

PRESS RELEASE

05/08/21

Disbursement guidelines being finalized for implementation of programs to benefit coconut farmers, industry

The guidelines on the disbursement of allocations under the coco levy trust fund for the implementation of programs and activities that will benefit coconut farmers and the coconut industry are now being finalized for possible completion by the second week of August this year.

According to the Trust Fund Management Committee (TFMC) tasked to oversee the utilization of the Coconut Farmers and Industry Trust Fund (CFITF), it has approved the principles that will establish the disbursement framework for the 15 implementing agencies tasked to carry out the projects, programs and activities to benefit the coconut farmers and their families. The approval of these disbursement principles was done during the second TFMC meeting held via video conference last July 30.

“The important message there is that the implementing agencies cannot delay, they have to use the allocations and there is no excuse for delaying a program that you yourself planned. Unless of course, you know there is a typhoon or another pandemic or crisis,” Dominguez said.

The meeting also discussed the setting up of the Office of the Trust Fund Manager, which will implement the investment strategy set by the TFMC and manage the portfolio. Finance Undersecretary Antonette Tionko, who was earlier designated the trust fund manager of the CFITF, presented the budget proposal for the Office.

Under Republic Act (RA) No. 11524 creating the CFITF, the Trust Fund Manager is tasked to, among others, monitor market and economic trends and track securities in order to make informed investment decisions; recommend its portfolio strategy to the TFMC; track financial results of the companies in the portfolio and its various metrics, such as, but not limited to, price-to-earnings ratios, inflation-adjusted return, sales, earnings and dividends; and recommend the designation of entities that will dispose the coco levy assets.

The Presidential Commission on Good Government (PCGG) reported during the meeting that, as of December 31, 2020, the total coco levy cash assets based on its inventory is estimated to amount to P113.88 billion, of which P76.4 billion is cash. This amount shall be transferred to the CFITF in tranches over five (5) years.

The COA is mandated by RA 11524 to audit the PCGG inventory “to determine the completeness of said inventory, establish the reasonableness of the asset valuation, trace the flow of the coconut levy funds, and to determine compliance with pertinent laws, rules and regulations on the reconveyance of the Coconut Levy Assets and/or Funds to the Republic.”

National Treasurer Rosalia de Leon, the head of the TFMC Secretariat, asked the PCGG to provide a quarterly report to the TFMC about its discussions with COA regarding its inventory.

As part of ensuring that the management of the CFITF is performed with transparency, accountability and prudence, the TFMC ordered a continuous update on the status of the coco levy assets, with the BTr being mandated to ensure that all coco levy assets declared with finality to belong to the government be transferred in the name of the Republic of the Philippines.

Meanwhile, the Department of Justice (DOJ) shall be responsible for the review of the status of assets under litigation to ensure their timely privatization as required by RA 11524.

The TFMC has also put in place numerous checks and balances to ensure proper utilization of the coco levy funds. Among these are the establishment of the Coconut Levy Asset Registry, which shall serve as the repository of all information related to coco levy assets and shall be periodically updated; and the regular monitoring of the status of disbursements of the implementing agencies.

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Source: <https://www.dof.gov.ph/disbursement-guidelines-being-finalized-for-implementation-of-programs-to-benefit-coconut-farmers-industry/>