

Republic of the Philippines  
Province of Davao del Norte  
CITY OF TAGUM

**BEFORE THE 4<sup>TH</sup> CITY COUNCIL**

**EXCERPT FROM THE MINUTES OF THE 76<sup>TH</sup> REGULAR SESSION OF THE SANGGUNIANG PANLUNGSOD OF THE CITY OF TAGUM, PROVINCE OF DAVAO DEL NORTE HELD ON JANUARY 12, 2009 AT THE SP SESSION HALL.**

**PRESENT:**

Hon. ALLAN L. RELLON, MPA,	City Vice Mayor (Presiding Officer)
Hon. MARIA LINA F. BAURA,	Member
Hon. ROBERT L. SO,	Member
Hon. DE CARLO L. UY,	Member
Hon. RAYMOND JOEY D. MILLAN,	Member
Hon. VICENTE C. ELIOT, SR.,	Member
Hon. JOEDEL T. CAASI,	Member
Hon. NICANDRO T. SUAYBAGUIO, JR.,	Member
Hon. REYNALDO T. SALVE,	Member
Hon. FRANCISCO C. REMITAR,	Member
Hon. CYRIL LEONARD L. MURING,	Member (SKF Representative)
Hon. ALFREDO R. PAGDILAO,	Member (ABC Representative)

**ON OFFICIAL BUSINESS:**

Hon. ALAN D. ZULUETA,	Member
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**RESOLUTION NO. 615, S-2009**

**A RESOLUTION AUTHORIZING THE LOCAL CHIEF EXECUTIVE, HON. REY T. UY TO ENTER INTO AND SIGN FOR AND IN BEHALF OF THE CITY GOVERNMENT OF TAGUM A MEMORANDUM OF AGREEMENT WITH THE DEVELOPMENT BANK OF THE PHILIPPINES FOR THE JOINT IMPLEMENTATION OF THE DBP FOREST PROGRAM ALONG THE TANGKUAN CREEK IN BARANGAY BINCUNGAN, TAGUM CITY.**

**WHEREAS**, three of the major thrusts of the City Government of Tagum are: Environmental Protection & Preservation, Food Security & Sufficiency and Job Generation & Poverty Alleviation;

**WHEREAS**, these approaches that are being practiced by the Local Government Unit aims to bring about a balanced development of the city and assure the residents of a secure, sustainable, dynamic and prosperous living condition for the present and future generations of Tagumeños;

**WHEREAS**, the Development Bank of the Philippines, a government owned and controlled corporation, is committed to increase its contribution to the conservation and protection of the environment and to simultaneously stimulate rural productivity;

**WHEREAS**, DBP has established a new program called the "DBP FOREST" which supports and encourages the forestation of open areas in non privately-owned lands through the planting and cultivation of relatively high-value trees and plants, the rehabilitation of coastal areas by planting and cultivating mangroves and sea grass, through partnerships with target partners and beneficiaries;

**WHEREAS**, since the Core Values and Beliefs of DBP and the sense of responsibility and accountability of city government are in congruent with one another, there is a need for the Sangguniang Panlungsod of Tagum to pass a resolution relative to the smooth implementation of the DBP Program;

**NOW THEREFORE**, be it resolved by the Sangguniang Panlungsod to authorize the Local Chief Executive, Hon. Rey T. Uy to enter into and sign for and in behalf of the City Government of Tagum a Memorandum of Agreement with the Development Bank of the Philippines for the joint implementation of the DBP Forest Program along the Tangkuan Creek in Barangay Bincungan, Tagum City.

**RESOLVED FURTHER**, that the full text of the Memorandum of Agreement shall be read as follows:

### **MEMORANDUM OF AGREEMENT**

#### **KNOW ALL MEN BY THESE PRESENTS:**

This MEMORANDUM OF AGREEMENT (the "MOA", for brevity) made and executed on this \_\_\_\_ day of \_\_\_\_\_ at the City of Tagum, Province of Davao del Norte, by and between:

The DEVELOPMENT BANK OF THE PHILIPPINES, a government financial institution duly organized and existing under and by virtue of Executive Order No. 81 dated December 3, 1986, as amended by Republic Act No. 8523 dated February 14, 1998, with principal office at the DBP Building, Sen. Gil J. Puyat Avenue corner Makati Avenue, Makati City, Philippines, duly represented herein by its President and Chief Executive Officer REYNALDO G. DAVID, and hereinafter referred to as "DBP";

-and-

The CITY OF TAGUM, a duly organized and existing local government unit under and by virtue of existing Philippine laws with principal address at Rizal St., Magugpo Poblacion, Tagum City (hereinafter referred to as the "PARTNER"), represented herein by its Mayor, Hon. REY T.UY.

WITNESSETH, That:

WHEREAS, DBP is committed to increase its contribution to the conservation and protection of the environment and to simultaneously stimulate rural productivity;

WHEREAS, cognizant that it is the environment which sustains growth, DBP believes that communities can be assisted in achieving growth by improving the environment through the prevention of soil erosion, conservation of water, and the protection of terrestrial and marine life and its natural habitat;

WHEREAS, DBP has established a new program called the "DBP Forest" which supports and encourages the forestation of open areas in non privately-owned lands through the planting and cultivation of relatively high-value trees and plants, the rehabilitation of coastal areas by planting and cultivating mangroves and sea grass, through partnerships with target partners and beneficiaries;

WHEREAS, the PARTNER is authorized to use certain areas of the watershed, ISF/CBFM Project and mangroves under "co-management schemes" with the DENR as sites of the DBP Forest for the benefit of the people's organization/cooperatives of communities living adjacent to this area;

WHEREAS, the site offered for development by the PARTNER to DBP under the DBP Forest is briefly described as follows:

Located : along the Tangkuan Creek located along the national road (Km. 46) of Barangay Bincungan, Tagum City

Size : 10 hectares (coastal)

Tenurial Instrument/  
Date of Issue : Local Government Code of 1991 (RA 7160) and the Fisheries Code of 1998 (RA 8550) mandate the management and control of coastal as well as mangrove areas with the LGUs.

Description : The project is located along the periphery of Tangkuan Creek that traverses the national road, specifically Km. 46 (from Davao City) of Barangay Bincungan, City of Tagum, with an area of ten

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(10) hectares. At the side of the creek, 5 hectares will be planted with various species of mangrove at 1 meter x 1 meter spacing and another 5 hectares at 2 meters x 2 meters spacing to be planted in the islet area near the bridge equivalent to a total of 62,500 pieces. Mangrove species for planting include Api-api, bakauan babae, bacauan lalaki, bungalon-puti, malatangal, pagatpat and pedada.

The slope of the sites ranges from 0 – 3% which can be described as flat to nearly level.

The existing vegetation is composed of some mangrove species (bakauan lalaki, bakauan babae, tinduk-tindukan, pedada, nipa and including grasses that usually dominate in open areas.

(the above-described site is to be hereinafter referred to as the "Site");

WHEREAS, DBP is willing to adopt the Site for project under the DBP Forest subject to the terms and conditions of this MOA;

NOW THEREFORE, for and in consideration of the foregoing premises and of the mutual covenants herein set forth, the parties hereby agree as follows:

SECTION 1. JOINT RESPONSIBILITIES OF DBP and PARTNERS

- (i) DBP and PARTNER shall identify and agree on the areas to be developed under the DBP Forest on or before the execution of this MOA.
- (ii) DBP and the PARTNER preferably with the participation of the Department of Environment and Natural Resources (the "DENR", for brevity) shall monitor periodically the physical accomplishments – planting stocks/species delivered, planted and survival growth, area planted; and the environmental and socio-economic impact – enhanced forest cover, etc., and submit periodically a report or reports thereon.
- (iii) DBP and the PARTNER shall execute, sign and deliver any and all other legal documents as may be needed in connection with any and all transactions contemplated by, and/or directly related to, this MOA, and/or to accomplish the objectives of the DBP Forest.
- (iv) DBP and the PARTNER shall explore opportunities for Clean Development Mechanism (CDM).

SECTION 2. RESPONSIBILITIES OF DBP

DBP shall:

- (i) Conduct training/planning sessions with the PARTNER prior to start of actual project implementation for the purpose of thoroughly explaining to the PARTNER the philosophy of the DBP Forest project to ensure that roles and responsibilities as well as the limitations of the DBP Forest project assistance of DBP, are clarified to, and well understood by, the PARTNER.
- (ii) Provide funds for the purchase and delivery of a specific number of planting stocks per species, administrative and maintenance expenses as may be included in the approved planting and maintenance plan to the PARTNER for use at the Site which, in any case, shall be subject to Circular No. 16 dated October 1, 2007 on the Guidelines in the Implementation of the Revised DBP Forest Program;

In this connection, DBP shall release the funding for the project pursuant to the DBP – approved Project Evaluation and Endorsement Report (PEER) which is based on the Planting and Maintenance Plan (PMP) to be submitted by the PARTNER. The PEER shall form an integral part of the MOA.

- (iii) Review the planting and maintenance plan (the “PMP”, for brevity) of the PARTNER; said PMP shall form an integral part of this MOA; and
- (iv) Ensure that suppliers of planting stocks are accredited by the Bureau of Plant Industry and/or appropriate government agencies and DBP.

### SECTION 3. RESPONSIBILITIES OF PARTNER

The PARTNER, in close coordination with the DENR Region XI Office, PENRO-Davao del Norte and CENRO Tagum City, shall:

- (i) Prepare the Planting and Maintenance Plan (PMP), and accordingly implement the same as submitted to and approved by DBP;
- (ii) Provide plantation areas for the DBP Forest project and allow DBP to call the Site as the “DBP Forest Project in Partnership with the City of Tagum.”;
- (iii) Undertake site preparation, actual planting, maintenance, replanting (if needed), at its own expense;
- (iv) Undertake and submit to DBP the project site baseline information (e.g. watershed conditions and/or soil erosion rate, number and species of existing trees, existing economic activities, current income of intended beneficiaries, etc.)
- (v) Monitor periodically the survival and growth of the planted species and submit a report or reports thereon to DBP regularly;
- (vi) Administer, utilize and dispose of the funds for this particular DBP Forest Project pursuant to existing DBP rules/policies thereon;
- (vii) Undertake production of additional planting stocks through a sexual propagation; production of compost/organic fertilizer, and pest control at its own expense;
- (viii) Allow access to the Site and fully cooperate with DBP and DENR in the various activities of the DBP Forest project. The responsibilities of the PARTNER under this MOA shall pertain and be with respect to the Site as indicated in the Fifth WHEREAS clause above.

The DBP – approved Project Evaluation and Endorsement Report (PEER) based on the submitted PMP shall form an integral part of the MOA.

### SECTION 4. DEFAULT

- (i) Failure to buy planting stocks from a DBP-accredited supplier;
- (ii) Delivered plants being given to unintended recipients for planting or for any other purpose;
- (iii) Bloated cost of planting stocks or connivance with supplier;
- (iv) Contracting supplier with comparatively higher cost or poorer quality of planting stocks than any other nursery suppliers;

- (v) Poor screening or choice of supplier;
- (vi) Unaccounted expenses of delivered plants or planting and maintenance; and
- (vii) Other forms of dishonesty on the part of the Forest PARTNER and/or its transacting personnel.

SECTION 5. REMEDIES

In the event of default on the part of the PARTNER or its non-compliance and/or breach of the terms and conditions of the MOA, DBP shall be entitled to the following remedies which it may exercise simultaneously or cumulatively:

- (i) Termination of the MOA;
- (ii) Claim reimbursement of funds used in the purchase of overpriced stocks, stocks of inferior quality, delivery of plants of unintended recipients or for other purposes; and
- (iii) Claim damages arising from any fraudulent and/or dishonest act, mismanagement of funds and/or other similar circumstances.

SECTION 6. TERM OF EFFECTIVITY

This MOA shall take effect upon the signing of all the parties hereto and shall continue thereafter until otherwise amended, modified, or supplemented in writing by both parties, upon written request of either party. It may be terminated upon written notice by either party to the other at least sixty (60) days prior to the intended date of termination.

SECTION 7. VENUE AND GOVERNING LAW

All disputes, controversies and claims arising out of or in connection with this Agreement shall be filed exclusively with the proper court of Makati City, Philippines, to the exclusion of all other venues and shall be governed and construed in accordance with the laws of the Philippines.

IN WITNESS WHEREOF, the parties hereto have caused this MOA to be executed by their respective authorized signatories on the date and at the place first mentioned above.

DEVELOPMENT BANK OF THE PHILIPPINES  
(DBP)

CITY OF TAGUM  
(PARTNER)

\_\_\_\_\_  
REYNALDO G. DAVID  
President and Chief Executive Officer

\_\_\_\_\_  
REY T. UY  
City Mayor

Signed in the presence of:

\_\_\_\_\_  
B. BRILLO L. REYNES  
Senior Vice President, DBP

\_\_\_\_\_  
Regional Executive Officer  
DENR, Region XI

A C K N O W L E D G M E N T

Republic of the Philippines)  
Makati City, metro Manila )

BEFORE ME, a Notary Public in and for the abovementioned locality, on this \_\_\_\_ day of \_\_\_\_\_, 2009, personally appeared:

Name	Competent Evidence of Identity & CTC No.	Date/Place Issued
Reynaldo G. David	19440244	Jan.4, 2008/Makati City

Known to me and to me known to be the same person who executed the foregoing Memorandum of Agreement which consists of seven (7) pages including this notarial acknowledgment, signed by the party and his witness, and acknowledged to me that the same is their free and voluntary act and deed as well as the free and voluntary act and deed of the juridical entities they represent for the purpose stated therein.

WITNESS MY HAND AND SEAL on the date and at the place first mentioned herein.

Doc. No. \_\_\_\_  
Book No. \_\_\_\_  
Page No. \_\_\_\_  
Series of 2009.

**CARRIED AND APPROVED.**

**I HEREBY CERTIFY** to the correctness of the foregoing.

**(Sgd) REY A. BUHION**  
**Secretary to the Sanggunian**

**ATTESTED AND CERTIFIED  
TO BE DULY ADOPTED:**

**(Sgd) ALLAN L. RELLON, MPA**  
**City Vice Mayor**  
**(Presiding Officer)**

*fname: RN61509*  
*ffm\*\*\**