



Republic of the Philippines
Department of Agriculture

SUGAR REGULATORY ADMINISTRATION

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SUGAR REGULATORY ADMINISTRATION
RECORDS SECTION

RELEASED

BY: *[Signature]*

DATE: *[Signature]*

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July 22, 2021

MEMORANDUM CIRCULAR NO. 5

Series of 2021

SUBJECT: Revised Implementing Guidelines of the Japan Non-Project Grant Aid to SRA on Economic and Social Development Programme

Section I. Policy Statement

The Sugar Regulatory Administration, pursuant to Executive Order No. 18 (EO 18), Series of 1986, is mandated to promote the growth and development of the sugar industry, while Republic Act No. 10659 otherwise known as the Sugarcane Industry Development Act of 2015 (SIDA) mandates SRA to promote the competitiveness of the sugarcane industry and maximize the utilization of sugarcane resources, and improve the incomes of farmers and farm workers, through improved productivity, product diversification, job generation, and increased efficiency of the sugar mills.

The proposal of SRA to the Japan Government for the Non-Project Grant Aid (NPGA) on Economic and Social Development Programme was endorsed by the Department of Finance (DoF) to the Government of Japan (GOJ) through the Department of Foreign Affairs (DFA). The Exchange of Notes (E/N) of the Japan NPGA to SRA in the amount of eight hundred million Japanese Yen (¥800,000,000) was signed by the Secretary of the Department of Foreign Affairs (DFA) on behalf of the Government of the Philippines (GOP) and by the Ambassador of Japan to the Philippines on behalf of the Government of Japan (GOJ) on June 8, 2020.

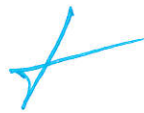
Section II. Scope and Coverage

The guidelines cover the general qualifications, requirements, distribution, implementation, monitoring and assessment of the farm machineries and implements from the Japan NPGA for the economic and social development of the sugarcane industry.



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Section III. Qualified Beneficiaries

1. Sugarcane planters associations, cooperatives and foundations who are registered with SRA as a Service Provider of Farm Machineries, hereinafter referred to as beneficiary;
2. The beneficiary should include as their members at least 50% small farmers cultivating 10 hectares and less of sugarcane plantation based on the latest planters directory of SRA.

Section IV. Requirements for Submission to SRA

1. Letter of Intent (LOI) signed by the Chairperson or Head of the beneficiary association / cooperative / foundation which should state the contact person, contact number and email address;
2. Project proposal or concept note – please refer to the template in Annex A;
3. Operations manual for the repair, maintenance and deployment of farm machineries – please refer to template in Annex B;
4. Financial statement for the past 3 years of operation duly signed by a Certified Public Accountant and duly stamped received by the Bureau of Internal Revenue (BIR);
5. Photocopy of Registration Certificate issued by SRA as a Service Provider of farm machineries / equipment (refer to SRA Memorandum Circular No. 7, Series of 2018 for the guidelines on the registration with SRA as Service Provider);
6. List of members and hectarage planted with sugarcane.

Section V. Evaluation Process

1. The SRA shall create a Japan NPGA Evaluation Committee to be chaired by the SRA Administrator and composed of the following SRA officers / units with their corresponding functions and responsibilities:

SRA Officers / Units	Functions / Responsibilities
SRA Administrator	<ul style="list-style-type: none"> • Endorse the eligible beneficiaries / recipients of the farm machineries with implements under the Japan NPGA together with the individual MOAs for approval by the Sugar Board
Attorney VI / OIC of Legal Department	<ul style="list-style-type: none"> • Endorse to the Administrator the final MOA for approval by the Sugar Board
Deputy Administrator for R, D & E / Chief Agriculturists	<ul style="list-style-type: none"> • Review / validate the list, ranking and rating of proponents submitted by the Planning, Policy & Special Projects Department (PPSPD) and endorses the final list, rating and ranking of eligible beneficiaries to the Administrator • Review the individual MOAs drafted by PPSPD
Deputy Administrator for Administration & Finance / AFD Managers	<ul style="list-style-type: none"> • Review the financial statements / documents and design a mechanism of rating / ranking their financial capability to operate / maintain the farm machineries under the Japan NPGA to SRA • Review the individual MOAs drafted by PPSPD

<i>SRA Officers / Units</i>	<i>Functions / Responsibilities</i>
Chief, Interim Agricultural & Biosystems Engineering (ABE) Division	<ul style="list-style-type: none"> • Evaluate the soundness of the Operations Manual for the maintenance, repair and deployment of farm machineries and implements and design a rating / ranking system for the eligible proponents according to their target service areas or farms and operational capability to deploy the farm machineries with implements
PPSPD Manager III / Chief or OIC - Special Projects, Project Development, Evaluation & Monitoring Division	<ul style="list-style-type: none"> • Review the soundness / completeness of the LOI and project proposal and design a rating / ranking system of the proponents according to their organizational capability and sustainability plan to operate the farm machineries • Validate the list of members submitted by the proponents against the latest SRA planters directory • Consolidate the financial and operational capability ratings and ranking of the proponents by sugarcane milling district and at the national level and submit to the Deputy Administrator for R, D & E • Prepare the draft individual MOAs of eligible beneficiaries / recipients of the Japan NPGA
Project Evaluation Officers – Special Projects, Project Development, Evaluation & Monitoring Division	<ul style="list-style-type: none"> • Act as Secretariat and prepare the highlights of the minutes of meetings, maintain a database and physical filing of all documents pertaining to the Japan NPGA and coordinate with SRA units and the proponents on the verification of submitted documents and submission of additional / missing requirements

Section VI. Distribution and Implementation

1. Ownership of farm machineries and implements

Ownership and control over the farm machineries and implements shall remain with SRA. The E/N clearly states that the grantee / recipient of the Japan NPGA is the Government of the Republic of the Philippines (GOP). The GOP, through SRA, shall allow the use of the farm machineries and implements by the beneficiary subject to repairs, periodic maintenance, upkeep and expenses incurred on the work done on said machineries and implements. To ensure sustainability, SRA shall monitor the operation, management and financial status of the beneficiary with respect to the farm machineries and implements received through the Japan NPGA. The beneficiary shall ensure that all machineries and implements are insured by a government accredited insurance company with SRA as the beneficiary of the insurance policy.

2. Payments of customs duties, taxes and other fiscal levies

The SRA shall pay the customs duties, taxes, and other fiscal levies with respect to the importation of the farm machineries and implements without using the NPGA and its accrued interest. The

logistics / delivery cost from the port of arrival or from the SRA designated motorpool to the final destination or designated location by the beneficiaries of the Japan NPGA shall be shouldered by the SRA.

3. Selection of Beneficiaries / Recipients

Eligible beneficiaries from each milling district shall be ranked according to evaluation ratings by sugar milling district. All eligible beneficiaries who pass the pre-determined ranking cut-off in each sugar milling district will be awarded with one set of farm machinery with implements. The number of sets of farm machineries and implements to be awarded per sugar milling district will be according to the sugarcane area to be served;

4. Management, Operation, Maintenance and Repair of farm machineries and implements

The beneficiary shall be responsible for the overall management, administration, commercial operation, maintenance and repair of the farm machineries and implements. As such, the beneficiary shall maintain separate financial and accounting records of the management, operations, maintenance and repair of the farm machineries and implements which shall be made available for inspection and monitoring of SRA. The income from the farm machineries and implements shall be for the account of the beneficiary for the administration, operation, maintenance and repair of farm machineries and implements.

5. All beneficiaries of the farm machineries with implements shall execute a Memorandum of Agreement (MOA) with SRA.

Section VII. Monitoring and Assessment

1. The SRA shall create a Project Management Team (PMT) which shall design and implement a monitoring and evaluation guidelines;
2. The PMT shall analyze the data collected through the accomplished monitoring form, assess the performance of the NPGA and coach the beneficiaries on areas for improvement;
3. The PMT shall submit quarterly reports to the SRA top management, the DA, DFA and DoF;
4. After 3 years of implementation, the PMT shall conduct an initial impact assessment of the NPGA and submit the report to SRA top management, DA, DFA, DoF and the Japan embassy;
5. After 5 years of implementation, the PMT shall conduct the final impact assessment of the NPGA and submit a report to DA, DFA, DoF and the Japan embassy;
6. Together with DA, DFA and DoF, SRA shall participate in the general review of the Philippines-Japan Economic Partnership Agreement (PJEPA) and report the status of the implementation of the Japan NPGA.

Section VIII. Repealing Clause

Any previous SRA issuances in violation or inconsistent with this Order shall be deemed to have been repealed.

Section IX. Effectivity

This Memorandum Circular shall take effect immediately upon submission to the UP Law Library and shall thereafter be posted on the SRA website.

By Authority of the Sugar Board:


HERMENEGILDO R. SERAFICA
Administrator