



Republic of the Philippines  
Province of Ifugao

**Office of the Sangguniang Bayan**  
**Hungduan**



**Attested:**

**HON. JOHN D. HANGDAAN**  
*Municipal Vice Mayor and  
Regular Presiding Officer*

**HON. AGUSTINA M. IPAN**  
*Sangguniang Bayan Member*

**HON. EVELYN Y. BALCAGA**  
*Sangguniang Bayan Member*

**HON. ROMEO L. HAGUAYAP**  
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**HON. JUANITO B. GAMBOS**  
*Sangguniang Bayan Member*

**HON. LUCAS A. BUGATTI**  
*Sangguniang Bayan Member*

ON OB

**HON. JESSE B. LACBANAN**  
*Sangguniang Bayan Member*

ON OB

**HON. MAX A. YOSYOG**  
*Liga ng mga Barangay President*

**HON. RAY B. PALATOC**  
*Municipal  
SK Federation President*

**Approved:**

**HON. HILARIO T. BUMANGBANG**  
*Municipal Mayor*

33<sup>rd</sup> Regular Session  
8<sup>th</sup> Sangguniang Bayan of Hungduan, Ifugao  
November 13, 2012

**Municipal Ordinance No. 34**  
**Series of 2012**

**AN ORDINANCE ESTABLISHING THE HUNGDUAN CREDIT ASSISTANCE FOR RURAL ENTERPRISE SUSTAINABILITY (HUNGDUAN CARES) FOR THE MUNICIPALITY OF HUNGDUAN, IFUGAO.**

*Introduced by:*

*Hon. Agustina M. Ipan- SB Member and  
Chairman- Committee on Agriculture, Agrarian Reform, Livelihood,  
Cooperative and Trade and Industry*

*Hon. Ruben P. Wacoy- Vice Chairman  
Hon. Lucas A. Bugatti- Member  
Hon. Juanito B. Gamboc- Member  
Hon. Jessie B. Lacbawan- member*

Be it enacted by the Sangguniang Bayan of the Municipality of Hungduan in session assembled that:

**Section I. TITLE**

This ordinance shall be known as the **HUNGDUAN CARES ORDINANCE**

**Section II. LEGAL BASIS**

Sections 16-17 of the Local Code mandates the LGU to improve living standards of the constituents of the municipality thru the effective & efficient delivery of basic services that includes enterprise development as outlined in section 17 of the same code. Part of the achievement of the mandate is for the LGU to support people-led/initiated economic developments thru small enterprise development that the Barangay will identify, implement, expand & sustain as their own.

**Section III. OBJECTIVES**

Generally, the program aims to assist in the development and sustainability of small businesses and enterprises in the municipality thru the provision of additional capital that will make small businesses grow and earn income to address basic household needs such as food, shelter, health and education.

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*Municipal Mayor*

Specifically, the program aims to:

1. Raise income of household by generating employment thru the development of labor intensive small - scale industries and agricultural-productive activities.
2. Provide credit fund to groups, organization and individuals who have started and are determined to expand their productive/entrepreneurial activities.
3. Promote and strengthen municipal and barangay-based organizations (formal and non-formal, financial or social groups and organizations) as vehicles for managing and sustaining entrepreneurial projects and funds.
4. Upgrade technical skills of clients in farm and non-farm activities involved with the program.
5. Increase value and quality of product for better marketability by undertaking processing, packaging, linkaging, and attendance to trade fairs, advertisements and other strategies.

**SECTION IV. DEFINITION OF TERMS.** For the purposes of this ordinance, the terms enumerated in this section shall be interpreted to mean and refer to as follows;

1. Individual – refers to any person availing of this program but it includes immediate family members of the beneficiary.
2. Group –refers to people coming together for a common objective with members ranging from 5-14 members.
3. Organization - Group of individuals with at least 15 members
4. Livelihood – source of income for a living
5. Enterprise – business activity directed for profit

**Section V: PROGRAM ORGANIZATION AND MANAGEMENT**

The overall supervision of the program shall be lodged under the Mayor's Office. A desk for this program shall be created and manned by a competent Enterprise Development Officer who shall oversee the program and ensuring its progress and sustainability .The Enterprise Development Officer shall closely work with the different offices for the success of this program. Assisting staff such as Enterprise Aides and Community Organizers shall be hired on job order basis to assist in the program.

The technical aspect and strengthening of the organizations shall be the responsibility of the Agriculture and Social Welfare offices. The different staffs in the Agriculture, Social Welfare and other offices shall be responsible for entrepreneurial projects in line with their specialty.

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## Section VI: FUNCTIONS AND REPONSIBILITIES

The Enterprise Development officer shall have the following responsibilities;

1. Provides entrepreneurial and management training and coaching to develop capabilities of entrepreneurs;
2. Develops plans and budget for the Enterprise Development Program;
3. Links clients (farmers, handicrafts workers, entrepreneurs) to market outlets.
4. Link with other institutions, agencies & organizations for fund & technology transfer;
5. Assists in screening requests and project proposals for funding and recommend profitable projects to the local chief executive for approval;
6. Develops marketing strategies (processing, packaging, linkaging attending trade fairs) for value adding to the products;
7. Submits periodic reports on status of this program to the Local Chief Executive including marketing strategies undertaken, success and failure of the program and other indicators necessary for the success of the program, among others;

Basic Qualification of the Enterprise Development Officer:

1. Must be a graduate of any business-related courses
2. Must have at least one year experience in handling Enterprise and /or marketing works;
3. Must have basic knowledge in project proposal making and other documentation;
4. Has the capability in monitoring and assessing Income Generating Project;

The Agriculture and Social Welfare Staff

The different staff in these offices and those designated municipal personnel related to enterprise endeavors shall extend technical assistance in line with their specialization or handling sectoral groups needing this program, and shall have functions:

1. Provide technical and capability building training to clients;
2. Facilitate the strengthening of groups and organizations as partners in enterprise development;
3. Assist the Enterprise Development Officer in the identification, implementation and sustainability of entrepreneurial projects and activities;
4. Assist in screening request and project proposals and recommend profitable projects to the LCE for approval;
5. Conduct regular monitoring of projects and clients to find immediate solution to problems;
6. Give periodic reports of the status of projects funded under this program including the status of the groups and organizations, their repayment and

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*Municipal Mayor*

possible benefits derived from their enterprises to the Local Chief Executive and Sangguniang Bayan.

## **Section VII: SCOPE**

The program shall be applied to all livelihood/ enterprise programs of the Municipal Government of Hungduan to be extended to individuals, farmers groups and organization who are already engaged in agricultural, handicrafts and other entrepreneurial projects/activities including lending and sari-sari store. They shall be given credit assistance when additional capital is needed to expand their enterprises.

## **Section VIII. SCREENING COMMITTEE**

The screening committee shall be composed of the Enterprise Development Officer, heads of the Agriculture, Social Welfare, and headed by the Planning and Development Officer. The staff concern with the project shall help the client defend the feasibility of the project. A regular quarterly meeting for this purpose shall be set to evaluate project proposals, assess the progress of the program and discuss other matters related to the program.

## **Section IX: QUALIFICATIONS FOR THE LENDING PROGRAM**

Individual or private entrepreneur can qualify if he/she

1. Operated the enterprise for one year or more
2. Had derived income from the project –not losing
3. Have no records of bad debts from government & other institutions and organizations.
4. Is willing to comply with the policies of this program

Groups and organization may qualify if they are:

1. Duly accredited by the municipal government.
2. Holding good tract records with government or private lending institutions.
3. Maintaining financial statement for at least one year; and
4. Successfully implemented projects

## **Section X: LENDING POLICIES**

### **a. LOAN AMOUNT**

- Individual loan amount shall not exceed PhP 15,000.00.
- For a group of 5-14 members, the loan amount shall not exceed PhP 30,000.00.
- For organizations of 15 or more members, the loan amount shall not exceed PhP 50,000.00.

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**b. INTEREST**

- Loans shall bear a 3% interest per annum effective from the release of the loan.

**c. MATURITY**

- Agricultural production which takes 5 months to harvest shall be payable in 22 months. The first repayment which is 30% of the loan amount shall be repaid at the 10<sup>th</sup> month after the release of the loan. The second repayment which is 30% of the loan amount shall be paid on the 16<sup>th</sup> month. The last loan amount shall be paid on the 22<sup>nd</sup> month.
- Handicrafts, sari-sari store and re-lending activities shall be payable in 16 months. Loans under this category will have a grace period of 6 months. The installment is expected to start at the end of the 6<sup>th</sup> months after the release of loans and the rest of the installment will be divided equally for 9 month until the whole amount is paid.

**d. COLLATERAL**

- Collateral shall be in the form of chattel mortgage or real properties for loans amounting to PhP 10,000.00 or more. The document of the above property will be submitted to the municipal treasury and shall be retrieved by the owner when he/she paid the loan amount.

**e. DELINQUENCY**

- In case of *force majeure* and calamity which shall cause delayed repayment, the borrower shall be given 10 months allowance to pay the loan. This shall be done after the issuance of certification from the Agriculture Office that the project had been damaged by typhoon or by any disaster.
- Delinquent borrower shall be “blacklisted” and shall never be given future loan assistance from the municipal government.

**Section XI: PROCEDURE:** The procedures to be followed are:

- Individual, groups, or organizations will submit a resolution or request coming from the board of directors (for organization) or the individual farmers to the receiving clerk of the mayor’s office, who shall receive & log. She/he furnishes a copy to the offices concerned.
- The staff concerned shall conduct a meeting with the client/s to assess and analyze if the project is feasible. Together with the clients they develop a project proposal. (Annex A –Template)

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3. The proposal shall be submitted to the screening committee who after evaluating the feasibility of the project commends for approval by the Local Chief Executive.
4. Upon approval, the planning office shall assign a control number of the project proposal, maintain a copy and files it. The office concerned and the clients will be furnished a copy.
5. The assigned staff shall conduct orientation to the client/s. A loan agreement shall be signed by the borrower/s prior to the release of the loan.
6. Once approved, it will pass to the budget officer to certify the availability of funds, then the accounting to check attachments and the treasury to prepare the payment.
7. The client together with the staff assigned shall work on the purchase of the inputs and materials.
8. The staff assigned shall conduct monthly monitoring and observation and notes all success/failure if any, of the project and submit a bi-monthly report to the LCE, copy furnish to the Sangguniang Bayan.
9. Upon maturity of the loan, the client pays to the municipal treasury. The staff concern will follow-up the client if no payment has been made.
10. All monitoring reports and photocopies of repayment receipts shall be attached to the papers of the organization.

**Section XII: RE-LOAN**

An individual, group and/or organization shall avail of loans after repaying previous loans promptly.

**Section XIII: FUND AWARD TO GROUPS AND ORGANIZATIONS.**

An incentive equivalent to whole amount of interest paid by the organization/or individual shall be awarded back to them, if they fully paid their loan for 3 consecutive times.

**Section XIV: STAFF AWARD**

The staffs who are assigned to the project shall be awarded a certificate of recognition when at least 2 organizations/individuals implementing enterprise project under his supervision have been very successful due to his interventions.

**SECTION XV. FUNDING SOURCE**

The Municipal Development Council headed by the Local Chief Executive shall be encouraged to appropriate an amount annually for this project.

**SECTION XVI: FUND TREATMENT**

There shall be a separate account for this program to be treated as trust fund in the name of the CREDIT ASSISTANCE FOR RURAL ENTERPRISE SUSUTAINABILITY for the Municipality of Hungduan.

**SECTION XVII: SEPARABILITY CLAUSE**

If any provision or part of this ordinance is declared invalid, the remaining provision or part of the ordinance shall not be affected thereby and shall continue to be in full force and effect.

**SECTION XVIII. EFFECT OF THIS (CARES) PROJECT/PROGRAM**

This (CARES) program of the Hungduan Municipal Government shall not affect the programs and enterprise projects of other agencies, and the provincial government being delivered in this municipality.

**SECTION XIX. EFFECTIVITY.**

This ordinance shall take effect on January 1, 2013.

*I hereby certify to the passage of the foregoing Ordinance which was duly approved by the Sangguniang Bayan of Hungduan on 13 November 2012.*

**JOCELYN H. DULNUAN**  
*Secretary to the Sanggunian*

ATTESTED:

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