



SENATE

P.S. Res. No. 496

Introduced by **SENATOR LEILA M. DE LIMA**

RESOLUTION
URGING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, INTO THE INCONSISTENCIES
AND APPARENT ANOMALIES IN THE REPORTING OF THE EXPANDED
SURVIVAL AND RECOVERY AID (SURE-AID) PROGRAM OF THE
DEPARTMENT OF AGRICULTURE, IN THE INTEREST OF
ACCOUNTABILITY AND TRANSPARENCY IN GOVERNANCE WITH THE
END VIEW OF INCREASING ITS OVERALL EFFICIENCY TO BETTER
SERVE ITS INTENDED BENEFICIARIES

1 WHEREAS, economies worldwide have ground to a halt as governments have
2 imposed lockdowns as a primary quarantine measure in order to restrict the
3 movement of people and curb the spread of the COVID-19 virus. According to the
4 World Bank, the pandemic is set to plunge most countries into economic recession
5 with forecasts estimating an average 5.2 percent contraction in global gross domestic
6 product (GDP) for the year 2020;¹

7 WHEREAS, an area of concern regarding the COVID-19 pandemic is the
8 agriculture sector and its implications on food security in terms of both food supply
9 and food demand;

10 WHEREAS, in a briefer released on 17 April 2020 by the International Labor
11 Organization (ILO) regarding the impact of COVID-19 on agriculture and food
12 security, it noted that no significant disruptions in the supply of food have been
13 recorded thus far. However, the report also states that logistical challenges within
14 supply chains, particularly cross-border and domestic restrictions of movement, as

¹ The World Bank. (8 June 2020). *The Global Economic Outlook During the COVID-19 Pandemic: A Changed World*. Retrieved July 2, 2020, from <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>

1 well as labor issues, may lead to disruptions in food supply, especially if such
2 restrictions remain in place long-term;²

3 WHEREAS, in the Philippines, now the record holder for world's longest
4 community quarantine³, high-value, and especially perishable commodities, such as
5 fresh fruit and vegetables, meat, fish, milk and flowers, are most vulnerable in terms
6 of agricultural produce;

7 WHEREAS, local demand has reduced purchasing power due to job and
8 livelihood losses. Across the board, agricultural production has taken a significant
9 blow due to the pandemic. The series of lockdowns in Luzon, for instance, have
10 affected deliveries of fruits and vegetables from North Luzon to Manila and other
11 regions. Due to an absence of buyers, some local farmers have had no choice but to let
12 their produce rot in the fields;⁴

13 WHEREAS, in response to the crisis in agricultural production, the Department
14 of Agriculture (DA), together with the Agricultural Credit Policy Council (ACPC),
15 allotted a sum of ₱2.5 billion for the Expanded Survival and Recovery Aid (SURE-Aid)
16 program which aims to provide financial assistance to marginal farmers and fishers,
17 as well as micro and small enterprises (MSEs) who are adversely affected by the
18 pandemic;⁵

19 WHEREAS, under the Expanded SURE-Aid program, eligible marginalized
20 small farmers and fisherfolk (MSFF) can avail a loan of up to ₱25,000 per household,
21 with zero interest, no collateral, and payable in 10 years.⁶ Eligible MSEs, on the other
22 hand, can avail a loan of up to ₱10 million for working capital, payable in 5 years with
23 zero interest;⁷

² International Labour Organization. (17 April 2020). *COVID-19 and the impact on agriculture and food security*. Retrieved July 2, 2020, from https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/briefingnote/wcms_742023.pdf

³ de Guzman, W. & Guido, E. (23 June 2020). *After 100 days of lockdown, PH is still far from beating COVID-19*. Retrieved July 2, 2020, from <https://news.abs-cbn.com/news/06/23/20/after-100-days-of-lockdown-ph-is-still-far-from-beating-covid-19>

⁴ Dy, R. (15 June 2020). *Philippine agriculture and COVID-19 impact*. Retrieved July 2, 2020, from <https://www.bworldonline.com/philippine-agriculture-and-covid-19-impact/>

⁵ Suacillo, A. P. (2020 April 17). *DA to provide loans for farmers, fishers and businesses in agri sector*. Retrieved July 2, 2020, from <https://nolisoli.ph/78414/da-sure-aid-loan-program-bn-asuacillo-20200417/>

⁶ Agricultural Credit Policy Council. (6 May 2020). *SURE COVID-19: For Marginalized Small Farmers and Fisherfolk (MSFF)*. Retrieved July 2, 2020, from <https://www.facebook.com/agricreditpolicycouncil/photos/a.1085659854830976/3113704322026509>

⁷ Agricultural Credit Policy Council. (6 May 2020). *SURE COVID-19: For Agri-fishery-Based Micro and Small Enterprises*. Retrieved July 2, 2020, from <https://www.facebook.com/agricreditpolicycouncil/photos/a.1085659854830976/3113704442026497>

1 WHEREAS, in Malacañang's 11th Report to the Joint Congressional Oversight
2 Committee dated 8 June 2020, pursuant to Section 5 of Republic Act (RA) No. 11469
3 or the "Bayanihan to Heal as One Act", it was noted that the Expanded SURE Aid
4 Program, which had allotted ₱1 Billion to be distributed to 40,000 eligible MSFF
5 beneficiaries, had already utilized ₱863,093 Million or 86.3% of its budget despite
6 having only served 15,374 or 38.4% of its intended beneficiaries;

7 WHEREAS, when asked by the Senate Congressional Oversight Committee to
8 explain the discrepancy, Malacañang in its 12th Report to the Joint Congressional
9 Oversight Committee dated 15 June 2020, clarified that the figures contained in the
10 11th report pertained to credit funds transferred by the ACPC to its partner lending
11 conduits (PLCs). Malacañang further noted that PLCs experienced difficulty with the
12 processing and release of loans to MSFF-borrowers during the community quarantine
13 period due to the restrictions to mobility and the corresponding policy on social
14 distancing, hence, the high budget-utilization-to-served-beneficiary ratio in the
15 previous report;

16 WHEREAS, in the same Report, Malacañang further clarified that the amount
17 actually disbursed by the PLCs to the MSFF-borrowers up to that point was ₱386.29
18 Million distributed to 17,682 eligible beneficiaries. They also noted that ₱952.818
19 Million had already been transferred to PLCs as of 11 June 2020;

20 WHEREAS, this practice of reporting confusing data was continued in
21 Malacañang's subsequent 13th and 14th Reports to the Joint Congressional Oversight
22 Committee. The 14th Report to Congress dated 29 June 2020, for instance, noted that
23 ₱1.063 Billion had already been transferred to PLCs but only ₱578.67 Million had been
24 distributed to a total of 23,151 MSFF-borrowers, which is far below its intended
25 targets;

26 WHEREAS, an explanation into the sudden change in data regarding fund
27 utilization is warranted as these figures were only disaggregated in the 12th Report to
28 Congress despite data regarding fund utilization for MSFF-borrowers had already
29 surfaced as early as the 4th Report to the Joint Congressional Oversight Committee in
30 20 April 2020;

31 WHEREAS, the latest figure of ₱1.063 Billion in total funds transferred to PLCs
32 is also ₱63 Million in excess of the allotted amount, yet the ACPC has provided no such

1 explanation as to how and where these additional funds were sourced per the 14th
2 Report to Congress;

3 WHEREAS, in addition to the dubious and confusing figures being reported to
4 Congress, the low number of beneficiaries served thus far is indicative of poor program
5 planning and implementation on the part of the DA and ACPC;

6 WHEREAS, there is a need to investigate these factual inconsistencies,
7 inefficiencies and apparent anomalies;

8 WHEREAS, it is also imperative to evaluate the merits and demerits of this
9 program and determine how to improve its overall efficiency in providing accessible
10 and affordable credit to thousands of MSFF nationwide adversely affected by the
11 COVID-19 pandemic;

12 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to urge the
13 appropriate Senate Committee to conduct an inquiry, in aid of legislation, into the
14 inconsistencies and apparent anomalies in the reporting of the Expanded Survival and
15 Recovery Aid (SURE-Aid) program of the Department of Agriculture, in the interest of
16 accountability and transparency in governance with the end view of increasing its
17 overall efficiency to better serve its intended beneficiaries.

Adopted,


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