



Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City

MEMORANDUM CIRCULAR

No. 07
Series of 2021

SUBJECT: GENERAL GUIDELINES ON THE IMPLEMENTATION OF NATIONAL LIVESTOCK PROGRAM'S PROJECTS AND COMPONENTS WITH THE OBJECT OF EXPENDITURE OF DONATION

I. RATIONALE:

The National Livestock Program receives regular funding under the Office of the Secretary every fiscal year to implement various programs, activities, and projects that are geared towards helping the smallholder livestock and poultry farmers, assist local governments in implementing livestock projects and animal health programs, and provide support to the sector as a whole. However, other than the regular funds, programs and projects, the NLP also occasionally receives additional and special funds from different sources and initiatives to boost its developmental interventions.

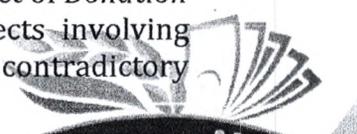
Some of the funds under its regular and special and additional allocations are in the object of *Donation*. Funds with the object of expenditure of *Donation* are funds that can be utilized by transferring the funds to a partner agency or entity that would use the fund to directly implement the desired project or program, or if the situation will not merit eligibility or possibility of fund transfer, the DA can procure the components and transfer the same to the beneficiary entity without cost. The DA will undertake a memorandum of agreement with the beneficiary entity that would effect the transfer of funds or project components and assets, and ensure that the implementation of the project is in accordance with the DA's design and objectives.

II. SCOPE AND LIMITATIONS

These guidelines shall govern all NLP interventions, programs, activities, and projects that involve components with funds under the object of expenditure of *Donation*. These funds could be from the regular annual allocation, special, additional, and other related fund allocations from the GAA and other sources under the law and proper authorities.

Furthermore, it will be complementary to the implementing guidelines of all NLP program, activities, and projects (PAPs) with components having the object of *Donation* and shall only provide facilitating direction on how to process projects involving transfers of the said funds to partner entities. These guidelines shall not be contradictory

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to the implementing guidelines and other enabling documents of the NLP PAPs it aims to facilitate. In case of confusions and conflict in provisions, the NLP Director shall provide clarification and decision to resolve the ambiguity.

III. OBJECTIVES

These guidelines aim to ensure the effective, efficient, and timely implementation of all NLP interventions, programs, activities, and projects that involve components with funds under the object of expenditure of *Donation*. It shall provide the National Livestock Program and its regular operating units, the necessary enabling procedures on utilizing funds with the object of expenditure of *Donation* and facilitate the proper implementation of the programmed interventions with the beneficiaries of NLP.

IV. DEFINITION OF TERMS

As used in this Guidelines, the following terms, words, and phrases shall be construed as:

1. Donation- This account is used to recognize the amount of donations to other levels of government and individuals and institutions. (*Government Accounting Manual*)
2. Memorandum of Agreement - A written document describing a cooperative relationship between two or more parties wishing to work together on a project or to meet an agreed upon objective. A MOA serves as a legal document and describes the terms and details of the partnership agreement, in this case, the DA/ DA agency and the partner entity/beneficiary.
3. Operating Units (OUs) - The DA agencies and units that are implementing the regular NLP PAPs. These are the Department of Agriculture - Regional Field Offices (DA - RFOs), Bureau of Animal Industry (BAI), and Agricultural Training Institute (ATI).
4. Partner Entity- Also known as the beneficiary/ requesting party/ or cooperating partner of the *Donation*, these shall be institutions with established legal identity and stature that passes the validation and selection process. These institutions can be Local Government Units (LGUs), State Universities and Colleges (SUCs)/ Higher Educational Institution (HEIs), cooperatives, associations or people's organizations that are qualified for the Project.
5. Programs, Activities, and Projects (PAPs) - Refer to the specific interventions of the National Livestock Program herein identified to be funded by DA thru donation to an implementing partner entity.
6. Selection- Refers to the process of identifying project beneficiaries after due validation and review of application or request and the accompanying requirement.
7. Validation- Confirmation of the identity and qualifications of the applying parties through the provision of documents and objective evidence through on-site observation/evaluation, interview, review of records, and other necessary means to attain the purpose.



V. PROJECTS

The NLP Projects with funds in the object of *Donation* are for the purpose of, but not limited to sector development, livelihood-related, for farm development, agricultural machineries, equipment, and facilities (production, post-production, processing), breeding programs, research and development projects, nucleus, multiplier, and technodemo farm development and upgrading. Enumerated below are the current NLP PAPs that have or may have *Donation* funds:

1. Livestock-based Livelihood and Enterprise Development Project (Livestock Economic Enterprise Development or LEED Program)
2. Facilities-based Livelihood and Enterprise Development Project
3. Swine Calibrated Repopulation: Clustered Livelihood
4. NLP For Later Release Funds
5. Feedmill Development Program
6. Multiplier Farms Development Program
7. Other additional or new NLP PAPs from various fund sources with the object of *Donation* that were not mentioned or would be included in the future.

VI. BENEFICIARIES QUALIFICATION AND PROCESS OF APPLICATION

The project implementations, including the beneficiaries' qualifications and requirements will be subject to their respective project guidelines/program documents (not all project components are fully donation and they have their respective guidelines). However, in the absence of project guidelines relative to those PAPs, these guidelines will suffice and could give necessary enabling provisions.

A. Eligible Beneficiaries:

Eligible beneficiaries are local government units (LGUs), state universities and colleges (SUCs), and farmers' cooperatives and associations (FCAs).

Priority shall be given to FCAs that are CSO (Civil Society Organization) accredited and eligible to receive funds from the DA. If an FCA cannot readily comply with the accreditation, it can partner with an LGU or SUC under contract, and the DA OU can facilitate fund transfer thru the LGU or SUC with an arrangement that the LGU or SUC partner shall procure the components and award it to the FCA beneficiary. However, LGUs and SUCs can propose projects on their own, subject to NLP priorities and availability of PAPs with Donation budget.

B. Application:

a. The applicant shall manifest intent to apply for the project in writing. The Letter of Intent should be addressed to the DA OU Director or Regional Executive Director. Requests addressed to the Secretary and Undersecretary shall be endorsed to the OUs by the Central Office;

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b. Requests from various entities requesting for different kinds of intervention shall be considered under the various programs with Donation funds and shall be asked to send the necessary requirements;

c. The OU shall set a selection and processing period of the PAPs with Donation funds.

C. Documentary Requirements:

- a. Letter of Intent and/or Resolution requesting for a Livestock Livelihood Project;
- b. Project Proposal;
- c. Documents on the legal identity/registration of the requesting entity;
- d. Endorsement of LGU;
- e. Other documents that the OUs may require.

D. Qualification, Prioritization, and Screening:

- a. With limited budget allocation, the OUs can only award limited number of slots for the project;
- b. Selection criteria shall be set to aid the RFO in screening and choosing the most prepared applicants, from the stage of documentary screening (everyone in the long list must be informed to submit necessary documents), field validation stage, and RFO prioritization stage.
- c. In case of FCA beneficiaries, it shall be determined if the FCA will directly receive funds (if CSO accredited) or it intends to involve the LGU (LGU receive funds and implement it for the FCA);
- d. Those FCAs, LGUs, or SUCs that are found to be eligible to receive fund transfers can proceed (no unliquidated funds or were certified by the OU's accountant to be eligible to receive fund transfers);
- e. The first applicants to comply with the requirements shall be prioritized;
- f. The OUs' prioritization must also consider various factors such as enhancement of production goals, swine repopulation, preferred commodities, and fund limitations;
- g. The OUs shall also determine if the identified applicants are not eligible to directly receive funds, and consider the option where the OU shall undertake procurement and duly transfer the project components to the beneficiaries, without cost.

E. Secondary Screening: The OUs shall then sort the applicants into commodities and give priority to the requests that match with the OU allocation and commodity of priority. Those that are found eligible, which means within the OUs priority projects and complied all the primary documentary requirements, can proceed to the next process.

F. On-site Validation: On-site validation by OU personnel shall be made to further assess the capability and readiness of the applicants. A validation form shall be used to assess the appropriateness, readiness, and compliance of the area to the standards of the proposed project;



If it was determined that the DA OU will be the one to undertake the procurement process, where the components shall be transferred to the beneficiary FCA without cost, the requirements for the eligibility to receive fund transfers shall not be required anymore.

VI. MOA PROCESS FLOW

1. After approval of the project documents/proposals, the MOA and fund transfer documents processing must immediately commence (MOA, Resolution, and related-documents);
2. Upon the the issuance of resolutions and other necessary fund-transfer documents, the MOA shall be signed by the parties (DA and the beneficiary/requesting party/partner entity);
3. After the MOA is signed, if direct fund transfer will be made, the funds must be immediately processed for transfer in accordance to the MOA and existing rules and regulations on transfer of funds;
4. If it was determined that the DA OU will be the one to undertake the procurement process, the OU shall follow regular procurement process. The components shall then be transferred to the beneficiaries without cost.

VII. MEMORANDUM OF AGREEMENT

The MOA shall be undertaken between the DA OU and the beneficiary. If the funds are coming from the DA-Central Office, the DA party shall be the DA Central Office, represented by the Secretary as the main signatory and witnessed by the NLP Director/Undersecretary for Livestock. If the funds are coming from the OUs (RFO or agency), the DA party in the MOA shall be the DA OU represented by the Director/Regional Executive Director (as the main signatory).

The MOA shall include provisions that shall safeguard the proper and effective implementation of the project and the utilization of funds by the partner entity. The MOA shall have the effectivity period of 1 year, subject to early termination or extension by both parties should the necessity arise. The extension of which shall be undertaken in the form of an agreement approved before the original period of effectivity lapses/ends.

VIII. PROJECT IMPLEMENTATION

The project implementation shall be pursuant to the approved project document/proposal and the MOA. The implementing party, which is the beneficiary of funds, shall see to it that the funds are utilized properly and within the implementation period agreed. It shall undertake procurement process compliant to the agency's/institutions procurement/accounting process, rules, and regulations. The same diligence must also be observed if it is the OU that shall conduct the procurement for the project.

The implementation stage must also actively involve the DA as supervisor and guide to the implementing partner entity. The DA shall provide technical and administrative guidance to the partner entity to facilitate the successful implementation of the project.

G. Shortlisting of Beneficiaries: The most prepared applicants as assessed in the validation shall be shortlisted. However, their proposals are yet to be finalized using the NLP template and with inputs from the OUs on what the final components of the project should be. This shall be based on the different PAPs guidelines, concept, and designs.

H. Project Proposal: The final project proposals shall be prepared by the shortlisted applicants with the assistance of the OUs, and submitted to the OU Director/RED for approval. The proposals shall be relevant to the objectives of the specific PAPs and components, which could possibly include animal breeder stocks, biosecure housing facilities (establishment/repair/upgrading/smart housing), production and post-production facilities, machineries and equipment, supplies (feeds, drugs and biologics), biosecurity supplies and materials, capability building, technical and scientific equipment, trainings, and others, as determined appropriate by the NLP. With the final approval of the project proposals, the fund transfer process shall proceed.

I. Pre-MOA and Fund Transfer Requirements: The implementation of projects with *Donation* objects of expenditure in its components shall involve the transfer of fund from the DA unit where the funds are lodged, to the eligible and selected partner entity identified as beneficiary or cooperator. Since this involves fund transfer, additional beneficiary qualifications and documents shall be required under this guidelines, in addition to the existing qualifications and requirements.

Requirements	Pre-requisites	LGU/ or thru LGU	SUCs/HEIs	FCAs
1. Certification of eligibility to receive funds/notice of no unliquidated funds from the source agency/OU	<i>No unliquidated funds</i>	/	/	/
2. Approved Program Document/Project Proposal in accordance with the DA's prescribed program design accompanied with letter of intent or request. Signed by the head, endorsed by RFO, and approved by the OU head	<i>No unliquidated funds/ Validation by OU</i>	/	/	/
3. SB/Board/Council Resolution Authorizing the Head/Representative to Enter into a MOA	<i>Approved Project Document</i>	/	/	/
4. Organizational Legal Documents/ Identity and Registration	<i>Submitted with #2</i>			/
5. List of officers and members	<i>Submitted with #2</i>			/
6. DA CSO Accreditation	<i>Submitted with #2</i>			/
7. Proof of land ownership: land title/tax declaration/ usufruct (if involves establishment of structure)	<i>Submitted with #2</i>	/	/	/
8. Other documents required by the respective OUs accounting/ COA		/	/	/



The partner entity then, shall allow unrestricted access to the project site and documents to DA. Progress reports must also be periodically submitted to the DA, or upon the request of the latter.

Upon the completion of the project, an inauguration or turn-over program shall be held. The beneficiary must expedite the liquidation process upon completion.

IX. MONITORING, EVALUATION, AND SUSTAINABILITY

The OUs shall provide updates on the processes of application, screening, and approval of the project beneficiaries. The NLP Central Office Secretariat shall schedule a regular meeting to collect these updates and assist the OUs in the proper implementation of the project and to assure compliance to directives and guidelines.

The OUs shall conduct regular monitoring and evaluation of the projects in coordination with the NLP Central Office Secretariat. They will work in close coordination with LGUs and Agriculture and Fishery Council to assist the partner entity/beneficiary in their technical and other related needs in maintaining the project.

X. SUPPLEMENTARY GUIDELINES

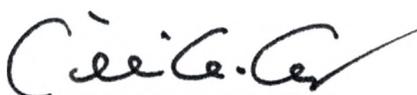
If deemed necessary and the need arises, DA OUs may issue supplementary guidelines that would be applicable in their regions/ area of responsibility in order to facilitate smooth and faster implementation and utilization of *Donation* funds.

XI. EFFECTIVITY

This Memorandum Circular shall take effect immediately upon signing and shall be valid unless revoked and superseded by future issuances.

Done in the Quezon City, this 30th day of April, 2021.

Approved / Disapproved:


WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE
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