



BAGONG PILIPINAS



Masaganang Agrikultura,
Maunlad na Ekonomiya

Republic of the Philippines

OFFICE OF THE SECRETARY

Elliptical Road, Diliman 1100 Quezon City
+63(2) 8928-8741 to 64 and +63(2) 8273-2474

MEMORANDUM CIRCULAR

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SUBJECT : GUIDELINES ON THE PROVISION OF ENERGY EFFICIENT COLD CHAIN AND FOOD LOGISTICS SYSTEM

I. RATIONALE

Pursuant to RA 8435, or the *Agriculture and Fisheries Modernization Act of 1997*, it is the policy of the State to promote food security by assuring the availability, adequacy, and accessibility of food supplies to all at all times. To enable agriculture and fisheries sectors to share in the fruits of development and growth in a manner that utilizes the nation's resources in the most efficient and sustainable way possible by establishing more equitable access to, among others, infrastructure.

Hence, addressing infrastructure challenges is vital for optimizing the food value chain. By enhancing infrastructure, we can streamline the food supply chain, lower costs, and bolster local markets. There is a strong need to effectively connect production with consumption especially considering the vast distances between farms and the target markets. Poor infrastructure results in high transportation costs, wastage, lower farmer's income and food insecurities.

To address the abovementioned challenges, the Department of Agriculture (DA) through its Agriculture and Fisheries Logistics Office (AFLO) included in its infrastructure investments plan the provision of energy efficient cold chain and food logistics system such as but not limited to Cold Storage Warehouse (CSW), and the needed machineries and equipment; ice plant; refrigerated hauling or refrigerated delivery trucks; tram line, trading posts and other similar market facilities. Implementation of these projects will enhance productivity.

The projects offer more efficient logistics support to the farmers' especially after production or when bringing the farm produce closer to the market, end users or consumers and effectively manage the distribution of quality food in other markets in case there is an oversupply.

There are initiated projects of installing energy efficient Cold Storage Facilities in various food hubs or clusters to address post-harvest losses, food safety and increase farmer's income as per DA's Philippine Food Chain Logistics Master Plan 2023-2033.

II. SCOPE AND LIMITATIONS

These guidelines govern the implementation of the transformational goals of the Department of Agriculture particularly to address post-harvest losses, ensure food

safety and ensure reliable supply of agriculture and fisheries commodities' initiatives by the Department of Agriculture (DA).

These will address the energy-efficient cold chain and food logistics systems projects of the DA which include but not limited to the Cold Storage Warehouse (CSW); trading posts; ice plants; distribution equipment like refrigerated trucks or refrigerated vans; machineries and facilities for cleaning, sorting, packing and drying; tram lines, and other similar facilities under the cold chain and logistics systems.

These further provide the rules and procedures governing projects involving external stakeholders like the Local Government Units (LGUs), Agricultural and Fishery Councils (AFCs), Farmers or Fisheries Cooperatives or Associations (FCAs) who either act as partner implementers or as recipients of the facilities.

By virtue of DA Department Order No. 1, s. 2025, the Agricultural and Fisheries Logistics Office (AFLO) was enacted to, among other duties, oversee the implementation of the cold chain and food logistics system. In carrying out this mandate, AFLO will coordinate with the DA RFOs/RAED, BAFE, HVC, AMAS and other IUs and PMOs of the DA. These guidelines provide direction on the following aspects: planning which includes project identification, review of project request, ocular inspection and documentation; selecting beneficiaries; review and approval process; Memorandum of Agreement (MOA) on arrangements with partners and recipients, and transfer of funds, project procurement and implementation; monitoring and evaluation and disengagement process.

III. OBJECTIVES

These guidelines aim to harmonize processes across the Department of Agriculture (DA) for planning, selecting partners and beneficiaries, reviewing and approving projects, executing Memorandum of Agreement (MOA) arrangements, transferring funds, implementing projects, and conducting monitoring and evaluation. They establish a unified approach to implementing cold chain and logistics system projects, including cold storage warehouses (CSWs), distribution equipment such as refrigerated trucks and vans, trading posts, post-harvest facilities like cleaning, sorting, packing, and drying equipment, tramlines, and other related infrastructure. By focusing on energy-efficient solutions, the initiative ensures sustainability while enhancing national food security.

The guidelines are designed to set clear rules and procedures for implementing energy-efficient cold chain and logistics infrastructure, promoting uniformity and a common understanding of the project implementation process across all DA regions and offices. They also serve as comprehensive reference materials for organizations and offices involved in planning and executing cold chain and post-harvest facilities. These efforts address the deployment of energy-efficient systems to reduce food loss, improve food security, and minimize environmental impact.

The initiative has specific objectives, including increasing the incomes of farmers and fisherfolk by enabling longer storage periods and facilitating direct consumer sales through access to energy-efficient CSWs and refrigerated vehicles in regional food hubs. It seeks to maintain a consistent and reliable supply of perishable agricultural and fishery products, reduce food spoilage, stabilize food prices, and ensure affordability for consumers. Additionally, the project prioritizes food safety by enhancing storage infrastructure and practices while encouraging collaboration between local governments and the private sector to optimize cold storage and distribution networks.

Guided by the strategic pillars of agricultural growth and development, the project aligns with farm production planning, farm clustering and consolidation, linking farmers to markets, infrastructure development, investment promotion, agribusiness development, and climate change resilience. Through this alignment, the initiative aims to reduce food loss, stabilize prices, ensure food safety, and improve the livelihoods of farmers and fisherfolk. By implementing harmonized processes and energy-efficient solutions, the cold chain and logistics systems will contribute to sustainable agriculture and enhanced food security across the country.

IV. DEFINITION OF TERMS

As used in these Guidelines, the following terms, words, and phrases shall be construed as:

1. Civil Society Organization (CSO) refers to a non-governmental organization (NGO), people's organization (PO), cooperative, trade union, professional association, media group, indigenous peoples' organization (IPO), or non-profit organization (NPO) or foundation that expresses the interests and values of its members or others based on socio-economic, ethical, cultural, and specific considerations, and are duly registered with any of the following as the case may be: Securities and Exchange Commission (SEC), Cooperative Development Authority (CDA), Department of Labor and Employment-Bureau of Rural Workers (DOLE-BRW), or National Commission on Indigenous Peoples (NCIP).
2. Civil Society Organization (CSO) Accreditation refers to the process of granting eligibility to a CSO as a beneficiary or implementer of the Department of Agriculture (DA) programs and projects funded by DA. This process determines whether a CSO meets the criteria and requirements set by the DA. CSO Certificate of Accreditation is the instrument that best serves as proof of such official recognition by the Department.
3. Cold chain refers to a temperature-controlled supply chain that operates from farm to table and ensures that the proper low temperature is maintained the entire time. Setting up extensive and reliable cold chains plays a major role in reducing post-harvest losses.

4. Cold Storage Warehouse (CSW) refers to a modular or permanent refrigeration facility suitable for the storage of perishable goods, including meat, meat products, fish and fishery products, vegetables, and fruits.

4.1. Fixed Cold Storage refers to specialized, permanently installed cold storage facilities engineered to maintain precise and stable temperature environments. These facilities are essential for preserving temperature-sensitive goods, such as food products, pharmaceuticals, and biological materials. Fixed cold storage units provide reliable and consistent refrigeration, ensuring that temperature-sensitive products are safeguarded.

Fixed-type cold storage maintains precise temperature settings, typically ranging from 0–10°C for refrigerated goods and -30°C or lower for frozen items. Advanced thermostatic controls and sensors are used to monitor and regulate temperatures, minimizing fluctuations and preserving the integrity of the stored products.

4.2. Mega Cold Storage refers to large-scale, high-capacity refrigeration facilities with a minimum of 1,200 to 5,999 pallet positions for small Mega Cold Storage, 6,000 to 7,999 pallet positions for medium Mega Cold Storage and 8,000 and beyond pallet positions for large Mega Cold Storage, designed to accommodate high-volume storage needs. These facilities are essential for distribution centers, food processing plants, and bulk storage operations that handle substantial quantities of goods. The temperature within these units can be customized to meet the specific requirements of different commodities. Depending on the nature of the goods, these facilities are equipped to store everything from bulk pallets to individual products, ensuring efficient and reliable multi-commodity storage. Such facilities are typically located in major trading hubs.

4.3. Modular Cold Storage refers to multi-commodity facilities ranging from compact walk-in units to larger setups, equipped with adjustable shelving, racking, and pallet or crate storage to optimize space and enhance inventory management while maintaining high-quality insulation for efficient temperature control. Constructed with insulating panels, these systems can be easily assembled, combined, or rearranged to create flexible storage sizes and configurations, making them suitable for multi-commodity use across various industries.

4.4. Solar and Wind-Powered Cold Storage refers to systems that utilize renewable energy sources to operate refrigeration units, reducing reliance on traditional power grids and minimizing environmental impact. These systems integrate solar panels and wind turbines to generate electricity, which powers the cooling equipment required to maintain specific temperature conditions for stored goods.

5. Cooperative Development Authority (CDA) is a government agency devoted to promoting the sustained growth and full development of cooperatives in the Philippines. It supports and regulates agricultural cooperatives by providing

guidance, training, and resources to enhance their operations. The CDA also collaborates with the Department of Agriculture (DA) on relevant policies and monitors the performance of cooperatives to ensure their effectiveness.

6. DA-Regional Field Office (DA-RFO) refers to a regional branch of the Department of Agriculture (DA) tasked with implementing and managing agricultural policies, programs, and services within its specific area. It serves as a crucial link between the central DA headquarters and local agricultural stakeholders.
7. Department of Agriculture (DA) refers to the government agency responsible for the development, implementation, and management of policies, programs, and services aimed at advancing the agricultural sector.
8. Eligible Organizations refer to Farmers Cooperatives and Associations (FCAs) and Local Government Units (LGUs) that meet the eligibility requirements outlined in Item VII of these Guidelines.
9. Energy-efficient refers to the use of less energy to perform the same task, thereby reducing energy consumption, lowering energy bills, and minimizing pollution. It also involves the reduction of losses and wastage at various stages, from energy production to consumption, ensuring that energy is used more effectively throughout the entire process.
10. Establishment of cold storage facilities refers to the construction and upgrading of hybrid fixed or modular cold storage warehouses, as well as other similar machinery and facilities within the cold chain and logistics systems.
11. External stakeholders refer to partner institutions of the DA in the implementation of various projects and, for these guidelines, specifically include the provincial, municipal, or city Local Government Units (LGUs) in all regions of the country, as well as the Agri-Fishery Councils (AFCs) or any Farmers Cooperatives or Associations (FCAs).
12. Farmers and Fisherfolk Enterprise Development Information System (FFEDIS) refers to a key tool designed to support agricultural and fisheries enterprises. It centralizes data on farming and fishing activities, providing essential information to help farmers and fisherfolk manage their operations, access markets, and improve productivity.
13. Implementing Units (IUs) refer to the DA agencies and units responsible for implementing or assisting in the implementation of the provisions of these guidelines. These IUs include the AFLO, Regional Field Offices (DA-RFOs), BAFE, AMAS, and the Accounting Department.
14. A Letter of Intent (LOI) refers to a formal document that expresses a preliminary commitment to undertake a specific project or enter into an agreement. It outlines the objectives, scope, and key terms of the proposed action, serving as a written expression of intent.

15. A Local Government Unit (LGU) refers to a local authority responsible for managing and delivering public services within a specific area. LGUs include provinces, cities, municipalities, and barangays.
16. Logistics system (LS) refers to a network of organizations, people, activities, information, and resources involved in the physical flow of products from supplier to customer.
17. A Memorandum of Agreement (MOA) refers to a formal written document outlining the cooperative relationship between two or more parties collaborating on a project or pursuing a shared objective. It serves as a legal agreement that details the terms, responsibilities, and specifics of the partnership, in this case, between the Department of Agriculture (DA) or its agency and the partner entity or beneficiary.
18. The National Review Team (NRT), as referred to in these guidelines, shall be headed by the Head of AFLO, with members from BAFE, AMAS, and may also include representatives from other concerned PMO/s for the review of proposals from the regions. The NRT ensures that standards and criteria are met, offers recommendations for improvements, and assists in making informed decisions. The NRT shall recommend the approval of project proposals to the approving authority.
19. Post-Harvest Facilities (PHF) refer to the various infrastructures, equipment, and systems used to handle, process, store, and transport agricultural products after they have been harvested. The goal of these facilities is to maintain the quality and safety of the produce, minimize waste, and ensure that the products reach consumers in good condition.
20. The Project Management Office (PMO) refers to the Department of Agriculture, which oversees and manages agricultural projects to ensure they are planned, executed, and completed efficiently and in alignment with departmental goals. AFLO shall act as the lead PMO.
21. The Regional Review Team (RRT) refers to the composition of technical staff from the Field Operation Division (FOD), RAED, Agribusiness and Marketing Assistance Division (AMAD), and other respective offices deemed necessary by the DA RFO, and shall be headed by the Regional Executive Director (RED). The team will conduct a review of proposals and other documents submitted in the region, including actual site evaluations.
22. Trading Post refers to a location or facility where goods and services are bought and sold, often in remote or rural areas. It may refer to a marketplace involved in the exchange of agricultural goods, typically operating in accordance with regulations governing commerce, trade practices, and food safety standards.

V. LEGAL BASES

- i. Republic Act No. 8435, otherwise known as "*Agriculture and Fisheries Modernization Act of 1997*" for the purpose of industrialization on sound agricultural development by modernizing agriculture and fisheries sectors of the country.
- ii. Republic Act No. 10601, otherwise known as "*An Act Promoting Agricultural and Fisheries Mechanization Development in the Country*" for the purpose of adopting modern, appropriate and cost-effective and environmentally safe agricultural and fisheries machinery and equipment to enhance productivity and efficiency.
- iii. Republic Act No. 12009, otherwise known as the "*New Government Procurement Act*" and its IRR for the purpose of prescribing the necessary rules and regulations for the modernization, standardization, and regulation of the procurement activities of the government.
- iv. Republic Act No. 11032, otherwise known as the "*Ease of Doing Business and Efficient Government Service Delivery Act of 2018*" and its IRR in guiding the timeframe for the conduct of technical evaluation and approval process.
- v. Republic Act No. 3019, otherwise known as the "*Anti-Graft and Corrupt Practices Act*" to guide the entire evaluation and approval process of the project.
- vi. Republic Act No. 12022, otherwise known as the "*Anti-Agricultural Sabotage Act*" to promote the productivity of the agricultural sector, protect farmers and fisherfolk.

VI. ELIGIBLE PURPOSES AND PROJECT COMPONENTS

The table below outlines the eligible purposes and project components. Identified eligible organizations may submit proposals that combine various interventions from this list.

Purpose/Activities/ Interventions	Eligible Organization	Activities to be Financed
Procurement of transportation and logistics facilities	LGU, FCA	This provision is intended for the procurement or lease of tram line, refrigerated vans or trucks. These facilities will be operated by the LGU/DA as a shared resource, available for use by FCAs, individual farmers and fisher folk, and agri-fishery suppliers, among others.

	LGU, FCA	This fund can be used for the procurement of services including hauling and delivery vehicles, warehouses, and cold storage units. Additionally, the fund may support the Department of Agriculture (DA) in providing transportation and logistics services (land, air, and water) to facilitate the delivery of commodities from farms to markets.
Establishment of cold storage facilities	LGU, FCA	To be used to fund any of the following: construction and upgrading of solar &/or wind powered fixed or modular cold storage, mega cold storage and other similar machineries and facilities under the cold chain and logistics systems.
Provision of postharvest facilities, processing and distribution equipment, machineries and facilities for cleaning, sorting, packing, drying, warehousing and distribution	LGU, FCA	This provision is for the procurement of equipment and machinery, as well as the construction or upgrading of trading posts and other postharvest and processing facilities, aimed at improving product quality, extending shelf life, and increasing value-added activities. These facilities will be operated and managed by the LGU or the FCA, as applicable, and will serve as a common or shared service facility if operated in partnership between the LGU and FCA.
	LGU, FCA	To be used as payment for rental or lease of equipment, machineries and facilities to improve product quality, extend shelf-life, and increase value-adding activities. It may also be used for rental of market facilities i.e. market stalls and buildings.

VII. ELIGIBILITY CRITERIA OF BENEFICIARIES AND IMPLEMENTING PARTNERS/PROPONENTS:

Eligible Farmers/Fisher folk Cooperative and Associations (FCAs) must be:

- a. Registered either with CDA, SEC, or DOLE;
- b. Registered with the DA's Farmers and Fisherfolk Enterprise Development Information System (FFEDIS);
- c. CSO Accredited by the DA;
- d. Operating for at least three (3) years;
- e. Authorized to engage in trading or other income generating business either by its Articles of Cooperation/ Incorporation, bylaws or board resolution;
- f. Have the capacity to install or hire qualified set of personnel or team that will operate the project;
- g. In good standing with government agencies from which it has received public funds (either grant or loan) and without unliquidated fund transfer;
- h. Must not have any Director, Trustee, Officer or key personnel related within the fourth civil degree of consanguinity or affinity to any official involved in processing and evaluation of the grant application or any official government agency or office handling or implementing the project to be implemented by the FCA. Relationships of this nature shall automatically disqualify the FCA of the grant assistance;

Eligible Local Government Units can either be province, city or municipality. It should have:

- i. Land that should be owned by the government must have road access via a right of way to the facility;
- j. Site must have readily available electricity and water connectivity. The electricity connection is single or 3 phase entry.
- k. No unliquidated funds/cash advances from the fund source agency (DA Central Office or DA-RFOs);
- l. Local *Sanggunian* Resolution authorizing the Local Chief Executive to enter into Memorandum of Agreement with DA;
- m. Seal of Good Local Governance issued by the Department of Interior and Local Government (DILG); and
- n. May have identified FCAs or farmers and fisherfolk beneficiaries (if ever, to co-manage the facility).

VIII. DOCUMENTARY REQUIREMENTS

The applicant from LGU or FCAs must submit the following, as applicable, depending on the project purpose:

- a. Letter of Intent (LOI) to DA Regional Director thru Provincial/Municipal Agriculturist Officer;

- b. Feasibility study;
- c. Detailed Engineering Design (DED)/ Program of Works (POW) for CSW and other infrastructure projects;
- d. Detailed Specifications of equipment, machineries, and facilities;
- e. Geotagged photos of the project location or site;
- f. Environmental clearance;
- g. Land or usufructuary rights for at least 25 years with road access via a right of way to the facility;
- h. Accomplished validation clearance checklist of the Inspectorate and Enforcement DA Office submitted via DA Regional Field Office, see Annex "F"

Documentary Requirements For FCAs

- i. Mayor's Permit;
- j. Disclosure certificate of business-related activities;
- k. A Board Resolution from the FCA Certifying that it is authorized to engage in trading or other income generating business;
- l. For associations, latest General Information Sheet (GIS) from SEC; and
- m. For cooperatives, latest Certificate of Compliance (COC) from Cooperative Development Authority (CDA).

Checklist of Required Documents is herein attached as **ANNEX A**.

IX. IMPLEMENTATION STRATEGIES

ACTIVITIES	RESPONSIBLE ORGANIZATION	REQUIREMENTS
REVIEW AND APPROVAL OF PROPOSED PROJECT		
1. Project Identification & Profiling	DA-RFO, Concerned LGU	Letter of Intent from the LGU or recipient; Project Profile addressed to the Secretary through the Head of AFLO and relevant RFO.
2. Profiling/Evaluation of LGU Qualification	DA-RFO; Regional Review Team (RRT). Please refer to Article XI for the suggested composition of the RRT.	LGU Profile and all documents needed from concerned LGU
3. Identification of Project Beneficiary	DA-RFO, Concerned LGU	All documents required from the recipient should be submitted to the DA RFO.

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4. Evaluation of Project Beneficiary	Regional Review Team (RRT).	Evaluation of Recipient's qualification using the Annex B: FCA Score Card/ Annex C: LGU Score Card.
5. Site Ocular Inspection	DA-RFO/ RRT	Site Verification/ Ocular Report and Recommendations
6. Project Verification/ Evaluation at the Regional Level	Regional Review Team (RRT)	Project Evaluation/Review Report (Report on Findings) And Recommendations
7. Preparation of all needed project documentations including but not limited to feasibility studies (FS), detailed engineering Design (DED) and program of works (POW).	DA-RFO, Recipient	Refer to Annex A for all the required documents.
8. Endorsement to the National Review Team (NRT)	DA-RFO	Endorsement Letter approved by the DA-RFO RED along with all documentary requirement submitted to the National Review Team.
9. Evaluation of all documents submitted including Feasibility Study (FS), Detailed Engineering Design (DED), Program of Work (POW).	National Review Team (NRT) with BAFE. Please refer to Article XI for the composition of NRT.	Project FS Evaluation/ Review Report (Report on Findings) and Recommendations.
10. Project Endorsement/ Approval	Head of AFLO	The DA RFO endorses the project and submits the proposal to the head of AFLO for validation. The AFLO then reviews the proposal and decides whether to approve or deny it.
PROVISION OF BUDGET, MOA, FUND TRANSFER, & BIDS AND AWARDS		
11. Provision of Budget	AFLO, DA-RFO	The AFLO will relay respective DA RFO of the approved requests. The respective DA RFO will then

		present the said proposal to the Budget Division and the Planning and Programs Division (PPD) - Central Office for subsequent submission to the Department of Budget and Management (DBM) - Central Office and for inclusion of the project in the National Expenditure Program (NEP) and eventually in the General Appropriations Act (GAA).
12. Finalization of Arrangements with Partners and Recipients	DA-RFO, AFLO, LGUs, AFC, Recipient	Conduct consultation meetings with external stakeholders to finalize implementation arrangements
13. Draft/Finalize Memorandum of Agreement (MOA)	DA-RFO, AFLO, LGUs, AFC, Recipient	Use of land for the project properly documented and all agreed arrangements which may include transfer of funds are contained in the signed MOA.
14. Site Preparation	Recipient, LGUs	Power & water lines available, with access road connected to the national highway.
15. Draft/Finalize the Terms of Reference for bidding	DA-RFO, AFLO, DA-Finance	Include provisions for warranty, testing and commissioning, operations manual and after sales service such as but not limited to the maintenance of the facilities and machineries while under warranty. Terms of Reference (TOR) for Bidding Approved.
16. Bidding & Awarding of the Project	DA-RFO, BAC	Bidding process & documentation is in accordance with the requirements of R.A. 12009 otherwise known as the "New Government Procurement Act".

		Project awarded /Contract signing with the winning bidder.
CONSTRUCTION & TEST RUN PHASE		
17. Payment of mobilization	DA-RFO	Upon site inspection, the recipient should follow the standard operating procedures of the DA based on R.A. 12009.
18. Finalize all schedules and work arrangements with the contractor.	DA-RFO	In exceptional circumstances, all needed adjustments especially in the POW should be agreed.
19. Periodic monitoring of the ongoing construction based on the DED & POW.	RRT	Periodic Monitoring Reports are submitted to the DA-RFO-RED by the RAED copy furnished AFLO.
20. Resolution of issues and concerns related to construction.	DA-RFO, RRT/NRT	Issues and concerns are presented to RRT/NRT for resolution and to ensure continuity of construction. The Head of Procuring of Procuring Entity (HOPE) may suspend or approve the resumption of construction.
21. Testing and commissioning of the project especially for machineries and equipment with the presence of the RRT, RAED, FCA, Recipient and LGUs.	RRT/RAED, LGUs, FCA, Recipient	The contractor/ supplier must provide all the necessary maintenance procedure or services during the duration of the warranty period. Testing and commissioning must include the employees of the recipients that will be responsible in operating the facilities.
22. Completion and acceptance of the Project.	RRT	The Inspection Team will certify as to completion of the project based on the DED and POW, recommend to the HOPE or the authorized representative.
23. Payments and billing	DA-RFO, Finance	Payments and billing process shall be conducted

		in accordance with the provision of R.A. 12009.
PROJECT OPERATION & DISENGAGEMENT		
24. In case the recipient is a FCA, the LGU may act as partner of the recipient and may assist in providing the necessary funds for the operation of the project through a MOA	DA-RFO	All necessary arrangements should be indicated in the MOA between the DA and the recipient.
25. The DA RFO shall turn over ownership of the project to the FCA/LGU after the test run and after the receipt of the Certificate of Acceptance.	DA-RFO	This arrangement should be indicated in the MOA. Deed of Donation should be prepared by the DA RFO and properly received by the LGU and witnessed by the AFC and the recipient.

X. QUALIFYING THE LGU & THE PROJECT RECIPIENT

1. The concerned LGU should signify its interest through a Letter of Intent (LOI). The LOI should be addressed to the relevant DA RFO subject for further validation of the AFLO. If the LOI is sent through other Implementing Units (IUs), it must be endorsed to the concerned DA RFO. The DA RFO will require the submission of necessary documents and will initially evaluate the qualification of the concerned LGU.
2. In coordination with the LGU eligible for the project, the DA-RFO will identify the potential project beneficiary or recipient.
3. The identified recipient will submit all documentary requirements to the DA-RFO. The DA-RFO will review all the documents submitted by the potential recipient using the FCA/LGU Score Card herein, attached as Annex B or Annex C, as the case may be. All documents submitted by the potential recipient that did not qualify should be returned to the recipient.
4. The DA RFO through its RAED will then conduct ocular inspection including geotagging of the project location identified by the LGU or the target recipient and assess the site in terms of access and presence of connection for water and power utilities. The RAED should submit its assessment report and recommendations to the DA RFO using the Project Validation Form herein attached as Annex D.
5. The qualified recipient will prepare the feasibility study (FS) of the project for submission to the DA RFO along with other required documents as indicated in the List of Required Documents (Annex A). The preparation of the DED shall be

the responsibility of the RAEDs. The DA RFO will review the FS, while the approval of the DED and the POW will be under DA Implementing Units.

XI. DESCRIPTION OF THE REVIEW AND APPROVAL PROCESS OF PROJECT PROPOSALS

The concerned DA RFO will accept the LOI along with the feasibility study, DED, POW and all requisite documents submitted by the recipient. Preparation of the Project FS must be guided by Memorandum Circular No. 41, series of 2024.

The FCA/LGU along with all the required documents such as FS, DED, POW submitted by the recipient to the DA RFO will be evaluated for the approval of the AFLO through the National Review Team (NRT) using the following steps:

Step 1: Review at the DA RFO

The DA-RFO Regional Executive Director shall serve as the chairperson of the Regional Review Team (RRT), with the RTD for Operations acting as co-chair and the RAED Chief as vice-chair. The team will consist of technical staff from the AMAD, High-Value Crops program, and other relevant offices as deemed necessary by the DA-RFO Regional Executive Director.

The RRT shall conduct the processing and evaluation of the FCA, FS at the regional level.

1.1 Evaluation of the FCA/LGU of the Project:

The evaluation of the FCA/LGU by the RRT shall be based on the parameters:

- a. Track record of the organization as per review of submitted reports and qualifications as indicated in the score card;
- b. For modular cold storage warehouse facilities, assessment of management capability, and financial capability. For FCAs, credibility of the organization based on endorsements and disclosure of business;
- c. For mega cold storage warehouse facilities, assessment of financial capability, a clear showing of assets equivalent to 10% of the value of the project;
- d. Certification of No Unliquidated Funds on the Department of Agriculture concerned office pursuant to DA MC 41, s. 2024; and
- e. Only complete documents will be accepted and evaluated to

obviate delay and in compliance with the R.A. 9485 or the *Anti Red Tape Act of 2007* and R.A. 11032 or the *Ease of Doing Business and Efficient Government Service Delivery Act of 2018* and its Implementing Rules and Regulations (IRR).

1.2 Evaluation of the FS, DED AND POW of the Proposed Project

Evaluation of FS must be in accordance with the requirements of DA MO 61, series of 2020. Only complete applications shall be evaluated. RAED will review and evaluate the DED along with the POW and submit findings and recommendations to the RRT.

Minimum requirements for modular CSW will be indicated in the Terms of Reference (TOR) that will be prepared by the concerned DA unit. Attached is the Minimum Requirements for the fixed CSW and mega CSW Design as ANNEX E.

- a) Assessment of viability of the enterprise' activities proposed shall be based on financial statements and projections submitted, and operational feasibility assessment of the project (viability of enterprise scale as to sourcing of materials/produce and presence of firm-ed-up links with buyers).
- b) The amount of grant shall be based on funding requirements based on validation of cost estimates of the specific activities to be funded, as follows:
 - b.1 Facility construction - detailed engineering design and program of works.
 - b.2 Equipment, machinery, or delivery vehicle - canvass of quoted prices, description and specifications of the equipment, machinery or vehicle.
 - b.3 Trading capital - based on the supply and marketing plan to be supported by a Supply Contract with the farmer suppliers (to whom the commodities will be purchased).
- c) Capacity Building - covers techno demonstration for operation and maintenance of machineries and facilities installed; including trainings on needed organizational and management skills, and digitization of research, monitoring and operational systems.

1.3 Endorsement to the National Review Team

The RRT review process will take 5 working days from the receipt of complete documents from the LGU or the recipient. By the end of the evaluation, the concerned DA RFO RED will be responsible for the endorsement of the project to the National Review Team (NRT).

Step 2: Review at the AFLO

The National Review Team (NRT) at the DA Central Office shall be led by the head of AFLO with members from BAFE, AMAS, and HVC.

BAFE will be responsible for the technical review of the DED & POW of the CSW & other PHF together with the reports and recommendations submitted by the DA RFO RED. BAFE will submit its reports and recommendations to the Head of the NRT for adoption in the final endorsement of the project. The head AFLO may also tap experts from other PMO/s for the review of the project.

The NRT shall review the evaluation report submitted by the RRT together with the DFO RED endorsement and all the other attached documents for the approval of the proposed project.

The NRT review process will take five (5) working days upon receipt of the submitted evaluation report together with the complete documentary requirements.

Step 3: Approval of the Project Proposal

After the final validation of the FS, DED, POW, RRT reports, and all project endorsements of applications submitted by both the DA-RFO and external stakeholders shall be submitted to the head of AFLO, as Chair of the NRT, for processing and approval. Copies of these reports shall be submitted to the DA Secretary for information and reference.

The approval process will take five (5) working days upon receipt of the project proposal and validated evaluation reports submitted by the NRT.

The timeframe for the conduct of technical evaluation and approval process entails a highly technical expertise and shall be guided by Section 5 under Republic Act (RA) No. 11032, otherwise known as the "Ease of Doing Business and Efficient Government Service Delivery Act of 2018 and its IRR, Rule VII "Accessing Government Services," Section 3 (a), (b), and (c).

XII. DESCRIPTION OF THE MONITORING AND EVALUATION PROCESS

The following monitoring and evaluation standards are hereby adopted pursuant to DA Memorandum Circular No. 41, Series of 2024, on the *General Guidelines for the Provision of Agricultural Machinery, Equipment, and Facilities*.

Responsible office	Scope of work
RAED	Shall adequately provide project supervision in coordination with Agricultural and Biosystems Engineers (ABEs) of LGUs.
	Shall spearhead the monitoring and evaluation of agricultural

	<p>machinery, equipment, and facilities alongside regional focal persons during the warranty period. After the warranty period, shall continue technical assistance to the recipient if deemed necessary.</p> <p>Shall collaborate with AMAD for business development and enterprise development monitoring, ATI for capacity development, FOD for additional support services, and other relevant offices as necessary.</p> <p>Shall develop performance evaluation protocols, including criteria such as chronic breakdowns, repetitive parts malfunctions, and major engine or transmission failures, in collaboration with AMTEC, BAFE, and in coordination with machinery supplier organizations. Using these parameters, it will document machinery performance for at least two years.</p> <p>Through the RED, shall submit performance evaluation reports to BAFE for review and potential revocation of Certificates of Conformity (CC) for poor-performing machinery despite proper operation, repair, and maintenance by the end-user.</p> <p>Shall conduct regular monitoring activities before, during, and after construction or distribution and during turnover of machinery, equipment, and facilities.</p> <p>Shall conduct training on the operation and maintenance of machinery for recipients before turnover in collaboration with the RFO, the Regional Banner Program, FOD.</p> <p>Shall conduct training on the operation, repair, and maintenance of the machinery and facilities in collaboration with the supplier/contractor. Shall develop training modules on the O&M.</p> <p>Shall facilitate the provision of capacity development activities such as training, coaching, and mentoring in coordination with AMAD for business and entrepreneurial management, TESDA for National Certification, and ATI for other complementary support training.</p> <p>Shall assist recipients in availing warranty and after-sales services from contractors or suppliers.</p>
FOD	<p>Shall facilitate in the monitoring and evaluation of agricultural machinery, equipment, and facilities alongside RAED and regional focal persons during the warranty period.</p> <p>Shall provide complimentary support services to RAED and AMAD for business development and enterprise development monitoring.</p> <p>Shall facilitate in conduct training on the operation and maintenance of machinery for recipients before turnover in collaboration with the RFO, the Regional Banner Program, and RAED.</p> <p>Shall facilitate in utilizing available resources for rehabilitating completed facilities in coordination with the RFO in cases of force majeure.</p>
PMED	<p>Shall assist in the monitoring and evaluation of agricultural</p>

	machinery, equipment, and facilities with the RAED and regional focal persons during the warranty period.
AMAD	Shall oversee the monitoring of enterprise development with RAED.
	Shall assist in the operation, repair, and maintenance training conducted by suppliers or contractors in collaboration with BAFE and RAED.
	Shall assist in the facilitation of capacity-building activities such as training, coaching, and mentoring for business and entrepreneurial management and certification.
ATI	Shall assist in the capacity development for project supervision, monitoring, and evaluation.
	Shall roll out existing training regulations on the operation and maintenance of agricultural machinery, equipment and facilities pursuant to DA-DOLE-TESDA JMC No. 2 series of 2021 and DA AO No. 1, series of 2019.
	Shall facilitate in for other complementary support training.
AMTEC	Shall develop performance evaluation protocols, including criteria such as chronic breakdowns, repetitive parts malfunctions, and major engine or transmission failures in partnership with RAED, BAFE, and machinery supplier organizations.
BAFE	Shall develop performance evaluation protocols, including criteria such as chronic breakdowns, repetitive parts malfunctions, and major engine or transmission failure in partnership with RAED, AMTEC and machinery supplier organizations.
	With RAED through the RED, shall receive performance evaluation report for further review and possible revocation of Certificates of Conformity (CC) for poor-performing machinery despite proper operation, repair, and maintenance by the end-user.
	Shall periodically audit RFOS' in coordination with DA Internal Audit Service (DA-IAS).
	Shall collaborate in conducting operation, repair, and maintenance training by suppliers or contractors and in developing training modules and roll out training regulations in coordination with ATI and TESDA.
	Shall be in charge for incentives, dissemination, and program adoption for technologies ready for commercialization by research institutions.
DA-IAS	Shall periodically audit RFOS' compliance with this memorandum in coordination with BAFE.
DA-RFOS	Shall facilitate in operation, repair, and maintenance training conducted by suppliers or contractors.
	Shall assist in the issuance of the training certificates issued by ATI and PhilMech.
DA-RFO IMMAT	Shall conduct the Infrastructure Machinery Management

	Assessment System (IMMAS) of the turned-over projects.
DA-RFO Reposition Team	Shall be repositioned to qualified recipients per applicable guidelines non-operational, under-utilized, or unutilized machinery and facilities.
The FCA/LGU	Shall borne the cost of operation, maintenance, and repairs beyond the warranty period. Must submit, prior to turnover, the NC II Certificate for operators or equivalent training certificates issued by ATI, PhilMech, DA-RFO, or accredited training centers.

XIII. REPEALING CLAUSE

All existing Memorandum Orders, issuances, rules, and regulations or parts thereof, inconsistent with any provisions of this Order are hereby repealed, modified or amended, accordingly.

XIV. SEPARABILITY CLAUSE

If any provisions of these guidelines are found to be unlawful or unconstitutional, the remaining provisions will remain fully effective and enforceable.


XV. FORCE MAJEURE

Neither party shall be liable for delays or failures in executing these guidelines if such delays or failures result from events beyond their control, including natural disasters, war, civil unrest, government actions, strikes, labor disputes, or issues with acquiring materials or transportation

XVI. EFFECTIVITY

This Memorandum Circular shall take effect fifteen (15) days upon publication in the DA Website and/or in a newspaper of general circulation and filing of three (3) certified copies thereof with the Office of the National Administrative Register (ONAR) at the University of the Philippines (UP) Law Center, Diliman, Quezon City.

Done this 14th day of FEB. 2025


FRANCISCO P. TIU LAUREL JR.
 Secretary



DA-CO-OSEC-MC20241016-00026

ANNEX A. CHECKLIST OF REQUIRED DOCUMENTS

Proponents must submit the following requirements before validation:

Requirements		Attached	Remarks
1	Letter of Intent (LOI).		
2	Project Proposal/Feasibility Study/Business Plan pursuant to DA MC 41, s.2024.		
3	DED/POW for infrastructure projects.		
4	Detailed Specifications of equipment, machineries, and facilities.		
5	Geotagged photos of the project location or site.		
6	Documentary requirements as stipulated in existing relevant COA rules and regulations such as PD 1445 otherwise known as <i>the Government Auditing Code of the Philippines</i> ; Government Accounting Manual (GAM) for National Government Agencies and the Manual on the New Government Accounting System.		
7	Project Validation Form to be accomplished by the proponent.		
8	A Board Resolution from the FCA Certifying that it is authorized to engage in trading or other income generating business.		
9	Environment clearance.		
10	Deed of Donation/Usufruct Agreement.		

SUBMITTED BY : President/Name of the Recipient Asso. Or Cooperative
RECEIVED BY : _____
DATE : _____

ANNEX B: FCA SCORE CARD

PARAMETERS OF ASSESSMENT	MINIMUM REQUIERMENTS	SCORE		DOCUMENTS REVIEWED
		Qualified	Not Qualified	
1. Track record of the organization (<i>for FCA only</i>).	Operating for at least three (3) years.			
2. In good standing with government agencies from which it has received public funds.	Certificate of Good Standing from government agencies/ sources of grants or loan. Registered either with CDA, SEC, or DOLE.			
3. Registration & accreditation to prove legal personality.	CSO Accredited (non-negotiable) Registered with the DA's Farmers and Fisherfolk Enterprise Development Information System (FFEDIS); Disclosure certificate of business-related activities. Permits and Licenses.			
4. Proof of business related activities.				
5. No Director, Trustee, Officer or key personnel related within the fourth civil degree of consanguinity or affinity to any official involved in processing and evaluation of the grant application.	No Director or Trustee or key personnel related to the involved IUs or PMOs of the DA.			
6. Available counterpart/s for the project.	Offers land as counterpart for the project site Financially capable to operate the project With capable manager for the project Technical Team Available finance and administrative unit for the project			
7. Availability of core team to manage the project.				

ANNEX C. LGU SCORE CARD

PARAMETERS OF ASSESSMENT	MINIMUM REQUIERMENTS	SCORE		DOCUMENTS REVIEWED
		Qualified	Not Qualified	
1. Local <i>Sanggunian</i> Resolution authorizing the Local Chief Executive to enter into Memorandum of Agreement with DA.	Local <i>Sanggunian</i> Resolution			
2. In good standing with government agencies from which it has received public funds.	Certificate of Good Standing from government agencies/ sources of grants or loan.			
3. Registration.	Registered with the DA's Farmers and Fisherfolk Enterprise Development Information System (FFEDIS)			
4. No Director, Trustee, Officer or key personnel related within the fourth civil degree of consanguinity or affinity to any official involved in processing and evaluation of the grant application.	No Director or Trustee or key personnel related to the involved IUs or PMOs of the DA. (non-negotiable)			
5. Available counterpart/s for the project.	Offers land as counterpart for the project site			
6. Availability of core team to manage the project.	With capable manager for the project			
	Technical Team			
	Available finance and administrative unit for the project			

ANNEX D. PROJECT VALIDATION FORM

NAME OF THE PROJECT :
LOCATION
 Sitio :
 Barangay :
 City/Municipality :
 Province :
 Region :
DATE OF VALIDATION :
COORDINATES :

Please provide the relevant data that suit the most appropriate response in each parameter.

I. Location/Site Inspection

Total Land Area

Presence of Access Road (describe connections/map)

Available Utilities: Water

Power

Proof of Ownership:

II. Estimated Influence Area

Major Agricultural Products	Yield/ha (MT)
1.	
2.	
3.	

III. Beneficiaries

Beneficiaries	Number
Coop	
Farmers/Fisherfolk	

Checked by:

NAME :
DESIGNATION :
DATE :

ANNEX E. MINIMUM REQUIREMENTS FOR THE FIXED CSWAND MEGA CSW DESIGN

Designing a cold storage facility involves careful planning to ensure efficient operation, compliance with regulations, and preservation of product quality. These minimum requirements do not cover the modular CSW. The minimum requirements for the modular CSW will depend on the Terms of Reference (TOR) that will be prepared by the concern DA unit which will also serve as reference during the bidding process.

Here's a detailed overview of the minimum requirements for the design of an effective fixed or mega cold storage facility.

1. Site Selection and Layout

- Location: Choose a location that offers easy access to transportation networks (e.g., highways, ports) and is free from environmental risks (e.g., flooding).
- Facility Size: Determine the size of the facility based on expected storage capacity, type of products, and future expansion needs.

2. Building Structure

- Insulation: Use high-quality insulation materials (e.g., polyurethane, polystyrene) to maintain temperature and reduce energy costs.
- Walls and Ceilings: Construct walls and ceilings with insulated panels to minimize heat transfer.
- Flooring: Use durable, non-porous flooring materials that can withstand cold temperatures and are easy to clean (e.g., epoxy coatings).

3. Temperature Zones

- Freezer Zones: Design areas for products that need to be stored at temperatures below 0°C (32°F). These areas require robust refrigeration systems.
- Chilled Zones: Design areas for products that need to be stored at temperatures above 0°C but below 10°C (50°F).
- Ambient Zones: If necessary, include areas for products that do not require refrigeration.

4. Refrigeration Systems

- Refrigeration Units: Choose between various refrigeration systems (e.g., central refrigeration systems, modular units) based on the facility size and cooling needs.
- Temperature Control: Implement precise temperature control systems and sensors to monitor and maintain the desired temperature.
- Backup Systems: Install backup generators or emergency power systems to maintain refrigeration during power outages.

5. Storage Racking and Shelving

- Racking Systems: Use adjustable racking systems to maximize space utilization and allow for easy access to products. Consider options like pallet racking or shelving based on storage needs.
- Aisle Design: Plan wide aisles for efficient movement of goods and equipment. Consider the use of narrow aisles if space is limited.

6. Unloading/Loading bay or Docking Areas, Cleaning/wash/drying Areas, Staging Areas, Packing areas

- Dock Design: Design loading docks with insulated doors and dock levelers to maintain internal temperatures during loading and unloading.
- Staging Areas: Include staging areas for sorting and temporarily holding goods before they are moved to their final storage locations.
- Wash/Cleaning Areas/Drying Areas – should have a designated wash and drying area depending on the kinds of commodities that will be stored.
- Packing Areas - designated areas for packing products before shipment or before storage.
- Plumbing system – should include efficient and with provision for easy maintenance plumbing system.

7. Temperature Monitoring and Control

- Monitoring Systems: Install temperature sensors and monitoring systems throughout the facility to ensure consistent conditions.
- Alarm Systems: Set up alarms to alert staff to any deviations from set temperature ranges.

8. HVAC and Ventilation

- Ventilation: Ensure proper ventilation to prevent the buildup of moisture and to maintain air quality within the facility.
- Dehumidification: Include dehumidification systems if necessary to control humidity levels and prevent condensation.

9. Safety and Compliance

- Fire Suppression: Install fire suppression systems that are suitable for cold storage environments (e.g., clean agent systems).
- Emergency Exits: Design emergency exits and pathways to comply with safety regulations and ensure quick evacuation.
- Health and Safety: Incorporate features like non-slip flooring and adequate lighting to ensure a safe working environment.

10. Energy Efficiency

- Lighting: Use energy-efficient lighting such as LED fixtures to reduce electricity consumption.
- Energy Management: Implement energy management systems to monitor and optimize energy use.
- Use of other energy source like solar panels or/and wind turbines.

11. Administrative and Staff Areas

- Office Space: Design office areas for administrative functions, including space for staff to manage inventory, handle paperwork, and communicate with customers.&
- Break Rooms: Provide staff break rooms with adequate amenities for comfort (i.e. pantry, wash or comfort rooms) and convenience.
- Include audio-visual/conference room that will serve as meeting area or learning center for users and other recipients of the CSW or PHF

12. Technology Integration

- **Inventory Management:** Integrate advanced inventory management systems to track and manage stock levels efficiently.
- **Automation:** Consider automation for repetitive tasks (e.g., conveyor belts, automated picking systems) to improve efficiency.

13. Sustainability

- **Green Building Practices:** Incorporate sustainable design principles, such as using energy-efficient systems, to reduce the facility's environmental impact.
- **Waste Management:** Design systems for handling and recycling waste materials generated by the facility.

This design approach ensures that the cold storage facility operates efficiently, maintains product integrity, and adheres to safety and regulatory standards.

ANNEX F. INSPECTORATE VALIDATION CHECKLIST

Category	Requirements	
1. Registration and Licensing	Valid business permits	<input type="checkbox"/>
	Warehouse registration with DA and/or relevant bureaus	<input type="checkbox"/>
	Contracts with third-party providers (<i>if applicable</i>)	<input type="checkbox"/>
	Certificates of prior inspections (<i>if applicable</i>)	<input type="checkbox"/>
2. Storage Facility Standards	Compliance with the Food Safety Act of 2013 (<i>RA 10611</i>)	<input type="checkbox"/>
	No exposure to environmental hazards (<i>e.g., ECC</i>)	<input type="checkbox"/>
3. Pest and Rodent Control	Proof of pest and rodent control measures (<i>e.g., pest control contracts</i>)	<input type="checkbox"/>
4. Fire Safety Compliance	Fire extinguisher inventory and placement	<input type="checkbox"/>
	Fire alarms and emergency exits	<input type="checkbox"/>
	Fire safety certification	<input type="checkbox"/>
5. Sanitation and Hygiene	Proposed plan for regular cleaning and maintenance records	<input type="checkbox"/>
	Proposed plan for waste management systems	<input type="checkbox"/>
6. Inspection and Documentation	Proposed plan for records of internal inspections (<i>daily, weekly, etc.</i>)	<input type="checkbox"/>
	Proposed plan for logs of incoming and outgoing shipments	<input type="checkbox"/>
	Ability to trace origin, quality, and quantity of goods	<input type="checkbox"/>
	Certification of food safety compliance (<i>e.g., HACCP</i>)	<input type="checkbox"/>
7. Safety and Security	24/7 security system (<i>CCTV, fencing, personnel</i>)	<input type="checkbox"/>
	Alarm system for unauthorized access (<i>if applicable</i>)	<input type="checkbox"/>
	Emergency evacuation plans and employee training	<input type="checkbox"/>
	Emergency response plan (<i>fire, flood, etc.</i>)	<input type="checkbox"/>