



REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City
P.O. Box 70, U.P., Diliman, Quezon City
TIN 0000-784-336

18 March 2003

SUGAR ORDER NO. 5
Series of 2002-2003



SUBJECT: STRENGTHENING THE MDDC AND PROVIDING GUIDELINES FOR ITS ACCREDITATION (Amendments to Sugar Order No. 8, Series of 1990-1991).

WHEREAS, Executive Order No. 18 dated 20 May 1986, creating the **Sugar Regulatory Administration (SRA)**, declares as a national policy of the government to promote the growth and development of the sugar industry through the **greater and significant participation of the private sector**.

WHEREAS, the Sugar Regulatory Administration, pursuant to and in furtherance of the said declared national policy, promulgated Sugar Order No. 8, Series of 1990-1991 dated 02 May 1991 creating the **Mill District Development Committee (MDDC)** to encourage the active involvement and participation of the private sector in the advancement of the sugar industry specifically in the field of research and development, in the mill district level;

WHEREAS, by the nature of their functions and structure, the **MDDCs**, on their own and in cooperation with the **Sugar Regulatory Administration (SRA)** and **Philippine Sugar Research Institute Foundation (PHILSURIN)**, have proven to be effective and reliable organizations in delivering services and farming innovation to sugarcane stakeholders, thereby bridging the perceived gap between research, effective dissemination of research results, and technology utilization by sugar planters/producers;

WHEREAS, in recognition thereof, they have become direct recipients not only of private sector support through the **PHILSURIN** and other associations or foundations but also of government funds which are

Tel: 926-1933; 920-2416; 920-4367
Fax: 920-4325

specifically provided for the development of the sugar industry;

WHEREAS, in order that the **MDDCs** can further strengthen their functions and structure to insure access to necessary government support, guidelines for their **accreditation** have to be set in place;

NOW THEREFORE, pursuant to the powers vested in the **Sugar Regulatory Administration (SRA)**, the following guidelines shall be followed in the strengthening and accreditation of the **Mill District Development Committees (MDDC)**.

Section 1. Definition

1.1. A **mill district** *refers* to a centrifugal sugar mill together with all plantations adherent thereto. A plantation is deemed adherent by virtue of sugarcane being delivered to a mill regardless of contract relation between the mill and the plantation owner and/or any other person cultivating sugarcane in the plantation contiguous to the mill. (Implementing Rules and Regulations of R.A 6982).

1.2. Each mill district shall have only one (1) **Mill District Development Committee (MDDC)**.

1.3. In a mill district where there are two (2) or more mills, only one **MDDC** will be recognized and accredited.

Section 2. Objectives of Accreditation.

Accreditation is aimed and focused towards the attainment of the following objectives:

2.1. To provide opportunities and encourage wider participation of the private sector in the conduct of development programs and projects in the mill district.

2.2. To give due recognition to the effort and capabilities of the **MMDC** in the delivery of the said development programs and projects in the mill district.



2.3. To provide programs and project grants and assistance to accredited MDDC.

2.4. In general, for the accredited MDDC to serve as the focal point in the development of the sugar industry in the mill district level

Section 3. Coverage

Subject to compliance with the requirements for accreditation as herein stated, the following MDDC shall be accredited by SRA:

3.1. MDDC's created, organized and existing pursuant to and in accordance with Sugar Order No. 8, Series of 1990-1991 re: Creation of Mill District Development Committee. As such these MDDCs shall have vested rights.

3.2. Existing MDDC in a mill district whose centrifugal sugar mill is no longer operational as of the effectivity of these rules and regulations.

3.3. Newly created MDDC in a mill district where there is no existing MDDC prior to the issuance of the rules and regulations. In the event that there is no newly created MDDC, the creation of the said MDDC should be done within one (1) year from the effectivity of these rules and regulations. Otherwise, it will forfeit its right to be accredited as such.

3.4. Newly created MDDC in a newly established mill district.

Section 4. Composition

4.1. The MDDC shall be composed of sugar industry participants/stakeholders as follows:

4.1.1. One (1) regular representative from the **sugar mill**, except as provided for in Section 1.3 above.

4.1.2. One (1) regular representative from **each planter associations/cooperatives**. The



planters associations/cooperative shall formulate a scheme in the election and/or appointment of their regular/alternate representatives;

4.1.3. One (1) regular representative from **SRA**.

4.1.4. One (1) regular representative from **PHILSURIN**.

4.2. The **Chairman/President** of the **MDDC** shall come from the planters or mill representative.

4.3. All aforesated representatives shall designate one (1) **alternate member** to sit in the Board in case of the absence of the regular representative/s.

4.4. The **MDDC** shall hold periodic meetings to be presided by the chairman of the committee.

Section 5. Strengthened Functions

Each **MDDC** shall substantially perform the following **functions**, to wit:

5.1. Development and extension of improved sugarcane production technologies;

5.2. Identification of productivity concerns and problems and means of resolving the same;

5.3. Preparation and implementation of plans and programs to address identified problems;

5.4. Submission of monthly progress reports on the implementation of programs to the SRA through the SRA representative;

5.5. Formulation of funding assistance for the development programs and projects in the mill district;

5.6. To do and perform liaison and coordination works with government institutions responsible for infrastructure development program/projects for the district;



5.7. Tapping the continuing Outreach Project for the Sugar Industry (OPSI) seminars spearheaded by the Sugar Regulatory Administration and other trainings for the planters and millers;

5.8. Policy recommendation to the SRA on development matters affecting the industry;

5.9. Other related pertinent functions and duties.

Section 6. Requirements for Accreditation

To institutionalize the existence of the MDDC and provide for its proper monitoring and regulation, the following requirements must be complied with or submitted before they are given accreditation, to wit:

6.1. Articles of Incorporation and By-Laws, duly approved by the Securities and Exchange Commission (SEC), and SEC Certificate of Registration.

6.2. Affidavit of Compliance with all the conditions provided for in existing projects/programs funded by the government through the particular MDDC, if any, attaching therewith the respective MOAs or other agreements as well as the current status of the said projects/programs;

6.3. List of finished projects/programs funded by the SRA or other government agency or the private sector, if any;

6.4. Financial statement for the past year. The financial statement should show the MDDC's sustainability and viability;

6.5. Submission of yearly plans and requirements, including proposed priority agenda for the following, areas of concerned :

6.5.1. Extension services;

6.5.2. Nursery operations;

6.5.3. Other projects initiated by the SRA, or funded by the government or the private sector.

6.6. Impact assessment of the general functions of the MDDC as enumerated in Section 4 herein;

6.7. Other documents and/or reports as may be required by the SRA.

6.8. Payment of accreditation fee in the amount of One Thousand Pesos (P1,000.00).

Upon compliance with the aforesaid requirements, SRA shall accredit the concerned MDDC and issue the corresponding **Certificate of Accreditation**, SRA Form-MDDC Accreditation, copy attached.

Section 7. Procedure and Application for Accreditation.

7.1. Only **MDDC** duly organized and existing under and by virtue of Philippine laws and possessing all the requirements for accreditation as provided for in the Section 6 aforesaid are eligible to apply for accreditation.

7.2. Those eligible for accreditation shall file their application with the:

Sugar Regulatory Administration,
Philippine Sugar Center Bldg.
North Avenue, Diliman, Quezon City

7.3. The MDDC applicant shall fill up and submit to SRA the attached Application Form, Form MDDC-Application, Application For MDDC Accreditation, together with the supporting documents as stated in Section 6 above.

7.4. SRA reserves the right to verify the authenticity of the supporting documents attached to the application for accreditation and the truthfulness of the contents thereof.

Section 8. Accreditation and/or Renewal thereof

8.1. The accreditation shall be renewed annually.

8.2. Renewal of accreditation is subject to compliance with the same requirements as stated in Section 6 hereof.



Section 9. Role of SRA representative

9.1 The SRA representative in the MDDC shall be required to submit monthly report on the activities of the MDDC to the SRA Administrator.

9.2. Production report shall be verified by the representatives from the planters associations/cooperatives and the mill (if applicable), duly attested to by the Chairman of the MDDC.

Section 10. Revocation/Non-Renewal of Accreditation

10.1. An MDDC who fails to comply with any of the requirements aforesaid shall not be accredited or its accreditation will not be renewed. If the accreditation is not renewed, the MDDC shall forfeit its privilege to participate in any project/program sponsored by the SRA, the government, or the private sector or both the government and the private sector.

10.2. Failure of the MDDC to cooperate in the preparation of monthly report by the SRA representative shall be a ground for revocation of accreditation. Once revoked, after due process, it shall likewise forfeit its privilege to participate in any project/program sponsored by the SRA, the government, or the private sector..

Section 11. Inter-agency relationship

Additional functions and responsibilities between the MDDC as a body and the MDDC members (SRA, Mill, Planter Associations/Cooperatives, and PHILSURIN) or among the members themselves, shall be covered by a separate Memorandum of Agreement (MOA).

Section 12. Repealing Clause

All provisions of sugar orders, circular letters, rules and regulations inconsistent with or contrary to this Order are hereby modified or revoked accordingly.

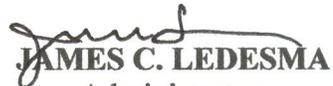


Section 13. Effectivity.

This Sugar Order shall take effect immediately

Done in Quezon City, this 18th day of March 2003, in the year of our Lord.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator

APPLICATION FOR MDDC ACCREDITATION

Date: _____

The Administrator
Sugar Regulatory Administration
Philippine Sugar Center Bldg.
North Avenue, Diliman
Quezon City

Sir:

I hereby apply for Accreditation As a Mill District Development Committee (MDDC) pursuant to and in accordance with Sugar Order No. _____ Series of 2002-2003 re: Strengthening the Mill District Development Committee (MDDC) And Providing Guidelines For Their Accreditation.

1. Name of MDDC Applicant : _____

2. Office Address and Telephone Number : _____

3. MDDC Profile : (Please attached)
4. Official/s authorized to sign pertinent documents

Name/Position Title	Specimen Signature
4.1. _____	_____
4.2. _____	_____
4.3. _____	_____
4.4. _____	_____

5. Enclosed herewith are copies of the following documents:

- 5.1. SEC Registration
- 5.2. Articles of Incorporation
- 5.3. By-Laws
- 5.4. Affidavit of Compliance
- 5.5. List of Projects/Programs
- 5.6. Financial Statements
- 5.7. Plans and Requirements for Crop Year _____
- 5.8. Other Specify.

I hereby certify to the correctness of the above information and I agree to have the same verified by the authorized official of the Sugar Regulatory Administration, whenever necessary. I further certify to the veracity of the contents stated in this Application.



Any false information or misrepresentation given shall be a ground for the revocation of the Certificate of Accreditation issued and for the imposition of any penalty provided under SRA rules and regulations and existing laws.

Signature of the Applicant

Designation

ACKNOWLEDGEMENT

Republic of the Philippines)
_____) s.s.

BEFORE ME, a Notary Public for and in _____
personally appeared _____ with his/her Community Tax
Certificate No. _____ issued on _____ at
_____, known to me known to be the same person who executed the
foregoing _____ and acknowledge to me that the same is his/her
voluntary act and deed and the association he/she represent and which he/she is duly
authorized to do..

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial
seal this _____ day of _____, 2003 at
_____.

Notary Public

Doc No. _____ :
Page No. _____ :
Book No. _____ :
Series of 2003