



Republic of the Philippines
OFFICE OF THE SECRETARY
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February 24, 2022

MEMORANDUM FOR THE SECRETARY

**THRU : Usec LEOCADIO S. SEBASTIAN, PhD
Chief-of-Staff**

FROM : NATIONAL PROGRAM DIRECTOR, SAAD

**SUBJECT : PREPARATION OF REPORTS FOR THE TRANSITION TO THE
INCOMING ADMINISTRATION**

In response to DA Memorandum Order No. 02, series of 2022, dated January 4, 2022, on the abovementioned subject, the Special Area for Agricultural Development (SAAD) Program is submitting its Status of Implementation from FY 2017-2022 (as of February 2022).

For queries, please contact Mr. Darwin A. Pamatmat at (02) 929 7349 or at local 2833/2834.

Thank you.

MYER G. MULA, PhD

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with empowered and prosperous farmers and fisherfolk*



Special Area for Agricultural Development (SAAD) Program Status of Implementation from FY 2017–2022 (as of February 2022)

Overview

SAAD program is a DA locally funded project that aims to help alleviate poverty alleviation on its covered areas from FY 2017 – 2022. It provides livelihood projects that varies from crops, livestock and fisheries. It also considers providing integrated projects from crops, livestock and fisheries as based on the validated need of its beneficiaries.

The program coverage was based on the PSA 2012 & 2015 Poverty Incidence and Island Equity scheme covering a total of 30 provinces across 11 regions specifically: CAR (Apayao, Mt. Province, Kalinga), 4B (Occidental Mindoro), 5 (Catanduanes, Sorsogon, Masbate), 6 (Negros Occidental, Antique), 7 (Negros Oriental, Siquijor, Bohol), 8 (Samar, E. Samar, N. Samar, Leyte, S. Leyte), 9 (Zamboanga del Norte, Sulu), 10 (Lanao del Sur, Lanao del Norte, Bukidnon, Misamis Occidental), 11 (Davao de Oro), 12 (Sarangani, N. Cotabato, Sultan Kudarat, Maguindanao) and 13 (Surigao del Sur, Agusan del Sur).

Implementation of the program is subdivided into two (2): Agriculture interventions under DA while Fishery interventions under BFAR. As such, the program created Program Management Offices on the Central, Regional and Provincial Offices across 11 regions of the Department.

As the program achieves its final year, resources were maximized to implement all its targeted livelihood projects and enterprises that will benefit its covered beneficiaries and communities. As such, the performance for the fiscal year 2021 was a combination of all its implementing units' /sectors efforts and current working conditions even during the pandemic.

FY 2021

Since the COVID-19 Pandemic started in 13 March 2020, all activities of the program were either delayed, reprogrammed or cancelled. Due to restrictions on borders, health protocols, management issues and other COVID-related issues, it became a day-to-day challenge for the program to smoothly execute its projects based on the plans it has initially provided. Nevertheless, in 2021 the program had provided adjustments to its implementation.

It is noteworthy that the projects and accomplishments of the fisheries sector fall off due to limited fund allocation affecting area of coverage. Such decrease was brought about by the different implementation system centered by the policy and guidelines of Agriculture vis-a-vis Fisheries.

a. Physical Performance

In total, the program was able to implement 613 livelihood projects for 8,881 individual and 1,418 group beneficiaries (45,617 members) across agriculture and fisheries sector (Table 1).

b. Financial Performance

Allocation. Total program allocation was Php 1.49 billion with 91.45% agriculture and 8.55% for fisheries (Table 1).

Table 1. FY 2021 Livelihood Projects implemented and Financial allocation per sector

Sector	Livelihood Projects Implemented	Beneficiaries			Total Fund Allocation (Php '000)	Obligation (Php '000)	%	Disbursement (Php '000)	%
		Individual	Group	Group Members					
Total	613	8,881	1,418	45,617	1,492,775	1,394,922	93.44	887,412	63.62
Agriculture	535	4,134	1,232	41,973	1,365,140 (91.45%)	1,267,845	92.87	799,228	63.04
Fisheries	78	4,747	186	3,644	127,635 (8.55%)	127,077	99.56	88,184	69.39

Obligation by Sector

Agriculture. Total obligation rate was tallied at 92.87% and 99.56% for disbursement. The unobligated balances of were primarily affected by the delayed or failed procurements due to lockdowns and non-supplier participation while its disbursement was affected by the late completion of distribution on livelihood projects causing low liquidation/repayment rate by the end user/regional office.

Fisheries. The Fisheries sector was able to obligate almost 100% of its funds late in 2nd semester. However, the disbursement rate is similar to the agriculture sector.

Factors to low fund utilization

More specifically, following are the reasons for low fund utilization:

- Lockdown of Regional Offices and confirmed positive cases hampering the processing of procurement documents;
- Pending deliveries due to border restrictions from Quarantine protocols of SAAD areas;
- Failed bidding due to no available qualified supplier or cannot supply the quantity indicated in the procurement request; and
- Challenges in the regional consolidated procurement.

2017-2021 Overall SAAD Performance and 2022 Allocation

a. FY 2017-2021 Financial Performance

A total of Php 6.85 billion was allocated for the agriculture and fisheries sector from 2017 until 2022. The SAAD financial performance reached 96% (Php 5.69 billion) in terms of Obligation as

of December 31, 2021. For disbursement, it was able to utilize 71.49% (Php 4.07 billion) from 2017 – 2020 obligated funds (Table 2).

Table 2. Overall Financial Accomplishment from 2017-2021 and 2022 GAA

Year	Allocation (Php million)	Utilization (%)	Disbursement (Php million)	Utilization (%)	Disbursement (Php million)	Utilization (%)	Disbursement (Php million)	Utilization (%)
2017	872,535.00	12.73	12.73	855,172.80	12.47	12.47	694,768.27	12.20
2018	991,268.00	14.46	27.19	936,392.69	13.66	26.13	648,735.93	11.39
2019	1,442,854.00	21.05	48.23	1,394,532.19	20.34	46.47	1,167,207.74	20.50
2020	1,132,615.88	16.52	64.75	1,112,964.60	16.23	62.71	672,455.32	11.81
2021	1,492,782.00	21.77	86.53	1,394,921.79	20.35	83.05	887,411.92	15.59
2022	923,789.00	13.47	100.00	-	-	-	-	-
TOTAL	6,855,843.88	100.00		5,693,984.08	83.05		4,070,579.18	71.49

FY 2022 Financial Projections

For the final year (2022), Php 923 million will be allocated to the agriculture only without any budget intended to the fisheries sector (Table 2). Because of reprioritization of funds for FY 2022 guided by Department of Budget and Management (DBM) National Budget Memorandum 140 or the Budget Priorities Framework for the Preparation of Agency FY 2022 Tier 2 Proposal, the agricultural funds were slashed by 470 million while the fisheries were not provided with funds (Figure 2).

b. Five-Year Financial Allocation vis-à-vis Utilization (2017-2021)

Figure 1 shows the overall annual financial allocation vis-à-vis utilization of the program. It may be observed that the funding allocation of the program was increasing, decreased mid-implementation then increased-decreased on the final 2 years. In general, the decrease in funds on the 4th year was due to the reduction of allocation for the fisheries sector.

FY 2017 - 2021 Overall Financial Performance and FY 2022 Allocation

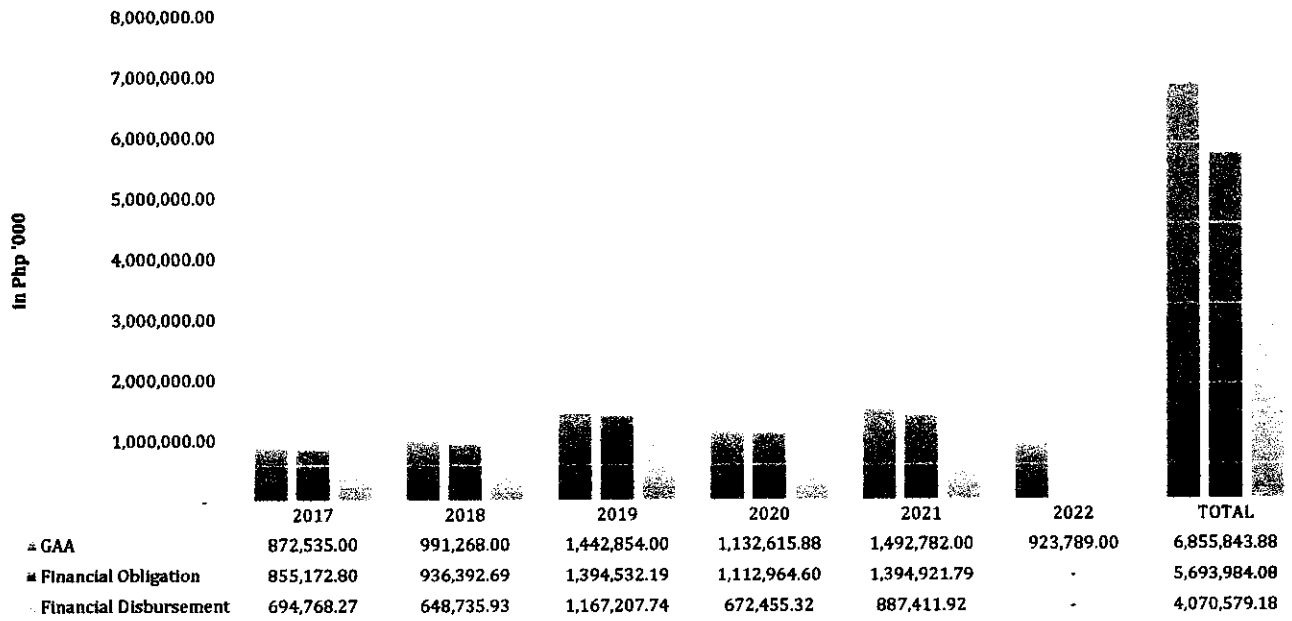


Figure 1: Annual Overall Financial Accomplishment for 2017–2021 and FY 2022 Allocation.

For FY 2017 - 2022, the program SAAD provided an aggregate amount of Php 6.85 billion (Figure 1 and Table 2). The decrease in budget allocation as compared thru the years is primarily affected by the fisheries sector’s non-approval of budget proposal for 2022. This was because of the 3-year implementation scheme approved by DBM that served as a reference for the sector’s funding.

In 2021, there was a 3.48% disparity from 2.04% disparity in 2020 (1.44% increase) primarily attributed to the effects of the pandemic which altered internal and external processes of the program (Figure 2). Similarities on COVID’s effects in 2020 to 2021 affected procurement processes and implementation of the program thru failed bidding, closure/lockdowns of offices, border restrictions among others.

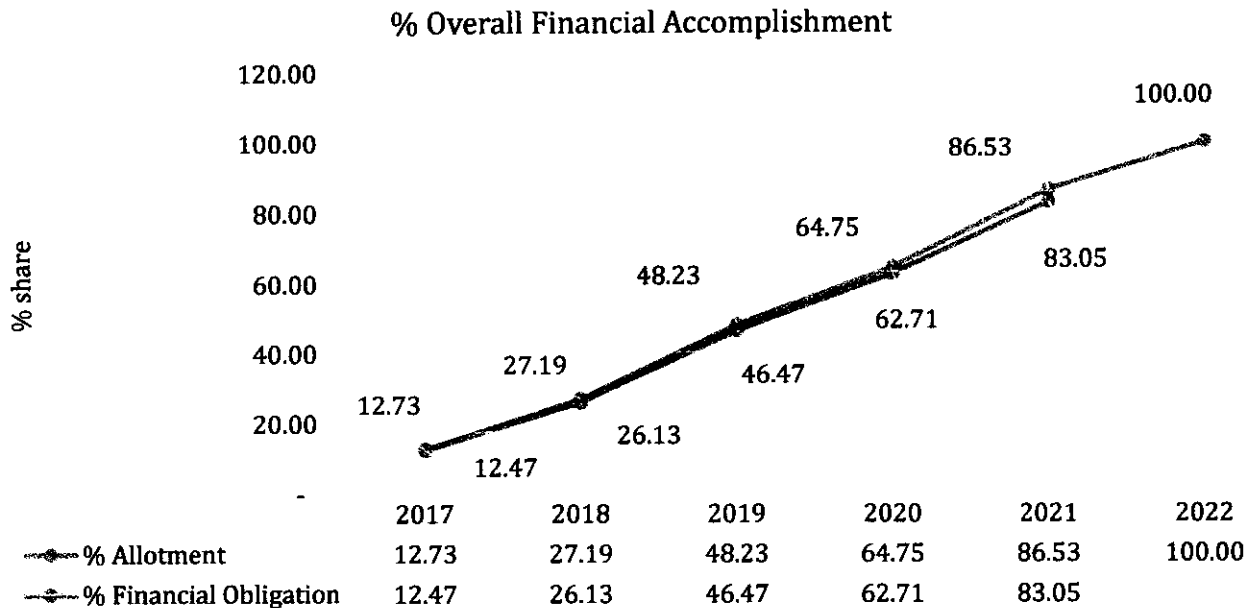


Figure 2. S-Curve: 2017 – 2021 Annual Financial Accomplishment and 2022 General Appropriations Act (GAA).

c. 2017-2021 Physical Performance

Attribution of the physical performance to the financial obligation reflects the relationship between the activities conducted by the program to its financial utilization. However, differences on the actual allocation per sector and percent share also affects the totality of its performance.

The program provides demand-driven or needs-based livelihood projects across agriculture and fisheries that aim to provide food on the table and additional source of stable income. For the past 5 years, the program was able to implement 1,942 livelihood projects with 143,229 individual and 4,852 group (138,121 members) farmer and fisherfolk beneficiaries (Table 3).

The percent physical accomplishment as to its financial obligation reflected 83.85% (81.49% for agriculture and 97.08% for fisheries). Though there was a huge disproportion between the performance of the two sectors, it was notable that agriculture had 83.68% financial allocation covering 2017 – 2022 as against to 16.32% of the fisheries sector covering FY 2017 – 2021. The difference of having an additional year of implementation (FY 2022) and allocation (Php 923 million) for agriculture as compared to fisheries that ended implementation in 2021 provided a huge gap between sectors but rather a conservative percentage when combined.

Table 3. FY 2017–2021 Overall Physical Accomplishment (Livelihood Projects Implemented)

	Number of Projects	Number of Beneficiaries	Number of Livelihood Projects	Number of Livelihood Projects (Targeted)	Value of Projects (Php Billions)	% Physical Accomplishment
TOTAL	1,942	143,229	4,852	138,121	6,855,843.88	83.85
Agriculture	1,456	105,149	3,730	112,087	5,736,777.08	81.49
Fisheries	486	38,080	1,122	26,034	1,119,066.80	97.08

*computed based on the total % physical accomplishment against the overall % obligation of FY 2017 - 2021

d. 2017-2021 Physical vis-à-vis Financial Accomplishments

Furthermore, the program has registered 83.85% against the 83.05% obligation (Figure 3). This means that the total accomplished livelihood projects were over the targeted projects intended for the obligated funds. The overaccomplishment was caused by reprogrammed and/or refocused projects that were formulated based on adjustment on the needs of beneficiaries and savings from procurement.

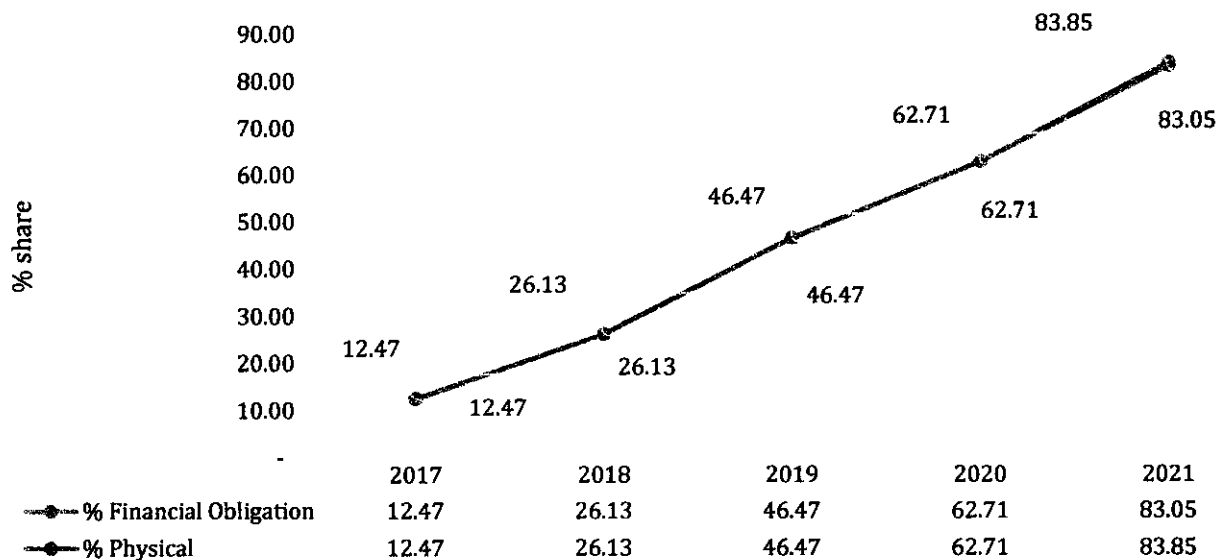


Figure 3. S-Curve: Physical accomplishment (%) based on financial obligation (%) for 2017–2021.

**Sectors Performance
(2017 to 2021 and 2022 GAA)**

a. Agriculture Sector

At the end of 2021, the program obligated Php 4.59 billion (80.09%) and disbursed a total of Php 3.32 billion (72.19%) as against the total (Php 5.74 billion) allocation (Table 4). Financial

utilization was primarily affected by the continuing pandemic hampering technical and administrative activities of the program.

Table 4. DA-SAAD Financial Accomplishment from 2017-2021 and 2022 GAA (Php'000).

Year	Financial Obligation	Physical Accomplishment	Financial Obligation	Financial Obligation	Financial Obligation	Financial Obligation	Financial Obligation	Financial Obligation
2017	721,268.00	12.57	12.57	703,921.92	12.27	12.27	583,344.54	12.70
2018	721,268.00	12.57	25.15	672,334.22	11.72	23.99	532,471.97	11.59
2019	1,069,854.00	18.65	43.79	1,024,095.48	17.85	41.84	871,945.10	18.98
2020	935,451.08	16.31	60.10	926,264.24	16.15	57.99	529,544.35	11.53
2021	1,365,147.00	23.80	83.90	1,267,845.00	22.10	80.09	799,228.32	17.40
2022	923,789.00	16.10	100.00	-	-	-	-	-
TOTAL	5,736,777.08	100.00		4,594,460.85	80.09		3,316,534.28	72.19

In terms of its physical accomplishment vis-à-vis its obligation for 2017–2021, the program has recorded 81.49% performance signifying that it was able to implement more than 100% of its interventions based on its obligated funds at the end of 2021 (Figure 4). This was a reflection of the programs reprogramming/refocusing of projects and utilization of savings to add livelihood projects and benefit more beneficiaries.

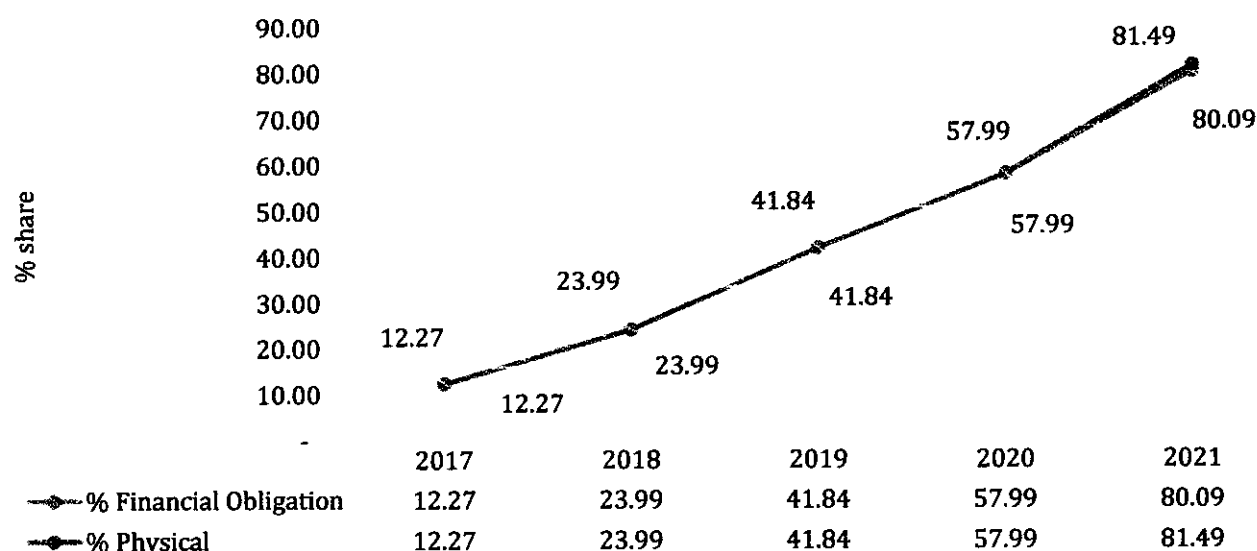


Figure 4. S-Curve: 2017–2021 DA SAAD Comparative Physical and Financial Obligation accomplishment

b. Fisheries Sector

The Fisheries sector's SAAD implementation focused on 3-year distribution of livelihood projects for each selected province. The scheme resulted to a reduction of budget allocation and non-allocation of fund in 2022 (Table 5).

The total financial allocation for fisheries from FY 2017 – 2021 was Php 1.11 billion. Utilization for obligation amounted to Php 1.09 billion (98.25%) and disbursement of Php 754 million (68.58%). The Fisheries sector have proposed for additional Php 500million in 2022 but it was not approved by the DBM. With this, the program's implementation in terms of provision of interventions ended in FY 2021.

Table 5. BFAR-SAAD Financial Accomplishment from 2017–2021

Year	Allocation (Php)	% Obligation	% Physical	Disbursement (Php)	% Obligation	% Physical	Disbursement (Php)	% Physical
2017	151,267.00	13.52	13.52	151,250.89	13.52	13.52	111,423.73	10.13
2018	270,000.00	24.13	37.64	264,058.47	23.60	37.11	116,263.96	10.57
2019	373,000.00	33.33	70.98	370,436.72	33.10	70.21	295,262.64	26.85
2020	197,164.80	17.62	88.59	186,700.36	16.68	86.90	142,910.97	13.00
2021	127,635.00	11.41	100.00	127,076.79	11.36	98.25	88,183.60	8.02
2022	-	-	-	-	-	-	-	-
TOTAL	1,119,066.80	100.00		1,099,523.22	98.25		754,044.90	68.58

Unlike in the previous years, the implementation of fisheries had a 1.17% difference from its physical accomplishment vis-à-vis its obligation (Figure 5). This was affected by procurement problems that delayed the project implementation. However, the remaining balance of the fisheries shall further be utilized until the end of 2022.

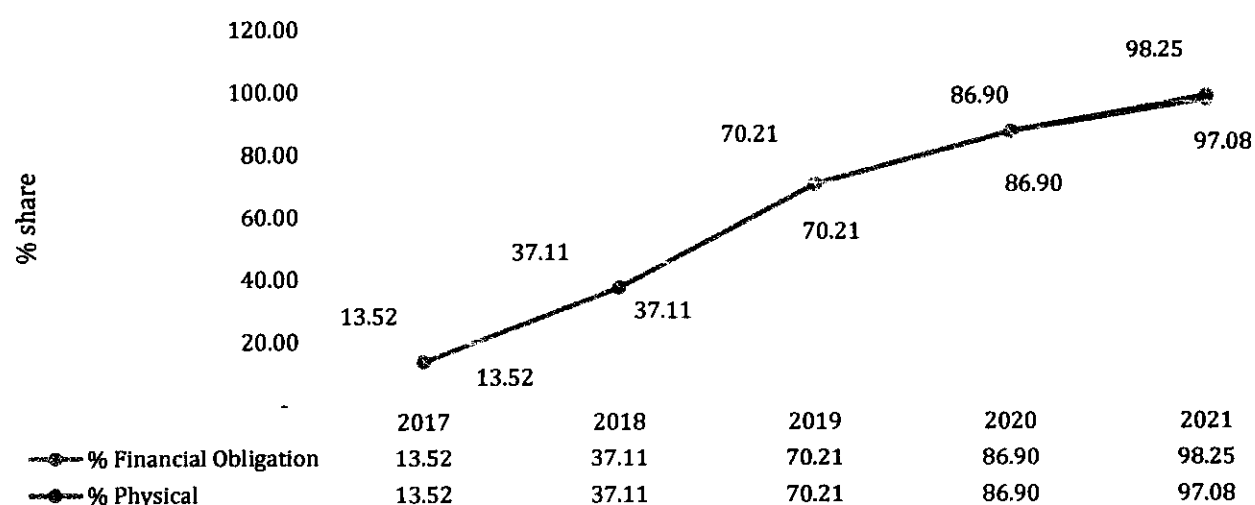


Figure 5. S-Curve: 2017–2021 BFAR-SAAD Comparative Physical Accomplishment vis-a-vis Financial Obligation.

FY 2022 Target Implementation

For the last year of implementation, the program was allocated with a total of Php923.78million. This allocation was only provided to the Agriculture since no allocation was provided to the Fisheries under FY 2022 GAA.

The program shall continue the implementation of Social Preparation that covers 523 capability building activities for 11,595 individual and 282 group (5,090 members) farmer beneficiaries. In addition, it shall implement 481 livelihood projects intended to benefit 1,398 groups with 38,427 farmer members.

As of February, the program's implementation is currently under procurement and shall proceed in March 2022.