



Republic of the Philippines

DEPARTMENT of AGRARIAN REFORM

ELLIPTICAL ROAD, DILIMAN, QUEZON CITY TELS. 997-031 TO 39

MEMORANDUM CIRCULAR NO. 03
Series of 1996

SUBJECT: **IMPLEMENTING GUIDELINES ON THE AVAILMENT OF PEASANT FUND PER ADMINISTRATIVE ORDER NO. 07 SERIES OF 1995.**

I. Introduction and Rationale

These implementing guidelines are hereby issued in accordance with the provision of the Department of Agrarian Reform (DAR) Administrative Order (A. O) No. 07, series of 1995 entitled "Rules and Regulations in the Development and Strengthening of Peasant Organizations."

A Peasant Fund Amounting to P13 Million was initially allocated and earmarked for assisting and strengthening peasant organizations sourced out from the Agrarian Reform Fund from appropriation made by law, and from grants by local and foreign sources.

Pursuant to DAR A.O. No. 07, the Secretary of DAR, through the Bureau of Agrarian Reform Beneficiaries Development (BARBD), in consultation with the Peasant Sector Representatives to the Presidential Agrarian Reform Council (PARC), Cooperative Development Authority (CDA), Bureau of Rural Workers (BRW) - Bureau of Labor Relations (BLR) and the Department of Agriculture (DA), shall prepare a list of national and regional Peasant Organizations (POs). The list shall include the PO's track record, financial and management capability, and their existing projects and programs in order to help both the POs and DAR to identify the kind of assistance needed by the POs.

These guidelines spell out the operational strategy for POs accreditation for purposes of assistance under the Peasant Fund.

II. Definition of Terms

For accreditation purposes, and to qualify for fund assistance for proposals submitted to the DAR for evaluation, the following terms shall be understood in the sense as hereunder defined:



"Tulong-tulong sa pagsulong"



Accreditation: shall refer to the formal recognition by the DAR of the PO after proper verification and validation of required documents.

Peasants Organization: shall refer to any people's organization or association, which is voluntary and independent, and established to protect and advance the interest of farmers and/or fisher folks.

Fund Assistance: shall refer to government funds provided to the Peasants/Peoples Organization (PO) to cover the implementation of a project and which is included in the Work and Financial Plan (WFP) and the budget of the government but not necessarily released for Maintenance and other Operating Expenses (MOOE), Grants, Subsidies and Contributions.

Program or Project: shall refer to any planned activities to be undertaken by the PO for institution building and strengthening and is integral to its over-all and continuing organizational thrust to contribute to agrarian reform and rural development.

Beneficiary: shall refer to the peasant and/or fisherfolk sector of the community who are the target recipients of development assistance of the government and the PO.

III. Guidelines and Procedures

A. General Requirements

For the entire accreditation process, PO applicants seeking to be accredited for purposes of assistance from the Peasant Fund shall adhere to the general provisions of DAR A.O. No. 7 series of 1995 and the C O A Circular No. 95-003.

To ensure equitable treatment to all POs in the availment of the Peasant Development Fund, equal opportunity shall judiciously be observed in the dispensation of the Fund.

B. Eligible Proponents and Projects

Proponents qualified to avail of the Peasant Development Fund shall be Peasant Organizations as defined above.

Projects eligible for funding under the Peasant Fund are institution building and capability building programs, projects and activities such as training and organizational management, project development and packaging, technology transfer, formation of positive value system and related activities enumerated under section III of A. O. No. 07 series of 1995.

C. Terms of Assistance

The amount of fund assistance that proponent organization may receive shall be limited to a ceiling of P 300,000.00 per project .

D. Mechanisms

PDF Management Committee

A PDF Management Committee shall be created, comprised of a Director from BARBD, PARC, FIMAS, Legal Service and a Peasant Representative. The committee shall: 1) Review eligible project proposals and recommend approval to the Secretary 2) Review and confirm proposals approved at the regional level; and 3) Provide management direction in the utilization of the Peasant Development Fund.

Technical Secretariat

The BARBD shall serve as the Technical Secretariat at the national level. It shall provide administrative and technical support to the PDF Management Committee. Specifically, it shall: 1) Accredite all POs eligible for assistance from the Peasant Development Fund 2) Update and maintain a list of accredited POs 3) Schedule and prepare agenda of meetings 4) Prepare and furnish members of the committee with minutes of all meetings 5) Pre-screen and evaluate proposals for deliberation by the committee and 6) Monitor implementation of projects funded under the PDF and 7) Perform other related functions.

E. Procedures and Requirements for Accreditation

1. National POs shall secure a PO Profile Form (Annex 1) from and file in duplicate with the Technical Secretariat .

Regional POs shall secure a PO Profile Form at the DAR - Regional Office, fill this up in duplicate and submit to the Project Development & Implementation Division (PDID).

2. The PO Profile Form shall be submitted together with the following documents:

- 2.1 Certificate of Registration from any of the following: Securities and Exchange Commission (SEC), Bureau of Rural Workers (BRW) and Bureau of Labor Relations (BRW), Department of Labor and Employment (DOLE), Cooperative Development Authority (CDA), Department of Social Welfare and Development (DSWD), or from any appropriate agency.

- 2.2 Audited and duly certified Financial Statements for at least three (3) years of operation to ensure that the PO:
 - a. is in stable financial condition;
 - b. has a proven experience in fund management.
- 2.3 For POs which has been in operation for less than three (3) years, proof that it has previously implemented similar projects and a certificate from the Local Government Unit (LGU) concerned, attesting to the credibility and capability of the officers and staff of the POs shall be submitted in lieu of financial statements.
- 2.4 List of projects it has previously undertaken (if any).
3. The Technical Secretariat or PDID shall countercheck submitted documents using a checklist (Annex 2). This is to determine whether all the required documents are complied with.

If any item or document is missing, the Technical Secretariat or PDID shall notify the PO concerned on the missing document for compliance. No application for accreditation shall be recognized until all required documents are duly satisfied.
4. Efforts shall be exerted by the Technical Secretariat or PDID to validate documents submitted to them. Whenever possible, the assistance of the Provincial Agrarian Reform Offices (PAROs), where a PO may be based, shall be solicited in the validation proceedings.
5. If all papers have been complied with and all information contained therein are validated and found to be in order, the Technical Secretariat or PDID shall issue a Certificate of Accreditation (Annex 3) to the PO concerned.
6. PDID shall submit consolidated list of all regional accredited POs to the Technical Secretariat every month.
7. The Technical Secretariat, in turn, shall prepare a national list of accredited POs. It shall submit to the Management Committee and PARC ExeCom an updated list on a quarterly basis.

F. Project Proposal Evaluation

National Level

At the national level, all project proposals shall be submitted to the Technical Secretariat who shall:



1. Pre-screen and evaluate project proposals using the PDMS Guide to Project Proposal Evaluation (Annex 4).
2. If a project proposal qualifies for funding, the Technical Secretariat shall convene the Management Committee en banc for final review, approval or disapproval, and endorsement to the DAR Secretary for final approval. It shall likewise review and confirm approved regional proposals.
3. The Technical Secretariat shall endorse approved project proposals to FIMAS for allocation of funds.

Regional Level

1. At the regional level, all project proposals shall be submitted to PDID for evaluation using the same PDMS Guide to Project Proposal Evaluation.
2. For project proposals with fund requirements of P 150,000.00 and below, approval shall be at the DARRO by the Regional Director and shall be forwarded to the Management Committee for confirmation.

For project proposals qualified for funding with fund requirements of above P 150,000.00 but not exceeding P 300,000.00, DAR - RO shall recommend approval to the Secretary through the Management Committee.

3. PDID shall evaluate proposals within 15 working days from date of submission of complete requirements and endorse the same to the Technical Secretariat within 10 working days from approval or recommending approval by DARRO - Regional Director .
4. The Technical Secretariat shall include in the regular Management Committee meetings, confirmation of all approved proposals at the regional level .
5. The Technical Secretariat shall endorse approved and confirmed provincial or regional PO project proposal to FIMAS for allocation of Funds.
6. The Technical Secretariat shall notify concerned region of approved or disapproved projects, copy furnished the proponent.

G. Establishment of Peasant Fund

At DAR Central Office, FMAO shall establish a separate Key Budgetary Item (KBI) for the Peasant Fund under the Agrarian Reform Fund (ARF).

At DAR Regional Office, A General Allotment Release Order (GARO) for approved project proposals shall be released through the DARRO Regional Finance and Administrative Division.

H. Funds Drawdown

National Level

1. FIMAS shall earmark funds for approved project proposals.
2. The Technical Secretariat shall draft the Memorandum of Agreement (MOA) within five (5) days from receipt of the proposal (with earmarked funds). A prototype MOA is attached herewith for reference.
3. The Technical Secretariat shall refer the MOA to FMAO and LAO for review and comment. If found in order, FIMAS shall process said MOA before final signing by the Proponent and DAR authorized Representative per General Memorandum of Order No. 03, Series of 1994. Upon signing of the MOA, FIMAS forwards pertinent documents to the Secretariat.
4. The Technical Secretariat shall prepare the Disbursement Voucher in accordance with the terms and conditions stipulated in the MOA.

Regional Level

1. PDID shall prepare MOA for all approved regional project proposals.
2. PDID shall refer MOA to the DARRO Legal Division. If found in order, same shall be forwarded to the Finance and Administrative Division for processing before final signing by the PO proponent and the authorized DAR representative in accordance with GMO No. 03, series of 1994.
3. Finance and Administrative Division shall prepare the Disbursement Voucher in accordance with the terms and conditions stipulated in the MOA and forwards the signed MOA to PDID.

I. Monitoring and Evaluation

1. National POs who have received funding under the program shall submit physical and financial accomplishment report in accordance with COA Circular No. 95-003 to the Management Committee through the Technical Secretariat.

Regional level POs shall submit to PDID physical and financial accomplishment report in accordance with the MOA. PDID shall


submit to the Technical Secretariat the monthly consolidated reports, where applicable.

2. The Technical Secretariat in coordination with the concerned DAR field office shall conduct a joint quarterly Monitoring and Review of the PO's performance. The Technical Secretariat shall consolidate all regional reports submitted. The national consolidated report shall be submitted every quarter to the Management Committee and PARC ExeCom for management use.
3. In the interest of public service and to sustain the institutional strengthening activities of the POs, project audit as deemed necessary by the DAR Management may be conducted.

All orders, memoranda, circulars and issuances inconsistent herewith are hereby amended or repealed accordingly.

This Memorandum Circular shall take effect immediately.

Diliman, Quezon City, April 18, 1996.


ERNESTO D. GARILAO
Secretary