



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

Memorandum Order

No. 64

Series of 2021

**SUBJECT: IMPLEMENTING GUIDELINES FOR THE RICE
COMPETITIVENESS ENHANCEMENT FUND – RICE FARMERS
FINANCIAL ASSISTANCE PROGRAM (RCEF-RFFA)**

I. BACKGROUND

On 14 February 2019, President Rodrigo Roa Duterte signed Republic Act 11203, otherwise known as "An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and for Other Purposes". Article I Section 2 states that to ensure food security and to make the country's agricultural sector viable, efficient and globally competitive, the country now adopts the use of tariffs in lieu of non-tariff import restrictions to protect local producers of agricultural products.

Article XIII Section 13 stipulates the establishment of the Rice Competitiveness Enhancement Fund (RCEF), otherwise known as The Rice Fund, which shall consist of an annual appropriation of Ten Billion Pesos (Php 10,000,000,000.00) for the next six (6) years following the approval of the Act. The Rice Fund shall be used for the provision of rice farm machinery and equipment; rice seed development, propagation, and promotion; expanded rice credit assistance; and rice extension services to all eligible rice farmer beneficiaries in the identified target areas.

Furthermore, Section 13 also states that if the annual tariff revenues from rice importation exceeds Ten Billion Pesos in any given year within the six-year period following the effectivity of the Act, the excess tariff revenues shall be earmarked by the Congress and included in the General Appropriations Act (GAA) of the following year for other purposes.

The Bureau of Customs shall issue a certification, not later than April 15 of every fiscal year, of the annual tariff revenue from rice importation of the preceding year to the Department of Budget and Management, copy furnished the Department of Agriculture, Department of Finance, and the Bureau of Treasury, commencing upon the effectivity of the Act. This certification shall likewise include the amount

A food-secure and resilient Philippines

with empowered and prosperous farmers and fisherfolk



in excess of Ten Billion Pesos (P10,000,000,000.00), if any, from the tariff revenue earned from rice importation the preceding year.

Among the intended purposes of the excess tariff collections is the establishment of the Rice Farmer Financial Assistance which enables the DA to provide direct financial assistance to rice farmers as compensation for the projected reduction or loss of farm income arising from the tariffication of the quantitative import restrictions on rice.

Republic Act No. 11518 otherwise known as the General Appropriations Act for Fiscal Year 2021 states under Special Provision No. 3: Rice Farmers Financial Assistance Program, that an amount of Two Billion One Hundred Thirty-Five Million Two Hundred Ninety-Nine Thousand Pesos (Php 2,135,299,000.00) shall be appropriated to the DA for direct cash transfers to rice farmers.

Also, Unprogrammed Appropriations of Special Provision No. 22: Use of Excess Tariff Collections from Rice Importation states that revenues in excess of the Ten Billion Pesos (Php 10,000,000,000.00) collected by the Bureau of Customs for the year 2020 under the Rice Tariffication Law shall be released as cash assistance to rice farmers as compensation for the projected reduction or loss of farm income arising from the tariffication.

In addition, the President released a veto message related to the mentioned two Special Provisions reiterating that the identification of program beneficiaries should be in accordance with provisions of RA 11203. Therefore, the subsidies shall be provided to rice farmers who are tilling two (2) hectares and below.

II. ACRONYMS AND ABBREVIATIONS

ATM	Automated Teller Machine
BFSI	Banking, Financial Services and Insurance
BTR	Bureau of Treasury
CA	City Agriculturist
CAO	City Agriculturist Office
CO	Central Office
COA	Commission on Audit
DA	Department of Agriculture
DBP	Development Bank of the Philippines
FFRS	Farmers and Fisherfolk Registry System
FINTECH	Financial Technologies
FOS	Field Operations Service
GFI	Government Financial Institution
ICTS	Information and Communication Technology Service

A food-secure and resilient Philippines
with empowered and prosperous farmers and fisherfolk



IMC	Interventions Monitoring Card
IRR	Implementing Rules and Regulations
MO	Memorandum Order
LBP	Land Bank of the Philippines
LGU	Local Government Unit
MA	Municipal Agriculturist
MAO	Municipal Agriculturist Office
NPCT	National Program Coordinating Team
PA	Provincial Agriculturist
PMO	Program Management Office
RBAP	Rural Bank Association of the Philippines
RCEF	Rice Competitiveness Enhancement Fund
RED	Regional Executive Director
RFFA	Rice Farmers Financial Assistance
RPCT	Regional Program Coordinating Team
RSBSA	Registry System for Basic Sectors in Agriculture
RTL	Rice Tariffication Law
SARO	Sub-Allotment Release Order
SFTP	Secure File Transfer Protocol
TWG	Technical Working Group

III. DEFINITION OF TERMS

1. Rice farmer- an RSBSA-registered rice farmer owning or tilling a total cumulative rice area of two (2) hectares and below as declared in the RSBSA.
2. FinTech Partner- entity that provides a new technology that seeks to improve and automate the delivery and use of financial services. This entity is essential in the creation of e-wallet accounts and issuance of IMC for the beneficiaries.
3. Cash assistance- an unconditional cash assistance amounting to Php 5,000.00 to be provided to eligible rice farmers.
4. Interventions Monitoring Card- a QR-code bearing transactional card on which the cash assistance for farmers shall be loaded. The card shall also serve as an identification card for stakeholders of the agriculture and fisheries sector.
5. Farmers and Fisherfolk Registry System- the official system utilized by the Department in encoding relevant information of registered farmers and fishers in the Registry System for Basic Sectors in Agriculture (RSBSA). It is an online system developed by the DA-ICTS and mainly used by the Department's Regional Field Offices.

A food-secure and resilient Philippines
with empowered and prosperous farmers and fisherfolk



IV. OBJECTIVES

The **RCEF-RFFA** aims to:

1. Provide cash assistance to smallholder RSBSA-registered rice farmers tilling rice lands of two (2) hectares and below; and
2. To provide temporary relief to eligible farmers throughout the implementation years of the RTL.

V. DESCRIPTION

The guidelines shall serve as a reference for the implementation of the **RCEF-RFFA for FY 2021**, a direct, secure, and unconditional cash assistance amounting to **Five Thousand Pesos (Php 5,000.00)** to each eligible rice farmer beneficiary through partner GFIs.

VI. SCOPE AND COVERAGE

- A. The **RCEF-RFFA** shall cater to rice farmers satisfying the following qualifications:
 - A.1. Registered in the updated RSBSA; and
 - A.2. Total cumulative rice area declared in the RSBSA does not exceed two (2) hectares;
- B. All rice producing provinces in the country shall be covered.

VII. DURATION OF THE PROGRAM

The **RCEF-RFFA** activities shall commence immediately after the effectivity of this memorandum order. The program shall run within the validity period of the fund as provided in the Sub-Allotment Release Order (SARO).

VIII. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

A. DA Central Office (DA-CO)

1. Comply with the budget and legal requirements to secure budget allocation and ensure the timely release of funds intended for the RCEF-RFFA, subject to pertinent accounting rules and regulations;

A food-secure and resilient Philippines
with empowered and prosperous farmers and fisherfolk



2. Establish an RCEF-RFFA NPCT that will formulate policies and procedures to resolve grievances and ensure proper execution of the program;
3. DA-ICTS to lead in ensuring the cleanliness and deduplication of the final list to be submitted to the GFIs for processing;
4. DA-ICTS to send only the final list of beneficiaries received from the DA-RFOs to partner GFI;
5. DA-FOS and DA-ICTS to provide necessary support (i.e. briefing, trainings among others) to the DA-RFOs during the implementation of the program;
6. DA FOS to submit quarterly reports of cash assistance distributed in target areas to oversight agencies of RCEF-RFFA;
7. DA-FOS and DA-ICTS to sit as part of the panel which shall review the eligible and interested FinTech partner for the program.
8. DA-CO to signify its conformity to the FINTECH partner/s that will be deemed eligible upon completion of the thorough accreditation process.
9. DA-CO, together with the GFI to conduct review of the performance of the accredited FINTECH Partner after every program run. In the event of satisfactory performance evaluation, the FINTECH partner's accreditation may be continued.

B. DA Regional Field Offices (DA-RFOs)

1. Create an RPCT to be convened by the DA Regional Executive Director (RED) to oversee program implementation and resolve issues and concerns within their jurisdiction. The Field Operations Division (FOD) shall serve as the Head Secretariat of the DA-RPCT for RCEF-RFFA Program;
2. Properly and completely encode the qualified validated rice farmers based on the approved eligibility criteria for RCEF-RFFA beneficiaries;
3. Endorse the final validated list of beneficiaries to DA-FOS and DA-ICTS;
4. DA-RFOs shall open and maintain a "DA – RCEF-Rice Farmers Financial Assistance Program Fund" and "DA – RCEF- Rice Farmers Financial Assistance Service Fee" Accounts in the concerned GFI branch where the program funds and service fee shall be settled.
5. Lead the notification of available cash assistance to rice farmer beneficiaries;
6. Endorse to DA-RCEF PMO through proper communication, concerns that cannot be resolved at the regional level;

A food-secure and resilient Philippines
 with empowered and prosperous farmers and fisherfolk



7. Consolidate and provide regional distribution schedules and progress reports on RCEF-RFFA Program to DA-FOS; and
8. Coordinate with the LGUs to assist in the provision of logistical and security support for program-related activities.

IX. PROCEDURES

A. Preliminaries

1. DA-RFOs shall fast track the campaign in M/CAOs to conduct priority registration in the RSBSA of rice farmers eligible for the program.
2. DA-RFOs shall prioritize validation of data and information of eligible rice farmers encoded in the FFRS as of August 11, 2021;
3. DA-RFOs shall ensure that the information encoded in the FFRS are true, valid, correct and complete and that field validations are conducted when needed;
4. DA-RFOs shall generate the final list of beneficiaries following the prescribed file format of the DA-ICTS as consulted with the partner GFI;
5. DA-RFOs shall endorse the final list of beneficiaries to DA-FOS and instruct the DA-ICTS to submit the list to the partner GFI through a letter duly signed by the RED;
6. The DA-ICTS shall send the final list containing the relevant information of eligible beneficiaries from the FFRS and transmit it to the partner GFI following the prescribed file format.

B. Farmer Onboarding, Verification and Distribution of IMC and Assistance

1. Upon receiving the list of beneficiaries from DA-ICTS, the GFI shall send the list of beneficiaries to the FINTECH partner/s.
2. FINTECH partner/s shall open an account for each of the farmer beneficiaries and provide the list of farmers with the generated account number to GFI.
3. GFI shall send the list of farmer beneficiaries with account number to DA-ICTS.
4. DA-ICTS shall prepare the list with e-wallet details and distribute the said list to DA-RFO for the reference before distribution.

5. DA-RFO in coordination with M/CAO shall schedule to gather the farmer beneficiaries at the most convenient time and area for the face-to-face KYC validation by the FINTECH partner/s and subsequent distribution of the IMC.
6. FINTECH partner shall conduct an onsite farmer verification to have a liveness check before the issuance of the IMC.
7. After identity verification, FINTECH partner shall provide the verified final list to GFI.
8. The verified list shall be provided by the GFI to the DA for preparation of disbursement.
9. After identity verification, the FINTECH partner/s shall print the IMC with the RSBSA number, account number, full name of the beneficiary, QR code, and farmer's photo and can be given instantly to the beneficiaries.
10. The issued IMCs to the Farmers shall serve as the Farmers' ID Card as well as Financial Card where DA cash grants and other financial aids will be coursed through moving forward. This RFFA will be the pilot implementation for the IMC.
11. For distribution and payment of RCEF-RFFA grants, the GFIs may utilize any combination of the following modes:
 - a. Interventions Monitoring Card (IMC);
 - b. Credit to account or E-Wallets maintained with BSP-supervised Financial Institutions; and/or
 - c. Conduits, such as:
 - i. Countryside Financial Institutions (e.g. rural banks, cooperative banks, and thrift banks);
 - ii. Cooperatives;
 - iii. Accredited Remittance Centers/ Companies;
 - iv. ATMs being managed by other Rural Banks;
 - v. Other conduits that the DA and GFI may agree upon.
12. The DA-CO and/or DA-RFOs and LGUs shall extend assistance to GFIs in the implementation of the various modes.

13. GFIs to provide DA-FOS copy furnished DA Accounting, a distribution report disaggregated into province and region within ten (10) working days after the last day of the payout month.

X. Feedback and Grievance Mechanism

1. All feedback relating to the implementation of the RCEF-RFFA shall be forwarded to the DA-RFOs, which shall be resolved in accordance with the policies and procedures formulated by the DA-RPCT; and
2. Grievances which cannot be resolved by the respective DA-RPCT shall be elevated to the RCEF-RFFA NPCT for resolution and appropriate action.

XI. Account Management

Fintech Partners may assign their selected Offices / Partner Outlets where farmers can personally proceed to for the claiming of his IMC, within a prescribed period only (1 month from the original schedule).

XII. LIQUIDATION

1. GFI shall issue a certified true copy of Credited/Claimed and Rejected Transactions (liquidation certification) Reports and Statement of Account within sixty (60) calendar days from the specified end of the Program (e.g. List of Paid and Unpaid beneficiaries);
2. Service fees shall be debited to the account of each beneficiary and shall be credited from the account upon every successful withdrawal. Service fees include the:


IMC Card Cost – P20.00

IMC Loading Fee – Php50 per transaction

Total Service Fee- Php 70 per beneficiary; and

3. At the end of the Program, all unused funds shall be returned to DA-RCEF-RFFA Program Fund by the GFI within thirty (30) calendar days from the date of receipt of a written notice from DA.

Within 15 working days after the end of the Program period as specified by DA, the DBP shall provide the summary of Credited and Rejected Transaction Report and Statement of Account to respective DA-RFOs for reconciliation purposes to aid in the latter's liquidation of funds.

 *A food-secure and resilient Philippines*
with empowered and prosperous farmers and fisherfolk




XIII. OTHER TERMS

1. **NOTICES.** All concerned offices shall communicate regularly and shall use any available means of communication including electronic means (email) which shall be considered as official documents, any unknown reproduction of these documents without the consent of both Parties shall be considered for penalization.
2. **OTHER AGREEMENTS.** All concerned offices such that of DA-RFOs may execute such other supplemental implementing rules which may indicate specific prioritization criteria and other relevant information which are necessary to implement the terms of this Guideline, the same shall be deemed as integral parts hereof, provided they have sought clearance from the DA Secretary. Parameters which the DA-RFO may consider for the prioritization criteria are:
 - Number of qualified beneficiaries per household
 - Recipient of previous cash assistance program under the Department
 - Government employee/official
3. **DATA SHARING.** All concerned offices shall endeavor to implement a non-intrusive and secure automated system of data exchange that will allow the respective Parties' IT applications and databases to communicate with each other in real time.
4. **CONFIDENTIALITY.** All concerned offices agree to hold in strict confidence any Confidential Information disclosed to or obtained by it and shall use such Confidential information only in connection with the purposes of this MC.

For purposes of this provision, Confidential Information means any and all information disclosed by a party (Disclosing Party) to, or obtained by, the other Party (Receiving Party) in any manner, that, as a result of, or in connection with this MC, by its nature, is considered proprietary and confidential, regardless of whether such information is specifically labeled or described as such including, but not limited to, proprietary information, and personal data, financial data, business plans or proposals, agreements of the Disclosing Party with third parties, and any representations by any officer, employee or representative of the Disclosing Party. Provided, however, that Confidential Information shall not include the:

- i. Information that is generally available to the public other than as result of disclosure in violation of this MC;
- ii. Information available to the Receiving Party on non-confidential basis without an express restriction on disclosure;

 *A food-secure and resilient Philippines*
with empowered and prosperous farmers and fisherfolk



- iii. Information which is required to be disclosed by any court, tribunal or regulatory authority or by any requirement of law, legal process, or regulation; or
- iv. Information that the Disclosing Party expressly agrees in writing may be disclosed by the Receiving Party to third parties.

The Receiving Party agrees that Confidential Information shall not be disclosed to third parties without the prior written consent of the Disclosing Party, and that each Party shall exercise the same degree of care as it does not desire to publish, disclose, or disseminate. The obligation of confidentiality shall continue in full force and effect notwithstanding the termination of this MC. The parties agree to abide by Republic Act no. 10173 or Data Privacy Act of 2012, its implementing rules and regulations and the issuances by the National Privacy Commission with regard to the handling of Confidential Information.

XIV. AMENDMENT

The provisions, exhibits and annexes of this MO may be amended or supplemented as deemed necessary and agreed upon by all concerned offices.

XV. REPEALING CLAUSE

All existing orders, circulars, rules and regulations or parts thereof that are inconsistent with the memorandum order's provision are hereby repealed or modified accordingly.

XVI. EFFECTIVITY

This Order shall take effect immediately after signing, and shall remain in effect upon issuance of certification of excess tariff and annual appropriations for the RCEF-RFFA program in the succeeding years.

Done this 11th day of October 2021, Diliman, Quezon City, Philippines.



WILLIAM D. DAR, Ph.D.

Secretary

DEPARTMENT OF AGRICULTURE

in replying pls cite this code :
For Signature: S-10-21-0176
Received : 10/11/2021 01:29 PM

A food-secure and resilient Philippines

with empowered and prosperous farmers and fisherfolk

