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MEMORANDUM ORDER

No. 09

Series of 2024

SUBJECT : IMPLEMENTING GUIDELINES ON THE UTILIZATION OF THE DEPARTMENT OF AGRICULTURE (DA) - QUICK RESPONSE FUND (QRF)

In the exigency of service, this Order is hereby issued to provide the implementing guidelines on the utilization of the Department of Agriculture - Quick Response Fund.

I. Rationale

The Philippines is susceptible to a range of natural hazards primarily due to its geographical location. Positioned within the Typhoon Belt and along the Pacific Ring of Fire, the country faces many threats, including typhoons, flooding, landslides, droughts, earthquakes, volcanic eruptions, and various human-induced hazards. Among the sectors most vulnerable to these hazards is the agriculture and fisheries sector.

The Department of Agriculture plays a pivotal role before, during, and after disaster operations because agricultural producers, who constitute the department's primary stakeholders, are especially susceptible to the adverse effects of climate change and seasonal climatic fluctuations. To address the sector's longer-term vulnerabilities and challenges, the Department provides an opportunity to increase the capacity of farmers and fisherfolk to cope and reduce the risk of future disasters through its Rehabilitation and Recovery Programs, Projects, and Activities (PPAs).

To implement these PPAs, the Philippine Government has appropriated the Quick Response Fund (QRF) to critical national government agencies to serve as a standby fund to be utilized in connection with calamities that will occur during the year and primarily for the rehabilitation and recovery of disaster affected areas.

For the Department of Agriculture, the amount appropriated for the Quick Response Fund shall be used solely for programs, projects, and activities indicated in the Special Provision of the General Appropriations Act (GAA) of every year.

II. Legal Basis

These guidelines are hereby promulgated based on the following legal provisions:



Section 22(a) of Republic Act No. 10121 or the PDRRM Act of 2010, "The present Calamity Fund appropriated under the General Appropriation Act shall henceforth be known as the National Disaster Reduction and Management Fund (NDRRMF) and it shall be used for disaster risk reduction or mitigation, prevention and preparedness activities such as but not limited to training of personnel, procurement of equipment, and capital expenditures. It can also be used for relief, recovery, reconstruction, and other work or services in connection with natural or human-induced calamities which may occur during the budget year or those that occurred in the past two (2) years from the budget year."

Section 22(c) of Republic Act No. 10121 or the PDRRM Act of 2010, "Of the amount appropriated for the NDRRMF, thirty percent (30%) shall be allocated as Quick Response Fund (QRF) or stand-by fund for relief and recovery programs in order that situation and living conditions of people in communities or areas stricken by disasters, calamities, epidemics, or complex emergencies, may be normalized as quickly as possible."

General Appropriation Act (GAA), Department of Agriculture – Office of the Secretary, Special No.6: Quick Response Fund. The amount of One Billion Pesos (P1,000,000,000) appropriated herein for the Quick Response Fund (QRF) shall serve as a stand-by fund to be used for the (i) provision of various production inputs for crops, livestock and poultry, and fisheries; (ii) repair of production, post-production, and small-scale irrigation facilities; and (iii) provision of assistance in the form of cash for culled live animals or equipment and supplies directly used to mitigate the effects of disaster, and necessary tools and supplies to mitigate effects of on-going disaster..."

III. Objectives

The guidelines for utilizing the Quick Response Fund (QRF) are designed to facilitate the effective and efficient implementation of interventions. Specifically, the guidelines aim to:

- Ensure the seamless execution of rehabilitation and recovery programs, projects, and activities (PPAs), while promoting a more economical and prudent utilization of the QRF;
- Prioritize PPAs that are tailor-fit to the specific needs of affected farmers and fisherfolks, with a focus on enhancing the living conditions of communities or areas affected by disasters through sustainable recovery efforts;
- Provide essential information and procedural guidelines for requesting Operating Units (OUs) to ensure the proper utilization and effective management of the QRF; and
- Synchronize fund releases with the implementation of overall physical and financial plans, targets, and schedules as submitted by OUs, ensuring a coordinated and efficient allocation of resources.

IV. Scope and Coverage

These guidelines shall cover the rehabilitation and recovery programs, projects, and activities (PPAs) of the Department's Operating Units (OUs) funded under the Quick Response Fund (QRF).

V. Definition of Terms

For these guidelines, the following shall refer to:

Advice of Sub-Allotment (ASA) - the maximum level of expenditures that an office is authorized to spend.

Budget Execution Documents (BEDs) - the annual documents required at the onset of the budget execution phase, which contain the agencies' targets and plans, physical as well as financial, for the current year.

Disbursement - the settlement/liquidation/payment of an obligation incurred in the current or prior years, involving cash or non-cash transactions and covered by disbursement authorities.

Disaster - a severe disruption of the functioning of a community or a society involving widespread human, material, economic, and environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources. Disasters are often described as a result of the combination of exposure to a hazard; the present conditions of vulnerability; and insufficient capacity or measures to reduce or cope with the potential negative consequences. Disaster impacts may include loss of life, injury, disease, and other negative effects on human, physical, mental, and social well-being, together with damage to property, destruction of assets, loss of services, social and economic disruption, and environmental degradation.

General Appropriations Act (GAA) - the annual operating requirements of government agencies. The GAA is the most comprehensive source of appropriation coverage for the budget of the government.

Notice of Transfer of Allocation (NTA) - the authority of the regional and operating units to pay their operating expenses, purchases of supplies and materials, acquisition of PPE, accounts payable, and other authorized disbursements through the issuance of MDS checks, ADA or other modes of disbursements.

Obligations - the liabilities legally incurred and committed to being paid for by the government either immediately or in the future.

Programs, Projects, and Activities (PPAs) - any work process or group of work processes undertaken to realize the outputs and outcomes of an agency. This is represented by an item of appropriation in the national budget.



Quick Response Fund (QRF) - a stand-by fund for relief and recovery programs in order that the situation and living conditions of people in communities or areas stricken by disasters, calamities, epidemics, or complex emergencies may be normalized as quickly as possible.

Rehabilitation and Recovery Plan (RRP) - a post-disaster investment program containing a list of priority PPAs that will enable affected communities to return to normalcy and increase their resilience from future disasters. The PPAs are identified based on the Post Disaster Needs Assessment/Post Conflict Needs Assessment.

Special Allotment Release Order (SARO) - issued to identify incurred obligations not exceeding a given amount during a specified period for the purpose indicated. It shall cover expenditures the release of which is subject to compliance with specific laws or regulations or is subject to separate approval or clearance by component authority.

VI. General Policies on the Utilization of the QRF

According to the Special Provision of the General Appropriations Act (GAA), the amount appropriated as Quick Response Fund (QRF) of the Department of Agriculture shall serve as a stand-by fund solely for (i) provision of various production inputs, crops, livestock and poultry, and fisheries, (ii) repair of production, post-production, and small scale irrigation facilities; and (iii) provision of other assistance in the form of cash for culled live animals or necessary tools and supplies directly used to mitigate the effects of an ongoing disaster, which occurred in the last quarter of the immediately preceding year and those occurring during the current year may be normalized as quickly as possible.

In no case shall the QRF be used for pre-disaster activities, such as the conduct of training, insurance of assets, public information and education initiatives, or any other purpose not authorized in this Act.

Replenishment of the Quick Response Fund (QRF) can be requested if at least Fifty percent (50%) of the QRF appropriated under the General Appropriations Act (GAA) is released. The replenishment shall be released through a Special Allotment Release Order (SARO).

Specific policies:

1. The rehabilitation and recovery plan (RRP) shall be based on the final and validated Damage and Losses Report. Additional reports provided within thirty (30) days from the submission of the final report can be considered in the RRP request
2. The criteria for the evaluation and prioritization of the operating units' (OUs) requests for Quick Response Fund (QRF) are the following:
 - Extent and magnitude of disaster affecting agricultural and fishery areas;
 - Totally damaged areas, volume, and value of production losses;

- Availability of agricultural inputs such as rice, corn and vegetable seeds, planting materials, fertilizers, drugs, and biologics for livestock and poultry; and
 - The number of farmers and fisherfolks affected.
3. Production inputs for crops, fisheries, livestock, and poultry shall be implemented within 6 months. Repair of infrastructures shall be accomplished/completed within the validity of the fund.
 4. If the fund has no movement within 6 months from the date of release, the fund shall be reverted to the DA - Central Office (DA - CO) through a memorandum.
 5. The amount approved for rehabilitation and recovery currently requested by OUs can only be released if at least fifty percent (50%) of the preceding QRF is already obligated (e.g. x amount of the QRF released in January should be 50% obligated by April).
 6. Requests for the rehabilitation of small-scale irrigation systems shall be coordinated with the Bureau of Soils and Water Management (BSWM) for technical assistance and validation.

VII. Process Flow and Procedural Guidelines

The following process outlines the systematic steps for utilizing the Quick Response Fund (QRF). Adhering to this process ensures efficient and timely assistance in the recovery of areas affected by disasters.

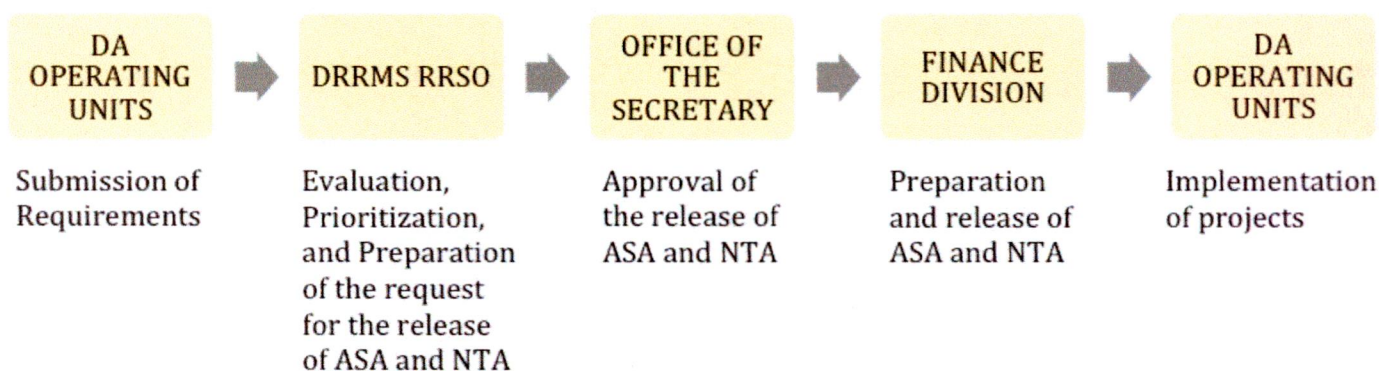


Figure 1: Process Flow of Request for Quick Response Fund

1. Submission of Requirements

The concerned OUs shall submit the final and validated damage and losses report incurred after a disaster. Simultaneously, the rehabilitation and recovery plan (RRP) shall be submitted to the DA DRRMS through the Rehabilitation and Recovery Support Office (RRSO).

2. Evaluation, Prioritization, and Preparation of the Request for the Release of Advice of Sub-Allotment (ASA) and Notice of Transfer of Allocation (NTA)

The submitted RRP shall be consolidated, analyzed, and evaluated by the RRSO. Once prioritized and finalized, concerned OUs shall prepare and submit all the required documents crucial to facilitate the request for the release of the Advice of Sub-Allotment (ASA) and Notice to Transfer Allocation (NTA) to the Office of the Secretary.

Below are the documents to be submitted:

- **Request / Cover Letter** - This shall be addressed to the Secretary.
- **Final Damage and Losses Report with Geotagged Photos** - This shall be submitted to the DA DRRMS Disaster Risk Reduction Office.
- **Rehabilitation and Recovery Plan (RRP)** - This shall be submitted to the DA DRRMS Rehabilitation and Recovery Support Office.
- **Work and Financial Plan (WFP)**
- **Budget Execution Documents (BEDs)**
 - BED 1- Financial Plan includes the estimated budgetary allocations and obligations broken down by quarter.
 - BED 2 - This includes the Physical Targets broken down by quarter
 - BED 3 - This includes the Projected Monthly Disbursement requirement by type of disbursement authority
- **Budget Preparation Form 201 (BP 201)** - by object code; Identification of programs, projects, and activities or components thereof that address specific commitments of the government including appropriate justification as may be necessary).
- **Infrastructure Assessment Form** - Refer to Annex A
- **Program of Works (POW) and Detailed Engineering Design (DED) for Infrastructure** - Refer to Annex B

3. Approval for the release of ASA and NTA

- a. The RRP and its supporting documents shall be forwarded for review and approval of the Director of Field Operations Service (FOS), the Assistant Secretary and the Undersecretary for Operations.

- a. Once approved, these shall be further reviewed by the Budget Division and then the Financial Management Service. After that, the Assistant Secretary and the Undersecretary for Finance will approve the requests.
 - i. If the requests are denied by the Assistant Secretary or the Undersecretary for Finance, the DA DRRMS through RRSO shall coordinate with the concerned OUs to address all concerns raised. The OUs shall promptly respond to the matter.
- b. Once approved by both the Assistant Secretary and Undersecretary for Finance, the requests shall be submitted to the Office of the Secretary (OSEC) for approval.

4. Preparation and release of ASA and NTA

After the approval of the Office of the Secretary for the release of the ASA and NTA, the request shall be forwarded to the Budget and Accounting Division for the preparation and release of the ASA and NTA and shall notify the respective Budget units of the concerned OUs by transmitting the approved documents

5. Implementation of Projects

Upon receiving the approved Advice of Sub-Allotment (ASA) and Notice to Transfer Allocation (NTA), the requesting DA-OUs are authorized to initiate the procurement for executing Projects, Programs, and Activities as outlined in their approved Rehabilitation and Recovery Plan (RRP).

VIII. Monitoring and Evaluation

Monitoring and evaluation constitute an ongoing process crucial for management to gauge the progress of implementation and make timely decisions to ensure that PPAs adhere to the schedule. Monitoring verifies whether interventions are being delivered, utilized as intended, and producing improvement in the situation of the farmers and fisherfolks affected. On the other hand, evaluation assesses the overall project effects, encompassing both intentional and unintentional outcomes and their impact. This practice is conducted to ensure that the PPAs provided brought about a positive impact on the recovery of disaster-stricken areas.

To effectively monitor and assess the status of interventions funded under QRF, DA-OUs are required to submit physical and financial accomplishment reports every 7th day of the month. This reporting mechanism helps pinpoint any discrepancies in data regarding physical and financial targets, cross-referencing them with the approved work and financial plan (WFP) submitted. Additionally, the accomplishment reports from the Disaster Risk Reduction and Management (DRRM) are reconciled with the Accounting and Budget Division.

Field Monitoring is also conducted to validate the submitted status reports against the actual accomplishments. This validation process includes activities such as Focus Group Discussions (FGD), Key Informant Interviews (KII), one-on-one interviews with farmers, and on-site visits to various programs, projects, and activities. The results of these monitoring efforts are presented to the Management for decision-making and to enhance the implementation of Disaster Risk Reduction and Management PPAs.

IX. Repealing Clause

All relevant issuances that are inconsistent with these are hereby repealed, amended, or modified accordingly.

X. Separability Clause


If any clause, sentence, or provision of this Memorandum Order shall be declared invalid or unconstitutional, the other provisions are not affected thereby shall remain valid and subsisting.

XI. Effectivity

These guidelines shall take effect immediately upon signing thereof and shall remain in full force and effect unless revoked, revised, or amended.

Done this 15th of February, 2024.

APPROVED / DISAPPROVED:


FRANCISCO P. TIUA LAUREL, JR.
Secretary



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