



**JOINT DA-DILG-DBM MEMORANDUM CIRCULAR**

No. 01  
Series of 2006

**SUBJECT: GUIDELINES on LOCAL GOVERNMENT UNITS (LGUs)  
MEAT ESTABLISHMENT IMPROVEMENT PROGRAM  
(MEIP)**

WHEREAS, the Philippines envisions to be a major producer in Southeast Asia of meat and meat products from established and rehabilitated abattoirs that fall within the prescribed standards of the competent authority;

WHEREAS, Philippine Abattoir Development Master Plan underscores that almost 80% of abattoirs operating in the country is owned and operated by the Local Government Units (LGUs), of which 90% failed to comply with standard design, construction and installation of equipment;

WHEREAS, there is a need to rehabilitate and/or construct abattoirs and/or cluster some LGUs for the same purpose and make abattoir operation and maintenance viable;

WHEREAS, Section 12 of RA # 9296, also known as *The Meat Inspection Code of the Philippines* provides that the local government units shall endeavor to improve existing meat facilities to comply with national standards, and that the national government shall allocate funds as incentive equivalent to the funds available from LGUs for this purpose;

NOW, THEREFORE, WE, the respective Secretaries of the Department of Agriculture (DA), the Department of Interior & Local Government (DILG), the Department of Budget & Management (DBM), in accordance with the powers vested in us by law, do hereby issue this Circular on the guidelines on the Meat Establishment Improvement Program (MEIP).

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Section I  
**Definition of Terms**

For the purpose of this Circular, the following words or group of words shall be defined, as follows:

**Abattoir or slaughterhouse** – premises that are approved and registered by the competent authority in which food animals such as hogs, sheep, goats, cattle and carabao slaughtered for human consumption.

**Accredit** – the power of the National Meat Inspection Service (NMIS) to give authority to (a) any meat establishment engaged in the slaughtering operation, preparation, processing, manufacturing, storing, or canning of meat and meat products for commerce, (b) any importer, exporter, broker, trader or meat handler (c) any person, firm, corporation as provider of government services such as independent or third party service providers, or independent inspection or audit agencies.

**Administrative Overhead** – refers to costs incurred by the Technical Working Group (TWG) and Project Management Office (PMO) for the implementation of the project such as but not limited to traveling, supplies and materials, honoraria, representation, training and workshop and other miscellaneous expenses.

**Improvement** – modification in the physical state and operational procedure of existing facility to comply with the accreditation standards.

**Meat Establishment** – premises such as slaughterhouse, poultry dressing plant, meat processing plant, cold storage, warehouse and other meat outlets that are approved and registered by the National Meat Inspection Service in which food animals or meat products are slaughtered, prepared, processed, handled, packed or stored.


**Poultry Dressing Plant** – premises that are approved and registered by the controlling authority in which fowls such as chickens, ducks, pigeons, turkeys and quail dressed for human consumption.

**Rehabilitation** – restoration of the physical state and operations of non-functional facility to comply with the accreditation standards or to relocate existing facility to a site complying to the Comprehensive Land Use Plan (CLUP) and other requirements for construction of slaughterhouse.

**Total Project Cost (TPC)** – refers to the estimated amount in the construction or rehabilitation of abattoir facility which includes site development, building construction, equipment installation, provision of waste treatment system, provision of utilities such as water, electricity, communication and others, except for the land acquisition.

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**Section II**  
**Scope**

This Circular covers meat establishments such as slaughterhouse and poultry dressing plants (both regular and halal) owned and operated by City and Municipal Governments nationwide.

**Section III**  
**Qualification Criteria for LGUs in the Grant of Incentives**

1. Only Local Government Units that are willing to apply for accreditation are qualified for the availment of incentives in the rehabilitation/improvement of their slaughterhouse and poultry dressing plants.
2. The concerned LGU has a minimum daily slaughter of 20 heads for hogs or 5 heads of cattle/carabao for slaughterhouse or 1,000 heads of poultry for poultry dressing plants (PDP) as reported in the NMIS Data Base (MSTD) or the Bureau of Agricultural Statistics.
3. Priority recipients are LGUs, which
  - 3.1 have NOT been granted financial assistance from the National Abattoir Development Program (NADP), both funded under KR2 and GMA Livestock Program;
  - 3.2 have no private owned or operated meat establishment of the same type of meat establishment;
  - 3.3 could service its neighboring LGUs for the maximum utilization of the facility (clustering strategy).

**Section IV**  
**Application Procedure for Inclusion in MEIP**

The following are the chronological procedure in applying for financial assistance under the MEIP:

1. The LGU may seek technical assistance from DA-NMIS Regional Technical Operation Center (RTOC) for the preparation of the project proposal including advice on specification requirements of meat establishment project.
2. The LGU shall submit the proposal to the DA-NMIS RTOC using the attached concept paper (Annex A). A Sangguniang Bayan/Panglungsod Resolution requesting for availment of assistance and expressly authorizing the Mayor to enter into a Memorandum of Agreement (MOA) with the NMIS shall also be attached.

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3. The DA-NMIS RTOC shall organize the Regional TWG to assist the proponent LGUs in complying with the application requirements for the construction and/or rehabilitation of meat establishment project proposal.

3.1 The Regional TWG will review the estimated total project cost, with the objective of upgrading for NMIS accreditation and compliance to Good Manufacturing Practices (GMP), Standard Sanitary Operating Procedures (SSOP) and Hazard Analysis on Critical Control Points (HACCP) Programs.

3.2 The estimated total project cost (excluding land) shall be the basis of the 50:50 cost sharing agreement for the Memorandum of Agreement (MOA) execution between LGU and NMIS.

3.3 The Regional TWG will indorse to National TWG the completed project proposal.

4. The DA-NMIS will organize the National TWG to review all project proposal submitted through NMIS RTOC.

4.1 The National TWG will prepare the short list of priority recipient based on criteria and Philippine Abattoir Development Master Plan.

4.2 The TWG will also determine the compliance to NMIS standards on accreditation.

4.3 The NMIS Executive Director shall act as Chairman of National TWG and recommend the short list of recipients to the Meat Inspection Board (MIB).

5. The Secretary of DA, as Chairman of MIB shall approve the list of final recipients of the Program covered by appropriation for the current year, which will support the request for the release of funds from the DBM. All proposals not included shall be submitted to DBM as part of the budget proposal for the succeeding year funding in the General Appropriations Act (GAA).

6. The pre-qualified recipients shall be required to submit a certificate of the availability of funds duly signed by the Municipal Accountant for the LGU counterpart equivalent to 50% of the estimated total project cost.

7. The DA-NMIS through the PMO shall notify the LGU upon approval of their application for incentive under the MEIP.

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Section V  
Application Requirements of Project Proposal

The LGUs application for the construction and/or renovation/rehabilitation of meat establishment project proposal shall include the following:

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1. Machine copy of OCT/TCT of lot, deed of sale, lease contract or usufruct agreement showing right of occupancy on the land. For lease contract or usufruct agreement, the tenure of occupation should be minimum of 15 years.
2. Sangguniang Resolution stating the LGU's commitment to provide the 50% or half of the Total Project Cost.
3. Certification of the Municipal/City Zoning Officer that the proposed site conforms to their Comprehensive Land Use Plan (CLUP).
4. Machine copy of Environmental Clearance Certificate (ECC) application receiving copy or Certification that the proponent has completed the application requirements for ECC.
5. Complete set of engineering plan, that includes site development, building, equipment and waste treatment plant duly signed by concerned licensed engineering discipline.
6. Estimated total project cost covering architectural, structural, mechanical, electrical, waste treatment and management, site development and project management.
7. Recommendation duly endorsed by NMIS Regional Technical Director.

Section VI  
Availment Procedure

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The recipient shall agree to shoulder 50% of the total project cost of the meat establishment with the following procedures:

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- 1.1 The joint BAC created for this purpose composed of representatives from NMIS & LGUs, shall conduct the pre-qualification, evaluation of qualified bidders, bidding and awarding of winning bidder.
  - 1.2 Contract shall be entered into by the LGU recipient and NMIS with the winning bidder;
  - 1.3 That the contract shall specify that the 1<sup>st</sup> 50% of the contract cost shall be billed to the LGU;
  - 1.4 That the final 50% shall be billed to NMIS after due inspection/evaluation of the accomplishments;
  - 1.5 That final 50% shall be paid after certification from the contractor that he has been paid of the 50% contract cost and the project is finally accepted by the Head of the NMIS.
- 2 Upon completion, NMIS will turnover the project to recipient LGU, to be then recorded in the LGU books.

- 3 The LGUs shall agree to properly maintain the establishment and continually apply for accreditation with the NMIS.

**Section VII  
Implementation Strategy**

For the smooth and speedy implementation in the establishment/ upgrading of meat establishments under this Program, the following will be put in place:

1. The Meat Inspection Board (MIB) created pursuant to the Meat Inspection Code of the Philippines shall provide the policy directions in the implementation of MEIP. Also, the MIB makes the final approval of recipients for endorsement to DBM.
2. A Technical Working Group (TWG) shall be created both at the National and Regional levels to prepare the technical framework and requirements of the Program.
  - 2.1 The TWG National shall be the clearing house in determining the estimated total project cost, and also the overall evaluation of proposal.
  - 2.2 The National TWG will be composed of the following:

Team Leader :	DA-NMIS Executive Director
Members:	DBM representative DILG Representative NMIS Technical Support Staff
Secretariat:	Project Management Office

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The TWG Regional level will be responsible for the preliminary evaluation and monitoring of the implementation of the project.

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- 3.1 The Regional TWG will be composed of the following:

Team Leader:	DA-NMIS RTOC Representative
Members:	DBM-RO Representative DILG-RO Representative
- 3.2 The secretariat support of the Regional TWG will be provided by the NMIS-RTOC.
4. A Project Management Office (PMO) shall be created to manage the day-to-day operation of the Program. The PMO shall provide report and recommendation to the TWG and MIB for the approval of the proposal. Furthermore, the project funds will be administered by the DA-NMIS through the PMO.
5. The TWG and PMO shall be entitled to receive honoraria pursuant to pertinent provisions of the annual appropriation act chargeable against the administration overhead cost of the project.

6. The concerned LGUs will spearhead the implementation of slaughterhouse project funded under the Meat Establishment Improvement Plan. An Special Implementing Unit (SIU) attached to the Office of the Mayor will be created composed of the following:

Project Manager: City/Municipal Engineer, or designate  
Member: Local Budget Officer  
Local Planning & Development Coordinator  
Local Treasurer  
City/Municipal Veterinarian or Meat Inspector

Section VIII  
**Organization & Administration**

The Departments involved shall thereby issue separate Special Orders pursuant to this Memorandum Circular for the operationalization of the Technical Working Group (TWG) and personnel who will be detailed/assigned to the PMO.

The Administrative Overhead of the TWG and PMO shall be charged to the MEIP funds released to the DA-NMIS for this purpose which shall not exceed 5% of TPC.

Section IX  
**Effectivity**

This Order shall take effect upon approval of the concerned Departments.

Done in the Quezon City, this 17<sup>th</sup> day of October in the year of our Lord, two thousand and six.


  
**DOMINGO F. PANGANIBAN**  
Secretary, Department of Agriculture

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**RONALDO V. PUNO**  
Secretary, Department of Interior & Local Government

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**ROLANDO G. ANDAYA, JR.**  
Secretary, Department of Budget and Management

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Annex A

## CONCEPT PAPER

**Project Title:**

**Project Location:**

**Contact Person:**

Position/Designation:

Tel No:

Fax No:

Mobile No:

Email Address:

**Rationale/Background:**

- Current Condition of the slaughtering facility/service
- LGUs existing policies, ordinances and others related to the slaughterhouse project and meat inspection service
- Development directions or activities of LGU in support to the project and meat inspection service

**Technical Assessment of Project:**

- Current Capacity vs. Target Capacity of slaughterhouse facility (in hds/hr)
- Current livestock population
- Intended market areas

**Cost Requirement:**

- from the National Government
- from the LGU
- from private sector

**Implementation Schedule:**

**Beneficiaries:**

**Preparer:**

Position/Designation:

Contact No.:

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