

B. AGRICULTURAL CREDIT POLICY COUNCIL

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	<u>2,035,659</u>	<u>43,035</u>	<u>811,203</u>
General Fund	2,035,659	43,035	811,203
Automatic Appropriations	<u>2,185</u>	<u>2,187</u>	<u>2,835</u>
Retirement and Life Insurance Premiums	2,185	2,187	2,835
Continuing Appropriations	<u>1,400</u>	<u>652,243</u>	
Unobligated Releases for Capital Outlays R.A. No. 10651		650,000	
Unobligated Releases for MOOE R.A. No. 10633	1,400		
R.A. No. 10651		2,243	
Budgetary Adjustment(s)	<u>3,514</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	1,517		
Pension and Gratuity Fund	<u>1,997</u>		
Total Available Appropriations	<u>2,042,758</u>	<u>697,465</u>	<u>814,038</u>
Unused Appropriations	<u>(652,637)</u>	<u>(652,243)</u>	
Unobligated Allotment	<u>(652,637)</u>	<u>(652,243)</u>	
TOTAL OBLIGATIONS	<u>1,390,121</u>	<u>45,222</u>	<u>814,038</u>
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EXPENDITURE PROGRAM
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	11,777,000	10,508,000	14,109,000
	PS	7,953,000	3,877,000	4,516,000
	MOOE	3,822,000	4,354,000	5,203,000
	FinEx	2,000	10,000	10,000
	CO		2,267,000	4,380,000
000003000000000	Operations	1,378,344,000	34,714,000	799,929,000
	PS	22,160,000	23,190,000	30,592,000
	MOOE	6,184,000	11,524,000	19,337,000
	CO	1,350,000,000		750,000,000
TOTAL AGENCY BUDGET		1,390,121,000	45,222,000	814,038,000
	PS	30,113,000	27,067,000	35,108,000
	MOOE	10,006,000	15,878,000	24,540,000
	FinEx	2,000	10,000	10,000
	CO	1,350,000,000	2,267,000	754,380,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Total Number of Authorized Positions	40	40	40
Total Number of Filled Positions	36	36	36

Proposed New Appropriations Language

For general administration and support, and operations, in support of the modernization of the agriculture and fisheries sector in order to meet the challenges of globalization, as indicated hereunder.....P 811,203,000
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OPERATIONS BY MFO

PROPOSED 2017

	PS	MOOE	CO	TOTAL
MFO 1: CREDIT SUPPORT SERVICES	28,117,000	19,337,000	750,000,000	797,454,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017
(in pesos)

REGION	PS	MOOE	FinEx	CO	TOTAL
Regional Allocation (net of Central Office):	32,273,000	24,540,000	10,000	754,380,000	811,203,000
National Capital Region (NCR)	32,273,000	24,540,000	10,000	754,380,000	811,203,000
TOTAL AGENCY BUDGET	32,273,000	24,540,000	10,000	754,380,000	811,203,000

SPECIAL PROVISION(S)

1. Agricultural Credit Facility. The amount of Seven Hundred Seventy One Million Three Hundred Eighty Seven Thousand Pesos (P771,387,000) appropriated herein for Agro-Industry Modernization Credit and Financing Program Administration includes the amount of Seven Hundred Fifty Million Pesos (P750,000,000) which shall be transferred to GFIs and cooperative banks to be used exclusively for the establishment of a flexible credit facility for the benefit of small farmers and fisherfolk registered under the Registry System for Basic Sectors in Agriculture, as an alternative to the rigid and stringent credit facilities usually provided by banks. For this purpose, the Agricultural Credit Policy Council, in coordination with said GFIs and banks, shall formulate the guidelines for a streamlined and equitable access by the foregoing small farmers and fisherfolk to said credit facility.
2. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects

	Current Operating Expenditures				
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
PROGRAMS					
0000010000000000 General Administration and Support	4,156,000	5,203,000	10,000	4,380,000	13,749,000
1030010001000000 General management and supervision	P 4,103,000	P 5,203,000	P 10,000	P 4,380,000	P 13,696,000
1030010002000000 Administration of Personnel Benefits	53,000				53,000
Sub-total, General Administration and Support	4,156,000	5,203,000	10,000	4,380,000	13,749,000
0000030000000000 Operations	28,117,000	19,337,000		750,000,000	797,454,000
0000030100000000 MFO 1: CREDIT SUPPORT SERVICES	28,117,000	19,337,000		750,000,000	797,454,000
1620030101000000 Agro-Industry Modernization Credit and Financing Program (AMCFP) Administration	10,714,000	10,673,000		750,000,000	771,387,000
1620030102000000 Formulation and monitoring of credit policies, plans and programs	17,403,000	8,664,000			26,067,000
Sub-total, Operations	28,117,000	19,337,000		750,000,000	797,454,000
TOTAL NEW APPROPRIATIONS	P 32,273,000	P 24,540,000	P 10,000	P 754,380,000	P 811,203,000

Obligations, by Object of Expenditures

CYs 2015-2017
(In Thousand Pesos)

	2015	2016	2017
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	18,194	18,231	23,626
Total Permanent Positions	18,194	18,231	23,626

Other Compensation Common to All			
Personnel Economic Relief Allowance	863	864	864
Representation Allowance	1,164	1,488	1,488
Transportation Allowance	842	1,488	1,488
Clothing and Uniform Allowance	180	180	180
Productivity Incentive Allowance	72		
Overtime Pay	41	43	
Mid-Year Bonus - Civilian			1,969
Year End Bonus	1,523	1,519	1,969
Cash Gift	180	180	180
Step Increment		76	112
Collective Negotiation Agreement	511		
Productivity Enhancement Incentive	1,517	180	180
Total Other Compensation Common to All	<u>6,893</u>	<u>6,018</u>	<u>8,430</u>
Other Compensation for Specific Groups			
Other Personnel Benefits	2,289		
Total Other Compensation for Specific Groups	<u>2,289</u>		
Other Benefits			
Retirement and Life Insurance Premiums	2,184	2,187	2,835
PAG-IBIG Contributions	43	44	44
PhilHealth Contributions	126	125	129
Employees Compensation Insurance Premiums	43	44	44
Terminal Leave	341	418	
Total Other Benefits	<u>2,737</u>	<u>2,818</u>	<u>3,052</u>
TOTAL PERSONNEL SERVICES	<u>30,113</u>	<u>27,067</u>	<u>35,108</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	1,473	1,916	1,517
Training and Scholarship Expenses	314	412	5,323
Supplies and Materials Expenses	957	1,300	1,052
Utility Expenses	1,494	1,702	1,673
Communication Expenses	873	1,141	1,174
Survey, Research, Exploration and Development Expenses	328	5,000	
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	118	118	118
Professional Services	140	33	6,033
General Services	1,501	1,530	1,575
Repairs and Maintenance	440	467	556
Taxes, Insurance Premiums and Other Fees	60	90	100
Labor and Wages			3,000
Other Maintenance and Operating Expenses			
Advertising Expenses		10	10
Printing and Publication Expenses	543	65	65
Representation Expenses	389	361	372
Rent/Lease Expenses	1,341	1,653	1,762
Subscription Expenses	35	80	160
Other Maintenance and Operating Expenses			50
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>10,006</u>	<u>15,878</u>	<u>24,540</u>
Financial Expenses			
Bank Charges	2	10	10
TOTAL FINANCIAL EXPENSES	<u>2</u>	<u>10</u>	<u>10</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>40,121</u>	<u>42,955</u>	<u>59,658</u>

Capital Outlays			
Loans Receivable Accounts Outlay	1,350,000		750,000
Property, Plant and Equipment Outlay			
Machinery and Equipment Outlay		1,552	350
Transportation Equipment Outlay			1,500
Intangible Assets Outlay		715	2,530
TOTAL CAPITAL OUTLAYS	<u>1,350,000</u>	<u>2,267</u>	<u>754,380</u>
GRAND TOTAL	<u>1,390,121</u>	<u>45,222</u>	<u>814,038</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Competitive and sustainable Agriculture and Fisheries (A & F) sector achieved and contributes to the achievement of the sector outcome of effective and efficient governance

ORGANIZATIONAL OUTCOME : 1. Access of Small Farmers and Fisherfolk (SFF) to formal credit under the ACPC Agro-Industry Modernization Credit and Financing Program (e.g. Sikat Saka, Agriculture and Fisheries Financing Program and Calamity/Climate Change Facility) increased

PERFORMANCE INFORMATION

KEY STRATEGIES :

1. Strengthen Agriculture and Fisheries Modernization Act (AFMA)-mandated Agro-Industry Modernization Credit and Financing Program (AMCFP) lending to small farm and fishing households;
2. Reduce costs of lending and provide incentives for private banks to increase lending to the agriculture and fisheries sector;
3. Strengthen credit guarantee and agricultural insurance programs;
4. Build up credit database for small farmers and fisherfolk (SFF), intensify information dissemination and strengthen monitoring and evaluation; and,
5. Enhance capacity of SFF and their cooperatives and organizations.

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	Baseline	2017 Targets
Access of Small Farmers and Fisherfolk (SFF) to formal credit under the ACPC Agro-Industry Modernization Credit and Financing Program (e.g. Sikat Saka, Agriculture and Fisheries Financing Program and Calamity/Climate Change Facility) increased		
Repayment rate (% of repayment / outstanding loans)	85%-95%	85%-95%
% increase in the number of SFF borrowers	60,231	(51%) 90,920
<u>MFO / PIs</u>		<u>2017 Targets</u>
MFO 1: CREDIT SUPPORT SERVICES		
Credit Funds Administered		
Total amount of loans granted (PhP Million)		4,130
Total number of loan beneficiaries/number of transactions		90,920
% of past due loans over outstanding (from partner lending institutions to ACPC-AMCFP)		5%-15%

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% of amount collected over amount matured/due (from partner lending institutions to ACPC-AMCFP)	85%-95%
Percentage of loan applications approved/released within fifteen (15) days (ACPC-AMCFP to partner lending institutions)	100%
% of amounts due collected within ten (10) days (ACPC-AMCFP to partner lending institutions)	85%-95%
Collection of loans under directed credit programs	
Amount of loan collections/loans consolidated into the AMCFP from directed credit programs (Php Million)	7.7
% of loan beneficiaries in arrears for more than 180 days that did not respond to ACPC's follow-up letters	98.5%
Average cost per Peso collected (in Php)	0.20
% of scheduled loan repayments that fall into arrears which are issued with follow-up letters within ten (10) working days	100%