



Republic of the Philippines  
**Department of Agriculture**  
**AGRICULTURAL CREDIT POLICY COUNCIL**  
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## MEMORANDUM ORDER

No. 58  
Series of 2020

**SUBJECT: GENERAL IMPLEMENTING GUIDELINES OF THE KAPITAL ACCESS FOR YOUNG AGRIPRENEURS (KAYA) LOAN 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



**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 “Kapital Access for Young Agripreneurs” (KAYA) 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
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
KAYA	Kapital Access for Young Agripreneurs
LCR	Loan Collection Report
LDR	Loan Disbursement Report
LGUs	Local Government Units
MOA	Memorandum of Agreement
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)
PCIC	Philippine Crop Insurance Corporation
PIA	Privacy Impact Assessment
PLCs (LCs)	Partner (Lending Conduits)
PSA	Philippine Statistics Authority
RA 9510	Credit Information System Act
RA 10173	Data Privacy Act of 2012 (DPA)
R.A. 8044	Youth in Nation-Building Act
R.A. 11321	Sagip Saka Act
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
YAGGIES	Young Agripreneurs
ICB	Institutional Capacity Building



## **SECTION II. SCOPE AND COVERAGE**

The Kapital Access for Young Agripreneurs (KAYA) Program, hereinafter referred as the "Program", is intended for young Filipinos, 18-30 years old, willing to undertake start-up or presently engaged in agri and/or fishery business enterprises.

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 attract the younger generation of Filipinos to be key players in attaining a food-secure Philippines with prosperous farmers and fishers.

## **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**

1. The ACPC shall engage Government Financial Institutions (GFIs)/Non-Government Financial Institutions (NGFIs) to act as credit program and fund administrator to manage the Program as per terms and conditions agreed with the ACPC to include disbursement of credit funds to eligible borrowers, monitoring and collection of loans from the borrowers. NGFIs include cooperative banks, rural banks, viable NGOs, cooperatives and other private financial institutions. The GFIs and NGFIs shall not bear credit risk provided loans are extended to eligible borrowers.
2. The ACPC shall effect fund transfer/releases to the Lending Conduits (GFIs and NGFIs) and monitor/validate disbursements thereof to Young Agripreneurs (Yaggies) which maybe sole proprietors, partnerships, corporations, engaged in agri-fishery related projects.

### **B. Credit Fund Administration**

1. 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 the disbursement of loans to eligible institutional and/or individual borrowers; and,



2. 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 project. The GFIs/NGFIs shall seek prior concurrence from ACPC before the disbursement of loans to eligible borrowers.

### **C. Eligibility Requirement for Lending Conduits (LCs)**

Eligible LCs 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. Eligible borrowers under the program must satisfy the following criteria:
  - i. Young agriculture/fishery entrepreneurs (agripreneurs) who are of legal age from 18 years up to 30 years old as defined under Section 2 of R.A. 8044 otherwise known as Youth in Nation-Building Act;
  - ii. Graduates of agriculture and fishery courses, either formal or non-formal schooling, including but not limited to graduates of agriculture and fishery related degrees from higher education institutions, DA and ATI-accredited programs, TESDA programs, farm schools, and secondary schools with agriculture and fishery-related courses, as defined under Section 2 (d) of R.A. 11321(Sagip Saka Act) – IRR;
  - iii. Must be engaged or willing to engage in agri-fishery-based business enterprise;
  - iv. Registered/enrolled in the Registry System for Basic Sectors in Agriculture (RSBSA). Those who are not registered under the RSBSA shall be required to enroll through the DA Inclusion Protocol;
2. 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**

Funds extended to eligible borrowers shall be utilized to finance the capital requirements of their start-up or existing agri-based business enterprises for the following purposes:

1. working capital;
2. acquisition of machineries and equipment; and,
3. construction of agri-fishery-related facilities.

### **C. Loanable Amount**

1. Eligible borrowers may borrow up to a maximum loan of P500,000.00 depending on the type of project and borrower's capacity to pay;
2. Eligible loan borrowers can avail loans under the program up to a maximum of three (3) loan cycles.



#### **D. Loan Maturity/Manner of Repayment**

1. Loan maturity and amortization schedule shall depend on the project cash flow and/or gestation period but not to exceed five (5) years.
2. A grace period on principal repayment of up to two years (2) 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**

Loans extended to eligible borrowers shall bear zero percent (0%) interest. The Lending Conduit, however, may charge a service fee of not more than 3.5% per transaction to cover its administration cost. Other fees such as documentary stamps, notarial fees and such other fees may be charged against the account of the borrower.

#### **G. Loan Security**

No collaterals will be required for availing loans under the program. However, the Lending Conduit may require any or a combination of the following security:

1. Chattel mortgage of movable assets financed (object of financing) under the Program which may be insured by PCIC;
2. Assignment of inventory;
3. Assignment of sales proceeds of purchase order from buyer(s); and
4. Assignment of other insurance policies 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 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 including authorization for ACPC to validate such rating with the Bangko Sentral ng Pilipinas;

## 2. Application Requirements for Borrowers

- i. One (1) valid government-issued ID with picture;
- ii. One (1) 1x1 photo taken within the last three (3) months;
- iii. Business Plan; and,
- iv. Proof of registration/enrollment in the RSBSA.

## 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 young agripreneur borrowers, and forward 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 forward young agripreneur-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 Engaging Lending Conduits**

#### **1. Credit Fund Approval**

- a. Interested Lending Conduits shall attend program orientations to be conducted by the ACPC;
- b. The applicants may submit advance electronic copies of the documentary requirements (Section VI.L1.) via the ACPC online portal or 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 Credit Fund Approval (NCFA). 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;



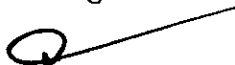
- c. The ACPC shall review the completeness of documents submitted by the PLC, and process such documents for the approval of credit fund release; and,
- d. Upon approval, the ACPC shall cause the release of the approved credit fund to the PLC's dedicated bank account through bank transfer and notify 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 policies and guidelines hereof as well as the provisions of the Memorandum of Agreement between ACPC and PLC;
- b. The PLCs shall evaluate and approve/disapprove all loan requests and process the release of approved loans subject to a written concurrence from ACPC;
- c. The PLC shall release approved loans either on a staggered or lumpsum basis depending on the agri-fishery enterprise financed. Digital technology-based systems in the delivery of credit and money transfers/payments may be adopted to ensure responsiveness, speed and accuracy up to the extent possible;
- 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 losses 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**

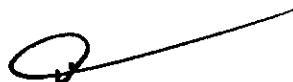
- a. The PLC shall collect all loan principal and interest from borrowers under the credit program and remit all monthly principal collections (if any) to ACPC within 15 days of the following month;



- b. Upon remittance of the principal collection, the PLC shall immediately notify ACPC via the online notification system or in writing together with the machine validated deposit slip indicating the amount, date of remittance and location/branch of the depository bank. 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 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 Sign-Up and Loan Application of Yaggies**

1. Interested applicants shall submit their documentary requirements (Section VI.I.2.) via the following channels:
  - i. Via ACPC's Online Portal (KAYAKonnect) at [www.acpc.gov.ph](http://www.acpc.gov.ph);
  - ii. Directly to the ACPC Head Office via regular mail/courier service; or,
  - iii. 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 and PLCs shall be required to attend the KAYA Online Program Orientation to be conducted by the PDD;
3. KAYA applicants shall 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 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 documents and all other requirements submitted by the loan applicants before they are 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 reports thru the prescribed reporting system:
  - a. Loan Disbursement Report (LDR) a week after every loan disbursement; and
  - b. Loan Collection Report (LCR) every first week of the succeeding month.

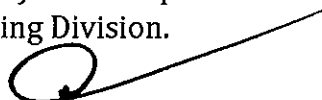
The templates/system for these reports shall be provided by the appropriate ACPC Unit.

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 ACPC, through the Information System and Monitoring Division (ISMD) shall develop/ initiate the development and installation of a digital platform/solution for the KAYA Program for the regular and real-time collection and updating of data on PLCs and borrowers.

1. The ISMD and/or third party digital service providers, shall train the PLCs on how to use the KAYA digital platform/solutions to be integrated into the KAYA implementation processes and procedures; and,
2. 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, and start-ups for the proper establishment, operation and management of their agri-fishery-based enterprise. The ACPC shall also, in partnership with the ATI, 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 business 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 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 Yaggie-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); 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. 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 XIII. 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 KAYA 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 KAYA 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 KAYA; 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 KAYA'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, coordinate with, and seek advice from the DPO regarding matters concerning data privacy and security;
  - 3. Coordinate with the ACPC 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 KAYA 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 KAYA;

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 KAYA: 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 KAYA; 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 KAYA;
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 XIV. 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 XV. 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 XVI. EFFECTIVITY**

This Memorandum Order shall take effect immediately upon approval.

Done this 28<sup>th</sup> day of October 2020.



**WILLIAM D. DAR, PhD.**

Secretary

