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**IMPLEMENTING GUIDELINES
OF THE DEPARTMENT OF LABOR AND EMPLOYMENT
ADJUSTMENT MEASURES PROGRAM FOR WORKERS AND ENTERPRISES**

This Guidelines is issued to implement the Adjustment Measures Program of the Department of Labor and Employment (DOLE-AMP). It shall be referred to herein as the DOLE-AMP Guidelines or this Guidelines.

PART I. GENERAL PROVISIONS

Section 1. Program objective and coverage. The objective of the DOLE-AMP is to reduce or mitigate the vulnerability of workers and enterprises from economic disruptions, and thereby enhance their capacity for job preservation and generation, improve human resource and enterprise viability and resilience, raise levels of productivity and competitiveness, and actively contribute to the promotion of decent and sustainable work opportunities. For this purpose, the DOLE-AMP shall support projects to be implemented for the common benefit of workers and employers in micro, small and medium enterprises, in accordance with the requirements and conditions set forth in this Guidelines.

Section 2. Definitions. The terms as used in this Guidelines shall be understood as follows:

- a) "Accredited co-partner" or ACP refers to a juridical entity, whether private or public, which provides management, technical, consultancy, education or training services and which is deemed by DOLE to be qualified and eligible to implement a project for a proponent or beneficiary of the DOLE-AMP.
- b) "Adjustment measures" are activities intended to improve or upgrade the skills and competencies of workers and employees as well as to rehabilitate, restructure or enhance the transformative capacity of the enterprises in which they are employed amidst economic disruptions and emerging employment and business opportunities. These include but are not limited to measures to upgrade technical, professional and managerial knowledge, skills and competencies of workers and employees; promote efficiency and productivity through the modernization of work processes, operations and systems; facilitate access and sourcing of materials; develop or improve product quality; enhance marketing strategies and access; and help stimulate labor and product demand while preserving or enhancing the employment or employability of workers and employees.
- c) "Beneficiary" refers to workers or employees and the enterprise or group of

enterprises in which they are employed for whose advantage the objectives of the project are intended to redound.

- d) "Department of Labor and Employment" (DOLE) includes the DOLE Central Offices and Regional Offices and all agencies or offices attached to DOLE as provided by law or executive order.
- e) "Economic disruptions" refer to such events, occurrences, hazards or risks brought about by natural or man-made disasters and calamities, new technology, market shocks, industry or enterprise restructuring, policy or regulatory changes, among others, that cause or threaten to cause serious reduction or loss of employment and business, and for which adjustments measures are deemed necessary to prevent or mitigate losses, preserve or enhance the employment or employability of workers, and help ensure enterprise continuity and viability.
- f) "Employer" or "enterprise" refers to any natural person or juridical entity duly registered by the competent government authority which is engaged in a particular business and which employs workers, whether it be a single proprietorship, cooperative, partnership or corporation. In this Guidelines:
 - i) Micro enterprise is one employing less than 10 employees or which has up to Php 3 million asset size;
 - ii) Small enterprise is one with 10 to 99 employees or which has over Php 3 million to Php 15 million asset size;
 - iii) Medium enterprise is one with 100 to 199 employees or which has over Php 15 million to Php 100 million asset size; and
 - iv) Large enterprise is one with 200 or more employees or which has more than Php 100 million asset size.
- g) "Employer organization" or "business organization" refers to any juridical entity duly registered by the competent government authority which consists of a group or association of enterprises or employers. The term includes chambers of commerce, industry associations, management associations, federations of cooperatives or similar organizations whether operating at the national, regional or local level. An employer or business organization may be considered as an accredited co-partner for a project that it implements for its own members and their employees.
- h) "Equity" refers to the counterpart or contribution of the proponent and/or beneficiaries, capable of economic valuation or pecuniary estimation, which is directly contributory to or necessary in the accomplishment of the objectives of the project. Equity may be in the form of capital, assets, facilities, administrative costs including labor, operational and mobilization costs, and other similar resources dedicated to or directly used in the approved project without which the objectives thereof cannot be accomplished.
- i) "Legitimate labor organization" refers to any labor organization duly registered with DOLE, and includes any branch or local thereof. In this Guidelines, the term

includes an independently registered union, a local chapter, a federation of national union, a trade union center, or a workers' association primarily organized for the mutual aid and protection of its members duly registered with DOLE in accordance with the Labor Code and its applicable implementing rules and regulations. A legitimate labor organization may act as an accredited co-partner for a project that it implements for its own members.

- j) "Project" refers to an adjustment measure or a package of adjustment measures to be implemented within a specified period for the common benefit of employees or workers and the enterprise or enterprises in which they are employed. A project may be proposed and implemented by an accredited co-partner or by one or several qualified proponents for one or several beneficiaries in one or several phases.
- k) "Project Management Team" (PMT) refers to the team identified by the proponent and approved by DOLE with appropriate authority and the competence to assume responsibility for implementing, administering, managing and monitoring the project and performing such functions as may be necessary to accomplish the objectives thereof.
- l) "Proponent" refers to an employer or enterprise, an employer or business organization, a legitimate labor organization, or an accredited co-partner duly authorized to submit a project proposal and to implement, administer or manage an approved project. The term includes "co-proponent" in case the project has more than one proponent. The term is interchangeable with the term "beneficiary" where the proponent itself is also a beneficiary.
- m) "Regional Office" refers to any of the sixteen (16) Regional Offices of the DOLE.
- n) "Education and training subsidy" refers to the amount granted to support the enrollment of an employee beneficiary in a degree or certification course that will enhance his or her knowledge, skills and competence to perform new or expanded functions brought about by the business enhancement, adaptation and just transition measures implemented in an enterprise in accordance with this Guidelines.

PART II. PROGRAM DESIGN

Section 1. Program components. A project under the DOLE-AMP may consist of any or a combination of the following components:

- a) Capacity-building measures such as training to upgrade the technical, professional and managerial knowledge, skills and competencies of a targeted group or groups of employees, whether rank-and-file, supervisory or managerial, to help preserve or enhance their employment in the enterprise;
- b) Business enhancement and adaptation measures such as improvement of operational and management systems of the enterprise; reorganization of work processes and methods; acquisition and installation of tools, implements, facilities or technology-based and digital applications; introduction, installation and initialization of new technologies particularly those that support the creation of or shift to green and sustainable work

processes and jobs; and engagement of specialized consultancy and technical services necessary for these purposes;

- c) Just transition measures including education and training subsidy to support workers and employees in upgrading their skills, competencies and knowledge particularly in the fields of digitalization, sustainable work and business practices, science, technology, engineering, mathematics and management with the view of preserving or enhancing their employment and employability;
- d) Product development and innovation measures such as the setting up of physical facilities or technology applications to improve product quality and packaging, as well as to enhance access to markets and to supply and distribution chains; and
- e) Reward systems and productivity improvement measures including schemes and methods to operationalize productivity-gain sharing and performance-based incentives.

Section 2. Eligible proponents. An employer or enterprise, an employer or business organization, a legitimate labor organization, or an accredited co-partner may qualify as a proponent or as a co-proponent of a project under the DOLE-AMP.

Section 3. Modes of implementation. An approved project may be directly implemented by a qualified proponent, or through an accredited co-partner for the benefit of workers or employees in an enterprise or a group of employers and enterprises. In the latter case, the accredited co-partner may be also be a co-proponent of a project. The project may be implemented in one phase or several phases, as specified in the approved project proposal.

PART III. PROCEDURE AND REQUIREMENTS FOR AVAILMENT

Section 1. Application to access the DOLE-AMP. A project shall be initiated by the proponent through an application letter signifying its intent to avail of the DOLE-AMP. The application shall be signed by the duly authorized representative of the proponent and addressed to the Regional Office where the project shall be implemented.

If the project proposal consists of several parts to be implemented in different regions, the application shall be filed in the Regional Office where the initial or main part of the project shall be implemented and the DOLE Central Office through the Bureau of Local Employment (BLE), copy furnished the Regional Office or Offices where parts or phases of the proposed project shall also be implemented. Within five days from receipt of the application, the BLE shall constitute an *ad hoc* DOLE project team to review, evaluate and, where proper, approve the proposal.

Section 2. Contents of application. The application letter shall contain the following:

- a) Name/s, address/es and profile/s of the proponent/s;

- b) A brief description of the project and where it will be implemented, including the problem to be addressed and the adjustment measures needed for this purpose;
- c) The intended beneficiaries of the project, which must include workers or employees in the micro, small or medium enterprise or enterprises for which the project is to be implemented; and
- d) The officers who shall be accountable for the implementation and management of the project, including the members of the PMT.

The application letter shall be accompanied by an affidavit of qualification and eligibility executed by the proponent, supporting documents and a detailed project proposal.

Section 3. Affidavit of qualification and eligibility. The proponent shall submit an affidavit showing its qualification and eligibility to avail of the DOLE-AMP. For this purpose:

- a) The proponent shall state and certify that:
 - i. It has the requisite legal personality to access the DOLE-AMP, and that this status shall be maintained for the duration of the project;
 - ii. It is not subject of any pending case for revocation or cancellation of its registration or legal personality;
 - iii. It is compliant with general labor standards and occupational safety and health standards, and that it undertakes to remain so for the duration of the project;
 - iv. It has no outstanding obligations arising from final judgements in connection with previous violations of labor laws;
 - v. It has no unliquidated advances or accounts under any other DOLE program;
 - vi. It is not involved in any intra-corporate, intra-union, or intra-organization dispute that may impair or adversely affect its ability to implement or manage the project;
 - vii. It has a mechanism in place to ensure project continuity and orderly succession and transfer of responsibilities and accountability, should there be any change in its leadership or set of officers or the members of the PMT; and
 - viii. In case the project is to be implemented through a proponent seeking to be accredited as a co-partner, the proponent has the expertise, resources, demonstrated capacity and track record to provide the services of an accredited co-partner, with supporting relevant documents.

- b) As applicable or appropriate, the affidavit shall also include a declaration or disclosure on the following:
 - i. All past or on-going projects funded under any DOLE program and the status thereof;
 - ii. All pending project proposals or applications for funding submitted under any program of DOLE, including those of its attached agencies, other than the DOLE-AMP; and
 - iii. Any personal relationship by consanguinity or affinity within the fourth civil degree with any DOLE officer responsible for evaluating, recommending or approving the project proposal, or any actual or potential conflict of interest with any co-proponent, accredited co-partner or beneficiary.

Section 4. Supporting documents. The proponent shall submit certified true copies of the following supporting documents:

- a) Certificate of registration conferring legitimate status issued by the competent authority;
- b) Articles of incorporation, partnership or cooperation, as applicable;
- c) Duly-audited financial statement and tax returns of the proponent for the calendar year immediately preceding the filing of the project proposal, or other documents under oath evidencing the proponent's income or cash flow and overall financial state;
- d) Except where the proponent is a single proprietorship, a resolution of the appropriate general assembly, board, or committee authorized by the constitution or by-laws of the proponent to file the project proposal and, if such is approved, to assume and perform the duties and responsibilities arising therefrom;
- e) In case the project proposal involves an education or training subsidy, proof that the employee beneficiary is a regular employee of the enterprise and that the education or training institution is a degree-granting or certifying institution, and copy of the syllabus or prospectus of the course in which the worker or employee intends to enroll; and
- f) Such other documents, declarations, disclosures or undertakings that the Regional Office may require, as may be necessary and reasonable under the circumstances.

Section 5. Accreditation of co-partner; effects. An entity which intends to participate in the DOLE-AMP as an accredited co-partner to implement projects for a proponent or beneficiary shall submit an application for accreditation with the DOLE Central Office, through the Bureau of Local Employment (BLE), with the following supporting documents:

- a) The documents referred to under Section 3 a), b) and c) above;
- b) List of services offered; and
- c) List of projects completed over the previous two years immediately preceding the filing of application over last two previously completed, if any.

Upon due evaluation, the BLE shall issue a certificate of accreditation as co-partner in favor of the applicant, which shall be effective for two years unless earlier revoked for cause.

This provision shall not apply to government agencies, higher education institutions and technical and vocational education and training institutions created by law or authorized to operate as such by the appropriate regulatory authority. Such agencies or institutions are deemed as accredited co-partners by virtue of their charter on license, without prejudice to their compliance with the applicable qualification, eligibility and evaluation standards as prescribed in this Guidelines when they submit particular project proposals.

Section 6. *Content of project proposal.* The project proposal shall contain the following:

- a) Name/s, address/es and profiles of the proponent/s, with relevant documented proof of capacity to implement the project;
- b) The profile or profiles of the enterprise or enterprises in which the project is to be implemented, including the business name, business registration, place and nature of the business, names and addresses of the responsible officers, number of employees, and amount of capitalization;
- c) Names of the beneficiaries, which must include workers or employees in the enterprise or enterprises in which the project is to be implemented, and their respective position designations;
- d) Detailed description of the project, which shall include the following:
 - i. Purpose of the project which must be in line with the concept of the DOLE-AMP as stated in Part I, Section 1 of this Guidelines, supported by a needs assessment of the specific economic disruptions which the intended beneficiaries are faced, and an assessment of the specific adjustment measures needed to address these, consistent with Part II, Section 1 of this Guidelines.
 - ii. Amount and other forms of assistance requested;
 - iii. Equity of the proponent and/or beneficiaries, which must be equivalent to at least 20% of the total project cost or amount requested;
 - iv. Work and financial plan for the project, consisting of the activities to be undertaken and schedule of implementation, budget allocation for each activity, and the phases of the project as well as work and financial plan for each phase of the project if the project consists of more than one phase;

- v. Indicators of output and outcome, which can include the number of workers trained and capacitated with specific technical skills and competencies needed in the enterprise, target improvements in productivity and profitability, adoption of productivity gain-sharing schemes, installation of new systems, among others;
- vi. Members of the PMT, their addresses and profiles, relevant proof of their capacity to administer and manage the project, and the appropriate document authorizing them to perform as the PMT for the term of the project; provided that where the project is to be implemented for the benefit of employees belonging to a bargaining unit in an organized establishment, at least one member of the PMT shall be a representative nominated by the legitimate labor organization certified as the sole and exclusive bargaining agent of the employees in such bargaining unit.

Section 7. Evaluation of proposals. The Regional Office shall act on all project proposals within fifteen (15) days from receipt of the application letter with supporting documents. If the supporting documents are incomplete, the Regional Office shall return the application letter to the proponent, specifying the supporting documents that must be submitted for the application to be considered.

If the supporting documents are complete, the Regional Office shall evaluate the application, as follows:

- a) Verify the qualification and eligibility of the proponent and beneficiaries in accordance with Part III, Section 2 of this Guidelines, provided that:
 - i. In relation to Part III, Section 2 a). viii where the proponent seeks to be accredited as a co-partner, it must submit relevant proof that it has the expertise, resources, demonstrated capacity and track record to provide the services of an accredited co-partner;
 - ii. In relation to Part III, Section 2 b).i, the performance of the proponent in past or on-going projects funded under any DOLE program shall be taken into consideration in the approval or disapproval of the proposal;
 - iii. In relation to Part III, Section 2 b).ii, the pendency of project proposals or applications for funding submitted under any DOLE program shall be taken into account in determining the absorptive capacity of the proponent to implement the project, as well as the possibility of convergence with different projects to optimize their impact; and
 - iv. In relation to Part III, Section 2 b).iii, conflict of interest shall result in the disapproval of the proposal unless the proponent takes corrective, mitigating or preventive measures to remove the source of conflict of interest.
- b) Review and verify the content of the project proposal in accordance with Part III, Section 4 of this Guidelines. For this purpose, the Regional Office shall:
 - i. Validate the objectives and scope of the project;

- ii. Ensure that the identified adjustments measures are appropriate and relevant to the needs of the workers and the enterprise;
- iii. Evaluate the amount of funding requested and the work and financial plan, and determine the amount of assistance taking into account the nature of the activities and the absorptive and implementing capacity of the proponent and beneficiaries; provided that in relation to Part III, Section 4 d).ii and iv, the amount that can be used for consultancy services shall not exceed 20% of the total amount of assistance granted;
- iv. Ensure that the indicators and intended outcomes are clear, specific, measurable and time-bound;
- v. Establish the duration and period of implementation of the project, which in every case shall start within thirty (30) days from the execution of the MoA and shall be completed within one year from the start of implementation, unless a longer period is required based on the nature of the approved adjustment measure;
- vi. Validate the equity of the proponent and beneficiaries;
- vii. Conduct ocular inspection of the project site or sites and the facilities, tools or equipment to be used for the purpose of the project; and
- viii. Evaluate and verify the administrative and management capacity of the proponent and the members of the PMT.

Section 8. Action on the application. Immediately upon completion of the evaluation, the Regional Office shall notify the proponent of the approval or disapproval of the project proposal. A notice of disapproval shall succinctly state the grounds therefor. Disapproval is without prejudice to the submission of a modified or new proposal by the same proponent.

IV. PROJECT IMPLEMENTATION

Section 1. Implementing instrument. The Regional Director of the concerned Regional Office and the duly authorized representative of the proponent or accredited co-partner shall execute a Memorandum of Agreement (MoA) to implement an approved project. Where the project is to be implemented in several regions or by several proponents, the Regional Directors of all concerned Regional Offices and the duly authorized representatives of the proponents or accredited co-partner shall be co-signatories to the MoA. In every case, the approved project proposal shall form an integral part of the MoA.

Section 2. Content of the MoA; amount and conditions of assistance. The MoA shall include:

- a) The period and schedule of implementation and completion of the project, provided that no phase of a project shall have a completion period longer than one year from the start of actual implementation;

- b) The amount of assistance granted, which shall be such amount as is deemed reasonable and necessary to achieve the objectives of the project, subject to the following:
 - i. For projects intended for workers in one enterprise and to be implemented in one phase, up to PhP 500,000.00;
 - ii. For projects intended for workers in one enterprise to be implemented in two or more phases, up to PhP 1,000,000.00;
 - iii. For projects intended for workers in more than one enterprise, whether to be implemented in one phase or several phases, up to PhP 1,500,000.00 per phase; and
 - iv. For projects that include education and training subsidy, the amount shall not exceed the equivalent of eight (8) days of the basic salary of the employee-beneficiary per month and the actual amount of registration fees for the course in which the employee beneficiary is to be enrolled.
- c) In case the project is divided into two or more phases, the proponent shall submit the following prior to the release of subsequent tranches:
 - i. Progress and liquidation report, based on the work and financial plan; and
 - ii. A certification that the project is being implemented in accordance with the schedule contained in the approved project.
- d) In case of unauthorized deviations from the approved project or delays in the implementation timetable, no release of subsequent tranches shall be allowed unless correction or remedial action is taken, as approved by the Regional Office in accordance with Part IV, Section 3 e) and Section 4 c) of this Guidelines.

Section 3. Project administration; reporting requirements. The accredited co-partner or proponent shall be primarily responsible for the administration and implementation of the project. In the course of the project, the accredited co-partner or proponent shall ensure compliance with the terms and conditions of the MoA, the approved project proposal and this Guidelines. It shall:

- a) Submit progress and liquidation reports in accordance with the work and financial plan, or such other reports as may be required by the Regional Office;
- b) Within a reasonable time prior to or within ten (10) days from occurrence, notify the Regional Office of:
 - i. Any change of beneficiaries, including the names of the beneficiaries affected and the reasons for the change;
 - ii. Closure or suspension of business operations affecting the beneficiaries; and

- iii. Any change in the composition of the board of directors or responsible officers, management or ownership of the proponent, including the names of their successors.
- c) Secure prior approval of the Regional Office of any change in the composition of the PMT;
- d) Secure prior approval of the Regional Office of any planned adjustment or anticipated deviation from the work and financial plan; and
- e) Immediately notify the Regional Office of any unforeseen deviation or any event or incident that materially affects the implementation of the project, and submit for approval the corrective or remedial actions necessary under the circumstances.

Section 4. *Project supervision, monitoring and evaluation.* As administrator of the DOLE-AMP, the Regional Office shall ensure that the project is being implemented in accordance with the approved project proposal. For this purpose, the Regional Office shall:

- a) Oversee the implementation of the project and the performance of the PMT and provide technical guidance when requested or as may be necessary;
- b) Conduct regular monitoring activities, including site visits and ocular inspection;
- c) Review and evaluate progress reports submitted by the proponent, provide timely feedback and, as may be necessary, require the proponent to make and implement adjustments or corrective actions;
- d) Register beneficiary workers and enterprises or employers in the DOLE Public Employment Service Office Employment Information System (PESO-EIS);
- e) Evaluate the project completion report; and
- f) Conduct post-project assessment not earlier than one year after completion of the project.

In case the approved project consists of parts or phases implemented in several regions as referred to in Part III, Section 1, second paragraph, the BLE shall constitute an *ad hoc* project supervision team consisting of representatives from all the Regional Offices concerned to perform the above functions.

V. MISCELLANEOUS PROVISIONS

Section 1. *Amendment, suspension and pre-termination of project.* The proponent may request, upon specific and justifiable reasons, for the revision or amendment of the approved project proposal. The request shall be submitted to the Regional Office concerned which, in consultation with the concerned DOLE Central Office, shall act on the request within fifteen (15) days from receipt thereof. Any amendment or

revision shall be incorporated as supplement to the original MoA and shall form an integral part thereof.

The Regional Office, likewise in consultation with the concerned DOLE Central Office, may direct the suspension or pre-termination of the project, in whole or in part, on the ground of any fortuitous event that makes continuation of the project as approved impossible or impractical, or of any misrepresentation or violation of the requirements for eligibility and qualification under this Guidelines, or for any unauthorized and material deviation from the terms and conditions of this Guidelines, the MoA and the approved project proposal.

Section 2. *Standard forms.* The DOLE shall devise standards forms to facilitate access to the DOLE-AMP and to ensure efficient reporting on and monitoring of projects. Such standard forms shall be without prejudice to additional information that the Regional Office may require from the proponent based on the nature and scope of the project and the circumstances of its implementation.

Section 3. *Superseding clause and rule of interpretation.* This Guidelines supersedes all other and previous issuances on DOLE-AMP. This Guidelines and other guidelines on related DOLE programs shall be interpreted in a way that harmonizes their provisions. Nothing in this Guidelines shall be understood to exclude or diminish the opportunities of eligible proponents and beneficiaries to such other related programs, and *vice versa*.

Section 4. *Separability clause.* If any portion or provision of this Guidelines is declared invalid, illegal, unenforceable, void, or unconstitutional, the validity, legality, enforceability, or constitutionality of the remaining portions or provisions thereof shall not in any way be affected or impaired by such declaration.

Section 5. *Effectivity.* This Guidelines shall take effect after fifteen (15) days from its publication in a newspaper of general circulation.


BIENVENIDO E. LAQUESMA
Secretary



Department of Labor and Employment
Office of the Secretary



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