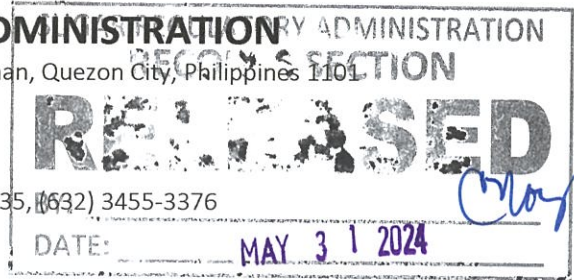




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MEMO-RDE-ODA-2024-APR-02

April 2, 2024

MEMORANDUM CIRCULAR NO. 8 Series of 2024

SUBJECT: REVISED GUIDELINES ON THE IMPLEMENTATION OF QUICK RESPONSE FUND IN MITIGATING, PREPARING FOR, RESPONDING TO, AND RECOVERING FROM THE IMPACTS OF DISASTERS, PESTS AND DISEASE INFESTATIONS, CLIMATIC CHANGES, AND OTHER UNAVOIDABLE RISKS AND FORCE MAJEURE EVENTS

These general guidelines shall govern the implementation of the project titled “Quick Response Fund Implementation for Mitigating, Preparing for, Responding to, and Recovering from the Impacts of Disasters, Pests and Disease Infestations, Climatic Changes, and Other Unavoidable Risks and Force Majeure Events,” funded by the General Appropriations Act (GAA), the Sugar Regulatory Administration (SRA) Corporate Operating Budget (COB), and other funding sources.

RATIONALE

The geographic location of the Philippines makes it particularly susceptible to a variety of natural disasters, pests and disease infestations, climate change impacts, and other unavoidable risks and force majeure events. Situated in the Pacific Ring of Fire and the typhoon belt, the country experiences frequent earthquakes, volcanic eruptions, tropical cyclones, and flooding. Its archipelagic nature exposes it to coastal hazards such as storm surges and sea-level rise, making it even more vulnerable to the impacts of climate change. Additionally, its tropical climate provides a conducive environment for the proliferation of pests and diseases, affecting various agricultural sectors, including the sugarcane industry.

The sugarcane industry is a significant contributor to the Philippine economy. However, extreme weather events such as typhoons and drought, as well as the widespread infestation of major, emerging, and new sugarcane pests and diseases exacerbated by climate change, can destroy sugarcane crops, disrupt production processes, and damage infrastructure, significantly reducing yields and quality.

The objective of this project is to utilize the quick response fund to provide immediate assistance in the form of goods, services, or funding to sugarcane mill districts and/or Mill District Development Councils (MDDCs), farmers’ organizations, block farms, and



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research and development institutions (RDIs). This mother project will include projects, activities, or programs related to the aforementioned events, which are crucial for enhancing the sustainability and resilience of the sugarcane industry in the Philippines.

RULE 1 LEGAL BASES

(1) One of the General Provisions of the General Appropriations Act (GAA) titled “Disaster Risk Reduction and Climate Change Adaptation and Mitigation Measures Incorporated in All Agencies Projects,” states that all agencies of the government should implement projects incorporating risk reduction, climate change adaptation, and where feasible, climate change mitigation. Agencies shall likewise integrate and consider climate change resilience in the planning and implementation of all projects, programs, and activities. Additionally, agencies are required to assess their organizational carbon footprint and take measures to mitigate and adapt to the effects of climate change in accordance with the provisions of R.A. No. 9729.

(2) Republic Act No. 9729 otherwise known as the “Climate Change Act of 2009” states that “the State shall cooperate with the global community in the resolution of climate change issues, including disaster risk reduction. In view thereof, the State shall strengthen, integrate, consolidate and institutionalize government initiatives to achieve coordination in the implementation of plans and programs to address climate change in the context of sustainable development.”

(3) Section 2 of Republic Act No. 10121 otherwise known as the “Philippine Disaster Risk Reduction and Management Act of 2010” states that “it is the policy of the State to build the disaster resilience of communities, and to institutionalize arrangements and measures for reducing disaster risks, including projected climate risks, and enhancing disaster preparedness and response capabilities at all levels”, and “recognize and strengthen the capacities of communities in mitigating and preparing for, responding to, and recovering from the impact of disasters”.

(4) Republic Act No. 11511 or An Act Amending Republic Act No. 10068 or the “Organic Agriculture Act of 2010,” in relation to pests and diseases management, states that “it is the policy of the State to promote, propagate, develop further and implement the practice of organic agriculture in the Philippines that will cumulatively condition and enrich the fertility of the soil, increase farm productivity and farmers' incomes, reduce pollution and destruction of the environment, prevent the depletion of natural resources, encourage the participation of indigenous organic farmers in promoting their sustainable practices, further protect the health of farmers, consumers, and the general public, save on imported farm inputs and promote food self-



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sufficiency. Towards this end, a comprehensive program for the promotion of community-based organic agriculture systems which include, among others, farmer-produced organic soil amendments, bio-control agents and other farm inputs, together with a nationwide educational and promotional campaign for their use and processing shall be established.”

RULE II FUNDING SOURCE

Funds to be utilized for the purpose of this project of SRA shall be therefore derived from the following:

1. General Appropriations Act (GAA);
2. SRA Corporate Operating Budget (COB); and
3. Other Funding Sources

RULE III ELIGIBLE BENEFICIARIES / QUALIFIED RECIPIENTS

The following may opt to apply for the QRF grant, for reasons the same with the objectives of this project, provided that they comply with all the documentary requirements and evaluation processes outlined in Rule V and VI of these guidelines:

1) Mill districts and/or Mill District Development Councils (MDDCs) – According to Memorandum Circular No. 9 series of 2019 of the SRA, **MDDC** is referred to as “a SEC or Cooperative Development Authority (CDA)-registered non-government organization in a sugarcane mill district which is composed among others, representatives from the sugarcane mill, distillery, planter’s association in the mill district, Philippine Sugar Research Institute (PHILSURIN) and Sugar Regulatory Administration (SRA).”

While **mill district** refers to “contiguous area wherein a sugar mill, a bio-ethanol distillery or any processing facility of sugarcane together with all sugarcane plantations adhered thereto are operating.”

On that account, the entities enumerated above shall be affiliated with recognized and accredited MDDCs. MDDCs shall also be responsible for handling and facilitating QRF assistance to unaffiliated or independent farms.

2) Sugarcane farmers’ organizations/associations - These are organizations established, governed and controlled by sugarcane farmers, in view of realizing joint



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activities, for the benefit of their associated members. Provided these organizations/associations underwent SRA accreditation as civil society organization.

3) Block Farms - Section 3 of Republic Act No. 10659 otherwise known as the "Sugarcane Industry Development Act of 2015" defines block farms as the "consolidation of small farms including farms of agrarian reform beneficiaries, as one larger farm, with a minimum area of thirty (30) hectares within a two-kilometer radius, to take advantage of the economies of scale in the production of sugarcane" and shall then be SRA-certified.

4) Research and Development Institutions (RDIs) – These play a role in disaster risk reduction and management by conducting thorough risk assessments, research, and data analysis to determine potential disasters and their impacts. They may also develop early warning systems, facilitate the development of new technologies for disaster mitigation and pest and disease control, and contribute to capacity building for governments and communities in disaster preparedness and response. Additionally, they may foster collaboration among stakeholders, ensuring knowledge sharing and coordinated efforts in disaster management. Continuous monitoring and evaluation enable the refinement of strategies to adapt to evolving circumstances, such as in the case of climate change. Project proposals of RDIs shall be submitted, reviewed, evaluated, and approved by SRA offices and officials concerned.

Collaboration among stakeholders, including growers, mill districts, crop protection agencies, research institutions, government, and private agencies, will ensure the containment of pests and diseases and raise awareness about these pest concerns.

RULE IV GENERAL POLICIES

1. For the purposes of this project, the Quick Response Fund (QRF) shall be provided as a '**grant**' to eligible beneficiaries/qualified recipients as outlined in Rule III of these guidelines.

2. The grant shall be provided as either '**in-kind**', which may include various forms of assistance such as goods and services, or '**funding**' (such as in the case of RDIs), and in accordance with Republic Act No. 9184, also known as the Government Procurement Reform Act.

Art. II, Sec. 7. *Procurement Planning and Budgeting Linkage* – All procurement should be within the approved budget of the Procuring Entity and should be meticulously and judiciously planned by the Procuring Entity concerned.



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3. Pursuant to RA 10121, the grant provided by the SRA to beneficiaries/recipients should mitigate the impacts of disasters, pests and disease infestations, climatic changes, and other unavoidable risks and force majeure events. The SRA retains the ultimate decision-making authority regarding the specific assistance provided, based on the documentary requirements submitted by the requester and the assessment, validation, and evaluation conducted by the SRA.

4. Below are the **scope and coverage of this project**. In any case or situation where mill districts and/or MDDCs, farmers' organizations, block farms, or RDIs are affected by or are conducting research studies on the following, they may request for the QRF grant:

- (1) **Natural disasters and associated risks** - This refers to serious disruptions of community or societal functioning involving widespread human, material, economic, or environmental losses exceeding the affected community's ability to cope. Examples include, but are not limited to, typhoons, landslides, flooding, volcanic eruptions, earthquakes, and droughts.
- (2) **Pests and disease infestations** - This encompasses sugarcane infestations by identified or unidentified destructive insects or animals, as well as diseases or conditions caused by biotic and abiotic agents that interfere with normal growth and development of sugarcane. Research and development on pest management should prioritize Integrated Pest Management (IPM) strategies, which include the discovery, development, and utilization of Biological Control Agents (BCAs) such as predators, parasitoids, or beneficial microorganisms, alongside other effective control measures.
- (3) **Impacts of Climatic Changes** – This encompasses effects such as those of La Niña and El Niño, correlated with events mentioned above, including diminished rainfall or low water supply, drought, plantation fires, induced pests and diseases in crops, flood damage, and water stress.
- (4) **Any other unavoidable risks and force majeure events proven to have impacted the grant requester** - Risk is defined as something causing harm or the possibility of loss, while force majeure refers to an event or effect that cannot be reasonably anticipated.



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RULE V DOCUMENTARY REQUIREMENTS FOR COMPLIANCE BY THE ELIGIBLE BENEFICIARIES / QUALIFIED RECIPIENTS

1. A **letter addressed to the SRA Administrator**, through the concerned Chief Agriculturist of the Extension Services Division and/or the Deputy Administrator for Research, Development, and Extension (RD&E), requesting a quick response fund grant for the purposes of mitigating, preparing for, responding to, and recovering from the impacts of natural disasters, pests and disease infestations, climatic changes, and other unavoidable risks and force majeure events.
2. A **narrative and/or status report** of the situation shall be attached to the letter mentioned in item 1, including the following details:
 - List of farm owners, locations, hectarage of affected/infested farms
 - Extent and magnitude of the damage or effect as identified by the requesting party

These shall be certified by the Head or Chairperson of the MDDCs, farmers' organizations, block farms, attested by the SRA Mill District Officers, or certified by the project management team leader (in the case of RDIs).

3. If item #2 of this rule is not applicable, **any other supplementary documents** relevant to the purpose of this project may also be submitted, especially in the case of RDIs. RDIs are required to present a project proposal, work plan, and financial plan to be approved by the Sugar Board.

RULE VI EVALUATION AND APPROVAL OF THE PROJECT PROPOSAL / REQUEST FOR GRANT

1. The concerned Chief Agriculturist shall endorse to the RD&E Manager III the request for assistance from the applying beneficiaries or recipients, along with the documentary requirements outlined in Rule V of these guidelines.
2. The Manager III shall review the request, send technical experts to the area (as needed), and submit recommendations to the Administrator through the Office of the RD&E Deputy Administrator.
3. The quick response fund may be allocated based on the area and/or severity of the impact as well as depending on the needs of the beneficiaries or recipients in



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addressing their situation, the scope and coverage of the study (in the case of RDIs), or prioritized according to the urgency of the situation.

The final decision shall be made by the Sugar Board through the SRA Administrator, based on the recommendation of the Office of the RD&E Deputy Administrator.

RULE VII LIQUIDATION OF GRANTS AND OTHER PREMISES ON RELEASE AND UTILIZATION OF QUICK RESPONSE FUND

1. The **release of grants, in the form of assistance such as goods and services, or funding** to the requesting parties shall be properly recorded by the SRA Mill District Officers and RD&E technical personnel and accepted by the Head / Chairperson of the MDDCs, farmers' organizations, block farms, or project management team leader (in the case of RDIs).
2. The **beneficiaries or recipients shall be responsible for distributing and/or managing the in-kind or financial grants received.** They shall submit narrative, distribution, and liquidation reports to SRA as frequently as needed. These reports should contain the list of farm owners, hectarage of treated or assisted farms, and details on the grants received such as the nature, items, or quantity distributed to each farm owner, etc. These reports shall be attested by the SRA Mill District Officers, or project management team leader (in the case of RDIs).
3. The beneficiaries or recipients shall ensure that the grants received from the SRA are equitably provided to affected or infested farms, or effectively and efficiently utilized for the conduct of research studies.

RULE VIII MONITORING, EVALUATION, AND INSPECTION

1. Reports submitted by the beneficiaries or recipients shall be regularly monitored—liquidation reports (to be monitored by the Accounting Division), and other technical reports (to be monitored by SIDA-RD&E TWG and PPSPD). Field inspections may also be conducted, if necessary, to validate the reports.
2. The PPSPD shall submit progress and annual reports to the Sugar Board, including observations and recommendations, through the Deputy Administrator for RD&E.
3. The Internal Audit Department (IAD) shall assess and audit project outputs and



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outcomes once accomplished. The assessment and audit report shall be submitted to the Sugar Board through the Deputy Administrator for RD&E.

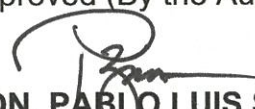
RULE IX PENALTY CLAUSE

1. Any project beneficiary or implementing organization that fails to comply with reporting requirements or is found to have misused or diverted grants to other uses not approved by the SRA Sugar Board shall be blacklisted by the SRA. This action shall serve as grounds for disqualification and non-entitlement to any future support funds from the SRA or any government entity.
2. The SRA legal team, in coordination with PPSPD and IAD, shall form an investigation team. This team shall report its findings and recommendations, including any recommended penalties or sanctions, to the Sugar Board through the Deputy Administrator for RD&E.

RULE X REPEALING CLAUSE

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

Approved (By the Authority of the Sugar Board)


HON. PABLO LUIS S. AZCONA
Administrator



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