

SENATE
P.S. Resolution No. 19

~~19~~ JUL 18 P4:14

Introduced by **SENATOR IMEE R. MARCOS**

RESOLUTION
TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ACCRUED TOTAL AMOUNT, ADMINISTRATION AND PROPER DISBURSEMENT OF THE AGRICULTURAL GUARANTEE FUND POOL (AGFP), AS PROVIDED IN R.A. NO. 10000 OTHERWISE KNOWN AS THE "AGRI-AGRA REFORM CREDIT ACT OF 2009"

1 WHEREAS, Art. XIII, Sec. 5 of the 1987 Constitution provides, "the State shall
2 recognize the right of farmers, farmworkers, and landowners, as well as
3 cooperatives, and other independent farmers' organizations to participate in the
4 planning, organization, and management of the program, and shall provide support
5 to agriculture through appropriate technology and research, and adequate financial,
6 production, marketing, and other support services";

7
8 WHEREAS, R.A. No. 10000, otherwise known as the "Agri-Agra Reform Credit
9 Act of 2009", was enacted with the objective of providing equal access to farming
10 opportunities, in an environment of sustained growth and expanding productivity, in
11 order to raise the quality of life for all, encourage rural development by enhancing
12 farmers, access to credit and financial services, and promote the modernization in
13 the agricultural sector;

14
15 WHEREAS, under the above-mentioned Act, all banking institutions were
16 given a credit quota, set at a minimum of twenty-five percent (25%) of the total
17 loanable funds for agriculture and fisheries, of which ten percent (10%) shall be
18 made available to agrarian reform beneficiaries. In case of non-compliance, the
19 Bangko Sentral ng Pilipinas (BSP) then imposed a penalty be computed at one-half

1 of one percent (.05%) of the noncompliance and undercompliance to be directed to
2 the development of the Agri-Agra sector;

3
4 WHEREAS, from the penalties collected, ninety percent (90%) were to be
5 allocated to the Agricultural Guarantee Fund Pool (AGFP) and the Philippine Crop
6 Insurance Corporation (PCIC), equally shared by both entities, while ten percent
7 (10%) was to be given to BSP to cover administrative expenses;

8
9 WHEREAS, for failure of banking institutions to meet these Agri-Agra lending
10 thresholds, reports state that the AGFP alone has accumulated an amount of nine
11 billion pesos (P9,000,000,000.00) presently held by the Land Bank of the Philippines;

12
13 WHEREAS, President Rodrigo Roa Duterte issued Executive Order (E.O.) No.
14 58, series 2018, entitled, "Approving the Merger of the Home Guaranty Corporation
15 and the Philippine Export-Import Credit Agency (PhilEXIM), Transferring the
16 Guarantee Functions, Programs, and Funds of the Small Business Corporation, and
17 the Administration of the Agricultural Guarantee Fund Pool (AGFP) and the Industrial
18 Guarantee and Loan Fund (IGLF) to the PhilEXIM as the Philippine Guarantee
19 Corporation" which merging the Home Guarantee Corporation and the PhilEXIM, the
20 latter being the surviving entity;

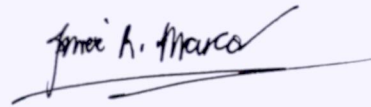
21
22 WHEREAS, in line with E.O. No. 58, series of 2018, the administration of the
23 AGFP was transferred to the PhilEXIM, later renamed the "Philippine Guarantee
24 Corporation", to be held in a separate account and reserved for the needs of the
25 agricultural and agrarian reform sector;

26
27 WHEREAS, the composition of the new Philippine Guarantee Corporation's
28 governing board, apparently does not include a single representative from the
29 agricultural and agrarian sectors, despite the clear mandate of RA. No. 1000 and the
30 AGFP, failing to ensure the AGFP's proper accounting and safeguarding for the strict
31 utilization of the farming sector,

1 WHEREAS, a long-overdue accounting, audit, and fund utilization report of
2 the total accrued amounts in the AGFP should be urgently made to prove its efficacy
3 as an agricultural and agrarian credit facility, and on this basis, to allow this body
4 thus to undertake such measures as may be necessary to pursue the true purpose of
5 the RA. No. 1000 through new legislation, the reformulation of policy and simplified
6 procedure, and the establishment of clear and responsive implementing programs,
7

8 NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, to direct
9 the appropriate Senate Committee to conduct an inquiry, in aid of legislation, on the
10 management and administration of the Agricultural Guarantee Fund Pool (AGFP), as
11 provided in R.A. No. 10000 otherwise known as the, "*Agri-Agra Reform Credit Act of*
12 *2009.*"

Adopted,



IMEE R. MARCOS