



Republic of the Philippines  
OFFICE OF THE PRESIDENT  
COMMISSION ON HIGHER EDUCATION

**CHED MEMORANDUM ORDER**

No. 08  
Series 2002

**TO :** ALL CONCERNED

**SUBJECT :** **GUIDELINES FOR THE IMPLEMENTATION OF THE PHILIPPINES-AUSTRALIA AGRITECH EDUCATION PROJECT (AGRITECH) STUDENT MICROPROJECT LOAN FUND (SMLF)**

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In accordance with the pertinent provisions of Republic Act (RA) No. 7722, otherwise known as the "Higher Education Act of 1994", and pursuant to the special provisions under the Philippines-Australia AGRITECH Project and the Memorandum of Agreement (MOA) between the Commission on Higher Education (CHED), the Department of Education, Culture and Sports-Educational Development Projects Implementing Task Force (DECS-EDPITAF) and the Australian Agency for International Development (AusAID) dated 01 February 2001, this Commission hereby adopts and promulgates the guidelines for the implementation of the SMLF for Provincial Technical Institutes of Agriculture (PTIAs). Consequently, all concerned are hereby informed, enjoined and directed thus:

**1. Coverage.**

These guidelines shall govern the administration and operation of the Student Microproject Loan Fund (SMLF).

**2. Purpose of the SMLF.**

The primary purpose of the SMLF is to provide opportunity to students enrolled in Diploma on Agricultural Technology (DAT)/ Bachelor of Agricultural Technology (BAT) to gain access to loan to enable them to finance and implement their microprojects which are required in their curriculum. The long-term objective is to develop the students into bankable agri-entrepreneurs.

The SMLF shall involve provision of a loan facility to the students which shall be directly administered by the participating PTIAs. The intended beneficiaries of this facility are students who are doing their microprojects as part of their curriculum.

### 3. Compositions, Functions and Responsibilities of the SMLF Oversight Committee, the PTIAs and CHED

#### A. SMLF Oversight Committee

##### A. 1. Composition

The SMLF Oversight Committee shall be composed of the following:

- a. Director, Office of Student Services, CHED
- b. Director, Administrative and Financial Services, CHED
- c. Representative, Provincial Technical Institute of Agriculture (PTIA)

##### A.2 Functions

- a. Determine and approve fund allocation and fund releases to participating institutions on an annual basis -, i.e. at the beginning of the semester based on the cashflow requirements of students. The loan fund allocation shall be based on: (a) the number of DAT/BAT students who would implement their microprojects in the incoming semester, and (b) loan repayment performance of the school during the preceding year.
- b. Monitor the performance of the participating PTIAs that would ensure the effective implementation of the program;
- c. Monitor the fund condition to ensure its judicious investment and management; and
- d. Provide appropriate action in consultation and coordination with the representative of the Bank and the PTIA.

#### B. Participating PTIAs

The participating PTIAs shall perform the following functions:

- a. Screen and process the loan application in accordance with the criteria;
- b. Enter into loan contracts with the student borrowers;
- c. Orient student borrowers and their parents/guardians on the regulations of the program;
- d. Submit to the SMLF Oversight Committee within two weeks after the closing of enrolment the list of eligible student borrowers together with a photocopy of their accomplished certificate of enrolment;
- e. Collect loan repayments from student borrowers which then shall be deposited in an authorized government depository bank;

- f. Submit to the SMLF Oversight Committee a semestral report on the status of the fund using the forms and procedures in the SMLF Manual; and
- g. Keep separate records of the fund subject to periodic ocular visit and evaluation by the SMLF Oversight Committee or their representatives.

#### C. Secretariat

The following employees of the Commission shall constitute the Secretariat staff for the SMLF Oversight Committee:

- a. Chief Accountant, Accounting Division;
- b. Chief, Scholarship and Study Grant Division;
- c. Senior Education Program Specialist; and
- d. Clerk III.

#### 4. **Qualification of Student Borrowers**

The student-borrowers should meet the following requirements:

- a. Must be currently enrolled in the DAT/BAT program of the school;
- b. Have successfully undergone appropriate practical training;
- c. Have an approved microproject proposal;
- d. Must agree to personally manage the project;
- e. Must present a credible guarantor willing to ensure repayment of the loan as scheduled;
- f. Must have attended the orientation called for the purpose; and
- g. Must be able to present documents as maybe required.

#### 5. **Loanable Amount**

The loanable amount that may be granted to qualified students depends upon their approved project proposal but not to exceed P10,000.00 per project within a year. No project with a cycle that exceeds 300 days shall be approved and considered for financing under the SMLF loan facility.

#### 6. **Mode of Payment and Interest Rate**

- a. A simple interest of 6% per annum on the loan shall be charged to the student-borrower upon payment of the loan.
- b. Loans for crop/livestock/poultry production projects shall be payable, including interest, at the end of the project cycle but not to exceed 300 days.

- c. Loans for trading/processing projects shall be payable, including interest in installments based on projected cash flow but loan maturity shall not exceed 300 days.
- d. In case of default on loan repayment, the guarantor, who is either a faculty or a parent/guardian, shall help the student-borrower find ways and means to facilitate payment.

**7. Grant Fund**


The participating PTIAs shall be allowed to use at most 50% of the 6% interest earned from the approved loan for students for monitoring/travelling expenses and incentive benefits of staff directly involved in the implementation of the SMLF.

**8. Effectivity**

These guidelines shall take effect starting School Year 2002 - 2003.

For proper guidance and compliance of all concerned.

SIGNED April 24, 2002, Pasig City, Philippines.

  
**ESTER ALBANO GARCIA**  
Chairperson