

## B. AGRICULTURAL CREDIT POLICY COUNCIL

### STRATEGIC OBJECTIVES

#### MANDATE

Created in 1986 by virtue of Executive Order (EO) No. 113, the Agricultural Credit Policy Council (ACPC) is mandated to:

1. Assist the Department of Agriculture in synchronizing all agriculture and fisheries credit policies and programs (EO 113);
2. Review and evaluate the economic soundness of all agriculture and fisheries credit programs (EO 113);
3. Implement institutional capacity building programs and pilot-test innovative financing schemes for marginalized farmers and fisherfolk (RA 7607 or Magna Carta for Small Farmers);
4. Oversee the implementation of the Agriculture and Fisheries Modernization Act (AFMA)-mandated Agro-Industry Modernization Credit and Financing Program (ACPC Council Resolution No. 01-1999);
5. Manage and facilitate the collection and consolidation of government directed credit programs (DCPs) into the Agro-Industry Modernization Credit and Financing Program (DA-DOF-DBM Joint Circular No. 1 and DA Administrative Order No. 16); and
6. Act as the Department of Agriculture's duly-authorized agency to implement relevant provisions of RA 10000 (DA Special Order 605, 2011)

#### VISION

The ACPC is the institution on agri-credit policy and program development that promotes the effective and sustainable delivery of financial services to the countryside

#### MISSION

Develop and advocate agri-credit policies and orchestrate programs that promote farmers' and fisherfolk's access to sustained financial services

#### KEY RESULT AREAS

1. Transparent, accountable and participatory governance;
2. Poverty reduction and empowerment of the poor and vulnerable; and
3. Integrity of the environment and climate change adaptation and mitigation

#### SECTOR OUTCOME

Competitive and sustainable Agriculture and Fisheries (A & F) sector achieved, and contributes to the achievement of the sector outcome of effective and efficient governance

## ORGANIZATIONAL OUTCOME

Access of Small Farmers and Fisherfolk (SFF) to formal credit under the ACPC Agro-Industry Modernization Credit and Financing Program (e.g. Sikat Saka, Agriculture and Fisheries Financing Program and Calamity/Climate Change Facility) increased

## PERFORMANCE INFORMATION

## KEY STRATEGIES

1. Strengthen Agriculture and Fisheries Modernization Act (AFMA)-mandated Agro-Industry Modernization Credit and Financing Program (AMCFP) lending to small farm and fishing households;
2. Reduce costs of lending and provide incentives for private banks to increase lending to the agriculture and fisheries sector;
3. Strengthen credit guarantee and agricultural insurance programs;
4. Build up credit database for small farmers and fisherfolk (SSF), intensify information dissemination and strengthen monitoring and evaluation; and
5. Enhance capacity of SSF and their cooperatives and organizations

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	BASELINE	2016 TARGETS
Access of Small Farmers and Fisherfolk (SFF) to formal credit under the ACPC Agro-Industry Modernization Credit and Financing Program (e.g. Sikat Saka, Agriculture and Fisheries Financing Program and Calamity / Climate Change Facility) increased		
Repayment rate (% of repayment / outstanding loans)	85%-95%	85%-95%
% increase in the number of SFF borrowers	55,200	7% (58,800)
% increase in the number of transactions	110,398	7% (117,680)
MAJOR FINAL OUTPUTS (MFOs) / PERFORMANCE INDICATORS (PIs)		2016 Targets

## MFO 1: CREDIT SUPPORT SERVICES

## Credit Funds Administered

Total amount of loans granted (PhP Million)	3,789
Total number of loan beneficiaries	117,680
% of past due loans over loans outstanding (from partner lending institutions to ACPC-AMCFP)	5%-15%
% of amount collected over amount matured/due (from partner lending institutions to ACPC-AMCFP)	85%-95%
Percentage of loan applications approved/released within fifteen (15) days (ACPC-AMCFP to partner lending institutions)	100%
% of amounts due collected within ten (10) days (ACPC-AMCFP to partner lending institutions)	85%-95%
Collection of loans under directed credit programs	
Amount of loan collections / loans consolidated into the AMCFP from directed credit programs (PhP Million)	5.4
% of loan beneficiaries in arrears for more than 180 days that did not respond to ACPC's follow-up letters	98.5%
Average cost per Peso collected (in PhP)	0.20
% of scheduled loan repayments that fall into arrears which are issued with follow-up letters within ten (10) working days	100%

## B. AGRICULTURAL CREDIT POLICY COUNCIL

For general administration and support, and operations, in support of the modernization of the agriculture and fisheries sector in order to meet the challenges of globalization, as indicated hereunder.....P 43,035,000  
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New Appropriations, by Program/Projects  
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PROGRAMS	<u>Current Operating Expenditures</u>				
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
General Administration and Support	P 3,595,000	P 4,354,000	P 10,000	P 2,267,000	P 10,226,000
Operations	21,285,000	11,524,000			32,809,000
MFO 1: CREDIT SUPPORT SERVICES	21,285,000	11,524,000			32,809,000
Total, Programs	24,880,000	15,878,000	10,000	2,267,000	43,035,000
TOTAL NEW APPROPRIATIONS	P 24,880,000	P 15,878,000	P 10,000	P 2,267,000	P 43,035,000

## Special Provision(s)

1. Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects  
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PROGRAMS	<u>Current Operating Expenditures</u>				
	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
General Administration and Support					
General management and supervision	P 3,147,000	P 4,354,000	P 10,000	P 2,267,000	P 9,778,000
Administration of Personnel Benefits	448,000				448,000
Sub-total, General Administration and Support	3,595,000	4,354,000	10,000	2,267,000	10,226,000
Operations					
MFO 1: CREDIT SUPPORT SERVICES	21,285,000	11,524,000			32,809,000
Agro-Industry Modernization Credit and Financing Program (AMCFP) Administration	8,014,000	1,439,000			9,453,000

Formulation and monitoring of credit policies, plans and programs	13,271,000	10,085,000			23,356,000
Sub-total, Operations	21,285,000	11,524,000			32,809,000
Total Programs and Activities	24,880,000	15,878,000	10,000	2,267,000	43,035,000
TOTAL NEW APPROPRIATIONS	P 24,880,000	P 15,878,000	P 10,000	P 2,267,000	P 43,035,000

## New Appropriations, by Object of Expenditures

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(In Thousand Pesos)

A. Programs/Locally-Funded Project(s)

## Current Operating Expenditures

## Personnel Services

## Civilian Personnel

## Permanent Positions

## Basic Salary

18,231

## Total Permanent Positions

18,231

## Other Compensation Common to All

## Personnel Economic Relief Allowance

864

## Representation Allowance

1,488

## Transportation Allowance

1,488

## Clothing and Uniform Allowance

180

## Overtime Pay

43

## Year End Bonus

1,519

## Cash Gift

180

## Step Increment

76

## Productivity Enhancement Incentive

180

## Total Other Compensation Common to All

6,018

## Other Benefits

## PAG-IBIG Contributions

44

## PhilHealth Contributions

125

## Employees Compensation Insurance Premiums

44

## Terminal Leave

418

## Total Other Benefits

631

## Total Personnel Services

24,880

## Maintenance and Other Operating Expenses

## Travelling Expenses

1,916

## Training and Scholarship Expenses

412

## Supplies and Materials Expenses

1,300

## Utility Expenses

1,702

Communication Expenses	1,141
Survey, Research, Exploration and Development Expenses	5,000
Confidential, Intelligence and Extraordinary Expenses	
Extraordinary and Miscellaneous Expenses	118
Professional Services	33
General Services	1,530
Repairs and Maintenance	467
Taxes, Insurance Premiums and Other Fees	90
Other Maintenance and Operating Expenses	
Advertising Expenses	10
Printing and Publication Expenses	65
Representation Expenses	361
Rent/Lease Expenses	1,653
Subscription Expenses	80
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Total Maintenance and Other Operating Expenses	15,878
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Financial Expenses	
Bank Charges	10
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Total Financial Expenses	10
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Total Current Operating Expenditures	40,768
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Capital Outlays	
Property, Plant and Equipment Outlay	
Machinery and Equipment Outlay	1,552
Intangible Assets Outlay	715
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Total Capital Outlays	2,267
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Total Programs/Locally-Funded Project(s)	43,035
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TOTAL NEW APPROPRIATIONS	43,035
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