


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

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SENATE

P. S. Res. No. 356

RECEIVED BY: 

Introduced by **Senator Biazon**

RESOLUTION

DIRECTING THE COMMITTEE ON AGRICULTURE AND FOOD AND OTHER APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EFFECTIVENESS AND FINANCIAL OPERATIONS OF QUEDANCOR

Whereas, the Quedan Rural Credit and Guarantee Corporation (Quedancor) is a government owned and controlled corporation created by virtue of Republic Act No. 7393 aimed at setting up a convenient credit-support mechanism and reliable guarantee system for the benefit of farmers, fishermen, rural workers, cooperatives, retailers, wholesalers and primary processors of agricultural and aquatic commodities;

Whereas, one of Quedancor's programs was the Quedancor Swine Program (QSP) intended to increase swine production in 2003 by extending credit to growers;

Whereas, the QSP was launched to increase the supply of pork claimed to have decreased in 2003, contradicts with the statistics from Bureau of Agricultural Statistics (BAS) showing an increase of hog production by 3.95% in 2003 and showing that gross supply exceeds domestic demand and consumption of pork;

Whereas, after the implementation of the said program, the hog production even decreased by 1.44%;

Whereas, the implementation of QSP was allegedly tainted with irregularities like unaccounted and mismanaged funds leading to financial difficulties of Quedancor;

Whereas, the Commission on Audit (COA) Report in 2005 revealed that under the QSP, there was a discrepancy as to the amount of loans released and unrecorded receivables;

Whereas, the report further showed that the agency failed to indicate completely and accurately all its transactions and there was delay in the submission of monthly receivables to the central office;

Whereas, the COA report stated that the government stands to lose from this program as there seems to be no valid credit instrument to make the suppliers liable and failure by the management to properly manage and monitor all the transactions involved;

Whereas, the procurement of input supplies for QSP amounting to Php 1,666,214,621 during the year, was not made in accordance with the provisions of the Government Procurement Act and its Implementing Rules and Regulations as the Input Suppliers were not selected through competitive bidding;

Whereas, the COA report also revealed that the funds released to Quedancor from the Cooperative Development Authority by virtue of a Memorandum of Agreement (MOA) were disbursed and utilized for purposes other than what was provided therein but were invested instead in treasury bills, used for Quedancor's current operating funds, went to GMA Cares and Equity, given as honorarium to its members and went to other questionable accounts, in violation of pertinent laws, rules and regulations;

Whereas, Five-Million Peso worth of funds from the Department of Agriculture (DA) for the GMA-Corn Program Fund was also utilized for purposes other than what was provided in the MOA to finance corporate expenses in violation of DBM Budget Circular 2003-5 dated September 26, 2003;

Whereas, instead of funds being used to provide credit support for farmers, infrastructure development and to enhance food security in the country, this has caused high financial burdens to the supposed beneficiaries and used for purposes contrary to and in violation of the applicable laws, rules and regulations;

Whereas, these affect the welfare of our people as funds to support a well meaning program for the farmers, fishermen and other rural workers and improve food security in the country. *Now Therefore Be It Resolved, As It Is Hereby Resolved,*

By the Senate, To Direct The Senate Committee on Agriculture and Other Appropriate Senate Committees To Conduct An Inquiry In Aid Of Legislation, On The Effectiveness and Financial Operations Quedancor.

Adopted,


RODOLFO G. BIAZON
Senator