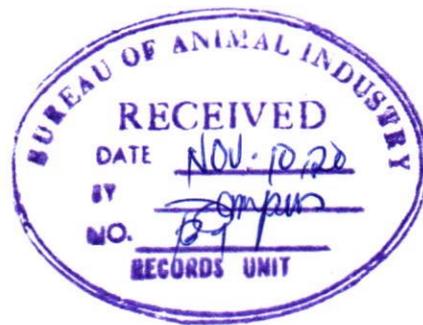




Republic of the Philippines
OFFICE OF THE SECRETARY
Elliptical Road, Diliman
1100 Quezon City



MEMORANDUM CIRCULAR

No. 35
Series of 2020

SUBJECT: GUIDELINES ON THE IMPLEMENTATION OF NATIONAL LIVESTOCK PROGRAM'S BAYANIHAN ACT II STIMULUS PACKAGE PROJECTS INVOLVING EXTERNAL STAKEHOLDERS AND BENEFICIARIES

I. RATIONALE:

As part of the government's efforts to support every sector and hasten their recovery from the effects of the COVID-19 pandemic, Republic Act No. 11469 or the *Bayanihan We Recover as One Act* was signed into law by the President on September 11, 2020. The Department of Agriculture received Php 24 Billion under the said act. From that allocation, the National Livestock Program was allotted a total of Php 678 Million to implement two (2) flagship projects intended to aid and revitalize the local livestock and poultry sector: (1) The Nucleus and Multiplier Breeder Farms for Poultry, Swine, and Small Ruminants with a budget of Php 500 Million, and (2) The Cattle Feedlot Fattening Project with a budget of Php 178 Million.

These projects will be implemented by the National Livestock Program (NLP) through its Implementing Units (IUs) and in partnership with external stakeholders such as Local Government Units (LGUs), State Universities and Colleges (SUCs), Civil Society Organizations (CSOs), and Farmer Cooperatives and Associations (FCAs).

Major components of these projects involve the said external stakeholders as partner implementers, hence, the involvement of fund transfers and other necessary coordination mechanisms.

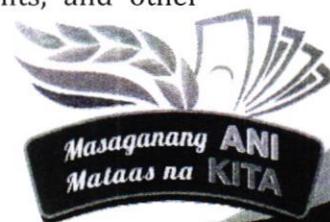
II. SCOPE AND LIMITATIONS

These guidelines shall govern the implementation of the programs and projects of NLP under the Bayanihan Act II Stimulus Package for Agriculture, specifically on the components that involve external stakeholders as partner implementers.

Furthermore, it will provide facilitating direction on the following: selection of beneficiaries, finalization of the projects' specific components by beneficiary, transfers of funds to partner entities whenever necessary, and monitoring and evaluation.

It is deemed important that the guidelines and procedures mentioned here shall complement with the existing guidelines of previously approved individual projects. However, for future individual projects, the provisions on the various processes, requirements, and other procedures shall emanate from the present guidelines. In case of conflicts and confusions, these guidelines shall prevail.

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III. OBJECTIVES

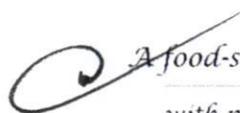
These guidelines aim to ensure the effective, efficient, and timely implementation of programs and projects of the National Livestock Program under the Bayanihan Act II Stimulus Package for Agriculture with components involving external stakeholders as partner implementers.

It also aims to provide the NLP implementing units, the necessary guidance and enabling procedures on utilizing funds with the object of expenditure of *Donation* and facilitate the proper implementation of the planned interventions with the beneficiaries of NLP.

IV. DEFINITION OF TERMS

As used in these Guidelines, the following terms, words, and phrases shall be construed as:

1. Donation-This account is used to recognize the amount of donations to other levels of government and individuals and institutions in accordance with existing *Government Auditing and Accounting Manual*.
2. Implementing Units (IUs) - The DA agencies and units that are implementing the regular NLP PAPs. These are the Department of Agriculture – Regional Field Offices (DA – RFOs), Bureau of Animal Industry (BAI), and Agricultural Training Institute (ATI). The NLP Operating and Project funds are lodged at the IUs.
3. Memorandum of Agreement - A written document describing a cooperative relationship between two or more parties wishing to work together on a project or to meet an agreed upon objective. A MOA serves as a legal document and describes the terms and details of the partnership agreement, in this case, the DA/DA agency and the partner entity/beneficiary.
4. Multiplier Farm- Multiplier Farm is a facility that maintains parent breeders and produce quality animal stocks that are eligible for distribution to production centers, farmer growers, and other sister Multiplier Farms. It shall source its animals from elite breeders from Nucleus Farms and reputable source farms.
5. Nucleus Farm-Nucleus Farm is a facility where elite breeders are maintained that will be the source of reputable parent and breeder stocks to sustain Multiplier Farms and other eligible and capable farms.
6. Partner Entity- Also known as the beneficiary/ requesting party/ or cooperating partner of the *Donation*, these shall be institutions with established legal identity and stature that passes the validation and selection process. These institutions can be Local Government Units (LGUs), State Universities and Colleges (SUCs), DA accredited CSOs, and cooperatives, associations or people’s organizations that are qualified for the Project.
7. Programs, Activities, and Projects (PAPs) - Refer to the specific interventions of the National Livestock Program herein identified to be funded by DA thru donation to an implementing partner entity.
8. Selection- Refers to the process of identifying project beneficiaries after due validation and review of application or request and the accompanying requirement using a prescribed selection criteria.
9. Validation- Confirmation of the identity and qualifications of the applying partner entities through the provision of documents and objective evidence through on-site

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observation/evaluation, interview, review of records, and other necessary means to attain the purpose.

V. PROJECTS

Under the Bayanihan Act II Stimulus Package for Agriculture, the NLP has the following projects with specific components that involve the object of expenditure of Donation, and thus involve fund transfer to external stakeholders.

PROJECT I				
TITLE	NUCLEUS AND MULTIPLIER BREEDER FARMS FOR POULTRY, SWINE, AND SMALL RUMINANTS			
PROJECT COST	PHP 500,000,000			
OBJECTIVES	<p>This project aims to improve existing and establish new strategic Nucleus and Multiplier Farms for Livestock and Poultry among government farms and farmers cooperatives and associations that would be sustainable sources of animals of good genetics and made accessible for farmers and industry players to support local production. The project will help restore the livestock and poultry livelihood of our farmers and aid in the recovery of the sector that has been affected by the pandemic</p> <p>Specifically, this project aims to:</p> <ol style="list-style-type: none"> 1. Upgrade and improve production capacity of DA farms in the BAI and RFOs as nucleus and multiplier of livestock and poultry that can be used to increase local production; 2. Strengthen capability of external stakeholders such as SUCs, LGUs, and farmers cooperatives and associations by helping them to establish their own multiplier farms that would be source of stocks for their constituents and livestock distribution initiatives in the future; 3. Support livelihood enhancement and enterprise development projects involving provision of animal stocks to clustered smallholder and poor farmer households in the form of livestock and poultry livelihood enterprise modules with common service facility, production inputs, and value-adding assistance. 4. To secure and stabilize the animal breeding facilities that will support the stability of supply and prices of meat, egg and other products. 			
COMPONENTS FOR EXTERNAL STAKEHOLDERS	DESCRIPTION	IMPLEMENTING UNIT	ALLOCATION (Php)	LOCATION/BENEFICIARIES
I	Poultry, Swine, and Small Ruminants Breeder Multiplier	DA BAI, DA ATI-ITCPH and RFOs	280,000,000	Various LGUs, SUCs, and FCAs nationwide

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	Farms in External Stakeholders			
	Multiplier Farm Components per Unit Commodity Specific: 1. Poultry 2. Swine (cum Technodemo) 3. Small Ruminant	Main Component: Breeders, Feeds, Farm Supplies, Drugs and Biologics, Machineries and Equipment (Feedmill, incubator, forage chopper, processing, etc), administration cost. Optional Component (Based on existing facilities and needs): Housing establishment, housing improvement and repair, upgrade and repair of equipment, support facilities, etc		

PROJECT II				
TITLE	CATTLE FEEDLOT FATTENING PROJECT			
PROJECT COST	PHP 178,000,000			
OBJECTIVES	General: The project aims to increase incomes of backyard raisers in the rural areas and contribute to beef supply availability, and affordability Specific Objectives: <ul style="list-style-type: none"> ➤ To intensify clustered/consolidated cattle feedlot farming among small hold farmers; ➤ To create models for cattle-corn integration; ➤ To provide additional income and employment opportunities to the farmers in the countryside; ➤ To produce more beef for Filipino consumers; ➤ To maximize the use of abundant farm by-products in the areas as feed resource for cattle 			
COMPONENTS	DESCRIPTION	IMPLEMENTIN G UNIT	ALLOCATI ON (Php)	LOCATION/ BENEFICIARIES
I	Cattle Feedlot Fattening Project Packages External Stakeholders	DA BAI and RFOs	178,000,00 0	Various LGUs, BARMM, and FCAs nationwide
	Project Package: 50 to 100 farmer beneficiaries per partner LGU implementer	Basic Package per farmer beneficiary: Fattener, concentrate feeds, drugs and biologics		

To ensure that the projects will benefit the farmers, projects with LGUs and SUCs as proponents must identify with a partner FCA as co-implementer or direct beneficiary of the project, whichever is applicable.

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VI. BENEFICIARY SELECTION CRITERIA

The following criteria shall guide in the selection of beneficiaries:

Project I: MULTIPLIER BREEDER FARMS FOR POULTRY, SWINE, AND SMALL RUMINANTS

1. State Universities and Colleges, Local Government Units, and Farmers Cooperatives and Associations that expressed intents to apply for the said projects and are determined by IU to be eligible for fund transfer;
2. Each beneficiary must have an area (preferably has existing livestock/poultry area), and the capability to implement. The land area and operationalization is their counterpart. These and other technical considerations shall be subject for validation by the NLP PMO and implementing units;
3. Must have an identified beneficiary farmers and farmers groups that will benefit from the project.

Project II: CATTLE FEEDLOT FATTENING PROJECT

1. Local Government Units, including BARMM, SUCs, and Farmers Cooperatives and Associations in top cattle producing provinces where corn production is also significant and are determined by IU to be eligible for fund transfer, can apply;
2. Each beneficiary must have an area (preferably has existing livestock area), and the capability to implement. These and other technical considerations shall be subject for validation by the NLP PMO and operating units; and
3. Must have an identified beneficiary farmers and farmers groups that will benefit from the project.

VII. BENEFICIARIES QUALIFICATION, REQUIREMENTS, AND SELECTION PROCESS

The project components involving external stakeholders shall be selected by the National Project Management Office based on the following pre-selection requirements:

Table 1. Application Requirements

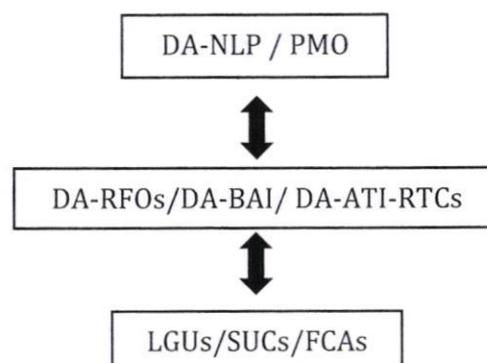
Criteria	Pre-selection Requirement	LGU	SUCs	FCA s
1. Expression of Interest	Letter of Intent	/	/	/
2. Project Proposal	Project Proposal (Template proposal can be requested from the PMO)	/	/	/
3. Eligibility for Fund Transfer from the NLP Implementing Unit	RFO/agency Accountant Validation (c/o IU livestock)	/	/	/

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Process:

1. The Letter of Intent shall be addressed directly by the requesting party to the DA Central Office (Secretary, Undersecretary, and PMO). Letters of intent sent thru the IUs must be endorsed to the PMO. Together with it, the proposals and other documents must also be submitted (a proposal format can be requested from the NLP office).
2. The PMO shall initially validate the paper submissions. It shall advise the requesting party if the contents of the proposal need to be revised and be finalized. The PMO will tap the assistance of the Implementing Units to conduct site validation and direct coordination and facilitation of documents. The IUs shall prepare validation and endorsement papers.
3. Based on the submitted documentary requirements and validation reports, the PMO shall endorse the list and project proposals to the NLP Director (Undersecretary for Livestock) and subsequently endorse to the Secretary for its final approval. The approved number of proposals will depend on the allocation available in the IU where the funds are lodged. Fund allocation and approval will be on a first-come-first serve basis. Upon approval, the list will be forwarded to the IUs for processing and coordination.
4. The requesting party shall be informed to prepare project requirements needed for the MOA and fund transfer documents processing (Resolution/Document that authorizes representative to into a MOA, and related-documents). *See the MOA requirements in Table 2.*
5. Upon the approval and submission of the project documents and Council/Board Resolution/Document that authorizes the proponent's representative to enter into MOA, the MOA shall be signed by the parties.
6. After the MOA is signed and notarized, the funds must be immediately processed for transfer in accordance to COA rules and regulations on transfer of funds.
7. The PMO shall closely monitor the process and will coordinate with the IUs and partner entities to ensure prompt processing and progress of the project.



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The implementation of projects with *Donation* objects of expenditure in its components shall involve the transfer of funds, from the DA unit where the funds are lodged, to the eligible and selected partner entity identified as beneficiary or cooperator. Since this involves fund transfer, additional beneficiary qualifications and documents shall be required under these guidelines, in addition to the existing qualifications and requirements.

Table 2. Requirements for the MOA

Requirements	Pre-requisites	LGU	SUCs	FCA s
1. Approved Program Document/Project Proposal based on the DA's prescribed program design with letter of intent. Signed by the head, endorsed by RFO, and approved by the NLP Director/Usec/ Secretary	<i>Certified eligible for fund transfer by IU/ Validation by IU and had complied pre-selection requirements</i>	✓	✓	✓
2. Board/Council Resolution Authorizing the Head/Representative to Enter into MOA or any Document that gives Authority to the Head/Representative to enter into MOA	<i>Approved Project Document</i>	✓	✓	✓
3. Proof of land ownership: land title/tax declaration/ usufruct (if involves establishment of structure)	<i>Submitted with #2</i>	✓	✓	✓
4. Organizational Legal Documents/ Identity and Registration	<i>Submitted with #2</i>	✗	✗	✓
5. List of officers and members	<i>Submitted with #2</i>	✗	✗	✓
6. DA CSO Accreditation	<i>Submitted with #2</i>	✗	✗	✓
7. Other documents required by the respective IUs accounting/ COA		✓	✓	✓

VIII. MEMORANDUM OF AGREEMENT

The Secretary of Agriculture must be the main Signatory in the MOA representing the Department of Agriculture. Since the funds for these projects are already lodged at the IUs (RFOs, BAI, and ATI), the DA-IU shall also be a party in the MOA, and the representative shall be the head of the IU (Executive Director or Director) .

On the side of the partner entity, the signatory will be their representative duly authorized by their respective charters, councils and/or boards.

The MOA shall include provisions that shall safeguard the proper and effective implementation of the project and the utilization of funds by the partner entity. It shall cover the period until such time the amount provided/donated shall have been deemed "offset" and "remunerated" in kind, which shall be valued from the produced animals and counterpart of the beneficiary entity, in the case of Project I. For Project II,

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the MOA will cover the period until the beneficiaries can reinvest the income from the first cycle for another cycle of feedlot fattening under the supervision and management of the LGU. The MOA is subject to amendments and early termination or extension by both parties should the necessity arise.

IX. PROJECT IMPLEMENTATION

The project implementation shall be in pursuant to the workplan/program of activities contained in the approved project document/proposal and the MOA. The partner entity shall ensure proper fund utilization within the implementation period agreed. It shall undertake procurement process compliant to the agency's/ institutions procurement/accounting process, rules, and regulations.

The implementation stage must also actively involve the DA, through the PMO and IUs, as technical supervisor to the implementing partner entity. The DA shall provide technical and administrative guidance to the partner entity to facilitate the successful implementation of the project. The partner entity, shall allow unrestricted access to the project site and documents to DA. Progress reports must also be periodically submitted to the DA, or upon the request of the latter.

Upon the completion of the project, an inauguration or turn-over program shall be held. The beneficiary must expedite the liquidation process.

The project shall be implemented and operated following guidelines as provided by the DA Administrative Order 27 series of 2020 that establishes Farm and Fisheries Clustering and Consolidation.

In case of adjustments to the implementation strategies or deviation from specific project components that are detailed in the original approved project proposal, revision of the said proposal is needed and shall be subject to the approval of the Secretary.

X. SUSTAINABILITY, MONITORING, AND EVALUATION

The IUs shall conduct regular monitoring and evaluation of the projects in coordination with the PMO. They will work in close coordination with LGUs and Agriculture and Fishery Council to assist the partner entity/beneficiary in their technical and other related needs in managing the project. To ensure sustainability and create a bigger impact, partner entities, together with DA, shall device a payback and roll-over or reinvestment scheme that shall be acceptable to both parties and be included in a sustainability plan in their proposal. This payback and roll-over scheme, which will benefit a local farmers association for Project I, and reinvestment scheme in Project II, shall be governed by another guidelines crafted by the NLP.

XI. ANIMAL REGISTRATION, INVENTORY AND GENETIC IMPROVEMENT

All animals given to the recipients as well as their offsprings shall be registered under the PhilAIMIS for proper inventory. Nucleus and Multiplier Farms shall be part of the National Animal Genetic Resources Improvement Plans, Actions and Milestones and shall be governed by the National Animal Genetic Resources Improvement Board (NAGRIB).

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No animals, whether breeders or offsprings, shall be distributed or given to another party or marketed without informing the NLP or the NAGRIB.

XII. ORGANIZATION AND ADMINISTRATION

A Special Order will be issued in pursuant to this Memorandum Circular for the personnel who will be assigned to the PMO and the coordination structure with the IUs.

XIII. SUPPLEMENTARY GUIDELINES

If deemed necessary and the need arises, DA IUs may issue supplementary guidelines that could be applicable in their regions/ areas of responsibility in order to facilitate smooth and faster implementation and utilization of *Donation* funds of the Livestock Stimulus Projects under the Bayanihan II Act.

XIV. EFFECTIVITY

This Memorandum Circular shall take effect immediately upon signing and shall be valid unless revoked and superseded by future issuances.

Done in Quezon City, this 9th day of November, 2020.

Approved:



WILLIAM D. DAR, Ph.D.
Secretary

DEPARTMENT OF AGRICULTURE

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