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IMPLEMENTING GUIDELINES ON THE TINDAHAN NATIN PROJECT

I. RATIONALE

Poverty is caused by either lack of access, low income or opportunities that makes families unable to meet their basic needs. It continues to be a challenge to Filipino families particularly the 4.3¹ million living below the poverty threshold.

In line with the relentless efforts of the government to fight poverty, hunger and unemployment, Her Excellency, President Gloria Macapagal-Arroyo has pronounced on the first working day of 2006 the release of some P35 billion from government savings to subsidize selected food items and finance projects for the poor. On the aspect of food, the President specifically announced that she wants to keep the prices of rice and noodles at affordable levels.

The National Food Authority (NFA), with its mandate of ensuring food security and stabilization, is tasked to maintain rice price at P18.00/kg and the fortified noodles below P5.00.

The Department of Social Welfare and Development (DSWD), on the other hand, is mandated to provide social protection and promote the rights and welfare of the poor, vulnerable and disadvantage individuals, families and communities through programs, projects and services that will alleviate poverty.

The Department of Budget and Management (DBM) thus, released program funds to the DSWD for the implementation of the Tindahan Natin Project (TNP). Part of this fund will be used as loan assistance to Tindahan Natin Operators (TNOs), which shall be deposited to DWD Central Office TNP Operating Fund Account under trust/current account with the Land

¹ 2000 Poverty Estimates, 2003 NSCB Fact Sheet - (posted 02 october 2003, www.nscb.gov.ph)

Bank of the Philippines. The said trust/current account shall be recorded under Revolving Fund - Fund 161 RA Books.

This Implementing Guidelines is issued to ensure that the government-subsidized rice and noodles would truly reach poor families through the TNP.

II. BRIEF DESCRIPTION OF THE PROJECT

The Tindahan Natin Project is a national government initiative for food security, job generation and livelihood. The project will provide low-priced but good quality rice and noodles through a store jointly identified and endorsed by the DSWD, Provincial/City/Municipal Social Welfare and Development Offices (P/C/MSWDOs) of the Local Government Units (LGUs), in coordination with the Barangay and subsequently accredited by the NFA.

The target operators for the TNO are, the DSWD SEA-K beneficiaries, Barangay Councils, community-based organizations, Non-Government Organizations (NGOs), Local Government Units (LGUs), existing retail/sari-sari storeowners and merchants.

III. OBJECTIVES:

The Tindahan Natin Project aims to:

1. To ensure that poor families get access to low-priced basic food items specifically rice and noodles;
2. To ensure availability/supply of rice in the community at all times;
3. To create livelihood and job opportunities in the community;

IV. PROGRAM COMPONENTS

A. Social Preparation

This is a process of raising community awareness and capacity by involving the people in the conduct of participative data gathering, analysis, identification of priority needs and problems, appraisal of community resources, and formulation of comprehensive community development goals, plans, and activities.

Social preparation for the TNP is designed to prepare the target communities where the program will be implemented and to ensure the success of the project as a strategy to mitigate hunger. It has two (2) sub-components: Community Organizing and Capability Building.

B. Provision of Technical Assistance

This component involves the provision of skills training, capability building and consultancy services in the management of TNO with focus on business and financial management. It also involves measures to ensure continuing access to formal and informal training opportunities to enhance their knowledge and skills.

C. Loan Assistance

Provision of financial resources to TNOs in the form of loan based on project requirement as well as absorptive capacity. In this case, the loan assistance shall be in the form of commodities.

To prepare the participants on the practices and concepts of the formal sector mechanisms, the concept of repayment will be introduced as part of the capability building of the target clientele.

D. Other Support Services

Access to other social welfare services provided by the NGAs, LGUs, NGOs and other POs would be broadened. The TNP clients/participants will be assisted in networking and linkage at the community and municipal level.

V. OPERATIONAL PROCEDURE

A. Selection/Identification of Target Areas and Beneficiaries

1. Identification of Target Areas

The target areas include Metro Manila and the 54 food poor provinces identified by NNC with high hunger and poverty incidence statistics classified as Priority 1, Priority 2 and Priority 3, and in other areas not included in the 54 but are classified as poverty-stricken. (*Annex A*).

Selection of municipalities and barangays for specific locations and number of the TNOs shall be based on the assessment of the Technical Working Group (TWG) by DSWD Field Offices in coordination with the concerned P/C/MSWDOs, Provincial and Municipal Nutrition Action Offices (P/MNAO), and NFA Regional/Provincial Offices. The considerations in selecting the area shall include the total family/household, hunger incidence, accessibility and poverty incidence.

The NFA and DSWD, in coordination with the LGUs concerned, shall ensure that TNOs are strategically located in the identified target areas.

2. Target Beneficiaries

The TNP has two sets of beneficiaries: (1) the marginalized and poor sector as the direct beneficiaries and, (2) the TN Operators as livelihood participants who earns additional income.

A. Tindahan Natin Store/Outlet

1. The following are eligible to be TN Operators:

- a. Self-Employment Assistance (SEA-K)-Kabayan, SEA-K Association and/or SEA-K individual beneficiary with retail store business
- b. Barangay Councils
- c. Community-based organizations
- d. Local Government Units (LGUs)
- e. New Entrepreneurs
- f. People's Organization (POs)
- g. Existing Retail/Sari-Sari Stores
- h. Non-Government Organizations (NGOs)
- i. Military Camps personnel/organization

2. In selecting the TNO, the following shall be considered:

- a. *Storage space* - the store must have ample storage space for at least one week rice requirement;
- b. *Location* - the store must be strategically located, accessible to target beneficiaries;

- c. *Willingness of the operator to participate in the program and abide by the rules and regulations;*
 - d. *Financial capability* - for operators who have inadequate or no capital for one week stock requirement of the store, they can apply to DSWD for loan assistance depending on the needed initial stocks but not to exceed P20,000.00, subject to the assessment by the DSWD Field Offices; and
 - e. *Must be duly licensed and accredited by NFA.*
3. The number of stores that will be designated in each target areas shall be determined based on the following:
- a. Number of family beneficiaries to be served - one TN store shall serve at least 250 families;
 - b. Geographical location of target areas and clustering of beneficiaries;
 - c. Financial viability of store operation;
 - d. Accessibility (to consider hauling expenses);
 - e. Necessity of rice in the area, and;
 - f. Purchasing capability;
4. The designated TNO shall be subjected to existing rules and regulations of NFA in rice retailing;
5. TN operators availing loan assistance from DSWD shall submit a project proposal to DSWD FO. The format for the individual proposal will be the same as the SEA-K Program project proposal subject to minor changes appropriate to TNP. A promissory note signed by the TNO shall be attached to the proposal.

b. Family Beneficiaries

1. Selection/Identification of family beneficiaries
- a. The target family beneficiaries of the TNP are the residents of the target areas as certified by the Barangay Chairman;

- b. The selection/identification of TNP beneficiaries shall be the responsibility of DSWD Field Offices in coordination with the LGU-P/C/MSWDOs and the Barangay Councils;
- c. The MSWDO in coordination with the Barangay Council shall submit a master list of family residents from the covered barangays as basis for the rice allocation of TNOs;
- d. As much as possible, families that have an income below or within the food threshold set by NEDA shall be prioritized.

B. Distribution Scheme

1. Rice/Noodles Allocation

- a. The maximum weekly rice allocation per family shall be based on a daily .32 kg allocation per family member computed from the per capita consumption of 115 kilograms per year:

Sample Computation:

Weekly rice allocation - Family of six (6):

115 kg/365 days = 0.32 kg per day

0.32 kg/day x 7 days = **2 kg/family/Day**

or 14 kg/family of 6/week

TNO Weekly Rice allocation - 250 Families @ family of 6

2 kg/family/day x 250 families = 500 kg or 10 sacks/day
or 70 sacks per week

- b. Purchases by family beneficiaries shall be limited to the maximum allowable quantity of rice equivalent to their weekly allocation. They may opt to buy on staggered basis in which case, the aggregate kilos purchased shall not exceed their weekly allocation;
- c. The goods shall be sold to the beneficiaries at prescribed selling prices;

- d. The owner/operator is not prohibited from selling other commodities in the TNO. However, no other kind of rice except that from NFA may be sold.

2. Delivery/Replenishment of Goods and Payment to NFA

Procurement of goods shall not follow the usual procurement procedures as loan availed by the beneficiaries are in the form of goods not cash. For the initial delivery of rice and noodles to TNOs who availed of loan assistance to DSWD, the following procedure shall be followed:

- a. The DSWD Central and Field Offices shall issue a guarantee letter to NFA for the initial delivery of goods to the respective TNOs who availed of loan assistance from DSWD;
- b. DSWD Field Offices shall submit to NFA Regional Offices copy furnished the Provincial or District Offices, the list of qualified TNOs to where they are authorized to deliver rice and noodles;
- c. NFA shall deliver to the accredited TNOs the authorized initial amount of rice and noodles, two (2) days after receipt of the guarantee letter;
- d. NFA shall forward to the DSWD Field Office the billing statement supported by Warehouse Stock Issuance (WSI) and delivery receipts showing proof of actual receipt by the operators;
- e. DSWD Field Office shall request sub-allotment of funds from the DSWD Central Office based on NFA billing statement;
- f. DSWD Field Office shall pay directly to provincial NFA offices the cost of goods delivered to the respective TNOs with supporting documents per billing statement; and
- g. TNOs who have not availed of loan assistance from DSWD shall, upon NFA accreditation, purchase rice from the NFA warehouse.
- h. For subsequent deliveries or purchases of all TNOs, they are required to inform the NFA at least two (2) days in

advance of their request for replenishment of stocks to provide NFA ample time to schedule the deliveries. The succeeding deliveries to TNOs whether self-funded (have not availed loan from DSWD) or DSWD funded (availed loan assistance from DSWD) shall be on a Cash on Delivery (COD) scheme.

3. Use of the Rice Allocation Ledger (RAL)

- a. The DSWD shall provide the TNOs with a Rice Allocation Ledger (RAL). The RAL shall contain the list of family beneficiaries that the outlet will serve their corresponding rice allocation; and
- b. The TNO shall use the RAL to keep records of rice purchases made by the family beneficiaries. Beneficiaries shall be required to affix their initials in the RAL every time they purchase rice.

C. Loan Assistance

1. Qualified TNOs who do not have enough capital may avail of loan assistance from DSWD without interest nor collateral;
2. Amount of loan assistance, which shall not be more than P20,000.00, shall be based on assessment (affordability analysis and need of project) of FO PEOs
3. Release of loan assistance to the qualified TNOs shall be in the form of rice and noodles from NFA. ;
4. Each TNO availing loan assistance from DSWD shall be guaranteed by DSWD Field Offices through a Guarantee Letter issued to NFA;
5. Loan assistance shall be payable within one (1) year upon release of goods from NFA exclusive of one (1) month grace period;
6. Payment shall be amortized in weekly installment based on the amortization schedule in the project proposal and the Promissory Note signed by the TN Operator.
7. TN operators who have fully paid their initial loan may avail of re-loan. The amount of which shall not be more than P20,000.00 and

shall be based on the assessment of the DSWD-FO, subject to the approval of the DSWD-CO.

VI. FUND MANAGEMENT

A. Release of Funds

1. The DBM shall release Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA) for the implementation of the DSWD Tindahan Natin Project (TNP) under the General Fund 101 - RA Books;
2. The cash allocation that will be used as loan assistance to Tindahan Natin Operators shall be transferred to DSWD Central Office TNP Operating Fund Account under Revolving Fund - Fund 161 RA Books;
3. The DSWD Field Office shall submit a request for fund transfer to the Central Office based on the billing statement subject to the release of commodities of NFA to TNOs;
4. DSWD Central Office shall transfer funds to FOs trust/current account maintained with LBP under Revolving Fund - Fund 161 RA Books for the cost of goods distributed by National Food Authority (NFA) to TNP operators as per NFA billing statement;
5. DSWD FOs shall pay NFA upon receipt of fund transfer from DSWd Central Office.

B. Repayment/Collections

1. The TNP Operators shall deposit their weekly amortization directly to DSWD FOs' TNP Clearing Fund Account through Land Bank of the Philippines (LBP) inter-branch deposit accommodation. However, in remote municipality/barangay where the LBP branch is far, payments may be done on a monthly basis;
2. All payments of TNP Operators that are deposited to the Clearing Account will be automatically swept to the Collection Fund Account daily. The funds credited to the Collection Fund Account will be transferred by the LBP to the FO's Operating Fund Account every 30th of the month;

3. The monthly collections/repayments credited to the FO's Operating Fund Account shall be transferred/credited by LBP to the Operating Fund Account of DSWD Central Office as follows:

Account Name : DSWD-Tindahan Natin Project
Account Number : 3122-1015-16
Bank Address : Land Bank of the Philippines
Batasan Branch, Quezon City

4. The accumulated collections/payments from the TNP operators shall be used for other livelihood projects of DSWD as DSWD TNP- Revolving and Settlement Fund (DSWD-TNP RSF) which will be under the same scheme of DSWD Self Employment Assistance-Revolving and Settlement Fund (DSWD- SEA RSF).

C. Recording, Reporting and Maintenance of Individual Subsidiary Ledger (ISL) of TNP Operators

1. The FOs shall maintain an individual subsidiary ledger of TNP Operators to record and monitor the grants and payments made by the TNP Operator as of date;
2. The FOs shall submit to DSWD CO-Financial Management Service the copy of the LBP Debit Memo for the monthly collections/repayments that has been debited from FO's Operating Fund Account and subsequently credited to the Operating Fund Account of DSWD Central Office together with a monthly report or Registry of Grants Received and Payments of TNP Operators (Annex A);
3. The pro-forma accounting entries to record the implementation of the DSWD Tindahan Natin Project under the General Fund 101 - RA Books are illustrated in **Annex B**.

VI. Reporting/Monitoring/Evaluation

Once the process of identification and selection of target areas and TNOs has begun, timely monitoring and evaluation of the Project's process and impact are needed to ensure that the TNP is functioning as intended. This will be achieved through progress reports of TNOs and FOs, DSWD and NFA reporting, project evaluation and impact assessment.

1. DSWD Field Offices shall coordinate with organized or religious groups, LGUs, POs and NGOs and encourage their involvement in ensuring that goods are sold to the poor families based on NFA's prescribed prices, and that the same are not diverted for other purposes;
2. NFA shall monitor rice distribution/delivery of rice and noodles to TNOs, while DSWD FO in coordination with MSWDOs shall monitor the TNP implementation using the prescribed monitoring forms focusing on the following:
 - a. Rice stock inventory
 - b. Rice sales for the week
 - c. No. of families served
 - d. Rice requirement/allocation is served
 - e. Frequency of delivery/distribution of NFA
 - f. Other observations/remarks in the implementation of the project

The monitoring shall be done on a weekly basis or as appropriate by NFA and DSWD (FO PEO and LGU PEO/Worker) during the first 3 months of TNP operation. For succeeding months, the LGU shall monitor on weekly basis while the DSWD FO PEO shall conduct regular monthly monitoring;

3. The FO PEOs II shall consolidate reports using the prescribed form based on the RAL accomplished by TNP Operators and submit the same to the FO through the Senior PEO;
4. The DSWD FO shall submit consolidated monthly status of TNP implementation to the DSWD CO - Office of the Assistant Secretary for Livelihood using the prescribed form;
5. DSWD FOs shall submit a weekly progress report, using the prescribed form, on the identified TNP Operators and established operational outlets to DSWD CO;
6. NFA Provincial Office shall provide a copy of monthly report of accredited operators and rice deliveries made to TNP Operators;
7. The DSWD CO and the NFA Central Office shall conduct field monitoring, assessment and evaluation to ensure adherence to the guidelines, measure its viability and impact to the beneficiaries.

VII. Loan Refinancing/Restructuring:

In cases wherein TNO/s are victim/s of disaster and other force majeure events, refinancing and/or restructuring of loan to the affected beneficiary/s is extended based on the assessment and evaluation on the status for the need of rehabilitation scheme as follows:

- a. Provision of additional capital assistance from TN funds
- b. Restructuring of loan payment to an extended period
- c. Accessing of loan from other micro-financing program

VIII. Institutional Arrangement:

The Tindahan Natin Project (TNP) shall be jointly implemented by the NFA and DSWD in close coordination with the Local Government Units (LGUs) through its Provincial/City/Municipal Social Welfare and Development Offices and the concerned Barangay Councils. A Memorandum of Agreement (MOA) shall be executed by the collaborating agencies defining their roles and responsibilities as follows:

A. Department of Social Welfare and Development (DSWD)

1. DSWD Central Office shall:

- a. Transfer to the DSWD Field Offices the funding requirement of TNP based on FO's request for sub-allotment of funds as per NFA billing statement;
- b. Provide technical assistance and resource augmentation to DSWD FOs in the implementation of the TNP;
- c. Conduct regular monitoring and evaluation of the program implementation;
- d. Design framework for the conduct of impact assessment on TNP;
- e. Prepare national quarterly report on project implementation;

2. DSWD Field Offices shall:

- a. Provide technical assistance and other form of support to the P/C/MSWDO, in coordination with the P/MNAO, in the

selection and identification of target municipalities and barangay/s and family beneficiaries for TNP;

- b. FO PEOs shall be responsible for the identification of TNO and assessment of the eligibility, feasibility and viability of the project in the specific area. The final list shall be endorsed to NFA Provincial Office for accreditation;
- c. Conduct orientation and advocacy activities to all concerned offices in target provinces and municipalities in coordination with NFA;
- d. Properly orient the TNO and family beneficiaries on the mechanics of the program specifically on the purchase of their allocation, use of the RAL and distribution of rice and noodles;
- e. Be responsible for the printing, reproduction and distribution of RAL and other TNP reporting forms. RAL shall be provided to all TNP Operators;
- f. Monitor to ensure that goods are sold to target family beneficiaries at prescribed selling prices. However, goods can be sold at a lower price as subsidized by cause-oriented groups and/or other government agencies. In this case, the DSWD shall inform NFA accordingly;
- g. Make earnest and fullest efforts in ensuring that the accredited TNO will follow all rules and regulations promulgated by NFA with regard to the retailing of the rice, noodles and other basic commodities;
- h. Pay directly to the Provincial NFA for the cost of goods delivered;
- i. Conduct its own and/or joint monitoring with NFA and LGU-P/C/MSWD so that the best results and desired objectives of the project are achieved which shall also include monitoring of repayment/rollback collections of TNOs, and status of TN Outlets/Stores;
- j. Assist the TNOs to have an access to government and private financing institutions;
- k. Recommend cancellation of license to operate to NFA on TNOs that were found to have violated the rules and regulations;

1. Submit monthly reports on project implementation to the DSWD CO copy furnished the concerned LGUs.

B. National Food Authority (NFA)

NFA shall:

1. Evaluate/validate/determine, after receipt from the DSWD, the identified TNOs to be accredited in coordination with the DSWD, LGU-P/C/MSWDOs and the Barangay Council;
2. License and accredit the list of operators/outlets submitted by the DSWD upon inspection of the location to determine compliance with the NFA facility standards and documentary requirements;
3. Deliver the rice and noodles requirement of accredited TNO at NFA's wholesale price based on approved Selling Price Bulletin at the time of purchase for resale at their Tindahan Natin outlets / stores;
4. Schedule the weekly delivery of goods to the TNOs based on weekly allocation, subject to the availability of stocks and NFA distribution policies;
5. Ensure that rice and noodles are delivered all in good quality condition and are replenished on time as needed;
6. Conduct joint monitoring activities with the DSWD, LGU-P/C/MSWDO and Brgy Councils to monitor the implementation of the project to ensure goods are sold to the poor families based on NFA's prescribed prices on a weekly basis.
7. Cancel licenses/accreditation to operate of TNOs that were proven to have violated the rules and regulations of the program.

C. LGU-Provincial/City/Municipal Social Welfare and Development Office

1. P/C/MSWDOs shall assist DSWD FO in the selection of municipalities and barangays for the TNP implementation;
2. MSWDO, in coordination with the Barangay Council, shall prepare a master list of family/household residents to be submitted to DSWD FO. The master list will be the basis for identifying the

number of TNOs to operate the corresponding rice allocation in the area;

3. Provide necessary assistance such as financing, training, seminar/workshop for business entrepreneurs and other livelihood programs to the TN Operators;
4. Recommend cancellation of license to operate to NFA on TNOs that were found to have violated the rules and regulations;
5. Conduct joint monitoring with the DSWD and NFA to monitor the implementation and progress of the TN Project at each level (Provincial, City/Municipal level).
6. C/MSWDOs, in addition to the above responsibilities, shall:
 - a. Assist DSWD FO in the identification of potential operators/outlets who are qualified to participate in the implementation of the TN Project;
 - b. Assist DSWD FO in the monitoring of weekly/monthly remittances/repayment of TNOs;
 - c. Assist the operator in securing the retailer's license/accreditation requirements from NFA to operate the TN store/outlet;
 - d. Monitor the compliance of TNOs on the requirements set by the NFA/DSWD on the delivery and sale of rice and noodles, and report necessary findings and recommendations on the same;

This Implementing Guidelines shall take effect immediately.


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