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SENATE

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P.S. Res. No. 658

Introduced by Senator Loren Legarda

RESOLUTION

DIRECTING THE COMMITTEE ON AGRICULTURE AND FOOD TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED IRREGULARITIES IN THE USE OF FUNDS BY THE DEPARTMENT OF AGRICULTURE AS REPORTED BY THE COMMISSION ON AUDIT TO THE DETRIMENT OF FILIPINO FARMERS

Whereas, Section 27, Article II of the Constitution states that the "State shall maintain honesty and integrity in public service and take positive and effective measures against graft and corruption";

Whereas, Section 28, Article II of the Constitution, states that "[s]ubject to reasonable conditions prescribed by law, the state adopts and implements a policy of full public disclosure of all its transactions involving public interest;

Whereas, Section 7, Article III of the Constitution, provides for the "right of the people to information on matters of public concern shall be recognized. Access to official records, and to documents, and papers pertaining to official acts, transactions, or decisions, as well as to government research data used as basis for policy development, shall be afforded the citizen, subject to such limitation as may be provided by law.";

Whereas, Section 1, Article X of the Constitution, states that "[p]ublic office is a public trust. Public Officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty, and efficiency, act with patriotism and justice, and lead modest lives";

Whereas, the Department of Agriculture (DA) is the main agency of the Philippine Government responsible for the promotion of agricultural development;

Whereas, there is an existing rice crisis in the country;

Whereas, the Ginintuang Masaganang Ani (GMA) is one of the three banner programs under the Agricultural and Fisheries Modernization Act (AFMA) created in order to accomplish the objectives of generating employment, increasing agricultural productivity, modernizing the agriculture and fishery sector, attaining security and competitive self-sufficiency in rice by being more responsive to farmers' needs;

Whereas, funds were appropriated to the GMA Program for the accomplishment of the aforementioned objectives;

Whereas, the Commission on Audit (COA) released the audit report on the Department of Agriculture for CY 2007;

Whereas, in the said audit report , the performance audit of the GMA Banner Programs which includes the Ginintuang Masaganang Ani, was found to have “led to loss or waste of government resources amounting to P 237.61 million which could have been prevented if risks were managed through timely devised guidelines, proper coordination with stakeholders, bidding on procurements, acquisition of equipment and farm implements suited to needs and timely delivered, compliance with MOAs and relevant regulations, and timely project progress monitoring and evaluation “;

Whereas, among the deficiencies are the following:

1. “Excess cost in the procurement of farm inputs and implements without public bidding and overpayment of farm-to-market road projects” in the amount of-P 33.71 million;
2. “1,074 bags of corn seeds undistributed and infected with weevils” in the amount of P 1.12 million; and
3. “Deteriorated materials for perimeter fence at Baguio Dairy Farm not constructed due to non delivery of cement, price of which escalated” in the amount of P 0.88 million;

Whereas, another finding is that “Regional Field Unit XI purchased equipment,” amounting to P30.96 million, “not relevant to livelihood program remained in the hands of a legislator”;

Whereas, the report further found out that “Benefits derived from projects totalling P1.31 billion cannot be ascertained for lack of audit trail due to failure of fund recipients to submit liquidation reports, incomplete or absence of master list of farmer beneficiaries, non-compliance with regulations, MOAs and standard procedures, and NGOs not found in stated addresses, local offices/residents including the Antipolo Philanthropy Foundation Inc. (APFI) with 23 projects costing P146.6 million which cannot be identified by the DA officials”; In other words, APFI, to which P 146.6 million was channelled by the DA, appears to be nonexistent and fictitious;

Whereas, according to the same COA report, the GMA Rice Program is “tainted with flaw” because “sampled beneficiaries in three regions did not receive the subsidized rice seeds/fertilizers from DA and denied the signatures appearing in the masterlist.” In short, the signatures appear to be forged;

Whereas, the COA, further reported that financial transactions totalling P1.646 billion are with deficiencies such as : (a) deviation of ACEF loan funds in favour of National Agribusiness Corporation (NABCOR), a conduit, at the expense of legitimate proponents; (b) circuitous and unnecessary transfer of regular and PDAF funds to NABCOR thru the Regional Field Units resulting in the accumulation of unliquidated balances of NABCOR to P1.067 billion; (c) NGOs are not compliant with significant provisions of COA Circular 96-003 and (d) fund transfers to offices/regions utilized not for livelihood but for vehicles and equipment of DA-OSEC, etc.”;

Whereas, COA complained of “Various releases from DBM over and above appropriation totalling P4.36 billion with vague work and financial plan and without

expected activities and outputs but merged with the regular funds under the approved Agency Budget Matrix”;

Whereas, media, quoting the same audit report, alleged that there were “irregularities” in the disbursement of “P4.3 billion in food production fund releases” in addition to “misuse of P218 million meant for hybrid seeds and other farm inputs for farmer-beneficiaries” by the DA in 2007;

Whereas, the Auditor depicted the presentation of the Financial Statements by DA for CY 2007 to be unfair because of “various significant accounting errors and deficiencies noted in audit” summarized in the said audit report;

Whereas, serious issues in accountability of DA officials could be reasonably inferred from the audit report;

Whereas, Secretary Arthur Yap, in a meeting with congressmen at the House of Representatives was unable to explain alleged irregularities involving billions of pesos in funds appropriated for agriculture;

Whereas, the mandate of government accountability strongly militates against the foregoing unconscionable irregularities and bare-faced corruption, in the financial transactions of the DA and in the actions of its officials;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, to direct the Committee on Agriculture and Food to conduct an inquiry, in aid of legislation, on the alleged irregularities in the use of funds by the Department of Agriculture as reported by the Commission on Audit to the detriment of the Filipino people.

Adopted,


LOREN LEGARDA
Senator