



Republic of the Philippines
Department of Agriculture
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
Quezon City 1100, Philippines



December 20, 2013

DEPARTMENT CIRCULAR

No. 01

Series of 2013

SUBJECT: IMPLEMENTING RULES AND REGULATIONS FOR R.A. NO. 10601, OTHERWISE KNOWN AS THE "AGRICULTURAL AND FISHERIES MECHANIZATION LAW".

Pursuant to Section 37 of R.A. No. 10601, otherwise known as "Agricultural and Fisheries Mechanization (AFMech) Law, the following rules and regulations are hereby adopted and promulgated to implement the provisions of the Act:

SECTION 1. Title. - This Act shall be known as the "Agricultural and Fisheries Mechanization (AFMech) Law".

Rule 1.1.- This Department Circular shall be known as the Implementing Rules and Regulations of R.A. No. 10601, otherwise known as "Agricultural and Fisheries Mechanization (AFMech) Law" herein referred to as the "IRR of AFMech Law."

Rule 1.2. The text of Republic Act No. 10601 (AFMech) Law is reproduced herein for reference purposes.

Rule 1.3. The AFMech Law was published on June 14, 2013 and subsequently took effect on June 28, 2013.

ARTICLE I

DECLARATION OF POLICY, DEFINITION OF TERMS AND COVERAGE

SEC. 2. Declaration of Policy. - It shall be the policy of the State to:

- (a) Promote the development and adoption of modern, appropriate and cost-effective and environmentally-safe agricultural and fisheries machinery and equipment to enhance farm productivity and efficiency in order to achieve food security and safety and increase farmers' income;

[Handwritten signature]

1



- (b) Provide a conducive environment to the local assembling and manufacturing of engines, machinery and equipment for agricultural and fisheries production, processing and marketing;
- (c) Ensure the quality and safety of machineries and equipment locally manufactured or imported by strengthening regulation through the development and enforcement of machinery and machine performance standards, regular testing and evaluation, registration, and the accreditation and classification of suppliers, assemblers and manufacturers to ensure compliance to prescribed quality standards;
- (d) Strengthen support services such as credit facilities, research, training and extension programs, rural infrastructures, postharvest facilities and marketing services;
- (e) Unify, rationalize and strengthen the implementation, coordination of activities and mechanisms on agricultural and fisheries mechanization programs and projects; and
- (f) Deliver integrated support services to farmers, fisherfolk and other stakeholders, and assist them to be able to viably operate and manage their agricultural and fisheries mechanization projects.

SEC. 3. Definition of Terms. - The following terms are defined, as follows:

- (a) Agricultural and fisheries machinery refers to machinery and equipment for the production, harvesting, processing, storage, manufacture, preserving, transporting and distribution of agricultural and fisheries products. It includes, but is not limited to, tractors and their attachments, power tillers, seeders, transplanters, windmills, harvesting machines, crop protection and maintenance equipment, irrigation equipment and accessories, greenhouses and other thermal conditioning equipment, livestock equipment, fishery equipment, slaughtering equipment, meat/fishery and crop processing equipment, postharvest machines such as milling machines, dryers, threshers, grain and other strippers, agricultural transport machinery and storage facilities including cold storage, reefer vans, slaughter houses and fishing boats of three (3) gross tons or less. New agricultural and fishery machinery includes newly imported as well as one that has not been used since its date of manufacture;
- (b) Agricultural and fisheries mechanization refers to the development, adoption, assembly, manufacture and application of appropriate, location specific and cost-effective agricultural and fisheries machinery using human, animal, mechanical, electrical, renewable and other nonconventional sources of energy for agricultural production and postharvest/postproduction operations consistent with agronomic conditions and for efficient and economic farm and fishery management towards modernization of agriculture and fisheries;

- (c) Agro-industrial processing refers to the local activity or series of activities to maintain or raise the quality or change the form or characteristics of agricultural, fisheries and forestry products. It also includes, but not limited to, cleaning, sorting, grading, mixing, milling, canning, dressing, slaughtering, freezing, pasteurizing, conditioning, packaging, repacking and transporting of said products; and
- (d) Fishing boat refers to any boat, ship or other watercraft of three (3) gross tons or less, equipped to be used for taking of fishery species or aiding or assisting one (1) or more vessels in the performance of any activity relating to fishing including, but not limited to, preservation, supply, storage, refrigeration, transportation and/or processing.

Rule 3.1 For purposes of this IRR, the following additional terms are defined as follows:

Contiguous farming - shall be defined as a farming system comprising the development and organization of parcels of adjoining or adjacent agricultural lands with a minimum total area of 50-ha for the synchronized production of a particular crop such as but not limited to rice, corn, sugarcane, coconut and high value commercial crops utilizing agricultural mechanization technology. It shall include the necessary physical and institutional infrastructures. Physical infrastructures include the overall design layout of the area (e.g. field plot size, irrigation canal, farm drain, farm ditch, farm roads, postharvest facilities, etc.) while institutional infrastructures consist of the social base by which contiguous farming scheme shall operate.

Local assembling - shall mean the production of engines and other machinery for agricultural and fisheries purposes by a company using imported parts and components.

Local manufacturing - shall mean the production of engines and other machinery for agricultural and fisheries purposes by a company using both imported parts and components with a minimum of thirty percent (30%) locally manufactured parts and components.

Nonconventional Energy - shall be defined as the renewable energy which comes from natural resources such as solar, wind, rain, tides, agricultural waste and geothermal heat.

3.2 The following acronyms are also used in this IRR:

ACEF	-	Agricultural Competitiveness Enhancement Fund
AED	-	Agricultural Engineering Division
AFMeC	-	Agriculture and Fishery Mechanization Committee
AFMechERN	-	Agricultural and Fishery Mechanization Engineering Resource Network



AFMechRDEN	-	Agricultural and Fisheries Mechanization Research, Development and Extension Network
AFMESC	-	Agricultural and Fishery Machinery and Equipment Service Centers
AFMP	-	Agriculture and Fishery Mechanization Plans
Als	-	Academic Institutions
AMMDA	-	Agricultural Machinery Manufacturers and Distributors Association
ARBOs	-	Agrarian Reform Beneficiaries Organizations
ARCs	-	Agrarian Reform Communities
ATI	-	Agricultural Training Institute
BAFE	-	Bureau of Agricultural and Fisheries Engineering
BAFS	-	Bureau of Agriculture and Fisheries Standards
BAI	-	Bureau of Animal Industry
BAR	-	Bureau of Agricultural Research
BFAR	-	Bureau of Fisheries and Aquatic Resources
BoAE	-	Board of Agricultural Engineering
BOI	-	Board of Investments
BPI	-	Bureau of Plant Industry
BSWM	-	Bureau of Soils and Water Management
CAFC	-	City Agricultural and Fishery Council
CEAT	-	College of Engineering and Agro-Industrial Technology
CHED	-	Commission on Higher Education
COCAFM	-	Congressional Oversight Committee on Agricultural and Fisheries Modernization
CPE	-	Continuing Professional Education
CSC	-	Civil Service Commission
CSO	-	Civil Society Organization
DA	-	Department of Agriculture
DAR	-	Department of Agrarian-Reform
DILG	-	Department of Interior and Local Government
DOE	-	Department of Energy
DOF	-	Department of Finance
DOLE	-	Department of Labor and Employment
DOST	-	Department of Science and Technology
DPWH	-	Department of Public Works and Highways
DTI	-	Department of Trade and Industry
FMS	-	Finance and Management Service
GAA	-	General Appropriations Act
HEIs	-	Higher Education Institutions
HUCs	-	Highly Urbanized Cities



ICCs	- Independent Component Cities
ISCS	- Infrastructure Support and Coordination Section
ISO	- International Organization for Standardization
ITCAF	- Information Technology Center for Agriculture and Fisheries
LGUs	- Local Government Units
MAFC	- Municipal Agricultural and Fishery Council
NAFMechRDE	- National Agricultural and Fisheries Mechanization Research and Development and Extension
NAFMP	- National Agri-fishery Mechanization Program
NAREA	- National Agriculture Research and Extension Agenda
NDA	- National Dairy Authority
NIA	- National Irrigation Administration
NFA	- National Food Authority
NGOs	- Non-government Organizations
NMIS	- National Meat Inspection Service
NTA	- National Tobacco Authority
PAES	- Philippine Agricultural Engineering Standards
PAFC	- Provincial Agricultural and Fishery Council
PCA	- Philippine Coconut Authority
PCC	- Philippine Carabao Center
PCAARRD	- Philippine Council for Agriculture Aquatic and Natural Resources Research and Development
PCAF	- Philippine Council for Agriculture and Fisheries (Consolidation of NAFC and LDC as per E.O. 366 dated 4 October 2004)
PCC	- Philippine Carabao Center
PCIEERD	- Philippine Council for Industry, Energy and Emerging Technology Research and Development
PGPC	- Philippine Grains-Postproduction Consortium
PhilMech	- Philippine Center for Postharvest Development and Mechanization
PhilFIDA	- Philippine Fiber Industry Development Authority
PhilRice	- Philippine Rice Research Institute
PIP	- Public Investment Program
POs	- Peoples Organizations
PRC	- Professional Regulation Commission
PSAE	- Philippine Society of Agricultural Engineers
RAED	- Regional Agricultural Engineering Division
RAFC	- Regional Agriculture and Fisheries Council

RD	-	Regional Director
RDIs	-	Research and Development Institutions
RIARCS	-	Regional Integrated Agricultural Research Centers
REMB	-	Renewable Energy Management Bureau
RFO	-	Regional Field Office
SAFDZs	-	Strategic Agricultural and Fishery Development Zones
SEC	-	Securities and Exchange Commission
SRA	-	Sugar Regulatory Administration
SUCs	-	State, Universities and Colleges
TESDA	-	Technical Education and Skills Development Authority
TWG	-	Technical Working Group
UPLB	-	University of the Philippines – Los Baños
UPLB – AMDP	-	University of the Philippines – Los Baños - Agricultural Mechanization Development Program
UPLB – AMTEC	-	University of the Philippines – Los Baños - Agricultural Machinery Testing and Evaluation Center

SEC. 4. Scope and Application. - The provision of this Act shall apply to the research, development and extension, promotion, distribution, supply, assembling, manufacturing, regulation, use, operation, maintenance and project implementation of agricultural and fisheries machinery and equipment.

ARTICLE II

THE NATIONAL AGRI-FISHERY MECHANIZATIONPROGRAM

SEC. 5. The National Agri-fishery Mechanization Program. - There shall be formulated a National Agri-fishery Mechanization Program by the Department of Agriculture (DA) with the following objectives:

- (a) Promote and support through the provision of research grants, credit, transparent and predictable regulation, the local development and manufacture of agricultural and fisheries machinery by the private sector;
- (b) Unify, lead and support the efforts of various institutions in the research, design and development of agricultural and fisheries machinery;
- (c) Establish quality, safety and performance standards for agricultural and fisheries machinery;



- (d) Support the establishment of quality, safety and performance testing centers for the certification of agricultural and fisheries machinery in strategic localities in the country;
- (e) Establish guidelines for the registration of ownership of agricultural and fisheries machinery; and
- (f) Promote the adoption of certified agricultural and fisheries machinery for improving agriculture and fishery productivity.

***Rule 5.1** The DA, through the designated Undersecretary for Agri-Fisheries Mechanization and with the assistance of BAFE and PCAF-AFMec in consultation with other concerned agencies and the private sector, shall within one (1) year from the effectivity of this IRR, formulate a five-year NAFMP and every five (5) years thereafter, using participatory methods and where close linkages with all stakeholders shall be maintained throughout the planning cycle.*

The DA shall endeavor to actively involve the following agencies and organizations in the formulation of the NAFMP:

- a. DILG;
- b. DTI;
- c. DOE;
- d. DOF;
- e. DOLE;
- f. DBM;
- g. DAR;
- h. DENR;
- i. PCAF;
- j. DepEd
- k. DOST;
- l. BOAE;
- m. DA – OSEC Services;
- n. DA – Bureaus, Attached Agencies & Corporations;
- o. CHED;
- p. NEDA;
- q. TESDA;
- r. SUCs;
- s. LGUs;
- t. PSAE;
- u. Recognized national organization of agricultural assemblers, manufacturers and distributors;
- v. Representative of Agriculture and Fishery Councils
- w. Other Private Sector representatives

***Rule 5.2** The Secretary, upon the recommendation of the designated Undersecretary for Agri-Fisheries Mechanization, shall issue:*

- a. The over-all planning framework and parameters of the NAFMP;



- b. *The calendar and timetable for the planning/programming process which will establish the regular and cyclical Department, Regional and Sector-wide schedule of planning, monitoring and evaluation activities and deadlines for the formulation, publication and regular updating of the NAFMP; and*
- c. *The guidelines for the formulation of the plans by the LGUs, in collaboration with the DILG.*

Rule 5.3 *The NAFMP shall have the following components:*

- a. *Local Assembling and Manufacture of Agri-fishery Machinery Component;*
- b. *Research, Development, and Extension Component;*
- c. *Standards and Regulations Component;*
- d. *Support Services and Institutional Development Component; and*
- e. *Human Resource Development Component.*

Rule 5.4 *The NAFMP shall have the following characteristics:*

- a. *The NAFMP shall be formulated based on the aggregation of Local and Regional AFMech Plans;*
- b. *It shall include the general approaches and strategies to address the issues facing agricultural and fishery mechanization;*
- c. *It shall take into account the gender, climate change, and environmental considerations;*
- d. *It shall serve as the overall agriculture and fishery sector mechanization program to guide in the planning, programming, budgeting and monitoring of DA;*
- e. *It shall provide the direction for NAFMechRDE Agenda under Section 7 and National Training and Scholarship Programs under Section 12.1 of the AFMech Law.*

Rule 5.5 *The BAFE shall assist the designated DA Undersecretary for Agri-Fishery Mechanization in facilitating the planning, coordination and implementation of the NAFMP. The BAFE in coordination and collaboration with the Central Agricultural and Fishery Engineering Division of the Field Operations Service and PCAF-AFMec shall organize Agri-fishery Mechanization (AFMech) planning workshops at the municipal, city, provincial, regional, and national level for this purpose.*

The BAFE, in collaboration with the other offices of DA, shall provide principal staff support to the Undersecretary in the preparation of the NAFMP and its presentation to the PCAF-AFMec and all other concerned bodies. The PCAF-AFMec shall conduct national and local consultations on the NAFMP prior to its submission to the Secretary for approval.

Rule 5.6 *Where necessary, a comprehensive Fisheries Sector mechanization development plans shall be formulated in collaborations with BFAR.*



Rule 5.7 The DA, particularly the BAFE and the RFOs/BFAR-RO, in collaboration with the DILG, shall immediately accelerate and strengthen capability-building activities for LGUs and in agricultural and fisheries mechanization planning, development, budgeting and management.

SEC. 6. Program Implementation. - The overall implementation of the National Agri-fishery Mechanization Program shall be coordinated by the DA through the Undersecretary duly designated by the Secretary who shall:

- (a) Conduct the formulation and review of the five-year National Agri-fishery Mechanization Program for the DA;
- (b) Provide leadership in the formulation of guidelines for the registration of ownership of agricultural and fisheries machinery;
- (c) Ensure the formulation of quality, safety and performance standards for agricultural and fisheries machinery;
- (d) Ensure the formulation of accreditation guidelines for testing centers for agricultural and fisheries machinery;
- (e) Formulate and enforce guidelines for the credit program to include, but not limited to, access, disbursement and repayment;
- (f) Oversee the implementation of the National Agri-fishery Mechanization Program by the various units of the Department; and
- (g) Coordinate with other government agencies and local government units (LGUs) in the implementation of measures provided for in this Act.

Rule 6.1 The DA Secretary shall, within three (3) months from the approval of this IRR, designate an Undersecretary who will oversee the overall implementation and review of the NAFMP.

Rule 6.2 The BAFE shall assist the designated Undersecretary in carrying out his functions as spelled out in Section 6 of the AFMech Law.

Rule 6.3 The BAFE shall collaborate with the Finance and Management Service (FMS) and Planning Service of DA to ensure adequate and timely budget support for the NAFMP.

ARTICLE III

RESEARCH, EXTENSION AND HUMAN RESOURCE DEVELOPMENT

SEC. 7. Unified National Research and Development (R&D) and Extension Agenda. - A unified National Agricultural and Fisheries Mechanization Research and Development

and Extension (RDE) Agenda shall be formulated and implemented by the DA: Provided, That the DA, through the Philippine Center for Postharvest Development and Mechanization (PHilMech) as focal agency, shall integrate and unify all agricultural and fisheries mechanization RDE programs and projects of all concerned national government agencies, Local Government Units (LGUs), state universities and colleges (SUCs), which shall be geared towards development of machineries and equipment, job generation, address market and industry demands and help accelerate agricultural and fisheries modernization in the countryside.

The National Agricultural and Fisheries Mechanization RDE Agenda shall include, but not be limited to the following:

- (a) Development, pilot testing and commercialization of appropriate location-specific and cost-effective agricultural and fisheries machinery and equipment in support to contiguous farming and machinery pooling;
- (b) Design and testing of new machineries and equipment for agriculture and fisheries;
- (c) Local manufacture and assembly of agricultural engines and equipment;
- (d) Development and utilization of renewable and nonconventional energy resources such as wind, biomass, hydro, solar and biofuels for agricultural and fisheries equipment and machineries;
- (e) Development of efficient production and postproduction mechanization systems;
- (f) Continuous development of technical standards and testing procedures for quality agricultural machinery and components;
- (g) Training of farmers, fisherfolk, manufacturers, extension workers, agricultural engineers, technicians and operators engaged in the agricultural and fisheries mechanization;
- (h) Promotion of technologies through agricultural and industrial extension activities and techno-demo centers;
- (i) Development of prototype and fabrication of agricultural machinery and equipment; and
- (j) Development and conduct of commercialization strategies involving all sectors representing the demand and supply sides of agricultural and fisheries mechanization technologies.

***Rule 7.1** The DA, through PHilMech, shall formulate a unified National Agricultural and Fisheries Mechanization Research and Development and Extension (NAFMechRDE) Agenda in consultation with the members of the Agricultural and Fishery Mechanization RDE Network (AFMechRDEN).*



Rule 7.1.1 *The DA Secretary shall issue the appropriate guidelines to the concerned DA offices that are members of the Network on the submission of the corresponding Agricultural and Fishery Mechanization Research and Development and Extension Agenda of each agency as input in the formulation of a unified NAFMechRDE Agenda.*

Rule 7.2 *The unified NAFMechRDE agenda shall address, among others, the priority areas of concerns and commodities of the DA and the major mechanization needs of these commodities.*

Rule 7.3 *The NAFMechRDE agenda and the corresponding programs and projects shall consider the transformation of a highly productive, gender responsive, environment-friendly, climate-resilient and sustainable agricultural and fishery sector.*

Rule 7.4 *The NAFMechRDE agenda shall be implemented and monitored by the AFMechRDEN in accordance with the mechanisms and guidelines to be formulated under Rule 8.4 of this IRR. All specific programs and projects proposed to be funded and implemented under the NAFMechRDE agenda shall be evaluated according to the parameters prescribed by the AFMechRDEN.*

SEC. 8 Agri-fisheries Mechanization RDE Network. – An Agricultural and Fisheries Mechanization RDE Network is hereby organized and composed of research and educational institutions, LGUs, nongovernment organizations' and the recognized and well-established associations of agricultural and fisheries machinery assemblers, manufacturers and distributors, agricultural engineers, farmers and fisherfolk.

The Agricultural and Fisheries Mechanization RDE Network shall be responsible for the formulation and implementation of the National Agricultural and Fisheries Mechanization RDE Agenda. The PHilMech shall be responsible for organizing the Network and shall serve as secretariat to the Network. The Network shall be chaired by the Director of the PHilMech.

Moreover, the Agricultural Mechanization Development Program of the University of the Philippines, Los Baños (UPLB), which is part of the Network, shall be strengthened and institutionalized to lead and coordinate the agricultural and fishery mechanization RDE program of all academic institutions in the country.

Rule 8.1 *This IRR shall cover all existing agencies involved in research and development and extension on agricultural and fishery mechanization.*

Rule 8.2 *The Agri-fisheries Mechanization RDE Network (AFMechRDEN) is hereby organized with the following functions:*



- a) Set direction, formulate and implement the unified NAFMechRDE agenda in consultation with the stakeholders;
- b) Gather information on the mechanization needs, problems and other issues related to mechanization as bases of formulating the unified NAFMechRDE agenda;
- c) Prepare mechanization roadmaps for the priority concerns of the DA;
- d) Integrate RDE concerns and prioritize which among the programs, projects and activities shall be recommended for funding and recommend to potential fund sources;
- e) Evaluate and recommend proposals for funding and implementation in accordance with the parameters that will be established under Rule 8.5; and
- f) Establish and implement a Monitoring and Evaluation Scheme to keep an update on the status of implementation of the approved priority programs and projects;

Rule 8.3 The AFMechRDEN is hereby organized with the following members:

- a. DA-PHilMech as the lead agency;
- b. DA Bureaus, Attached Agencies and Corporations;
- c. DA –RIARCS;
- d. UPLB-AMDP to serve as the lead agency for SUCs and other educational institutions;
- f. DOST – concerned councils and Research and Development Institutions (RDIs);
- g. CHED;
- h. DOE;
- i. DOLE;
- j. BOAE;
- k. Representatives of Provincial, City and Municipal Agricultural Engineering Divisions of LGU;
- l. Non-government Organizations involved in the conduct of agricultural and fishery mechanization RDE;
- m. Recognized associations of machinery assemblers, manufacturers and distributors;
- n. PSAE;
- o. Representative from PCAF-AFMeC;
- p. Representatives from agriculture and fishery councils; and
- q. PGPC

Rule 8.4 The PHilMech, in coordination with the members of AFMechRDEN shall, within six (6) months after the effectivity of this IRR, formulate the

necessary guidelines for the composition and operation of the AFMechRDEN. It shall:

- a. establish the mechanism, criteria and timelines that will serve as guide in the creation of the sub-networks;*
- b. create a core of technical experts who will conduct the evaluation of proposals and recommend for approval and funding;*
- c. set parameters and criteria for the review and approval of RDE projects; and*
- d. establish and implement to monitoring and evaluation scheme of agricultural and fishery mechanization RDE programs and projects to keep an updated information and inventory of the technologies being generated and verified.*

Rule 8.5 *In accordance with the mechanisms and criteria that will be established, an island-wide sub-networks and commodity sub-networks shall be organized.*

Rule 8.6 *The PHilMech shall:*

- a. organize the AFMechRDEN in accordance with the mechanism and criteria that will be jointly established for the purpose;*
- b. act as the Network Secretariat and provide the leadership in the formulation of the unified NAFMechRDE agenda for agriculture and fisheries mechanization; and*
- c. integrate, consolidate and unify all agricultural and fishery mechanization RDE programs and projects of various research institutions and ensure consistency of the agenda with the thrusts and priorities of NAREA and with the DOST Agenda.*
- d. Consistent with the provision under Section 25 of the AFMech Law, the PHilMech shall include in its agency budget under the Annual GAA the required funding requirement for the operation of the AFMechRDEN.*

Rule 8.7 *The DA in collaboration with UPLB, shall ensure the strengthening of AMDP for the:*

- a. formulation of the necessary guidelines for the operation of all academic institutions in the AFMechRDEN;*
- b. integration, consolidation and harmonization of all agricultural and fishery RDE programs and promote collaborative RDE programs of all academic institutions in the AFMechRDEN; and*



- c. *submission of project proposal with the corresponding funding requirements for additional manpower complement, equipment, supplies and other logistical requirements for inclusion in the Annual General Appropriation Act (GAA). The funding support is intended to strengthen the capability of UPLB-AMDP for the implementation, coordination and monitoring of AFMechRDEN activities of all academic institutions in the country.*

SEC. 9. *Agri-fisheries Machinery and Equipment Service Centers.*- The DA and the LGUs shall encourage and support the private sector and other rural entrepreneurs to establish and operate agricultural and fishery machinery and equipment service centers in the Strategic Agricultural and Fishery Development Zones (SAFDZs) and Agrarian Reform Communities.

The Agri-fisheries Machinery and Equipment Service Centers shall be operated as business enterprises that will provide the following services:

- (a) After-sales service and warranty for their respective clients;*
- (b) Custom plowing, harrowing, harvesting, drying, milling and other farm mechanization services;*
- (c) Repair and troubleshooting services of agricultural and fishery machinery and equipment; and*
- (d) Training in maintenance and proper use of agricultural machineries and equipment.*

The ownership and operation of Agri-fisheries Machinery and Equipment Service Centers shall not be the exclusive domain of equipment and machineries suppliers. These may be owned and operated by registered cooperatives or by businesses registered with the Securities and Exchange Commission (SEC) or with the Department of Trade and Industry (DTI).

Rule 9.1 *The DA, through its various national commodity-based programs, regional field offices, bureaus, attached agencies and corporations, in collaboration or cooperation with the LGUs, the DAR regional, provincial and municipal agrarian reform offices, and agricultural and fishery machinery and equipment manufacturers and suppliers associations, shall encourage and support the establishment and operation of AFMESC. Support to be provided by DA shall include, among others, preparation of feasibility study, business plan, provision of technical assistance or advice, fund provision or sourcing, and training and extension.*

Rule 9.1.1 *The DA shall tap registered agricultural engineers in the RFOs, provincial and municipal agricultural offices, and its concerned bureaus and attached agencies and corporations, and*



Als to provide technical assistance to qualified farmer associations or cooperatives or rural entrepreneurs interested in establishing and operating agri-fishery machinery and equipment service centers. Business plans and other professional services for the agri-fishery machinery and equipment service centers shall be developed and signed by registered agricultural engineers.

Rule 9.1.2 *The DA, through ATI, in collaboration with TESDA and Als, shall train qualified and selected members of farmers/fisherfolk associations or cooperatives, including qualified out-of-school youth in the operation, repair and maintenance of agri-fishery machinery and equipment.*

Rule 9.1.3 *The DA, through PhilRice, in collaboration with Als, private sector and other concerned DA agencies, shall establish models of farm mechanization service centers at PhilRice branch and satellite stations or other appropriate sites throughout the country for adoption by interested and qualified farmer associations or cooperatives or rural entrepreneurs.*

Rule 9.2 *The DA, in collaboration with DAR, shall, among others, implement farm mechanization support programs towards the establishment and operation of AFMESC in ARCs for interested and qualified ARBOs.*

Rule 9.3 *The DA, in coordination with the DILG, shall endeavor to encourage LGUs to support and promote the establishment and operation of AFMESC in their locality, specifically within the SAFDZ by, among others, including in their investment plans funding support; enactment of local government ordinances and resolutions; and facilitating registration and operation of the AFMESC.*

SEC. 10. Agri-fisheries Mechanization and Engineering Resource Network. - The existing agricultural machinery information and database of the PHilMech shall be strengthened into an agri-fishery mechanization and engineering resource network. It will also be used or tapped as a facility for the online registration of agri-fisheries machinery and equipment, and monitoring of agri-fisheries mechanization and infrastructure projects. This network shall be linked to other existing information and database networks of the DA, the Agricultural Machinery Information Network of the Department of Science and Technology (DOST), the Agricultural Mechanization Development Program (AMDP) of the UPLB and of other government agencies.

Rule 10.1 *The Agri-fishery Mechanization and Engineering Resource Network (AFMechERN) referred to under Section 10 of the AFMech Law shall encompass the following information and databases:*

- (a) Inventory of agricultural and fisheries machinery and postharvest facilities of the country;*



- (b) *Agricultural and fisheries mechanization technologies, data and information generated by DA, DOST, other government RDE Institutions, LGUs, UPLB-AMDP, UPLB-AMTEC and other SUCs through their research and development programs, projects and activities;*
- (c) *Government investments on agri-fisheries mechanization from various sources of funds such as grants, loans and local or international donors among others;*
- (d) *Agro-industrial processing technologies;*
- (e) *Human Resource Information System to include Registry of Agricultural Engineers and Resource Persons and Experts on Agri-fishery Mechanization;*
- (f) *Agri-fishery Machinery and Equipment Manufacturers, Assemblers and Distributors; and*
- (g) *Academic institutions offering Agricultural Engineering or Agricultural and Biosystems Engineering and Agri-fishery Mechanization courses.*

Rule 10.2 *The content of each information system or database shall provide the details needed for general information and reference; resource analysis, planning and allocation and for policy studies, decisions and advocacy.*

Rule 10.3 *The DA, in coordination with the UPLB, DOST, BoAE, PSAE, recognized national organization of agricultural assemblers, manufacturer and distributors shall create a National Committee on AFMechERN to be chaired by PHilMech and co-chaired by DA-ITCAF and whose members shall include BAFE, PhilRice, BAFS, BFAR, PCAF, UPLB-AMDP, DOST-PCAARRD, PSAE and recognized national organization of agricultural assemblers, manufacturer and distributors or other private agri-fishery machinery manufacturers, assemblers and distributors.*

Rule 10.4 *The National Committee on AFMechERN shall design a web-based system that links all data and information cited in Rule 10.1 of these IRR coming from PHilMech, UPLB-AMDP, DA, DOST-PCAARRD, DA-ITCAF, other government and RDE institutions. Moreover, the National Committee shall design an online system of registration of agricultural and fishery machinery and equipment and monitoring of agri-fisheries mechanization and infrastructure projects.*

Rule 10.5 *The DA, thru PHilMech in coordination with the DA-ITCAF, shall operationalize and maintain the system cited in Rule 10.4. As such, it shall implement the following:*

- (a) *Formulate a capability enhancement plan for the upgrading of the IT manpower complement and the existing equipment for data gathering, storage and management such as, but not limited to the installation of additional servers, computers, network connections and other necessary hardware and infrastructure facilities;*

- (b) Enhance the web-based information system of the network;
- (c) Make the data accessible to all government and non-government partner agencies and organizations like the DA, DOST, DTI, UPLB-AMDP, SUCs and other government agencies, recognized national organization of agricultural assemblers, manufacturers and distributors and other private organizations involved in the development, production, promotion and marketing of agri-fishery machineries and equipment; and
- (d) Ensure the data security of the website by establishing standards and protocols for the implementation of the online registration, data access and data sharing.

SEC. 11. *Research Grants.* - To enhance research and technological development on agricultural and fisheries mechanization, the government through the Bureau of Agricultural Research (BAR) of the DA, the DOST and the Commission On Higher Education (CHED) shall provide competitive research grants to members of the Network to undertake needs-oriented research as well as institutional development and upgrading of laboratory facilities and equipment.

Rule 11.1 *The DA, through BAR, shall utilize its existing guidelines and procedures in the approval and implementation of research grants on Agriculture and Fishery Mechanization to include institutional development support such as R&D facilities and equipment.*

Rule 11.2 *The NAFMechRDE Agenda made under Article III Section 7 of the AFMech Law shall be the basis for project prioritization and approval of research grants.*

Rule 11.3 *The DA, through BAR, RFOs and various commodity programs, shall set aside funding for R&D annually under Article IX, Section 38 of the AFMech Law.*

Rule 11.4. *The DA, through BAR, shall coordinate with DOST through PCAARRD and PCIEERD for the provision of agricultural and fisheries R&D funds annually from its regular research grants under the Grants-In-Aid (GIA) programs; and CHED for the provision of research grants to concerned HEIs to improve their competitiveness in agricultural and fisheries mechanization and engineering educations as well as grant funds to upgrade their laboratory facilities and equipment and faculty development subject to relevant guidelines which shall include but not limited to competitive roadmap. For this purpose, all concerned HEIs shall formulate and adopt their agricultural engineering education competitiveness roadmap as one of the basis in the provision of CHED grant funds.*

Rule 11.4 *The private sector manufacturers, who were provided with research grants, shall be tapped to offer free training on the operation and maintenance of developed equipment and machineries.*

SEC. 12. *Training and Scholarship Program.* - The DA, in partnership with SUCs and the private sector, shall train the agricultural extension workers and agricultural engineers of the LGUs who in turn shall train the farmers and fisherfolk on agricultural and fisheries mechanization, technologies and practices.

The Department of Labor and Employment (DOLE) and the Technical Education and Skills Development Authority (TESDA) shall be responsible in the training of agricultural and fisheries machinery technicians and operators.

Furthermore, scholarships for graduate and undergraduate degrees on agricultural engineering and trade/vocational courses on agricultural and fisheries mechanization shall be given priority by the DA, the CHED and the DOST.

Rule 12.1 *The DA, through ATI, in collaboration with the AFMechRDEN and BoAE shall formulate and implement a National Training Program for agricultural engineers and extension workers of LGUs to continuously upgrade their technical and management capabilities to effectively carry-out their roles and responsibilities under this Act and to train farmers and fisherfolk on agricultural mechanization technologies and practices.*

Rule 12.1.1 *This training program shall form part of the Continuing Professional Education (CPE) Program for Agricultural Engineers, and shall be credited for career progression, promotion in positions and accreditation for ASEAN/APEC Engineer Registry and other International accreditation registries;*

Rule 12.2 *The DA Regional Agricultural Engineering Division (RAED) in partnership with LGU Agricultural Engineers shall train the farmers and fisherfolk on agricultural and fisheries mechanization technologies and practices and other related concerns.*

Rule 12.3 *The DA, through ATI, shall coordinate and collaborate with DOLE and TESDA for the formulation and implementation of a National Training Program for agricultural and fishery machinery technicians and operators;*

SEC. 13. *Manpower Complement.* - All agricultural and fisheries machinery pools and service centers, including sales and distribution outlets and manufacturing establishments, either public or private, shall have the required manpower complement of licensed agricultural engineers and certified technicians and operators, in accordance with the guidelines and standards to be promulgated by the Board of Agricultural Engineering (BoAE) of the Professional Regulation Commission (PRC) and the DOLE to ensure efficient operation and maintenance and good management practices. The DA shall ensure compliance to this manpower complement requirement.



Rule 13.1. *The DA, through BAFE, as part of its program implementation, licensing, regulation and monitoring on agricultural and fisheries mechanization shall ensure the compliance of all agricultural and fisheries machinery pools and service centers, sales and distribution outlets and manufacturing establishments to BoAE and DOLE guidelines issued pursuant to Section 13 of the AFMech Law.*

Rule 13.2 *The DA, through BAFE, shall secure assistance from LGUs, SEC, DTI and other concerned agencies in ensuring compliance to the BoAE and DOLE guidelines.*

Rule 13.3 *The DA shall ensure that the recipients of the scholarship and training programs as prescribed in Section 12 of the AFMech Law shall be a priority source of manpower supply requirement under the Act.*

Rule 13.4 *The DA, through ATI and through a consultative process under PCAF-AFMeC, shall formulate and implement with CHED and DOST a National Scholarship Program on Agricultural Engineering and trade/vocational courses on agricultural and fisheries mechanization which shall be based on industry requirements. The National Scholarship Program shall be in support of the National Training Program.*

SEC. 14. Skills Certification of Agricultural Machinery Technicians and Operators. - The TESDA, in collaboration with the DA, the BoAE and the national associations of agricultural engineers and agricultural machinery assemblers, manufacturers and distributors, shall undertake skills certification and accreditation systems for agricultural and fishery machinery operators and technicians.

Rule 14.1 *The DA, through ATI, shall coordinate with TESDA on the development and formulation of the necessary competency standards for skills certification, and the accreditation of competency assessors and assessment centers of agricultural and fishery machinery operators and technicians in coordination and consultation with the DA, BOAE, PSAE and AMMDA within six (6) months after the approval of this IRR.*

ARTICLE IV

LOCAL ASSEMBLY, MANUFACTURE, SUPPLY AND AFTER-SALES SERVICE

SEC. 15. Local Assembling and Manufacturing. - Production of locally-made engines and other machinery for agricultural and fisheries purposes shall be promoted and encouraged by the DA in partnership with the private sector, and through joint venture agreements. For this purpose, the DA in partnership with the recognized national organization of agricultural machinery assemblers, manufacturers and distributors,



agricultural engineers and the DOST shall undertake the feasibility study and R&D for the local assembly and manufacture of agricultural engines/prime mover, and other agricultural machinery and equipment.

Rule 15.1 Within six (6) months after the approval of this IRR, the DA, in partnership with DOST, recognized national organization of agricultural assemblers, manufacturers and distributors and agricultural engineers shall commence in undertaking the feasibility study and R&D for the local assembly and manufacture of agricultural engines/prime mover, and other agricultural machinery and equipment.

Rule 15.2 AFMechRDEN shall work with the local manufacturing industry to hasten development of new and commercialization of mature agri-fishery mechanization technologies through sharing of technical expertise and resources, and setting up of business incubation schemes prior to full commercialization, respectively.

Rule 15.4 The DA shall provide funds for the purpose of undertaking the feasibility study and R&D for the local assembly and manufacture of agricultural engines/prime mover and other agricultural and fisheries machinery and equipment.

Rule 15.5 The DA, in partnership with recognized national organization of agricultural assemblers, manufacturers and distributors, shall encourage foreign companies to enter into a joint venture agreement with a Filipino company to assemble or manufacture in the Philippines engines and other machinery for agricultural and fisheries purposes.

Rule 15.6 The DA shall secure the assistance of the recognized national organization of agricultural assemblers, manufacturers and distributors in the identification of suitable machinery and reliable foreign and local partners to ensure commercial viability of the end products.

Rule 15.7 All local assemblers and manufacturers of machinery for agricultural and fisheries purposes shall adopt the standards developed under Section 21 of the AFMech Law.

SEC. 16. *Incentives for Local Manufacturers and Assemblers of Agri-fisheries Machinery.* - Ventures in local manufacture, fabrication and assembly of agri-fisheries machinery and equipment shall be eligible for loans under the Agricultural Competitiveness Enhancement Fund (ACEF) under the program of the DA. These businesses shall be granted incentives as long as they are considered as registered enterprises engaged in a preferred area of investment pursuant to Article 39 of Executive Order No. 226 as amended.

Rule 16.1. The DA shall develop guidelines for the provision of loans under the ACEF for local manufacture, fabrication and assembly of agriculture



and fishery machinery and equipment within six (6) months upon the approval of this IRR.

Rule 16.2. The DA shall consolidate the submissions of the concerned government agencies and private sector on the preferred area of investments on Agricultural and Fishery Mechanization for inclusion in the Department's Investment Priority Plan and endorse the same to BOI for consideration.

SEC. 17. *After-Sales Service.* - All agricultural and fisheries machinery assemblers, manufacturers, importers, suppliers, distributors and dealers are required to provide after-sales service and warranty to their respective clients which shall be monitored by the agriculture offices of the LGUs and the Bureau of Agricultural and Fisheries Engineering (BAFE), created under Section 24 of this Act.

Rule 17.1 All agricultural and fisheries machinery assemblers, manufacturers, importers, suppliers, distributors, and dealers shall provide after sales-service and warranty to their respective clients in accordance with the PAES or with the warranty policy of the manufacturer, whichever is more advantageous to the client.

Rule 17.2 Every agricultural and fisheries machinery shall be accompanied by a warranty card which shall specify the after-sales service policy. The warranty card shall also include the company name, address, and contact numbers of the entity responsible for the after-sales service and warranty.

ARTICLE V

TESTING AND EVALUATION, REGISTRATION, STANDARDIZATION AND ACCREDITATION

SEC. 18. *Testing and Evaluation.* - Agricultural and fisheries machinery and equipment to be sold in the market shall pass through testing and evaluation by the Agricultural Machinery Testing and Evaluation Center (AMTEC) in accordance with the national policies and guidelines to be promulgated by the Secretary. Specifically, before it can be assembled, manufactured and commercially sold in the market, the model of the machine and any modification, thereof should be tested by the AMTEC and should pass the prescribed quality and performance standards. The regular testing and evaluation of machinery sold shall be undertaken by the AMTEC on new models and design. Field tests shall likewise be undertaken by the AMTEC to ensure consistent quality of test units as well as on the commercial units. The BAFE shall maintain a certification registry of equipment and machinery as well as a registry of those denied certification.

Rule 18.1 The agricultural and fisheries machinery and equipment to be sold in the market shall pass through testing and evaluation by the UPLB-

AMTEC in accordance with the national policies and guidelines to be promulgated by the DA Secretary.

Rule 18.1.1 *The DA Secretary, through a consultative process under PCAF-AFMeC and UPLB-AMTEC, shall promulgate the national policies and guidelines on testing and evaluation of agricultural and fisheries machinery and equipment not later than six (6) months after the approval of this IRR.*

Rule 18.1.2 *Before an agricultural machinery and equipment can be assembled, manufactured and commercially sold in the market, the model of the machine and any modification thereof shall be tested by the UPLB-AMTEC and shall pass the prescribed quality and performance standards in accordance with the PAES.*

Rule 18.1.3 *The regular testing and evaluation of new models and designs of agricultural and fisheries machinery to be sold in the market shall be undertaken by the UPLB-AMTEC. A re-testing shall be done after every five years to check/monitor the performance of machines tested.*

Rule 18.1.4 *Field tests of agricultural and fisheries machinery sold in the market shall likewise be undertaken by the UPLB-AMTEC to ensure consistent quality of test units as well as on the commercial units. For this purpose, the RAEDs and Agricultural Engineering Division/Section of LGUs shall assist UPLB-AMTEC in field testing of agricultural and fisheries machinery and equipment.*

Rule 18.1.5 *The testing of agricultural and fishery machinery and equipment shall be based on PAES. The UPLB-AMTEC shall provide test result only to the party who requested for testing.*

Rule 18.1.6 *The UPLB-AMTEC, in consultation with BAFE and PCAF-AFMeC, will promulgate an evaluation scheme for the test results within six months after approval of this IRR. The results of test will be evaluated based on prescribed quality and performance standards as stated in PAES.*

Rule 18.2 *The BAFE shall maintain a certification registry of equipment and machinery as well as a registry of those denied certification.*

Rule 18.2.1 *The certification registry of BAFE shall include machines that have passed the minimum standards under PAES and other standards set pursuant to Section 21 of the AFMech Law.*

Rule 18.2.2 *The registry for denied certification shall include machines that have not passed the minimum standards under PAES and other standards set pursuant to Section 21 of the AFMech Law.*



SEC. 19. *Registration of Ownership of Agricultural and Fishery Machinery and Equipment.*

- All owners of agricultural and fishery machinery and equipment must register these with the agriculture offices of municipal and city government units. The agriculture offices of the LGUs shall establish and maintain a registry of agricultural and fishery machinery at the municipal, city and provincial levels. The DA Regional Agricultural Engineering Division shall maintain a registry of agricultural and fishery machinery at the regional office whereas the BAFE shall maintain a national database of all registered agricultural and fishery machinery. Each office shall ensure that these registries and databases are available through the internet. The Secretary shall promulgate national guidelines and procedures for the registration of agricultural and fisheries machinery by the LGUs, including the collection of registration fees in accordance with the Local Government Code.

Rule 19.1 *The DA RAED shall coordinate with the Agricultural Engineering Division/Section of the Agricultural Offices of the LGUs in establishing and maintaining a registry of agricultural and fishery machinery at the municipal, city and provincial levels pursuant to Section 19 of the AFMech Law.*

Rule 19.2 *The DA RAED shall maintain a registry of agricultural and fishery machinery at the DA regional office whereas the BAFE shall maintain a national database of all registered agricultural and fishery machinery. Each office shall ensure that these registries and databases are available through the internet.*

Rule 19.3 *The DA Secretary, in coordination and consultation with the DOF and the DILG and through a consultative process under the PCAF-AFMech, shall promulgate national guidelines and procedures for the registration and collection of registration fees of agricultural and fisheries machinery in accordance with Section 19 of the AFMech Law and R.A. No. 7160 or the Local Government Code of 1991.*

SEC. 20. *Registration of Manufacturers, Fabricators, Assemblers and Importers.* - Within six (6) months upon the enactment of this Act, all manufacturers, fabricators, assemblers and importers must register with the BAFE.

Three (3) years upon the enactment of this Act, registrants must provide certification by an accredited certifying body of all products that they have in the market or intend to market and withdraw all products that have no certification. One (1) year after the enactment of this Act, the registrants must submit to the BAFE the list of equipment/machineries manufactured/fabricated/assembled/imported.

Rule 20.1 *The BAFE shall promulgate guidelines and procedures on the implementation of Section 20 of the AFMech Law.*



SEC. 21. *Standards Development and Enforcement.* - The DA, through the Bureau of Agriculture and Fisheries Standards (BAFS), in coordination with the DTI, the DOST, the BoAE and the AMTEC, and in consultation with the accredited associations of farmers and fisherfolk, agricultural machinery assemblers, manufacturers and distributors and agricultural engineers shall develop standards specifications and test procedures of agricultural and fishery machinery and equipment. These standards should be in conformity with the International Standards Organization (ISO) and shall be part of the existing Philippine Agricultural Engineering Standards (PAES).

Thereafter, the DA and the LGUs, in collaboration with the BoAE, shall enforce the above standards on the manufacture, sale and distribution of agricultural and fisheries machinery and equipment, and its accreditation system for agricultural and fisheries facilities and establishments.

The Secretary shall deputize the agriculture offices of the LGUs to monitor the implementation of regulation concerning certification, registration of manufacturers, assemblers, dealers or importers and accreditation of agricultural and fishery machinery and equipment testing centers.

The Department of Public Works and Highways (DPWH) and the local building officials, consistent with the provisions of Republic Act No. 8559, otherwise known as the "Philippine Agricultural Engineering Act of 1998", and in coordination with the agriculture offices of the LGUs shall enforce the PAES as part of the implementation of the National Building Code of the Philippines particularly in the design, construction, operation and maintenance of agricultural and fisheries buildings and structures.

Rule 21.1. To develop standards specifications and test procedures of agricultural and fisheries machinery and equipment, the BAFS shall:

- a) *In collaboration with UPLB-AMTEC, PHILMech, BAFE and other concerned agencies, corporations and associations conduct initial research to develop standards specifications and test procedures of agricultural and fisheries machinery and equipment. The standards to be developed shall be towards the attainment of international standards and shall be part of the existing PAES.*
- b) *Jointly with DTI, DOST, BoAE, UPLB-AMTEC and other concerned agencies, create a Technical Working Group (TWG) composed of BAFE, PHILMech, and representatives of the other agencies, corporations, associations to:*
 - i. *Validate agricultural and fishery machinery and equipment standards specifications and test procedures;*
 - ii. *Draft the standards specifications and test procedures;*
 - iii. *Provide technical and other assistance;*
 - iv. *Cause the conduct of public consultations with the concerned government agencies and stakeholders of the draft standards specifications and test procedures; and*
 - v. *Consolidate and rewrite the final draft*

- c) Submit the final draft of these standards specifications and test procedures for approval and adoption by the DA and PRC.

Rule 21.2. The BAFS, in collaboration with BAFE and concerned DA Bureaus and Attached Agencies, BoAE, DTI, DOST and UPLB-AMTEC, shall develop new standards and update existing standards under the Philippine Agricultural Engineering Standards which include irrigation, farm-to-market, post harvest facilities and other agricultural engineering facilities and equipment.

Rule 21.3. The PCAF-AFMeC shall conduct consultations with stakeholders of standards formulated and developed by BAFS prior to its adoption by the DA.

Rule 21.4. The standards promulgated and adopted by the DA shall be used in the planning, regulation, inspection, evaluation, bidding, construction and implementation of agricultural and fishery machinery, buildings and structures, farm-to-market roads, post harvest facilities and other agricultural engineering projects, and in the accreditation of farms and establishments for Good Agricultural Practices.

Rule 21.5. The DA shall endeavor to ensure that standards shall be adopted by BoAE to serve as technical reference by all agricultural engineers in the signing and sealing of plans, designs, technical specifications, cost estimates and other professional works on agricultural and fishery machinery, buildings and structures, farm-to-market roads, post harvest facilities and other agricultural engineering facilities;

Rule 21.6. The DA, in collaboration with DILG and BoAE through a consultative process under the PCAF-AFMeC, shall promulgate national guidelines on the effective enforcement of these developed standards that shall form part of PAES in accordance with the AFMech Law and other applicable laws.

Rule 21.7. The DA Secretary shall deputize, upon consultation with the local chief executive, the Agricultural Engineering Division/Sections of the Agriculture Offices of the LGUs to monitor the implementation of regulation concerning certification, registration of manufacturers, assemblers, dealers or importers and accreditation of agricultural and fishery machinery testing centers.

Rule 21.8. The DA in collaboration with the BOAE shall ensure with DPWH and the City and Municipal Building Officials of LGUs on the enforcement of the Philippine Agricultural Engineering Standards (PAES) in the implementation of the National Building Code of the Philippines specifically in the issuance of building permits and certificate of occupancy of agricultural buildings and structures consistent with Section 21 of R.A. No. 8559, its Implementing Rules and Regulations, guidelines and other issuances promulgated thereto.

Rule 21.9 *The DA Regional Agricultural Engineering Divisions in partnership with the Agricultural Engineering Division/Section of the Provincial, City and Municipal Local Government Units shall coordinate and provide assistance to the Local Building Officials in the evaluation and processing of permits application and certificate of occupancy of agricultural buildings and structures to ensure the enforcement of PAES and Section 21 of R.A. No. 8559 in the National Building Code.*

SEC. 22. *Classification and Accreditation of Assemblers, Manufacturers, Importers, Suppliers, Distributors and Dealers.* - Agricultural and fisheries machinery assemblers, manufacturers, importers and suppliers, distributors and dealers shall be classified into small, medium and large, and shall be encouraged to have their manufacturing/service facility build-up; Provided, that agricultural and fisheries machinery assemblers, manufacturers, importers, suppliers, distributors and dealers shall be classified and accredited based on their organizational strengths and track record, area of operation, marketing and distribution network, after-sales service and manufacturing capabilities.

For this purpose, the DA shall encourage and assist in the organization of a private-led classification and accreditation system for agricultural machinery assemblers, manufacturers, importers, suppliers, distributors and dealers.

Rule 22.1 *The DA, through the PCAF-ISCS, shall encourage and assist in the organization of a privately-led classification and accreditation system, which will develop and promulgate its operational guidelines and procedures within six (6) months upon the approval of this IRR.*

Rule 22.2 *The DA, through the PCAF-ISCS, shall provide the necessary technical support to the privately-led classification and accreditation system which shall be tasked to classify and accredit local agricultural and fisheries machinery manufacturers, importers and suppliers, distributors and dealers into small, medium and large firm.*

Rule 22.3 *The classification and accreditation of the agricultural and fisheries machinery assemblers manufacturers, importers, suppliers, distributors and dealers shall be based on their organizational strengths and track record, area of operation, marketing and distribution network, after-sales service and manufacturing capabilities.*

Rule 22.4 *The privately-led organization created pursuant to Rule 22.1 of this IRR shall undertake the following: complementation of resources and expertise among themselves such that they will be locally and globally competitive; forge joint venture partnership with local and foreign investors; and police their own ranks to prevent proliferation of "fly-by-night" manufacturers and sub-standard agricultural and fishery machinery and equipment.*



Rule 22.5. The DA shall promulgate guidelines on the accreditation of organizations of agri-fishery machinery assemblers, manufacturers, and distributors at the national and local levels within six (6) months upon the approval of this IRR.

ARTICLE VI

INSTITUTIONS

SEC. 23. *Agricultural and Fisheries Mechanization Committee.* - The Agricultural and Fisheries Mechanization Committee (AFMeC) under the National Agricultural and Fishery Council (NAFC) shall act as an advisory body to ensure the success of the programs and activities of the DA concerning agricultural and fisheries mechanization. It shall also serve as the consultative and feedback mechanism from the lowest possible level to the top decision makers and to assist in defining and formulating the goals and scope of the country's agricultural and fisheries mechanization and infrastructure policies, plans and programs. The agricultural and fisheries mechanization committees under the regional, provincial, city, municipal and barangay agricultural and fishery councils shall integrate, coordinate, unify and monitor the field implementation of the agri-fisheries mechanization and infrastructure projects of various national government agencies, LGUs, banking and financial institutions and the private sector.

Rule 23.1 The AFMeC under the PCAF shall act as an advisory body of the DA by providing policy recommendations to ensure the success on the implementation of DA programs and activities concerning agricultural and fisheries mechanization.

Rule 23.1.1 The PCAF-AFMeC shall formulate a results-based monitoring and evaluation system for the implementation of the AFMech Law, including the NAFMP. It shall serve as an external monitoring body to that of the BAFE.

Rule 23.2 The AFMeC and its TWGs shall conduct regular meetings, and consultations with stakeholders and its counterpart committees at the local Agricultural and Fishery Councils to effectively assist in defining and formulating the goals and scope of the country's agricultural and fisheries mechanization and infrastructure policies, plans and programs.

Rule 23.3 The AFMeC and its TWGs shall conduct consultations on all rules and regulations, standards and guidelines relative to the implementation of this Act.

Rule 23.4 All Regional, Provincial, City, Municipal and Barangay Agricultural and Fishery Councils shall organize their respective Agricultural and Fisheries Mechanization Committees to integrate, coordinate, unify and monitor the field implementation of the agri-fisheries mechanization and infrastructure projects of various national government



agencies, LGUs, banking and financial institutions and the private sector partners.

Rule 23.4.1 *The organization of the AFMeC in the local levels shall be facilitated by the PCAF and ensure that there is an effective feedback mechanism in place.*

Rule 23.4.2 *The local AFMeC shall be headed by a Chairperson from the private sector, two (2) Vice Chairpersons, one (1) from the government and one (1) from the private. The members shall be representatives from the following:*

- a. *Local manufacturers/distributors/dealers of agriculture and fisheries machinery;*
- b. *Agricultural engineering units of DA and LGUs;*
- c. *Academe involved in agricultural engineering course;*
- d. *Local AFCs involved in farm mechanization;*
- e. *Local research institutions;*
- f. *Women's and youth groups;*
- g. *Local training institutions;*
- h. *Local metal industry;*
- i. *Local machinery testing centers;*
- j. *Farmers organizations;*
- k. *Local irrigation offices;*
- l. *Financial and banking institutions;*
- m. *PSAE local chapters;*
- n. *Fisherfolk organizations; and*
- o. *Other Civil Society Organizations (CSO).*

Rule 23.4.3 *All permanent representatives of AFMeC at all levels shall be represented preferably, by its president/head (for private sector) and division or section chief (for government) or its authorized representatives.*

Rule 23.4.4 *The Head of the DA RAED shall act as the Vice Chairperson and also as Head of the Secretariat of the Regional AFMeC.*

Rule 23.4.5 *The Local AFMeC Members shall elect from among themselves the Vice Chairperson of their respective AFMeC.*

Rule 23.5 *The City and Municipal AFMeC shall submit quarterly reports of its activities and issues and concerns including their status to the Provincial AFMeC copy furnish the local AFC, and likewise the Provincial, HUCs, ICCs, City and Municipal AFMeC to Regional AFMeC, and the Regional AFMeC to the National AFMeC, for appropriate action.*

Rule 23.6 *The existing ISCS of PCAF shall act as the Secretariat of the National AFMeC and shall monitor and coordinate the activities of the local AFMeCs.*



***Rule 23.7** The PCAF shall provide funding assistance on the organization and operationalization of the AFMeC at the national, regional, provincial/HUCs/ICCs and city/municipal levels.*

SEC. 24. *Strengthening the DA Agricultural and Fishery Engineering Groups.* - Pursuant to Section 46 of Republic Act No. 8435, otherwise known as the "Agriculture and Fisheries Modernization Act of 1997", a Bureau of Agricultural and Fisheries Engineering (BAFE) is hereby created as a regular bureau of the DA which shall be under the supervision of the DA Undersecretary and shall have the following functions and responsibilities:

- (a) Coordinate, oversee and monitor the national planning and implementation of agri-fisheries engineering, farm-to-market road and other agri-fisheries infrastructure projects;
- (b) Assist in the national planning, coordination and implementation of the national agri-fisheries mechanization programs;
- (c) Prepare, evaluate, validate and recommend engineering plans, designs and technical specifications on agri-fisheries mechanization and infrastructure projects;
- (d) Oversee and provide technical assistance to the operations of the agricultural engineering divisions of the DA regional field units;
- (e) Coordinate and integrate all agricultural and fisheries engineering activities of the DA bureaus, attached agencies and corporations;
- (f) Coordinate and monitor the enforcement of standards and other regulatory policies on agricultural and fishery engineering;
- (g) Implement accreditation and registration scheme for agriculture and fishery machinery, tools and equipment, in coordination with technology generators;
- (h) Issue permits to operate to agriculture and fishery tools and equipment manufacturers, fabricators, assemblers and importers; and
- (i) Promulgate and implement accreditation guidelines for testing centers.

The BAFE shall be headed by a Bureau Director and Assistant Bureau Director, all appointed by the President.

The BAFE shall have the following divisions: (1) Engineering Plans, Designs and Specifications; (2) Programs and Projects Management; (3) Standards Regulation and Enforcement; and (4) Administration and Finance.

Modifications shall be made in the organizational structure and staffing pattern of the regional field units of the DA for the creation of Agricultural Engineering Division to strengthen the provision of agricultural engineering services necessary to carry out the

field implementation of the agricultural and fishery engineering, mechanization and infrastructure programs and projects of the DA.

All concerned bureaus and attached agencies of the DA implementing agri-fishery mechanization and infrastructure projects shall review and modify their organizational structure and staffing pattern with the end-view of strengthening the provision of agricultural engineering services as part of the overall network of the BAFE.

Rule 24. 1 *The BAFE shall be a regular bureau of the DA under the supervision of the duly designated Undersecretary for Agricultural and Fisheries Mechanization.*

Rule 24.1.1 *The Undersecretary for Agricultural and Fisheries Mechanization with the assistance of the DA Personnel Division and PCAF-AFMeC shall prepare the Organizational Structure and Staffing Pattern of the Bureau of Agricultural and Fisheries Engineering (BAFE) and its Divisions, including the functions and responsibilities of the Bureau Director, Assistant Bureau Director and BAFE Divisions in accordance with Section 24 and other applicable provisions of the AFMech Law, R.A. No. 8559 and other relevant policies of CSC and CSC rules and regulations.*

Rule 24.1.2. *Within one (1) month after the approval of this IRR, the Secretary of Agriculture shall organize a Search and Screening Committee for the selection of Director and Assistant Director which shall be chaired by the Undersecretary for Agri-Fisheries Mechanization.*

Rule 24.2 *There is hereby created DA RAED for each RFO for purposes of strengthening the agricultural engineering services in all DA Regional Field Offices.*

Rule 24.2.1 *All DA Regional Field Offices through their Personnel Division and the Ad-Hoc Regional Agricultural Engineering Division shall prepare the Organizational Structure, Staffing Pattern and required manpower complement of their respective RAED and submit to the DA Personnel Division not later than fifteen (15) days after the approval of this IRR and for subsequent submission by the DA to the DBM.*

Rule 24.2.1.1 *At the minimum, the RAED shall be headed by a Regional Agricultural Engineer (Agricultural Engineer V) and assistant division chief (Agricultural Engineer IV) and composed of three sections headed by Agricultural Engineer III, namely: 1) Engineering Plans, Designs and Specifications Section; 2) Programs and Projects Management Section; and 3) Standards, Regulation and Enforcement Section.*



Rule 24.2.1.2 Pursuant to Section 29 of the AFMech Law, the DA through RAEDs shall also establish its Provincial Operation Units in all provinces/HUCs/ICCs, and Municipal/City Operation Units in all 4th to 6th income class LGUs with at least one (1) licensed agricultural engineer manpower complement;

Rule 24.2.2 Pending the DBM approval on the RAED Organizational Structure and Staffing pattern, the existing Regional Agricultural Engineering Section of the Field Operations Division of the Rationalized DA-RFO Structure shall immediately function as the interim Regional Agricultural Engineering Division

Rule 24.2.3 The DA RFOs shall also modify the existing structure and staffing pattern of the Research Division for the creation of Agricultural Engineering Research Section to undertake regional agricultural engineering R&D and to serve as secretariat of the AFMechRDEN on the regional level.

Rule 24.3 Strengthening the Agricultural Engineering Services of concerned DA bureaus and attached agencies-

Rule 24.3.1 The DA Secretary shall issue a memorandum order directing the following DA bureaus, attached agencies and corporations which are implementing or undertaking agri-fishery mechanization, infrastructure and engineering programs or projects to submit to the DA Personnel Division within one (1) month after the approval of this IRR the modified organizational structure and staffing pattern with the end-view of strengthening the provision of agricultural and fisheries engineering services pursuant to provisions of the AFMech Law:

- a) PCAF - Strengthening of the ISCS into an Agricultural and Fishery Mechanization and Engineering Division to effectively provide secretariat and technical support to the AFMeC, the Implementing Unit of DA-CPES and the coordination and monitoring of the Local AFMeC activities and the policy formulation, analysis, advocacy and program development on Agricultural and Fishery Mechanization.
- b) ATI to effectively carry-out and lead the implementation of Agricultural and Fishery Mechanization and Engineering Training and Extension Program under the AFMech Law and this IRR;
- c) BAI;
- d) BPI;
- e) BAR;
- f) BFAR;
- g) BSWM;
- h) PCA;



- i) PCC;
- j) PHilMech – strengthening of the existing Agricultural and Fishery Machinery Database into Agri-fishery Information Research Network;
- k) Philrice;
- l) PhilFIDA;
- m) NDA;
- n) NFA;
- o) NIA;
- p) NMIS, the creation of Engineering and Climate Change Division mandated under Section 2(j) of R.A. No. 10536
- q) NTA; and
- r) SRA

Rule 24.4 Upon receipt of the modified structure and staffing patterns, the DA Personnel Division shall consolidate the same within fifteen(15) days and submit to the Secretary of Agriculture for endorsement to the DBM for approval.

Rule 24.5 The DA Personnel Division and BAFE, in coordination with BoAE and DBM, CSC and DILG, shall review and modify the duties and responsibilities of the Agricultural Engineer positions in the DA and LGUs prescribed under DBM Budget Circular No. 3, Series of 2003 to align with the requirements of the AFMech Law;

Rule 24.6 The hiring and recruitment of Agricultural Engineer positions in the BAFE and Agricultural Engineering Divisions/Section/Services of DA bureaus, attached agencies/corporations and regional field offices, and LGUs shall be governed by CSC Resolution No. 100759 and the provisions of R.A. No. 8559 (Philippine Agricultural Engineering Law).

SEC. 25. *Philippine Center for Postharvest Development and Mechanization (PHilMech).* - The PHilMech shall coordinate, plan and execute agricultural and fishery mechanization and postharvest RDE programs and projects of the DA.

Rule 25.1 For the purpose of Section 25, the PHilMech shall:

- (a) Provide leadership in the formulation of a unified National Agricultural and Fisheries Mechanization RDE Agenda, as stipulated under Rule 7.1 of this IRR;
- (b) Spearhead the development of mechanisms, guidelines and systems for the effective organization, coordination, planning and execution of research and development activities on agricultural and fishery mechanization as stipulated under Rule 8.2 to Rule 8.6 of this IRR;
- (c) Integrate, consolidate and unify all agricultural and fishery mechanization RDE programs and projects of various research institutions and ensure consistency of the agenda with the thrusts and priorities of NAREA and with the DOST Agenda;

- (d) Ensure that RDE programs and projects shall be properly and technically evaluated by the Core Technical Experts selected from the different member institutions of the AFMechRDEN, to merit approval and funding;
- (e) Ensure the submission of the priority projects to potential fund donors;
- (f) Set up and implement an effective Monitoring and Evaluation system for RDE programs and projects on agriculture and fishery mechanization to keep an updated information on the status of implementation of RDE programs and projects;
- (g) Maintain sets of databases as input in the formulation of unified NAFMechRDE agenda;

Rule 25.2 The PHilMech, shall, in addition to its funds for its regular operation, include in its regular budget, funds to cover the additional manpower and other requirements for the organization and operation of the Research, Development and Extension Mechanization Network and for the planning and implementation of the agri-fishery mechanization RDE programs and projects of the DA.

SEC. 26. *Bureau of Agriculture and Fisheries Product Standards.* - The BAFPS, in addition to its functions under Sections 62 and 63 of Republic Act No. 8435, shall develop standards for agriculture and fishery machinery, tools and equipment in coordination with accredited testing centers, and other concerned government and private entities.

The BAFPS is hereby renamed into Bureau of Agriculture and Fisheries Standards (BAFS) and authorized to create a new section under the current Standards Development Division on agricultural and fisheries machinery regulations. It may call upon experts, professional groups and other government agencies to assist in the performance of its functions.

Rule 26.1 To develop standards for agriculture and fishery machinery, tools and equipment, BAFS shall:

- a. In collaboration with UPLB-AMTEC, PCAF, PHilMech and other concerned agencies, corporations and associations conduct initial research to develop standards for agricultural and fisheries machinery and equipment. The standards to be developed should be towards the attainment of international standards and shall be part of the existing Philippine Agricultural Engineering Standards (PAES)
- b. Create a Technical Working Group (TWG) to:
 - i. Validate agricultural and fishery machinery, tools and equipment standards;
 - ii. Draft the standards for agricultural and fishery machinery, tools and equipment;
 - iii. Provide technical and other assistance;
 - iv. Conduct public consultations, in collaboration with PCAF and the concerned government agencies and stakeholders of the draft



agricultural and fishery machinery, tools and equipment standards; and

- v. Consolidate and rewrite the final draft of the standards*
- c. Submit the final draft of these agricultural and fishery machinery, tools and equipment standards, through the PCAF, for approval and adoption by the DA and PRC.*

Rule 26.1.2 *The BAFS shall create an Agricultural and Fisheries Machinery Section under the current Standards Development Division to develop relevant standards of agricultural and fisheries machinery tools and equipment. At the minimum, the section shall be headed by a Section Chief (Agricultural Engineer III) and composed of at least three (3) Agricultural Engineer II with relevant experience on agricultural and fisheries machinery, tools and equipment development. This shall be completed within a period of six (6) months from adoption of this IRR.*

SEC. 27. Agricultural Machinery Testing and Evaluation Centers (AMTEC). - The AMTEC of the College of Engineering and Agro-Industrial Technology (CEAT) of the UPLB is hereby institutionalized. The AMTEC is hereby designated as the premier and reference testing center in the country, and for purposes of functional coordination and integration, shall closely coordinate its activities with the BAFS and BAFE. As the premier testing center, it shall assist the BAFS in the formulation of quality, safety and performance standards of agricultural and fisheries machinery and of accreditation guidelines for testing centers. It shall also provide technical assistance in the establishment of testing centers in other parts of the country.

Rule 27.1. *The DA shall coordinate with UPLB on the institutionalization of the existing UPLB-AMTEC of the College of Engineering and Agro-Industrial Technology (CEAT) into the organizational structure of UPLB under the UP System.*

Rule 27.1.1. *The UPLB-AMTEC as the premier testing center of the country shall perform the following mandates and functions:*

- a) To assist BAFS in establishing standard specifications, test procedures and performance indices for agricultural machinery;*
- b) To conduct test and evaluation of agricultural machinery;*
- c) To publish and disseminate test standards and test results;*
- d) To provide technical assistance in the establishment and operation of the testing centers in the country.*

Rule 27.1.2 *The DA shall assist in the preparation of the Organizational Structure and Staffing Pattern of UPLB-AMTEC with corresponding number of permanent plantilla positions as well as its annual budgetary requirements to effectively carry out its mandated functions under this Act not later than two (2) months after the approval of this IRR.*

Rule 27.2 The DA through BAFE and BAFS shall closely coordinate with UPLB-AMTEC in the formulation of quality, safety and performance standards of agricultural and fisheries machinery and accreditation guidelines for testing centers and shall coordinate with BAFE on the establishment and operationalization of the testing centers.

ARTICLE VII

RESPONSIBILITIES OF THE LOCAL GOVERNMENT UNITS

SEC. 28. *Implementation by the LGUs.* - The LGUs, pursuant to the provisions of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991", shall undertake applied research, extension, dispersal, management and regulation of agricultural and fisheries machinery and equipment, including the collection of fees.

Rule 28.1 The DA, in collaboration with the DILG and the various LGU Leagues, shall encourage the LGUs through its Agricultural Engineering Division/Section of the Agriculture Office to undertake applied research, extension, dispersal, management and regulation of agricultural and fisheries machinery and equipment, including the collection of fees.

Rule 28.2 The DA shall coordinate with the DILG, LGU Leagues and Local Government Units for the promulgation of Ordinances in the LGUs for the implementation the AFMech Law and its IRR.

SEC. 29. *Strengthening the Agricultural Engineering Groups of the LGUs.* - The agricultural engineering division/section of the agriculture offices of the LGUs organized under Executive Order No. 86, Series of 1999 and Section 46 of Republic Act No. 8435 shall serve as the planning, coordinating, regulating and implementing bodies at the provincial, city and municipal levels on agricultural and fisheries engineering, mechanization and infrastructure programs and projects and shall have the following functions and responsibilities:

- (a) *Provide agricultural engineering services which include engineering survey, preparation and evaluation of plans, designs, technical specifications, feasibility studies and cost estimates/programs of work of irrigation, small water impounding, soil conservation and management, farm machinery, slaughterhouses, poultry dressing plants, postharvest facilities, auction markets, farm-to-market roads and other agricultural and fisheries infrastructure projects of the LGUs;*
- (b) *Administer, supervise and coordinate the construction, operation, maintenance, improvement and management of irrigation, small water impounding, soil and water conservation structures and facilities, farm*

machinery, postharvest facilities, auction markets, farm-to-market roads and other agricultural and fisheries infrastructure projects of the LGUs;

- (c) Undertake the registration of agri-fishery machinery and facilities, enforcement of the PAES and other agricultural and fishery engineering regulatory activities in coordination and collaboration with the concerned national government agencies;*
- (d) Coordinate with the concerned national government agencies with regard to the implementation of national government programs and projects on irrigation, farm mechanization, postharvest facilities, farm-to-market roads and agricultural and fisheries infrastructure;*
- (e) Be in the frontline of the delivery of basic agricultural engineering services;*
- (f) Provide training and extension activities to farmers and fisherfolk particularly in the installation, operation and maintenance of their irrigation, postharvest facilities, agricultural and fishery machinery projects in coordination with the agriculture and fisheries extension workers;*
- (g) Undertake and/or coordinate the pilot testing and commercialization of matured agricultural and fisheries engineering technologies; and*
- (h) Exercise such other powers and perform such other duties and functions as may be prescribed by law or ordinance.*

To effectively carry out the above functions and responsibilities, the agricultural engineering division of the provincial and city agriculture offices, and agricultural engineering section in the municipal agriculture offices are hereby strengthened and institutionalized into the organizational structure of the LGUs, and if not yet existing, shall be created in the particular LGUs. The LGUs belonging to the first up to the third income classes which are providing or implementing agricultural and fisheries infrastructure, mechanization and engineering projects shall hire at least one (1) agricultural engineer at the provincial, city and municipal levels.

In the case of provincial, city and municipal LGUs belonging to the fourth up to the sixth income classes which are not capable of establishing their agricultural engineering division/section due to financial constraints, the DA through its regional agricultural engineering divisions shall augment and perform such responsibilities and, as deemed necessary, establish its provincial, city and municipal operation units, and shall be allocated and provided with necessary funding and manpower requirements for their operation.

Rule 29.1. The DA through the Regional Agricultural Engineering Divisions shall coordinate with first class to third class LGUs for the promulgation of ordinances and other administrative actions on the strengthening or creation of their Agricultural Engineering Divisions at the provincial and city levels and Agricultural Engineering Section at the municipal levels



which include the preparation of organizational structure, staffing pattern and manpower complement in accordance with the following guidelines:

- a. *The Agricultural Engineering Division of the Provincial and City LGUs shall be headed by a Chief Agricultural Engineer (Agricultural Engineer V) and shall be composed of three (3) sections headed by Agricultural Engineer III :1) Engineering Plans, Designs and Specifications Section 2) Programs and Projects Management Section; and 3) Standards, Regulation and Enforcement Section;*
- b. *The Agricultural Engineering Section of the Municipal LGUs shall be headed by a Supervising Agricultural Engineer (Agricultural Engineer III) and shall be composed of three (3) units headed by Agricultural Engineer II: 1) Engineering Plans, Designs and Specifications Unit 2) Programs and Projects Management Unit; and 3) Standards, Regulation and Enforcement Unit;*
- c. *Pursuant to Section 76 of the Local Government Code and Section 9 of Civil Service Commission (CSC) Memorandum Circular No. 19, series of 1992, the agricultural engineering divisions/sections of the Provincial, City and Municipal LGUs shall be transformed into a separate LGU Department which shall be headed by a Provincial/City/Municipal Agricultural Engineer to fully carry out their mandates under this Act;*
- d. *The hiring and recruitment of Agricultural Engineer positions in the Agricultural Engineering Divisions/Sections of LGUs shall be governed by the CSC Resolution No. 100759 and the provisions of R.A. No. 8559 (Philippine Agricultural Engineering Law);*

ARTICLE VIII

PROHIBITED ACTS, PENALTIES AND SANCTIONS

SEC. 30. *Prohibited Acts.* - It is unlawful for any person to:

- (a) *Sell, mortgage or lease agricultural and fishery machinery without being registered with the BAFE;*

Rule 30(a).1 *All agri-fishery machinery should be registered within four (4) years from the enactment of the AFMech Law.*

- (b) *Sell new agricultural and fishery machinery without warranty or after-sales service;*

Rule 30(b).1. *For the purpose of this provision, the agricultural and fishery machinery is considered "new" when it is unused.*

(c) Claim ownership to an agricultural and fishery machinery that has not been properly registered in his/her name; and

Rule 30 (c).1. For the purpose of this provision, claim of ownership means use of agricultural or fishery machinery without proper documentation.

(d) Operate a testing center without proper accreditation.

SEC. 31. *Penalties.* - Any person who shall violate any provision of this Act shall, upon conviction be subject to a fine of not less than One thousand pesos (P1,000.00) but not more than Ten thousand pesos (P10,000.00) or imprisonment of not less than two (2) months but not more than one (1) year, or both, upon the discretion of the court and/or other applicable penalties imposed under Republic Act No. 7394, otherwise known as the "Consumer Act of the Philippines". The purchase of noncertified or substandard agricultural and fishery machinery for the government shall be dealt with under Republic Act No. 3019, as amended, otherwise known as the "Anti-Graft and Corrupt Practices Act."

Rule 31.1. A person is either a natural or a juridical person. Natural person includes Filipino citizen and aliens. Juridical person includes corporations, partnerships, cooperatives, foundations, Non-Government Organizations (NGOs) and Peoples Organizations (POs). This is without prejudice to the application of deportation laws to aliens who have been found guilty of the above prohibited acts.

Rule 31.2. Public officer and other persons found to have participated in the purchase of a noncertified or substandard agricultural and fishery machinery shall be charged under R.A. No. 3019 or the Anti-Graft and Corrupt Practices Act.

Rule 31.3 The agricultural and fishery machinery is considered duly certified when it is registered with BAFE.

Rule 31.4 The agricultural and fishery machinery is considered substandard when it is non-compliant with PAES standards and government set standards in its original form pursuant to Section 21 of the AFMech Law.

SEC. 32. *Sanctions.* - This provision shall take effect four (4) years upon the enactment of this Act when all regulatory provisions have already been in place. The Secretary or his duly authorized representative has the power to file before the proper court or regulatory agency the:



- (a) Forfeiture proceedings for agricultural and fishery machinery that is not duly certified, without serial number and without warranty, and is substandard;
- (b) Closure proceedings against business entities not duly registered as manufacturers, assemblers, dealers or importers of agricultural and fishery machinery, or sells new agricultural and fishery machinery not duly certified, without a serial number, or without warranty, without after-sales service and substandard; and
- (c) Closure proceedings against testing center that has not been duly accredited.

Any business that sells new agricultural and fishery machinery which was not duly certified, without a serial number, without warranty, or without after-sales service shall be given one (1) month to refund or replace the sold machinery duly corrected for any deficiency as indicated. Failure to do so shall result to corresponding legal action against the offending party.

Rule 32.1. For the purpose of this provision, one (1) month shall commence from the day of sale or from the day of discovery that the machinery was not duly certified, without serial number, without warranty or without after-sales service.

Rules 32.2. Proof of refund or replacement shall be submitted to BAFE.

ARTICLE IX

MISCELLANEOUS PROVISIONS

SEC. 33. *Agricultural and Fisheries Mechanization Programs at the Local Levels.* - The LGUs through an ordinance, shall also formulate in consultation with the DA and implement their respective provincial, city and municipal agricultural and fishery mechanization plans as a vital component of their respective local development plans.

Rule 33.1 The Department, through BAFE and the Agricultural Engineering Divisions of the DA RFOs, shall assist the Agricultural Engineering Divisions/Sections of the LGUs in the formulation of their AFMP;

Rule 33.2 The local AFMP shall be formulated in accordance with the planning guidelines jointly issued by the DA and DILG and in support of the Development/Priority Commodity Road Maps of the particular area/region, consistent with the approved SAFDZs;

Rule 33.3 The DA, through BAFE and the DA RAEDs, shall assist the Agricultural Engineering Divisions/Sections of the LGUs in facilitating the

SB/SP endorsement and approval of the local AFMP to form part of the LGU's local development plans.

Rule 33.4 *The first medium-term AFMP shall cover the remainder of the period 2010-2016 and the next period of 2016-2022. The first medium-term NAFMP shall incorporate the rationale and allocation of the appropriations for agriculture and fisheries mechanization.*

Rule 33.5 *The local AFMPs shall take into consideration the Comprehensive Land Use Plans. The local AFMPs shall further be linked up with local plans such as the Provincial/HUC/ICC Development Plans, and local Development Investment Programs to ensure that sectoral priorities are integrated in the broader development agenda of the area.*

SEC. 34. *Contiguous Farming.* - The DA, together with the Department of Agrarian Reform (DAR), shall carry out contiguous farming projects in order to effect suitable field shapes and sizes conducive to efficient operation of agricultural machinery and equipment and likewise to ensure economies of scale. The contiguous farming projects shall:

- (a) Promote farm land clustering with a minimum of fifty (50) hectare cluster for synchronized farming operations, from land preparation to harvesting, in cooperation or contract with agricultural mechanized operation service providers;*
- (b) Undertake farm development planning; and*
- (c) Promote the strengthening of farmers' cooperatives and associations.*

Rule 34.1 *As a matter of policy, contiguous farming shall be encouraged by the DA together with DAR and other agencies concerned, to increase land, labor and crop productivity utilizing agricultural mechanization technologies.*

Rule 34.2 *The DA, through the PCAF-AFMeC in collaboration with BAFE, PhilMech, DAR and UPLB-AMDP, shall conduct consultations on the formulation of guidelines for the implementation of Contiguous Farming.*

Rule 34.3 *The DA, through BAFE in collaboration with DAR and UPLB-AMDP, shall formulate the mechanisms and criteria that will serve as the guidelines in the operationalization of the Contiguous Farming.*

Rule 34.4 *The DA, through BAFE in collaboration with DAR, DA-RFO, LGUs, shall undertake farm development planning and implementation of the Contiguous Farming.*

Rule 34.5 *The DA, through ATI together with DAR in collaboration with SUCs, CDA, shall strengthen farmers' cooperatives and associations through*

capability building and institutional development for the implementation of the Contiguous Farming.

Rule 34.6 The DA, through BAFE in collaboration with DA-RFO, DAR and LGUs, shall spearhead the continuous monitoring of the contiguous farming projects.

Rule 34.7 The DA shall allocate funds for the implementation of the Contiguous Farming.

SEC. 35. *Use of Renewable Energy.* - The use of renewable and nonconventional energy such as wind, solar, hydro, biomass and other farm-based energy sources shall be promoted as power sources for the operation and maintenance of agricultural and fisheries machinery. The DA, in coordination with the Department of Energy (DOE), the DOST and SUCs, and the private sector shall undertake research and extension activities to enhance the use of renewable and nonconventional energy in agricultural and fisheries operations.

Rule 35.1 The DA, through its research stations, bureaus, attached agencies and corporations involved in agricultural and fishery research, development and extension, in coordination with the DOE through its Renewable Energy Management Bureau, the DOST through PCAARRD and PCIEERD, and Als, through their Affiliated Renewable Energy Center (AREC) or College/School of Engineering, shall mainstream in its medium-term development plans and programs and annual budget proposals and undertake R,D&E projects, studies and activities on the use of renewable and community-based sources of energy in agricultural and fishery operations.

Rule 35.2 The DA, through the AFMechRDEN in collaboration with DOE, shall:

- a. Conduct inventory and develop database on available renewable energy sources and technologies.*
- b. Carry out studies to identify renewable RDE gaps, strengths and weaknesses.*
- c. Provide critical data and information for RDE workers on currently used and potential renewable energy sources in the country that can be tapped for the agri-fishery mechanization industry. This can come in the form of wind maps, biomass resource maps and other related information. Such data shall be accessed through the AFMech-RDE information network provided under Section 10 of the AFMech Law.*

Rule 35.3 The DA, through its various national commodity-based programs, RFOs, and bureaus, attached agencies and corporations involved in agricultural and fisheries research, development and extension, shall promote the use of renewable energy and technologies by providing incentives such as providing research grants for approved RDE proposals

and machinery and equipment counterpart funding scheme for farmers and fisherfolk for the use of renewable energy. The BAFE shall prepare the guidelines for the implementation of this rule.

SEC. 36. *Infrastructure Support.* - The government shall provide priority investment for the infrastructure needs in clustered farm land identified as key agricultural and fishery production areas to accelerate agricultural and fisheries mechanization in the countryside and this includes irrigation, farm-to-market roads, postharvest, power and communications facilities.

Rule 36.1 *The DA, through BAFE, in collaboration with concerned agencies of the DOF, DBM, NEDA, DPWH, DOTC, DILG, DOE and other stakeholders, shall identify and prioritize key clustered agricultural and fishery production areas, and develop, fund and undertake short, medium and long-term development programs/projects to provide for the infrastructure needs, such as but not limited to irrigation systems, roads, ports and bulk transport system, electric power supply and communication facilities, and postharvest processing and storage facilities, to accelerate agricultural and fishery mechanization development in the countryside.*

SEC. 37. *Implementing Rules and Regulations.* - The DA, within six (6) months upon the enactment of this Act and in consultation with the stakeholders and other government agencies shall promulgate the necessary rules and regulations to implement this Act.

Rule 37.1 Transitory Provisions.

Rule 37.1.1 *Pending the approval of the BAFE Organizational Structure and Staffing Pattern by the DBM, the DA Secretary shall designate an interim director to serve as BAFE interim director to be assisted by PCAF ISCS and AFMeC. Agricultural Engineers and other appropriate/competent technical and administrative personnel from the DA-OSEC and concerned DA bureaus, attached agencies and Regional Field Offices shall be detailed and pooled to compose the initial manpower complement of the various Divisions of BAFE. Experts and Consultants shall likewise be engaged by DA to provide assistance in the establishment and operation of BAFE in accordance with the existing CSC rules and regulations.*

Rule 37.1.2 *The AMMDA shall be the recognized national organization of agri-fishery machinery assemblers, manufacturers and distributors until the guidelines for the accreditation for the national and regional organizations of agri-fishery machinery assemblers, manufacturers and distributors has been promulgated and there has already been a duly recognized national organization of agri-fishery machinery assemblers, manufacturers and distributors.*



SEC. 38. *Funding.*- The Secretary of Agriculture shall include in the DA's program the implementation of this Act, the funding of which shall be included in the annual General Appropriations Act.

The DA shall likewise set aside funds from the Agricultural Competitiveness Enhancement Fund (ACEF) for grants to upgrade the AMTEC and to establish one (1) testing center in Visayas and one (1) testing center in Mindanao.

The BAR shall allocate funds annually from its regular R&D funds to support research programs, processing of patent applications, and testing and certification of locally designed agri-fisheries equipment and machineries.

All LGUs shall include in their investment plans, as part of the priority appropriations for local development fund, the funding support for the implementation of their respective provincial, city, municipal and barangay agricultural and fisheries mechanization programs in accordance with Republic Act No. 7160 and its implementing rules and regulations and the Department of the Interior and Local Government-Department of Budget and Management (DILG-DBM) Joint Memorandum Circular No.1, Series of 2005.

The CHED shall allocate funds from the Higher Education Development Fund necessary for the upgrading of agri-fisheries mechanization and engineering laboratory facilities of concerned SUCs, faculty training program and scholarships.

The TESDA shall likewise allocate funds from its annual appropriations necessary for the skills certification and training program for agri-fishery machinery technicians and operators.

Rule 38.1 The DA Undersecretary duly designated for National Agri-Fishery Mechanization Program with the assistance of BAFE, PCAF, Philmech and DA Planning Service and Budget Division, shall prepare the Annual Plans and Budget necessary for the implementation of this Act and its Implementing Rules and Regulations and be incorporated in the Annual Plan and Budget Proposal of the Department of Agriculture under the GAA for 2015 and the succeeding years.

Rule 38.2 The DA shall set aside funds from the ACEF for grants to upgrade the UPLB-AMTEC and to establish two (2) testing centers; one (1) in Visayas and one (1) in Mindanao. The UPLB-AMTEC shall submit to DA the project proposal with the corresponding funding requirements for the upgrading of UPLB-AMTEC and the establishment of one testing Center in Visayas and one in Mindanao not later than two (2) months after the approval of this IRR.

Rule 38.3 The BAR shall allocate funds annually from its regular R&D funds to support research programs contained in the NAFMechRDE Agenda, processing of patent applications, and testing and certification of locally



designed agri-fisheries equipment and machineries. The BAR shall allocate an initial fund in addition to its annual budget.

Rule 38.4 *The DA shall closely coordinate with LGUs, CHED, TESDA, UPLB and other concerned agencies for the effective implementation of Section 38 of the AFMech Law.*

Rule 38.5 *The PCAF shall propose additional funds for inclusion in the GAA for the operationalization of the AFMeC at the national, regional, provincial/HUC/ICC and municipal/city levels.*

SEC. 39. *Congressional Oversight Committee.* - The Congressional Oversight Committee on Agricultural and Fisheries Modernization (COCAFAM) shall be the congressional oversight committee for purposes of this Act.

SEC. 40. *Separability Clause.* - The provisions of this Act are hereby declared separable and if any clause, sentence, provision or section hereof should be declared invalid, such invalidity shall not affect the other provisions of this Act which can be given force and effect without the provisions which have been declared invalid.

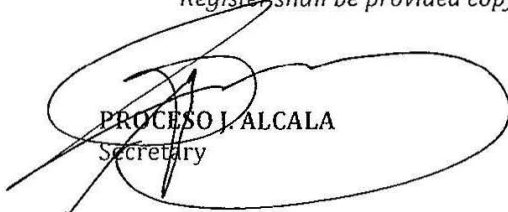
Rule 40.1. *If any section or provision of this IRR is held or declared unconstitutional or invalid by a competent court, the other sections or provisions hereof shall continue to be in force as if sections or provisions so annulled or voided had never been incorporated herein.*

SEC. 41. *Repealing Clause.* - All laws, decrees, executive orders and other administrative issuances and parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Rule 41.1 *All rules and regulations or parts of said rules and regulations of pertinent laws inconsistent with this IRR are hereby revised, amended, modified and/or superseded as the case may be by this IRR.*

SEC. 42. *Effectivity Clause.* - This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in two (2) newspapers of general circulation.

Rule 42.1. *This IRR shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) newspapers of general circulation. The UP Law Center's Office of National Administrative Register shall be provided copy of this IRR.*


PROCESO J. ALCALA
Secretary