

[EXECUTIVE ORDER NO. 113, December 24, 1986]

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 overall 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 optimized if they were consolidated;

NOW, THEREFOR, 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 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 Funds (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 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 administer 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) earning 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