

ANNUAL AGENCY PERFORMANCE REVIEW (AAPR) REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

PART A - FINANCIAL PERFORMANCE

(Amounts in Thousand Pesos)

Particulars	Previous/ Comparable Fiscal Year	Current Fiscal Year	Current Fiscal Year Breakdown					Inc/Dec
			Agency Specific Budget	Continuing	Automatic Appropriations (RLIP & SAGF)	Special Purpose Funds (SPFs)	Others (e.g., Supplemental Appropriations, Unprogrammed Appropriations)	
1	2	3=(4+5+6+7+8)	4	5	6	7	8	9=3-2
Appropriations	2,838,230	2,859,986	2,852,427	5	3,793	3,761		21,756
Allotments	2,838,230	2,859,986	2,852,427	5	3,793	3,761		21,756
Obligation Program (BED No. 1)	2,842,127	2,856,024	2,852,427		3,597			13,897
Actual Obligations	2,836,562	2,852,978	2,845,425		3,793	3,760		16,416
Disbursement Program (BED No. 3)	2,837,500	2,850,478	2,846,881		3,597			12,978
Actual Disbursements	2,835,679	2,851,121	2,843,568		3,793	3,760		15,442
Unobligated Allotment	1,668	7,003	7,003		0	0		5,335
Unpaid Obligation	883	1,856	1,856		0	0		973
Budget Utilization Rate								
Obligation vs. Allotment	99.94%	99.75%	99.75%	0.00%	100.00%	99.97%		
Obligation vs. BED No. 1	99.80%	99.89%	99.75%		105.45%			
Disbursement vs. Obligation	99.97%	99.93%	99.93%		100.00%	100.00%		
Disbursement vs.. BED No. 3	99.94%	100.02%	99.88%		105.45%			

AGENCY PERFORMANCE REVIEW REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

A.1. Unobligated Allotments Accounted for as follows:						
Program/ Activity/ Project (PAP)	Unobligated Allotments					Reason/ Agency Justification
	PS	MOOE	FINEX	CO	Total	
1	2	3	4	5	6=2+3+4+5	7
GRAND TOTAL						
General Administration and Support	22	0	0	0	22	Savings from unfilled positions.
Agro-Industry Modernization Credit and Financing Program (AMCFP) Administration	0	186	0	0	186	Savings from other maintenance and operating expenses as follows: a. Water Expenses - 35 b. Postage and Courier Expenses - 40 c. Landline - 31 d. Internet Subscription Expenses - 70 e. Repair - Motor Vehicle - 10
Policy formulation, research and advocacy, monitoring and evaluation of credit policies, plans and programs and capacity building	0	6,795	0	0	6,795	Breakdown of savings a. Research Exploration and Development Expenses - Php 3,314 b. ICT Software Subscription Expenses - Php 3,455 c. ICT Consultancy Services - Php 26
Automatic Appropriation	22	6,981	0	0	7,003	
A.2. Unpaid Obligations Accounted for as follows:						
Program/ Activity/ Project (PAP)	Unpaid Obligations					Reason/ Agency Justification
	PS	MOOE	FINEX	CO	Total	
1	2	3	4	5	6=2+3+4+5	7
GRAND TOTAL						
General Administration and Support	60	82	0	0	142	1. Tax that will be remitted the following month. 2. Unpaid obligation of Repair and Maintenance of Office Equipment amounting to Php 408 thousand.
Agro-Industry Modernization Credit and Financing Program (AMCFP) Administration	159	15	0	0	174	
Policy formulation, research and advocacy, monitoring and evaluation of credit policies, plans and programs and capacity building	407	1,133	0	0	1,540	
Automatic Appropriation	626	1,230	0	0	1,856	

AGENCY PERFORMANCE REVIEW REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

PART B. Physical Accomplishment (Key Outcome/ Performance Indicators [KOPIs])

PERFORMANCE INDICATORS	Previous/ Comparable Period		Current Period				Inc/Dec	REMARKS/ JUSTIFICATION
	Target	Actual	Target	Actual	Variance	Accomp Rate		
1	2	3	4	5	6=5-4	7=5/4	8=5-3	9
Outcome Indicators								
Repayment Rate (loans collected/loans matured)	85%-95%	90.80%	85%-95%	96.66%	0	100%	5.86%	
Output Indicators								
Amount of loans granted to credit retailers/lenders and to end-borrowers:								
a. Credit retailers/lenders (PM)	2,750.0	2,750.0	2,750.0	2,750.0	0	100%	0	
b. End-borrowers (PM)	2,300.0	821.3	2,460.0	915.30	(1,544.70)	37%	93.96	Several factors affected the loan disbursement process under the ACPC programs. Those include: 1. Partner lending conduits (PLCs) reduced participation due to the previously unattractive credit program pricing policy. To address this, the ACPC Governing Council implemented a revised pricing policy in February 2024, adjusting interest rates to a maximum of 2% and service fees up to 3.5%. Despite these changes, disbursements remained slow, influenced by planting delays caused by El Niño, typhoons, and African Swine Fever (ASF).

AGENCY PERFORMANCE REVIEW REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

PART B. Physical Accomplishment (Key Outcome/ Performance Indicators [KOPIs])

PERFORMANCE INDICATORS	Previous/ Comparable Period		Current Period				Inc/Dec	REMARKS/ JUSTIFICATION
	Target	Actual	Target	Actual	Variance	Accomp Rate		
1	2	3	4	5	6=5-4	7=5/4	8=5-3	9
								<p>Additionally, 21 PLCs focused on collecting past-due accounts rather than seeking additional funds, while 16 newly-engaged PLCs experienced delays in processing loan applications as they adjusted to the program's credit policies. In Regions 10 and 4A, PLCs scheduled loan releases for MSE- and OSY-borrowers in stages, aligning with business plans and anticipated timelines, including staggered disbursements in the first quarter of 2025. The holiday season further delayed some loan releases.</p> <p>Bank partners have also prioritized preparations for the BSP Bank Examination over loan disbursement activities.</p> <p>2. Several borrower-related factors contributed to delays in loan disbursement. In the Cordillera Administrative Region (CAR) and Region 5, some farmers and fishers withdrew their loan applications after learning about the interest rates. Typhoon-affected small farmer and fishers prioritized restoring their livelihoods, resulting in delays in submitting loan requirements. Additionally, borrowers in remote areas faced challenges due to prolonged rainfall and difficult travel conditions, further affecting the loan application and loan release.</p>

AGENCY PERFORMANCE REVIEW REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

PART B. Physical Accomplishment (Key Outcome/ Performance Indicators [KOPIs])

PERFORMANCE INDICATORS	Previous/ Comparable Period		Current Period				Inc/Dec	REMARKS/ JUSTIFICATION
	Target	Actual	Target	Actual	Variance	Accomp Rate		
1	2	3	4	5	6=5-4	7=5/4	8=5-3	9
								<p>3. Some LGUs failed to submit or delayed the submission of lists of calamity-affected small farmers and fishers (SFF) under the SURE Program. Similarly, borrower endorsements for ANYO in Region 13 and SURE in Region 5 remained pending, awaiting action from the concerned DA Regional Field Offices (DA-RFOs).</p> <p>4. The adverse effects of El Niño disrupted planting calendars, causing farmers to delay loan applications and consequently slowing the processing and disbursement of funds.</p> <p>Additionally, five (5) potential Partner Lending Conduits (PLCs) failed to meet the required Supervisory Assessment Framework (SAFr) rating of 3. Their inclusion as PLCs would have helped expand the reach of the credit programs.</p>

AGENCY PERFORMANCE REVIEW REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

PART B. Physical Accomplishment (Key Outcome/ Performance Indicators [KOPIs])

PERFORMANCE INDICATORS	Previous/ Comparable Period		Current Period				Inc/Dec	REMARKS/ JUSTIFICATION
	Target	Actual	Target	Actual	Variance	Accomp Rate		
1	2	3	4	5	6=5-4	7=5/4	8=5-3	9
Number of credit program orientations and credit matching seminars and workshops conducted	32	39	32	65	33	203%	26	The overachievement of the targeted number of credit program orientations and credit matching is due to ACPC using various platforms (online and in-person) and events to raise awareness about its credit programs. In addition to its own campaigns, the agency participates in events organized by other DA or government offices, using these opportunities to conduct program orientations, which helped exceed outreach goals.
Number of farmers and fisherfolk organizations provided with institutional capacity building assistance	140	137	12	16	4	133%	-121	The target was overachieved because some farmer-fisherfolk organizations applying to become PLCs of ACPC credit programs, which did not meet the evaluation criteria, received capacity-building support to help them qualify.

AGENCY PERFORMANCE REVIEW REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

PART C. Revenue Performance

(Amounts in Thousand Pesos)

PERFORMANCE INDICATORS	Previous/ Comparable Period		Current Period				Inc/Dec	REMARKS/ JUSTIFICATION
	Target	Actual	Target	Actual	Variance	Accomp Rate		
1	2	3	4	5	6=5-4	7=5/4	8=5-3	9
Off- Budgetary Accounts (formerly Fund 161 to 164, etc.) Revolving Fund Agro-industry Modernization Credit and Financiag Program (AMCFP) Fund	1,200,000	2,192,282	809,758	1,543,313	1,543,313	190.59%	-648,969	Receipts from 2023 to 2024 decreased by 800M due to matured investments in 2023 and a 200M increase in undisbursed funds in 2024.
TOTAL	1,200,000	2,192,282	809,758	1,543,313	1,543,313	190.59%	-648,969	

PART D. Findings and Action Items


Findings	Action Items	Timelines (mm/yyyy)	Responsible Unit
1	2	3	4
Finacial Performance			
Research Exploration and Development Expenses - Php 3,314	Implementation of research projects in 2025 through strategic partnerships with research institutions and experts.	2025	ACPC - PPD
ICT Software Subscription Expenses - Php 3,455	To procure subscriptions for productivity tools for data management	4th Quarter of 2025	ACPC - ISMD


AGENCY PERFORMANCE REVIEW REPORT

PERIOD COVERED: January - December, 2024
Department: Department of Agriculture
Agency: Agricultural Credit Policy Council

Physical Performance			
a. Low participation from PLCs due to unattractive credit program pricing policy.			
b. Some potential PLCs failing to meet necessary criteria, limiting program reach.			
c. Disbursements were slowed by weather events, including El Niño and La Niña, the holiday season, and planting schedule disruptions.	We are proposing to the Governing Council the enhancement of ACPC credit programs policies and procedures (i.e. revolving credit fund under financing schemes with partner lending conduits), and credit support facilities such as credit guarantee thru the Agricultural Guarantee Fund Pool (AGFP) of the PHILGUARANTEE.		
d. Delays in loan disbursement caused by borrowers withdrawing applications due to interest rates, typhoon-affected farmers and fishers prioritizing recovery, and difficulties faced by those in remote areas due to weather and travel challenges.	Expansion of the PLC network through closer coordination with DA RFOs, CDA, GFIs, and LGUs to identify potential PLCs across various areas and regions.	2025	ACPC-PDD
e. Delays in required submissions and endorsements from LGUs and DA, including lists of calamity-affected small farmers and fishers (SFF) for the SURE Program, as well as for the ANYO program, further impacting the process.	Adoption of additional measures to acquire the list of calamity-affected SFF in case the LGU cannot provide it in a timely manner. For example, cooperatives may provide the list of their calamity-affected members, and banks may provide the list of calamity-affected previous borrowers.		
Revenue Performance			

Prepared by:


JULIANA R. PROBIA
Budget Officer


JENNY T. ASPILAN
Chief, PPD


CYNTHIA Q. POLICIOS
Chief Administrative Officer

Recommending Approval:


MAGDALENA S. CASUGA
APR Lead/Director II, PRPS

Approved by:


MA. CRISTINA G. LOPEZ
OIC-Executive Director