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REVISED GUIDELINES ON THE MANAGEMENT OF THE RECONSTRUCTION AND REHABILITATION FUND (FUND 109) DA-NAFC ALLOCATION UNDER R.A. 6960

NAFC MEMORANDUM ORDER NO. 08, s. 1991, June 07, 1991

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The Department of Agriculture through the National Agricultural and Fishery Council has been tasked for livelihood restoration, rehabilitation and improvement for earthquake victims or affected farmers/fishermen, farm youth and/or farm families. The amount of P 86,641,000.00 was allocated to DA-NAFC from the P 10 Billion RRF. Of these, P 64 Million is for the Intensified LEAD Program, P 9 Million for Farm Equipment Pool, P 5 Million for the construction/rehabilitation of damaged flue-curing barns, and P 8.641 Million for DA buildings, equipment and facilities. Release of funds by DBM for the infrastructure component is subject to the submission of concerned provincial/regional DA Offices of required documents as per National Budget Circular No. 419 dated November 26, 1990.

The NCA issued by DBM to DA-NAFC for the livelihood assistance component as of to date totals P 66,641,000.00. Funds transferred to the declared calamity provinces amount to P 29,328,200.00. Due to reported delays encountered in the transfer of these funds to the bonafide recipients, the following are the guidelines on the management of the funds to facilitate/speed up livelihood restoration/rehabilitation/improvement.

A.
Basic Operating Principle

1. The Reconstruction and Rehabilitation Fund (Fund 109) is an outright grant to DA-NAFC.

2. However, due to limited funds, the allocation for Intensified LEAD Program can be given to bonafide recipients on a roll-over scheme for the income generating projects. Funding for projects such as Small Water Impounding, Solar Drier, Deep Well Pumps/Water Pumps and other Farm Equipment which will serve as common service facilities shall be outright grant to the beneficiary-recipients.

3. Funding provided under the roll-over scheme shall become the revolving fund for livelihood projects in the municipality for administration by the DA Provincial Agricultural Officer (PAO)/Provincial Rehabilitation Action Officer (PRAO) and Municipal Agricultural Officer (MAO).

B.
Target Clientele

The primary clientele are earthquake victims/affected farm workers residing in any of the declared calamity provinces as per RA 6960. These are:

1. Farmers' Organizations
2. Fishermen's Organizations
3. Rural Youth Groups
4. RICs or Farm Housewives' Organizations

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The members of the project proponent/organization should be certified by the Department of Social Welfare and Development (DSWD) as victims or whose livelihood has been affected by the July 16, 1990 earthquake.

C.
Qualified Projects

Project categories that qualify under the Reconstruction and Rehabilitation Funds are as follows:

1. Municipal Agricultural Livelihood Projects

2. Common Service Facilities

a. Solar Dryer
b. SWIP
c. Water Pump/Deep Well Pump
d. Mini Rice Mill
e. Repair of Irrigation Systems (those not funded by NIA)

3. Farm Equipment

D.
Procedures for Availment and Management of Funds

1. Requirements

a. Project proposal based from the recommended outline on IDP/IGP.

b. Memorandum of Agreement, program of work and schedules of activities, schedule of fund utilization and replenishment of funds for IGPs.

The Memorandum of Agreement and/or Project Contract between DA and the recipient-organization must be signed both by the recipient's authorized representative and DA officials.

c. Certification from DSWD.

2. Approving Authority — The DA-PAO in consonance with the PRAO shall approve projects to be funded based on the inventory generated by NAFC and DA Provincial Office Staff for the purpose and such other projects which will be jointly agreed upon by NAFC and DA Provincial Office.

3. Management of Fresh Funds

a. All funds transferred to the provinces must be booked under Fund-109 classified as 200-10.

b. The funds should be deposited with the PNB local branch and disbursed directly by the PAO to the Project Proponent - bonafide recipient.

c. Funds granted to bonafide recipients should be deposited on a joint account with the respective MAO who shall closely supervise and monitor project implementation. The bank book shall be under the custody of the Project Proponent/Recipient. Disbursements or uses of the funds shall be recorded by the Recipient/MAO.

d. The fund assistance extended to recipients who undertake IGPs can be rolled-over to identified next-in-line beneficiary as soon as their livelihood shall have returned to normalcy/improved.

4. Management of Roll-Over Funds

a. All contributions for replenishment by the proponents shall be deposited in the joint savings account of the

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DA-PRAO and the Proponent. The PRAO must maintain separate book of accounts of all beneficiaries of RRF.

b. The fund replenishments shall be used to finance succeeding livelihood projects in the municipality until all barangays shall have been served. After which, the funds can be rolled-over to other unserved municipalities subject to the approval of the PAO.

c. After all barangays in all municipalities in the province shall have been served on the first round, the fund will go back to the original recipient and will roll-over again. These rolled-over funds must follow the same processing and/or these guidelines less the required certification from DSWD.

d. NAFC is authorized to apply sanctions if the rolled-over funds were not spent as intended for the approved project.

E.
Responsibility Centers

1. The following groups under the DA Provincial Office shall be responsible in implementing the Earthquake Reconstruction and Rehabilitation Program:

a. Project Assistance Group — which packages/evaluates/coordinates the project proposal phase.

b. Finance Group — which allocates/disburses the monetary resource for the program.

c. Operation and Monitoring Group — which validates or verifies/monitors/evaluates the viability and actual implementation of the project. (Refer to Annex I*- Project Monitoring Report).

d. Rehab Program Action Officer. — who shall oversee/coordinate the overall effectivity of the program component.

2. The DA Provincial/Municipal Office shall provide the necessary technical and marketing assistance for the bonafide recipients/clientele.

3. The PRAO must immediately inform of the approved projects at least one week before the release date of the check. The information must include the name of the projects, location, beneficiary-organizations and authorized representatives, project cost and the date, time and venue of the scheduled checks turn-over in order for DA Rehab Action Officer, to be able to advice the NAFC Chairman-Coordinator/DA Secretary and Congressmen concerning the check turn-over. The PRAO shall also inform the RAFC/PAFC Chairmen, Governor/s and Mayor/s.

4. The PRAO shall also provide NAFC copies of all project proposals/profile funded under the rolled-over funds.

F.
Equitable Provision

1. Municipalities/barangays and clientele groups which have not yet availed of funding assistance under the LEAD grant shall be given priority.

2. Borrower exposure shall be limited to one rehabilitation assistance under the Intensified LEAD Program. Regular LEAD Buklod Yaman projects damaged by the July 16, 1990 earthquake shall be given rehabilitation assistance under RRF.

This order takes effect immediately and shall supersede all previously signed memoranda of agreement found inconsistent herewith.

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Adopted: 07 June 1991

(SGD.) TOMAS B. LOPEZ, JR.
Action Officer, PTFR-DA &
Executive Director, NAFC

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* Not Included here.

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