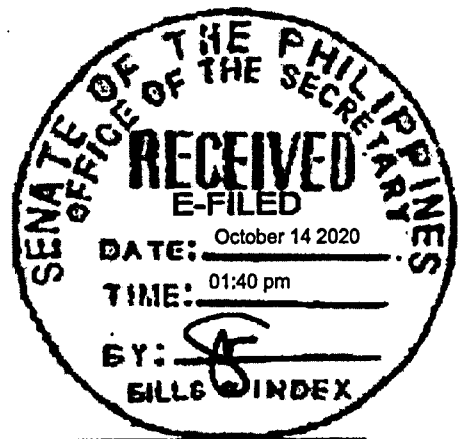


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Second Regular Session )

SENATE

P. S. Res. No. 546



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INTRODUCED BY: SENATOR EMMANUEL D. PACQUIAO

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**A RESOLUTION  
URGING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN  
INQUIRY, IN AID OF LEGISLATION, INTO THE SERIOUSLY LOW LOAN  
REPAYMENT RATES OF THE VARIOUS LOAN PROGRAM WINDOWS OF THE  
DEPARTMENT OF AGRICULTURE**

**WHEREAS**, the Department of Agriculture (DA), has opened a number of program windows to obtain loans intended for the different agricultural sectors, including its Agricultural Competitiveness Enhancement Fund (ACEF), the Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF), Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA) of the Sugar Regulatory Administration (SRA), and the Agricultural Credit Policy Council (ACPC), among others;

**WHEREAS**, the DA's records show that the repayment rates of these loan program windows have been seriously low for a significant period of time, and such rates not only endanger the sustainability of the said loan programs, but more importantly, the recovery of the public funds allocated to said windows.

**WHEREAS**, it is reported that the low repayment rates have resulted from fraudulent practices of private individuals with complicity of some public officers involved in the acceptance, submission and approval of loan applications, disbursement of funds, and up to loan repayment collection.

**WHEREAS**, by way of example, in its ACEF program, out of the ₱8 billion worth of loans handled by the DA, only 7% worth of loans were repaid, with the balance of more than ₱7 billion worth of loans remaining unaccounted for or with repayment outstanding and uncollected;

**WHEREAS**, there is an apparent need to review and strengthen the DA's processes for the approval, disbursement, monitoring and collection of the repayment of the loans under its loan program windows, together with a review of its matrix of authorization and limitation of authority for the said stages;

**WHEREAS**, in all the loan program windows of the DA, control of the approval and disbursement of all loans should comply with acceptable financial and banking requirements and processes, preferably through a designated government financial institution, such as the Land Bank of the Philippines, in order to ensure viability, and support better transparency and accountability, with a guarantee affordability of the loans through standardized interest rates, and to warrant the legitimacy of the beneficiaries;

**WHEREAS**, the DA may further consider the automation and digitalization of its loan program windows in order to improve its approval, disbursement and monitoring capabilities, following the trends and examples of other countries that have already developed digital agriculture;

**NOW THEREFORE**, be it resolved as it is hereby resolved, to direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, into the seriously low loan repayment rates of the various loan program windows of the Department of Agriculture, in the interest of accountability, integrity, and transparency in expending the Government's agricultural funds, to preserve the same, and to sustain the programs for their intended beneficiaries.

*Adopted,*



**EMMANUEL D. PACQUIAO**