



**REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF AGRICULTURE
NATIONAL TOBACCO ADMINISTRATION**

**Joint Memorandum Circular (JMC) No. 2020-1
27 December 2021**

To : Local Chief Executives, Members of the Local Sanggunian, Local Budget Officers, Local Treasurers, Local Planning and Development Coordinators, Local Accountants, and All Others Concerned

Subject : GUIDELINES ON IDENTIFYING ELIGIBLE AND SPECIFIC PROGRAMS/PROJECTS FOR FUNDING FROM THE SHARES OF LOCAL GOVERNMENT UNITS (LGUs) FROM THE COLLECTIONS OF TOBACCO EXCISE TAXES PURSUANT TO REPUBLIC ACT (RA) NO. 7171 AND RA NO. 8240, AS AMENDED BY RA NO. 10351, AND AS FURTHER AMENDED BY RA NO. 11346

1. BACKGROUND

Under Section 6 of Joint DOF-DBM-DOH-DA-BIR Circular No. 001-2014, implementing Republic Act No. 10351, the DA and NTA, have been entrusted with the responsibility "to issue, in coordination with the DBM, the guidelines in identifying eligible and specific programs/ projects in accordance with Rule V and with any network plan required under the General Appropriation Act or any other relevant plan or program of the DA. Such guidelines shall require among others the submission of beneficiary LGUs of Work and Financial Plans as funding requirement and quarterly reports on the status of projects/ accomplishments, which plans and reports shall include objectives and verifiable indicators, including but not limited to, the global positioning system (GPS) coordinates of intended and actual project sites and photographs of works being constructed and/or upgraded".

The same has been affirmed under Section 3 of the DA-DBM-NTA Joint Memorandum Circular 2020-1, implementing Section 14 Republic Act No. 11346, providing for the Guidelines on the Allocation, Release and Utilization of the Shares of the LGUs From the Revenue from the Excise Taxes on Tobacco Products Pursuant to RA Nos. 7171 and 8240, as Amended. In brief, this covers initiating updates and amendment to the Agriculture and Fisheries Modernization Program (AFMP); the issuance of guidelines prescribing programs and projects that may be implemented by LGUs; resolving issues concerning eligibility and propriety of

programs and projects that may be implemented; and, assistance in the consultation/workshop to be conducted by the LGUs concerned with tobacco farmers to facilitate the identification of appropriate programs and projects.

2. PURPOSE

Pursuant to the pertinent provisions of aforesaid laws, the guidelines are issued:

- 2.1. To facilitate identification of programs and projects and ensure that fund allocations are effectively utilized for the intended purposes, as provided for under Section 2.3 of DA-DBM-NTA JMC 2020-1;
- 2.2. To institute, standardized processes and content in the preparation and submission of documentary requirements for the release of funding allocation; and,
- 2.3. To provide the basis for effectively monitoring the utilization of the shares of the LGUs and measuring the impact of the allocation of funds in terms of benefits derived in accomplishing purposes set under RA Nos. 7171 and 8240, as amended.

3. GUIDELINES

3.1. List of Programs and Projects That May Be Funded by LGUs Share, for CY 2020

The present Listing of Programs and Projects (Please refer to Annex "A"), updated as of 27 December 2021, as approved by the NTA Administrator and the Secretary of Agriculture, will serve as a valid basis for screening/evaluation/approval for above purposes.

As presented, the above list was a result of earlier consultative conferences with the various stakeholders for the purpose.

For any program/project proposal outside of the list, the Beneficiary LGUs may submit request for clarification, in writing, to DA/NTA or as has been earlier practiced, the DBM Regional Office may refer the matter to DA/NTA.

With consultation as may be needed, DA/NTA will submit its official response within five (5) days upon receipt of official query.

3.2. Updating of the Listing of Programs and Projects for the Ensuing Implementation

The identification, formulation and packaging of programs and projects, to tailor-fit to their specific needs, priorities, resources and capabilities shall be the continuing responsibility of the beneficiary LGUs.

By January of every year, the LGUs shall, with the assistance of the DA and NTA, conduct public consultations with tobacco farmers identified by NTA, pursuant to Section 2.3.4 of DA-DBM-NTA JMC 2020-1. Provided that the Local

Development Councils – provincial, municipal, city and barangay, shall be invited to participate in the said public consultative meetings by the LGUs.

This is in time for the plan and budget preparation processes of the DBM and the Regional Development Council as well as the submission of Budgetary proposal to the DBM, earlier set at 15 days after issuance of Local Budget Memorandum or 15 May, whichever comes first, under the IRR of RA No. 10351.

As deemed necessary, the beneficiary LGUs shall coordinate with the DA/NTA for the specific schedules in conducting said public consultation for the above purposes.

Corollary to the above, the DA/NTA may also conduct consultative meetings/workshops with the LGUs in connection with the continuing updating of AFMP and/or the Philippine Tobacco Industry Roadmap (PTIR), the Sustainable Tobacco Enhancement Program (STEP), including the inventory of resources, infrastructures and facilities, and to ensure effective interfacing of programs and projects, collaborative arrangement in the implementation and sharing of responsibilities especially on matters of funding/budgetary support. The activity will be participated in by other relevant units of the DA, particularly the Bureau of Agriculture and Fisheries Engineering and the DA/Regional Agricultural Engineering Group and other DA agencies/units whose assistance may be needed by the LGUs concerned.

Resulting from the above processes, an updated List of Programs and Projects, as approved by the NTA Administrator and the Secretary of Agriculture, will be issued by the DA/NTA.

3.3. Documentary Requirements by the LGUs for Release of Funding and for Monitoring of Utilization and Evaluation of Impacts of said Allocation/ Utilization of LGUs Shares

The Beneficiary LGUs shall furnish the DA/NTA a copy of the Work and Financial Plans for Release of Funding By the DBM, following standard format provided for the purpose.

To facilitate evaluation of plans and to provide the basis for the monitoring and evaluation, beneficiary LGUs shall attach to the above submission a Brief Summary/ Profile of each program/project, that will include among other information, the following:

- a. A clear definition of the problems and/or opportunities being addressed, and number affected and the nature and magnitude of effect;
- b. Major outputs and outcomes contributory to the attainment of the goals and objectives of the AFMP and PTIR/STEP, to include poverty reduction, employment generation, climate change mitigation/resiliency, etc., target beneficiaries for each;

- c. Critical interventions or strategies to be adopted including, specific results to be achieved for the attainment of intended outputs and outcomes;
- d. Geographical focus or location of the project including the Global Positioning System (GPS) coordinates;
- e. Market, technical, socio-economic and organizational viability and financial feasibility (as may be applicable), clear and verifiable proof of sustainability;
- f. Identification of participating agencies, as may be needed, and the specific roles of each; and,
- g. Work program, timetable and funding requirement.

The Beneficiary LGUs shall likewise furnish the DA/NTA of its accomplishment reports in compliance with its obligations and responsibilities, pursuant to Rule VIII of the IRR of RA No. 10351, as amended.

Resulting from the above, the DA/NTA shall submit its monitoring and assessment reports to the DOF and oversight agencies in compliance with existing laws.

4. DESIGNATION OF SECRETARIAT AND LGU REPRESENTATIVES

To facilitate coordination, beneficiary LGUs shall submit to the DA/NTA Secretariat its duly designated Representative and Alternate Representative for above purposes.

Under the direction of the NTA Administrator, the NTA Corporate Planning Department, (at 4F Benlar Bldg, Quezon Avenue, Quezon City, Tel. No.(02) 83723185/83723182, email: mis@da.gov.ph), shall serve as the Secretariat, with the Deputy Administrator for Operations as Team Leader for the Technical Operations; and, the Deputy Administrator for Support Services, for Interagency Coordination and Administrative support.

5. EFFECTIVITY

This JMC shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.



WILLIAM D. DAR, Ph.D.
Secretary
Department of Agriculture



ROBERT VICTOR G. SEARES, JR.
Administrator/CEO
National Tobacco Administration

DEPARTMENT OF AGRICULTURE
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(SUPPLEMENTARY GUIDELINES TO DA-DBM-NTA JMC 2020-1)

ANNEX "A"

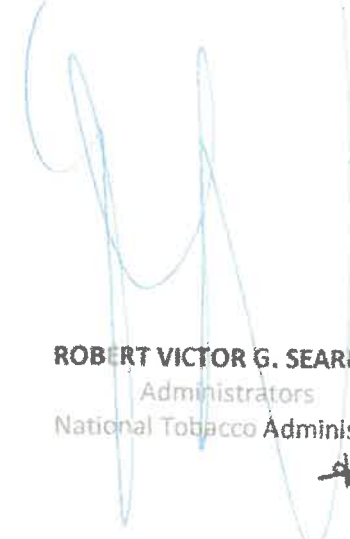
LIST OF SPECIFIC PROGRAMS AND PROJECTS THAT MAYBE FUNDED BY THE BENEFICIARY LOCAL GOVERNMENT UNITS (LGU's) FROM THEIR SHARE FROM THE COLLECTION OF TOBACCO EXCISE TAXES PURSUANT TO REPUBLIC ACT (RA) NOS. 7171 AND 8240, AS AMENDED BY RA NO. 10351 AND FURTHER AMENDED BY RA NO. 11346*

* The programs and projects were identified during the consultative meetings conducted by the NTA, initially in 2014, in connection of the Implementing Rules and Regulations for RA No. 10351 and in the preparation of the Master Plan/Roadmap of the Philippine Tobacco Industry, with the different industry stakeholders - tobacco farmer leader, tobacco manufacturers, wholesale tobacco dealers and exporters, congressional district representatives, beneficiary Local Government Units (LGUs) of RA 7171 and RA 8240. The submission of the beneficiary LGUs pertaining to same, after due evaluation, were likewise incorporated. The list **will continue to be updated** based on the continuing consultation with the different stakeholders.

REVIEWED/UPDATED AS OF 27 DECEMBER 2021

APPROVED:


WILLIAM D. DAR, PhD.
Secretary
Department of Agriculture


ROBERT VICTOR G. SEARES, JR.
Administrators
National Tobacco Administration



LIST OF PROGRAMS/PROJECTS THAT MAY BE FUNDED UNDER RA 7171

Provisions	Programs/Projects/Interventions
a) Cooperative projects that will enhance better quality of products, increase productivity, guarantee the market and as a whole increase farmers' income	<p>a) Production Assistance Programs</p> <ul style="list-style-type: none"> - Tobacco Production Project - Rice/Corn Production Project - Livelihood/livestock Production Projects - Tobacco Seedling Production Project - Tree/Bamboo Seedling Production Project <p>b) Irrigation Support Project</p> <ul style="list-style-type: none"> - Small Irrigation Systems - Small Farm Reservoir - Small Water Impounding Projects - Small Diversion Dam/Canal - Wind Mill - Open Wells and Shallow Tube Wells - Drip Irrigation - Water shed Development/Restoration/Enrichment - Deep Wells/Dug Wells - Rainwater Harvesting Facilities - Improvement/Rehabilitation/dredging/widening of natural waterways in farming communities <p>c) Farm Facility and Equipment</p> <ul style="list-style-type: none"> - Flue-Curing Barn (with accessories such as flue-systems, venturi or anawang furnace) and Air-Curing Barns (multi-purpose air curing sheds with black plastic cover) including centrally managed Curing or bulk curing systems - Hygrometer/Psychrometer/Moisture Meter - Hole Auger Machine - Grass Cutter - Farm Tractor and its accessories - Automated Weather Station (AWS) - Power Tiller/Hand Tractor - Water pump with accessories such as polyethylene hose - Farm-to-Market Road (FMR) - Sticking Machine - Automatic Rice hull/Corn cob Dispenser - Rice/Combine Harvester

	<ul style="list-style-type: none"> - Hauling Trucks - Tobacco Transplanter - Drone Sprayer and Drone GPS Mapper - Shredding Machine - Organic Waster Converter - Biofuel Converter - Green House - Crop Storage/Drying Facility - Tobacco Warehouse and Bagsakan Center - Rice/Feed Mill Projects - Food Processing Plant and Trading Center - Tobacco Farmers' Center - Multi-purpose pavements <p>d) Capability Enhancement Training</p> <ul style="list-style-type: none"> - Agricultural Machinery Operation (AMO) NCII - Business Entrepreneurship - Cooperative management - Organic/Vermi composting Fertilizer Production - Organic Waste/Biofuel Conversion - Livelihood Trainings <p>e) Renewable Energy and Forest Conservation Programs</p> <ul style="list-style-type: none"> - Kahuyang Pangkabuhayan Project (KPP) - Tobacco Solar-Aided Curing Barn - Solar- Powered Irrigation System - Farm/Flood lights for FMR/Agri Service Roads - Rural/Communal Power Generation utilizing Beema bamboo as renewable energy source (for household power and communal multi-purpose drying facility, incl. communal curing systems.
<p>b) Livelihood Projects particularly the development of alternative farming system to enhance farmers income</p>	<p>a) Integrated Crop-Livestock Farming System like:</p> <ul style="list-style-type: none"> - Tobacco/Rice/Corn Production (hybrid corn seeds, glutinous corn seeds, assorted vegetable seed, certified/registered palay seeds) - Poultry Production (broiler and egg, native chicken, duck raising) - Hog Production Project (Fattening) - Goat and sheep Production and Processing (Meat/venison, Dairy) - Cattle/Carabao/Dairy Production (Breeding, Fattening) - Quail Egg Production <p>b) Vegetable Production</p> <p>c) Dragon Fruit Production</p> <p>d) Organic Farming</p> <p>e) Honeybee pilot Project</p> <p>f) Forage development</p> <p>g) Mushroom Production</p> <p>h) Food Processing (vegetable, fish, meat and grains)</p>

	<ul style="list-style-type: none"> i) Community-based Value Adding/Processing (including training, marketing and financial assistance) like: <ul style="list-style-type: none"> - Fruit processing - Native Food delicacies - Native Wines (bugnay, guava jelly, grape wine, duhat wine) - Technology Development for processing of Bamboo products - Furniture and handicraft making j) Hollow Block making k) Paper Charcoal Production
c. Agro-industrial projects that will enable tobacco farmers to involve in the management and subsequent ownership of projects such as post-harvest and secondary processing like cigarette manufacturing and by-product utilization	<ul style="list-style-type: none"> a) Tobacco Pulp and Paper Production (including handmade, specialty paper) b) Communal Drying Facilities c) Ricemill Project (mobile/portable) d) Feedmill Project (mobile/portable) e) Bamboo Processing Center f) Mushroom g) Solar Power Generation Plant and Pumps h) tobacco redrying Facility and Manufacturing Plant (cigar, cigarette, chewing, other products) i) Tobacco Dust processing Facility j) Provision of delivery trucks and refrigerated vans k) Food/Meat Processing Plant and Trading Center (including slaughterhouse, chicken dressing plant and meat shop) l) Tobacco Leaf Extract/Organic/Botanical Pesticide Production Plant
d) Infrastructure projects such as farm-to-market roads, bridges, schools, hospitals, rural health facilities, and irrigation system.	<ul style="list-style-type: none"> a) Barangay / Farm to Market Roads (Opening, gravelling, concreting, including box/ two-barrel box culvert bridge, etc.) b) Construction of bridges, including Foot Bridges c) Farmers Training and Multi-Purpose Center d) Construction of Bagsakan Centers, Kadiwa Public Market Building and Facilities and Retail Outlets for farmers product e) Construction/Improvement of Food Terminal f) Improvement/Rehabilitation/dredging/widening of natural waterways in farming communities g) Construction/ improvement of farming community household water system h) Construction/Upgrading/Modernization of Provincial Nurseries, Soils, Fish and Seed Laboratories i) Construction of Multi-Purpose Pavements j) Construction of Drying Facilities

	<ul style="list-style-type: none"> k) Construction/establishments of Warehouses / Barangay Multipurpose Farmers Storage Center/ facilities, for the storage of farm inputs and produce l) Cross Drainage (Pipe culvert and box culvert) m) Improvement of Farmers Civic Center/Farmers Park n) Establishment/ Rehabilitation/Improvement of green houses and net house, with complete accessories o) Construction of Barangay/Municipal Nurseries p) Construction/Improvement of curing barns/sheds q) Construction of Organic Fertilizer Production Plant- Organic Waste Converter including Curing/Fermentation Facility/ Vermi Composting Facility r) Centrally Managed Curing Systems / Centralized/Bulk Curing Systems (with green leaf buying) s) Communal Irrigation System <ul style="list-style-type: none"> - Small water impounding projects / Small Farm Reservoir - Small diversion dam - Solar powered irrigation Systems, pumps, accessories, etc. - Wind mill pipe - Pumping units (pump set and installation, accessories etc.) - Watershed development/enrichment - Woodlot Development - Irrigation Canal structures t) Bulk Curing Projects/Communal Curing Barn
e. Programs and Projects that will promote, enhance, and develop the tourism, potential of tobacco-growing provinces	<ul style="list-style-type: none"> a) Establishments of Agri-eco tourism parks b) Establishment of Agri-industrial hub cum tourism park c) Nature farms- integrated organic farming d) Tramline and zipline e) Model Bamboo Village and Agro-Eco Tourism Project f) Organic Fertilizer Production g) Establishments of Municipal Food Terminals with storage facilities
f. Programs that will provide financial assistance for tobacco farmers that were displaced or	<ul style="list-style-type: none"> a) Provision of Financial Assistance to Farmer-grants, subsidies, loan/credit support for: <ul style="list-style-type: none"> - Production and processing of alternative/high value crops (vegetables, fruits, tubers) - Alternative farming systems - Livestock production

<p>ceased to produced tobacco</p>	<ul style="list-style-type: none"> - Livelihood enterprise <p>b) Integrated Crop-Livestock Farming System like:</p> <ul style="list-style-type: none"> - Tiger Grass Production and Broom making - Rice/Corn Production - Quality Broiler/Egg Production Projects - Hog and cattle Breeding and Fattening - Goat and sheep Production - Vegetable Production - Dragon Fruit Production - Mango Production - Fruit Production and Wine Making (grapes, bugnay, guava, mango) - Cassava Production - Palay Trading - Baby Corn production <p>c) Community-Based Value -Adding/Processing Programs like:</p> <ul style="list-style-type: none"> - Processing of Native Food Delicacies - Improved Processing of Native Wines - Production and Processing of Bamboo - Mushroom Production and Processing - Baby Corn Processing and Canning <p>d) Tobacco Farmers' Welfare and Medical Assistance/Social Amelioration Program</p>
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LIST OF PROGRAMS/PROJECTS THAT MAY BE FUNDED UNDER RA 8240

Provisions	Programs/Projects/Inventions
a) Programs that will provide inputs, training and other support for tobacco farmers who shift to production of agricultural products other than tobacco including, but not limited to- high value crops, spices, sugarcane, rice, sugarcane, corn, coconut, livestock, and fisheries	<p>a) Farm Mechanization Support like :</p> <ul style="list-style-type: none"> - Four-wheel Tractor with attachments such as disc harrow, disc plow, trailer, graders, back hoe, etc. - Power Tillers (cultivators) and hand tractors with complete accessories and trailer - Multipurpose threshers, shellers, shredders - Trucks – Hauling Trucks, Dump Trucks - Multicrop Harvesters, Pickers, Reapers - Grass Cutters - Choppers - Pulverizers - Biomass Charcoal Briquetting Machine with Accessories <p>b) Provision of Farm Equipment/Material support like:</p> <ul style="list-style-type: none"> - Power knapsack sprayers, - water pumps and engine sets with accessories, jetmatic pumps, generators - furrower and harvester, combined harvesters - communal/reversible dryers - plastic mulch, seedling trays, trellising materials - black plastic, - fertilizer applicators <p>c) Provision of Farm Inputs support like: Fertilizers, Inoculants, Insecticides, Herbicides, Gas and Oil, lubricants, Seeds, and Seedlings</p> <p>d) Cold Storage Vans/ Refrigerated Vans</p> <p>e) Organic Waste Converter including Curing/Fermentation Facility</p> <p>f) Irrigation Support Project</p> <ul style="list-style-type: none"> - Shallow tube wells, Open Wells, Small Water

	<p>Impounding, Windmill, Solar Powered Irrigation System, Drip Irrigation and CIS Concreting.</p> <p>g) Extension Services Training</p> <ul style="list-style-type: none"> - Good Manufacturing Practices - Standard Package of Technologies - Good Agricultural Practices - Product Packaging and Quality Standards <p>h) Provision of Draft Animals</p> <p>i) Establishment of Animal Breeding Centers</p> <p>j) Community Based Value – Adding/Processing Programs like: Native Delicacies, Wines, Mushrooms and Handicrafts.</p>
b) Programs that will provide financial support for tobacco farmers who are displaced or who cease to produce tobacco	<p>a) Provision of Financial Assistance – Grants, Subsidies, Credit Support to Affected Farmers for Alternative Economic Activities: (as listed above)</p> <ul style="list-style-type: none"> - Production and Processing of Alternative Crops (High Value Commercial Crops) - Diversified Farming Systems - Livestock Production - Livelihood Enterprises <p>b) Tobacco Farmers Welfare and Medical Assistance/Social Amelioration Program</p>
#b) Tobacco Farmers Welfare/Medical Assistance, grant of financial assistance not only to displaced farmers but to all deserving farmers	<p>a) Scholarship Program for Tobacco Farmers Dependents/Educational Assistance to Farmers (Bachelor's Degree, Technical/Vocational)</p> <p>b) Membership to PhilHealth and Insurance per Family Heads of Tobacco Farmers/all Registered Farmers/Fisherfolks and Single Senior Citizens</p> <p>c) SSS Membership (for emergency loan/death aid/burial benefits)</p> <p>d) Social Amelioration Program (SAP)</p>

<p>c) Cooperative Programs to assists tobacco farmers in the planting alternative crops or implementing other livelihood projects</p>	<ul style="list-style-type: none"> a) Vegetable Production (incl. Off Season Planting) b) Dragon Fruit Production c) Hybrid Corn Production d) Organic Fertilizer Production/ Organic Waste Conversion e) Kadiwa Food/Meat Processing and Retail Stores f) Bagsakan Centers g) Food Preservation and Processing h) Furniture Making i) Bamboo Propagation, Production and Conversion into Furnitures, Handicrafts and High Value Products j) Processing of By Products k) Salt Making Production l) Mushroom Production and Processing
<p>d) Livelihood programs and projects that will promote, enhance, and develop the tourisms potential of tobacco - growing provinces</p>	<ul style="list-style-type: none"> a) Establishments of Agri-eco tourisms parks b) Establishment of Agro-Industrial and Tourism Parks/Zones e) Nature Farms-Integrated Organic Farming f) Tramlines and Ziplines g) Model Bamboo Village and Agro-Eco Tourism Project h) Organic Fertilizer Production i) Organic Farming Systems j) Establishments of Municipal Food Terminals
<p>e) Infrastructure projects such as farm-to-market roads, school, hospitals, and rural health facilities;</p>	<ul style="list-style-type: none"> a) Agricultural Training and Multipurpose Center b) Solar Power Generation System c) Establishments of Greenhouse and Nursery d) Barangay Bridges (including Foot Bridge) e) Livestock Auction Market f) Construction/Improvement of Schools/ Educational Centers /Day Care Centers/Nursery Schools g) Improvement/Rehabilitation of Natural Waterways in Farming Communities h) Construction/improvement of Farming Community Household Water System i) Farmers/Kadiwa Food/Meat Processing Plant j) Bagsakan Centers, Kadiwa Markets and Retail Outlets k) Flood control and Slope Protection l) Construction/Improvement of Farm to Market

	<p>Roads</p> <p>m) Hospitals and Rural Health Facilities</p> <p>n) PWD Computer-Assisted Technology and Vocational Rehabilitation Centers</p>
<p>f) Agro-industrial projects that will enable tobacco farmers to be involved in the management and subsequent ownerships of projects such as a post-harvest and secondary processing like cigarette manufacturing and by-product utilization</p>	<p>a) Air curing Sheds/curing barns</p> <p>b) Bulk Curing Projects</p> <p>c) Tobacco Handmade Paper Production</p> <p>d) Tobacco Leaf Extract Production</p> <p>e) Communal Solar Dryer/Flatbed Dryer</p> <p>f) Ricemill/Feedmill Projects</p> <p>g) Provision of Hygrometer, Psychrometer and Moisture Meter</p> <p>h) Provision of Hammer Mill</p> <p>i) Agricultural Transport Vehicles</p> <p>j) Rural Power Generation Utilizing Beema Bamboo as principal energy source (for household power and communal multipurpose drying facility)</p>