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MEMORANDUM CIRCULAR

No. 41

Series of 2024

SUBJECT : GENERAL GUIDELINES ON THE PROVISION OF AGRICULTURAL MACHINERY, EQUIPMENT, AND FACILITIES FY 2024 ONWARDS

The General Appropriations Act (GAA) provides continuous funding appropriation for the provision of agricultural machinery, equipment and facilities for the various banner programs of the Department of Agriculture (DA). In line with its implementation, the DA in 2020 issued Memorandum Order (MO) No. 50, "*Revised Guidelines on the Provision of Agricultural Production, postharvest, and processing machinery, equipment, and facilities*"

Since then, there have been a lot of developments and policy issuances relative to agri-fisheries mechanization and infrastructure that requires the updating of the said MO No. 50. Thus, in order to continuously ensure, proper planning and efficient implementation, coordination, and delivery of integrated support services on agricultural machinery, equipment and facilities and enhance clarity and accountability in the implementation activities, the following guidelines are hereby issued with the following provisions:

Section 1. Scope- These guidelines shall govern the implementation of Agricultural Machinery, Equipment, Facilities, and Infrastructure Program (AMEFIP) by the Department of Agriculture's Regional Field Office Banner Programs (Rice, Corn, High Value Crops, Livestock, Organic and National Urban and Peri-Urban) and Regional Agricultural Engineering Division (RAED). It encompasses all phases of project implementation from planning, procurement, operation, maintenance, monitoring to evaluation.

Section 2. Definition of Terms

Agricultural Facilities - refers to infrastructure that are used for the production, postharvest, processing, storage, transport, distribution, and marketing of agricultural commodities such as, but not limited to, solar-powered irrigation systems and other small-scale irrigation systems, wastewater system for irrigation purposes, renewable energy generation equipment and support facilities for agricultural and fisheries purposes, agro-industrial hubs, warehouses, crop processing facilities farm-to-market roads, and tramlines (*Memorandum Order No. 61, Series of 2020*).

Agricultural Machinery - refers to the machinery and equipment for the production, post-production, harvesting, primary processing¹, storage, manufacture, preserving, transporting and distribution of agricultural products and by-products. It includes, but not limited to, tractors and their attachments, power tiller, seeders, transplanters, windmills, harvesting machines, crop protection and maintenance equipment, irrigation equipment and accessories, greenhouses and other thermal conditioning equipment, livestock equipment, slaughtering equipment, meat and crop processing equipment, post harvest machines such as milling machines, dryers, threshers and fiber extraction machines (*Department Circular No. 2, Series of 2023*).

Learning Site for Agriculture (LSA) - is a farm, practicing applicable agricultural technologies, employing doable farming strategies and operating successfully, thus, worthy of emulation. The farmer/farm family-owner is relatively advanced compared to the rest of the farmers (www.https://www.ati.gov.ph).

Section 3. Policy and Legal Bases

- a. Republic Act No. 8435- Agriculture and Fisheries Modernization Act of 1997;
- b. Republic Act No. 10601- Agricultural and Fishery Mechanization Law;
- c. Republic Act No. 10915- Philippine Agricultural and Biosystems Engineering Act of 2016;
- d. Senate Resolution No. 42, Series of 2023, Resolution Concurring in the Ratification of Regional Comprehensive Economic Partnership Agreement in which the following programs have been adopted and to be implemented, among others:
 1. Agricultural Machinery, Equipment, Facilities and Infrastructure Program under the Agriculture Modernization Plan of the DA;
 2. Mechanization and acquisition of machines, equipment, and post-harvest facilities; and
 3. Undertaking continuous capacity building, reskilling, upskilling and cross-skilling of workers to adapt to technological development and evolving business models and industries;
- e. DA Administrative Order No. 07, series of 2023, "Adoption and Implementation of National Agricultural and Fishery Mechanization Program (NAFMP) 2023-2028";

¹ Department Circular No. 02, Series of 2023 "Revised National Guidelines on Testing and Evaluation of Agricultural Machinery

- f. DA Administrative Order No. 1, Series of 2019, "Harmonization and Strengthening the Training and Development on Agricultural and Fishery Mechanization";
- g. DA Administrative Order No. 15, Series of 2020, "Promoting and Supporting the Establishment, Operation, Maintenance and Management of Agricultural and Fishery Machinery and Equipment Service Centers";
- h. DA Memorandum Order No. 61, Series of 2020, "Guidelines in the Preparation and Evaluation of Feasibility Study for Agricultural and Fisheries Facilities, Agri-Fisheries Machinery and Equipment Service Centers, and Other Agri-Fisheries Mechanization Projects";
- i. DA-DOE Joint Memorandum Circular No. 02, Series of 2021, "Formulation and Implementation of Renewable Energy Program for the Agri-Fishery Sector (REPAFS);
- j. DA-DOLE-TESDA JMC No. 2, Series of 2021, "Guidelines and Standards on the Manpower Complement of Certified Agricultural and Fishery Machinery Operators and Technicians in all Agricultural and Fishery Machinery Pools and Service Centers including Sales and Distribution Outlets and Manufacturing Establishment either Public or Private ";
- k. Memorandum Order No. 79, Series of 2022 "Reference Manual of Agricultural Machinery and Equipment"
- l. Memorandum Circular No. 50, Series 2022, "Revised Guidelines on the Acquisition of Right-of-Way, Site, or Location for National Government Infrastructure Projects in the Agriculture and Fisheries Sector"
- m. Memorandum Order No. 35 Series of 2018 "Guidelines on AMTEC Testing and Evaluation of Irrigation Systems, Processing Facilities and other Agricultural Systems";
- n. Department Circular No. 16, Series of 2020, " National Guidelines on the Conduct of Acceptance Testing for Agri-Fisheries Machinery";
- o. Department Circular No. 19, Series of 2018 "National Guidelines on the Issuance of Certificate of Conformity for Agricultural and Fisheries Machinery
- p. Department Circular No. 4, Series of 2019 "Guidelines on the Registration and Issuance of Permit to Operate for Agricultural and Fisheries Machinery Manufacturers, Fabricators, Assemblers, Distributors, Dealers, Importers and Exporters
- q. Department Circular No. 02, Series of 2023, "Revised National Guidelines on Testing and Evaluation of Agricultural and Fishery Machinery"
- r. Department Circular No. 04, Series of 2024 "Amendment of Annex A: Classification of Machinery and Equipment Used in Agriculture" of Department of Circular No. 2 Series of 2023 Known as the "Revised National Guidelines on Testing and Evaluation of Agricultural and Fishery Machinery".

Section 4. Policy Guidelines

1. The agricultural machinery, equipment and facilities should be/are, as applicable:
 - a. implementation ready and shall be supported by the following documents, as applicable: (a) Approved Feasibility Studies (FS), (b) Detailed Engineering Designs (DED), (c) Program of Works, d) secured regulatory clearances, and (e) Right-of-Way acquisitions for civil works²;
 - b. needed by the farmers and standard compliant with approved Philippine Agricultural and Biosystems Engineering Standards (PABES)/Philippine National Standards (PNS), or other relevant standards, AMTEC tested, and other Testing Centers accredited by BAFE;
 - c. provided to recipients undertaking farm machinery pooling or the operation and management of agricultural machineries and equipment service centers owned and operated by cooperatives prioritizing those engaged in clustered farming³;
 - d. properly operated or utilized by ensuring proper operation, maintenance and management through the provision of extension support, education and training services (ESETS), and the rolling out of Technical Education and Skills Development Authority (TESDA) training regulations;
 - e. adequately supervised and monitored to ensure its proper implementation. The Engineering and Administrative Overhead Expenses (EAO) shall be included in the project costs of proposals for agricultural facilities pursuant to DA Memorandum Circular No. 2, series of 2023 and DA-DBM Joint Memorandum Circular No. 4, dated May 27, 2021;
 - f. supportive and should form part of the implementation of the National Agricultural and Fishery Mechanization Program (NAFMP); and
 - g. NOT duplicative but rather complementary to other similar programs of other agencies such as Rice Competitiveness Enhancement Fund (RCEF) of PHilMech, I-REAP of PRDP, DAR, LGUs, among others.

² DA Memorandum Order No. 61, series of 2020, "Guidelines in the Preparation and Evaluation of Feasibility Study for Agricultural and Fisheries Facilities, Agri-Fisheries Machinery and Equipment Service Centers, and Other Agri-Fisheries Mechanization Projects"

³ Republic Act No. 10601-Agricultural and Fishery Mechanization Law

Section 5. Project Recipients

The qualified recipient shall either be:

- a. Registered Farmer Cooperatives and Associations (FCA), Agrarian Reform Beneficiaries Organization (ARBO), Irrigators' Association (IA), Accredited Civil Society Organization (CSO), group managed Learning Site for Agriculture (LSA)⁴ in the form of cooperative and association or network LSA, or other related groups engaged in any of the agricultural production and/or processing and duly registered in government agencies authorized to issue a certificate of registration;
- b. Schools offering agricultural/agricultural biosystems engineering course like State Universities and Colleges (SUCs) and Farm schools; and
- c. Provincial, City, and Municipal Local Government Units (PLGU/CLGU/MLGU)

Section 6. Qualifications of the Recipients and Documentary Requirements

The following are the qualifications of the candidate recipient, with corresponding minimum documents to be submitted.

QUALIFICATION	MINIMUM REQUIREMENTS TO BE SUBMITTED BY THE RECIPIENT		
	FCA/ARBO/IA/CSO/LSA	LGU	Agricultural Schools/SUC
1. Must have the following capacity to operate and maintain the machinery and facilities	- Board Resolution duly signed by the majority of the board of directors of the organization (Annex A.1).	- Letter of Intent duly signed by Head of the Municipal Agricultural and Biosystems Engineering Office/Unit and duly noted by the Local Chief Executive (Annex A.7).	- Letter of Intent duly signed by the President of the Agricultural Schools, State Universities and Colleges (SUCs) (Annex A.7).

⁴ <https://www.ati.gov.ph>

QUALIFICATION	MINIMUM REQUIREMENTS TO BE SUBMITTED BY THE RECIPIENT		
	FCA/ARBO/IA/CSO /LSA	LGU	Agricultural Schools/SUC
a. Technical	<ul style="list-style-type: none"> - Pre-validation report signed by an Agricultural and Biosystems Engineer (ABE) in the P/C/MLGU (Annex A.2). - Endorsement or Certification from an ABE (Annex A.3). 	<ul style="list-style-type: none"> - Pre-validation report signed by an Agricultural and Biosystems Engineer (ABE) in the P/C/MLGU (Annex A.8). - Local Agriculture and Fisheries Mechanization Plan and/or Sangguniang Bayan Resolution indicating financial and technical support to the agricultural development 	<ul style="list-style-type: none"> - Pre-validation report signed by an Agricultural and Biosystems Engineer (ABE) in the P/C/MLGU or the Agricultural SUC or School (Annex A.9). - Proposal Plan outlining the intended use of the requested intervention
b. Financial	<ul style="list-style-type: none"> - Utilization Proposal (Annex C). 	<ul style="list-style-type: none"> - Utilization Proposal - Certificate of No Unliquidated Funds on the Department of Agriculture concerned office 	
c. Institutional	<ul style="list-style-type: none"> - Profile of the Organization (Annex B) 		
2. Must have a service area and/or volume of production equivalent to capacity of the machinery, equipment, and facilities	<ul style="list-style-type: none"> - Map of the service area/production area - Geotagged photos of the existing shed and/or ongoing construction of shed (Annex A.5). 	<ul style="list-style-type: none"> - Map and geotagged photos of the service area 	

QUALIFICATION	MINIMUM REQUIREMENTS TO BE SUBMITTED BY THE RECIPIENT		
	FCA/ARBO/IA/CSO /LSA	LGU	Agricultural Schools/SUC
3. Must provide land equity supported with proof of ownership/possession	- Authenticated proof of land of ownership or copy of Certificate of Land Title and/or Usufruct/Lease of Agreement (Annex A.6).	- Deed of Sale/Donation - Site Development Plan ⁵	- Site Development Plan
4. Must have an operator capable of operating and maintaining the specified machinery, equipment, and facilities	- National Certificate (NC) II - Certificate of training awarded to the operator by the ATI, PhilMech, DA-RFO, and other accredited training centers.		- NC II or equivalent certificate of the assigned operator.
	*Proof of training certificate must be provided by the operator on or before turn-over of the intervention		

* Details is provided in Section 8 Mechanics of Implementation Item No. 39

Section 7. Specific Requirements for the following recipients:

a. LSA

- must present the certification from the Agricultural Training Institute (ATI) as a certified Learning Site for Agriculture (LSA)

b. Local Government Units

- must have an existing Agricultural and Biosystems Engineer Position and/or established Agricultural and Biosystems Engineering (ABE) Office/Unit that performs agri-fisheries mechanization and infrastructure programs and projects to ensure the effective and efficient implementation and delivery of the projects.

⁵ Memorandum Circular No. 50, Series 2022, "Revised Guidelines on the Acquisition of Right-of-Way, Site, or Location for National Government Infrastructure Projects in the Agriculture and Fisheries Sector"

Section 8. Mechanics of Implementation- The following are the mechanics of implementation at various stages and responsible offices:

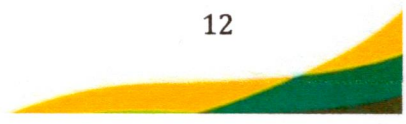
Implementation Stage	Mechanics/Activity	Responsible Office
Planning	1. Inventory and mapping of agricultural machinery and facilities nationwide and in key production areas and encoding in Agricultural and Biosystems Engineering Management Information System (ABEMIS) and Geographic Information System for Agricultural and Fisheries Machinery and Infrastructure (GEOAGRI)	BAFE , DA-RFO-RAEDs in collaboration with banner programs
	2. Preparation and adoption of commodity mechanization plans on rice, corn, high value crops, livestock, etc. as part of the National Agricultural and Fishery Mechanization Program	BAFE with DA-RFO-RAEDs/PMED and in collaboration with national banner programs
	3. Identification of farm clusters for the priority allocation and distribution of agricultural production, postharvest and processing machinery, equipment and facilities projects	F2C2 with BAFE and with DA-RFOs (RAEDs and Field Operations Division (FOD)) and regional banner programs
	4. Preparation and updating the Regional Agricultural and Fisheries Mechanization Program (RAFMP) with an aggregation of Provincial Agri-Fishery Mechanization Program which serves as a guide in the identification and implementation of agricultural mechanization in the region.	DA-RFO-RAED as lead, in collaboration with banner programs, Planning, Monitoring and Evaluation Division (PMED) and LGU ABE Offices/Units, and with the assistance of BAFE and RAFC AFMech Sector
Project	5. Briefing/orientation/information	DA-RFOs (FOD with

Implementation Stage	Mechanics/Activity	Responsible Office
Identification	campaign of the proponents on the guidelines and the procedures how they can avail agricultural production, postharvest and processing machinery, equipment and facilities projects.	RAEDs, AMAD and Info Section), ATI and PCAF for AFCs
	6. The proponent shall submit the request and required documents addressed to the Regional Executive Director of DA-RFO.	Proponent
	7. Regional consolidation of submitted proposals and the subsequent screening or initial documentary review of project proposals with the following considerations: a. Review on the completeness of submitted documents based on Section 6 of this Guidelines by FOD; and b. Review on the alignment of the project proposal to existing mechanization plans by RAED or existing commodity roadmaps by FOD	FOD and RAED
	8. Endorse the list of screened proposals to RAED for further validation.	FOD
Validation	9. Conduct site validation and prepare corresponding Validation Report which shall consider the following: a. Technical and environmental analysis by RAED; b. Financial and marketing analysis by AMAD; and c. Institutional analysis by FOD. The RAED shall facilitate consolidation and uploading of the comprehensive report to the ABEMIS. The BAFE shall prepare the	FOD,RAED, PMED and AMAD

Implementation Stage	Mechanics/Activity	Responsible Office
	prescribed Validation Form and Validation Report Template for reference of the validation team.	BAFE
	10. On the preparation of Feasibility Study (FS) and Economic and Financial Analysis (EFA) refer to Memorandum Order No. 61, series of 2020 on the Guidelines in the Preparation and Evaluation of Feasibility Study for Agricultural and Fisheries Facilities, Agri-Fisheries Machinery and Equipment Service Centers and other Agri-Fisheries Mechanization Projects and its amendment.	FOD, AMAD, RAED
	11. Provide feedback to proponents on the result of validation and FS/EFA. At the minimum, the feedback shall include: <ul style="list-style-type: none"> ○ Checklist of received and lacking documentary requirements; ○ Result of Validation/FS/EFA ○ Action on the Request <p style="margin-left: 20px;">Approval or non-approval of funding for the request should be accompanied by reasons for non-approval, if applicable.</p> 	RAED, FOD, AMAD
Pre-Engineering Activities (FS, DED, POW)	12. Prepare and/or review pre-engineering documents for both mechanization and infrastructure projects which shall include the following, as applicable: <ol style="list-style-type: none"> a. Detailed Engineering Design (DED) for infrastructures; b. Program of Works (POW) for infrastructures; c. Project Schedule for Infrastructures; d. Technical Specifications of 	RAED

Implementation Stage	Mechanics/Activity	Responsible Office
	<p style="text-align: center;">machinery and equipment; and</p> <p style="text-align: center;">e. Market Analysis for the cost estimates of machinery and equipment;</p> <p>Preparation of above-mentioned documents shall be in accordance with the existing standards, codes of practice, and other relevant issuances.</p> <p>The BAFE shall continuously develop and update Technical Bulletins and Manuals for reference of the RAEDs.</p>	
Prioritization of Proposals	<p>13. Prepare the list of proposals that are implementation ready and compliant to existing guidelines, standards, and other issuances.</p> <p>Implementation-ready proposals shall be encoded in the ABEMIS which shall be supported by the following technical documents:</p> <ul style="list-style-type: none"> a. Feasibility Study (FS) or Economic and Financial Analysis (EFA), as applicable; b. Detailed Engineering Design (DED) for infrastructures; c. Program of Works (POW) for infrastructures; d. Project Schedule for Infrastructures; e. Technical Specifications of machinery and equipment; f. Market Analysis for the cost estimates of machinery and equipment; g. SecuredRegulatory Clearances (ECC/CNC), if applicable; and h. ROW Acquisition documents, if applicable. 	RAED

Implementation Stage	Mechanics/Activity	Responsible Office
	<p>14. Conduct final review on the implementation-readiness of encoded project proposals in the ABEMIS based on appropriateness of plans, designs, and specifications relative to existing standards, codes of practice, and other issuances.</p> <p>Endorsement of the list of implementation-ready proposals to the Implementing Office.</p>	<p>BAFE and BSWM</p>
	<p>15. The Implementing Office together with RAED conduct prioritization of implementation-ready proposals upon the issuance of the General Appropriations Act (GAA).</p> <p>The prioritization shall consider the following criteria:</p> <ol style="list-style-type: none"> a. Suitability of project relative to the requirements of the proponent (Service Area, Productivity, No. of Beneficiaries); b. Organizational Maturity and Sustainability; c. Volume of interventions received from DA; d. Performance of previous recipients based on IMMAS; e. Availability of trained operators and other essential manpower; f. Readiness of Site or Location g. Marketability h. Vulnerability of the area to hazards; and i. Strategic Location. <p>List of prioritized projects should be forwarded to the National Banner Program.</p>	<p>RAED and concerned Implementing Office such as Regional Banner Programs</p>



Implementation Stage	Mechanics/Activity	Responsible Office
	16. The National Banner Program should finalize the list of projects and forward to the Department of Agriculture Budget Division and Planning and Programs Division (PPD) for submission to the Department of Budget Management (DBM) for funding/inclusion in the National Expenditure Program.	FOD (National Banner Program)
Procurement	17. Technical specifications for both mechanization and infrastructure projects, as part of the bid document, shall consider the recommendations from the review conducted by the BAFE and BSWM which are based on existing standards, codes of practice, and other relevant issuances.	RAED
	18. The requirement for AMTEC testing and evaluation of agricultural machinery as prescribed under Republic Act No. 10601 shall be included in the procurement documents and shall be in accordance with DA Department Circular No. 2 Series of 2023 Revised National Guidelines on Testing and Evaluation of Agricultural and Fisheries Machinery, Department Circular No. 04, Series of 2024 "Amendment of Annex A: Classification of Machinery and Equipment Used in Agriculture" of Department of Circular No. 2 Series of 2023 Known as the "Revised National Guidelines on Testing and Evaluation of Agricultural and Fishery Machinery" and its amendment. Likewise, the requirement for system testing and commissioning of processing facilities, which will only function upon complete installation, shall be guided by the Memorandum Order (MO) No. 35 Series of 2018	RAED

Implementation Stage	Mechanics/Activity	Responsible Office
	<p>(Guidelines on AMTEC Testing and Evaluation of Irrigation Systems, Processing Facilities and other Agricultural Systems of the like in the Department of Agriculture, its Regional Field Offices, Attached Agencies, Bureaus, and Government-Owned and Controlled Corporations (GOCC) and its amendment.</p> <p>In the case of new and emerging technologies requiring exemption on AMTEC Testing, refer to the Department Circular No. 2 Series of 2023 and Department Circular No. 04, Series of 2024 and its amendment.</p>	
	<p>19. The procurement of machinery and facilities must be competitive, as general rule. The RFO - Bids and Awards Committee (BAC) shall ensure a fairground of competition and new and better products are allowed to join the bidding. It can also set a track record or market presence requirement for the brand, model, principal company (manufacturer particularly for imported machinery), and local distributor of the machine to ensure the quality, credibility, and after-sales service.</p> <p>It should be stipulated in the procurement documents (i.e. instruction to Bidders, Special Conditions of Contract, etc.) that the machinery suppliers shall provide warranty and after-sales service conforming to PNS/PABES 192:2024 (Guidelines on After-Sales Service) and its amendment.</p>	DA-RFO-BAC
	<p>20. Additional requirement during procurement to be submitted by</p>	Supplier

Implementation Stage	Mechanics/Activity	Responsible Office
	<p>supplier such as National Agricultural and Fisheries Machinery Assemblers, Manufacturers, Importers, Distributors and Dealers Accreditation and Classification (NAMDAC) Certificate of Accreditation, Permit to Operate (PTO) and Certificate of Conformity (CC) (during post qualification and evaluation).</p> <p>On the requirement to secure PTO and CC, refer to Department Circular No. 4, Series of 2019 "Guidelines on the Registration and Issuance of Permit to Operate for Agricultural and Fisheries Machinery Manufacturers, Fabricators, Assemblers, Distributors, Dealers, Importers and Exporters and its amendment and Department Circular No. 19, Series of 2018 "National Guidelines on the Issuance of Certificate of Conformity for Agricultural and Fisheries Machinery and its amendment, respectively.</p>	
	<p>21. The supplier/winning bidder shall also be required to schedule at least two (2) follow up visits to the project site within the warranty period. The first visit shall check for the proper maintenance of the machines. For the second visit to be conducted at least once a month prior to the end of warranty period for the conduct of repairs and necessary maintenance and adjustments. Additionally, the supplier should have a feedback mechanism call or messaging) for regular communication among supplier, recipient, and RFO regarding the use, performance, and problems with the machines.</p>	Supplier/Winning Bidder
	<p>22. The RAED and RFO-BAC shall ensure that all contractors submit Contractor's</p>	DA-RFO RAED and BAC

Implementation Stage	Mechanics/Activity	Responsible Office
	All-Risk Insurance (CARI) as part of its contract documents.	
	23. Technical Specifications, Program of Works (POW) and Detailed Engineering Design (DED) as part of the bid document/proposal for agricultural machinery, equipment and facilities, respectively, shall be signed and sealed by Registered and Licensed Agricultural and Biosystems Engineer with valid Professional Regulation Commission (PRC) License and Professional Tax Receipt (PTR), in consonance with RA No. 10915. For those ABE that are regular employees of DA and P/C/MLGU, PTR is no longer required.	DA-RFO-RAED and ABE LGU Office
	24. The recipient is responsible for securing all necessary permits including corresponding fees and taxes, such as but not limited to Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage (CNC). The RFO should assist the recipient in securing such permits. This does not include construction-related permits such as building permit and occupancy permit among others, which shall be the responsibility of the contractor.	DA-RFO-RAED and Recipient
25. Technical inspection, testing, and evaluation of machinery and facilities shall be conducted by the RAED together with suppliers/contractors and qualified recipients to ensure that the desired performance and set specifications have been complied. The technical inspection shall be undertaken in all machinery while acceptance testing shall be conducted utilizing harmonized acceptance testing	DA-RFO-RAED	

Implementation Stage	Mechanics/Activity	Responsible Office
	<p>protocol and sampling procedure. Refer to Department Circular (DC) No. 16, Series of 2020 National Guidelines on the Conduct of Acceptance Testing for Agri Fisheries Machinery and its amendment for further information on machinery testing and evaluation.</p>	
	<p>26. An Acceptance/Compliance Report shall be issued by the RAED and shall serve as the basis for payment; and of the Inspectorate Team in accepting the delivered good. The report shall likewise form part of the Deed of Donation. Refer to Department Circular No. 16, Series of 2020, "National Guidelines on the Conduct of Acceptance Testing for Agri-Fisheries Machinery" and its amendment on the further details.</p>	<p>RAED</p>
	<p>27. The cost of testing shall be at the expense of the contractor/supplier. The RFO-FOD and the RAED, in coordination with the recipient, shall assist in the sourcing of the test materials and test sites.</p>	<p>Supplier, FOD and RAED</p>
	<p>28. The RFO shall execute a Memorandum of Agreement (MOA) with the qualified recipient specifying the detailed arrangements during the construction of the facility and operational phase of the project. The RFO shall engage the LGU, as a witness or as party in case of the tripartite arrangement. The minimum roles and responsibilities of the DA, LGU, and recipient in the MOA same with the other salient provisions of the MOA are detailed in Annex F.</p>	<p>FOD and RAED</p>
	<p>29. All procured and distributed agricultural machinery, equipment and facilities shall be uploaded to ABEMIS and its status of the operation</p>	<p>RAED</p>

Implementation Stage	Mechanics/Activity	Responsible Office
	and utilization shall be updated by the RAED for planning and monitoring purposes.	
Project Supervision, Monitoring and Evaluation	30. Project supervision shall be adequately provided by RAEDs in coordination and collaboration with the Agricultural and Biosystems Engineers (ABEs) of LGUs.	RAED
	31. Monitoring and evaluation of agricultural machinery, equipment, and facilities shall be spearheaded by the RAED together with banner regional focal persons up until the warranty period of the project. Subsequently, the LGU or recipient shall assume responsibility for monitoring of the project beyond the warranty period. Nevertheless, the RAED shall continue technical assistance to the recipient if deemed necessary.	FOD, PMED and RAED
	32. The RAED shall engage the assistance of AMAD for business development and enterprise monitoring, ATI for capacity development, FOD for other complementary support services, and other concerned offices as deemed necessary.	RAED, AMAD, FOD, ATI
	33. The AMTEC, BAFE, and RAED, in coordination with machinery supplier organizations, shall develop performance evaluation protocol including the machine performance parameters (e.g. chronic breakdowns, repetitive parts malfunction, major engine or transmission breakdown, numerous complaint form different recipients on the same breakdown and total machinery failure, among others), which can serve as the basis to identify the brand and model of machinery for possible disqualification on future	AMTEC, BAFE and RAED

Implementation Stage	Mechanics/Activity	Responsible Office
	biddings. Using these parameters, the RAED shall document the performance of the machinery procured by DA for at least two years.	
	34. The RAED through the RED shall submit the performance evaluation report to BAFE for further review and possible revocation of the Certificate of Conformity (CC) for poor-performing machinery despite the proper operation, repair, and maintenance being conducted by the operator/end-user.	BAFE and RAED
	35. The RAED shall conduct regular monitoring before, during, and after the construction/distribution, turnover of the machinery, equipment and facilities.	RAED
	36. The BAFE, in coordination with DA Internal Audit Service (DA-IAS), shall periodically conduct an audit on the compliance of RFOs to this Memorandum Circular. The BAFE may invite technical experts from other agencies, as the need arises.	BAFE and DA-IAS
Operation Maintenance and Management	37. The RFO, Regional Banner Program, FOD and RAED shall spearhead and coordinate the conduct of the operation and maintenance training to the qualified recipient before turnover.	FOD (Regional Banner Program) and RAED
	38. Training on the operation, repair, and maintenance of the machinery and facilities shall be conducted by the supplier/contractor, in collaboration with the BAFE, RAED and other concerned offices. BAFE together with RAED shall develop a training module on the O&M. Moreover, rolling out of the existing training regulations on the operation and maintenance of	BAFE, ATI and DA-RFOs (RAED, FOD AMAD)

Implementation Stage	Mechanics/Activity	Responsible Office
	<p>agricultural machinery, equipment and facilities shall be facilitated by BAFE and ATI with TESDA pursuant to DA-DOLE-TESDA JMC No. 2, series of 2021 and DA AO No.1, series of 2019.</p>	
	<p>39. The RAED shall facilitate the provision of capability development activities (e.g. training, coaching or mentoring) and coordinate with concerned offices such as AMAD, for business and entrepreneurial management, TESDA for National Certification and ATI for other complementary support training.</p>	<p>RAED with AMAD, ATI and TESDA</p>
	<p>40. Prior to the turnover of the project, the recipient shall submit the NC II Certificate of the assigned operator and/or certificate of training awarded to the operator by the ATI, PhilMech, DA-RFO, and other accredited training centers.</p>	<p>DA-RFO-RAED and Recipient</p>
	<p>41. The DA RFO through the Regional Infrastructure Machinery Management Assessment Team (IMMAT) shall conduct the Infrastructure Machinery Management Assessment System (IMMAS) of the turned-over projects. Refer to the Guidelines in the Conduct of IMMAS in the Turned-Over Projects of DA and its amendment.</p>	<p>DA RFO IMMAT</p>
	<p>42. For those machinery, equipment and facilities and its components that are declared as non-operational, under-utilized, or unutilized, the DA RFO should reposition the intervention to the new identified and qualified recipient. Refer to the Guidelines on the Reposition of DA-Funded and Donated Agricultural Machinery, Equipment, and Components of Facilities and its amendment.</p>	<p>DA RFO Reposition Team</p>

Implementation Stage	Mechanics/Activity	Responsible Office
	43. The cost of operation and maintenance of the machinery and facility as well as the repairs beyond the warranty period shall be shouldered by the recipient. Furthermore, the recipient shall be encouraged to insure the agricultural machinery and facility to the Philippine Crop Insurance Corporation (PCIC) and register ownership at the CLGU/MLGU.	Recipient
	44. The RAED shall assist the recipient in availing warranty and after-sales services from the contractor/supplier.	RAED
	45. In case of force majeure, the RFO should exert effort in utilizing available resources for the rehabilitation of completed facilities.	FOD
	46. Technologies generated which are ready for commercialization by various research institutions such as the Philippine Center for Postharvest Development and Mechanization (PHilMech), Philippine Rice Research Institute (PhilRice), Bureau of Plant Industry (BPI), Bureau of Animal Industry (BAI), State Colleges, and Universities (SUC), and other concerned agencies shall be referred to BAFE for incentives, dissemination, and adoption to DA programs.	BAFE



Section 9. Program Coordination Group

A National and Regional Program Coordination Groups under the oversight of the Undersecretary for Operations and Agri-Fisheries Mechanization and Regional Executive Director, respectively, are hereby created to oversee, coordinate, and monitor the implementation of the agricultural machinery, equipment and facilities program with the following composition:

National:

Chairperson: DA-Bureau of Agricultural and Fisheries Engineering
Vice-Chairperson: DA-Field Operations Service (FOS)
Members: National Banner Program Directorate
Agricultural Training Institute (ATI)
Philippine Center for Postharvest Development and Mechanization
Philippine Council for Agriculture and Fisheries (PCAF)
DA-Monitoring and Evaluation Division (MED)
DA-Agribusiness and Marketing Assistance Service (AMAS)
Secretariat: BAFE - Programs and Projects Management Division (PPMD)

Regional:

Chairperson: Regional Technical Director (RTD) for Operations
Vice Chairperson: Regional Agricultural Engineering Division (RAED)
Members : Field Operations Division (FOD)
Regional Banner Program Coordinators
AMAD - Agribusiness and Marketing Assistance Division (AMAD)
PMED - Planning, Monitoring and Evaluation Division
Regional Agricultural Training Institute
Regional Agricultural and Fishery Council (RAFC)
Provincial ABE Office
Secretariat : RAED - Programs and Projects Management Section (PPMS)

Section 10. Dispute Resolution and Crisis Management - In the event of any concerns, disputes, or potential crises arising during the implementation of the agricultural machinery or infrastructure intervention, recipients and DA RFO are expected to adhere to a structured process for resolution. Both parties shall engage in open communication, dialogue, and collaborative problem-solving to address issues promptly and effectively. The process includes escalating concerns to the appropriate levels of authority within the organizational hierarchy, seeking mediation or dispute resolution services when necessary, and adhering to relevant legal frameworks and regulations.

In case of the need to transfer the project location due to peace and order, environmental issues, or other unforeseen circumstances, priority shall be those sites within the barangay and municipality. A transfer of site to another province will necessitate the RFO to endorse such change to the National Banner Program with attached justifications, result of validation, and other supporting documents. The

request for transfer of site shall then be forwarded to the Office of the DA Secretary for approval. The DA Planning and Monitoring Service (PMS) and BAFE shall be furnished with the approved request of change of site for proper reporting in the ABEMIS.

Section 11. Supplemental Guidelines - All DA-RFOs and Program Management Offices (PMOs) are hereby authorized to formulate supplemental guidelines to address peculiarity in the region/program or to clarify further those indicated in this Memorandum Circular. The request for approval of the Supplemental Guidelines shall be submitted to the BAFE for review and subsequent public consultation by the PCAF. Upon completion of these processes, the proposed guidelines shall be forwarded to the Office of the Secretary for final approval.

Section 12. Funding - The funding source for the implementation of these guidelines is subject to the provisions of the General Appropriations Act for a particular year, with the allocated budget planned and programmed accordingly, and may include possible cost-sharing as planned and programmed:

- a. Agricultural Machinery, Equipment, Facilities, and Infrastructure Program (AMEFIP) by the Department of Agriculture's Banner Programs (Rice, Corn, High Value Crops, Livestock, Organic and National Urban and Peri-Urban), for the provision of agricultural machinery, equipment and facilities, and irrigation network services;
- b. Extension Support, Education and Training (ESET) for the training of agricultural machinery and facility operators, technicians, farmer beneficiaries and agricultural and biosystems engineers, and the implementation of extension support for agricultural mechanization and infrastructure modernization;
- c. Research and Development for technology development for agricultural mechanization and infrastructure modernization, mapping and inventory of agricultural machinery, equipment and facilities and other related R and D projects; and
- d. Field Program Management Activities to augment the Agricultural and Fishery Engineering Activities (AFESA) of RAEDs;

The funding requirements of the above projects/activities (a to d), including the pre-engineering activities and other AFESA requirement shall be proposed by various DA banner programs, RAEDs and BAFE in the National Expenditure Program (NEP) for FY 2026 and succeeding years, subject to existing and applicable laws and regulations.

Section 13. Transitory Provision - All agricultural machinery, equipment, and facilities for FY 2024 projects undergoing procurement shall be subject to the Memorandum Order No. 50, Series of 2020.

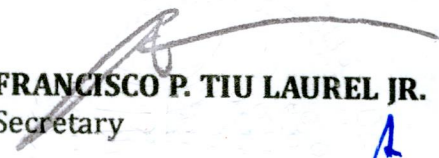
Projects in the NEP FY 2025 already validated need not to submit a pre-validation report and Endorsement or Certification from an ABE under Section 6, item 1.a.

Meanwhile, all proposals submitted for FY 2026 onwards shall strictly follow this guidelines including the documentary requirements.

Section 14. Repealing Cause - All existing Memorandum Orders, issuances, rules, and regulations or parts thereof, in conflict with, or inconsistent with any provisions of this Memorandum Circular are hereby repealed, modified, or amended, accordingly.

Section 15. Effectivity- This Memorandum Circular shall take effect fifteen (15) days following the completion of its publication in a newspaper of general circulation or the Official Gazette, a copy filed with the U.P. Law Center, and its posting on the Department of Agriculture website.

Done this 27th day of September, 2024.


FRANCISCO P. TIU LAUREL JR.
Secretary



DA-CG-OSEC-MC20240930-00024

**MINIMUM REQUIREMENTS TO BE SUBMITTED BY THE REQUESTING
BENEFICIARY**

1. Board Resolution duly signed by the majority of the board of directors of the organization stating the following:
 - i. Machinery/ equipment/ facilities to be requested;
 - ii. Explanation for the need and appropriateness of the machinery/ equipment/ facilities;
 - iii. Commitment to shoulder the cost of operation and maintenance of the requested machinery/ equipment/ facilities and machinery shed (if applicable);
 - iv. Name and technical qualifications of the designated operator;
 - v. Authorized representative to sign any legal documents/documentary requirements with the Department of Agriculture on the project; and
 - vi. Total number of members with RSBSA Control number that will benefit to the project requested;

2. A pre-validation report signed by an Agricultural and Biosystems Engineer (ABE) in the P/C/MLGU is required. In the absence of an ABE in the respective LGU, the pre-validation report could be signed by the ABE in the province, at a minimum (Annex C: Pre-Validation Report);

3. Endorsement or certification from a licensed Agricultural and Biosystems Engineer is required. The proponent may hire an ABE as an employee or consultant under limited practice or seek technical assistance from their respective LGUs if unable to hire one. The endorsement must state the ABE's commitment to supporting the proponent in operating and maintaining the project.

4. Utilization Proposal that indicates the production area and volume, the general specification (including type and capacity) of the requested machinery, and facilities, the period of the operation (Annex C: Utilization Proposal);

5. Geotagged photos of the existing shed and/or on-going construction of shed based on the capacity of approved requested machinery;

6. Authenticated proof of land of ownership or copy of any of the following named to the requesting entity:
 - i. Certificate of Land Title (e.g. Transfer Certificate Title, Certificate of Land Ownership Award (CLOA), Transfer Certificate of Title (TCT), etc); and
 - ii. Usufruct/Lease Agreement based on the useful life of the type of project.

7. Letter of Intent duly signed by the Head of the Agricultural and Biosystems Engineering Office (LGU) or President of the Agricultural Schools, State Universities and Colleges (SUCs):
 - i. Machinery/ equipment/ facilities to be requested;
 - ii. Explanation for the need and appropriateness of the machinery/ equipment/ facilities;

- iii. Commitment to shoulder the cost of operation and maintenance of the requested machinery/ equipment/ facilities and machinery shed (if applicable);
- iv. Name and technical qualifications of the designated operator;
- v. Authorized representative to sign any legal documents/ documentary requirements with the Department of Agriculture on the project;

8. A pre-validation report signed by an Agricultural and Biosystems Engineer (ABE) in the P/C/MLGU is required. In cases where there's no existing ABE office in the LGU, the requesting LGU must provide a commitment through a Sangguniang Bayan Resolution stating the creation of ABE Office or hiring of ABE within 2 years upon receipt of the requested intervention (Annex D: Pre-Validation Report) and must be engaged during the implementation of the project;

9. A pre-validation report signed by an Agricultural and Biosystems Engineer (ABE) in the P/C/MLGU where the requested agri-fisheries machinery and infrastructure should be placed is required. In the absence of an ABE in the respective LGU, the pre-validation report should be signed by the ABE in the province, at a minimum (Annex D: Pre-Validation Report).

PROFILE OF THE ORGANIZATION*FCA, ARBO, IA, CSO, and other related organization*

Name of Entity/Organization:			
President of the Organization:			
Total Number of Members:		Year of Registration:	
Farm/Association Office Address:			
Major Commodity Engaged:		Total Production Area (ha):	
CSO Accredited:	<input type="checkbox"/> Yes, Accreditation No. _____ <input type="checkbox"/> No		
SEC/CDA Registered	<input type="checkbox"/> Yes, Registration No. _____ <input type="checkbox"/> No		
Do you have registered ABE affiliated in your organization:	<input type="checkbox"/> Yes, Name: _____ <input type="checkbox"/> ABE License No. _____ <input type="checkbox"/> No		

*Attached the Organizational Structure of your organization.**LGU/Agricultural State Universities/College*

Name of Entity/Organization:	
LCE/President State Universities/Colleges:	
Requesting Office:	
Intended Purpose of Request of A/F Machinery/Infrastructure:	

Major Commodity Engaged (if applicable):		Total Production Area (ha) (if applicable):	
Do you have registered ABE affiliated in your organization:	<input type="checkbox"/> Yes, Name: _____ <input type="checkbox"/> ABE License No. _____ <input type="checkbox"/> No		

Attached the Organizational Structure of your organization

UTILIZATION PROPOSAL

Date of Request:	
------------------	--

Profile of Requesting Party

Name of the Beneficiary:			
Address:			
Coordinates:		Latitude: _____	Longitude: _____
Contact Person and Contact Number			
Number of Member		Number of Intended Beneficiary Members of the Machinery/Equipment/Facility:	
Registration:	<input type="checkbox"/> SEC <input type="checkbox"/> CDA <input type="checkbox"/> DOLE <input type="checkbox"/> DSWD <input type="checkbox"/> DAR <input type="checkbox"/> Others: _____		
Year Registered:			
Business Operation(s):			
Personnel			
Name of Book keeper:	_____		
Name of Operator:	_____	Trained	Not Trained
	_____	Trained	Not Trained
	_____	Trained	Not Trained

Abstract of Request

Machinery/Facility Requested:	
Capacity of the machinery/facility:	
Intended Service/Production Area (ha)	
Crop Planted Potential, Yield, MT/yr	
Proposed Number of hours per day of operations	
Number of days operated per year:	

Profile of Service

Scheme of Service	Cost of Service (Php/ha/MT)	
	Members	Non Members
Rental		
Service Center		

Other Information

With available shed/area for the machinery/facility:	<input type="checkbox"/> Yes <input type="checkbox"/> No, Remarks: _____
Size of the Area (sq. meter)	<input type="checkbox"/> Owned <input type="checkbox"/> Donated <input type="checkbox"/> Lease <input type="checkbox"/> Others: _____
Source of O & M Funds:	<input type="checkbox"/> Service Fee <input type="checkbox"/> Organizational Fund <input type="checkbox"/> Others: _____
Other Available Agricultural Machinery and Facility of the Requesting Party	
<i>For Facilities only</i>	
Availability of three-phase power supply	<input type="checkbox"/> Yes <input type="checkbox"/> No, Remarks: _____
Availability of water supply	<input type="checkbox"/> Yes <input type="checkbox"/> No, Remarks: _____
Road Network connection	<input type="checkbox"/> Yes <input type="checkbox"/> No, Remarks: _____
Road Condition	<input type="checkbox"/> PCCP <input type="checkbox"/> All-weather road, <input type="checkbox"/> Remarks: <input type="checkbox"/> _____

Prepared by:

Validated by:

Name of Requesting Party

Name of RFO Representative

PRE-VALIDATION REPORT

Date of Validation:

Name of Requesting Party:

Location:

Requested Intervention:

- Machinery and Equipment Project
 - Existing machinery shed/on-going construction of machinery shed
 - Production Area
- Infrastructure Project
 - Proposed location of construction of infrastructure project
- General Consideration:
 - Availability of Electric Supply, Remarks: _____
 - Availability of Water Supply, Remarks: _____
 - Accessibility to access road, Remarks: _____
 - Presence of trained operator, Remarks: _____

Recommendation:

-

-

-

-

Note: Attached the geotagged photos upon submission of pre-validation report

Validated by:

 Agricultural and Biosystems Engineer
 License Number:

ANNEX E

LIST OF NATIONAL CERTIFICATE OFFERED BY TESDA FOR AGRICULTURAL MACHINERY

1. Drying and Milling Plant Servicing NC III
2. Agricultural Machinery Servicing (4-Wheel Tractor) NC III
3. Agricultural Machinery Operation NC II
4. Rice Machinery Operations NC II
5. Rice Machinery Operation NC II
6. Agricultural Machinery Operation (Non-Rice) NC II
7. Drying and Milling Plant Servicing NC III
8. Milking Operation NC II
9. Rubber Processing NC II

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This MEMORANDUM OF AGREEMENT entered into by and between:

The **DEPARTMENT OF AGRICULTURE – REGIONAL FIELD OFFICE NO. __**, a line agency of the government with office address at, herein represented by its **Regional Director**, (name of Executive Director) hereinafter referred to as "**DA RFO __**"

-and-

The **LOCAL GOVERNMENT UNIT OF _____** represented by its _____ with office address at _____, herein referred to as the "**LGU**".

-and-

The (**RECIPIENT’S NAME**) represented by its _____ with address at _____, herein referred to as the "**RECIPIENT**".

WITNESSETH

WHEREAS, the "DA RFO __" supports and undertakes activities to assist and promote the agriculture and fishery postharvest development in the country;

WHEREAS, the "DA RFO __" is the primary agency of the DA in the region and has the administrative and technical capability to effectively implement DA Mechanization Program particularly the provision of Agricultural Machinery, Facilities and Equipment;

WHEREAS, the "RECIPIENT" is among stakeholders engaged in the agricultural production and postharvest activities or learnings in the country;

NOW, THEREFORE, for and in consideration of the foregoing premises and consideration, the parties hereto agree to implement the project with the following considerations:

- A. The "DA RFO __" shall
 1. Procure and deliver the Agricultural Machinery, Facilities and Equipment;
 2. Conduct validation on the eligibility and capability of the recipient to operate and sustain the Agricultural Machinery, Facilities and Equipment;
 3. Monitor and supervise the construction of agricultural project;
 4. Provide assistance if necessary to operationalize the project;



5. In coordination with the supplier and other government agencies, train the "RECIPIENT's" staff to operate and maintain the machine;
6. Monitor the utilization, operation, and maintenance of the facility;
7. Recall the agricultural machinery or facilities if the recipient failed to use the project according to its intended purpose and/or let the project deteriorate without being utilized for more than one year from the turn-over.

B. The "LGU" shall

1. Assist the recipient in securing permits required for the turnover of the agricultural project; and
2. Assist the recipient in the operationalization of the agricultural project, if necessary; and

C. The "RECIPIENT" shall

1. Have no unliquidated Funds from DA;
2. Provide utilization proposal for the use of agricultural project requested, its benefits for its members and the locality;
3. Have a service area of not less than 5 ha;
4. Currently engaged in agricultural production/post harvest activities/ provided educational learning relative to agricultural production or post harvest activities.
5. Have no machinery(s) from DA that is unutilized/underutilized;
6. Be willing to secure all legal documentations, e.g. Environmental Compliance Certificate, Permit to Operate, etc., and shall have full accountability for any problem or issue arising to it;
7. Have good financial standing and capacity to shoulder the cost for the application/processing/installation of the components necessary for the establishment of the infrastructure;
8. Have at least one (1) operator capable of operating and maintaining the agricultural machinery/facilities. The operator must have NC II related to the machinery requested or be willing to undergo such training and assessment by TESDA; and be willing to undergo further training course(s). In case the operator resigned or is unable to fulfill their duties, the recipient shall immediately initiate the process of necessary replacement. The replacement operator must meet the same qualifications as specified earlier.
9. With existing and/or willing to hire Agricultural and Biosystems Engineer (ABE);
10. Shoulder the working capital for the operation and maintenance cost of the facility;
11. Maximize the utilization of the facility in accordance with its intended purpose;

12. Keep and maintain records of transactions accessible to the monitoring and evaluation team of the project;
13. Be responsible for the security of the agricultural project; and
14. Allow the "DA RFO ___" to recall agricultural machinery/facilities if non-operational, under-utilized, or unutilized and/or in case of violation of the provisions of MOA. Thus, without valid justification, the recipient will be blacklisted from the DA AMEFIP for 3 years;

This Agreement takes effect immediately on the date of signing by both parties.

IN WITNESS THEREOF, the parties through their duly authorized representatives hereunto affix their signatures this _____ day of _____ at _____.

**DEPARTMENT OF AGRICULTURE
REGIONAL FIELD OFFICE NO. ____**

RECIPIENT

By:

By:

Regional Executive Director

Local Chief Executive/Mayor/School
President/Highest Position of the
Organization

Signed in the Presence of:

Name and Position

Name and Position

MEMORANDUM OF AGREEMENT

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This MEMORANDUM OF AGREEMENT entered into by and between:

The **DEPARTMENT OF AGRICULTURE – REGIONAL FIELD OFFICE NO. __**, a line agency of the government with office address at, herein represented by its **Regional Director**, (name of Executive Director) hereinafter referred to as "**DA RFO __**"

-and-

The **(RECIPIENT'S NAME)** represented by its _____ with address at _____, herein referred to as the "**RECIPIENT**".

WITNESSETH

WHEREAS, the "DA RFO __" supports and undertakes activities to assist and promote the agriculture and fishery postharvest development in the country;

WHEREAS, the "DA RFO __" is the primary agency of the DA in the region and has the administrative and technical capability to effectively implement DA Mechanization Program particularly the provision of Agricultural Machinery, Facilities and Equipment;

WHEREAS, the "RECIPIENT" is among stakeholders engaged in the agricultural production and postharvest activities or learnings in the country;

NOW, THEREFORE, for and in consideration of the foregoing premises and consideration, the parties hereto agree to implement the project with the following considerations:

B. The "DA RFO __" shall

1. Procure and deliver the Agricultural Machinery, Facilities and Equipment;
2. Conduct validation on the eligibility and capability of the recipient to operate and sustain the Agricultural Machinery, Facilities and Equipment;
3. Monitor and supervise the construction of agricultural project;
4. Provide assistance if necessary to operationalize the project;
5. In coordination with the supplier and other government agencies, train the "RECIPIENT's" staff to operate and maintain the machine;
6. Monitor the utilization, operation, and maintenance of the facility;

7. Recall the agricultural machinery or facilities if the recipient failed to use the project according to its intended purpose and/or let the project deteriorate without being utilized for more than one year from the turn-over.

B. The "RECIPIENT" shall

1. Have no unliquidated Funds from DA;
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3. Have a service area of not less than 5 ha;
4. Currently engaged in agricultural production/post harvest activities/ provided educational learning relative to agricultural production or post harvest activities.
5. Have no machinery(s) from DA that is unutilized/underutilized;
6. Be willing to secure all legal documentations, e.g. Environmental Compliance Certificate, Permit to Operate, etc., and shall have full accountability for any problem or issue arising to it;
7. Have good financial standing and capacity to shoulder the cost for the application/processing/installation of the components necessary for the establishment of the infrastructure;
8. Have at least one (1) operator capable of operating and maintaining the agricultural machinery/facilities. The operator must have NC II related to the machinery requested or be willing to undergo such training and assessment by TESDA; and be willing to undergo further training course(s). In case the operator resigned or is unable to fulfill their duties, the recipient shall immediately initiate the process of necessary replacement. The replacement operator must meet the same qualifications as specified earlier.
9. With existing and/or willing to hire Agricultural and Biosystems Engineer (ABE);
10. Shoulder the working capital for the operation and maintenance cost of the facility;
11. Maximize the utilization of the facility in accordance with its intended purpose;
12. Keep and maintain records of transactions accessible to the monitoring and evaluation team of the project;
13. Be responsible for the security of the agricultural project;and
14. Allow the "DA RFO ___" to recall agricultural machinery/facilities if non-operational, under-utilized, or unutilized and/or in case of violation of the provisions of MOA. Thus, without valid justification, the recipient will be blacklisted from the DA AMEFIP for 3 years;

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**DEPARTMENT OF AGRICULTURE
REGIONAL FIELD OFFICE NO. ____**

RECIPIENT

By:

By:

Regional Executive Director

Local Chief Executive/Mayor/School
President/Highest Position of the
Organization

Signed in the Presence of:

Name and Position

Name and Position