

**MEMORANDUM CIRCULAR**No.: 24

Series: 2018

**ADDENDUM TO MEMORANDUM CIRCULAR NO. 11 SERIES OF 2018 DATED JUNE 4, 2018 OR THE SPECIAL GUIDELINES ON THE PROVISION OF SEED CAPITAL FUND (SCF) TO THE INTERNALLY DISPLACED PERSONS (IDPs) OR PERSONS DISPLACED BY DISASTERS DUE TO ARMED CONFLICTS OR ANY FORMS OF DISASTERS AND FURTHER AMENDED BY MEMORANDUM CIRCULAR NO. 15 SERIES OF 2018**

The Department of Social Welfare and Development aspires to provide rehabilitation support to groups/organizations/associations of Internally Displaced Persons or families or individuals affected by human-induced or natural disasters through the provision of Seed Capital Fund (SCF) during the recovery and rehabilitation phases after disasters.

This Memorandum Circular intends to add provisions particularly on the processes for the provision of SCF to groups/organizations/associations during the recovery and rehabilitation phases after disasters.

**III. DESCRIPTION**

In addition to providing SCF to each eligible individual/family as an immediate intervention to help victims of disasters to resettle their livelihoods, groups/organizations/associations whose members are affected by disasters may also be provided with SCF during the recovery and rehabilitation phases after disasters.

The provision of SCF to groups/organizations/associations that are existing prior to a disaster or newly-organized groups/organizations/associations after a disaster is a livelihood grant that supports the rehabilitation of affected livelihoods or development of alternative or new livelihoods. The SCF for this purpose shall only be used for livelihood projects that will be managed by a group/association/organization as a post-disaster rehabilitation or recovery intervention.

The SCF will only be provided to the duly accredited Beneficiary CSO after complying to all requirements stipulated in the Memorandum Circular 17 series of 2017: *Amended Guidelines on the Accreditation of Civil Society Organizations as Beneficiaries of DSWD Projects and/or Programs.*

**IV. COST PARAMETER**

Each eligible group/organization/association may receive a livelihood grant in form of SCF amounting to a maximum of One Million Pesos (Php 1,000,000.00) after having complied all the requirements stipulated in this Memorandum Circular.

## **V. FUND SOURCE**

The provision of SCF to groups/organizations/associations that are existing prior to a disaster or newly-organized groups/associations after a disaster shall be funded against the SLP GAA and other fund sources.

## **VI. ELIGIBLE RECIPIENTS**

For the provision of SCF to groups/organizations/associations that are existing prior to a disaster or newly-organized groups/associations after a disaster, the following eligibility criteria shall be imposed:

- a. The members of the group/organization/association should be in the master list of disaster-affected families or individuals. Disaster-affected Pantawid Pamilyang Pilipino Program participants or households included in the Listahanan database shall be prioritized.
- b. The members of the group/organization/association may be previous recipients of SCF that were provided individually as an immediate intervention after disasters following the processes stipulated in MC 11 series of 2018 as amended by MC 15 series of 2018.
- c. The group/organization/association should have at least five (5) members representing a sector in the community that is affected by a disaster.

## **VII. IMPLEMENTATION TIMELINE**

In consideration that the provision of SCF to pre-existing groups/organizations/associations or newly-organized groups/associations is a post-disaster rehabilitation and/or recovery intervention, it should be undertaken during the recovery and rehabilitation phases or later as determined by proper authorities.

## **VIII. IMPLEMENTATION PROCESS**

For the provision of SCF to groups/organizations/associations that are existing prior to a disaster or newly-organized groups/associations after a disaster as a post-disaster rehabilitation and/or recovery intervention, the following process shall be undertaken:

### **1. Pre-Implementation Stage**

#### **1.1. Data Gathering and Analysis**

- 1.1.1. The Implementing Project Development Officer (IPDO) shall gather pre-disaster data from various sources, including Non-Government Organizations (NGOs), if necessary, to analyze the profile of the community and the existing groups/organizations/associations operating in the affected community before the disaster.

- 1.1.2. The IPDO shall secure, review and analyze the Comprehensive Recovery and Rehabilitation Plan (CRRP) developed by the LGU, if available. Post-disaster assessment results conducted through Inter-Agency efforts such as the Rapid Damage and Needs Assessment (RDANA) may likewise be utilized as reference for project proposal development.
- 1.2. The IPDO to undertake courtesy meeting with the City/Municipal Local Government Unit, as well as other stakeholders, to present an overview of the Sustainable Livelihood Program (SLP), update on the status of SLP's post-disaster response initiatives and discuss the process of SLP's post-disaster livelihood rehabilitation intervention activities.
- 1.3. The courtesy meeting with the City/Municipal Local Government Unit (C/MLGU) should lead to the crafting of the Specific Implementation Agreement (SIA) or amendment of the same indicating the salient provisions of the duties and functions of DSWD and the C/MLGU. The SIA should be signed by the Local Chief Executive and the Regional Director of DSWD Field Office.
- 1.4. Grant Recipient Identification
  - 1.4.1. Conduct of SLP Consultation Assembly- The IPDO, with the assistance of the LGU and other partners, shall disseminate the information, at least one week before the scheduled activity to the leaders or officers of groups/organizations/associations, to attend the SLP Assembly. During the Assembly, the IPDO shall present the following:
    - 1.4.1.1. Concept and processes on the provision of SCF to groups/organizations/associations.
    - 1.4.1.2. Grant recipient selection process, citing the requirements in identifying the eligible groups /organizations/ /associations.
    - 1.4.1.3. Beneficiary CSO application process.
  - 1.4.2. For groups/organizations/associations that signified their intention to proceed, at least the Officers shall be invited to attend the Micro-enterprise Development Training (MEDT), Leadership Training and Organization Building. Otherwise, the President or his/her representative shall sign a waiver signifying their discontinuation with the Program.

## **2. Social Preparation Stage**

- 2.1. A series of capability-building activities including MEDT, Leadership Training and Organization Building shall be provided to the groups/organizations/associations. During the MEDT, the IPDO or representatives from public or private sectors will present the post-disaster rehabilitation plan, particularly on the livelihood sector, as reference for the initial project identification.
- 2.2. After the capability-building activities, the groups/organizations/associations shall prepare the required documents for the beneficiary CSO accreditation and the Mungkahing Proyekto.

## **3. Resource Mobilization**

### **3.1. Project Proposal Preparation Stage**

- 3.1.1. The groups/organizations/associations, with the assistance of the IPDO or other partners, shall prepare the Mungkahing Proyekto with the following minimum attachments:
  - 3.1.1.1. SCF Modality Application Form for Association Enterprises;
  - 3.1.1.2. Ratified Constitution and By-laws (CBL) by all of the members of the group/organization/association; and
  - 3.1.1.3. Application for Beneficiary CSO with corresponding required documents for either DSWD-organized or other CSO applicants

### **3.2. Project Proposal Review and Approval Stage**

- 3.2.1. The submitted Mungkahing Proyekto shall be reviewed by the Provincial Coordinator (PC) at the provincial level, and the SLP Regional Program Management Office (RPMO) through the Regional Review Committee, at the regional level, using the Project Assessment Tool for SCF.
- 3.2.2. After the approval of the SLP-RPMO, one (1) set of the reviewed Mungkahing Proyekto with its attachments and the documents for beneficiary CSO application shall be forwarded to the Standards Unit of the DSWD Field Office for the accreditation process. Another set of the reviewed Mungkahing Proyekto shall be forwarded to the Regional Director for approval.
- 3.2.3. The approved Mungkahing Proyekto by the Regional Director can be processed for obligation. Once the Certificate of Accreditation is issued by the Field Office Accreditation Committee (FOAC), the obligated proposal can be processed for fund release.

### **3.3. Grant Releasing Stage**

- 3.3.1. **Receipt of Grants.** The group/organization/association should sign the Grants Acknowledgement Receipt, as a confirmation that it has received

the funds from the DSWD. The IPDO shall forward this to the PC after the signing of the group/organization/association.

**3.3.2. *Withdrawal.*** Only the President, Treasurer, and the identified officer may jointly withdraw the grants. Every bank withdrawal must be supported by a resolution signed by majority of the members.

**3.3.3. *Internal Fund Utilization Check***

3.3.3.1. Within seven (7) to ten (10) working days upon release of the SCF, the officers must report and monitor the utilization of the grants.

3.3.3.2. All purchases made must have acceptable means of verification, such as official receipts, or any other acceptable proof of purchase. Purchase of items not indicated in the approved *Mungkahing Proyekto* must be approved by majority of the members through a resolution, provided that it will still lead to the establishment of the approved micro-enterprise. The President shall notify the IPDO regarding the changes.

3.3.3.3. The IPDO shall inform the PC and SLP-RPMO on any changes in the purchased items for both the individual and association enterprise through an official written communication.

3.3.3.4. The Auditor must keep copies of receipts of the purchases and provide the original copies to the IPDO. The Treasurer should prepare the Grant Utilization Report and present it to all the members for transparency. Once all expenses are accounted for, the President should sign and submit the Grants Utilization Report to the IPDO.

**3.4. *Grants Utilization Monitoring***

3.4.1. The IPDO should submit the Grant Utilization Report, including the original copies of official receipts or any other acceptable proof of purchase to the PC.

3.4.2. After which, the PC shall instruct the MPDO to countercheck the fund utilization of the groups/organizations/associations based on the submitted report vis-à-vis the approved *Mungkahing Proyekto*.

3.4.3. After counterchecking, the MPDO shall submit a Grant Utilization Monitoring Report together with the Fund Utilization Report/s to the PC for review. Both reports shall be endorsed to the SLP Regional Monitoring and Evaluation Officer for Finance (RMEF) for review and endorsement to the FO Accounting Unit to comply with the grants liquidation requirements. These must be submitted within thirty (30) days from provision of the SCF.

3.4.4. All grants unutilized forty-five (45) days after provision of the SCF shall be withdrawn from the bank account. After which, it shall be transmitted to the concerned DSWD Field Office Cash Unit for them to revert it to the Bureau of Treasury.

### 3.5. Savings Mobilization

- 3.5.1. While the seed capital released by DSWD is a grant, the group/organization/association has the responsibility to recover the grants extended to them, in the form of savings, among its members.
- 3.5.2. The savings to be generated must be equivalent to the amount of grants received. The generated savings shall be used for capital build-up, operational fund, and emergency fund.
- 3.5.3. The group/organization/association shall set up a system for the management of grant, which details the a) savings mobilization; b) provision for re-loans, if necessary; and c) incentives and penalties for borrowers. These shall be discussed during the formulation of the CBL. The rationale of this section is to inculcate social responsibility and accountability among the members.

### 4. Project Implementation and monitoring

- 4.1. The implementation of the project shall be based on the activities and timelines set in the approved Project Implementation Plan that covers the mechanisms of Pre-project Implementation, Project Execution and Monitoring. The execution of the Project Implementation Plan shall be monitored by the IPDO.
- 4.2. The IPDO should conduct regular meetings with the group/organization/association for implementation updates, technical assistance provision through mentoring and coaching, among others.
- 4.3. The IPDO shall submit reports on each monitoring activity to the PC and SLP-RPMO. The IPDO shall conduct quarterly SLP Project Consultation Assemblies within two (2) years after the releasing of grants. The quarterly consultation assemblies will be the venue for the group/organization/association to present the updates of their funded projects.
- 4.4. The PC may assign a Monitoring PDO (MPDO) to conduct spot-checks and identify recommendations to address areas for improvement, if there are, or to sustain good practices. The MPDO shall also monitor the recovery of grants within the group/organization/association. Existing monitoring templates for regular SLP shall be used for this purpose.

## IX. IMPLEMENTATION COVERAGE

4. ***Groups/organizations/associations whose members are affected by human-induced or natural disasters*** such as, but not limited to the closure of Boracay Island and Marawi siege.
  - 4.1. Groups/organizations/associations within or outside the affected area that are existing or newly-organized after the disaster whose members are

affected and are or are not previous recipients of livelihood assistance from DSWD may be funded.

- 4.2. Previous recipients of DSWD livelihood assistance who are not members of groups/organizations/associations within or outside the affected localities/areas may be organized into groups/organizations/associations.

This Memorandum Circular shall take effect immediately. Issued this 5<sup>th</sup> day of December 2018.



**ROLANDO JOSELITO D. BAUTISTA**  
Secretary

Department of Social Welfare and Development

Certify True Copy:



**MYRNA H. REYES**  
OIC-Division Chief

Records and Archives Mgt. Division