

B. AGRICULTURAL CREDIT POLICY COUNCIL

STRATEGIC OBJECTIVES

- MANDATE** : Created in 1986 by virtue of Executive Order (EO) No. 113, the Agricultural Credit Policy Council (ACPC) is mandated to:
1. Assist the Department of Agriculture in synchronizing all agriculture and fisheries credit policies and programs (EO 113);
 2. Review and evaluate the economic soundness of all agriculture and fisheries credit programs (EO 113);
 3. Implement institutional capacity building programs and pilot-test innovative financing schemes for marginalized farmers and fisherfolk (RA 7607 or Magna Carta for Small Farmers);
 4. Oversee the implementation of the Agriculture and Fisheries Modernization Act (AFMA)-mandated Agro-Industry Modernization Credit and Financing Program (ACPC Council Resolution No. 01-1999);
 5. Manage and facilitate the collection and consolidation of government directed credit programs (DCPs) into the Agro-Industry Modernization Credit and Financing Program (DA-DOF-DBM Joint Circular No. 1 and DA Administrative Order No. 16); and
 6. Act as the Department of Agriculture's duly-authorized agency to implement relevant provisions of RA 10000 (DA Special Order 605, 2011)
- VISION** : The ACPC is the institution on agri-credit policy and program development that promotes the effective and sustainable delivery of financial services to the countryside
- MISSION** : Develop and advocate agri-credit policies and orchestrate programs that promote farmers' and fisherfolk's access to sustained financial services
- KEY RESULT AREAS** : 1. Transparent, accountable and participatory governance;
2. Poverty reduction and empowerment of the poor and vulnerable; and
3. Integrity of the environment and climate change adaptation and mitigation
- 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

**SECTION 1 : EXPENDITURE PROGRAM
(in pesos)**

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2014 Actual	2015 Current	2016 Proposed
000001000000000	General Administration and Support	9,866,000	8,197,000	10,508,000
	PS	6,425,000	3,974,000	3,877,000
	MOOE	3,441,000	4,213,000	4,354,000
	FinEx		10,000	10,000
	CO			2,267,000
000003000000000	Operations	46,155,000	2,029,646,000	34,714,000
	PS	19,804,000	22,508,000	23,190,000
	MOOE	26,351,000	7,138,000	11,524,000
	CO		2,000,000,000	

TOTAL AGENCY BUDGET	<u>56,021,000</u>	<u>2,037,843,000</u>	<u>45,222,000</u>
PS	26,229,000	26,482,000	27,067,000
MOOE	29,792,000	11,351,000	15,878,000
FinEx		10,000	10,000
CO		2,000,000,000	2,267,000

STAFFING SUMMARY

	<u>2014</u>	<u>2015</u>	<u>2016</u>
TOTAL STAFFING			
Total Number of Authorized Positions	40	40	40
Total Number of Filled Positions	37	36	36

PROPOSED 2016

OPERATIONS BY MFO	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
MFO 1: CREDIT SUPPORT SERVICES	21,285,000	11,524,000		32,809,000

SECTION 2 : EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2016
(in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>FinEx</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation (net of Central Office):	24,880,000	15,878,000	10,000	2,267,000	43,035,000
National Capital Region (NCR)	24,880,000	15,878,000	10,000	2,267,000	43,035,000
TOTAL AGENCY BUDGET	24,880,000	15,878,000	10,000	2,267,000	43,035,000
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SECTION 3 : SPECIAL PROVISION(S)

1. 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:

SECTION 4 : 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	2016 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	55,200	7% (58,800)
% increase in the number of transactions	110,398	7% (117,680)

MFO / PIs

2016 Targets

MFO 1: CREDIT SUPPORT SERVICES

Credit Funds Administered

Total amount of loans granted (PhP Million)	3,789
Total number of loan beneficiaries	117,680
% of past due loans over loans outstanding (from partner lending institutions to ACPC-AMCFP)	5%-15%
% 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)	5.4
% 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%

Appropriations/Obligations

(In Thousand Pesos)

Description	2014	2015	2016
New General Appropriations	53,869	2,035,659	43,035
General Fund		2,035,659	43,035
R.A. No. 10633	53,869		
Automatic Appropriations	2,191	2,184	2,187
Retirement and Life Insurance Premiums	2,191	2,184	2,187
Continuing Appropriations		1,400	
Unobligated Releases for MOOE		1,400	
R.A. No. 10633		1,400	
Budgetary Adjustment(s)	1,364		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	1,364		
Total Available Appropriations	57,424	2,039,243	45,222
Unused Appropriations	(1,403)	(1,400)	
Unobligated Allotment	(1,403)	(1,400)	
TOTAL OBLIGATIONS	56,021	2,037,843	45,222

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 43,035,000
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New Appropriations, by Programs/Activities/Projects

		Current Operating Expenditures				
		Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
PROGRAMS						
000001000000000	General Administration and Support	3,595,000	4,354,000	10,000	2,267,000	10,226,000
103001000100000	General management and supervision	P 3,147,000	P 4,354,000	P 10,000	P 2,267,000	P 9,778,000
103001000200000	Administration of Personnel Benefits	448,000				448,000
Sub-total, General Administration and Support		3,595,000	4,354,000	10,000	2,267,000	10,226,000
000003000000000	Operations	21,285,000	11,524,000			32,809,000
000003010000000	MFO 1: CREDIT SUPPORT SERVICES	21,285,000	11,524,000			32,809,000
162003010100000	Agro-Industry Modernization Credit and Financing Program (AMCFP) Administration	8,014,000	1,439,000			9,453,000
162003010200000	Formulation and monitoring of credit policies, plans and programs	13,271,000	10,085,000			23,356,000
Sub-total, Operations		21,285,000	11,524,000			32,809,000
TOTAL NEW APPROPRIATIONS		P 24,880,000	P 15,878,000	P 10,000	P 2,267,000	P 43,035,000
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Obligations, by Object of Expenditures

CYs 2014-2016
 (In Thousand Pesos)

	2014	2015	2016
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	18,743	18,215	18,231
Total Permanent Positions	18,743	18,215	18,231
Other Compensation Common to All			
Personnel Economic Relief Allowance	880	888	864
Representation Allowance	1,176	1,488	1,488
Transportation Allowance	786	1,488	1,488
Clothing and Uniform Allowance	185	185	180
Productivity Incentive Allowance	74	74	
Overtime Pay	43		43

Year End Bonus	1,518	1,519	1,519
Cash Gift	185	185	180
Step Increment	15	46	76
Productivity Enhancement Incentive	185		180
Total Other Compensation Common to All	<u>5,047</u>	<u>5,873</u>	<u>6,018</u>
Other Compensation for Specific Groups			
Other Personnel Benefits	34		
Total Other Compensation for Specific Groups	<u>34</u>		
Other Benefits			
Retirement and Life Insurance Premiums	2,190	2,184	2,187
PAG-IBIG Contributions	44	40	44
PhilHealth Contributions	126	130	125
Employees Compensation Insurance Premiums	45	40	44
Terminal Leave			418
Total Other Benefits	<u>2,405</u>	<u>2,394</u>	<u>2,818</u>
TOTAL PERSONNEL SERVICES	<u>26,229</u>	<u>26,482</u>	<u>27,067</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	1,916	1,100	1,916
Training and Scholarship Expenses	507	400	412
Supplies and Materials Expenses	1,405	700	1,300
Utility Expenses	1,679	1,688	1,702
Communication Expenses	1,054	1,067	1,141
Survey, Research, Exploration and Development Expenses		2,000	5,000
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	110	118	118
Professional Services	19,429	33	33
General Services	1,394	1,530	1,530
Repairs and Maintenance	458	467	467
Taxes, Insurance Premiums and Other Fees	49	90	90
Other Maintenance and Operating Expenses			
Advertising Expenses		10	10
Printing and Publication Expenses	22	65	65
Representation Expenses	380	350	361
Rent/Lease Expenses	1,322	1,653	1,653
Subscription Expenses	67	80	80
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>29,792</u>	<u>11,351</u>	<u>15,878</u>
Financial Expenses			
Bank Charges		10	10
TOTAL FINANCIAL EXPENSES		<u>10</u>	<u>10</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>56,021</u>	<u>37,843</u>	<u>42,955</u>
Capital Outlays			
Loans Receivable Accounts Outlay		2,000,000	
Property, Plant and Equipment Outlay			
Machinery and Equipment Outlay			1,552
Intangible Assets Outlay			715
TOTAL CAPITAL OUTLAYS		<u>2,000,000</u>	<u>2,267</u>
GRAND TOTAL	<u>56,021</u>	<u>2,037,843</u>	<u>45,222</u>