



Administrative Order

No. 05

Series of 2023

SUBJECT : Amending DA-Administrative Order No. 27, Series of 2007 on Upland Southern Mindanao-Credit and Institution Building Program (USM-CIBP) being implemented by ACPC to improve and sustain farmer organizations and individual farmers' access to credit and other relevant services in USM-CIBP coverage areas

WHEREAS, by virtue of the DA-Administrative Order 27, Series of 2007 signed by then Secretary Arthur C. Yap and pursuant to Article 6 of the Closure Act for UDP the ACPC was designated as the implementing Agency for the Upland Southern Mindanao-Credit and Institution Building Program (USM-CIBP) as the successor program of the Rural Finance Services of the then Upland Development Programme in Southern Mindanao (UDP);

WHEREAS, pursuant to Section 3 of the DA-AO 27, the ACPC has engaged the services of the Land Bank of the Philippines (LBP) as program partner in strengthening and providing credit support to farmer/fisherfolk organizations (FFOs)-cooperatives and associations, as well as microfinance institutions as partner financial institutions (PFIs) in the provision of micro-credit and capacity building support to individual small farmers/fisherfolk not associated with any organizations in USM-CIBP areas;

WHEREAS, in the Memorandum of Agreement (MOA) dated January 1, 2020 that formalized the partnership between the ACPC and LBP, the latter was authorized to designate official representatives to sit as member in all the Committees and the Secretariat that were created to administer the USM-CIBP;

WHEREAS, when the MOA expired on December 31, 2022, the LBP has officially expressed intention not to extend or renew the partnership with ACPC for USM-CIBP;

WHEREAS, the DA, with respect to its commitments to the European Commission as stipulated in the Closure Act, recognizes the need to still continue the USM-CIBP for the benefit of the existing and future beneficiary organizations and individual farmers/fisherfolk through the ACPC using the available fund of the Program maintained through a Trust Fund with the Trust Banking Department of the LBP;

WHEREAS, considering that the LBP will no longer be a partner of ACPC in pursuit of the USM-CIBP, there is a need to reconstitute the organizational structure of the Program to cover the changes in program management, administration and implementation;

NOW, THEREFORE, for and in consideration of the above, the following are hereby ordered:

Section 1. The ACPC as the implementing agency of the Program, with existing credit facilities and institutional capacity building programs, shall take over the administration and implementation of the USM-CIBP for organizations. As such, ACPC shall focus its capacity building interventions in the development and

enhancement of the credit management capacity of FFOs to enable them to meet the eligibility criteria for Lending Conduits to become channels for the delivery of credit to SFF members and/or as FFO Micro & Small Enterprise borrowers to facilitate the outflow of farmers' produce at premium price through their agri-trading activities.

Section 2. The ACPC, in the implementation of the microfinance component of USM-CIBP, shall engage in partnership with microfinance institutions in the area for capacity building and micro-credit support for individual farmers/fisherfolk. The administration of this component shall include the authority of ACPC to approve the actual credit risk coverage applications of Partner Financial Institutions.

Section 3. The three existing program management committees, namely: the Program Coordinating Committee (PCC) covering field level matters, the Program Executive Committee (PEC) in charge of program operations, and the National Executive Committee (NEC) as the policy making body, shall be reconstituted to include the merging of the composition and functions of the PEC and NEC into a single committee as PEC. Meanwhile, the function of the PCC shall remain as it is.

ACPC, being the implementing agency of USM-CIBP, shall be directly reporting to the **Program Executive Committee (PEC)** which shall be composed of the following:

Chair	:	DA Undersecretary
Members	:	ACPC Executive Director
		ACPC Deputy Executive Director
		DA FOS Director
		DA SPCMAD Head
		EC Representative as Observer

The PEC shall have the following functions:

1. Review and approve general policies and provide policy directions of the USM-CIBP;
2. Review and approve Annual Work Plan and Budget;
3. Review and approve monitoring and management reports prepared by the Secretariat; and
4. Resolve general policy and policy direction issues.

The **Program Coordinating Committee (PCC)** shall be composed of the following:

Chair	:	Regional Executive Director, DA-RFO XI
Members	:	Regional Executive Director, DA-RFO XII
		RTD for Operations, DA-RFO XI
		RTD for Operations, DA- RFO XII
		3 ACPC Representatives

The functions of the PCC are as follows:

1. Prepare and recommend the annual work plan and budget for the credit component and institutional capacity building components for approval by the Program Management Committee;
2. Review the monitoring and management reports prepared by the Program Implementation Office prior to submission to the Program Executive Committee (PEC); and
3. Resolve issues at the field and operational level.

Program Implementation Office (PIO)

The Program Implementation Office shall be headed by a Program Director as designated by the Executive Director of ACPC. He/she shall supervise the day-to-day operations of the Program.

Program Secretariat

The Program shall have a Secretariat to be headed by the Chief of the ACPC Institutional Capacity Building (ICB) Division. It shall be composed of ACPC staff as designated by the Executive Director of ACPC and the DA-RFO staff as designated by the respective Regional Executive Directors of Regions XI and XII. The ACPC Secretariat members shall be housed at the ACPC Office and shall be reporting to the Program Director of ACPC. The PIO and Secretariat shall assist the Program Coordinating Committee and the Program Executive Committee in the performance of their functions.

The PIO/Secretariat shall have the following functions:

1. Make the funds available for the program and ensure the availability of program funds;
2. Handle the administrative and secretarial aspects (e.g. preparation of discussion materials, minutes, etc.) of the program to include arranging meetings and preparing minutes of meeting of the different Committees of the Program (e.g., PEC, and PCC, handling communications of the Program and other activities);
3. Assist in the review and evaluation of IB proposals and conduct validation of proposed projects/activities for the institution building;
4. Review and approve actual credit risk coverage applications of Partner Financial Institutions under the Microfinance Component of USM-CIBP
5. Prepare monitoring and review reports;
6. Ensure documentary compliance of all proposals prior to submission to the PCC and PEC for evaluation and approval;
7. Conduct monitoring and review of the credit and institution building projects/activities of the Program and to prepare recommendations to the PCC and PEC to improve program implementation; and,
8. Perform other functions as may be mandated by the Program Committees.

entitled to allowances and other benefits, with corresponding rates, subject to the approval of annual work plan and budget by the PEC, and the usual government auditing rules and regulations.

Section 4. The USM-CIBP Trust Fund earnings shall be utilized to fund the operational requirements of the Program (e.g. program staff, maintenance expenses, etc.) and institutional building (IB) projects and activities of accredited program partners and service providers of IB.

Section 5. In cases of deficit in earnings to fund the operational requirements of the Program, the ACPC as Program Manager may first utilize the collections from UDP loans to cover the shortfall. If the funds for operations are still lacking, then the operating funds may be withdrawn from principal as a last resort.

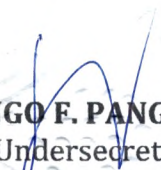
Section 6. ACPC shall submit a quarterly report to DA and EC on the progress of the activities and status of the fund.

Section 7. ACPC shall perform any and all acts and deeds necessary and incidental to the efficient and effective implementation and attainment of the objectives of the USM-CIBP.

This administrative Order shall take effect immediately.

May 18, 2023

Approved by:


DOMINGO F. PANGANIBAN
Senior Undersecretary
Department of Agriculture



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