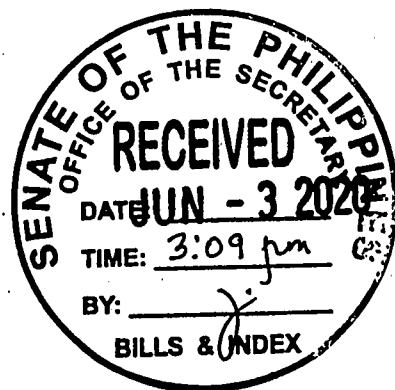


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



SENATE  
S.No. 1585

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Introduced by **SENATOR CYNTHIA A. VILLAR**

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**AN ACT STRENGTHENING THE FINANCIAL SYSTEM FOR AGRICULTURE,  
FISHERIES, AND RURAL DEVELOPMENT IN THE PHILIPPINES, AMENDING  
FOR THE PURPOSE RA NO. 10000 OR THE "AGRI-AGRA CREDIT ACT OF 2009"**

**EXPLANATORY NOTE**

Republic Act No. 10000, otherwise known as the "Agri-Agra Reform Credit Act of 2009, which repealed Presidential Decree No. 717, aims to increase credit to the agriculture and agrarian reform sectors. The law orders banks to set aside at least 25% of their total loanable funds for agriculture and agrarian reform lending, of which 10% should go to agrarian reform beneficiaries.

Under the said law, banks have alternative modes to comply with the 25% requirement aside from the extension of loans and purchase of eligible loans from other banks. These alternatives include paid subscription of shares of stock in accredited rural financial institutions and investments in the special deposit accounts in accredited rural financial institutions. Banks that fail to comply with the requirements of RA 10000 will pay the penalty equivalent to 0.5% of their non-compliance or under compliance computed on a quarterly basis.

As of the first quarter of this year (2019) according to the BSP, Philippine Banks continue to fall short of the mandated threshold for agriculture and agrarian reform lending despite the 18.9 percent increase during the period. The banking system was able to set aside a total of P711 Billion of total loanable funds for agri-agra from January to March, 2019, higher than the P597.94 Billion disbursed in the same period last year. Despite the increase, the combined allocation of loanable funds for agriculture and agrarian reform of 14.33 percent in the first quarter was way below the minimum

threshold set by the law. Likewise, the BSP said the big banks or universal banks and commercial banks registered compliance ratio of 13.27% after extending P617.81 Billion to the agricultural sector, while the ratio of thrift banks only reached 7.2 percent after granting P16.21 Billion. Rural banks extended P18.94 Billion for a compliance ration of 23.36%.

The compliance ration of the banking system fell short of the 10 percent threshold for agrarian reform credit as banks only extended loans amounting to P58.03 billion for a compliance ration of 1.17 percent. The compliance ration of big banks to agrarian reform loans only reached 1.01 percent; while that of thrift banks settled at 1 percent. On the other hand, the compliance ratio of rural and cooperative banks reached 11.1 percent.

Records of the Bangko Sentral ng Pilipinas (BSP) also show that Universal and Commercial Banks have a higher alternative compliance than direct lending institutions. The Bankers Association of the Philippines (BAP) explained that its members usually gravitate towards alternative modes of compliance with less risk exposures and are seeking for alternative ways to comply with the requirements of the law. The BAP is of the position that the law's intent should be broadened to countryside lending.


The Bill seeks to provide for further alternative modes for compliance with the RA 10000. It allows direct lending to rural banks and cooperative banks and to farmers to strengthen countryside lending. The loans should be directed to borrowers that will use the money for initiatives that will directly benefit the agriculture sector.

Further, the measure seeks to 1. Remove the distinction between the mandatory compliance requirement for "agriculture" (at least 15%) and "agrarian reform beneficiaries" (at least 10%) to enable inclusive financing for rural farmers and entrepreneurs in rural communities; 2. Broaden the list of rural community beneficiaries to include agricultural workers, agrarian reform beneficiaries and communities as well as micro, small and medium enterprise (MSMEs) that are operating in a rural community; 3. Expand the list of activities that may be financed through bank loans or investments to include activities under R.A. No. 8435, otherwise known as the Agriculture and Fisheries Modernization Act of 1997, as well as agricultural mechanization, green finance projects or programs aimed at adaptation to or mitigation of the impacts of climate change, development and strengthening of agriculture value chains, as well as programs or projects that shall address the developmental needs of rural communities, such as, but not limited to, health centers, schools or other capacity-building and livelihood activities, construction and upgrading of infrastructure including farm-to-market roads; 4. Broaden the existing modes of alternative compliance under

R.A. No. 10000 by deleting the requirement for accreditation of rural financial institutions (RFIs), allowing investments in shares of stock of rural financial institutions or lend wholesale to them; 5. Invest in shares of stock of the Philippine Crop Insurance Corporation (PCIC); 6. Provide for a 5-year grace period for newly established banks within which no penalty shall be assessed for non-compliance or under-compliance with the mandatory credit requirement; 7. Direct penalties collected by the Bangko Sentral ng Pilipinas (BSP), net of BSP's administrative costs, to the Agricultural and Fisheries Finance and Capacity-Building Council (AFFCC) which shall be created.

The bill creates the Capacity and Institution-Building Fund (Special Fund) to finance agricultural- and fishery-related activities, parcelization of agrarian reform lands to individual owners as well as organizational, capacity- and institution-building programs of cooperatives and other duly-registered organizations of rural agricultural and fisheries households on financial literacy and operating a farm as a business. The Special Fund shall have initial funding of at least P10 billion from penalties due from banks' non-compliance or under-compliance with the mandatory Agri-Agra credit requirement under RA 10000, collected after the effectivity of this Act, net of 10% retained by BSP. This shall be managed by a council composed of government and the private sector.

In view of the foregoing, the immediate passage of this bill is earnestly sought.

  
**CYNTHIA A. VILLAR**  
Senator



1 THE LENDING COOPERATIVES, MICROFINANCE INSTITUTIONS, RETAIL BANKS,  
2 RURAL AND THRIFT BANKS SHALL APPLY MINIMUM INTEREST RATES FOR PASS ON  
3 LOANS OBTAINED FROM GOVERNMENT BANKS;  
4

5 LIKEWISE, the LBP and DBP shall use their resources to innovate, develop, promote  
6 and invest in digital, automation technology and branchless banking to reach the rural  
7 areas; using e-commerce, on-line transactions, bank-on-wheels, point of sale devices  
8 with retailers and non-banking institutions, lottery kiosks and mobile phone applications  
9 in making banking services accessible to the rural public.

10 SEC. 3. Agriculture, Fisheries and Rural Development Financing System. – There shall  
11 be AN AGRICULTURE, FISHERIES, AND RURAL DEVELOPMENT financing system to  
12 improve the WELFARE, COMPETITIVENESS, INCOME AND productivity of the RURAL  
13 COMMUNITY BENEFICIARIES, particularly the farmers, fisher folk, agrarian reform  
14 beneficiaries, AGRARIAN REFORM COMMUNITIES, settlers, agricultural lessees,  
15 amortizing owners, farmworkers, fish workers, owner-cultivators, compact farmers,  
16 TENANT FARMERS, AND MEMBERS OF THEIR HOUSEHOLD AND THEIR MSMES, AS  
17 WELL AS farmer's and fisher folk's cooperatives, organizations and associations,  
18 through government and private banking institutions.

19 AGRICULTURE, FISHERIES and RURAL FINANCING, as used herein, shall consist of  
20 loans, INVESTMENTS AND GRANTS to finance activities THAT SHALL ENHANCE  
21 PRODUCTIVITY AND INCREASE INCOME OF AN AGRICULTURAL AND FISHERIES  
22 HOUSEHOLD, THEREBY PROMOTING AGRICULTURAL SECTOR PRODUCTIVITY AND  
23 COMPETITIVENESS, AS WELL AS SUSTAINABLE DEVELOPMENT OF RURAL  
24 COMMUNITIES. THESE SHALL INCLUDE, but not BE limited to; ACTIVITIES IDENTIFIED  
25 UNDER THE AMCFP AS ENUMERATED UNDER CHAPTER 3 SECTION 23 OF REPUBLIC  
26 ACT NO. 8435, OFF-FARM/FISHERY ACTIVITIES, AGRICULTURAL MECHANIZATION/  
27 MODERNIZATION, AGRI-TOURISM, GREEN FINANCE PROJECTS, acquisition of lands  
28 authorized under the Agrarian Reform Code of the Philippines and its amendments,  
29 efficient and effective MARKETING, PROCESSING, DISTRIBUTION AND STORAGE OF  
30 AGRICULTURAL AND FISHERY COMMODITIES, PUBLIC RURAL INFRASTRUCTURE, AS  
31 WELL AS PROGRAMS THAT SHALL ADDRESS THE DEVELOPMENTAL NEEDS OF RURAL  
32 COMMUNITIES, SUCH AS, BUT NOT LIMITED TO, PROJECTS THAT PROMOTE THE  
33 LIVELIHOOD, SKILLS ENHANCEMENT, AND OTHER CAPACITY-BUILDING ACTIVITIES  
34 OF THE RURAL COMMUNITY BENEFICIARIES AND ALL OTHER ACTIVITIES  
35 CONSISTENT OR ANALOGOUS TO THE FOREGOING.

1 SEC. 4. Rural Community Beneficiaries. – The FINANCING mentioned in the preceding  
2 section shall be extended to the RURAL COMMUNITY beneficiaries named therein or to  
3 cooperatives, associations, MSMES OR ORGANIZATIONS in good standing of such  
4 beneficiaries, regardless of capitalization based on the feasibility of the project and their  
5 paying capacity, their estimated production, and/or securities they can provide as well  
6 as such assets as may be acquired by them from the proceeds of the loan,  
7 INVESTMENTS AND GRANTS.

8 SEC. 5. Credit Quota. – All banking institutions, whether government or private,  
9 EXCEPT NEWLY-ESTABLISHED BANKS FOR A PERIOD OF FIVE (5) YEARS FROM DATE  
10 OF COMMENCEMENT OF THE BANKS' OPERATIONS, shall set aside A CREDIT QUOTA,  
11 OR A MINIMUM MANDATORY AGRICULTURAL AND FISHERIES FINANCING  
12 REQUIREMENT OF at least twenty-five percent (25%) of their total loanable funds.

13 THE TOTAL LOANABLE FUNDS GENERATED BY A BANKING INSTITUTION SHALL BE  
14 DEFINED BY THE BSP. DURING THE FIRST YEAR OF EFFECTIVITY OF THIS ACT, THE  
15 TOTAL LOANABLE FUNDS GENERATED SHALL BE COMPUTED STARTING FROM 20  
16 APRIL 2010, THE EFFECTIVITY OF REPUBLIC ACT NO. 10000, AFTER WHICH THE  
17 BANK'S TOTAL LOANABLE FUNDS SHALL BE DETERMINED BASED ON FUNDS  
18 GENERATED STARTING FROM THE SECOND YEAR OF EFFECTIVITY OF THIS ACT.

19 SEC. 6. Modes of Compliance. Banks may COMPLY WITH THE MANDATORY CREDIT  
20 REQUIREMENT BY LENDING TO RURAL COMMUNITY BENEFICIARIES, TO FINANCE  
21 AGRICULTURAL AND FISHERY-RELATED ACTIVITIES IDENTIFIED UNDER THE AMCFP  
22 AS ENUMERATED UNDER CHAPTER 3 SECTION 23 OF REPUBLIC ACT NO. 8435, OFF-  
23 FARM/FISHERY ACTIVITIES, AGRICULTURAL MECHANIZATION/MODERNIZATION,  
24 AGRI-TOURISM, GREEN FINANCE PROJECTS, MARKETING, PROCESSING,  
25 DISTRIBUTION AND STORAGE OF AGRICULTURAL AND FISHERY COMMODITIES,  
26 LIVELIHOOD PROJECTS, SKILLS ENHANCEMENT OR CAPACITY-BUILDING PROGRAMS.  
27 BANKS MAY ALSO COMPLY WITH THE MANDATORY FINANCING REQUIREMENT  
28 THROUGH OTHER MEANS AS FOLLOWS:

29 (a) Invest in DEBT SECURITIES, INCLUDING THOSE issued by the Development  
30 Bank of the Philippines (DBP) and the Land Bank of the Philippines (LBP): Provided,  
31 That the proceeds from said DEBT SECURITIES shall be used TO FINANCE ACTIVITIES  
32 UNDER SECTION 3 HEREOF: Provided, further, That the proceeds from DEBT  
33 SECURITIES issued by the DBP and the LBP shall be separately accounted for and shall

1 not be considered for purposes of computing the loanable funds under Section 6 hereof  
2 of the said banks;

3 (b) Rediscount with BANKS eligible paper covering agriculture, fisheries and  
4 agrarian reform credits: Provided, That rediscounted paper shall no longer be eligible as  
5 compliance on the part of the originating bank;

6 (c) Invest directly in shares of stock of rural financial institutions, SUBJECT TO  
7 PREVAILING LAWS, RULES OR REGULATIONS or lend wholesale to rural financial  
8 institutions: Provided, That the wholesale loans shall be credited as compliance of the  
9 BANK ACTING AS wholesale lender alone;

10 (d) Lend for the construction and upgrading of infrastructure, including but not  
11 limited to, farm-to-market roads, as well as the provision of post-harvest facilities and  
12 other public RURAL infrastructure that will benefit the RURAL COMMUNITY;

13 (e) LEND TO AGRI-BUSINESS ENTERPRISES THAT MAINTAIN AGRICULTURAL  
14 COMMODITY SUPPLY-CHAIN ARRANGEMENTS DIRECTLY WITH RURAL COMMUNITY  
15 BENEFICIARIES;

16 (g) UNDERTAKE AGRICULTURAL VALUE CHAIN FINANCING TO ACTORS/  
17 PLAYERS IN THE AGRICULTURE VALUE CHAIN (AVC) THAT BENEFITS RURAL  
18 COMMUNITIES; AND

19 (h) Invest in shares of stock of the PCIC OR IN COMPANIES THAT PRIMARILY  
20 ENGAGE IN ACTIVITIES UNDER SECTION 4 HEREOF THAT BENEFIT RURAL  
21 COMMUNITY BENEFICIARIES; PROVIDED, THAT THE LOANS AND INVESTMENTS THAT  
22 ARE COUNTED AS COMPLIANCE ARE NOT FUNDED BY PROCEEDS FROM THE  
23 ISSUANCE OF DEBT SECURITIES, AND/OR LENDING OF OTHER BANKS THAT HAVE  
24 BEEN COUNTED AS COMPLIANCE WITH THE MANDATORY CREDIT: PROVIDED,  
25 FURTHER, THAT LOANS TO FINANCE ACTIVITIES THAT SHALL GENERALLY BENEFIT  
26 AGRARIAN REFORM BENEFICIARIES, AGRARIAN REFORM COMMUNITIES, OR OTHER  
27 PRIORITY SECTORS, AS MAY BE DETERMINED BY THE AFCFPC, SHALL BE COUNTED  
28 AT TEN TIMES (10X) THEIR OUTSTANDING AMOUNT, OR AS OTHERWISE PRESCRIBED  
29 BY THE BSP, FOR PURPOSES OF DETERMINING COMPLIANCE WITH THE MANDATORY  
30 AGRICULTURAL AND FISHERIES FINANCING REQUIREMENT.

31 SEC. 8. The MODES OF compliance enumerated in the preceding section shall be  
32 subject to review by the AGRICULTURE, FISHERIES AND RURAL DEVELOPMENT  
33 FINANCING POLICY COUNCIL (AFRDFPC) after implementation to determine whether  
34 THESE ARE ADEQUATE TO SUPPORT THE FINANCING REQUIREMENTS OF RURAL  
35 COMMUNITIES AND RECOMMEND TO CONGRESS FOR APPROPRIATE ACTION.

1 SEC. 9. Annual Reports. – The BSP shall furnish reports on the compliance with the  
2 mandatory AGRICULTURE, FISHERIES RURAL DEVELOPMENT FINANCING  
3 REQUIREMENT to the Congress on a yearly basis. THE BSP SHALL, AS PART OF ITS  
4 REGULATORY FUNCTIONS, MONITOR THE COMPLIANCE BY THE BANKS WITH THE  
5 REQUIREMENTS OF THIS ACT.

6 SEC. 10. Penalty Clause. – The BSP shall impose administrative sanctions and other  
7 penalties on the lending institutions for VIOLATION OF ANY OF the provisions of this  
8 Act. Penalties on noncompliance OR UNDERCOMPLIANCE shall be computed at one-  
9 half of one percent (0.5%) of noncompliance OR under compliance, OR AT RATES  
10 PRESCRIBED BY THE BSP MONETARY BOARD. UPON COLLECTION OF THE PENALTIES,  
11 THE BSP SHALL REMIT THE SAME TO THE AFRDFPC FOR DEPOSIT TO THE SPECIAL  
12 FUND CREATED UNDER ARTICLE III OF THIS ACT. TEN percent (10%) OF THE  
13 PENALTIES COLLECTED shall be RETAINED BY the BSP to cover administrative  
14 expenses.

15 SEC. 11. PROGRAM FUND. THE INITIAL CONTRIBUTION TO THE SPECIAL FUND SHALL  
16 INCLUDE PENALTIES DUE FROM BANKS ON THEIR NONCOMPLIANCE OR  
17 UNDERCOMPLIANCE WITH THE MANDATORY AGRI-AGRA CREDIT REQUIREMENT  
18 UNDER REPUBLIC ACT NO. 10000, COLLECTED AFTER THE EFFECTIVITY OF THIS ACT,  
19 NET OF THE TEN (10) PERCENT AMOUNT TO BE RETAINED BY THE BSP. THE SAID  
20 AMOUNT SHALL NOT BE LESS THAN TEN BILLION PESOS. ANY SHORTFALL SHALL BE  
21 CONTRIBUTED BY THE BANKS.

22 SEC. 12. THE AFCFPC SHALL YEARLY ASSESS THE ADEQUACY OF THE FUND CAPITAL  
23 IN FINANCING THE AGRICULTURAL, TECHNICAL AND CAPACITY-BUILDING  
24 REQUIREMENTS OF RURAL COOPERATIVES, ASSOCIATIONS AND OTHER DULY-  
25 REGISTERED ORGANIZATIONS OF RURAL AGRICULTURAL AND FISHERIES  
26 HOUSEHOLDS.

27  
28 a) THIRTY FIVE PERCENT (35%) OF THE FUND SHALL GO TO CAPACITY AND  
29 INSTITUTIONAL-BUILDING PROGRAMS AND ACTIVITIES FOR BANKS & THEIR  
30 CLIENTS IN THE RURAL AREAS; AND OTHER LENDING AND DEPOSIT  
31 GENERATING INSTITUTIONS CATERING TO AGRICULTURE AND FISHERIES  
32 SECTOR; MSMEs; COOPERATIVES; MICROFINANCE INSTITUTIONS AND THEIR  
33 BENEFICIARIES TO BE IMPLEMENTED BY DA-ATI, TESDA AND ITS ACCREDITED



1 FARM SCHOOLS, OR OTHER DULY RECOGNIZED INSTITUTIONS, PRIMARILY ON  
2 FINANCIAL LITERACY AND AGRI- ENTREPRENEURSHIP;

3 b) THIRTY FIVE PERCENT (35%) TO BE USED FOR THE FUNDING OF THE  
4 TITLING/PACELIZATION OF AGRARIAN REFORM LANDS BY THE DEPT. OF  
5 AGRARIAN REFORM FOR THE BENEFICIARIES; and

6 c) THIRTY PERCENT (30%) IN THE FORM OF CREDIT TO COOPERATIVES OR  
7 ASSOCIATIONS TO BE LEND OUT TO THEIR MEMBERS, AND TO MICRO AND  
8 SMALL SCALE ENTERPRISES (MSEs) AS DEFINED IN REPUBLIC ACT 6977, AS  
9 AMENDED, TO BE MANAGED AND DISPENSED BY LANDBANK AND THE  
10 DEVELOPMENT BANK OF THE PHILIPPINES WITH A MINIMUM MANAGEMENT  
11 FEE.

12  
13 SEC 13. THE BANKS, THE AGRICULTURAL TRAINING INSTITUTE (ATI), ANY  
14 GOVERNMENT ACCREDITED TRAINING AND CAPACITY-BUILDING ORGANIZATION,  
15 TESDA, AND ITS ACCREDITED FARM SCHOOLS, RURAL AND AGRICULTURAL  
16 COOPERATIVES AND OTHER DULY-REGISTERED ORGANIZATIONS/ASSOCIATIONS OF  
17 RURAL AGRICULTURAL AND FISHERIES HOUSEHOLDS MAY APPLY WITH THE AFCFPC  
18 FOR GRANT FUNDING FOR THEIR AGRICULTURAL- CAPACITY AND INSTITUTION-  
19 BUILDING PROGRAMS.

20 SEC. 14. AGRICULTURAL AND FISHERIES CAPACITY-BUILDING FINANCE POLICY  
21 COUNCIL (AFCFPC). — THERE SHALL BE CREATED AN AGRICULTURAL AND FISHERIES  
22 CAPACITY-BUILDING FINANCE POLICY COUNCIL (AFCFPC) WHICH SHALL BE  
23 COMPOSED OF:

24 THE GOVERNOR, BANKO SENTRAL NG PILIPINAS (BSP), AS CHAIR,

25 THE SECRETARY, DEPARTMENT OF AGRICULTURE (DA);

26 THE DIRECTOR-GENERAL, NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY  
27 (NEDA);

28 THE SECRETARY OF FINANCE (DoF)

29 THE SECRETARY, DEPARTMENT OF AGRARIAN REFORM (DAR);

30 THE SECRETARY, DEPARTMENT OF THE BUDGET & MANAGEMENT (DBM);

31 THE SECRETARY, DEPARTMENT OF TRADE AND INDUSTRY (DTI);

32 THE PRESIDENT, LAND BANK OF THE PHILIPPINES (LBP);

33 THE PRESIDENT, DEVELOPMENT BANK OF THE PHILIPPINES (DBP); AND

34  
35 THREE (3) REPRESENTATIVES FROM THE PRIVATE SECTOR, ONE OF WHOM SHALL BE  
36 APPOINTED AS VICE-CHAIRMAN. THE PRIVATE SECTOR REPRESENTATIVES SHALL BE  
37 CHOSEN AND RECOMMENDED BY THE SECTOR FROM THE PRESIDENTS OF, THE

1 RURAL BANKERS ASSOCIATION OF THE PHILIPPINES (RBAP); CHAMBER OF THRIFT  
2 BANKS (CTB); THE BANKERS ASSOCIATION OF THE PHILIPPINES (BAP), THE CHAIR,  
3 COOPERATIVE BANKS FEDERATION OF THE PHILIPPINES (BANGKOOP); AND THE  
4 CHAIRMAN, MICROFINANCE COUNCIL OF THE PHILIPPINES, INC. (MCPI);  
5 and lastly -

6  
7 ONE (1) REPRESENTATIVE FROM A FARMER OR FISHERFOLK COOPERATIVE.  
8

9 THE OPERATION AND ADMINISTRATIVE COST OF THE ADMINISTRATION OF  
10 PROGRAMS OF AFCFPFC SHALL BE CHARGEABLE TO BANKO SENTRAL NG PILIPINAS  
11 (BSP) COMING FROM THE TEN (10) PERCENT OF THE PENALTIES COLLECTED FROM  
12 FOR THE YEARS 2011-2017.  
13

14 SEC. 15. POWERS, DUTIES AND FUNCTIONS OF THE AFCFPFC. — THE AFCFPFC SHALL  
15 HAVE THE FOLLOWING POWERS, DUTIES, AND FUNCTIONS:

16 a) TO SET TARGETS FOR ANNUAL CONTRIBUTIONS TO THE SPECIAL FUND TO BE  
17 COMMITTED BY THE BANKS IN AN AMOUNT THAT IS SUFFICIENT TO MEET THE  
18 ORGANIZATIONAL AND THE CAPACITY BUILDING REQUIREMENTS OF THE RURAL  
19 COOPERATIVES AND OTHER DULY-REGISTERED ORGANIZATIONS OF RURAL  
20 AGRICULTURAL AND FISHERIES HOUSEHOLDS INCLUDING MSMEs OVER A PERIOD OF  
21 TEN (10) YEARS;

22 b) TO IDENTIFY ELIGIBLE GRANT RECIPIENTS OF THE SPECIAL FUND;

23 c) TO IDENTIFY ELIGIBLE AGRICULTURAL- AND FISHERY-RELATED CAPACITY  
24 BUILDING PROGRAMS THAT MAY BE FINANCED BY THE SPECIAL FUND as defined in  
25 Section 12 herein;

26 d) TO UNDERTAKE REPORTING, MONITORING, EVALUATION AND AUDIT  
27 REQUIREMENTS OF THE SPECIAL FUND AND ACTIVITIES FINANCED.

28 SEC. 16. SUNSET PROVISIONS. THE PROVISIONS RELATED TO THE MANDATORY  
29 CREDIT QUOTA FOR AGRICULTURE, FISHERIES, AND RURAL DEVELOPMENT UNDER  
30 SECTION 5 AS WELL AS THE MANAGEMENT AND ADMINISTRATION OF THE SPECIAL  
31 FUND UNDER SEC. 14 SHALL CEASE TO HAVE EFFECT, ON THE TENTH (10th) YEARS  
32 FROM APPROVAL OF THIS ACT.

33 SEC. 17. Congressional Oversight. — The Congressional Oversight Committee on  
34 Agricultural and Fisheries Modernization (COCAFAM) shall exercise oversight functions  
35 over the implementation of this Act.

36 SEC. 18. Implementing Guidelines. - The Central Bank, in coordination with LBP,  
37 Development Bank of the Philippines, Cooperative Development Authority, Department  
38 of Agriculture, Department of Agrarian Reform, a representative each from the  
39 Commercial Banks, Chamber of Thrift Banks, Rural Banks, Microfinance Organizations

1 and other relevant agencies, shall formulate the necessary implementing rules  
2 guidelines and/or mechanisms within fifteen (15) working days after approval of this  
3 Act.

4 SEC.19. Repealing Clause. - Any other provisions of laws, decrees and regulations,  
5 administrative orders inconsistent with the provisions of this Act are hereby repealed or  
6 amended accordingly.

7 SEC 20. Effectivity. - This Act shall take effect fifteen (15) days after its publication in  
8 the Official Gazette or in a newspaper of general circulation.

9

10

11 Approved,