

**[DAR ADMINISTRATIVE ORDER NO.10 S. 2011,
June 03, 2011]**

**IMPLEMENTING RULES AND REGULATIONS (IRR) ON THE
PARAMETERS, MODES, GUIDELINES AND MECHANISMS FOR CO-
FINANCING AGREEMENTS (CFA) WITH LOCAL GOVERNMENT
UNITS (LGUS) IN FINANCING AGRICULTURE AND FISHERIES
EXTENSION (AFE) PROJECTS PER RA 8435**

Pursuant to the provisions of Section 93.1 of the Implementing Rules and Regulations of RA 8435, otherwise known as the Agriculture and Fisheries Modernization Act (AFMA) of 1997, as called for under the Department of Agriculture's (DA) Administrative Order No. 11, s. 2010, the following implementing rules and guidelines shall be adopted in co-financing agreements with Local Government Units (LGUs) for the provision of AFE program/project:

**ARTICLE I
TITLES, OBJECTIVES and SCOPE**

Section 1.0 Title - This shall be known as the Implementing Rules and Guidelines (IRR) implementing the DA Administrative Order No. 11 , Series of 2010 in adherence to rule 93.1 of RA 8435 which is on the preparation of Parameters, Modes, Guidelines and Mechanisms for Co-Financing Agreements with the LGUs in financing AFE.

Section 2.0 Objectives -

General Objective:

To establish a rational DA-LGU CFAs as an incentive for LGUs to increase their investments in AFE programs/projects.

Specific Objectives:

1. To provide assistance to LGUs through a CFA for AFE programs/projects;
2. To institute the parameters, modes, guidelines and mechanisms on co-financing agreement for authorized expenditures on AFE program/project.

Section 3.0 Scope

The CFA between the DA and LGUs shall only be limited to extension programs and projects of the agriculture and fisheries sectors to include women, youth, indigenous peoples and marginalized farmers and fishers' clientele groups.

ARTICLE II DEFINITIONS OF TERMS

Section 4.0 The following terms used in this document are defined as follows:

- a. **Authorized Expenditure** - shall mean charges against funds released to the LGU for the implementation of approved extension program/project in accordance with budgetary, accounting and auditing rules and regulations.
- b. **Co-financing Agreement** - shall mean a mutual consent and undertaking by and between the DA and LGU in the provision of counterpart funds for the implementation of AFEN programs/projects.
- c. **Department of Agriculture** - shall mean the Department's bureaus, service offices , attached agencies & corporations, and Regional Field Units.
- d. **Extension Program/Project** - refers to a program on the provision of training services, farm/business advisory services, information and communication support services, demonstration services, including production and post production support in the conduct of these services (seeds, credit, fertilizer, postharvest facilities, etc.)
- e. **Farm & Business Advisory Services** - one of the categories of extension that involves on-demand knowledge sharing and advisory on production and post production technologies, linking producers to market, investments and other strategic resources and support services with various stakeholders on agriculture and fisheries. It also covers the provision of financial and management advices especially for farmers, fishers and their organizations. These are technical services on RBO development, marketing-related assistance, feasibility study preparation, project proposals development, technology-based knowledge sharing, and on-farm visits.
- f. **Farm Inputs** - refers to materials and man-power used in any farm production activities, i.e., biologies, seeds, fertilizers, pesticides, livestock, fingerlings, etc. in the conduct of extension services.
- g. **Grant** - an amount of money that the Department of Agriculture shall provide to the LGU to augment limited resources for the conduct of extension services based on an income classification co-financing scheme herein proposed.
- h. **Information Education and Communication Support Services** - one of the categories of extension that refers to the sharing of information between and among stakeholders through conventional means like print, radio, TV, indigenous folk media or by electronic means.
- i. **Local Government Units (LGUs)** - shall mean the office of the municipal and/or provincial government who shall enter into agreement with the DA and will provide supervision and implementation of extension activities in their respective area.

j. **Technology Demonstration Services** - is a category of extension, showcasing matured technologies generated by research and development institutions.

k. **Training services** - is a category of extension that refers to the provision of appropriate interventions, methodologies, and techniques that can upgrade the KAS and orientation of stakeholder. It may cover a wide range of topics along the value chain such as production technologies, as well as social technologies depending on the needs of the target clientele group or their relevance to the development requirements of a specific target area.

ARTICLE III PRINCIPLES OF CO-FINANCING AGREEMENTS (CFA)

It is a policy of the national government to provide assistance to the LGUs in the delivery of services devolved to them with social and environmental benefits towards sustainable human and social development that would ultimately redound to poverty alleviation. The DA shall provide or augment the limited resources of the LGUs for the implementation of AFE programs and projects.

Section 5.0 The CFA with the LGUs shall uphold following principles:

5.1 Philippine Agriculture and Fishery (AF) modernization is a joint responsibility and undertaking of the DA, LGUs and other stakeholders in the agriculture and fishery sector.

5.2 The CFA is a scheme towards shared responsibilities and congruence of goals in AFE program implementation between the national government and the LGUs.

5.3 The CFA will be premised on equity considerations, depending on the nature of a program/project based on needs and priorities, and on income class, such that low income LGUs shall be eligible for higher grants, particularly the 4th, 5th, and 6m class municipalities and/or province.

5.4 The CFA supports the socio-economic development of the locality through increased efficiency and effectiveness in planning municipal, city, and/or province-wide AFE projects and minimizing subjectivity in the distribution of resources.

ARTICLE IV ROLES AND RESPONSIBILITIES

To ensure system, efficiency and effectiveness in the implementation of co-financing agreements, the DA and the LGUs shall execute the following roles:

Section 6.0 The Department of Agriculture

The DA through its bureaus, services offices, attached agencies and regional field

units concerned with CFAs shall:

- 6.1 Identify priority areas for extension and assess program/project based on general criteria in consultation with the LGUs.
- 6.2 Provide assistance through a CFA and monitor compliance to co-financing agreements.
- 6.3 Approve program/project proposals submitted by the LGUs subject to their respective delegated authority.
- 6.4 Enter into a Memorandum of Agreement for the implementation of program./ project under the CFA.
- 6.5 Assist in the implementation of AFE programs and projects.
- 6.6 Conduct monitoring and evaluation in the implementation of CFA.

Section 7.0 The Local Government Units shall:

- 7.1 Develop AFE program/project and identify the areas for co-financing
- 7.2 Implement AFE program/project with the DA.
- 7.3 Enter a Memorandum of Agreement with the DA.
- 7.4 Monitor the progress of the project implementation and submit regular reports of funds utilization.
- 7.5 Provide counterpart fund, staff complement, services and/or facilities as required by the co-financing scheme with the DA to support the local AFE programs and projects.

ARTICLE V
ELIGIBILITY REQUIREMENTS FOR CO-FINANCING COLLABORATIVE
EXTENSION PROJECTS

Section 8.0 AFE Program/Project eligible for funding under the CFA:

- 8.1 Supports the national and regional priority programs as embodied in the Agriculture and Fisheries Modernization Plans (AFMPs) and/or AFE plans and the LGU's Medium Term Development Plan.
- 8.2 Correspond to a municipality, city, and/or province-wide coverage.
- 8.3 Supports the priority commodities or economic activities in the area.
- 8.4 Adopts environmentally sound technologies and addresses vulnerability, risks and impact of climate change and implements climate risks adaptation and mitigation and coping mechanism for the sustainability of the environment and the ecosystem.
- 8.5 Includes participation of farming household, women, youth and marginalized groups.
- 8.6 Benefits the customers/clients of the AF sectors under any or a combination of the following services:
 - 8.6.1 Training services
 - 8.6.2 Farm or business advisory services