



Republic of the Philippines
PROVINCE OF BENGUET
La Trinidad

OFFICE OF THE GOVERNOR

EXECUTIVE ORDER NO. 2016-05

PRESCRIBING GUIDELINES AND POLICIES ON THE IMPLEMENTATION OF LIVELIHOOD LOAN ASSISTANCE PROGRAM OF THE PROVINCE

WHEREAS, the Provincial Government, through the issuance of Administrative Order No. 2016-012, has created a Special Committee for the Implementation of its Livelihood Loan Assistance Program, in compliance to Commission on Audit (COA) Audit Observation Memorandum (AOM) No. 15-02 dated December 15, 2015 that the provincial government has yet to identify the projects in its Work and financial Plan for those that may be implemented by Non-Government Organizations (NGOs)/People's Organizations (POs); and institutionalize an accrediting body through its Bids and Awards Committee or through a specially created committee;

WHEREAS, under the Administrative Order, the Committee shall take charge of the accreditation and/or screening of NGOs/PO) for the implementation of the Livelihood Loan Assistance Program. Moreover, the same Committee is tasked to formulate policies to be adopted in the granting of loan assistance; screen and evaluate qualifications of applicants/proponents; review and verify project proposals as to their necessity and viability; monitor status of implemented/funded livelihood projects; and submit periodic reports;

WHEREAS, as an offshoot, six (6) provincial employees under the different departments implementing livelihood projects were named/designated to compose the Special Committee. The need for guidelines and policies to be observed therefore are necessary, thus, the following:

I. Scope and coverage

These guidelines and policies shall be applicable for all fund appropriations for livelihood purposes loaned to and/or to be loaned out to proponents like NGOs/POs accredited by the Special Committee created under Administrative Order No. 2016-012.

II. Definition of Terms:

1. Beneficiary – the community or any of its sector, or organization/association which is the recipient of the livelihood assistance program;
2. Funds - government funds appropriated and entrusted to the NGO/PO to be utilized in the implementation of a project;
3. Government Organization - refers to the Provincial Government of Benguet (PGB) providing appropriations for livelihood loan purposes.
4. Non-Governmental Organization (NGO) – a non-profit, voluntary organization committed to participate in the socio-economic development of the province and established primarily for services such as assisting citizens or people's organizations in various ways through education, training, or provision of funds. This shall include associations/organizations established for the same purpose; and
5. People's Organization (PO) – an independent community and/or class based association established to protect and advance the interest of specific causes or sectors, e.g. laborers, farmers, fishermen, women, children, civic organizations.

P

III. Guidelines:

1. The NGO/PO shall be accredited by the Special Committee for the Implementation of Livelihood Loan Assistance Program of the Province of Benguet;
2. The list of projects which may be implemented by the NGOs/POs shall be identified in the Work and Financial Plan of the province to be posted in the Bulletin Board of the Provincial Government and its agency website;
3. Status Report on the Revolving Fund appropriated for Livelihood Assistance under the General Fund shall be issued by the Provincial Accountant every six months as basis of this committee to apportion funds for the identified projects to be implemented.
4. The types of livelihood projects that may be granted loan assistance to each qualified NGO/PO shall include, but not, limited to the following:
 - 4.1 General Merchandise – Buy and Sell of Commodities, Sari-sari Store, Rice Trading, LPG Refill, Water Refill, Farm Inputs, etc.
 - 4.2 Handicrafts
 - 4.3 Homemaking (knitting, etc.)
 - 4.4 Broom making
 - 4.5 Livestock, Poultry, Fishery Production and Apiary
 - 4.5.1 Livestock Production
 - a. Swine Raising such as Swine Breeding or Fattening
 - b. Cattle raising such as Cattle Breeding and Cattle Fattening
 - c. Sheep/Goat Production
 - 4.5.2 Poultry Production
 - a. Egg Production
 - b. Meat Production
 - 4.5.3 Fishery Production
 - a. Hatchery (fingerlings)
 - b. Grow-out
 - 4.5.4 Apiary
 - 4.6 Crop Production
 - 4.6.1 Vegetable Production
 - 4.6.2 Strawberry production
 - 4.6.3 Food Processing (strawberry, root crops, vegetables, baking)
 - 4.6.4 Flower/ornamental production
5. Each qualified NGO/PO shall be granted an interest free loan livelihood assistance in the minimum amount of One Hundred Thousand Pesos (P100,000.00) and a maximum of Five Hundred Pesos (P500,000.00). In case of renewal of loan, the amount of loan to be granted shall depend upon the result of the Committee's re-evaluation on the NGO/PO's as a borrower whether in good standing or not.

P

6. In cases of approval, the Project shall be covered by a **Memorandum of Agreement (MOA)** which shall embody the terms and conditions, such as:
- 6.1 Project name, intended beneficiaries, benefits to be delivered, project cost estimates, a brief description of the project, and its site/location;
 - 6.2 Systems and procedures to implement the project such as, but not limited to, the procurement of goods and services by the NGO/PO and their distribution which should be documented and coordinated through the authorized officials of the PGB and the concerned barangays;
 - 6.3 Time schedules for the releases of funds, periodic inspection/evaluation, reporting, monitoring requirements, date of commencement and date of completion;
 - 6.4 Submission of the required periodic quarterly financial and physical status reports;
 - 6.5 Specific period to liquidate the funds granted to the NGO/PO with the PGB;
 - 6.6 Monitoring and inspection of project implementation and verification of financial records and reports of the NGO/PO by the PGB
 - 6.7 Visitorial audit by the officials and personnel of the Commission on Audit (COA), authorized to perform the audit under an approved office order;
 - 6.8 Institution of legal action by the PGB against the NGO/PO which fails to complete a project covered by the MOA, or for a material violation of the provisions of the MOA, and in any of these cases, its subsequent disqualification from applying for another project in any other GO;
 - 6.9 In case of the dissolution of a recipient NGO/PO, voluntary or involuntary, the lien of the granting of PGB on its assets, in accordance with existing laws, to the extent of the unexpended or unutilized portion of the fund;
 - 6.10 Maintenance by the NGO/PO of a separate savings account for each fund received from the PGB; and
 - 6.11 The return by the NGO/PO to the PGB of any unutilized amount, including interest, if any, to complete the project;
7. Loan Default - In case of breach or default of the NGO/PO, the Provincial Government reserves the right to terminate the project and whatever balance shall be declared due and demandable and *the same may* give rise to a civil or criminal liability.
- > The following shall be considered grounds for default:
 - 1. Non-payment of loan amortization as per schedule
 - 2. *Mismanagement of the project*
 - 3. *Malversation of the fund, and*
 - 4. Discontinued operation or non-implementation of the project by the NGO/PO.
 - > After conducting monitoring and investigation of the fund borrower, the Committee may recommend any of the following courses of action:
 - 1. Re – structuring of the loan

A

2. Declaration that the loan is due and demandable
3. Recommendation to the Provincial Legal Office for legal action

IV. Accreditation Requirements:

1. Accreditation by the Sangguniang Bayan of the concerned municipality;
2. Certificate of registration with the Securities and Exchange Commission (SEC); and/or either the Cooperative Development Authority (CDA) or the Department of Labor and Employment (DOLE) as the case maybe, depending on the nature of the service required to be provided;
3. Authenticated copy of the latest Articles of Incorporation, or the Articles of Cooperation as the case maybe, showing the original incorporators/organizers and the Secretary's certificate for incumbent officers, together with the Certificate of Filing with the SEC/Certificate of Approval by the CDA;
4. Financial report, audited by an independent Certified Public Accountant for the past three years preceding the date of project implementation to ensure that it has a stable financial condition. For NGO/PO which has been in operation for less than three (3) years, report of accomplishment or any equivalent proof certified by its President and Secretary that it had previously implemented similar projects shall be required;
5. Disclosure by the NGO/PO of other business, if any, and extent of ownership therein;
6. Work and Financial Plan (WFP) and Sources and Details of Proponents' Equity Participation in the Project;
7. Complete Project Proposal approved/signed by its officers which shall include the objectives, targets beneficiaries, feasibility studies, risk assessment, designs, plans, blueprints, charts, etc.;
8. List and/or photographs of similar projects previously completed by the NGO/PO, if any, indicating the source of funds for their implementation;
9. A sworn affidavit of the Secretary of the NGO/PO that none of its incorporators, organizers, directors or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the PGB authorized to process and/or approve the proposal, the MOA and the release of funds. Relationship of this nature shall automatically disqualify the NGO/PO to avail of the livelihood assistance;
10. Resolution of the NGO/PO to apply for Livelihood Loan Assistance duly indorsed by the Barangay, the Municipal Office concerned (Municipal Agriculturist/Municipal Agricultural Officer, Municipal Social Welfare and Development Officer), and the Municipal Mayor;

V. Selection Criteria - the following criteria shall be used in selecting beneficiaries:

1. The NGO/PO should have not availed of any similar loan assistance from the Provincial Government, other department, institution, unless otherwise, fully settled or regularly paying said loan;
2. The project shall be undertaken in the Province (whose beneficiaries shall also be residents of the Province);

3. The project is viable on the basis of technical, financial, managerial and marketing consideration;
4. Twenty Percent (20%) of the resources of the NGO/PO, either in the form of labor, technical support, administrative cost, materials, existing assets or cash shall be put up as counterpart/contribution;
5. Projects that will process, utilize, manufacture and add value to the indigenous materials in the area;
6. Projects that will support the marketing and distribution of locally produced and manufactured goods and indigenous materials for the local and foreign markets;
7. The association/cooperative members should have at least basic know how and/or engage in the projects being applied for;
8. The association has an account book where to deposit the loan and proceeds of the loan as well as savings of the organization.

VI. Procedures:


1. The NGO/PO shall submit resolution/application to the Province addressed to the Provincial Governor;
2. The application/resolution shall be forwarded to the Committee for screening, review and evaluation. The result of the evaluation shall be forwarded to the office/department concerned (Office of the Provincial Veterinarian, the Office of the Provincial Agriculturist, the Office of the Provincial Social Welfare Development Officer, or the PGO-Cooperative Services Unit);
3. The office concerned will review the technical and financial aspects; and require completion and/or submission of the required documents, if necessary, which in turn will be submitted to the Committee for final evaluation, accreditation and recommendation;
4. Upon recommendation of the Committee, the documents of the accredited NGO/PO shall then be forwarded to the Provincial Governor for appropriate action (approval or disapproval) of the loan application. For this purpose, the Provincial Governor shall, upon authority of the Sangguniang Panlalawigan, sign/enter into a Memorandum of Agreement/Contract with the borrower/s, reflecting therein the terms and conditions.
5. The department/office concerned shall conduct an orientation for the NGO/PO regarding the MOA and other important matters pertaining to the implementing guidelines of the Livelihood Assistance Loan program. The MOA shall be prepared by the office concerned, thru the assistance of the Committee/office representative.
6. Processing of the approved loan application until the release of the fund shall pass thru proper and legal process.
7. The release of check from the Provincial Treasury Office shall be received by the duly authorized officers, the president and the treasurer, or any officer authorized by the NGO/PO accompanied by the representative from the validating team from the committee.

P

8. The Committee shall periodically *report to* the Governor of the status of the granted livelihood assistance and to recommend appropriate action in cases where the beneficiary defaults or falls short of the agreed mode of payment and or in cases of deviation from approved project proposals and/or MOA;
9. The concerned offices/departments shall assist the Provincial Treasury Office in the collection of amortization payment.
10. There shall be four (4) copies of MOA and the other documents/attachments to be prepared like vouchers: one each for the Provincial Accounting Office, the beneficiary, municipal government, and the Provincial Government of Benguet, for records and reference purposes.

VII. Effectivity. This Executive Order shall take effect immediately.

ISSUED this 3rd day of October 2016 at La Trinidad, Benguet.


CRESCENCIO C. FACALSO
Provincial Governor

CCP/fb