecosystems;

25 d) To work closely with regulatory agencies such as BPI (i.e. National Seed
26 Quality Control Laboratory, NSQCL; Quarantine Division, and National Seed
27 Industry Council, NSIC), Bureau of Agriculture and Fisheries Standards
28 (BAFS), and private stakeholders (i.e. PhilMaize) and NGOs in the collection,
29 conservation, and utilization of endemic or traditional corn varieties as well as
30 in the experimentation, planting, and monitoring of corn hybrid and genetically
31 engineered varieties;

32 e) To develop and implement sustainable and environment-friendly corn and
33 corn-based farming systems in the vulnerable and marginal areas like sloping
34 terrains and evaluate those areas where crops other than corn may be more
35 appropriate to grow;

36 f) To gather and provide reliable, up-to-date data to guide policymakers with
37 regard to corn improvement and development, import and export volumes, and
38 develop strong linkages among stakeholders in promoting the national corn
39 industry;

40 g) To expand employment opportunities through corn and corn-based
41 farming systems in the rural areas, and ultimately promote the general welfare
42 of the people through higher efficiency and profitability in production, industrial
43 products development, processing, and marketing;

44 h) To initiate and undertake such other related programs in consultation and
45 partnership with the DA-Bureau of Agricultural Research (DA-BAR), the DA
46 regional research centers (DA-RIARCs), the Philippine Council for Agriculture,
47 Aquatic Resources, Forestry, and Natural Resources Research and
48 Development (PCAARRD), State Universities and Colleges (SUCs), and the
49 private sector.

50 **SEC. 4. Principal and Regional Offices.** The PhilCorn shall have its
51 principal office at the **Isabela State University** or *at any other suitable site* as
52 the Board of Trustees may decide. It may also establish other offices, branches,
53 satellite offices, or subsidiaries in any geographically suitable region in the
54 Philippines that are major producers of corn and as may be necessary or proper
55 for the accomplishment of its purposes and objectives.

56 **SEC. 5. Duties and Functions.** The PhilCorn shall exercise the
57 following duties and functions:

58 a) Unify, plan, fund, conduct, monitor, and evaluate corn research,
59 development, and technology promotion in different scientific and technological
60 fields and programs, including but not limited to the following thrusts: (1) germ
61 plasm collection, conservation, breeding, and biotechnology; (2) natural
62 resources management, watershed conservation, drought adaptation and
63 mitigation; (3) corn engineering, farm mechanization, and post-harvest
64 management; (4) pest surveillance, early warning system, integrated pest
65 management, and biological control methods; (5) socio-economics, impact
66 assessment, and policy advocacy; (6) technology packaging and
67 demonstration, promotion and deployment, training and communication; (7)

68 processing and industrial-chemical products development; and (8) corn-based
69 farming systems, farm management improvement, and experiment station
70 development.

71 b) Unify, lead, fund, and coordinate a national network of corn and corn-
72 based farming systems research and extension agencies, centers, and stations
73 located in the different agro-ecological regions of the country where corn is a
74 major crop;

75 c) Develop technologies suitable for the rainfed, upland, and dryland agro-
76 ecosystems that will maximize the productivity and quality of locally grown corn
77 and corn-based crops while also reducing production costs and ensuring long-
78 term and sustainable corn and corn-based production systems through genetic
79 improvement and environmental resources and conservation measures;

80 d) Enhance income of corn farmers by developing suitable corn-based crops
81 and livestock farming systems as well as crop rotations where applicable;
82 value-adding corn technologies including on-farm verification, processing,
83 packaging, marketing, and promotion of economically viable technologies as
84 well as entrepreneurial skills, giving emphasis on those aspects necessary for
85 group endeavors of small-scale farmers, cooperatives, and seed growers;

86 e) Develop databases needed in the identification and preparation of
87 necessary policy recommendations towards efficient, highly productive and
88 competitive corn industry and corn-based farming systems through appropriate
89 socio-economic measures and public-private sector mobilization and
90 participation;

91 f) Organize and develop strong training and communication programs for
92 corn and corn-based farming systems scientists, research managers, and
93 extension specialists to enable them undertake effective and timely technology
94 promotion of packaged technologies among clusters of farmers and corporate
95 growers by utilizing modern extension systems such as information, education,
96 and communication (IEC) technology and participatory social mobilization
97 procedures;

98 g) Publish and disseminate research and extension findings and
99 recommendations through scientific journals, books, technical and extension
100 bulletins, videos, and other print and communication channels.
101

102 **SEC. 6. Corporate Powers.** The PhilCorn shall exercise the following
103 corporate powers:

104 a) Exercise all the powers of a corporation under the general corporation
105 law, in so far as such powers are not inconsistent with the provisions of this Act;
106

107 b) Enter into, make and execute contracts and agreements of any kind or
108 nature, and to sue and be sued in its corporate name;

109 c) Borrow funds and obtain loans from all sources, whether local or foreign
110 and whether government or private, to help finance its research programs and
111 its capital and operating expenditures, or support to farmer entrepreneurial
112 activities;

113 d) Invest in, purchase or otherwise acquire, own, lease, mortgage, pledge,
114 sell, assign, convey, exchange, encumber, borrow, or otherwise deal in real
115 and/or personal properties of whatever kind and nature, or any interest therein,
116 including shares of stock, bonds, notes, securities, and other evidences of
117 indebtedness of natural or juridical persons, whether domestic or foreign and
118 whether government or private;

119 e) Receive and acquire from any person, government and private entities,
120 whether foreign or domestic, or from any corporation, partnership, association
121 or other entity such characters, licenses, franchises, rights, privileges,
122 concessions, assistance, grants, donations, loans, and contributions consisting
123 of such properties, real or personal, including funds and valuable effects, as
124 may be useful, necessary or proper to finance its research, capital and
125 operating expenditures or otherwise carry out its purposes and objectives, and
126 to administer the same in accordance with the terms and agreement consistent
127 with its purposes and objectives; and

128 f) Acquire from the government, whether national or local or from any
129 person, corporation, partnership, association or other entity, such characters,
130 franchises, rights, privileges, assistance, financial or otherwise and
131 concessions as may be conducive to and necessary or proper for the
132 attainment of the purposes and objectives of PhilCorn.

133 **SEC. 7. Board of Trustees.** The Board of Trustees, hereinafter referred
134 to as the Board, shall exercise all the corporate functions and powers of the
135 PhilCorn and shall control all its businesses, activities, and properties that are
136 relevant to the goals and functions of the Institute.

137 a) The Board shall be composed of the Secretary of Agriculture or his
138 designate as *ex-officio* Chairperson and fourteen (14) members from the
139 following agencies and sectors: Executive Director of the Philippine Council for
140 Agriculture, Aquaculture, Forestry, and Natural Resources Research and
141 Development (PCAARRD) of the Department of Science and Technology
142 (DOST) who will act as Co-Chairperson; Director of the Bureau of Agricultural
143 Research (BAR) who will act as Vice-Chairperson; Regional
144 Executive Director (RED) representing the DA Regional Field Offices (DA-
145 RFOs); Undersecretary of the Department of Budget and Management (DBM);
146 Director of the Agriculture Division of the National Economic and Development
147 Authority (NEDA); Director of the DA-Philippine Council for Agriculture and
148 Fisheries (DA-PCAF); two (2) University Presidents from the State Universities
149 and Colleges (SUCs) representing major corn producing and corn-based
150 agriculture regions; four (4) private sector representatives, namely: one each
151 from among the national outstanding corn farmers, farmers' organizations or
152 federations (Philippine Maize Federations, Inc.), private companies engaged
153 in corn research and seed production, and the livestock/poultry industry; and

154 two (2) distinguished scientists from the public and private sectors. The
155 credentials of private sector representatives shall be evaluated and scrutinized
156 by competent members of the Board.

157 b) The term of office of the members of the Board who are heads or officials
158 from their respective agencies or institutions shall be co-terminus with their
159 respective appointments; *Provided*, however, That the term of office of the
160 Regional Executive Director who represents the DA-RFOs where corn is a
161 major crop and the four (4) private sector representatives shall be for five years
162 without prejudice to a reappointment for another five years based on merits and
163 excellent performance in the Board. The PhilCorn Executive Director shall
164 serve as Secretary of the Board. All government officials in the Board shall
165 serve as *ex-officio* members and shall not receive any salary or compensation.

166 c) The Chairperson, Co-Chairperson, Vice-Chairperson, and members of
167 the Board shall receive *per diem*, as the Board may determine, for each Board
168 meeting actually attended; *Provided*, however, That such members shall also
169 be entitled to reimbursable transportation and representation allowances in
170 going to and coming from board meetings and in transacting official business
171 for the Institute.

172 d) The Board shall meet regularly at least once (1) every quarter or as often
173 as the exigencies of the service demands. The presence of the Chairperson,
174 Co-Chairperson or Vice-Chairperson and at least seven (7) members of the
175 Board shall constitute a quorum and the majority vote of the members present,
176 there being a quorum, shall be necessary for the adoption of any resolution,
177 rule, regulation, decision or any other act of the Board.

178 **SEC. 8. Powers and Functions of the Board.** The PhilCorn Board
179 shall exercise the following powers and functions:

180 a) To adopt by-laws and promulgate policies, rules, regulations, and
181 procedures for the efficient and effective operations of the Institute;

182 b) To define and guide in the formulation of the vision, mission, strategy, and
183 research-extension priorities, general plans and programs, and guidelines for
184 the proper operation and management of the PhilCorn in accordance with its
185 purposes and objectives and in line with research planning and monitoring
186 policies and procedures of PCAARRD and BAR;

187 c) To approve the PhilCorn's organizational structure and staffing pattern,
188 operation and capital expenditures, and financial budget prepared in
189 accordance with its corporate plans;

190 d) To approve the plantilla and salary ranges, benefits, privileges, bonuses,
191 scholarship and manpower development, housing facilities and support to staff,
192 and other terms and conditions of service, including promotion systems similar
193 to those in the State Universities and Colleges (SUCs) and the Department of
194 Science and Technology (DOST) as well as life and medical insurances and

- 195 retirement schemes or benefits for all officers and employees of the PhilCorn,
196 upon recommendation of the Executive Director;
- 197 e) To appoint, promote, transfer, suspend, remove or otherwise discipline any
198 subordinate officer or employee of the Institute, upon recommendation of the
199 Executive Director;
- 200 f) To create such committees and appoint the members thereof, as may be
201 necessary and proper for the management of the PhilCorn or for the attainment
202 of its purposes and objectives; and
- 203 g) To exercise such other powers and functions and perform such other acts
204 as may be necessary or proper for the attainment of the purposes and
205 objectives of the PhilCorn, or as may be delegated by the Secretary of
206 Agriculture or any competent authority through the Board of Trustees.

207 **SEC. 9. *Executive Director and Other Officers.*** The PhilCorn shall be
208 headed by an Executive Director who shall be appointed by the President of
209 the Philippines, upon recommendation of the Board of the Trustees (BOT),
210 based on the findings and recommendations of a search committee duly
211 organized and commissioned by the Board for such purpose.

212 The Executive Director shall serve for a term of five (5) years, subject to a one
213 term extension of five (5) years for very meritorious performance, or a maximum
214 total of ten (10) years without further extension for any reason whatsoever;
215 *Provided*, however, That there shall be a reserved plantilla position of the same
216 salary rate for the outgoing Executive Director, if he is previously a holder of a
217 plantilla position at PhilCorn and shall not yet be of retirement age at the end of
218 his term as Executive Director; *Provided*, further, That the Board of Trustees,
219 through a search committee duly organized at least four (4) months earlier, shall
220 have chosen a new Executive Director who shall immediately assume office
221 during a turn-over ceremony on the expiration date of the term of office of the
222 outgoing Executive Director; *Provided*, finally, that no Officer-in-Charge shall
223 be designated as head of the Institute.

224 The Executive Director shall be assisted by two Deputy Executive Directors,
225 Division Heads, and Branch Station Directors or Managers as the Board may
226 determine, to carry out the purposes and objectives of the PhilCorn.

227 **SEC. 10. *Powers, Functions, and Duties of the Executive Director.***
228 The Executive Director shall be directly responsible to the Board and shall have
229 the following powers, functions, and duties:

230 a) To exercise dynamic leadership, create a vision, map out the mission,
231 provide strategic direction, and undertake systematic supervision over the
232 planning and implementation of all research, development, technology sharing
233 programs, training and extension, upgrading of scientists and staff of the
234 Institute and, in general, administer and direct the management and operations
235 of PhilCorn with transparency, accountability, and integrity;

236 b) To execute all contracts, incur obligations, acquire and dispose of assets,
237 and deliver documents on behalf of the PhilCorn within the framework of the
238 authority delegated by the Board;

239 c) To implement and enforce policies, decisions, orders, rules, and
240 regulations that are promulgated or adopted by the Board;

241 d) To arrange for the conduct of an External Program and Management
242 Review (EPMR) by a Panel of Experts every 5 years or as often as necessary
243 in order to understand the output and impact of PhilCorn programs to the
244 farmers and stakeholders of the corn industry and to provide guidance to
245 management in charting the future of the institute; and

246 e) To exercise such other powers and functions and performs such other
247 duties as may be authorized, assigned, or delegated by the Board.

248 **SEC. 11. *Technical Advisory Committee.*** A Technical Advisory
249 Committee (TAC), organized and approved by the Board, shall assist the
250 Executive Director, Division heads, Program Directors, and Branch Station
251 Directors or Managers in pursuing interagency activities and participation of the
252 national RD&E network. The TAC shall be composed of not more than nine (9)
253 members, or as the Board may designate, who are heads, representatives, or
254 scientists and experts of agencies, government or private, that are actively
255 involved in any critical aspect of corn research, corn-based farming systems,
256 seed quality certification, training and extension, production and processing,
257 marketing and consumption, policy advocacy, and capacity building. TAC
258 members may be assigned to assist specific programs, divisions, or branch
259 stations as the services may require in achieving the goals and objectives of
260 PhilCorn.

261 **SEC. 12. *Services of Government Personnel.*** The PhilCorn may, for
262 the purpose of its research, development, training, and extension activities,
263 obtain and secure the services of scholars and scientists as well as specialists
264 in research, training, extension, and communication of any unit, experiment
265 station, institute or center of the Department of Agriculture, University of
266 Southern Mindanao, Central Mindanao University, Visayan State University,
267 University of the Philippines Los Banos, Mariano Marcos State University,
268 Isabela State University, Central Luzon State University, and other agencies
269 and universities of the national government and foreign institutions. Those
270 personnel of national and international reputations, from public or private
271 institutions, shall be designated as visiting scientists and research fellows for a
272 term of one year to five years to assist in conducting major research problems
273 of strategic importance and consequences in pursuing the goals and objectives
274 of the Institute. The selected personnel may be paid such honoraria or
275 incentives acceptable to all concerned and as may be fixed and authorized by
276 the Board.

277 **SEC. 13. *Buildings, Facilities, and Equipment.*** The PhilCorn is
278 hereby authorized to own, acquire, borrow, lease, plan, and construct or repair
279 buildings, laboratories, experimental farms, and other facilities as may be

280 necessary or proper to attain its purposes and objectives. It may also utilize
281 facilities of any unit of any cooperating SUC, the Department of Agriculture, and
282 of the national government that is engaged, directly or indirectly, in activities
283 that relate to agriculture, farming systems, corn production or products
284 development of the corn industry.

285 a) The PhilCorn is further authorized to purchase equipment, materials and
286 articles, either locally or abroad, as may be necessary or proper to carry out its
287 powers and functions and attain its purposes and objectives. It shall be
288 exempted from the payment of any and all forms of taxes, duties, fees and
289 charges on any and all such importation of equipment, materials, articles, and
290 services; *Provided*, however, That the same are not available locally on
291 favorable terms.

292 c) Likewise, all lands, farms, plantations, whether directly or indirectly
293 owned, used, utilized or administered by the PhilCorn and those that it may
294 hereinafter acquire or utilize for research, training, extension and technology
295 demonstration, and seed production purposes shall be exempted from the
296 coverage of the Comprehensive Agrarian Reform Law.

297 **SEC. 14. Appropriation.** The Secretary of Agriculture and the
298 Secretary of Budget and Management are hereby authorized and directed to
299 set aside out of the existing funds of the Department of Agriculture the amount
300 of Four Hundred Million Pesos (P400M) as the initial fund to be used for its
301 initial operations, including provisions for salary of personnel, conduct of
302 research and technology promotion, construction of laboratories and other
303 physical infrastructures, purchase and development of experimental farms,
304 and acquisition and purchase of equipment for laboratories, farm development,
305 and offices. This initial amount shall be drawn from the DA National Corn
306 Program, BAR appropriations for research, RP-Japan Fertilizer Grant (KR-2),
307 Public Law PL 480 (PL480), and/or any other existing bilateral funding sources
308 in the Department of Agriculture. Thereafter, the government contribution to
309 the Institute's operations shall be provided for under its own Key Budgetary
310 Inclusion (KBI) in the Annual General Appropriations Act. Furthermore, the
311 PhilCorn Board of Trustees shall seek financial support from foreign donors
312 such as JICA, KOICA, AusAid, USAID, and similar institutions for the
313 establishment and improvement of PhilCorn infrastructures, laboratory
314 facilities, field experiment station development, and training and scholarship of
315 qualified personnel.

316 The annual appropriations herein provided shall be subject to the fiscal control
317 and management procedures provided for in Executive Order 714 of 1981. All
318 funds, savings, grants, and income of the PhilCorn shall constitute a revolving
319 fund, to be managed as Trust Fund, and shall be considered part of the funds
320 automatically released to the PhilCorn.

321 **SEC. 15. Applicability of Civil Service Laws.** The PhilCorn and its
322 officers and employees shall be subject to the Civil Service Law, rules and
323 regulations; *Provided*, however, That all technical personnel shall be selected
324 on the basis of the highest possible standards of merit and fitness for public

325 officials and employees, preferably those with postgraduate degrees, to be
326 determined in accordance with such policies and guidelines as may be
327 approved by the Board.

328 **SEC. 16. Auditor.** The Chairperson of the Commission on Audit (COA)
329 shall be the *Ex-Officio* Auditor of the PhilCorn. For this purpose, he may appoint
330 a representative who shall be the auditor of the PhilCorn, together with the
331 necessary personnel to assist the COA representative in the performance of
332 his duties.

333 **SEC. 17. Legal Counsel.** The Government Corporate Counsel shall be
334 the Legal Counsel of the PhilCorn; *Provided*, however, That the PhilCorn may
335 establish its own legal unit, subject to the supervision and control of the
336 Government Corporate Counsel, to handle the day-to-day legal matters
337 affecting the affairs of the PhilCorn.

338 **SEC. 18. Annual Report.** The Board shall submit to the President of
339 the Philippines through the Secretary of Agriculture an annual report, together
340 with the audit report on the relevant accounts, generally dealing with the
341 activities and operations of the PhilCorn.

342 **SEC. 19. Separability Clause.** The provisions of this Act are hereby
343 declared separable. If any portion hereof shall be held invalid or
344 unconstitutional, such invalidity or unconstitutionality shall not affect the other
345 provisions, which shall remain in full force and effect in their entirety.

346 **SECTION 20. Effectivity Clause –** This act shall take effect fifteen (15)
347 days following its publication in two (2) newspaper of general circulation.

348 Approved,