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Department of Agriculture
AGRICULTURAL CREDIT POLICY COUNCIL
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MEMORANDUM ORDER

No. 57
Series of 2020

SUBJECT: GENERAL IMPLEMENTING GUIDELINES OF THE MICRO AND SMALL AGRIBUSINESS LOAN PROGRAM OR AGRINEGOSYO (ANYO) PROGRAM

WHEREAS, the Agricultural Credit Policy Council (ACPC) is mandated under Executive Order No. 113, s. 1986, to assist the Department of Agriculture (DA) in synchronizing all agriculture and fisheries credit policies and programs to review and evaluate the economic soundness of all agriculture and fisheries credit programs;

WHEREAS, the ACPC, through Resolution No. 99-01, s. 1999, serves as Program Oversight Committee of the Agro-Industry Modernization Credit and Financing Program (AMCFP);

WHEREAS, through ACPC Resolution No. 99-02, s. 1999, the DA through the ACPC, was designated as program/fund owner of the AMCFP;

WHEREAS, under the General Appropriations Act (GAA) of 2020, the amount of PhP2,280,000,000.00 shall be transferred to Government Financial Institutions (GFIs), cooperative banks, rural banks, non-government financial institutions, and viable non-government organizations, to be exclusively for the establishment of a flexible credit facility for the benefit of small farmers and fisherfolk registered under the Registry System for Basic Sectors in Agriculture, as an alternative to the rigid stringent credit facilities usually provided by the banks;

WHEREAS, under the GAA of 2020, the amount of PhP 257,988,000.00 shall be allocated to the Agripreneurship Program;

WHEREAS, the capital (loan) outlay will augment the existing AMCFP funds in improving access of small farmers and fisherfolk to formal credit, thereby contributing in attaining the goal of DA for a food-secure Philippines and prosperous farmers and fisherfolk;

WHEREAS, the "Farmers and Fisherfolk Enterprise Development Program" was established through Republic Act No. 11321, or the "Sagip Saka Act," approved on 17 April 2019, in which the DA, as implementing agency, shall provide working capital for long gestating projects and credit guarantees on uncollateralized loans to farmers and fisherfolk;

WHEREAS, the ACPC Governing Council, through Resolution No. 01, s. 2020, dated 08 January 2020, approved the implementation of the Young Agripreneurs and Agri-Fishery Graduates Loan Program that aims to attract the younger generation of Filipinos to be key players in attaining our vision of a food-secure Philippines, as well as the Micro and Small Business Agribusiness Loan Program which aims to improve the access of small farmers and fisherfolk to formal credit thereby contributing in attaining the same aforementioned goal of the DA for a food-secure country and prosperous farmers and fisherfolk;

A food-secure Philippines
with prosperous farmers and fisherfolk



WHEREAS, Republic Act No. 11469, or the “Bayanihan to Heal as One Act” approved on 24 March 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 DA 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;

NOW, THEREFORE, I, SECRETARY WILLIAM D. DAR, of the Department of Agriculture, in accordance with law, hereby issues this Order for the implementation of the “Micro and Small Agribusiness Loan Program” or Agrinegosyo (ANYO) Program.

SECTION I. ACRONYMS AND DEFINITION OF TERMS

ACPC	Agricultural Credit Policy Council
AFMA	Agriculture and Fisheries Modernization Act
Agripreneurship	Engagement in agri-fishery-based enterprises
AMAD	Agribusiness and Marketing Assistance Division (Regional counterpart of AMAS in RFOs)
AMAS	Agribusiness and Marketing Assistance Service
AMCFP	Agro-Industry Modernization Credit and Financing Program; the umbrella credit financing program created under Sections 21-23 of R.A. 8435/AFMA.
ATI	Agricultural Training Institute
BFAR	Bureau of Fisheries and Aquatic Resources
CDA	Cooperative Development Authority
CIC	Credit Information Corporation
COP	Compliance Officers for Privacy
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DOLE	Department of Labor and Employment
DPO	Data Privacy Officer
DSA	Data Sharing Agreement



Existing Agri-fishery- based enterprise	Agri-fishery-based enterprise duly registered with the appropriate government entity and with business operations of at least one (1) year
Farmers/ Fisherfolk's Organizations or Associations	Cooperatives and associations duly registered with the appropriate government agencies, and which are composed primarily of small agricultural producers, farmers, farm workers, agrarian reform beneficiaries, fisherfolk, who voluntarily join together to form business enterprises or non-business organizations which they themselves own, control, and patronize (Section 4, AFMA of 1997/R.A. 8435)
FFEDIS	Farmers and Fisherfolk Enterprise Development Information System; a web-based registry of agriculture and fisheries enterprises created under the Sagip Saka Act.
FMS	Fund Management Staff
GAA	General Appropriations Act
GFIs	Government Financial Institutions, namely: Land Bank of the Philippines, Development Bank of the Philippines, United Coconut Planters Bank
ISMD	Information Systems Management Division
LCR	Loan Collection Report
LDR	Loan Disbursement Report
LGUs	Local Government Units
MOA	Memorandum of Agreement
MSEs	Micro and Small Enterprises; Any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership, or corporation, whose total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, must have value falling under the following categories: 1) Micro - not more than PhP 3,000,000.00; and 2) Small - PhP 3,000,001.00 to PhP 15,000,000.00; subject to any upward adjustment by the Micro, Small and Medium Enterprise Development (MSMED) Council.
NGFIs	Non-Government Financial Institutions (e.g. cooperative banks, rural banks, microfinance institutions)
NGOs	Non-Government Organizations; a general term for a cooperative, non-stock non-profit corporation, or association committed to the task of socio-economic development and established primarily for providing services. (General Procurement Policy Board Resolution No.12-2007; COA Circulars 95-003 and 2007-01)
NIA	National Irrigation Administration
Non-farm enterprise	Any business activity or enterprise engaged in agri-related activities except crop, livestock, and fisheries production
OFW	Overseas Filipino Workers

PCIC	Philippine Crop Insurance Corporation
PIA	Privacy Impact Assessment
PLCs	Partner Lending Conduits
PO	Peoples' Organization
PSA	Philippine Statistics Authority
RA 9510	Credit Information System Act
RA 10173	Data Privacy Act of 2012 (DPA)
RFOs	Regional Field Offices of the Department of Agriculture
RSBSA	Registry System for Basic Sectors in Agriculture; an electronic compilation of basic information on farmers, farm workers, and fisherfolk—the target beneficiaries of agriculture-related programs and services
SEC	Securities and Exchange Commission
SFF	Small Farmers and Fisherfolk (defined in detail on Section IV of this Memorandum Order)
TESDA	Technical Education and Skills Development Authority

SECTION II. SCOPE AND COVERAGE

The Micro and Small Agribusiness Loan Program, or Agrinegosyo (ANYO) Program, hereinafter referred as the "Program." It is intended to assist agri-fishery-based micro and small enterprises (MSEs), farmer and fisherfolk organizations/associations, and individual SFFs. It shall also cover other individuals engaged or willing to engage in agri-fishery-based income-generating activities including, but not limited to repatriated OFWs, displaced jeepney drivers due to the Public Utility Vehicle Modernization Program, participants of DA Urban Agriculture Projects, female members of agri and fishery households and indigenous peoples (IPs) and beneficiaries of the Balik Probinsya, Bagong Pag-Asa Program.

The Program shall be implemented nationwide, however, specific priority provinces may be identified and approved by the DA Secretary.

SECTION III. OBJECTIVES

The Program aims to fast-track growth in the agriculture sector and help in the country's economic recovery by establishing a financing facility that will support modernization and industrialization in agriculture and fisheries, promote the development of the agricultural value chain, boost agri-fishery jobs generation, improve the nation's food security, and alleviate poverty conditions especially in the countryside. Specifically, the program aims to provide accessible and affordable credit to eligible borrowers for the financing of their capital requirements that will enable them to boost the efficiency, productivity, and profitability of their farm as well as non-farm income-generating activities.

SECTION IV. PROGRAM FUND SOURCE

Initial funding for the implementation of the Program shall be sourced from the GAA Loan Outlay of the ACPC as approved by the DA Secretary. Additional Program funds may be sourced from the AMCFP.

SECTION V. PROGRAM MECHANICS

A. Lending Scheme

Government Financial Institutions (GFIs)/Non-Government Financial Institutions (NGFIs) may be tapped to act as credit program and fund administrator as follows:

1. On-Lending

GFIs wholesale loans to Partner Lending Conduits (banks, cooperatives, and NGOs) for relending to eligible beneficiaries.

2. Direct Lending

GFIs/NGFIs extend loans directly to individual small farmers and fisherfolk, farmer and fisherfolk organizations/associations and MSEs, such as sole proprietors, partnerships and corporations, engaged in agri-fishery related projects whose owners or members or suppliers are the target end-beneficiaries as defined above.

B. Credit Fund Administration

- a. The GFIs/NGFIs, acting as credit program and fund administrator for and on behalf of ACPC through a MOA, shall not bear any credit risk, and may charge one-time credit fund administration fee of up to 3.5%, provided that the fund has been disbursed in accordance with the Program guidelines. The ACPC shall effect the transfer of funds to GFIs/NGFIs which the latter shall utilize for disbursing loans to PLCs and/or eligible borrowers.
- b. The GFIs/NGFIs shall conduct credit/background investigation, evaluate loan proposals, and ensure complete loan documentation. The ACPC shall conduct validation of the loan proposals as to its consistency with the Program guidelines, particularly as to eligibility of borrower and loan project. The GFIs/NGFIs shall seek prior concurrence from ACPC before disbursement of loans to MSE and farmer and fisherfolk organization/association borrowers.

C. Eligibility Requirement for PLCs

Eligible PLCs are GFIs and NGFIs such as cooperative banks, rural banks, cooperatives, associations, and viable NGOs, that have satisfactory record under the ACPC credit programs, and/or pass the following criteria:

1. Banks

- a. Satisfactory credit standing with creditors, if any;
- b. CAMELS rating of at least 3;
- c. Past due ratio of not more than twenty-five percent (25%);
- d. At least two-year track record in lending;
- e. Capital adequacy ratio of at least ten-percent (10%);
- f. Adequate reserve requirement;
- g. Profitable on the year preceding the application and as of the time of application for credit fund;



2. Cooperatives

- a. Satisfactory credit standing with creditors, if any;
- b. Past due ratio of not more than twenty-five percent (25%);
- c. At least two-year track record in lending;
- d. Risk asset ratio of not less than ten-percent (10%);
- e. Complete core management team;
- f. Profitable on the year preceding the application and as of the time of application for credit fund;

3. NGOs

- a. Past due ratio of not more than twenty-five percent (25%);
- b. Satisfactory credit standing with creditors, if any;
- c. Complete core management team;
- d. Net Surplus on the year preceding the application and as of the time of application for credit fund;
- e. At least two-year track record in lending.

4. Other NGFIs

- a. Operational and with satisfactory credit standing with its creditors, if any, or with supervising government agencies/entities such as NIA, DOLE, DAR;
- b. With functioning Board of Directors, or its equivalent, and presence of core management team (e.g. manager, bookkeeper, and treasurer, or officially designated officers to manage the Program);
- c. Positive net worth on the year preceding the application;
- d. With lending policies and guidelines with basic recording system (e.g. loan disbursement and collection systems, etc.);
- e. At least two-year track record in lending;
- f. Past due ratio of not more than twenty-five percent (25%).

SECTION VI. LENDING GUIDELINES

A. Eligible Borrowers

1. Agri-fishery-based MSEs:

- a. Existing
 - i. Duly registered with CDA/SEC/DOLE, and other government-registering institutions;
 - ii. Operational for at least one (1) year;
 - iii. With proven management capacity to implement project;
 - iv. Registered/enrolled with the FFEDIS;
 - v. 100% Filipino-owned MSEs; and
- b. Start-up
 - i. Must have personally undergone ACPC Program Orientation, and business planning;
 - ii. Must undergo or have undergone technical skills training on agri-fishery;

- iii. Must be registered with the appropriate government entity (i.e. SEC, CDA, DTI et al.) at the time of application; and
- iv. Must be enrolled/registered with FFEDIS within one (1) year upon loan approval, non-compliance shall render the loan due and demandable.

2. Farmer and Fisherfolk Organizations/Associations, with the following qualifications:

- a. Duly registered with CDA/SEC/DOLE, and other government agencies to deal with all types of processes to establish a business;
- b. Engaged in/with existing production, processing, marketing and/or distribution of agri-fishery products;
- c. With a functioning Board of Directors, or its equivalent, and presence of a core management team (e.g. manager, bookkeeper, and treasurer, or officially designated officers to manage the Program); and
- d. Registered/enrolled with the FFEDIS.

3. Individual Borrowers, with the following qualifications:

- a. Small Farmer and Fisherfolk (SFF) defined:

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, s. 2011, Revised IRR of RA 8425/Social Reform Act); or (b) engaged in backyard livestock and poultry raising defined by 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, s. 2011, Revised IRR of RA 8425/Social Reform Act).

- b. Individuals engaged or willing to engage in agri-fishery-based income-generating activities. Such individuals include repatriated OFWs, displaced jeepney drivers due to the Public Utility Vehicle Modernization Program, participants of DA Urban Agriculture Projects, female members of agri and fishery households and indigenous peoples (IPs) and beneficiaries of the Balik Probinsya, Bagong Pag-Asa Program thru special credit windows under the ANYO Program. Separate Term



Sheets shall be provided by the ACPC to define the specific terms and conditions, procedures and requirements for these special credit windows; and,

- c. Registered/enrolled in the RSBSA or the appropriate DA Registry for Urban farmer borrowers —those who are not registered under the RSBSA or other DA farmers/fishers registries shall be required to enroll through the DA Inclusion Protocol.
- 4. Not qualified to avail loans under the program are employees of the DA, its Regional Field Offices, attached agencies (including ACPC) and Local Government Units (LGUs) that are, directly or indirectly, part of the implementation process of any of ACPC's credit programs.

B. Eligible Loan Purpose

- 1. Funds extended to agri-fishery-based MSEs and farmer and fisherfolk organizations/associations shall be utilized to finance capital requirements for acquisition of machinery/equipment¹, construction of facility/s, and/or working capital requirements for agri-fishery-based income-generating activities.
- 2. Funds extended to individual SFF shall be utilized to finance agri-fishery-based income-generating activities such as agri-fishery production, processing, or marketing; or a combination of agri-fishery income-generating activity and non-farm enterprises.

Eligible loan borrowers can avail loans under the program up to a maximum of three (3) cycles.

C. Loanable Amount

- 1. The following shall be the loan limits for each type of borrower:

Type of Borrower	Loanable Amount*
a. Small Enterprises	Up to ninety-percent (90%) of the projected cost but not to exceed PhP15.00 Million
b. Micro Enterprises	Up to ninety-percent (90%) of the projected cost but not to exceed PhP3.00 Million
c. Farmers and Fisherfolk Cooperatives/Associations	Up to ninety-percent (90%) of the projected cost but not to exceed PhP15.00 Million
d. Individuals	Up to PhP300,000.00

**depending on type of project*

- 2. For MSEs and farmer and fisherfolk cooperatives/associations, the loanable amount must not exceed the total assets. Debt to equity ratio must not be more than 6:1 inclusive of the proposed loan.

¹ Manufacturers, Fabricators, Assemblers, and Importers (MFAI) that will supply the agri-fishery machinery/equipment to ANYO Program borrowers must have a Certificate of Conformity from the DA-BAFE in compliance to Department Circular No. 19 Series of 2018 Dated December 18, 2018.

3. For startup agri-fishery-based projects of MSEs and farmer and fisherfolk cooperatives/associations, the maximum loanable amount is up to PhP 1.0 Million.

D. Loan Maturity/Manner of Repayment

1. Loan maturity shall depend on the project cash flow and/or gestation period but not to exceed five (5) years.
2. Loans may be amortized depending on the project cash flow and/or gestation period but not to exceed five (5) years.
3. A grace period on principal repayment of up to three (3) years may be granted based on the project's gestation period and cash flow.

E. Mode of Loan Release

Loans may be released on a staggered or lump sum basis depending on the agri-fishery-based enterprise financed. Digital-based systems in credit delivery/money transfer/payments shall be utilized to the extent possible.

F. Interest Rate and Other Finance Charges

1. Zero-percent (0%) interest rate
2. One-time service charge of 3.5%
3. For sub-loans released by PLCs, may charge interest and finance charges to cover its cost up to a spread of at most 6% per annum.

G. Loan Security

The loan security shall cover the loan exposure to the eligible MSE and farmer and fisherfolk cooperatives/association borrowers. Loan security shall be covered by the post-dated checks and any or a combination of the following as may be applicable:

1. Real estate mortgage on facilities financed under the Project;
2. Chattel mortgage of movable assets financed under the Program to be insured with PCIC;
3. Assignment of inventory;
4. Assignment of sales proceeds of purchase order from the confirmed buyer/s; and
5. Assignment of other insurance of the borrower, if any (e.g. mortgage redemption insurance with PCIC or other insurance companies/institutions).

H. Penalty Charge

In case of failure to pay on the due date, the borrower shall be liable to pay a penalty charge of 1% per month of the amount due.

I. Documentary Requirements

1. Application Requirements for Lending Conduits (LCs)

- a. Letter of Intent/Application for Funding;
- b. Board Resolution authorizing the MSE/cooperative/association to apply as PLC and designating its authorized signatories to enter into an agreement with ACPC (if applicable);



- c. Certified True Copy of the Certificate of Registration from SEC/CDA/DOLE/other government-registering entity;
- d. Certified True Copy of the latest Articles of Incorporation or Articles of Cooperation;
- e. Audited financial reports for the past three years preceding the date of project implementation; for those who have been in operation for less than three years, financial reports for the years in operation and proof of previous implementation of similar projects;
- f. Secretary's Certificate for Incumbent Officers together with the Certificate of Filing with the SEC/Certificate of Approval by CDA;
- g. Sworn Affidavit of the Secretary of NGO/PO that none of its incorporators, organizers, directors or officers is an agent of or related by consanguinity or affinity up to the fourth civil degree to the official of the agency authorized to process and/or approve proposed MOA, and release funds;
- h. Disclosure of other related business, if any;
- i. Certificate of Good Credit Standing from any formal credit institutions including amount of line and status, if any;
- j. Endorsement from any office/unit of the DA (e.g. Regional Field Office, BFAR); and
- k. For banks, certification as to latest CAMELS and Management Rating with consent from the bank for ACPC to validate such rating with the Bangko Sentral ng Pilipinas;

2. Application Requirements for Borrowers

- a. MSEs and Cooperatives/Associations
 - i. Letter of Intent with project description/proposal;
 - ii. Board Resolution authorizing the MSE/cooperative/association to apply as borrower and designating its authorized signatories to enter into an agreement with ACPC;
 - iii. Copy of registration documents;
 - iv. Copy of the organization's latest Audited Financial Statements with proof of filing with the Bureau of Internal Revenue;
 - v. Endorsement/Referral from the DA (i.e. Regional Field Office, Agribusiness and Marketing Assistance Service, BFAR); and,
 - vi. Proof of registration/enrollment in FFEDIS.
- b. Individual borrowers
 - i. One (1) valid government-issued ID with picture;
 - ii. One (1) 1x1 photo taken within the last three (3) months; and
 - iii. Proof of registration/enrollment in the RSBSA.
 - iv. Additional requirements for borrowers under the special credit windows shall be defined under the separate term sheets to be provided.

SECTION VII. INSTITUTIONAL ROLES AND RESPONSIBILITIES

A. Department of Agriculture

- 1. Agricultural Credit Policy Council** shall be the implementing agency with respect to lending activities which involves the approval of PLCs, provision of credit funds, and monitoring and validation of loan disbursement and repayment of borrowers. In case of institutional loans (MSEs/coops/associations-borrowers), ACPC shall conduct the evaluation of financial viability of loan proposals prior to granting of such loan.



2. **Regional Field Offices** may identify target coverage areas, and potential PLCs and agri-fishery-based MSE and farmers/ fisherfolk organization/association borrowers, and endorse the same to the ACPC. The DA-RFOs shall assist the ACPC in coordinating with the LGU partners to ensure smooth implementation of the program.
3. **Philippine Crop Insurance Corporation** may provide insurance coverage to machinery/equipment, facilities, and agri-fishery-based projects financed under the Program.
4. **Agricultural Training Institute** shall provide resource persons for technical training/workshops organized by ACPC to enhance the technical skills and competencies of the borrowers in their chosen agri-fishery enterprise/project.
5. **Agribusiness and Marketing Assistance Service** and its regional counterparts may endorse MSEs and cooperatives/association-borrowers to ACPC. The AMAS and its counterparts may also provide marketing assistance to the borrowers.

Other attached agencies/bureaus/units of the DA may be tapped to provide appropriate support to the program.

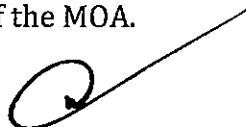
- B. **Partner Lending Conduits** shall act on behalf of the ACPC as credit program and fund administrator, and shall be responsible for the loan processing, documentation, approval, disbursement and collection of loans from the eligible borrowers. The PLCs shall provide the ACPC, on a regular basis, the list of borrowers who have availed the loan assistance and report of collection using the report format prescribed under the Program.

SECTION VIII. GENERAL PROCEDURES

A. Procedures for Lending Conduits

1. Credit Fund Approval

- a. The ACPC shall conduct program orientation for interested Lending Conduits.
- b. The applicant may submit advance electronic copies of the documentary requirements (Section VI.L1.) via the ACPC online portal or may submit the hard copies of original documents directly to ACPC via courier service. For the online submissions, the hard copies of the original documents shall be submitted upon advise by the ACPC through mail or courier service.
- c. Upon receipt of the documentary requirements, the ACPC shall:
 - i. validate the eligibility of the Lending Conduit;
 - ii. evaluate and process, the application; and
 - iii. approve/disapprove the request for fund availment.
- d. The ACPC shall inform the Partner Lending Conduit (PLC) of the approved credit fund and its corresponding terms and conditions through a Notice of Fund Approval. A Memorandum of Agreement (MOA) shall be executed by and between the ACPC and the PLC including the lending policies and procedures that shall form an integral part of the MOA.



2. Credit Fund Release

- a. The PLC shall open a separate bank account in a government bank exclusively for ACPC credit programs where credit funds released by the ACPC shall be deposited and maintained;
- b. The PLC shall submit to the ACPC its request for fund release together with all the documentary requirements;
- c. The ACPC shall review the completeness of documents submitted by the PLC, and process such documents for the approval of credit fund release; and,
- d. Upon approval, the ACPC shall cause the release of the approved credit fund request through bank transfer to the PLC's dedicated bank account and notifies the latter, as well as the depository bank, of such fund transfer.

3. Loan Disbursement to Eligible Borrowers

- a. The PLC shall utilize the credit fund for extending loans to eligible borrowers in accordance with the approved Program policies and guidelines as well as the provisions of the Memorandum of Agreement between ACPC and PLC;
- b. For PLCs with deposit accounts assigned to ACPC thru a Deed of Assignment (DOA), the former shall request from the ACPC a written authority to draw funds against said deposit account prior to loan disbursement to individual small farmers and fisherfolk-borrowers with approved loans;
- c. For institutional borrowers (agri-fishery-based enterprises) with approved loans, the PLC shall release the loan to said borrowers subject to a written concurrence from ACPC;
- d. The PLC shall disburse the program funds to eligible borrowers within a period of ninety (90) days in accordance with the Loan Program Term Sheet. At the end of the 90-day disbursement period, the PLC, without need of demand, shall cause the return of any and all undisbursed fund/s to ACPC, unless extended by ACPC. Failure to remit the undisbursed fund shall warrant a penalty of 12% per annum reckoned on the day after the lapse of said remittance period until the collections are fully remitted to ACPC;
- e. The PLC shall submit to ACPC a report on the loan disbursements within thirty (30) days after disbursement to eligible borrowers;
- f. The PLC shall certify that the PNs of the eligible borrowers are in their custody (Certificate of Custody);
- g. The PLC shall ensure the submission of accomplished forms to PCIC for the free premium subsidy of the appropriate PCIC insurance coverage of sub-borrowers;
- h. The PLC shall secure the necessary authorization from the borrowers for the claim of insurance indemnity payments from PCIC in the event of due to perils insured against; and remit to ACPC insurance indemnity payments collected, if any, which shall be applied as payment to the outstanding loan of the borrower.

Any excess of the indemnities, after application against the outstanding loan, shall be returned to the borrower.

4. Loan Collection from Eligible Borrowers

- a. The PLC shall collect all loan principal and interest from borrowers under the credit program and remit all monthly principal collections (if any) to ACPC within 15 days of the following month;
- b. Upon remittance of the principal collection, the PLC shall immediately notify the ACPC in writing specifying therein the amount and date of remittance and location of the receiving bank branch. Failure to remit the principal collections within the aforesaid period of remittance shall warrant a penalty of 12% penalty per annum to be paid by the PLC to be reckoned on the day after the lapse of said remittance period until the collections are fully remitted to ACPC;
- c. In case of non-payment of loans by any of its eligible borrowers under the program, the PLC may execute a Deed of Subrogation in favor of ACPC, thereby transferring to ACPC the rights, claims and demands against borrowers of such loans. However, the degree of diligence required of a LENDING CONDUIT must be observed.

B. Procedures for Eligible Borrowers

1. Interested applicants shall submit their documentary requirements (Section VII.12.) to the ACPC through any of the following:
 - a. For Agri-fishery based MSEs and Cooperatives/Associations:
 - i. Via ACPC's Online Portal (ANYOConnect) at www.acpc.gov.ph; or
 - ii. Directly to the ACPC Head Office via regular mail/courier service;
 - b. For Individual Small Farmers and Fisherfolk (SFF)
 - i. Via ACPC's Online Portal (ANYOConnect) at www.acpc.gov.ph; or
 - ii. Directly to ACPC's PLC nearest to their location.
2. All applicants who signed-up online or those who submitted their letters of intent directly to ACPC shall be required to attend the ANYO Online Program Orientation to be conducted by ACPC.
3. ANYO applicants may be categorized as either start-up or existing enterprises:
 - a. For start-ups, PDD shall endorse the applicants to ICB and shall be required to attend the Business Model Canvass and Business Plan Preparation Workshops conducted/facilitated by ICB and/or by ACPC's Technical/Business Development Service (BDS) Providers;
 - b. Existing enterprise-applicants shall be notified to comply the basic documentary requirements before they are referred/forwarded to the appropriate PLC for evaluation and possible financing. Should they still need training/technical support, they may request ACPC for assistance for linkaging/endorsement to appropriate training institutions or business development service providers.



4. Start-up applicants who have attended the Business Model Canvass and Business Plan Preparation Workshops shall be endorsed by the ICB together with the prepared business plan and other documentary requirements to PDD;
5. PDD Team shall review the completeness of the documentary and all other requirements submitted by the loan applicants before they are referred/ forwarded to the appropriate PLC for evaluation and possible financing.

SECTION IX. MONITORING, EVALUATION AND INFORMATION SYSTEMS

A program monitoring and evaluation system shall be established to: a) track the progress of program implementation; b) validate compliance with program guidelines; c) generate client satisfaction feedback; and d) conduct mid-term and post-program evaluation.

The monitoring and evaluation system shall include the following:

A. Program Monitoring and Reporting

1. PLCs shall prepare and submit to ACPC the following:
 - a. Loan disbursement reports (LDRs) a week after every loan disbursement; and
 - b. Loan collection report (LCR) every first week of the succeeding month.

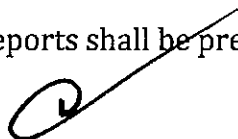
The template for the LDR shall be provided by the Monitoring Division and template for the LCR shall be provided by the Fund Management Staff.

2. The ACPC Focal Persons shall help ensure the timely uploading/submission of all loan reports by PLCs.
3. The PDD shall immediately report to the Monitoring Division and FMS any PLC fund reflows, realignment, or loan restructuring.
4. The Monitoring Division shall conduct validation of reports submitted by the PLC and client satisfaction feedback either through field visits or phone interviews. Validation shall be conducted 90 days after loan disbursement by a PLC or upon the PLC's disbursement of 50% of its program fund, whichever comes first.

In the event that the PLC was found to have utilized the proceeds of the fund for purposes other than those stated in this agreement, ACPC shall demand the outright return of the fund or portion thereof that was utilized for other purposes, including a penalty equivalent to twelve percent (12%) per annum until such fund is fully returned to ACPC.

The report on the results of validation activities and client satisfaction feedback shall be prepared annually by the Monitoring Division.

5. The Monitoring Division shall facilitate the conduct of a third-party mid-term and post-program evaluation. Mid-term evaluation shall be conducted after two (2) years of program implementation. Post-program evaluation shall be conducted after program implementation or program termination.
6. Monthly program status reports shall be prepared by the Monitoring Division.



7. The Monitoring Division shall be provided the lists of participants in training conducted by the ACPC Institutional Capacity Building (ICB) Services. The lists shall be included in the database system developed by the Information Systems Management Division (ISMD). The template for the monitoring of ICB Services shall be provided by the Monitoring Division.
- B. The ISMD shall develop a digital platform for the ANYO program for the regular and real-time collection and updating of data on PLCs and borrowers.

The ISMD shall train the PLCs on how to use the ANYO digital platform.

1. All PLCs shall be required to register in the ANYO digital platform.
2. All PLCs shall be required to upload all approved application forms of all borrowers in the ANYO digital platform.
3. All PLCs shall be required to upload all loan reports which include LDRs and LCRS in the ANYO digital platform.
4. The PDD shall validate and approve the correctness and completeness of all forms and reports uploaded by PLCs in the digital platform.

SECTION X. CAPACITY BUILDING

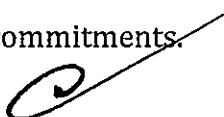
The ACPC shall coordinate, facilitate, and conduct business planning workshops/training initially, through online methodologies to young agripreneurs, OFWs, and start-ups for the proper establishment, operation and management of their agri-fishery-based enterprise. The ACPC shall also, in partnership with the Agricultural Training Institute, TESDA, State Colleges and Universities (SUCs), and other government agencies, organize/facilitate the appropriate technical trainings/workshops to enhance the technical skills and competencies of the borrowers in their chosen agri-fishery-based enterprise. Marketing assistance shall be extended to the borrowers through AMAS and its Regional counterparts.

The ACPC shall engage SUCs and non-government business development services providers to extend business advisory/technical assistance services such as mentoring, agripreneurship training, financial literacy, product packaging, and other capacity building services. The expenses for such capacity building activities shall be charged against the ACPC's GAA operating budget.

SECTION XI. PROGRAM PROMOTION AND ADVOCACY

To generate greater public awareness, understanding, and cooperation that can fast-track program implementation, program promotion and information activities will be conducted to include, but not be limited to, program promotion roadshows and orientation seminars. These activities will be conducted for DA RFOs, Provincial and Municipal Focal Persons, PLCs to:

1. Inform about the Program and its Guidelines;
2. Explain to them their respective roles in the facilitation of program implementation; and,
3. Set respective targets and commitments.



Credit program orientation and credit-matching seminar-workshops will likewise be conducted for SFF borrowers. Program promotion will be complemented with other information dissemination strategies using internet-based platforms (e.g. the ACPC and DA websites and social media platform/s); information, education and communication publications (e.g. posters, brochures); and through the broadcast media. The DA-RFOs and the ACPC shall utilize their existing budgets to support the program promotion and information campaign activities.

SECTION XII. PROGRAM IMPLEMENTING STRUCTURE

1. A Program Management Committee (PMC), chaired by the ACPC, shall be created to be composed of representatives from DA (1 representative), ACPC (2 representatives), ATI (1 representative) and Partner GFI(s) (1 representative each) with the following functions:
 - a. Provide direction and formulate policies for the Program;
 - b. Monitor the performance of the Program;
 - c. Act on issues or concerns relative to program implementation; and
 - d. Conduct program evaluation.

Representatives from partner NGFIs may be invited by the committee to be additional member(s) of the PMC.

2. A Technical Working Group (TWG) shall be created to be composed of representatives from DA, ACPC, Partner GFI(s) and representatives from Partner Non-Government Financial Institutions (NGFIs) with the following functions:
 - a. Provide technical and secretariat support to the PMC;
 - b. Ensure that policies, operational systems, procedures and guidelines approved by the PMC are implemented;
 - c. Install and maintain a monitoring system for the program; and
 - d. Facilitate the necessary support to field implementers.

All expenses to be incurred by the PMC and Working Group in the performance of their respective functions shall be charged to ACPC fund subject to the usual accounting and auditing rules and regulations.

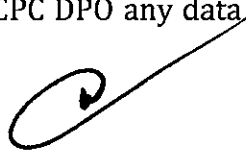
SECTION XIII. COMPLIANCE WITH R.A. 9510 OR CREDIT INFORMATION SYSTEM ACT

In compliance with the Credit Information System Act, or Republic Act 9510, the PLCs may submit the basic credit data of eligible borrowers to the Credit Information Corporation (CIC). The eligible borrowers shall give its consent to the PLCs to disclose credit information about the borrower to program partners and other credit bureaus or institutions.

SECTION XIV. COMPLIANCE WITH RA 10173 OR DATA PRIVACY ACT OF 2012

- A. To protect the fundamental human right of privacy of communication while ensuring free flow of information to promote innovation and growth; and to ensure that personal information in information and communications systems under the ANYO are secured and protected, all collection, storage, processing, and sharing of personal and sensitive personal information of loan applicants, borrowers, and other parties involved in the program shall comply with provisions of Republic Act No. 10173, also known as the Data Privacy Act of 2012 (DPA).

- B. The conduct of a Privacy Impact Assessment (PIA) shall be conducted for the ANYO in compliance with Section 20(c) of the DPA and Section 29 of its IRR to determine/assess: a) risks and effects of collecting, maintaining and disseminating personal and sensitive personal information of loan applicants, borrowers, and other parties involved in the ANYO; b) protections and processes for handling information to alleviate any potential privacy risks; and c) options and methods for individuals to provide consent for the collection of their personal and sensitive personal information.
- C. To ensure the ANYO's compliance with the DPA, its IRR, issuances by the National Privacy Commission (NPC), and other applicable laws and regulations relating to privacy and data protection, Compliance Officers for Privacy (COP) shall be designated in each of the ACPC units following Section 21(b) of the DPA and Section 50(b) of its IRR. The COPs must have due regard for the risks associated with the data processing operations in their respective units, taking into account the nature, scope, context and purposes of processing. Accordingly, he or she must prioritize his or her activities and focus his or her efforts on issues that present higher data protection risks.
- D. The COPs shall be tasked to oversee the following in the handling of personal and sensitive personal information within their respective units:
1. Monitor, assess, and ensure their respective unit's compliance with the DPA, its IRR, and other applicable laws, policies, and regulations relating to privacy and data protection in the event of performance of any of the following activities by their unit: 1) collection; 2) storage; 3) processing; and 4) sharing of personal and sensitive personal information of loan applicants, borrowers, and other parties involved in the ANYO;
 2. Cooperate with, coordinate with, and seek advice from the DPO regarding matters concerning data privacy and security;
 3. Coordinate with the ACPC Data Protection Officer (DPO) as regards any possible need to: 1) execute a privacy rights notification and data collection consent in the event of any requirement in their unit to collect personal and sensitive personal information directly from loan applicants, borrowers, and other parties involved in the ANYO Program; and 2) execute a Data Sharing Agreement (DSA) in the event of any requirement in their unit to share personal and sensitive personal information of loan applicants, borrowers, and other parties involved in the ANYO;
 4. In coordination and cooperation with the ACPC DPO, assist in facilitating the following as may be required in the performance of activities, measures, project/s, or systems implemented by their respective units in connection with the ANYO: 1) execution of a privacy rights notification and data collection consent in the event of any requirement in their unit to collect personal and sensitive personal information directly from loan applicants, borrowers, and other parties involved in the ANYO; and 2) preparation and signing of a DSA as may be needed by their unit in the event of any requirement to share personal and sensitive personal information of loan applicants, borrowers, and other parties involved in the ANYO;
 5. Immediately report to the ACPC DPO any complaints and/or the exercise by data subjects of their rights (e.g., requests for information, clarifications, rectification or deletion of personal data);
 6. Immediately report to the ACPC DPO any data breach and security incident within 24 hours;



7. Assist in informing and cultivating awareness on privacy and data protection within their respective units;
8. Recommend the development, review and/or revision of policies, guidelines, projects and/or programs relating to privacy and data protection, as deemed necessary.

SECTION XV. APPROVING 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, s. 2016.

SECTION XVI. SEPARABILITY

If any provision in this Memorandum Order or application of such provision to any circumstance is held invalid, the remainder of this Memorandum Order shall not be affected thereby.

SECTION XVII. EFFECTIVITY

This Memorandum Order shall take effect immediately upon approval.

Done this 28th day of October 2020.



WILLIAM D. DAR, PhD.

Secretary

DEPARTMENT OF AGRICULTURE

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