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Technical Education and Skills
Development Authority
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Joint DAR-TESDA MEMORANDUM CIRCULAR NO. 12
Series of 2004

SUBJECT: IMPLEMENTING GUIDELINES ON THE DAR-TESDA LIVELIHOOD AND ENTERPRISE ASSISTANCE PROGRAM IN AGRARIAN REFORM AREAS (LEAP in ARAs)

I. Rationale

The Department of Agrarian Reform (DAR) is vigorously pursuing its mandate of implementing the Comprehensive Agrarian Reform Program involving land tenure improvement and provision of support services to agrarian reform beneficiaries (ARBs) and other farmers. This is hinged on the need to respond to the challenges of sustaining agricultural land productivity, improving farmers' income and in promoting community and rural development. A total of 3.0 million ARBs or 52% percent of those in the agriculture sector are to benefit from CARP.

To successfully achieve these, the DAR has adopted the strategy of developing the Kapit-Bisig Laban sa Kahirapan sa Agrarian Reform Zones (KARZones), an enhanced adaptation of the Bayan-Anihan Agrarian Reform Zone Development Program, which seeks to rationalize, integrate and institutionalize the delivery of support services to ARBs and to other small farmers in agrarian reformed lands. Through the KARZones, the Department continuously promote people-centered, holistic and area-focused approached in community development. It is aimed at sustaining the gains achieved in ARC development by improving beneficiaries' reach and expanding the area coverage for support services by integrating the ARCs and adjacent CARP areas into viable economic zones.

As of September 2003, there are 1559 ARCs launched in 1123 municipalities covering 5890 barangays or 24% of the 24,287 barangays covered under the CARP nationwide. More than 1.3 million hectares of land have been distributed to the 857,643 ARBs in these ARCs representing 28% of the total 3 million ARB population. A total of 4270 ARB organizations are situated in the ARCs with a total ARB membership of 249,359. The state of development in these ARCs and correspondingly, the ARBs and their households, are in various levels and requirements are increasingly directed towards developing their capabilities to improve productivity and income-earning potentials.

To respond to these challenges, the DAR, under its KARZones development program intends to operationalize partnership and convergence of the rural development efforts with other national line agencies, civil society organizations, and business/private sector supporting the implementation of the CARP to harness the full potentials of the farmers and available resources in the countryside.

It is in this context that the Department has forged a partnership with the Technical Education and Skills Development Authority (TESDA). TESDA's mandate is directed at developing the Filipino manpower by expanding access to education and skills development to enable them to become productive and competitive. It promotes employment opportunities by coordinating the delivery of technical

education and skills training towards enterprise development through the partnering and convergence approach. Specifically, its intervention for rural development includes skills development and enhancement of their program clients as well as the creation of enterprises that optimizes the potentials of the resource-based economic activities in rural communities.

Under its Community-based Training for Enterprise Development (CBTED) program, TESDA brings into the partnership the support in promoting non-formal technical and vocational training as a means of introducing and establishing agriculture and non-agriculture enterprises, and other services or products in the agrarian reform communities.

The Memorandum of Understanding between the DAR and TESDA, signed in June 2001, upholds the commitment of both agencies to support the entrepreneurial development of farmers by implementing the "Livelihood and Enterprise Assistance Program in the Agrarian Reform Areas (LEAP in ARAs)." Essentially, DAR and TESDA shall promote grassroots enterprise development by tapping local partners (POs, LGUs, and civil society organizations), develop interventions to capacitate and enhance the skills of ARBs in developing and managing agri- and non-agri-enterprises, and facilitate access to market, credit and other related extension services.

This Memorandum Circular is issued to serve a guide on the processes, activities, the roles and functions of DAR and TESDA Central and Field Offices in implementing the program.

II. Program Objectives

The DAR-TESDA Livelihood and Enterprise Assistance Program aims to improve the productivity and economic status of ARBs and their households by providing assistance on self-employment, income generation, and on development and management of agri- and non-agri livelihood enterprises.

Specifically, it aims to:

1. Develop the capabilities of the ARBs and their households in developing and managing agri and non-agri enterprises and/or services through classroom and "on-the-job" training system;
2. Promote and institutionalize the Community-Based Training for Enterprise Development (CBTED) Methodology in pilot communities as a mechanism in the planning and delivery of training and enterprise development interventions.
3. Assist in building and/or strengthening linkages with partner agencies and organizations (i.e. LGUs, NGOs, and POs) in the delivery of support services such as community organizing, capital assistance, technology and market support, basic physical infrastructure, and other related extension services; and
4. Provide support necessary in the development and enhancement of the capabilities of DAR, TESDA and institutional partners in delivering training and

enterprise development interventions, as well as, in monitoring and evaluation of the different agri-and non-agri enterprises of the ARBs.

III. Program Expected Outputs

The program shall be implemented within the duration of five (5) years to commence upon approval of this Guideline. At the end of the program term, the following outputs are expected:

1. ARB Cooperatives, farmers' organizations, and members of farming households managing profitable agri and non-agri enterprises and/or services as a result of the capability building interventions provided;
2. A pool of project staff and institutional partners trained on the critical processes on Community-Based Training for Enterprise Development (CBTED) Methodology;
3. Partnership between and among Institutional Partners and stakeholders involved in the delivery of support services formalized and operational; and
4. Documented at least 1 successful business enterprise implemented by program beneficiaries in each region.

IV. Operational Framework

The program focuses on the promotion and development of viable and sustainable enterprises managed by competent ARBs and or by their organization. Its target beneficiaries are the unskilled and low-skilled ARBs and their households, with limited management capabilities and economic opportunities, and needs assistance to enable them to engage in productive undertakings to augment their income.

Utilizing the combined skills development and enterprise development intervention, the program shall provide non-formal technical vocational trainings on agriculture and non-agriculture to develop the capabilities of the ARBs to create and manage community enterprises and income-generating activities for ARBs.

The program components will be implemented following the Community-based Training for Enterprise Development (CBTED) methodology of TESDA, which involve the processes of product/service/enterprise project idea generation; participatory development of training program resulting from beneficiary profiling and local area-based planning (justification for training); organization, conduct of training, the formulation of IEPs or initial enterprise plans (training activities); implementation and evaluation of the IEP; and provision of support to the permanent operation of the enterprise (post project assistance).

DAR and TESDA would assist the ARBs in enhancing or strengthening the operations of their enterprises by facilitating the clustering of enterprises, as well as, the creation of alliances or networks of individual ARBs or organizations. The clusters of rural enterprises would serve as a take-off point for the formation of a community-based Kalahi Farmers' Center (KFC). The KFC, a sub-component under the KARZones development strategy of DAR, serves as a convergence center for the delivery of various extension services and development assistance of the various ARRD

stakeholders in agrarian reform areas. In areas where KFCs do exist, DAR and TESDA would ensure the integration of the Program in the operations of the KFCs to facilitate advocacy and promotion of technical skills and rural enterprise development in agrarian reform areas.

To ensure smooth and sustained operations, the Program shall utilize a partnership scheme for its implementation. DAR and TESDA shall closely collaborate in mobilizing available resources for the conduct of the various processes and activity undertakings of the Program. DAR shall maximize the Provincial Agrarian Reform Officers (PAROs) and the Municipal Agrarian Reform Officers (MAROs) particularly in mobilizing the ARBs. On the other hand, TESDA, through its Regional and Provincial Offices, the Community Training and Employment Coordinators (CTECs) and/or Municipal Technical Education and Skills Development Committee (MTESDC), shall assist in the delivery of skills training and enterprise development activities guided by its CBTED methodology.

To ensure the smooth implementation of the Program, the operational procedures and activities are spelled out in the Program Document, hereto attached and made integral part of this Circular.

V. Program Target Beneficiaries and Area Coverage

The beneficiaries of the program are individuals or group of ARBs, women, and youth, which seek skills training for livelihood and income-generation activities, and/or enterprise development. In selecting program participants, the program is guided with the following criteria:

- A. Individual Program Participants
 1. Must be 18-50 years of age
 2. Must be resident in the target community
 3. Must be willing to participate in the program
 4. Must have available resources for initial capitalization

- B. Organized groups
 1. Majority of the members are ARBs
 2. Must be registered with CDA or BRW for at least one year
 3. Must be operating or engaged in at least one profitable service/enterprise
 4. Must have at least an organizational maturity level of 3 or medium level of development
 5. Must have a complete set of officers and committee, and
 6. Must have satisfactory credit record

Program beneficiaries should come from ARCs with an ARC Level of Development (ALDA) of at least 3 while organized groups should have at least an organizational maturity (OM) level of 3.

The Program would be initially implemented in 26 provinces nationwide. The number of participating provinces shall be increased based on the results of the pilot implementation year and would be subject to available resources of both DAR and TESDA.

VI. Program Components

1. Entrepreneurship and Enterprise Development

This component is primarily concerned with the establishment and operations of viable agri- and non-agri enterprises to be managed by the agrarian reform beneficiaries and the members of their households. It involves developing and enhancing the skills and capability of program beneficiaries on entrepreneurship, enterprise idea generation, enterprise start-up, enterprise development and growth, and enterprise expansion. The program shall adopt TESDA's CBTED methodology, to facilitate enterprise creation. The CBTED methodology is comprised of four major stages, namely: (a) the justification for training; (b) training delivery; (c) enterprise plan implementation, and (d) post-project assistance.

The follow-through activities comprises the group or cluster formation of product/services developed among the training participants, installation of appropriate policies, procedures and system on product development or service delivery, capital and technology accessing, and alliance building and partnering.

2. Community-based Kalahi Farmers' Center Formation and Maintenance

The concept of setting up a community-based KFC is hinged on the need to create a support mechanism to establish area-based rural enterprises. This approach would be pursued when enterprises have been established, have achieved certain degree of normal operations, or have been organized into cluster of enterprises. Organizing processes under this component would be complimented with the capability building program assistance. The enterprise cluster operating as business units or community enterprises would eventually serve as the Kalahi Farmer's Center (KFC) showcasing the competitive advantage of a particular community with a particular product or service. DAR in collaboration with TESDA through its LGU-CTEC shall facilitate its establishment and ensure that it shall be strategically located in areas where large numbers of ARBs are present. In areas where there are already functional KFCs, DAR and TESDA would ensure that the Program would be mainstreamed in the operations of existing KFCs.

3. Capability Building and Enhancement for Livelihood and Enterprise Development and Implementation

Under the Program, DAR and TESDA shall develop appropriate capability building and enhancement interventions for two sets of target groups, namely (1) field implementers and (2) cooperatives and individual ARBs.

a. For Program Key Management Staff and Implementers

At the onset, it is necessary that the program implementers shall be armed with the appropriate knowledge and skills to enable them to carry-out the various activities of the program. DAR and TESDA shall conduct leveling-off sessions from the national to the municipal levels to clarify the processes, activities and the roles and functions of those that would be involved in the program. This will be undertaken to generate the commitments of each agencies. This component will also delve with training and capability-building interventions for field implementers on the CBTED methodology and the necessary skills relative to enterprise development and management.

Related processes under this sub-component is the conduct of needs assessment, development of IECM materials and training modules, implementation of information dissemination and actual conduct of program related trainings, installation of necessary support system such as databases for in-progress monitoring and evaluation of program implementation.

b. For Agrarian Reform Beneficiaries

Under this component, the capability building assistance would be designed for those with defined enterprises to enable them to enhance its operations. Cooperatives who have decided to intensify or expand their enterprises or individual program participants who would want to form and consolidate their enterprises into viable business units in their communities shall be provided with technical assistance on marketing research, entrepreneurship, installation of enterprise systems and procedures, developing new enterprises, strategic alliances, business registration, and business referral services.

As support in this component, the Program would likewise undertake activities that would facilitate research and continuous enhancement of implementation processes. The Program would cause the documentation and adoption of best and promising practices on livelihood and enterprise development and operations.

VII. IMPLEMENTATION PROCESSES

The program shall be implemented in three phases:

1. Pre-implementation Phase

This phase is concerned with finalizing the program document/framework, implementation procedures and guidelines, and resource arrangements required to implement the program. It would also involve the identification areas to be covered by the program based on thorough review and assessment of agrarian reform areas covered by the participating provinces in each region. Essentially, the following activities are to be undertaken during this phase:

- a. Technical Review of the Program Document
- b. Finalization of the Program Document
 - Implementation Guidelines
 - Selection Criteria for Program Areas
 - Implementation Activities and Resources
 - Masterlist and Profiles of DAR ARCs
- c. Joint Memorandum Circular Signing
- d. Conduct of National Program Orientation and Planning Workshop
 - Facilitate Regional/Provincial MOA signing
 - Formation of Regional/Provincial Program Committee
- e. Training of Program Implementors on CBTED Methodology

2. Implementation Phase

This phase covers the execution of the implementation procedures of the Program based on the defined strategic and operations plan prepared and agreed

at the national, regional and provincial levels. A Regional and Provincial LEAP in ARAs Strategic and Operations Planning shall be conducted under this phase.

This phase shall be done through a regional or provincial MOA (depending on the level of partnership developed at the field level). DAR, TESDA and LGU-CTECs shall jointly undertake this activity. Major activities under this phase include:

- a. Beneficiary Profiling. This is concerned with establishing or generating the benchmark data of ARBs in terms of their skills requirements, status of organizations and ARAs' products and services. Processes, which may be utilized for this activity, may include community assessments; training needs assessments/survey; barangay consultations, focused group discussions, and other approaches, which could aid in identifying product/service/enterprise ideas needed by the target group.
- b. Local Planning and Area-based Analysis. This involves the identification and matching of opportunities and ARB/constituencies' competence, which will be the basis in identifying specific product/services/enterprises that can contribute to the needs of the community as well as local/indigenous practices of the community members that can be enhanced.
- c. Skills-based Training. The result of the local planning using Beneficiary Profiling shall justify the conduct of a skills training program. Main activity under this process would be the conduct of "classroom" training focusing on the identified products/services/enterprise during the local planning activity as well as the Initial Enterprise Plan Preparation that will be implemented by the trainee/target group.

The results of the beneficiary profiling and needs assessments may also be used for designing promotional and other motivational activities for the target beneficiaries, which are directed towards mobilization for participants in skills training.

- d. Post-Training Activities. This phase of project implementation shall be the follow-through activities of the training conducted. The post-training activities shall include activities relating to organizing and implementing the initial enterprise plan developed during the "classroom" training. It ensures continuing activities for the improvement of the product/services until it becomes ready for normal enterprise operations.

Individual ARB households provided with training would be assisted in implementing his/her initial enterprise plan and in assessing or evaluating his/her enterprise based on the nature and conditions of his /her environment that his products/service/enterprise is expected to operate.

To assist the program participants in determining the future direction of their enterprises, their enterprise operations will be assessed to determine whether they would proceed to continue their products/services/enterprises as a collective undertaking (cluster formation) or on individual basis. The assessment will also be the basis in defining assistance for capital and technology sourcing.

- e. Enterprise Development/Post-Training Assistance. This stage of project implementation intends to sustain the gains achieved by the participating ARB households/organizations in the development of the enterprise. Based on the evaluation of their IEP, the project beneficiaries should now be ready to embark on the permanent operations of their enterprise. This stage will involve activities pertaining to securing business operations permit, government registration, sourcing or mobilization additional capital (if needed), linking with markets, and fine-tuning of systems on enterprise operations, finance, and human resources.

In undertaking this stage, the project beneficiaries shall be armed with knowledge and skills on enterprise development, capital and technology accessing/sourcing, strategic negotiations and conflict resolutions, business development and management, policies, systems and procedures installation/enhancement, etc. to ensure the smooth operations of the enterprise.

Apart from ensuring that enterprises would continue operating and to optimize the learnings gained by the participants from the Program, the TESDA regional and provincial offices shall conduct an assessment, which the process of gathering and judging evidence in order to decide whether the individual program participants has achieved a standard of competency or competence objective. Competency is the possession and application of knowledge, skills and attitudes to perform work activities to the standards expected in the workplace. A Certificate of Competency (COC) shall be issued by TESDA to individuals who passed the assessment for a single unit or cluster of units of competency. This certification may be used by individual program participant for productive employment and pursue higher education.

3. Post-Implementation/Project Phase-Out

This phase delves with post project implementation activities directed towards enhancing and sustaining the operations of the partnership program. It is concerned with ensuring that the processes and approaches in implementing the program are institutionalized and mainstreamed in the operations and development of Kalahi Farmers Centers (KFCs). Activities under this phase shall includes the following:

- Conduct of support activities/interventions towards strengthening of pilot areas
- Documentation and consolidation of experiences, practices, and model in the implementation of community-based training and enterprise development.
- Profiling and evaluation of products/services developed, and
- Assessment of the processes, practices, and strategies aimed at strengthening the program's delivery system
- Program Orientation and Planning for KFC Management
- Publication and dissemination of information, education, communication and motivational materials that would facilitate program implementation/institutionalization

VIII. PROJECT ORGANIZATIONAL STRUCTURE AND MANAGEMENT

A. Obligations of Collaborating Agencies

To operationalize the Program, the following are the general obligations and responsibilities of DAR and TESDA:

1. The DAR shall:

- a. Ensure the deployment and participation of appropriate DAR personnel such as Development Facilitators, MARO, Regional and Provincial LEAP Point Persons in the Program within its entire duration. It shall discourage the reassignment or redeployment of these staff during the duration of the Program;
- b. Identify qualified beneficiaries from the agrarian reform areas to be covered under the program, together with TESDA;
- c. Link the enterprise activities of program beneficiaries to other related DAR programs and projects such as credit and micro-finance development, marketing assistance, KFC, and others as part of its post-training assistance; and
- d. Provide the necessary management and technical support to ensure the implementation of the Program.

2. The TESDA shall:

- a. Ensure the deployment and participation of appropriate LGU-CTEC to the Program within its entire duration. It shall discourage the reassignment or redeployment of these staff during the duration of the Program.
- b. Assist DAR in identifying qualified beneficiaries from the agrarian reform areas to be covered under the program;
- c. Make available its CBTED methodology and Technical Education and Skills Development (TESD) system for adoption of agrarian reform beneficiaries in agrarian reform areas;
- d. Assist DAR in the provision of post-training assistance to include linking the enterprise activities of program beneficiaries to other related programs and projects such as credit and micro-finance development, marketing assistance, KFC, and others as part of its post-training assistance; and
- e. Provide the necessary management and technical support to ensure the implementation of the Program.

The following structures in the national, regional, provincial and municipal levels shall be established for a more effective implementation of the Project:

B. Implementing Structure

1. National Program Management Committee (NPMC)

This shall be the policy-making body of the project and as such shall set the directions and priorities for the project. The NPMC shall meet on a semestral basis or as maybe deemed necessary. It shall be composed of the following:

Secretary, DAR	- Chairperson, NPMC
Director General, TESDA	- Co-Chairperson
Undersecretary, SSO, DAR	- Member
Deputy Director General TVET-TESDA	- Member
Executive Director, ONFVET, TESDA	- Member
Director, BARBD, DAR	- Member

The NPMC shall undertake the following functions:

- a. Approve policies and guidelines relative to the program implementation and management;
- b. Deliberate and decides on matters pertaining to project implementation submitted by the RPMC and PPMC;
- c. Approve the project's work and financial plan;
- d. Coordinate and synchronize project implementation with their respective agencies' priorities;
- e. Exercise related functions as may be necessary to attain the project's objectives.

2. Program Technical Secretariat (PTS)

The NPMC shall be assisted by a PTS, which shall be jointly composed of DAR and TESDA technical staff. They shall perform both technical and secretariat functions to support the operations of the project. It shall meet on a quarterly basis or as may be deemed necessary. The Director of DAR-BARBD and Executive Director of TESDA-ONFVET shall oversee and supervise the operations of the PTS. Specifically, the PS shall be composed of the following:

Director, BARBD, DAR	- Chairperson
Executive Director, ONFVET, TESDA	- Co-Chairperson
CARPO, BSPDD, DAR	- Head, PTS
Chief, SDND, ONFVET, TESDA	- Member
2 Technical Staff from BSPDD, DAR-BARBD	- Member
2 Technical Staff from ONFVET, TESDA	

The PS shall have the following functions:

- a. Oversee project coordination and implementation;
- b. Prepare and finalize project document and implementation plan for approval by the NPMC;
- c. Review and recommends changes in the policies, guidelines, and procedures on the effective implementation of project;
- d. Install the monitoring and evaluation system;
- e. Conduct national project orientation and planning activity, periodic meetings and assessment, monitoring and evaluation activities on project operations and provides feedback to the NPMC regarding issues and concerns that needs resolution;
- f. Coordinate with DAR and TESDA Field Offices on matters pertaining to project operationalization and generation of periodic reports;
- g. Provide technical assistance to DAR and TESDA Field Offices;
- h. Provide administrative support to the NPMC, and
- i. Prepare and submit project implementation status

3. Regional Program Management Committee (RPMC)

At the regional level, the RPMC shall be created and shall be composed of the following:

Regional Director, DAR	- Chairperson, RPMC
Regional Director, TESDA	- Co-Chairperson
CARPO, SSD, DAR	- Member
Regional LEAP Point Person, DAR	- Member
RO-ROD Chief, TESDA	- Member
Regional CBTED Focal Person, TESDA	- Member
Concerned PARO, DAR (by invitation)	- Member

The RPMC shall have the following functions:

- a. Implement the project policies and guidelines at the regional level;
- b. Design work and financial plans in coordination with the PPMCs;
- c. Conducts policy review and prepare recommendation to NPMC;
- d. Receives and evaluate MOA and project/training proposals endorsed by the MARO through the PPMC;
- e. Provide technical assistance to PPMC and MARO;
- f. Conduct monitoring activities;
- g. Facilitate the generation of reports under the Project;
- h. Submit regular reports to the NPMC through the PTS.

The Regional Support Services Office (RSSD) of the DAR, headed by its Chief Agrarian Reform Program Officer (CARPO) shall provide technical and secretariat support to the RPMC. The RPMC shall meet on a quarterly basis or as may be deemed necessary to assess the progress of project operations at their level.

4. Provincial Project Management Committee (PPMC)

PARO, DAR	- Chairperson, PPMC
Provincial Director TESDA	- Co-Chairperson
CARPO-BDCD, DAR	- Member
PO-Supervising TESD Specialist, TESDA	- Member
Provincial CBTED Focal Person, TESDA	- Member
Provincial LEAP Point Person, DAR	- Member
Concerned MARO, DAR (by invitation)	- Member
Concerned CTEC, TESDA (by invitation)	- Member

The PPMC shall undertake the following functions:

- a. Ensure the implementation of project processes and activities at the MARO level;
- b. Receives and evaluates training program proposals submitted by the MARO;
- c. Provide technical assistance at the municipal level.
- d. Monitor status and progress of accomplishments of the project;
- e. Conduct periodic meetings and project assessment at their level;
- f. Submit periodic reports to the RPMC and NPMC through the Program Secretariat.

The Beneficiaries Development Coordinating Division (BDCD), headed by its Chief Agrarian Reform Program Officer (CARPO) shall provide technical and secretariat support to the PPMC. The PPMC shall meet at least every two months or as may be deemed necessary to assess the progress of project operations at their level.

X. MONITORING AND EVALUATION

To track down accomplishment and generate information on the status of the program based on its strategies and objectives, appropriate monitoring and evaluation system shall be designed and put into operations. The system would include the conduct of periodic meetings, field visits, assessments and planning workshops, generation of periodic reports, documentation of program experiences and processes, and conduct of experience sharing or island-wide review and planning session.

XI. PROGRAM FUNDS

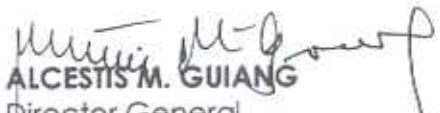
Consistent with the provisions of the DAR-TESDA Memorandum of Understanding signed in 22 June 2001, DAR and TESDA shall work together and share their resources in the implementation of the program. Both agencies would endeavor to identify and mobilize resources and expertise to ensure the delivery of quality assistance to program beneficiaries.

XII. EFFECTIVITY

This Joint Memorandum Circular shall take effect immediately upon approval by both parties and shall remain in force unless modified and repealed by subsequent Memorandum Circular. The said Joint MC may be amended through written notice and consent of both parties.

Diliman, Quezon City, June 13, 2004


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