

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



'14 FEB 11 P1:53

SENATE

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P.S. Res. No. 495

Introduced by Senator Ralph G. Recto

A RESOLUTION

DIRECTING THE SENATE COMMITTEE ON AGRICULTURE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND (ACEF), EVALUATING THE STATUS OF THE FUND, REVIEWING THE PROGRAM IMPLEMENTATION AND PROVIDING REMEDIAL MEASURES, WITH THE END IN VIEW OF ENSURING THAT FARMERS RECEIVE THE INTENDED BENEFITS

WHEREAS, Republic Act No. 8178 otherwise known as the "Agricultural Tarrification Act", adopted the use of tariffs in lieu of non-tariff import restrictions to protect local producers of agricultural products, except in the case of rice, which will continue to have quantitative import restrictions.;

WHEREAS, the said law declared it a state policy to make the country's agricultural sector viable, efficient and globally competitive and to employ anti-dumping and countervailing measures to protect local producers from unfair trade practices;

WHEREAS, in line with the state policy enunciated, RA 8178 which was passed in 1996, created the Agricultural Competitiveness Enhancement Fund (ACEF) with funding coming from the tariffs collected from imported agricultural products;

WHEREAS, the ACEF was meant to help small farmers and fisherman improve the quality and volume of their production by providing credit and training programs that will enhance their global competitiveness;

WHEREAS, the ACEF was supposed to end in 2005 but was extended to 2015 in accordance with RA 9496;

WHEREAS, in line with the Zero-Based Budgeting (ZBB) approach, the Department of Budget and Management (DBM) suspended the funding of the ACEF in 2011;

WHEREAS, the agricultural sector needs to be competitive in view of the expected flooding of imported goods as a result of the ASEAN integration and corollary trade liberalization by 2015;

WHEREAS, studies on the operation and management of the ACEF conducted by the Philippine Institute of Philippine Studies (PIDS), Commission on Audit (COA) and the ABS-CBN Investigative Team reveal problems in its implementation including allegations of graft and corruption;

WHEREAS, there is a need to inquire on the present status of the ACEF and the strategic plan of the Executive Department on its implementation considering the current issues and problems and the need of the farmers for support ;

WHEREAS, information is needed on the financial status of the fund including the total DBM releases and agency fund utilization, and the actual unreleased portion pertaining to the Fund and its present whereabouts;

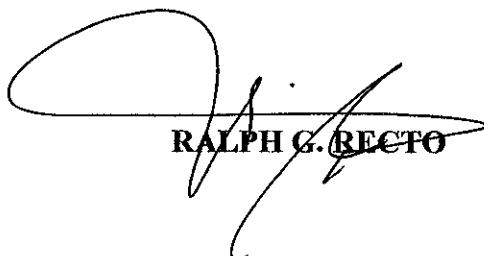
WHEREAS, the implementing agencies should provide data on the loans granted including the names of beneficiaries, date granted, amount and subsequent collections, and project accomplishment/evaluation, among others;

WHEREAS, the reported anomalies in the implementation of the ACEF should be looked into in order to introduce reforms to promote transparency, accountability and efficiency for a more effective services to the farmer beneficiaries;

WHEREAS, the report that the grant of loans had been politicized with many loans granted to political supporters should be investigated in order to prevent its repetition and to recommend the filing of cases when deemed warranted;

NOW, THEREFORE, BE IT RESOLVED by the Philippine Senate, to direct the Senate Committee on Agriculture, to conduct an inquiry, in aid of legislation, on the ACEF, evaluating the status of the Fund, reviewing the program implementation and providing remedial measures, with the end in view of ensuring that farmers receive the intended benefits.

Adopted,


RALPH G. RECTO

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