

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 244

**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 addressing rice self-sufficiency targets and securing availability of food commodities at stable prices.

Section 2. The Department of Agriculture shall be accountable for the implementation of the rice self-sufficiency programs and the expenditures thereon, subject to applicable laws and existing budgeting, accounting and auditing rules and regulations.

Section 3. This Order shall take effect immediately.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

Done in the City of Manila, this *23rd* day of *October*, in the year of Our Lord Two Thousand and Eight.

Gloria M. Arroyo



By the President:

Eduardo R. Ermita

EDUARDO R. ERMITA
Executive Secretary

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