



MEMORANDUM CIRCULAR NO. 5-82  
Series of 1982


TO : Assistant Secretary for Finance & Management, Assistant Secretary for Education and Service, OIC Planning Service, Bureau Directors, Regional Directors, District Officers, Team Leaders, Project Coordinators, Agrarian Reform Technologists and all others concerned

SUBJECT : Amendment of the Standard Operating Procedures on Loan Assistance for Income-Generating Projects for Rural Women, Students and Out-of-School Youth

The guidelines on the attached Standard Operating Procedures (Annex "A") on Loan Assistance for Income Generating Projects for Rural Women, Students and Out-of-School Youth, as amended, are hereby provided to be observed in the organization and training of the rural women, students and out-of-school youth and the management of the loan assistance fund for their income generating projects.

This circular amends Memorandum Circular No. 8-81, Series of 1981.

June 1, 1982, Diliman, Quezon City.

  
CONRADO F. ESTRELLA  
Minister

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*2/7/82*

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"Hindi na matatalikuran pa ang pagbabago ng ayos ng pananakahan. Higit kong pangarap na makita ang ating mga magsasaka na pag-aari ang lupang kanilang binubungkal."

- PANGULONG FERDINAND E. MARCOS

STANDARD OPERATING PROCEDURES  
ON LOAN ASSISTANCE FOR INCOME-GENERATING PROJECTS  
FOR RURAL WOMEN, STUDENTS AND OUT-OF-SCHOOL YOUTH  
WITHIN THE MAR RESETTLEMENT PROJECTS

I. OBJECTIVE

To uplift the standard of living in the settlement areas by assisting the rural women, students and out-of-school youth among settler-families by encouraging the establishment of income-generating projects through the loan assistance program of the Ministry of Agrarian Reform.

II. POLICIES

1. Loan assistance of not more than P2,000.00 may be extended to a pre-cooperative group the members of which are rural women, students, and out-of-school youth within the settlement projects of the Ministry of Agrarian Reform to be used for establishing an income-generating project.
2. Each pre-cooperative group shall be composed of not less than five members but not more than twenty (20) members.
3. The projects shall be funded from the loan assistance fund appropriated for this purpose.
4. The Regional Director shall be responsible in the overall supervision of all projects in the region, while the Team Leader or the Action Officer preferably an Agrarian Reform Technologist designated by the Team Leader shall be primarily responsible for the projects within the Resettlement Project of his jurisdiction.
5. Loan assistance extended to the pre-cooperative group shall be repaid over a period of eighteen (18) months and shall be amortized within one year starting on the 7th month after the granting of the loan. However, the group may pay in full prior to the maturity of the loan.

III. PROCEDURES

A. Organization of the Pre-Cooperative Group

1. Upon instruction of the Team Leader, the Action Officer shall organize a pre-cooperative group.
2. The group shall elect from its members officers consisting of a President, Vice-President, Secretary-Treasurer, Business Manager, and Auditor.
3. Upon organization of the pre-cooperative group, the Action Officer shall coordinate with the Municipal Development Officer for pre-cooperative training.

4. The Team Leader, thru the Regional Director, shall request the Agrarian Reform Education Service (ARES) for training schedule on simple skills on project planning, management and records keeping.

The Team Leader or Action Officer shall coordinate with the local office concerned for training on the appropriate technology (e.g. for piggery - Bureau of Animal Industry).

B. Operational Procedure

1. With the assistance of the Action Officer, the Pre-Cooperative Group shall submit a project proposal with the following supporting documents:
  - a. A study showing cost of inputs and income, and available markets for the produce.
  - b. Promissory Note duly signed by all the members of the group and attested by the Action Officer (See attached form).
  - c. Certification of the Municipal Development Officer that the members of the group have completed the pre-cooperative training.

2. The project documents shall be prepared in four (4) copies to be distributed as follows:

Original - to be attached to the proposal

Duplicate - file of the team office

triplicate - file of the Regional Project Coordinator

Quadruplicate - file of the pre-cooperative group

3. The proposal shall be submitted to the Team Leader for review and endorsement to the Regional Director thru the District Officer.
4. The Regional Project Coordinator, designated by the Regional Director, shall be responsible in recording and monitoring the activities of the different pre-cooperative groups in the region.

After the proposal has been indexed and recorded, the Regional Director shall endorse the same to the Minister thru the Assistant Secretary for Education and Training.

5. The Assistant Secretary for Education and Training shall prepare a memorandum to the Minister recommending the approval of the project proposal and the release of fund,

the signatories of which are the following:

a. Recommending the approval of the project proposal:

- 1) The Director, Bureau of Resettlement
- 2) The Assistant Secretary for Education and Training

b. Recommending approval of the release of fund:

- 1) The Chief, Planning Service
- 2) The Assistant Secretary for Finance and Management

6. Upon approval of the project proposal by the Minister, the corresponding ALAD with CDC shall be sent to the Regional Director who shall sub-allot the fund to the Team Office, copy furnished the District Officer.
7. Before the Team Leader releases the check to the President of the pre-cooperative group for the implementation of the project, the Action Officer shall verify whether or not the group has complied with all the requirements.
8. The Action Officer shall assist the group for proper management or implementation of the project.
9. The Team Office Bill Collector or designated Collecting Officer shall issue official receipts in the name of the President of the group for amortizations made by the group, and deposit the amount collected in the authorized depository bank.

The usual procedure on repayment and reporting shall be followed.

10. Failure to pay the loan amortizations for a period of six (6) months shall forfeit the right of the group for the renewal of the loan and the whole amount or the balance of the loan shall become due and demandable.
11. A Monitoring and Evaluation Committee shall be created to:
  - a. Monitor the activities of the various projects in the different regions;
  - b. Evaluate the operations of these projects and repayment of the loan granted for improvement of policies and project management.

The Committee shall be composed of the following:

- 1) Representative of the Assistant Secretary for Finance and Management
- 2) Representative of the Assistant Secretary for Education and Training

- 3) Representative of the Bureau Director, BURE
- 4) Representative of the Chief, Planning Service

IV. REPORTING

1. The Action Officer shall prepare a monthly status report of the project noted by the Team Leader to be submitted to the Minister thru the Regional Project Coordinator.
2. The Regional Project Coordinator shall consolidate all reports from the Team Offices approved by the Regional Director, and forward the same to the Minister copy furnished the Project Monitoring and Evaluation Committee.
3. The Project Monitoring and Evaluation Committee shall submit to the Minister a consolidated annual report of all the assisted projects, copy furnished the Planning Service and the Bureau of Resettlement.

This STANDARD OPERATING PROCEDURE amends Memorandum-Circular No. 8-81, Series of 1981.

APPROVED, April 21, 1982, Diliman, Quezon City

(Sgd.) CONRADO F. ESTRELLA  
Minister

pef/82

A U T H O R I Z A T I O N

THIS IS TO AUTHORIZE \_\_\_\_\_, PRESIDENT OF \_\_\_\_\_, TO RECEIVE FOR AND IN BEHALF OF THE SAID COOPERATIVE THE SUM OF TWO THOUSAND PESOS (P2,000.00) AS LOAN ASSISTANCE FROM THE MINISTRY OF AGRARIAN REFORM TO FINANCE OUR INCOME-GENERATING PROJECT AND, IN THIS REGARD, TO SIGN A PROMISSORY NOTE ON WHICH TERMS AND CONDITIONS WE HOLD OURSELVES JOINTLY AND SEVERALLY LIABLE.

OFFICERS AND MEMBERS

\_\_\_\_\_  
(Name of Cooperative)

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\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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PROMISSORY NOTE

P2,000.00

DATE: \_\_\_\_\_

FOR VALUE RECEIVED, I, \_\_\_\_\_, AS PRESIDENT OF \_\_\_\_\_, PROMISE TO PAY THE MINISTRY OF AGRARIAN REFORM THE SUM OF TWO THOUSAND PESOS (P2,000.00) IN TWELVE (12) MONTHLY INSTALLMENTS BEGINNING \_\_\_\_\_ 19\_\_\_\_.

I ALSO PROMISE THAT THE AMOUNT OF P2,000.00 WHICH I RECEIVED FROM THE MINISTRY OF AGRARIAN REFORM PER CHECK NO. \_\_\_\_\_ DATED \_\_\_\_\_ 19\_\_\_\_, AS LOAN ASSISTANCE SHALL BE USED ENTIRELY AND ONLY FOR THE INCOME-GENERATING PROJECT OF THE PRE-COOPERATIVE.

\_\_\_\_\_  
(Promissor)

WITNESSES (BY TWO MEMBERS):

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