

AMENDMENTS TO THE LEAD/BUKLOD YAMAN PROGRAM GUIDELINES

NAFC MEMORANDUM ORDER NO. 01, s. 199, October 05, 1995

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In order to effectively implement the LEAD/Buklod Yaman Program, the guidelines are hereby amended, as follows:

I.

Project Evaluation, Approval and Fund Release

Projects with financial requirements of less than P 200,000 shall be approved by the DA Regional Office (DA-RO), through the Regional Director, and in concurrence with the RAFC Chairman.

Projects with financial requirement ranging from P 200,000 and above shall be approved by NAFC.

Project funds shall be released by NAFC upon submission of complete documents. NAFC shall effect fund transfer to the DA-RO for approved projects using the attached Memorandum of Agreement.

The DA-RO shall execute a Project Finance Agreement (PFA) with the proponent, the PAFC Chairman, and the Provincial Coordinator for the release of funds. Fund disbursement shall either be by direct release to the proponent or by administration of the Regional Office.

II.

Roll-Over Fund (ROF) Management

A. Transfer of Provincial ROFs

All ROFs, whether from NAFC Centralized, Special, or Regional Decentralized Funds, maintained in the joint account of the Provincial Agricultural Officer and the PAFC Chairman, under the account name "Provincial LEAD/Buklod Yaman ROF", shall be withdrawn and consolidated at the Regional ROF Account under the administration of the Regional Director and the RAFC Chairman (as per Memorandum Order dated 14 May 1993).

B. Collection of Replenishments

The Regional Director, with the concurrence of the RAFC/PAFC shall designate the authorized collector of fund replenishments from the proponents. Replenishments shall be issued receipts by the RAFC.

All ROF collections shall be remitted to the joint account of the RAFC chairman and the RD, under the account name "LEAD/Buklod Yaman Rollover Fund". Remittance shall be made each time the fund is replenished based on the approved replenishment schedule. The collector shall promptly deposit all replenishments made to the account.

C. ROF Utilization

The ORF shall be allocated, thus: 30% for the municipality, 40% for the province, and 30% for the region. These

allocations shall be used for:

1. Administrative and Operational Fund

Ten percent (10%), 5% and 5% of the municipal, provincial, and regional ROF allocations, respectively, shall be utilized as administrative and operational fund of the MAFC, PAFC and RAFC, respectively.

2. Project Fund

The ORF shall be used to support LEAD/Buklod Yaman projects for Regional/Provincial approval and funding. The Provincial ROF shall be used to fund projects costing P 50,000 and below. The Provincial Agricultural and Fishery Council shall approve the project in coordination with the Provincial Coordinator.

On the other hand, the Regional ROF shall be utilized for projects costing above P 50,000 but less than P 200,000.

Any other object of expenditure should be cleared, first, with NAFC.

D. Fund Release

The DA Regional Office shall disburse ROF funds to approved projects. To effect release at the provincial level, documents of all approved projects shall be forwarded by the PAFC and Provincial Coordinator to the DA Regional Office.

III.

Project Monitoring and Evaluation

Monitoring and evaluation of funded projects are the functions of the Local Council Coordination Division, the DA Regional Office, the Provincial Coordinator, and the local AFCs.

The Provincial Coordinator shall coordinate and monitor the program's implementation at the provincial level. He shall fill out pro-forma monitoring forms during the project visit. He shall be required to report all findings, including issues and problems encountered by the implementors during the regular AFC meetings.

The Provincial Coordinator will furnish the DA-RO, LGUs, local AFCs, and NAFC with the results of the monitoring conducted.

Beneficiary organizations shall be required to submit reports on the status of implementation of their projects during regular AFC meetings.

IV.

Project Termination

Troubled projects shall be treated based on the following procedural guidelines.

A. Grounds for Termination

LEAD/Buklod Yaman Projects which are affected by, or manifest, any or a combinations of these problems may be terminated:

1. Technical

- Loss of technical capability by proponent.
- Absence/lack of critical project inputs/components.
- Enactment of policies or laws (i.e. administrative orders, new laws) which prohibit the operation of the project.

- Underutilization of project's production capacity (level of production is below breakeven point).
- Unsuitability of site selected.

2. Financial

- Lack of working capital.
- Price adjustments (Input price increase or output price decrease) which renders project operation not feasible.
- Proponents refuse to pay.
- Misappropriation of funds.
- Unprofitability of project.

3. Organizational

- Internal conflict which results to non-attainment of objectives.
- Loss of interest among members to pursue the project.
- Dissolution of credible organized groups.
- Project change/revision without approval from NAFC or any of its authorize representative.
- Voluntary termination by the proponent.

4. Others

- Administrative problems such as misappropriation of funds.
- Peace and order problems in project site.
- Projects damaged irreparably by natural calamities (floods, typhoons, drought, earthquake, infestation).
- Loss of market outlet/facilities.
- Exorbitant overhead costs resulting to losses.
- Undue political interference.

B. Procedures for Termination

The following procedures shall be undertaken by the DA Regional Office with the local AFCs and the NAFC. NAFC shall render the final decision, but as the need arises, can delegate it to the DA Regional Office.

1. Upon receipt of report of complaint or request for termination, the Regional Project Assistance Desk - Technical Working Group (PAD-TWG), in coordination with the MAFC and the PAFC, will evaluate the veracity and merits of report/request and submit their findings to the Regional Office and the RAFC.
2. The DA Regional Office, in coordination with the RAFC will review the findings and shall forward their findings and recommendation to the NAFC.
3. NAFC shall create an inter-unit task force to conduct an investigation, report findings, and offer recommendations/findings to the NAFC Executive Committee. The NAFC Executive committee shall be composed of five members including the Executive Director, the Deputy Executive Director, the Asst. Executive Director, and the Division Chiefs of PAD and LCCD.

4. A decision shall then be handed down by the NAFC ExCom, copies of which will be provided the proponent, the concerned AFC and Regional Office.

In cases where the DA-RO shall be given the authority to terminate and render decisions on troubled projects, the Regional Office in close coordination with the RAFC shall decide on the case, and furnish NAFC a copy of the decision.

All decisions are appealable with NAFC within 30 days from receipt of Notice of Termination.

C. Recommended Actions for Terminated Projects

1. Sale of Project Assets by RAFC/PAFC — The proceeds shall be assigned on a pro-rated basis (30:40:30) to the municipality/province/region for funding other projects.
2. Assignment to another proponent willing to assume the project's assets and liabilities, with the intention of pursuing the original objectives of the project.
3. Condonation of Liability for Projects Affected by Force Majeure — This will include natural calamities such as typhoon, flood, drought, earthquake and volcanic eruption, plant diseases, pest infestation and war. It must be stressed that this will be applicable only to projects which have no hope of recovery, as attested to by the DA Regional Office. This will be embodied in the report of the inter-unit task force which will conduct the evaluation/investigation.
4. Blacklisting of Erring Organizations from Future Programs.

This Order shall take effect immediately and shall supersede all Memorandum Orders found inconsistent herewith.

Date Filed: 05 October 1995

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