

**[ ADMINISTRATIVE ORDER NO. 244, October 23, 2008 ]**

**AUTHORIZING THE DEPARTMENT OF AGRICULTURE THE USE OF P4.0 BILLION FROM FEES, REVENUES AND RECEIPTS FROM SERVICE CONTRACT (SC) NO. 38 FOR THE RICE SELF-SUFFICIENCY PROGRAMS OF THE GOVERNMENT**

**WHEREAS**, Section 8 of PD No. 910 dated March 22, 1976, as amended by RA No. 7638, provides that all fees, services and receipts from any or all sources including receipts from service contracts and agreements collected by the Department of Energy (DOE) shall form part of a Special Fund to be used to finance energy resource development and exploration programs and projects of the government, and for such other purposes as may be directed by the President;

**WHEREAS**, in the State of the Nation Address by the President on July 28, 2008, it was declared therein that there will be release of funds from the Malampaya national revenues/royalties to support the rice self-sufficiency programs of government;

**WHEREAS**, Executive Order No. 683, S. 2007, authorizes the Department of Budget and Management (DBM) to release funds from SC No. 38 revenues upon the endorsement and submission, among other requirements, by the Department of Energy (DOE) and/or PNOC Exploration Corporation of a directive from the Office of the President.

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

**Section 1.** Subject to existing laws, and the usual government accounting and auditing rules and regulation, the Department of Budget and Management (DBM) is hereby authorized to release the amount of **FOUR BILLION (P4.0B) PESOS** from the Malampaya revenues (Service Contract No. 38) to the Department of Agriculture to be used in the rice self-sufficiency programs of government, as follows:

- a. **Agricultural Guarantee Fund Pool (P2.0 Billion)** - established under Administrative Order No. 225-A (s. 2008) and held in trust with the Land Bank of the Philippines (Account No. T.A. No. 05-206) shall be used to mitigate the risk involved in agriculture lending by providing guarantee-cover to unsecured loan financing extended by financial institutions and other parties to new small farmers engaged in rice and food production projects/activities, thereby facilitating the provision of credit in the sector; and
- b. **Rice Self-Sufficiency & other Commodity Program (P2.0 Billion)** - to augment DA funds to provide seeds and location specific interventions in