

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

BEFORE THE 5TH CITY COUNCIL

EXCERPT FROM THE MINUTES OF THE 30TH REGULAR SESSION OF THE SANGGUNIANG PANLUNGSOD OF THE CITY OF TAGUM, PROVINCE OF DAVAO DEL NORTE HELD ON FEBRUARY 07, 2011 AT THE SP SESSION HALL.

PRESENT:

Hon. ALLAN L. RELLON, MPA,	City Vice Mayor (Presiding Officer)
Hon. DE CARLO L. UY,	Member
Hon. MARIA LINA F. BAURA,	Member
Hon. NICANDRO T. SUAYBAGUIO, JR.,	Member
Hon. JOEDEL T. CAASI,	Member
Hon. OSCAR M. BERMUDEZ,	Member
Hon. ALAN D. ZULUETA,	Member
Hon. GETERITO T. GEMENTIZA,	Member
Hon. TRISTAN ROYCE R. AALA,	Member
Hon. FRANCISCO C. REMITAR,	Member
Hon. ALFREDO R. PAGDILAO,	Member (ABC Representative)

ON OFFICIAL BUSINESS:

Hon. JACQUELINE GRACE Q. EDULLANTES,	Member (SKF Representative)
--------------------------------------	-----------------------------

ON LEAVE:

Hon. ROBERT L. SO,	Member
--------------------	--------

RESOLUTION NO. 249, s-2011

“A RESOLUTION AUTHORIZING THE CITY MAYOR, HON. REY T. UY, TO SIGN FOR AND IN BEHALF OF THE CITY GOVERNMENT OF TAGUM FOR THE IMPLEMENTATION MANAGEMENT AGREEMENT (IMA) OF THE MEMORANDUM OF AGREEMENT (MOA) BETWEEN THE CITY GOVERNMENT OF TAGUM AND THE DEPARTMENT OF AGRICULTURE.”

WHEREAS, it is the basic policy of the government to ensure the expeditious delivery of services to the people, particularly in those areas where social and economic conditions are unfavorable thereby accelerating economic development and strengthen peace and security in the area;

WHEREAS, the MRDP is designed as a series of four Adaptable Program Loans (APLs) that is funded jointly by the National Government, the Local Government Units(LGUs), beneficiaries and the International Bank for Reconstruction and Development;

WHEREAS, the Local Government Unit (LGU) of Tagum City has demonstrated capability to undertake the said projects and willing to abide the stipulated conditions;

NOW THEREFORE, be it resolved by the 5th City Council of Tagum to authorize the City Mayor, Hon. Rey T. Uy to sign for and in behalf of the City Government of Tagum for the Implementation Management Agreement (IMA) of the Memorandum of Agreement (MOA) between the City Government of Tagum and the Department of Agriculture (DA).

RESOLVED FURTHER, that the full text of the Implementation Management Agreement shall be read as follows:

IMPLEMENTATION MANAGEMENT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This **IMPLEMENTATION MANAGEMENT AGREEMENT**, with its Schedules 1 to 9 forming an integral part hereof, made and entered into this _____, at Davao City, Philippines, by and between:

The **DEPARTMENT OF AGRICULTURE (DA)** representing the Republic of the Philippines, with principal address at Elliptical Road Diliman, Quezon City, represented by **PROCESO J. ALCALA**, Secretary, and hereinafter referred to as the “DA”.

- and -

The **CITY OF TAGUM**, Davao del Norte Province, a Local Government Unit of the Republic of the Philippines, with principal address at Rizal Street, Magugpo Poblacion, Tagum City, represented herein by its City Mayor, **Hon. REY T. UY**, and hereinafter referred to as the “LGU”.

-over-

- WITNESSETH -

WHEREAS, the Medium-Term Philippine Development Plan (MTPDP) provides for expanded responsibilities of Local Government Units (LGUs) to support rural infrastructure sub-projects in order to improve access to basic rural infrastructure services by the rural communities in Mindanao and to address diverse investment priorities of rural communities, consisting of financing of Community Fund for Agricultural Development (CFAD) sub-project and respond to local priorities including food security interventions, livelihood and other alternative income-generating activities;

WHEREAS, the Local Government Code rationalizes the need for restructuring and upgrading the local government capabilities through direct project implementation in collaboration with National Government Agencies (NGAs) and the private sector;

WHEREAS, the Government of the Philippines (GOP) has obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD-WB), amounting to EIGHTY THREE MILLION SEVEN HUNDRED FIFTY TWO THOUSAND DOLLARS (US\$83,752,000.00) for the purpose of financing the "Mindanao Rural Development Program (MRDP), Adaptable Program Loan (APL) 2" to support the Government's effort to reduce poverty among the rural communities in Mindanao;

WHEREAS, all funds concerning the implementation of Rural Infrastructure sub-project component and Community Fund for Agricultural Development (CFAD) sub-project will be coursed through and maintained by the Municipal Development Fund Office (MDFO) of the Department of Finance and will be made available to project LGUs;

WHEREAS, the MRDP is designed as a series of four Adaptable Program Loans (APLs), the first APL of the MRDP (MRDP - APL1) conducted from 2000 to 2004 initiated approaches and processes in engaging rural communities, local government units (LGUs), and national government agencies in planning, designing and implementing rural development programs;

WHEREAS, MRDP – APL 1 triggered improvements in incomes and food security of households through better-targeted and sustainable agriculture and fisheries-related rural development and marine biodiversity conservation programs as well as enhanced LGU institutional technical, management and financial capabilities and systems;

WHEREAS, the implementation of the second APL of MRDP (MRDP – APL 2) with IBRD Loan Number 7440-PH, covering 225 municipalities and cities in 27 provinces of Mindanao is planned from 2007 to 2012;

WHEREAS, the Local Government Code of 1991 extends genuine and meaningful local autonomy to the LGUs to enable them to attain their fullest development as self-reliant communities and to make them more effective partners in the attainment of national goals;

WHEREAS, the Local Government Code of 1991 devolves the DA function - the provision of agricultural support services, agricultural extension and on-site research services and facilities to the LGUs;

WHEREAS, the City of Tagum has submitted a package of: provision of Livelihood, Post Harvest Facilities under CFAD; and, Rural Infrastructure Sub-projects, through the RPCO- XI as stated in Schedule 1;

WHEREAS, upon evaluation of the technical, financial, economic, social and environmental merits of the sub-projects, the Regional Project Advisory Board as confirmed by the PSO has approved this part financing under MRDP 2 with the agreement that the Municipality shall put-up Local Counterpart Funds to finance the remaining portion of the sub-project as contained in Schedule 2 of this Agreement;

WHEREAS, the DA and the LGU committed to perform actions as set out in this Implementation Management Agreement (IMA) (hereinafter referred to as the "Agreement") to ensure the successful implementation of the sub-project, and thus achieve the Project's desired objectives;

WHEREAS, the LGU through Sangguniang Resolution __Series of__ dated _____, authorized the Mayor/Governor to sign this Agreement and commit the LGU to the provisions therein;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties thereto hereby agree as follows:

ARTICLE I. GENERAL CONDITIONS: DEFINITION OF TERMS

Section 1.00 Unless the context otherwise requires, the following terms whenever used in this agreement shall have the following meaning:

- (a) Mindanao Rural Development Program (MRDP) - a poverty reduction program which aims to improve the incomes and food security of the rural poor and indigenous communities in Mindanao;
- (b) Municipal Local Government Unit (LGU) – a political corporate body which is endowed with the facilities of a municipal corporation, exercised by and through the municipal government in conformity with law. It is a subsidiary of the province which consists of a number of barangays within its territorial boundaries, one of which is the seat of government found at the town proper (poblacion).
- (c) Program Support Office (PSO) – The office that is tasked in supporting the Regional Program Coordination Offices. Promote cohesion and synergy in the planning and implementation of project activities among the six RPCOs;
- (d) Regional Program Coordination Office (RPCO) – a team organized at the DA-Regional Field Units that has a lead role in coordinating the overall implementation of Program activities at the local level;
- (e) Community Fund for Agricultural Development (CFAD) - carrying out a program to address diverse investment priorities of rural communities, consisting of financing of sub-projects which meet community preferences and respond to local priorities, including food security interventions, community managed livelihood and agribusiness activities, alternative income-generating activities, and small infrastructure;
- (f) Municipal Development Fund Office (MDFO) - created under Executive Order No. 41 dated 20 November 1998 to manage, among other functions, the Municipal Development Fund created under P.D. 1914 capitalized and funded by proceeds of foreign loans, assistance or grants, loan amortization/repayments and any domestically sourced funds to be made available to LGUs for duly approved specific project or activities;
- (g) Certificate of Status of Funds (CSF) - a monthly summary report required by the MDFO in the liquidation of Project funds supported by a Breakdown of Statement of Receipts and Disbursement (SORD) showing in detail, receipts and disbursements as to source, namely Loan and local counterpart funds. The CSF and SORD shall be duly verified by the Commission on Audit (COA) Auditor concerned;
- (h) Statement of Sources and Application of Funds (SSAF) – detailed summary of receipts and disbursements covering one (1) year of operation;
- (i) Local Counterpart Fund or Equity – means the funds to be provided by the Municipality to finance portions of the projects, Incremental Administration Cost and other expenditures which are not eligible for financing by the loan funds;
- (j) Sub-Project – a Package of projects in the Municipality's area of jurisdiction to be financed by the loan and Equity Counterpart Funds and implemented under the Package;
- (k) Implementation Management Agreement (IMA) - this agreement between the LGU and the Department of Agriculture expressing the responsibilities of both parties for specific subproject implementation.

ARTICLE II –PURPOSE OF THE AGREEMENT

Section 2.00 This Agreement sets out the commitments of MRDP and the LGU for implementing the Subproject;

ARTICLE III – SUBPROJECT DESCRIPTION AND COST ESTIMATES

Section 3.00 The subproject covered by this Agreement is the provision of Livelihood, Post Harvest Facilities under CFAD and Rural Infrastructure Sub-projects described in detail in Schedule 1 hereof.

Section 3.01 The total cost of the subproject is estimated at Php (*Total amount*), broken down into: Livelihood Subprojects – PhP 2,500,000.00 and Rehab. of _____ - Brgy. _____ FMR – (*amount*). The cost breakdown and financing arrangements are set forth in Schedule 2 hereof.

ARTICLE IV – ROLES AND RESPONSIBILITIES OF THE LGU

Section 4.00 The LGU shall be primarily responsible for the implementation of the subproject described in Schedules 1 and 2 hereof. Specifically, the LGU shall be responsible for the following:

1. Establish and, thereafter, maintain, through an Executive Order or applicable enabling instrument, a Provincial Program Management and Implementing Unit (PPMIU) throughout the period of Project implementation; or if it is a municipal LGU, maintain throughout the period of Project implementation its Municipal Program Management and Implementing Unit (MPMIU), in either case, with composition, terms of reference provided in the Program Operations Manual, staffing coming from permanent/regular staff from among the existing personnel of the local government, to be responsible for supporting project implementation activities, preparing annual work plans and budgets, undertaking monitoring and evaluation and overall accounting and financial management;
2. Provide funds and other logistic support such as transportation and traveling allowances, office supplies and equipment and if possible office space and other resources for the operation of its PPMIU or MPMIU;
3. Allow its regular staff comprising the P/MPMIU to participate in consultations, meetings, briefings and similar activities as identified in the Project Implementation Plan;
4. For the Project or Community Fund for Agricultural Development (CFAD), establish and thereafter, maintain through the period of Program Implementation, with composition, terms of reference and staffing as set out in the CFAD Operations Manual, a municipal Multi-Sectoral Committee to be responsible for supporting implementation of said Component of the Program;
5. Each Participating LGU shall carry out the Project with due diligence and efficiency, and in conformity with appropriate engineering, economic, financial, administrative, technical, and agricultural practices and sound social and environmental standards, acceptable to the DA, and provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required thereof;
6. If a proposed Subproject involves the involuntary resettlement of displaced persons, prior to commencing civil works under said Subproject, each participating LGU shall take and cause to be taken all measures necessary to ensure that all such persons are resettled in accordance with resettlement action plan, satisfactory to the DA, in accordance with the principles and procedures set forth in the Land Acquisition, Resettlement, and Rehabilitation Policy Framework;
7. If a proposed Subproject involves community with Indigenous Peoples, the LGU shall prepare a plan that incorporates mechanisms for the informed participation of such peoples in the design and implementation of said Sub-project in accordance with policies and procedures set forth in the Indigenous Peoples Policy Framework;
8. Each participating LGU shall undertake an environmental screening for a proposed Sub-project according to the provisions of the Environmental Guidelines. If such environmental screening concludes that an environmental impact assessment and an environmental management plan are required for the proposed Sub-projects, said participating LGU shall prepare the said environmental impact assessment and environmental management plan all on the basis of standards satisfactory to the DA and in accordance with the procedures and principles set forth in the Environmental Guidelines and thereafter implement the proposed Sub-project in accordance with said environmental management plan. In the event an environment compliance certificate is required under existing national law or regulations, said Participating LGU shall obtain such environment compliance certificate from the DENR or its instrumentality at the regional level in respect of the activities under said Sub-project;
9. Each Participating LGU shall ensure that the goods, works and services required for the Project and to be financed out of the MRDP Funds are procured in accordance with the provisions of the Procurement Schedule of the Project set forth in Operation Manual; said goods are insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, any indemnity there under to be made payable in a currency freely by the purchaser thereof to replace or repair such goods; and said goods, works and services are utilized exclusively for the purpose of carrying out the Program.
10. Each Participating LGU shall enable the DA and the Bank to examine all goods, facilities, sites and works included in the Project, the operation thereof, and any relevant records and documents;

RESOLUTION NO. 249, s-2011, cont'd:

11. Each Participating LGU shall ensure that any facilities, equipment and other property relevant to the Project shall at all times be operated and maintained, and that all necessary repairs and renewals thereof shall be promptly made, as needed, all in accordance with sound financial, administrative and technical practices;
12. Each participating LGU shall maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with performance indicators set forth in the Operations Manuals, the carrying out of the program and the achievement of the objectives thereof; and prepare, under terms of reference satisfactory to the DA, a monthly, quarterly, and semi-annual reports summarizing the results of the monitoring and evaluation activities performed on progress achieved in the carrying out of the Program during the preceding calendar semester and setting out the measures recommended to ensure the efficient carrying out of the Program and the achievement of the objectives thereof during the next semi-annual period following such date and furnish the same to the DA.
13. The LGU shall pass an ordinance appropriating the total project cost, all funds to be deposited in the Project Trust Fund Account referred to in Section 3.00 in the amounts and as such dates to be specified by the MDFO as a condition for release of Loan proceeds and GOP Counterpart, such funds to be withdrawn and disbursed against the claims of the contractors, suppliers or creditors in accordance with the provisions of this Agreement
14. Upon signing of this Agreement, establish and maintain in the Land Bank of the Philippines, one separate Project Trust Account each for:
 - i. funds withdrawn from the loan proceeds to finance parts of the sub-project;
 - ii. funds withdrawn from the GOP Counterpart to finance parts of the sub-project; and
 - iii. local Counterpart Funds to finance the remainder of the project as stated in Schedule 2 of this Agreement and Incremental Administration.

A subsidiary ledger shall be maintained for each of the above-cited funds, for proper accounting and records, monitoring of transactions and to facilitate preparation of financial reports.
15. Each Participating LGU shall maintain a separate book of accounts on the financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the DA, both in a manner adequate to reflect the operations and financial condition of the LGU, including the operations, resources and expenditures related to the program;
16. Each participating LGU shall have its financial statements for the Project referred to above subject to audit by independent auditors acceptable to the DA and MDFO, in accordance with consistently applied auditing standards acceptable to the DA. Each audit of these financial statements shall cover the period of one (1) fiscal year of the LGU. The audited financial statements or Statement of Sources and Application of Funds (SSAF) as stated in Schedule 7 for each period for submission to the DA and MDFO;
17. Coordinate with other national partner agencies of MRDP-APL 2 such as the Department of Environment and Natural Resources, Bureau of Fisheries and Aquatic Resources and the National Commission of Indigenous Peoples/Office of Southern Cultural Communities, and with local organizations in the planning, implementation and other project development activities of MRDP-APL 2 interventions and activities;
18. Provide financial assistance for local development planning and other MRDP related activities in the municipality;
19. Ensure security of the World Bank Mission Team, the Program Support Office (PSO) and the Regional Program Coordination Office (RPCO) when they are in the area for MRDP activities;
20. Each participating LGU shall require the contractor, under his name and his own expense, obtain and maintain, for the duration of the contract a Contractor's All Risk Insurance (CARI);

ARTICLE V – ROLES AND RESPONSIBILITIES OF DA

Section 5.00 DA, through the Program Support Office (PSO) of MRDP or through the Regional Program Coordination Offices (RPCOs) in its Regional Field Units (RFUs), shall have the following duties and responsibilities:

RESOLUTION NO. 249, s-2011, cont'd:

1. For purposes of carrying out the Project, MRDP through the MDFO shall make available to each participating LGU, its respective Allocated Amount on terms and conditions acceptable to MRDP and MDFO and as set forth in Schedule 6 (Documentary requirements for funds releases) and the MRDP Operations Manuals;
2. Provide the LGUs with technical support in the planning, implementation and sustainability of MRDP sub-projects and activities in the province and its participating municipalities, barangays and communities;
3. Provide the staff of the LGUs with capacity building interventions through participation and attendance to learning events as provided in the MRDP's approved Project Implementation Plan;
4. Provide the LGUs with data, documents and other information related to MRDP – APL 2;
5. Coordinate and monitor the activities in the province to ensure that the foregoing provisions of the DA to the LGUs for the planning, implementation and sustainability of MRDP sub-projects are delivered on time and in accordance with established systems and procedures;
6. Ensure that the LGUs is adequately represented in consultations, meetings, briefings and other similar activities; and
7. Provide the LGUs with regular feedback on the status of implementation of sub-projects in the province vis-à-vis planned targets and schedule

Section 5.01 Funding Support. The subproject financial management system shall be governed by the guidelines and procedures described in the Financial Management Operations Manual that shall be provided to the LGU. As such, MRDP shall provide assistance to the LGU to effect the establishment of an effective financial management system and appropriately orient the LGU on the guidelines and procedures thereat.

DA, through the MDFO, shall provide the LGU with funds for the sub project implementation in accordance with the agreed cost-sharing and fund release arrangements indicated in Schedule 2 and Schedule 5 hereof.

ARTICLE VI –SUBPROJECT OPERATION AND MAINTENANCE

Section 6.00 The operation and maintenance of the completed subproject shall be undertaken in accordance with the O&M Plan presented in Schedule 4 of this Agreement.

Section 6.01 Failure to Comply with O&M Agreements. Should the LGU fail to properly maintain the subproject and/or provide necessary budget allocations as per O&M Plan and assessment criteria, DA would recommend to national government agencies concerned for appropriate alternative measures for ensuring O&M of the sub-project facilities. DA shall also review its option to deny and withheld similar assistance in the future to the LGU until such time that it is convinced that a reconsideration on the matter should be effected.

Section 6.02 Conflict Settlement for O&M. Disputes and conflicts rooted on the O&M of the subproject shall be submitted to and settled by appropriate government body.

ARTICLE VII–GENERAL PROVISIONS

Section 7.00 Implementation Standards and Procedures. The parties hereto guarantee to carry out the subproject using generally accepted professional and technical standards, and in accordance with attached Schedules and appropriate Procurement Procedures of the World Bank.

Section 7.01 Variation to the Agreement. By mutual consent, this Agreement or any part thereof may be changed, modified, revised and amended or supplemented for the purpose of effective implementation and management. All other parties concerned shall be duly notified/informed of such changes, revisions, or amendments. In this respect, a review shall be conducted jointly by the LGU and MRDP.

Section 7.02 Variation to the Approved Contract. Any increase in the awarded contract cost due to variation order or higher bid price as against the approved base cost and approved contingencies as detailed in Schedule 1a of this document shall be to the account of the LGU.

Section 7.03 Dispute Settlement. Any dispute arising from the implementation of this Agreement shall be submitted to and settled by appropriate government body.

Section 7.04 Effectivity. This Agreement shall become effective upon signing and shall subsist and remain in full force and effect ten (10) years after the Subproject has been turned over and at such time the parties hereto shall be mutually released from all obligations hereunder.

Section 7.05 Authorized Representative. Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement on behalf of the LGU may be taken or executed by the Mayor/Governor or such other persons as may be designated in writing provided that such designation has been authorized by the Sangguniang Bayan Members, and on behalf of DA, by its Undersecretary or his designated representative.

Section 7.06 Notice or Request. Any notice or request required or given or made under this Agreement shall be in writing in the English language. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail or cable to the party to which it is required to be given or made at such party's address specified below, or at such other address as either party may specify in writing.

Section 7.07 Amendment. This IMA shall be subject to amendment and/or revisions as maybe required as a result of changes in Government policy/ies and/or civil works implementation which could impact on but not limited to, the effectiveness of the attached cost sharing/financing mix, and thereafter, the timely completion of the sub project, among others, as set out. As such, changes to this agreement shall be in writing and shall be mutually agreed upon by both parties, with the Program Director or other duly authorized / designated official provided that:

- i. revisions in the case of Schedule 2 shall not alter the overall agreed subproject cost / cost sharing mix, and;
- ii. Other amendments shall be within the provisions of the GOP-WB Loan Agreement (7440-PH)

ARTICLE VIII. CONDITIONS FOR EFFECTIVITY

Section 8.00 This Agreement shall take effect on the date of approval thereof and shall be in force until the time as may be agreed upon by the contracting Parties. Amendments or revisions of any provision thereof shall be subjected to approval of both parties, provided that before such approval, the WB shall be consulted for comments, if to be required by the Bank.

IN WITNESS WHEREOF, the Parties hereto, acting through their representatives thereto authorized, have caused this memorandum of agreement to be signed in their respective names in Davao City, Philippines on ____ day of _____ 2011.

FOR THE DEPARTMENT OF AGRICULTURE:

PROCESO J. ALCALA
Secretary

FOR THE CITY OF TAGUM:

REY T. UY
City Mayor

Signed in the Presence of:

For the Mindanao Rural Development Program (MRDP):

LEALYN A. RAMOS
Program Director

For the Local Government Unit (LGU):

ALLAN L. RELLON, MPA
City Vice Mayor

For the Regional Program Coordination Office (RPCO):

CARLOS B. MENDOZA, CESO IV
Regional Executive Director

ACKNOWLEDGMENTS

BEFORE ME, a Notary Public for and in the City of _____, this ____ day of _____, 2011 personally appeared:

<u>Name</u>	<u>Community Tax Certificate Number</u>	<u>Place and</u>	<u>Date Issued</u>
HON. PROCESO J. ALCALA	_____	_____	_____
HON. REY T. UY	_____	_____	_____

Known to me to be the same persons who executed the foregoing instrument and they acknowledged to me to be the same are their free and voluntary act and deed and that of the parties they represent.

WITNESS MY HAND AND SEAL on the date and the place first above written.

 NOTARY PUBLIC
 Until: _____
 PTR No.: _____
 Issued On: _____
 Issued at: _____

Doc No . _____
 Page No. _____
 Book No. _____
 Series of: _____

RESOLVED FURTHER, that copies of this resolution be furnished to all offices concerned for their information and record.

CARRIED AND APPROVED.

I HEREBY CERTIFY to the correctness of the foregoing.

REY A. BUHION
Secretary to the Sanggunian

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

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