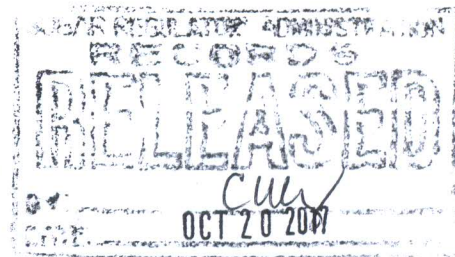




Republic of the Philippines  
Department of Agriculture  
**SUGAR REGULATORY ADMINISTRATION**  
Sugar Center Bldg., North Ave., Diliman, Quezon City  
Philippines 1101  
TIN 000-784-336



October 20, 2017

**MEMORANDUM CIRCULAR NO. 15**  
Series of 2017

**SUBJECT: GUIDELINES FOR THE ESTABLISHMENT OF GAA-FUNDED HYV NURSERIES**

### **I. Policy Statement**

Section 5 of the Sugarcane Industry Development Act of 2015 (RA # 10659) provides that in addition to the extension services provided by the DA, DAR, UPLB, the private and non-government organizations, extension services in the districts shall be provided by the Sugar Regulatory Administration (SRA) and the Mill District Development Councils (MDDCs). Extension services include the propagation and dissemination of sugarcane high-yielding varieties (HYVs).

### **II. Scope and Objectives**

These general guidelines shall govern the implementation of all high yielding variety (HYV) nurseries funded by the general appropriations or GAA-funded HYV nurseries in the sugarcane mill districts given as a "grant" to beneficiary / implementing civil society organizations (CSO) or State Universities & Colleges (SUCs). The fund shall be released to eligible beneficiaries / implementing organizations in the form of "cash" subject to liquidation pursuant to COA and government accounting rules and regulations or released "in kind" subject to the procurement law of the Philippines or RA 9184.

The objective of the program is to establish and develop as many HYV nurseries on a continuing basis so that the sugarcane farmers would have ready access to new HYVs that contribute to the increase in farm yield, increase in the adoption of HYVs and serve the HYV needs of neighboring mill districts in times of calamity. It is the intention of this program to distribute the HYV canepoints for "free" or at a subsidized price to target farmer beneficiaries depending on the financial capability of the implementing CSO or SUC.

### **III. Eligible Project Beneficiaries / Implementing Organizations**

- State Universities and Colleges (SUCs);
- Agrarian Reform Beneficiaries Organization (ARBs) or block farms;
- MDDCS;
- Sugarcane planters associations or their foundations; and
- Other non-profit private organizations such as civil society organizations (CSOs) undertaking sugarcane-related activities and located or operating in the sugarcane mill districts, subject to SRA's determination and qualification.

#### IV. Qualifications

1. **Organizational capacity** to implement and manage the project (Rule 5.3, IRR of RA 10659) - to be assessed by SRA in the case of SUCs and for CSOs, assessed as part of the requirement for its accreditation;
2. **No pending financial obligations** or unliquidated funds with SRA (Rule 5.3, IRR of RA 10659).

#### V. Requirements of Project Beneficiaries / Implementing Organizations

1. **CSO Accreditation** by either of the following entities when the assistance involves cash transfer:
  - Department of Social Welfare & Development (DSWD) - a mandatory requirement using the 2016 GAA;
  - SRA accreditation for 2017 GAA and onwards;
2. **MOA** between SRA and the SUC / CSO which includes the Schedule of Fund Releases signed and prepared by the project manager, recommended by the Head / Chairperson of the beneficiary / implementing organization (CSO or SUC), endorsed by the SRA R, D & E department manager and approved by the SRA Administrator;
3. **Project proposal** signed by the Head of the beneficiary / implementing organization or the Chancellor / President of the SUC, endorsed by the SRA Chief Agriculturist and R, D & E department manager and approved by the Administrator (Annex "A" – template of project proposal) to include the following:
  - a. Sugarcane variety to be planted – certified by the CSO Chairperson to be high-yielding and suitable for the mill district;
  - b. Project management team which includes the structure and list of personnel who will be involved in project implementation;
  - c. Farm & Budget Plan signed and prepared by the project manager and approved by the Head / Chairperson of the beneficiary / implementing organization.
4. Shall have an **equity participation of at least 20%** of project cost like land or land rental, farm facilities, farm equipment & other project-related assets and working capital;
5. **Other requirements** stated under Sections 2.0 – 3.1.3 of COA Circular No. 2012-001 and 2016-002;
6. In cases where SRA is the lead implementor of the HYV Nursery Project in a specific site and where there is no transfer of funds involved, a MOA with the cooperator or partner agency/CSO is sufficient.

SUCs, being government instrumentalities are exempted from the requirements stated in item 1.



Documents previously submitted to SRA by CSOs who have already availed funding assistance from SRA will be evaluated and the evaluation team of the Planning & Policy Department will advise the CSO on any document that needs updating.

#### **VI. Funding Source**

- General appropriations Act (GAA)

#### **VII. Evaluation and Approval of the Project Proposal**

1. The concerned Chief of the Agricultural Services Division through its MDO shall evaluate the project site, organizational structure of the project management team, the sugarcane variety to be planted, schedule of farm releases and the farm & budget plan;
2. The concerned Mill District Officers (MDOs) of the agricultural extension services shall submit an inspection report together with a GPS map & geo-tagged photos of the project site on the suitability of the project site as HYV nursery (Annex "B"- template of inspection report);
3. The farm & budget plan shall be prepared by the project manager, attested by the SRA MDO and approved by the Chairperson / Head of the beneficiary / implementing organization or in the case of SUCs, the Chancellor or President;
4. The HYV nursery proposal should include a canepoint distribution scheme with emphasis on the names of target beneficiaries, number of laksa of canepoints distributed, hectarage to be planted and farm locations, which shall be signed and prepared by the project manager and approved by the Head / Chairperson of the beneficiary / implementing organization;
5. The Chief of the concerned agricultural extension services division shall endorse the proposal, certifications and other documents submitted by the project proponent to the Planning & Policy Department (PPD);
6. The PPD shall evaluate completeness of qualifications, requirements and other required documents and submit recommendation to the Sugar Board;
7. The Sugar Board approves / disapproves the proposal of the beneficiary / implementing organization and the Board Secretary shall prepare the necessary Board Resolution and submit to the concerned Chief of the Agricultural Extension Division, copy furnished the PPD;
8. The Chief of the Agricultural Services Division shall inform the project proponent with the decision of the Sugar Board and advise the proponent on further actions to take;

#### **VIII. Fund Releases, Utilization and Liquidation**

1. Fund releases, utilization and liquidation shall be strictly governed by applicable rules and regulations prescribed by COA such as Sections 2.0 – 3.1.3 of Circular No. 2012-001, dated June 14, 2012 entitled *Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions*, COA Circular 2016-002 *amending Section 3.1.1 of COA Circular 2012-001 on documentary requirements of fund transfers and other related guidelines which COA may issue in the future*;
2. A mother Memorandum of Agreement (MOA) stipulating the terms and conditions for the grant and project implementation of the HYV nursery shall be initially prepared, finalized and submitted to the Board by the Head of the TWG of SIDA R, D & E Committee, upon review by



the Chiefs of the Agricultural Services Division, the PPD, the SRA legal officer/s and the Administrative & Finance Department;

3. The SRA Administrator shall be given authority by the Sugar Board to sign the individual MOAs between SRA and the approved HYV nursery beneficiaries / implementing organizations.
4. The final project proposal will form part of the MOA, signed and prepared by the project manager, recommended by the Head / Chairperson of the beneficiary / implementing CSO or SUC and approved by the SRA Administrator;
5. Fund releases shall be based on the Schedule of Fund Release that will form part of the MOA which shall be signed and prepared by the project manager, recommended by the Head / Chairperson of the beneficiary / implementing organization or SUC and approved by the SRA Administrator;
6. Succeeding fund releases shall be accompanied by a liquidation report and progress report supported by photos prepared by the project manager and approved by the Head / Chairperson of the CSO / SUC;
7. Procurements undertaken by the CSOs shall undergo a simple bidding process accompanied with purchase request signed by the Head / Chairperson, at least 3 canvasses of suppliers, abstract of quotation, purchase order, delivery receipts and official receipts;
8. SUCs shall abide by the procurement rules prescribed by RA 9184;
9. The liquidation report of CSOs / SUCs shall be accompanied with an inspection report by the SRA MDO (Annex "C" – template of inspection report on purchased items) and certification of acceptance by the Head / Chairperson of CSO/SUC.
10. A physical report of accomplishments shall be submitted to SRA together with the final liquidation report certified by a Certified Public Accountant for Civil Society Organizations (CSOs) and post-audited final liquidation report in the case of SUCs;
11. The SUC / CSO shall request SRA approval on realignment of savings, unutilized funds and any deviations from the original components specified in the farm and budget plan;
12. The CSO / SUC shall submit to SRA the quantity of canepoints distributed, the actual list of beneficiaries together with the farm locations after each cutback, for two succeeding cutbacks.

#### **IX. Monitoring and Evaluation**

1. The PPD shall monitor the HYV projects implemented by the beneficiary organizations and SUCs based on the progress reports submitted by the project beneficiaries/implementing organizations, signed and prepared by the project manager, attested by the SRA MDO and certified correct by the Head / Chairperson of the project beneficiary / implementing organization or SUC;
2. The PPD may conduct field inspection to validate the progress reports submitted, when necessary;
3. The PPD shall submit quarterly monitoring reports and annual reports to the Sugar Board including observations and recommendations through the Chairperson of the SIDA – R, D & E Program Committee;
4. The Internal Audit Department (IAD) shall assess and audit project outputs and outcomes after 2 years of implementation and submit the assessment / audit report to the Sugar Board through the Chairperson of the SIDA-R, D & E Program Committee.


**X. Penalty Clause**

1. Any project beneficiary / implementing organization who failed to comply with reportorial requirements and found to have misused and diverted the funds intended for HYV nursery development to other uses not approved by the SRA Sugar Board shall be blacklisted by SRA and shall be ground for disqualification and non-entitlement to any future support fund from the SRA or from any government entity;
2. The SRA legal team, in coordination with PPD and IAD, shall act as investigation team and shall report its findings and recommendations to the Sugar Board through the Chairperson of the SIDA - R, D & E Program Committee including any recommended penalties or sanctions.

**XI. Repealing Clause**

All previous issuances inconsistent herewith are hereby deemed revoked and amended accordingly.

**APPROVED: (By the Authority of the Sugar Board)**

  
**HERMENEGILDO R. SERAFICA**  
Administrator



**FORMAT OF CAPSULE PROPOSAL FOR THE PROJECT  
"ESTABLISHMENT OF HYV NURSERY"**

<b>A. BASIC INFORMATION</b>	
1. Project Title	
2. Proponent (Name of MDDC / Organization)	
Name of Responsible Officer / Chairperson	Address
Name of Project Manager	Email Address
Telephone Number	Fax Number
3. Implementation Period	
From: (Month & Year) To: (Month & Year)	
4. Project Location (Name of Mill District – including Name of Barangay & Municipality)	
5. Funding Sources and Amount	

<b>B. TECHNICAL DESCRIPTION</b>	
1. Objectives	
a) General: Increase in the adoption rate of Cane HYVs from ____% to ____%.	
b) Specific: Incremental increase of farm productivity from ____ TC/ha to ____ TC/ha.	
2. Project Description	
<ul style="list-style-type: none"> <li>• Profile / baseline data of target beneficiaries, nursery hectareage, source of planting materials, sugarcane variety to be propagated and cost of nursery development per hectare</li> <li>• Baseline data of target beneficiaries shall include hectareage of farm owned/leased, existing cane variety used, farm yield, soil characteristics, etc. (if available, otherwise, actual data shall be included in the progress reports)</li> <li>• HYV adoption rate in the proposed milling district where the HYV Nursery will be established including variety picture and farm productivities and sugar yields</li> <li>• Estimated hectareage of farms in the proposed milling district which will be planted with plant cane in the next cropping season</li> <li>• Justification for choosing the identified location of the HYV nursery and baseline data for the identified nursery such as name of owner, farm yield, soil characteristics, etc.</li> </ul>	
3. HYV Nursery Plan or Farm Plan (Schedule of HYV Nursery Activities and Financial Plan)	
4. Project Management Team (Project Leader, Asst. Proj Leader, Bookkeeper, Treasurer, etc.)	
5. Expected output (Increase in cane hectareage planted with HYV – crop year to crop year for 3 crop years)	

**NOTE:** Please attach Certification of the MDDC Chairperson that the HYV nursery site is suitable and strategically located and the cane variety that will be planted is a superior or promising variety in the milling district.

**Inspection Report**  
**PROPOSED HYV NURSERY**

Name of Mill District/MDDC \_\_\_\_\_

Nursery Locations: \_\_\_\_\_ - \_\_\_\_\_ hectares  
\_\_\_\_\_ - \_\_\_\_\_ hectares  
\_\_\_\_\_ - \_\_\_\_\_ hectares

**BASIC INFORMATION**

**I. HYV Nursery Project**

Location: \_\_\_\_\_

Waypoint: \_\_\_\_\_  
\_\_\_\_\_

Please attached GPS map/s of the proposed HYV nursery site/s.

**PHOTO DOCUMENTATION**

Remarks:

\_\_\_\_\_  
\_\_\_\_\_

Prepared By:

Date Inspected: \_\_\_\_\_

# INSPECTION, ACCEPTANCE AND NON-ACCEPTANCE REPORT

Supplier: \_\_\_\_\_

PO No. : \_\_\_\_\_ Date \_\_\_\_\_

Invoice No. \_\_\_\_\_ Date \_\_\_\_\_

Unit	Quantity	Description	
<b>CERTIFICATE OF INSPECTION</b>		<b>ACCEPTANCE</b>	<b>NON-ACCEPTANCE</b>
<p>Date Inspected _____</p> <p><input type="checkbox"/> Inspected, verified and found in order as to quantity and specifications.</p> <p><input type="checkbox"/> Defective/Not in accordance with the specifications.</p> <p>_____ Inspection Officer/MDO (Should be SRA Personnel)</p>		<p>Date Received _____</p> <p>I hereby certify that the items/services delivered/rendered are in good condition/according to specifications.</p> <p><input type="checkbox"/> Complete</p> <p><input type="checkbox"/> Partial (pls. specify quantity _____)</p> <p>_____ Property Officer/ Chairman/ Authorized Recipient</p>	<p>I hereby certify that the goods/ services delivered are not acceptable due to the following reasons:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>_____ Property Officer/ Chairman/ Authorized Recipient</p>