

Case	Why is it Illegitimate?														
<h2 style="text-align: center;">Small Coconut Farms Development Project</h2>	<p>The project had been beset with inefficiency and wide-spread corruption among government officials and the private contractors involved in the project. The irregularities range from complete non-delivery, to the sale of fertilizers to private companies engaged in trading or manufacturing fertilizers. Some of the aspects of illegitimacy are as follows:</p> <ul style="list-style-type: none"> <li>• <u>Inefficiency in the physical delivery</u> – No less than 150,000 bags of various fertilizers lie idle in the Bicol Region. Several undelivered bags in Visayas and Mindanao, and other parts of Luzon. This was primarily due to default by principal contractors in their obligation to pay the intermediary warehouses or contractors hired.</li> <li>• <u>Inaction of authorities</u> – Not even the Governing Board and the CoA at least through its PCA Corporate Auditor compelled the responsible officers of PCA to avail of remedial measures.</li> <li>• <u>World Bank allowing the continuation of an obviously ineffective project, despite breached contract provisions</u> – Example is the non-submission of a consolidated Terminal Report on the fertilizer distribution which was supposed to be done on an annual basis.</li> <li>• <u>Malversation of funds</u> – It is estimated that at least 40% of the funds intended for the project's fertilizer deliveries had been malversed.</li> </ul> <p>Ultimately, the SCFDP failed to accomplish its objective of rehabilitating the country's struggling coconut industry. Surprisingly, the World Bank hailed the project as successful, in the process condoning the anomalies that hounded the implementation.</p>														
<h3 style="text-align: center;">Loan Information (using US1=P41)</h3>															
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<p>On June 4 1990, the Philippine Government and the World Bank entered into a loan agreement (3204-0 PH and 3204-A PH ) whereby the WB extended a total of US\$ 121.8 million credit facility to finance the SCFDP, a project which was supposed to address rural poverty, especially among small coconut farmers, through distribution of free farm inputs like fertilizers. The primary objective of the project is to increase the productivity of small-scale coconut farmers by improving coconut yields or productivity through a more intensive application of inputs and fertilizers.</p>															



## FREEDOM FROM DEBT COALITION

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