



08 April 2020

MEMORANDUM ORDER

No.: 22

Series of 2020

SUBJECT: EXPANDED SURE AID AND RECOVERY PROJECT GUIDELINES FOR AHON LAHAT, PAGKAING SAPAT KONTRA SA COVID-19 (ALPAS SA COVID-19) PROGRAM

WHEREAS, Presidential Proclamation No. 922, s. 2020, dated 08 March 2020, declares a Public Health Emergency throughout the Philippines due to the Corona Virus Disease 2019;

WHEREAS, Presidential Proclamation No. 929, s. 2020, dated 16 March 2020, declares a State of Calamity throughout the Philippines for a period of six (6) months, unless earlier lifted or extended as circumstances may warrant, and Enhanced Community Quarantine (ECQ) throughout Luzon;

WHEREAS, Republic Act No. 11469, or the "Bayanihan to Heal as One Act" approved on March 24, 2020, declares the existence of a national emergency arising from the COVID-19 situation;

WHEREAS, the "Bayanihan to Heal as One Act" also authorizes President Rodrigo Roa Duterte to exercise powers necessary to carry out urgent measures to meet the current national emergency related to COVID-19;

WHEREAS, in response to Memorandum Circular No. 77 of the Office of the President, s. 2020, dated 17 March 2020, "Directing all government agencies, offices and instrumentalities, as well as Local Government Units, to implement and ensure compliance with the issuances of the Department of Health and Department of Agriculture on the prices of essential emergency medicines and supplies, and selected agriculture and fishery commodities," the Department of Agriculture shall implement the Ahon Lahat, Pagkaing Sapat Kontra sa COVID-19 (ALPAS sa COVID-19) Program to enhance food production and availability, food accessibility and affordability, and food price stability;

WHEREAS, in view of the critical situation caused by the COVID-19, there is an immediate need to implement an emergency and recovery credit assistance program that would respond to the needs of the small farmers and fisherfolk and the agri-based Micro and Small Enterprises whose incomes are affected by this crisis;

NOW, THEREFORE, I, SECRETARY WILLIAM D. DAR, of the Department of Agriculture, in accordance with law, hereby issues this Order to implement the following "Expanded SURE Aid and Recovery Project" Guidelines under the ALPAS sa COVID-19 Program.

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SECTION I. SCOPE AND COVERAGE

The Expanded SURE Aid and Recovery Project shall be implemented to benefit marginalized, small farmers and fisherfolk, and agri-fishery-based micro and small enterprises from areas identified by the Department of Agriculture (DA) as severely affected by the Enhanced Community Quarantine (ECQ) due to the COVID-19.

SECTION II. OBJECTIVES

The Expanded SURE Aid and Recovery Project aims to:

- A. Finance the emergency and production capital requirements of marginalized, small farmers and fisherfolk (MSFF) whose incomes were affected by the Enhanced Community Quarantine (ECQ) due to COVID-19, thereby helping them regain their capacity to continue their agricultural activities and contribute to sustained food production; and
- B. Provide the working capital requirements of micro and small enterprises (MSEs) engaged in agriculture and fisheries food production, delivery of produce/products/commodities, and other activities in the supply chain to ensure the availability of food supply.

SECTION III. END-BENEFICIARIES

End-beneficiaries shall be small farmers/fisherfolk defined below and who are from the affected areas as identified by the DA:

Small Farmer	Refers to "natural person dependent on small-scale subsistence farming or fishing activity as primary source of income" (Section 4, RA 8435/AFMA), i.e., those who (a) own or are still amortizing lands that are not more than three (3) hectares, tenants, leaseholders, and stewards (Presidential AO No. 21 of 2011, Revised IRR of RA 8425/Social Reform Act); or (b) engaged in backyard livestock and poultry raising defined by Philippine Statistics Authority (PSA) as engaged in: (a) livestock raising not exceeding any of the following: (i) 20 head of adults and zero young, (ii) 40 head of young animals, (iii) 10 head of adults and 22 head of young animals; and (b) poultry raising not exceeding: (i) 500 layers or 1,000 broilers, (ii) 100 layers and 100 broilers if raised in combination, (iii) 100 head of duck.
Small Fisherfolk	Refers to those directly or indirectly engaged in taking, culturing, or processing fishery or aquatic resources, to include, (a) those engaged in fishing using gears that do not require boats or boats less than three (3) tons, in municipal waters, coastal and marine areas; (b) workers in commercial fishing and aquaculture; (c) vendors and processors of fish and coastal products; (d) subsistence producers such as shell-gatherers, managers, and producers of mangrove resources, and other related producers (Presidential AO No. 21 of 2011, Revised IRR of RA 8425/Social Reform Act).

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SECTION IV. FINANCING FACILITIES

A. Loan Assistance to Marginalized, Small Farmers and Fisherfolk (MSFF).

1. Eligible Borrowers	<ul style="list-style-type: none"> • MSFF who are affected by the Enhanced Community Quarantine due to COVID-19; • Registered/enrolled in the Registry System for Basic Sectors in Agriculture (RSBSA)—MSFF who are not registered under the RSBSA shall be required to enroll through the DA Inclusion Protocol; and • Included in the DA-RFO validated list as certified by the DA-RFO Regional Executive Director
2. Lending Scheme	<ul style="list-style-type: none"> • On-lending through Government Financial Institutions (GFIs) and Non-Government Financial Institutions (NGFIs) which shall administer and implement credit programs by extending loans directly to eligible borrowers. The GFIs and NGFIs shall not bear credit risk provided that funds are disbursed to eligible beneficiaries and intended purpose. The ACPC shall effect the transfer of funds to the GFIs and NGFIs.
3. Eligible Loan Purpose	<ul style="list-style-type: none"> • To finance the emergency and production requirements of MSFF whose incomes were affected by the ECQ due to COVID-19
4. Loanable Amount	<ul style="list-style-type: none"> • PhP25,000.00 per household
5. Loan Maturity/ Manner of Repayment	<ul style="list-style-type: none"> • Payable up to ten (10) years
6. Interest Rate and Other Finance Charges	<ul style="list-style-type: none"> • Zero-percent (0%) interest rate on loans, but GFIs/NGFIs may charge a service fee of up to three-percent (3%) per transaction. • Other fees and charges include Documentary Stamp Tax (DST) and notarial fees if, and when applicable.
7. Documentary Requirements	<p>Documentary requirements shall be kept at a minimum:</p> <ul style="list-style-type: none"> • One (1) government-issued ID with picture; • One (1) 1x1 photo; • Proof of registration/enrollment in RSBSA; and • Loan Application Form and Promissory Note.
8. Collateral/ Security	<ul style="list-style-type: none"> • None

B. Working Capital Loan to Micro and Small Enterprises (MSEs)

1. Eligible Borrowers	<ul style="list-style-type: none"> • Agri-fishery-based micro and small enterprises (MSEs) that are willing to delivery/supply to DA-KADIWA ni Ani at Kita centers and consumers of high consumption markets such as Metro Manila and other demand centers. • MSEs are defined as those engaged in/with existing production, processing, marketing and/or distribution of agri-fishery produce/products/commodities and farm inputs. It may be a single proprietorship, partnership, corporation, or cooperative/association.
2. Lending Scheme	<ul style="list-style-type: none"> • On-lending through Government Financial Institutions (GFIs) and Non- Government Financial Institutions (NGFIs) which shall administer and implement credit programs by extending loans directly to eligible borrowers. • Direct fund release to agri-fishery-based micro and small enterprises that in turn will utilize the credit fund as working capital requirements to ensure availability of food supply.
3. Eligible Loan Purpose	<ul style="list-style-type: none"> • To finance the working capital requirements/ financial advance to expand agribusiness operation such as purchase agri-fishery produce/products/ commodities from farmers/fisherfolk, defray transportation costs of delivery to market, payments of wages for emergency workers hired in the delivery and selling (drivers, helpers, sellers), processing and/or semi-processing of agri-fishery produce, trading/manufacturing of agri-input supplies/ equipment, and other supply chain activities.
4. Loanable Amount	<ul style="list-style-type: none"> • Depending on the financial requirements up to PhP10.00 Million per borrower
5. Fund Terms	<ul style="list-style-type: none"> • Within a period of five (5) years, inclusive of a one (1) year grace period; zero percent (0%) interest • For on-lending, conduits may charge a service fee of up to three-percent (3%) per transaction; other fees and charges include Documentary Stamp Tax (DST) and notarial fees if, and when applicable.
6. Eligibility Requirements	<ul style="list-style-type: none"> • Duly registered with Cooperative Development Authority (CDA) / Securities and Exchange Commission (SEC) / Department of Labor and Employment (DOLE), and other government registering institutions; • Operational for at least one (1) year; • With proven management capacity to implement project;

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	<ul style="list-style-type: none"> • With readily available agri-fishery produce/products/commodities from farmers/fisherfolk.
7. Documentary Requirements	<p>Existing partner conduits of the DA-ACPC shall submit e-copy of the following:</p> <ul style="list-style-type: none"> • Board Resolution authorizing the cooperative/association to apply as borrower and designating its authorized signatories to enter into an agreement with ACPC; • Photocopy/e-copy of the organization's latest Audited Financial Statements; and • Endorsement from the Department of Agriculture (e.g. Regional Field Office, Agribusiness and Marketing Assistance Service, etc.) <p>New applicants shall submit the e-copy of the following:</p> <ul style="list-style-type: none"> • Letter of Intent with project description; • Photocopy/e-copy of Registration documents; • Financial Statements; • Endorsement from the Department of Agriculture (e.g. Regional Field Office, Agribusiness and Marketing Assistance Service, etc.)

SECTION V. ROLES OF THE PROGRAM PARTNERS

A. Department of Agriculture (DA)

1. DA – Regional Field Offices (DA-RFOs) shall:

- Validate and certify the names of eligible MSFF against the RSBSA and as updated using the approved inclusion protocol and guidelines;
- Submit to ACPC the electronic copy (Excel format) of the certified and validated list of eligible MSFF—the hard copy of the certified and validated shall follow; and
- Endorse potential NGFIs/conduits and MSEs to the ACPC.

2. DA – Agricultural Credit Policy Council (DA-ACPC) shall:

- Make available and transfer the Program Fund to the GFI/NGFI for on-lending to eligible borrowers;
- Direct fund release to agri-fishery based MSEs who shall utilize the credit fund for its eligible loan purpose as prescribed in Section IV.B.3;
- Assist the DA-RFO and the GFI/NGFI during the conduct of validation of prospective target borrowers;
- Officially transmit to the GFI/NGFI through digital copy the validated list of MSFF eligible for loan assistance;
- Conduct monitoring/visits to borrowers provided with credit assistance under the program to validate reports submitted by the conduits, and ascertain compliance to approved policies and guidelines.

3. DA – Agribusiness and Marketing Assistance Service (DA-AMAS) / DA Regional Field Office – Agribusiness and Marketing Assistance Division (AMAD) shall:

- Recognize partner conduits/eligible MSEs as “KADIWA supplier” to KADIWA ni Ani at Kita centers; and
- Endorse potential MSE-borrowers accredited as KADIWA supplier to the ACPC.

B. Local Government Units (LGUs) thru the Provincial/City/Municipal Agricultural Offices shall:

- Identify eligible MSFF whose incomes were affected by the ECQ due to COVID-19; and
- Endorse to the DA-RFO the list of eligible MSFF for validation and certification of the Regional Executive Director.

C. Government Financial Institutions and Non-Government Financial Institutions approved as Lending Conduits by the ACPC shall:

- Administer the program fund;
- Act on behalf of DA-ACPC in administering the program fund and shall be responsible for the processing, loan documentation, disbursement and collection of loans from the eligible borrowers; Eligible conduits are GFIs, cooperative banks, rural banks, non-government financial institutions and viable NGOs with juridical personality, operate in the affected areas at least for at least three years, and willing to act as agent banks/conduits;
- Provide the DA-ACPC on a regular basis the list of borrowers who have availed the loan assistance.

SECTION VI. APPROVAL AUTHORITIES

The ACPC Executive Director or DA Secretary shall be the signing and approving authority for the Agreements, obligation requests, disbursement vouchers and fund transfers as per levels of authority in accordance with the DA General Memorandum Order No.3 Series of 2016.

SECTION VII. EFFECTIVITY

This Memorandum Order shall take immediately upon approval.



WILLIAM D. DAR, PhD.

Secretary

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