

MALACAÑANG  
Manila

EXECUTIVE ORDER NO. 113

ESTABLISHING THE COMPREHENSIVE AGRICULTURAL LOAN FUND (CALF),  
CREATING THE AGRICULTURAL CREDIT POLICY COUNCIL (ACPC)  
AND FOR OTHER PURPOSES

WHEREAS, it is important to streamline all policies and measures on agricultural credit in consonance with the over-all economic objectives of the National Government;

WHEREAS, such economic objectives require that agricultural development be pursued with greater determination through the provision of adequate financing and other incentives;

WHEREAS, credit funds intended for agricultural and agriculture-related purposes are presently diversely managed, and their utilization could better be optimized if they were consolidated;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Declaration of Policy. – It is hereby declared the policy of the State to spur agricultural development through the provision of financial and other incentives to encourage investments in agriculture.

SECTION 2. Consolidation of Agriculture and Agriculture-Related Loanable Funds. – All existing and future loan funds that are agricultural and agriculture-related in nature shall be consolidated under one fund to be called “Comprehensive Agricultural Loan Fund” (CALF) which shall be composed of: 1) government-owned funds presently being administered by the Central Bank; 2) Loanable funds for agricultural commodities and activities being administered by government agencies, corporations and banks that are sourced from the National Treasury; and 3) funding of foreign assisted projects, which shall be subject to negotiation with the respective foreign institutions, in consultation with the Central Bank and the National Economic and Development Authority: Provided, That funds emanating from foreign sources, where the Central Bank of the Philippines is the original or ultimate borrower, shall not, together with the counterpart funds thereof, be covered by this executive order.

The Comprehensive Agricultural Loan Fund (CALF) may be augmented through other sources such as general appropriations, loans, donations and grants within and outside the country.

SECTION 3. Termination of Agreements. – Upon the effectivity of this Executive Order, all agreements providing for the administration of government-owned and/or National Treasury-sourced funds which are herein being directed to be transferred to the Comprehensive Agricultural Loan Fund (CALF), shall be deemed terminated, and all government agencies concerned including the Central Bank of the Philippines, shall take steps, in no case later than one (1) month from effective date hereof, for the smooth and expeditious transfer to the Comprehensive Agricultural Loan Fund (CALF) of said funds, as well as all assets and liabilities of such funds, including but not necessarily limited to the funds listed in the Annex “A” hereof.

Upon the transfer of the said funds to the Comprehensive Agricultural Loan Fund (CALF), the Ministry of Agriculture and Food (MAF) shall assume all rights and obligations as may pertain to the administration of the funds transferred to the Comprehensive Agricultural Loan Fund (CALF): Provided, That the termination of the various agreements shall not affect the obligations incurred by third parties, which obligations shall continue to be in force and effect until such time that such obligations are fully liquidated.

Funds involved in foreign-assisted projects may be transferred to the Comprehensive Agricultural Loan Fund (CALF) subject to negotiations with the respective foreign institutions concerned.

SECTION 4. Management and Utilization of the Comprehensive Agricultural Loan Fund (CALF). – The Comprehensive Agricultural Loan Fund (CALF) shall be under the control and supervision of the Ministry of Agriculture and Food (MAF). The Ministry of Agriculture and Food (MAF), which shall be directly responsible for the Management of the Comprehensive Agricultural Loan Fund (CALF), is hereby authorized to do any and all such acts as will assure the judicious and proper management of the Comprehensive Agricultural Loan Fund (CALF), including the designation of a Trustee Bank which, upon the direction of the Ministry of Agriculture and Food (MAF), shall invest the unencumbered cash resources of the Comprehensive Agricultural Loan Fund (CALF) not required for current operating purposes for the account of the Comprehensive Agricultural Loan Fund (CALF) in bonds and other securities issued by institutions duly authorized to issue the same and/or guaranteed by the Philippine Government.

The Ministry of Agriculture and Food (MAF) shall the Comprehensive Agricultural Loan Fund (CALF): Provided, that the Ministry of Agriculture and Food (MAF) shall in no case lend any portion of the Comprehensive Agricultural Loan Fund (CALF) directly to end-users, but shall continue to administer such funds through the banking system, except in the cases of the Guarantee Fund for Small and Medium Enterprises (GFSME) and the Quedan Guarantee Fund Board (QGFB), without prejudice to providing a guaranty system from an appropriate source. Any Comprehensive Agricultural Loan Fund (CALF) earnings may be utilized by the Ministry of Agriculture and Food (MAF) for agriculture projects and agriculture-related activities including those of the Agricultural Credit Policy Council (ACPC) as the Ministry of Agriculture and Food (MAF) may deem necessary.

SECTION 5. Creation of the Agricultural Credit Policy Council (ACPC). – The Agricultural Credit Policy Council (ACPC), hereinafter referred to as the “Council”, is hereby established to replace the Presidential Committee on Agricultural Credit (PCAC) and the Technical Board for Agricultural Credit (TBAC).

The Council shall be composed of: The Minister, Ministry of Agriculture and Food, as Chairman; the Governor, Central Bank of the Philippines, as Vice-Chairman; the Director-General, National Economic Development Authority; the Minister, Ministry of Budget and Management; and the Minister, Ministry of Finance, as members.

The Council may call on any instrumentalities of the Government for assistance and support in the form of human, technical and financial resources toward the attainment of the Policy of the State.

The Council shall assist the Ministry of Agriculture and Food (MAF) in synchronizing all credit policies and programs in support of the Ministry of Agriculture and Food’s (MAF) priority programs covering such activities as:

- a) land development/improvement and farm production
- b) farm mechanization
- c) production and supply of agricultural inputs
- d) transportation and storage
- e) processing
- f) marketing and other related activities
- g) small farm financing
- h) resource mobilization

The Council shall review and evaluate the economic soundness of all on-going and proposed agricultural credit programs. All proposed agricultural credit programs shall have the prior approval of the Council before submission to the approving or funding agency, whether domestic or foreign.

The Council shall receive all reports and documents of all programs with agricultural credit and financing components.

The Council shall undertake measures of increasing its fund base and of adopting other liquidity, interest stabilization and risk cover mechanisms for its various financing programs in consultation with the Monetary Board.

SECTION 6. Officers of the Council. – The Chairman shall have the power and responsibility of administering, directing and managing the implementation of the policies of the Council.

An Executive Director shall be appointed by the Council. The Executive Director shall implement the programs, projects and decisions of the Council as well as prepare an organizational plan and plantilla of personnel subject to the approval of the Council.

The Council may appoint one or more Directors, who shall assist the Executive Director in the performance of his duties.

The Council shall hire such other personnel as may be necessary for the performance of its basic functions. All positions shall be subject to Civil Service rules and regulations and the Office of Compensation and Position Classification except positions which are highly technical, policy determining, or primarily confidential.

SECTION 7. Separability Clause. – Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying the other provisions thereof: Provided, That such remaining portions can still be given to effect in their entirety to accomplish the objectives of this Executive Order.

SECTION 8. Repealing Clause. – All laws, orders, issuances, rules, regulations or parts thereof, which are inconsistent with any of the provisions of this Executive Order are hereby repealed or modified.

SECTION 9. Effectivity. – This Executive Order shall take effect immediately.

Done in the City of Manila, this 24<sup>th</sup> day of December, in the year of Our Lord, nineteen hundred and eighty-six.

By the President:

JOKER P. ARROYO  
Acting Executive Secretary

Initial List of Funds to be Consolidated  
Under the Comprehensive Agricultural Loan Fund

1. CB: BAI (DALL) – Central Bank: Bureau of Animal Industry  
(Department of Agriculture Livestock Loan)
2. CB: BAI (Guarantee) – Central Bank: Bureau of Animal  
Industry (Guarantee)
3. KASAKA: OSY – Kabataang Sakahan sa Kanunlaran: Out-of  
School Youth
4. SARF – Special Agricultural Rehabilitation Fund
5. YCF: IRPP – Yellow Corn Fund: Intensified Rice Production  
Program
6. YCF: MAF – Yellow Corn Fund: Ministry of Agriculture  
and Food
7. NFAC: SFSCF – National Food and Agriculture Council:  
Small Fisherman’s Special Credit Fund
8. NFAC: ALF – National Food and Agriculture Council:  
Agricultural Loan Fund
9. FLGF – Fisheries and Loan Guarantee Fund
10. IAF: PVTA – Integrated Agricultural Financing:  
Philippine Virginia Tobacco Administration
11. ALF: PTA – Agricultural Loan fund: Philippine Tobacco  
Administration
12. ALF: PCC – Agricultural Loan Fund: Philippine Cotton  
Corporation
13. NGA: BPW – National Grains Authority: Bureau of Public  
Works
14. NFA: ALF: NGA – National Food Authority: Agricultural  
Loan Fund: National Grains Authority