



# Philippine Agri Finance news

Agricultural Credit Policy Council News Magazine  
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**Sikat Saka  
Expands to  
25 Provinces**

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*Department of Agriculture Secretary Proceso J. Alcala initiated the setting up of the Sikat Saka Program in January 2012 for lending to small palay farmers in support of the DA's Food Staples Sufficiency Program (FSSP). The program provides credit to eligible members of irrigator's associations and boost production towards the attainment of self sufficiency in rice. The ACPC has provided P200 million for the program's operations. Landbank, on the other hand, provided a P200 million lending fund. (Photo courtesy of DA-AFIS)*



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DA Secretary Proceso J. Alcala (middle) presides over the 54th ACPC Governing Council Meeting. Clockwise, from Sec. Alcala, are: DA Usec. Emerson U. Palad, DBM Usec. Mario L. Relampagos, ACPC Exec. Dir. Jovita M. Corpuz, ACPC OIC-Dep. Exec. Dir. Magdalena S. Casuga, ACPC Chief of Program Development & Mgt. Noel Clarence Ducusin, PCFC's Atty. Noel Poso, Landbank Vice President Leila Martin, Mr. Ramon Theodore De Guzman of the DoF, BSP Dep. Gov. Nestor A. Espenilla, Jr., and DA Usec. Bernadette Romulo Puyat.



# P1B Agricultural Fisheries Financing Program Gets ACPC Approval

By **Rumina A. Gil**

The members of the Agricultural Credit Policy Council (ACPC) approved the implementation of a new P1 billion financing program that aims to help increase the productive capacity and incomes of small farming and fishing households and contribute to the attainment of food self-sufficiency.

The ACPC members signed ACPC Resolution No. 2, Series of 2013 approving the Implementing Guidelines of the Agricultural Fisheries Financing Program (AFFP) during the 54<sup>th</sup> ACPC Meeting held on July 18, 2013 chaired by Department of Agriculture (DA) Secretary Proceso J. Alcala.

The AFFP will be implemented initially in the 20 poorest provinces with completed registry of farmers and fisherfolk under the Registry

System for Basic Sectors in Agriculture (RSBSA).

The RSBSA is envisioned as a complete listing of farmers, farm laborers, and fisherfolk. It is being developed through an inter-agency effort among the Department of Budget and Management (DBM), DA, Department of Agrarian Reform (DAR), Department of Interior and Local Government (DILG), and the National Anti-Poverty Commission (NAPC).

The main objective of the RSBSA is to create a nationwide database of information on farmers, farm laborers, and fisherfolk alongside their basic profile which may be used as a tool in efficiently carrying out the delivery of basic services, provisioning for adequate facilities, and forms of subsidy and aid relative

outlay will be released to ACPC and transferred to the Land Bank of the Philippines (Landbank) and People's Credit and Finance Corporation (PCFC). The ACPC, through its Governing Council, will approve the fund allocations to LandBank and the PCFC.

A special credit facility will be opened by Landbank for the AFFP. The bank will lend directly to individual borrowers in coordination with identified farmer/fisherfolk organizations. Eligible sub-borrowers under the special credit facility are small farmers and small fisherfolk registered in the RSBSA and their household members, except Agrarian Reform Beneficiaries (ARBs). ARBs are already being serviced under another special credit facility.

Agri-fishery commodities eligible for financing under the AFFP are the priority commodities of the DA such as livestock, fishery and crops other than rice. Rice, on the other hand, already has an exclusive financing program of its own called the Sikat Saka Program. This program is also being jointly implemented by the DA, ACPC, and the Landbank.

The amount of loan under the AFFP will be based on the credit requirement of the project but not to exceed the loan ceilings prescribed by

to the agriculture and fisheries sector. As such, the database also serves as an aid to economic development planning and policymaking.

For the implementation of the AFFP, P1 billion from the 2013 General Appropriations Act (GAA) capital

## 20 Provinces with Completed Registry System for Basic Sectors in Agriculture

- |                       |                         |
|-----------------------|-------------------------|
| 1. Abra               | 11. North Cotabato      |
| 2. Agusan del Sur     | 12. Northern Samar      |
| 3. Apayao             | 13. Romblon             |
| 4. Camarines Sur      | 14. Sarangani           |
| 5. Davao Oriental     | 15. Siquijor            |
| 6. Eastern Samar      | 16. Sultan Kudarat      |
| 7. Ifugao             | 17. Surigao del Norte   |
| 8. Kalinga            | 18. Surigao del Sur     |
| 9. Masbate            | 19. Western Samar       |
| 10. Mountain Province | 20. Zamboanga del Norte |



*DA Secretary Proceso J. Alcala (middle) with DA Usec for Special Concerns Bernadette Romulo Puyat (left) and DA Usec. Emerson U. Palad (right)*



*Landbank Vice President Leila Martin discusses the credit facility of the Landbank for the AFFP.*



*Atty. Noel Poso of PCFC presents the wholesale lending facility for AFFP.*

Landbank or based on 80% of the project cost, if no loan ceiling is available.

PCFC, on the other hand, will open a wholesale lending facility to borrower organizations. Eligible borrower-organizations are cooperatives, cooperative banks, cooperative rural banks, rural banks,

non-government organizations (NGOs), and people’s organizations (POs) that pass the credit evaluation of PCFC based on its accreditation criteria.

Eligible borrower-organizations under the AFFP may avail of the following credit facilities: (1) *Agricultural Microfinance* or wholesale

loan to be used for financing agri-fishery projects and/or other income generating activities of eligible sub-borrowers; and (2) *Agri-fishery Loan* or wholesale loan for financing eligible sub-borrowers’ projects/activities related to production, processing and marketing of crops, livestock, poultry, high-value crops, and fishery products.



*The ACPC Management Committee (from left to right): Director Melito M. Montenegro, Director Ma. Cristina G. Lopez, Director Veronica P. Santos, OIC Deputy Executive Director Magdalena S. Casuga, Executive Director Jovita M. Corpuz, OIC Director Ma. Teresa J. Santos and Director Norman William S. Kraft with DA Secretary Proceso J. Alcala and DA Usec. Bernadette Romulo Puyat (6th and 7th from left).*

*ACPC Officers and Staff during the DA Secretary’s 1st visit at the ACPC Office at 28 F One San Miguel Ave. Building, San Miguel Ave. cor. Shaw Blvd., Ortigas Center Pasig City on July 18, 2013.*





PCFC  
ACPC Executive Director Jovita M. Corpuz explains the role of the ACPC in the AFFP.

One of the new features under the AFFP is the eligibility of long-gestating agri-fishery projects. Under the PCFC lending facility, the term for wholesale loans utilized for financing long-gestating projects is up to seven years. Landbank, on the other hand, can finance long-term crops/commodities for terms not exceeding seven years.

Borrowers under the program are also required to enroll their agri-fishery production projects for coverage under the appropriate Philippine Crop Insurance Corporation (PCIC) insurance facility. PCIC may provide the insurance cover without cost to the borrower whenever applicable as provided under existing PCIC guidelines.

The AFFP also offers an interest rebate feature to promote lower interest rates for end-borrowers. Participating MFIs of the PCFC and service conduits of Landbank may be eligible for rebates depending on either the level of interest rate they will offer to sub-borrowers or their lending collection performance.

The other members of the ACPC Governing Council present during the 54<sup>th</sup> ACPC Meeting were Bangko Sentral ng Pilipinas (BSP) Deputy Governor Nestor Espenilla, Jr. and Department of Budget and Management (DBM) Undersecretary Mario Relampagos. Also present for the Department of Finance was Mr. Ramon Theodore De Guzman. Landbank Vice President Leila Martin presented the credit facility of the Landbank for the AFFP, while Atty. Noel Poso of PCFC presented the PCFC wholesale lending facility for AFFP.

## DA Secretary Alcala Asks Rural Banks to Participate More in Agri-Lending

By Norman William S. Kraft

Department of Agriculture (DA) Secretary Proceso J. Alcala was invited as keynote speaker during the 60th Annual Convention of the Rural Bankers Association of the Philippines (RBAP) held on June 12, 2013.

In his speech, Secretary Alcala urged the country's rural banks to implement innovative financing programs to serve more small farmers, fishers and rural entrepreneurs. "In particular we wish to invite the rural banks to partner with us in a number of innovative financing programs we implement under the AFMA-mandated Agro-Industry Modernization Credit and Financing Program (AMCFP)," he said.

Secretary Alcala cited that one of the schemes under the AMCFP is the utilization of special time deposits (STDs) directly deposited by the DA to partner cooperative banks and cooperative rural banks through the Agricultural Credit Policy Council (ACPC). Under the scheme, known as the Cooperative Banks Agri-Lending Program (CBAP), borrowers benefit from lower interest rates of not more than 15 percent per annum since the loans do not require being coursed through wholesalers.

In 2012, loan releases under the AMCFP totaled P1.12 billion, more than double the P446 million lent in 2011. For 2013, the DA has allotted an additional P1B for the implementation of a new program under the AMCFP. The objective of the program is to increase production and incomes of the farmers to meet food self-sufficiency targets. "We hope you could participate in this program," Secretary Alcala advised the members of the RBAP, led by its president, Atty. Leandro Z. Garcia, Jr.

*"Kailangan nating seguraduhin na walang maiiwan at lahat ng ating kababayan, lalong-lalo na ang mayoryang nasa kanayunan, ay makakatikim ng biyaya ng paglago,"* Secretary Alcala added. "It's high time that we consolidate efforts to

[see DA Secretary... page 9](#)

Participants in the “Ugnayang Agri-Kredit sa Probinsiya” seminar for the province of Eastern Samar.



## Ugnayang Agri-Kredit sa Probinsiya Seminars Held for Eastern Samar and Samar Provinces

By Rudyard R. Roxas

The Agricultural Credit Policy Council (ACPC) partnered with the Department of Agriculture Regional Field Unit 8 (DA-RFU 8) in conducting “Ugnayang Agri-Kredit sa Probinsiya” seminars for the provinces of Eastern Samar and Samar on March 19-22, 2013 in Marabut, Samar.

The seminars were conducted primarily to create awareness about agri-credit policies and existing agri-financing programs of the DA—especially the programs under the Agro-Industry Modernization Credit and Financing Program (AMCFP) overseen by the

ACPC – and the financing windows of other institutions. Credit matching activities were also conducted during the seminars to match the participants’ financing requirements with the programs or financing windows that were presented to them. The seminars also included a lecture-workshop for participants on how to prepare a business plan.

Each of the two seminars was attended by around eighty (80) participants, who were composed mainly of officials or representatives of cooperatives; irrigators’ associations

(IAs); farmers/fisherfolk associations; the municipal, city, or provincial Agriculture Office; and the municipal and/or provincial Agriculture and Fishery Councils (AFCs).

The seminars’ resource persons who explained the prevailing agricultural credit policies and presented the different available credit programs were ACPC Public Affairs and Information Service (PAIS) Director Norman William S. Kraft; ACPC Information Officer Rudyard Roxas; People’s Credit and Finance Corporation’s (PCFC) Corporate Communications Manager,



DA-Agribusiness and Marketing Assistance Service (DA-AMAS) Agribusiness Investment Division Chief Nemelita Sungcaya presenting the agriculture and fishery investment opportunities in Region 8.



DA-RFU 8 Regional Agricultural Credit Desk Officer (RACDO) and Agribusiness and Marketing Assistance Division Chief Evelyn Mionda spearheaded the coordination with ACPC and the conduct of the “Ugnayang Agri-Kredit sa Probinsiya” seminars for the provinces of Eastern Samar and Samar on March 19-22, 2013 in Marabut, Samar.



DA-RFU 8 Administration and General Services Division Chief Dr. Jenny Almeria explains to seminar participants the funding assistance being made available by the DA for farm machinery, equipment, warehouse, and other farm facilities under a cost-sharing arrangement, where 85% of the cost is borne by the DA-RFU and 15% forms the beneficiary’s equity.

Dom Pantalita; PCFC's Fred Costa; representatives from the local branches of the Development Bank of the Philippines (DBP); a representative from the local lending center of the Land Bank of the Philippines (LBP); Metro Ormoc Community Cooperative (OCCCI) Guiuan Branch Manager Jennifer Cabos; and Northern Samar Development Workers Credit Cooperative (NSDWCC) Chairman Norman Diaz.

On risk mitigation, a resource person from the Philippine Crop Insurance Corporation (PCIC) presented the different available crop insurance products of the PCIC; while Agricultural Guarantee Fund Pool (AGFP) Guarantee Officer Joseph Charles Santos also presented the credit guarantee guidelines of the AGFP.

Other resource persons during the seminars were DA-Agribusiness and Marketing Assistance Service (DA-AMAS) Agribusiness Investment Division Chief Nemelita Sungcaya who gave a presentation on investment opportunities in agriculture and fishery in Region 8; and ACPC-Institutional Capacity Building (ICB) staff, Ronnie Tabucanon, who lectured and facilitated workshops on business plan preparation

DA-RFU 8 was represented by Regional Technical Director Arsenio Fortin; Administration and General Services Division Chief Dr. Jenny Almeria; Agricultural Provincial Coordinating Officer (APCO) Gilbert Olchondra; Agribusiness and Marketing Assistance Division Chief and Regional Agricultural Credit Desk Officer (RACDO) Evelyn Mionda; and other DA-RFU 8 AMAD staff.

In the seminars, Nemelita Sungcaya of the DA-AMAS emphasized the government's advocacy to organize small farmers into cooperatives to make their farming operations more economically feasible. She explained how, due to their very limited scope and scale of operations, small farms are often not financially viable individually.



ACPC staff, Rudyard Roxas and Ronnie Tabucanon, presenting the programs under the Agro-Industry Modernization Credit and Financing Program (AMCFP) and the rudiments of business plan preparation, respectively.

Participants in the seminars also learned of the funding assistance being made available by DA-RFU 8 for farm machinery, equipment, warehouse, and other farm facilities under a cost-sharing arrangement, where 85% of the cost is borne by the DA-RFU and 15% forms the beneficiary's equity. Dr. Jenny Almeria of DA-RFU 8 explained that the targeted beneficiaries of the cost-sharing program are also farmers' organizations. Before the seminars ended, the DA-RFU was able to facilitate the application of at least one of the cooperative-participants for the machinery (tractor) subsidy program of the DA.

PCIC also informed about DA-RFU 8's crop insurance support program for the Region. DA-RFU 8 RTD Arsenio Fortin explained that the mentioned program was adopted by the DA-RFU as one of its substitute measures to the

recent abolition of the DA seed subsidy program. The crop insurance support program is intended to mitigate farming risk, especially in light of the onset of the effects of climate change. Under the program, the effective premium on crop insurance paid by farmers is further reduced, thereby providing farmers with a much needed direct protection against the danger to their agricultural livelihood brought about by climate change.

In the credit matching activities, it was learned that the projects of the seminar participants that need financing assistance are: cassava production; corn production; inorganic and organic rice production; fish culture; vegetable production; hog fattening; palay seeds production; multi-pass rice mill; rice drier; rice warehouse; organic fertilizer production; and procurement of agri-vet products, among others.



DA-RFU 8 Regional Technical Director Arsenio Fortin (in green shirt) informs participants about the crop insurance support program of the DA-RFU, which is intended to mitigate farming risk. Under the program, the effective premium on crop insurance paid by farmers is further reduced, thereby providing farmers with a much needed direct protection against the danger to their agricultural livelihood brought about by climate change.

## ACPC & NAFC Conduct Training on M&E for Regions 4-A, 4-B and 5

By Norman William S. Kraft

*Participants, resource persons, and organizers of the "Trainers' Training on the Use of the Agriculture and Fishery Council (AFC) Monitoring and Evaluation (M&E) Instruments" for Regions 4-A, 4-B, and 5.*

The Agricultural Credit Policy Council (ACPC) and the National Agriculture and Fishery Council (NAFC) partnered in organizing and conducting a "Trainers' Training on the Use of the Agriculture and Fishery Council (AFC) Monitoring and Evaluation (M&E) Instruments" for the trainers on the AFC M&E instruments who have been identified by NAFC for Regions IV-A, IV-B, and V. The training was conducted on June 06-08, 2013 at the Development Academy of the Philippines Conference Center in Tagaytay City.

The activity was the first in a series generally aimed at training the people who will, in turn, train the different AFC monitoring teams nationwide on how to use the newly developed AFC M&E instruments for monitoring seven (7) types of DA and NAFC priority projects: 1) irrigation projects, 2) post-harvest facilities (PHF), 3) farm-to-market roads (FMR), 4) projects under the Agrikulturang Kaagapay ng Bayang Pinoy Program (AKBay), 5) projects under the Livelihood Enhancement for

Agricultural Development (LEAD) Roll-Over Funds, 6) the beneficiaries of the Young Farmers Program (YFP), and 7) the beneficiaries of the Young Filipino Farmers Training Program in Japan (YFFPTJ). The conduct of the trainers' training series is part of the NAFC-ACPC joint project on "Capability Building of AFCs".

The training had five specific objectives: 1) To orient the participants on the importance of monitoring and evaluation (M&E); 2) To re-orient participants on the M&E function of AFCs; 3) To inform participants about the seven (7) M&E instruments that have been developed for AFCs and to familiarize them on each one; 4) To teach participants how to use the AFC M&E Instruments User's Manual; 5) To orient participants on how to coach AFC Chairperson and Coordinators from all levels on the use of the AFC M&E instruments and the AFC M&E Instruments User's Guide.

The 3-day training was attended by twenty-five (25) participants from the AFCs of Regions IV-A, IV-B, and V,

i.e., seven (7) from Region IV-A; eight (8) from Region IV-B; and ten (10) from Region V. The participants were composed of one (1) Regional AFC Chair (IV-B), other RAFC representatives, the Provincial AFC Chairs or Vice-Chairs, other PAFC officials/representatives, and PAFC Regional Coordinators.

The importance of M&E as a feedback mechanism was discussed to the participants by M&E expert Marcia Lanuza, the Chief of the Livestock Development Council (LDC) Project Monitoring and Evaluation Division. NAFC Local Support and Coordination Division (LSCD) Chief, Elmer Estiandan, on the other hand, re-oriented the participants on the tasks and responsibilities of AFCs in performing M&E. A background on the process of developing the AFC M&E instruments and the M&E Instruments Users' Manual was presented by ACPC Public Affairs and Information Director Norman William S. Kraft.

Guided by the AFC M&E Instruments Users' Manual, participants were coached on how to use the AFC

*Participants of the "Trainers' Training on the Use of the Agriculture and Fishery Council (AFC) Monitoring and Evaluation (M&E) Instruments" from Regions 4-A, 4-B, and 5 receiving their certificates of training completion from ACPC Public Affairs and Information Service Director Norman William Kraft (in purple and yellow shirt), and NAFC Local Support & Coordination Division staff, Ms Soledad Bernardo (in green printed blouse) and Mr. Andy Olgado (in pink & white shirt).*



M&E instruments by Ms Soledad Bernardo of NAFC-LSCD (for the YFP and YFFTPJ), Mr. Andy Olgado of NAFC-LSCD (for irrigation and FMR), Ms Marilyn Gonzales of NAFC-LSCD (for PHF), Ms Analyn Garay of the ACPC M&E Service (for LEAD Roll-Over Funds), and Ms Rachel Bustamante of the ACPC M&E Service (for AKBay).

Since the participants are expected to re-echo their learning from the training to other members of the AFC monitoring teams, they were also coached by Ms Bernardo on skills in conducting training.

On the third day of the training, the participants were brought to three different towns in Cavite (Dasmariñas, Carmona and Silang) where the conduct of field tests on the different M&E instruments was pre-coordinated. Through the conduct of field tests, the participants were able to get the actual experience and feel of using the different M&E instruments.

The organizing and preparations for the training were facilitated by ACPC Information Chief Emmalyn Guinto and ACPC Information Officer Rumina Gil.

Four (4) more trainers' training on the use of the AFC M&E instruments are programmed to be conducted for the AFC trainers of the remaining Regions in Luzon, Visayas, and Mindanao. The remaining trainers' training are scheduled to be conducted in the months of August and September 2013.

The conduct of the trainers' training series is the final phase of the NAFC-ACPC joint project on "Capability Building of AFCs".



### *DA Secretary... from page 5*

further enhance growth and development for the benefit of our poor and small farmers, and I am optimistic that you will be part of it," said Secretary Alcala.

Based on ACPC data, the amount of agricultural production loans of banks has been increasing through the years, expanding by more than five-fold from P41 billion in 1990 to P231.8 billion in 2011. Secretary Alcala said the DA aims to further increase the formal borrowing among small farmers and fisherfolk, from 52% in 2007 to 61% by the year 2016. *"Ito po ang dahilan kung bakit kailangan nating palakasin pa ang pagtutulungan ng DA at ng mga rural banks,"* noted Secretary Alcala.

He also commended the RBAP for participating in the Agricultural Guarantee Fund Pool (AGFP) and encouraged that more rural banks participate in the guarantee program.

The AGFP was created in 2008 to encourage banks to lend to the agriculture sector. The program provides guarantee coverage to unsecured loans extended by financial institutions and other lending conduits such as rural and cooperative banks to small farmers engaged in rice, corn and food production projects. To date, 118 rural banks, or only 21 percent of the total number of rural banks, have joined the AGFP.

*(From articles by Ms Donnabelle L. Gatdula of The Philippine Star and the DA-Agriculture and Fisheries Information Service.)*



*RBAP President Atty. Edward Leandro Z. Garcia Jr. (third from left) and other RBAP members with Department of Agriculture (DA) Secretary Proceso J. Alcala (center) and Undersecretary Bernadette Romulo-Puyat (second from right) during the 60th Annual Convention of the Rural Bankers Association of the Philippines held on June 12, 2013. (Photo courtesy of RBAP.)*





One of the traditions that the Agricultural Credit Policy Council (ACPC) strives to observe every year, particularly during the ACPC Anniversary month of April is the holding of activities that promote Corporate Social Responsibility (CSR). This year, ACPC again carried out this tradition by joining hundreds of runners in the UP-PGH Charity Run for Urology Cancer Patients held last April 27, 2013 at the Quirino Grandstand in the City of Manila.

More than 67 ACPC officers and staff, led by ACPC Executive Director Jovita M. Corpuz, together with members of their respective families, converged in front of the Rizal Monument in Luneta Park at the break of dawn to prepare for the run.



## ACPC Joins Fun Run for the Benefit of Cancer Patients on Its 26<sup>th</sup> Anniversary

By Rudyard R. Roxas

The holding of activities that promote Corporate Social Responsibility (CSR) is one of the traditions that the Agricultural Credit Policy Council (ACPC) strives to observe every year, particularly during the ACPC Anniversary month of April. This year, ACPC again carried out this tradition by way of joining hundreds of runners in the UP-PGH Charity Run for Urology Cancer Patients held last April 27, 2013 at the Quirino Grandstand in the City of Manila. The participation of ACPC in the said charity run served as one of several activities lined up this year to commemorate the agency's 26th anniversary.

More than 67 ACPC officers and staff, led by ACPC Executive Director Jovita M. Corpuz, together with members of their respective families, converged in front of the Rizal Monument in Luneta Park at the break of dawn to prepare for the run. The charity run had three distance categories: 3-km, 5-km, and 10-km. The start of the racecourse was located at the parade ground in front of the Quirino Grandstand, the set path then turned left to Kalaw Street and then right in the direction of Roxas Boulevard, ultimately returning to the start/finish line. There were roundabouts set up along Roxas Boulevard that catered to the different categories: Pasaje Del Carmen St. for the 3-km distance and Manila Yacht

Club for both of the 5-km and 10-km distance variations. The 10-km course required its partakers to complete two whole rounds of the 5-km track in order to fulfill the predetermined goal.

The charity run was organized by the Foundation for the Advancement of Surgical Education (FASE), Inc. to aid in supporting the medical and surgical needs of cancer patients. Cancer is one of the leading causes of death in the Philippines, along with heart and pulmonary diseases. The organizer, FASE, is a foundation established by the Department of Surgery of the University of the Philippines – Philippine General Hospital (UP-PGH) that caters to the medical and surgical needs of surgery charity patients.

In 2012, ACPC personnel also went to Tanay, Rizal to plant around 700 trees in a one-hectare area in the Kaliwa Watershed in Barangay Sto. Nino in coordination with the Department of Environment and Natural Resources (DENR). The tree planting activity was aimed at helping combat the effects of climate change and desertification. The tree seedlings that were planted, composed mainly of guyabano and jackfruit, are also intended to be future sources of additional income for the residents of the area.

ACPC's participation in the 2013 charity run was capped by another tradition in the agency – a hearty “salusalo” meal at the Tanghalan ng Sining park in Luneta.



# ACPC Attends Seminar on the Government Procurement Reform Act: Defining Responsible Use of Government Resources for the Common Good

By **Rudyard R. Roxas**

**A** CPC officers and staff attended a two-day seminar on the Implementing Rules and Regulations of Republic Act (RA) 9184, otherwise known as the Government Procurement Reform Act (GPPRA) of 2003. The seminar aimed to orient the ACPC staff on the provisions of the GPPRA and its IRR, and to familiarize them with the latest policies in government procurement procedures.

The seminar, conducted by the Government Procurement Policy Board (GPPB) of the Department of Budget and Management (DBM), was attended by 25 ACPC officers and staff. The seminar participants were composed of members from the ACPC Bids and Awards Committee (BAC),

members of the BAC Technical Working Group (TWG), the BAC Secretariat, and other staff. The seminar gave a general overview of the GPPRA and also explained how the current policies address various previous issues in government procurement, such as confusion caused by fragmented laws on procurement; inconsistent policies, rules, and regulations due to lack of standards; lack of transparency; and the absence of “check and balance.”

The GPPRA of 2003, which covers all government procurement transactions, was enacted to consolidate more than a hundred previously issued laws, issuances, rules and regulations on government procurement. It is aimed at promoting

transparency in the procurement process; promoting competitiveness by means of giving equal opportunities to all eligible private contracting parties in participating in public bidding; and establishing a procurement process that will uniformly apply to all government procurement projects.

The importance of transparency was emphasized in the seminar by reminding the participants of the need to post all procurement announcements in any or all of the following media: newsprint, agency website, any conspicuous place of the procuring agency, and the Philippine Government Electronic Procurement System (PhilGEPS), which is the central portal of all public procurement activities that provides both government agencies and suppliers with a more open, transparent and competitive setting. PhilGEPS also provides listings of private contracting parties, consultants/experts, seminar venues/facilities, and the like.

The seminar also highlighted the importance of having active participation of the private contracting parties and the civil society in the procurement process.



Atty. Rizalina C. Quilit, Legal and Secretariat Division Head of the GPPB, was one of the resource persons during the seminar on government procurement guidelines.

Dir. Veronica P. Santos (holding the microphone), clarifies a point on contracting the services of a finance expert as a research consultant.



*The Board of Directors of the ACPC Employees' Cooperative is composed of, from left: Cenon Atienza (Director), Norman William Kraft (Vice-Chair), Noel Clarence Ducusin (Chair), Gregoria Guce (Director), Cynthia Policios (Director), Ding Pereyra (Director). Not in picture is another Board Director, Jogege Garcia.*

## ACPC Employees' Cooperative Holds 2013 Annual Assembly, Elects New Officers

By Norman William S. Kraft

The ACPC Employees' Multi-Purpose Cooperative (ACPCEMPC) elected its new officers during the organization's 2013 Annual General Assembly held on April 25, 2013 that was presided over by ACPCEMPC Chair Clarence Ducusin.

Elected to a two-year term as members of the cooperative's Board of Directors were Ding Pereyra from the Program Development and Management Office (PDMO), Gregoria Guce of the Policy Research and Planning Service (PRPS), and Cynthia Policios of the Budget and Accounting Division. Mr. Pereyra's re-election gives him an additional two-year mandate as member of the Board with the expiration of his previous one-year term. Ms Policios, on the other hand, is a first-time member of the Board, while Ms Guce is a returning Board member.

Also elected to a one-year term as Board Director was Cenon Atienza of the Monitoring and Evaluation (M&E) Staff. Mr. Atienza was elected to fill the vacancy that was created by the retirement of

Rodolfo Ungson of the PDMO, who was unable to complete his two-year term as Board member due to his retirement. The Vice Chair position formerly occupied by Mr. Ungson, meanwhile, was assumed by Board member Norman William Kraft of the Public Affairs and Information Service (PAIS) through election by the Board. Mr. Kraft has another year to serve as Board member.

The other two members of the Board who have another year to serve as well are the Chair, Mr. Ducusin of the PDMO, and Ms Jogege Garcia of the Fund Resource Management Division (FRMD).

The Board members who are stepping down this year after having already completed their one-year term are Bieth Gerardo of the M&E and Joel Matira of the PDMO.

The ACPCEMPC also elected its new Audit Committee members: Mr. Jonathan Giray of the FRMD, Ms Jenny Aspilan of the PDMO, and Ms Dina Mejias of the Institutional Capacity Building (ICB) Staff.

The election of new officers was overseen by the ACPCEMPC Election Committee headed by Kennedy Garabiag of the PRPS.

The other items in the agenda of the 2013 ACPCEMPC General Assembly were the presentation of the cooperative's audited financial statements; and the solicitation of new business ideas for the cooperative.

In 2012, the ACPCEMPC undertook a "house cleaning" program by strengthening the accounting system and internal control of the organization; and streamlining its business undertakings to focus only on its profitable activity at the time, which was lending to its members.

The Board also initiated actions aimed at revitalizing the commitment of ACPC employees to the spirit of cooperativism, primarily by requiring that all members undergo a refresher training on Pre-Membership Education and encouraging attendance in some other training programs relevant to the cooperative.

For 2013, the ACPCEMPC is planning on broadening its operations to include other business undertakings that will be doable, beneficial and profitable for the organization, as well as manageable for the officers.

ACPC Deputy Executive Director Ramon C. Yedra, 2nd from left, turns over P3 million fund for relending to farmers and fishers affected by typhoon Pablo in Agusan and Compostela Valley to Manager Teresabel J. Laurente of the Cooperative Bank of Agusan del Sur in March 19, 2013. Also present is ACPC Project Development Officer V Ding Pereyra.



## AMCFP Releases P219M Loans to 7,000 Farmers and Fisherfolk in 1st Quarter 2013

By Rumina A. Gil

**Year-on-Year Comparison of AMCFP Accomplishments, 1<sup>st</sup> Quarter 2013 vs. 1<sup>st</sup> Quarter 2012**

Indicators	1 <sup>st</sup> Qtr 2012	1 <sup>st</sup> Qtr 2013	% Increase
AMCFP Loans Granted (P million)	P153.1	P219.7	43.5%
Number of Farmer and Fisherfolk Clients	3,969	7,086	78.53%

Farmers and fishers who were able to avail themselves of loans under the Agro-Industry Modernization Credit and Financing program (AMCFP) increased by more than 75% in the first quarter of 2013 compared to the same period in 2012.

In the 1st quarter of 2013, the Agricultural Credit Policy Council (ACPC) facilitated the release of loans amounting to P219.7 million under the AMCFP to 7,086 farmers and fisherfolk through its partner government financial institutions (GFIs). For the same period in 2012, ACPC released loans to 3,969 farmers and fisherfolk amounting to P153.1 million.

The total loan amount released by the AMCFP in the 1st

quarter of 2013 is 43.5% higher than that of the same period in the previous year. The number of program clients, on the other hand, increased by 78.5% in the 1st Quarter of 2013 compared to the 1st quarter of 2012.

Increased releases from both the Cooperative Banks Agri-Lending Program (CBAP) and the Agri Microfinance Program (AMP) account

for the better performance of the AMCFP in the 1st Quarter of 2013. Under the CBAP, the ACPC places funds in special time deposits (STDs) in participating cooperative banks. The cooperative banks use the funds to expand their agriculture and fishery loan portfolio by putting the funds in STDs which bear lower interest compared. The AMP, on the other hand, provides agri-microfinance

loans for farm, off-farm and non-farm purposes thru the People's Credit and Finance Corporation's (PCFC) accredited microfinance institutions (MFIs) which serve as credit conduits.

Also contributing to the increased loan releases and beneficiaries was the Typhoon Pablo Special Agricultural Financing Facility which was implemented by ACPC in 2013. This program was in compliance to the directive of the DA to come up with immediate interventions and support programs for farmers who were affected by Typhoon Pablo in Regions X, XI, XII and XIII. The program has so far released P7.6 million in loans to 167 calamity-affected farmer and fisherfolk borrowers, as of March 31, 2013.

Also in 2013, the ACPC was given an additional P1 billion funding for the AMCFP. This will be used for the benefit particularly of farmers and fishers who are engaged in other priority commodities of the DA aside from rice. The other DA priority commodities are..

The P1 billion funding shall be used exclusively for the establishment of a credit facility for the benefit of small farmers registered in the Registry System for Basic Sectors in Agriculture (RSBSA). The RSBSA is envisioned as a complete listing of farmers, farm laborers, and fisherfolk being developed through an inter-agency effort among the DBM, DA, Department of Agrarian Reform (DAR), Department of Interior and Local Government (DILG), and the National Anti-Poverty Commission (NAPC).

## DA, DAR, Landbank Program for Agrarian Reform Beneficiaries Releases P58M Loans over Dec 2012 - June 2013

By **Emmalyn J. Guinto**

**L**oans released under the Agrarian Production Credit Program (APCP) for the period December 2012 to June 30, 2013 reached P58.3 million benefitting a total of 1,408 agrarian reform beneficiaries (ARBs).

The APCP, a joint program of the Department of Agriculture (DA), Department of Agrarian Reform (DAR) and Land Bank of the Philippines (Landbank) aims to provide credit support for crop production to newly organized and existing agrarian reform beneficiaries' organizations (ARBOs) and farmers' organizations (FOs) not qualified to avail themselves of loans under the regular credit windows of banks.

The five-year credit and capacity development program seeks to sustain agri-production and increase the income of agrarian reform beneficiaries (ARBs) and their households. The DA provides the Program fund and basic support and services through DA-Regional Field Units (DA-RFUs) and/or its attached agencies/bureaus; DAR identifies ARB organizations

### Priority Areas of APCP Implementation Include 20 Provinces with the Highest Incidence of Land Acquisition and Distribution (LAD)

- |                             |                             |
|-----------------------------|-----------------------------|
| 1. Cagayan                  | 11. South Negros Occidental |
| 2. Isabela                  | 12. Negros Oriental         |
| 3. Quezon                   | 13. Leyte                   |
| 4. Albay                    | 14. Bukidnon                |
| 5. Masbate                  | 15. Lanao del Norte         |
| 6. Camarines Sur            | 16. Sarangani               |
| 7. Sorsogon                 | 17. Sultan Kudarat          |
| 8. Iloilo                   | 18. North Cotabato          |
| 9. Capiz                    | 19. South Cotabato          |
| 10. North Negros Occidental | 20. Agusan del Sur          |

(ARBOs) and other conduits that are eligible to participate in the Program and provides capacity development interventions; and LBP provides credit assistance to qualified ARBs, ARB household members through ARBOs and other conduits.

The APCP priority areas are the twenty (20) provinces with the highest land acquisition and distribution (LAD) balances. These are the provinces of Cagayan, Isabela, Quezon, Albay, Masbate, Camarines Sur, Sorsogon, Iloilo, Capiz, Negros Occidental, Negro Oriental, Leyte, Bukidnon, Lanao del Norte, Saranggani, Sultan Kudarat, North and South Cotabato and Agusan del Sur.

For the loans component of the program, loan applications of ARBOs in the provinces of Cagayan, Nueva Ecija, Negros Occidental, Negros Oriental have been approved amounting to P207.4 million of which

P58.3 million have already been released. Loans for the provinces of Isabela, Tarlac, Nueva Ecija, Quezon, Camarines Sur, Negros Occidental, Iloilo, Bukidnon and Cotabato amounting to P305.1 million are currently being processed. The bulk of the utilization of the loans is for sugarcane production, followed by rice and corn production, and other agricultural crops production.

For the capacity development component, provincial orientation and planning workshops for potential ARBO borrowers have been conducted. More than 500 ARBs have been trained on topics such as cooperative governance, financial management, business planning, basic bookkeeping, project proposal preparation as well as on coaching on compliance of documentary requirements.

The APCP is operationalized through its Program Management

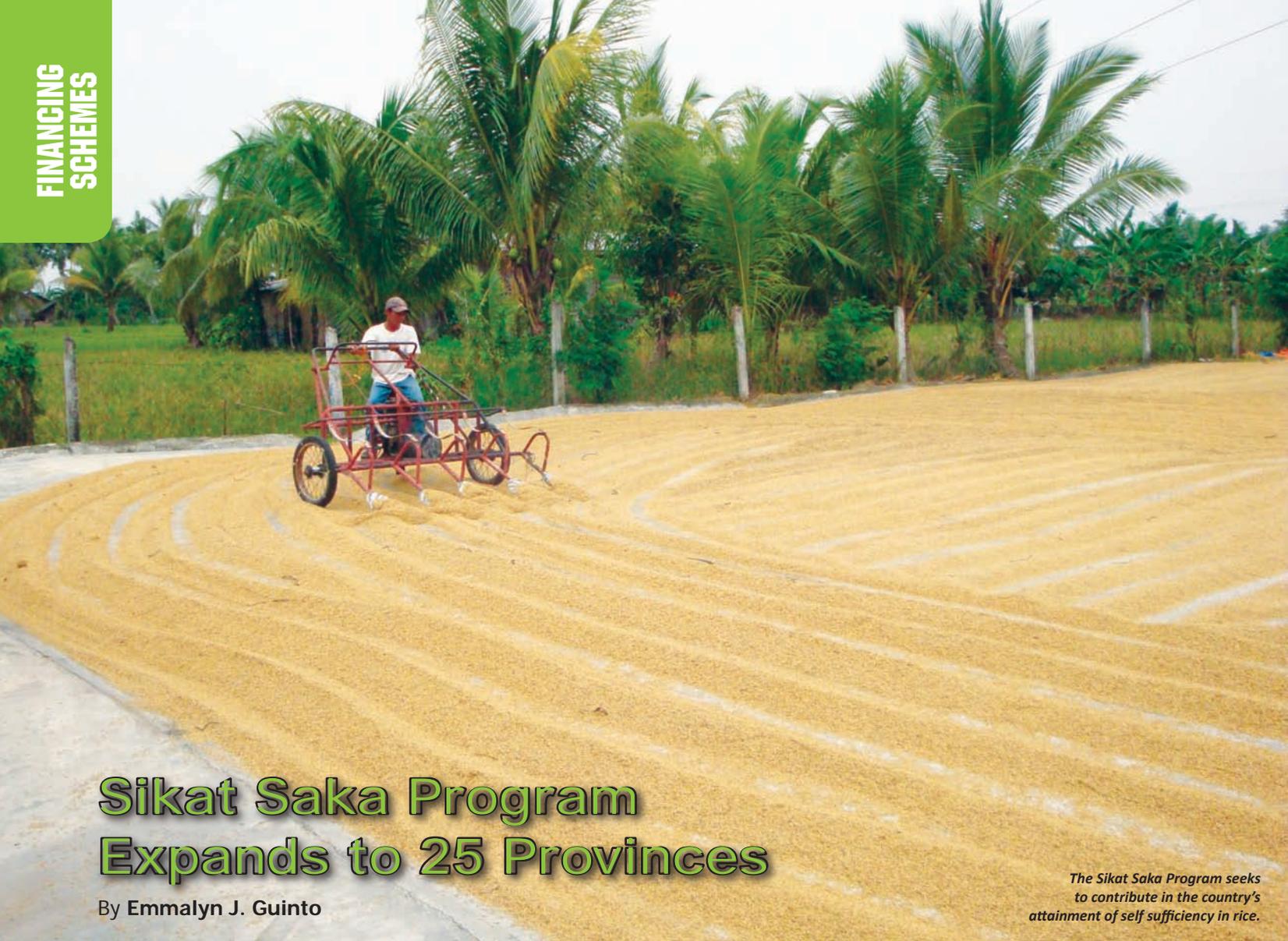
Committee (PMC) composed of DA Undersecretary Joel S. Rudinas as chair, DAR Undersecretary Jerry E. Pacturan as vice-chair, Landbank Executive Vice President Cecilia C. Borromeo as vice-chair, Department of Finance (DoF) Assistant Secretary Editha Z. Tan as member and Messrs. Carlos Tulali of Task Force Mapalad and John Bugaling of the Presidential Agrarian Reform Council (PARC) as Farmer Sector Representatives. The PMC is ably assisted by its Technical Working Group (TWG) composed of Agricultural Credit Policy Council (ACPC) Exec. Dir. Jovita M. Corpuz as chair, Landbank Vice President Leila C. Martin as vice-chair and DAR Director Susana E. Leones as member. To assist both the PMC and the TWG in the performance of their tasks is the Program Secretariat composed of representatives from DA, ACPC, DAR and Landbank.



DA Undersecretary Joel S. Rudinas (center) chairs the Program Management Committee (PMC) of the Agrarian Production Credit Program (APCP). He is assisted by Landbank Executive Vice President Cecilia C. Borromeo (right) as Vice Chair and by DAR Undersecretary Jerry E. Pacturan as Co-Vice Chair (not in photo). At left is ACPC Executive Director Jovita M. Corpuz who chairs the APCP's Technical Working Group (TWG).



Members of the Agrarian Production Credit Program (APCP) Program Secretariat present the accomplishments of the program during the joint APCP PMC-TWG meeting. From left are: Landbank Vice President Leila C. Martin Vice Chair of the APCP TWG, DAR OIC-Asst. Director Elena Cabañes, DAR OIC-Chief Agrarian Reform Officer Catalina Austria and Landbank Project Development Officer Arthur Genavia, members of the Secretariat.



## Sikat Saka Program Expands to 25 Provinces

By Emmalyn J. Guinto

*The Sikat Saka Program seeks to contribute in the country's attainment of self sufficiency in rice.*

One year after its launch in March 2012, the Department of Agriculture's (DA) Sikat Saka Program has extended production loans to 1,621 rice farmers in the total amount of P137.4 million. Initially implemented in the four pilot provinces of Isabela, Nueva Ecija, Iloilo and North Cotabato, the Sikat Saka has now been replicated in 21 other rice producing provinces.

The expansion of the Sikat Saka seeks to increase the program's reach to as many rice farmers as possible in order to provide them with timely, adequate and affordable access to credit for the improvement of their production and incomes. By replicating the program in other provinces, it is hoped that the Sikat

Saka will truly be able to contribute in the country's attainment of self sufficiency in rice.

The 21 additional Sikat Saka provinces are: Ilocos Norte, Pangasinan, Isabela, Cagayan, Pampanga, Nueva Ecija, Tarlac, Bulacan, Nueva Vizcaya, Occidental Mindoro, Oriental Mindoro, Palawan, Camarines Sur, Negros Occidental, Iloilo, Capiz, Antique, Leyte, Bohol, Zamboanga del Sur, Bukidnon, Sultan Kudarat, South Cotabato, Maguindanao and North Cotabato. With these additional provinces, the Sikat Saka Program brings to 25 the total number of rice-producing provinces in the country where the program is already being implemented.

To implement the Sikat Saka Program, the Department of Agriculture (DA), through the Agricultural Credit Policy Council (ACPC), deposited P200 million in the Land Bank of the Philippines (LBP) for the program's operating costs. The LBP, on the other hand, committed P200 million, as well, but as credit funds under the program.

The DA and its bureaus and attached agencies also provide the other necessary support services from planting to harvesting to ensure the viability of the farmers' rice production. These include extension and training, processing and market linkage and organizational support to irrigators' associations (IAs).

The Program taps IAs to identify potential borrowers from among their members. Several road shows have already been conducted in the 16 provinces to orient officers and members of selected IAs about the program. Thus far, the ACPC has joined in the roadshows conducted in the provinces of Capiz, Negros Occidental, Occidental Mindoro, Leyte, Pangasinan, Pampanga and La Union. During these briefings, the program’s features, as well as loan design, eligibility criteria, requirements, terms and conditions and credit delivery mechanisms, were discussed to the participants.

In a quick assessment conducted by the program’s technical workinggroup (TWG) to determine the factors that affected the performance of the Sikat Saka Program in the initial 4 pilot provinces, the farmer-respondents expressed satisfaction with the program’s implementation. They underscored the low interest rate, the marketing agreement with the National Food Authority (NFA) and the crop insurance subsidy as the primary reasons for their participation in the program. They said that they availed themselves of loans from the program to fund their rice production at a low interest rate.

The farmer-borrowers also expressed their appreciation of the program’s new feature wherein their loan applications are endorsed by their respective IAs to the Landbank. As a result, the individual farmers were able to directly borrow from Landbank. Based on the assessment, the IA farmer-members expressed preference for this scheme compared to previous schemes where the IAs were the ones that directly borrowed from Landbank and only re-lent the funds to their farmer-members.

The Sikat Saka Program is the credit component of the Food Staples Sufficiency Program (FSSP) of the DA. Through the program, IA members can access credit for rice production during the dry season. The program offers an interest rate of 15% per annum for the first two loan cycles, with the rate going down by 1% per cycle for the succeeding cycles up to a minimum of 9% per annum. Farmers who will fully pay their loans on time will enjoy reduced interest rates. An added feature of the program is the use of automated teller machines (ATM) in releasing the loans to farmers.



*To ensure the viability of the farmers’ rice production, the Sikat Saka Program provides credit, extension and training, processing and market linkage and organizational support to irrigators’ associations (IAs) and their members.*

Sikat Saka Program Coverage	
1. Ilocos Norte	14. Negros Occidental
2. Pangasinan	15. Iloilo
3. Isabela	16. Capiz
4. Cagayan	17. Antique
5. Pampanga	18. Leyte
6. Nueva Ecija	19. Bohol
7. Tarlac	20. Zamboanga del Sur
8. Bulacan	21. Bukidnon
9. Nueva Vizcaya	22. Sultan Kudarat
10. Occidental Mindoro	23. South Cotabato
11. Oriental Mindoro	24. Maguindanao
12. Palawan	25. North Cotabato
13. Camarines Sur	



*The Sikat Saka Program aims to provide rice farmers with timely, adequate and affordable access to credit as well as the necessary support services from planting to harvesting to improve their production and incomes.*