



Republic of the Philippines  
PROVINCE OF ZAMBOANGA DEL NORTE  
Municipality of Siayan



**OFFICE OF THE SANGGUNIANG BAYAN**

**EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE SANGGUNIANG BAYAN OF  
SIAYAN, ZAMBOANGA DEL NORTE HELD AT THE MUNICIPAL SESSION HALL ON THE  
21ST DAY OF MARCH 2022.**

**PRESENT:**

Hon. Primitivo D. Castillo, Presiding Officer,  
Hon. Emelyn P. Tulawe, Presiding Officer Pro-Tempore  
Hon. Estrella S. Zapatos,  
Hon. Oliver A. Romero, Floor Leader  
Hon. Ma. Roselyn G. Secretario,  
Hon. Rico V. Jamisola,  
Hon. Alfredo R. Labastida  
Hon. Maribel C. Okay, ABC President,  
Hon. Phil A. Saraga, SK Fed. President,  
Hon. Johnny C. Anugon, Sr., IPMR,

Municipal Vice Mayor  
Sangguniang Bayan Member

-do-  
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-do-  
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-do-  
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**ABSENT:**

Hon. Vanessa Lyn B. Atuy,  
Hon. Rey L. Anugon, Assistant Floor Leader

-do-  
-do-

**"RESOLUTION NO. 038**

Series of 2022

**RESOLUTION AUTHORIZING THE LOCAL GOVERNMENT UNIT OF SIAYAN, ZAMBOANGA DEL NORTE REPRESENTED BY THE HONORABLE MUNICIPAL MAYOR ATTY. JOSECOR S. GEPOLONGCA TO ENTER INTO AND SIGN AN IMPLEMENTATION MANAGEMENT AGREEMENT (IMA) (INFRASTRUCTURE DEVELOPMENT) WITH THE DEPARTMENT OF AGRICULTURE (DA) REPRESENTED BY DIRECTOR ABEL JAMES I. MONTEAGUDO, PROJECT DIRECTOR, PROJECT SUPPORT OFFICE – MINDANAO FOR THE IMPLEMENTATION OF PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP) IN THE MUNICIPALITY OF SIAYAN, ZAMBOANGA DEL NORTE.**

**WHEREAS**, the terms and conditions/covenant of both parties are stipulated in the AGREEMENT;

**WHEREFORE**, premise of the foregoing consideration and on motion of Hon. Oliver A. Romero, duly seconded by Hon. Estrella S. Zapatos, it was

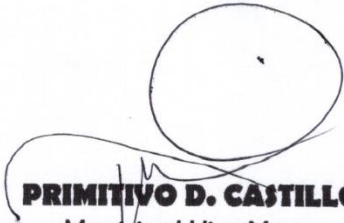
**RESOLVED**, as this body hereby resolved by **AUTHORIZING THE LOCAL GOVERNMENT UNIT OF SIAYAN, ZAMBOANGA DEL NORTE REPRESENTED BY THE HONORABLE MUNICIPAL MAYOR ATTY. JOSECOR S. GEPOLONGCA TO ENTER INTO AND SIGN AN IMPLEMENTATION MANAGEMENT AGREEMENT (IMA) (INFRASTRUCTURE DEVELOPMENT) WITH THE DEPARTMENT OF AGRICULTURE (DA) REPRESENTED BY DIRECTOR ABEL JAMES I. MONTEAGUDO, PROJECT DIRECTOR, PROJECT SUPPORT OFFICE – MINDANAO FOR THE IMPLEMENTATION OF PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP) IN THE MUNICIPALITY OF SIAYAN, ZAMBOANGA DEL NORTE.**

**RESOLVED FINALLY**, to furnish copies of this resolution to all offices concerned for information, reference and appropriate action.

Carried unanimously"

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

**CERTIFIED CORRECT  
AS TO ITS PASSAGE:**

  
**PRIMITIVO D. CASTILLO**  
Municipal Vice Mayor  
(Presiding Officer)

  
**WILFREDO O. DOMPALES**  
Sangguniang Bayan Secretary



Republic of the Philippines  
Department of Agriculture  
**Philippine Rural Development Project (PRDP)**  
**Project Support Office -Mindanao**

**IMPLEMENTATION MANAGEMENT AGREEMENT**  
**Infrastructure Development**

This Agreement is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2022, at \_\_\_\_\_, Philippines, by and between:

The **Department of Agriculture**, an Executive Department of the Republic of the Philippines, with principal address at Elliptical Road, Diliman, Quezon City, represented herein by **Director ABEL JAMES I. MONTEAGUDO**, **Project Director, Project Support Office - MINDANAO** hereinafter referred to as the **DA**;

The **Municipal Government of SIAYAN**, a political subdivision of the Republic of the Philippines, with principal address at Municipal Building of SIAYAN Zamboanga del Norte represented by **Hon. JOSECOR S. GEPOLONGCA**, Mayor, hereinafter referred to as the **LGU**;

**- W I T N E S S E T H -**

**WHEREAS**, Republic Act No. 8435, otherwise known as the Agriculture and Fisheries Modernization Act (AFMA) of 1997 sets out the Government's policies in the agriculture sector in attaining equitable distribution of opportunities, income and wealth, expanding productivity, and sustaining increase in production of goods and services thereby raising the quality of life of the people, especially the underprivileged;

**WHEREAS**, the DA gives foremost consideration to poverty alleviation and social equity through the development and implementation of projects and projects that provide the poor sectors of the community especially those engaged in subsistence agriculture with equitable access to resources, income opportunities, support services, and most especially rural infrastructures particularly in areas where productivity is low and the incidence of poverty is high;

**WHEREAS**, the Government of the Philippines (GOP) has received a loan from the International Bank for Reconstruction and Development (the "Bank"), specifically under Loan Agreement for IBRD Loan No. 8421-PH dated September 8, 2014, in an amount equivalent to **US \$ FIVE HUNDRED ONE MILLION TWO HUNDRED FIFTY THOUSAND ONLY (US\$501,250,000)** for the purpose of part-financing the PRDP to support the Government's effort to reduce poverty among the rural communities in the eighty-one (81) provinces in the country and another loan from the same Bank in the amount of **ONE HUNDRED AND SEVENTY MILLION UNITED STATES DOLLARS (\$170,000,000)**, under Loan Agreement for IBRD Loan No. 8816-PH dated March 2, 2018, for the purpose of providing additional financing to scale up the original Project;

**WHEREAS**, the IBRD-WB approved the Second Additional Financing ("AF-2") with IBRD Loan Number 9271-PH amounting to **TWO HUNDRED EIGHTY MILLION U.S. DOLLARS (\$280,000,000.00)** to further scale up and support the Government's



effort to reduce poverty and to ensure economic recovery and strong agricultural value chain in response to COVID-19 pandemic;

**WHEREAS**, the IBRD-WB, acting in its capacity as a bank and the administrator of the European Union ("EU") Philippines Rural Development Project Single -Donor Trust Fund, in addition to the AF-2, extended a grant ("EU co-financing grant") to GOP amounting to **EIGHTEEN MILLION THREE HUNDRED THOUSAND EURO (Euro 18,300,000)** with Grant Number TF0B5756 to expand the exclusiveness of PRDP by supporting and providing an incentive to LGUs in Mindanao with a higher incidence of poverty (4<sup>th</sup>-6<sup>th</sup> class LGUs), lower capacity, more conflict-affected areas, and larger number of indigenous people;

**WHEREAS**, all funds concerning the implementation of **Subcomponent 2.1: Value Chain Infrastructure Support (Civil Works) under Component 2: Infrastructure Development** of PRDP will be coursed through and maintained by the Project Support Office (PSO) and will be made available to participating Provincial Local Government Units (LGUs);

**WHEREAS**, the DA's functions relative to the Project are done through its National Project Coordination Office (NPCO) and the concerned Project Support Office (PSO) and Regional Project Coordination Office (RPCO);

**WHEREAS**, the LGU manifested its interest to participate in the Project, and forwarded to the DA pertinent documentary requirements for its proposed subproject;

**WHEREAS**, the **World Bank or National Project Coordination Office** has issued a No Objection Letter (NOL) 1 on October 15, 2021 & November 23, 2021, which is the basis of this Implementation Management Agreement (IMA);

**WHEREAS**, the LGU and the DA 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 subproject, and thus achieve the Project's desired objectives;

**WHEREAS**, the LGU through Sangguniang Panlalawigan Resolution No. 2021-12-141 dated December 7, 2021 authorized the 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 agree as follows:

## **ARTICLE I - PURPOSE OF THE AGREEMENT**

**Sec 1.01** The Agreement sets out the commitments of the Department of Agriculture under the **Philippine Rural Development Project (PRDP)** and the LGU for implementing the Subproject.

## **ARTICLE II - DEFINITION OF TERMS**

**Sec 2.01** Unless this Agreement otherwise requires, the terms or acronym used in this Agreement shall have definitions and meanings as set out in **Schedule 1 (Definition of Terms)**.



### ARTICLE III - SUBPROJECT DESCRIPTION AND COST ESTIMATES

- Sec 3.01** The subproject covered by this Agreement are the *Rehab/Concreting of NRJ San Roque-SIAYANina FMR* and *Rehab/ Concreting of Mapang-Mabuhay FMR* described in detail in **Schedule 2 (Description of Subproject)** hereof (hereinafter referred to as the "Subproject").
- Sec 3.02** The Subproject cost for Civil Works under the Infrastructure Development Component is estimated at **ONE HUNDRED THIRTY ONE MILLION EIGHT HUNDRED SEVENTY FOUR THOUSAND PESOS (131,874,000.00)** broken down as follows: **SEVENTY NINE MILLION FIFTY TWO THOUSAND PESOS (Php 79,052,000.00)** for the *Rehab/Concreting of NRJ San Roque-SIAYANina FMR* and **FIFTY TWO MILLION EIGHT HUNDRED TWENTY TWO THOUSAND PESOS (Php 52,822,000.00)** for the *Rehab/ Concreting of Mapang-Mabuhay FMR* the breakdown of which is set forth in **Schedule 3 (Estimated Subproject Cost for the Civil Works)**.
- Sec 3.03** Any increase or decrease in contract cost but not beyond the approved subproject cost/estimated project cost (EPC) shall follow the approved financing mix and does not require amendment to the IMA.
- In case of increase in cost above the subproject cost/estimated project cost as a result of competitive bidding, the cost sharing scheme shall be applied to the approved contract cost subject to RPAB approval of the additional fund.
- However, any increase in cost as a result of variation order, the LGU will provide the additional amount. The cost of Detailed Engineering Design, Supervision Cost and all other cost related thereto shall also be for the account of the LGU.
- Sec 3.04** The DA will provide to the participating LGU as grant equivalent to 80% from the Loan Proceeds and 10% from the Government of the Philippines (GOP) Counterpart Fund or 90% of the approved subproject cost, while the LGU Equity will be 10% as provided under **Schedule 3 (Estimated Subproject Cost)**.
- Sec 3.05** The DA shall make available from the Loan Proceeds the amount of **Sixty three Million Two Hundred Forty One Thousand Six hundred Pesos (Php 63,241,600.00)** for the *Rehab/Concreting of NRJ San Roque-SIAYANina FMR* and **Forty Two Million Two Fifty Seven Thousand Six Hundred Pesos** for (Php 42,257,600.00) for the *Rehab/ Concreting of Mapang-Mabuhay FMR* and GOP Counterpart Funds in the amount of **Seven Million Nine Hundred Five Thousand Two Hundred Pesos (Php 7,905,200.00)** for the *Rehab/Concreting of NRJ San Roque-SIAYANina FMR* and **Five Million Two Hundred Eighty Two Thousand Two Hundred Pesos (Php 5,282,200.00)** for the *Rehab/ Concreting of Mapang-Mabuhay FMR* as financial assistance to the LGU in the form of Grant subject to the terms and conditions of this Agreement.
- Sec 3.06** The LGU equity shall be **Seven Million Nine Hundred Five Thousand Two Hundred Pesos (Php 7,905,200.00)** for the *Rehab/Concreting*



of *NRJ San Roque-SIAYANina FMR* and **Five Million Two Hundred Eighty Two Thousand Two Hundred Pesos (Php 5,282,200.00)** for the *Rehab/ Concreting of Mapang-Mabuhay FMR* of the Subproject cost to be used exclusively for civil works.

**Sec 3.07** The Grant shall be allocated in accordance with the provisions of this Agreement, for expenditures incurred in respect of the approved costs of the Subproject components described and referred to in **Schedule 3 (Estimated Subproject Cost) and 4 (Tentative Disbursement Schedule)** of this Agreement.

#### **ARTICLE IV – SUBPROJECT ACCOUNT AND RECORDS**

**Sec 4.01** The LGU shall:

- a) Upon signing of this Agreement, establish and maintain in a bank acceptable to the Government one Subproject Trust Account each for:
  - (i) funds withdrawn from the DA (Grant) for the **Loan Proceed** from IBRD-WB to finance parts of the Subproject;
  - (ii) funds withdrawn from the DA (Grant) for the **GOP Counterpart Funds** from the GOP to finance parts of the subproject; and
  - (iii) funds for **Equity** of the **LGU** for the Subproject.

A subsidiary ledger shall be maintained for each of the above cited trust accounts (Grant/Equity) for proper accounting, record-keeping and monitoring of transactions and to facilitate the preparation of financial reports.

- b) Maintain a financial management system and prepare financial statement in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, financial condition of the Participating LGU, and the operations, resources and expenditures related to the Project, including the recovery of all costs, for carrying out the Subproject or any part thereof;
- c) Establish and maintain separate accounts and books for the Subproject, reflecting all expenditures and on withdrawals requested and received from the DA on the basis of the Statement of Receipts and Expenditures (SRE). Maintain records adequate to reflect, in accordance with consistently sound accounting practices, the operations, resources and expenditures, including the recovery of all costs, for carrying out the Subproject or any part thereof;
- d) Disburse the funds in accordance with the Subproject components to which the Grant were provided as presented in Schedule 2, 3 and 4 thereof;
- e) Retain, until ten (10) years after the Closing Date, all records, pertaining to or mentioned in Subsections (a) to (c) of this Section



(including contracts, orders, invoices, bills, receipts and other documents) evidencing the expenditures and payments on the accounts of the Subproject, and enable the DA's representatives to examine such records;

- f) Have its financial statements for the Project referred to above audited by Independent auditors (Commission on Audit) acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank. Each audit of these financial statements shall cover the period of one (1) calendar year of the participating LGU.
- g) Furnish the DA thru the NPCO and/or PSO as soon as available, but not later than two months, an original copy of the reports of such audits, of such scope and in such detail as the NPCO and PSO shall reasonably request, including without limitations to the foregoing, a separate opinion by the auditor "as contained in an audit certificate" in respect to the expenditures and records referred to in Subsection (b) of this Section as to whether on the basis of the SRE, the Grant withdrawn have been used for the purposes for which they were provided;
- h) Furnish the NPCO and PSO such other information concerning the said separate accounts, records and expenditures and the audit thereof as NPCO and PSO may reasonably request from time to time.

#### **ARTICLE V - SUBPROJECT EXECUTION**

**Sec 5.01** The LGU shall start the implementation of the Subproject, based on the schedule presented in **Schedule 5 (Project Implementation Plan)** hereof, immediately from the date of the effectivity of this Agreement.

**Sec 5.02** Upon approval of this Agreement and in compliance with the additional conditions referred to in Section 9.02 of this Agreement, the DA/ PSO will release or cause the release of Grant to the LGU in accordance with **Schedules 6 (Schedule of Release of Funds)** and **7 (Schedule of Requirements for the Release of Funds)** of this Agreement.

#### **CAF issuance based on FOA**

**Sec 5.03** The LGU shall pass an ordinance appropriating the LGU Equity for the Subproject, and deposit these in the accounts referred to in Section 4.01 Subsection (a) in the amount of and on such dates specified in **Schedule 3** of this Agreement, such funds are to be withdrawn and disbursed against the claims of the contractors/creditors in accordance with the same schedule of this Agreement.

**Sec 5.04** The DA through the NPCO and/or PSO and/or RPCO shall:

- a) Monitor, supervise, and evaluate the LGU in the implementation of its Subproject and its compliance with the obligations under this Agreement;



- b) Assist in the review of the procurement of goods, services, civil works and equipment as well as the works/outputs of consultants/contractors; and
- c) Ensure that the Subproject is implemented in accordance with the provisions of this Agreement, relevant laws, rules and regulations, and professional and technical standards.

**Sec 5.05**

The LGU shall also:

- a) have carried out an environmental and social screening for the proposed Sub-project in accordance with the provisions of the Integrated Environmental Social Safeguards Framework (IESSF);
- b) prior to the commencement of any works, hold consultations on the nature and extent of the proposed Sub-project including its impacts to the community and disclosure of Environmental Social Management Plan (ESMP) in compliance to the Bank guidelines;
- d) carry out the Sub-project in accordance with the ESMP;
- e) require the Sub-project contractor to prepare and submit a Contractor's ESMP for the management of social and environmental impacts of construction;
- d) not amend, suspend or abrogate any of the provisions of the - ESMP without the prior approval of the Bank;
- f) in the event an environment compliance certificate is required under the Philippine law or regulations, such certificate and/or any other related environmental clearance/permit must be obtained from DENR and other concerned government agencies or their instrumentalities at the Regional level in respect of the activities under said Sub-project;
- g) For purposes of Real Property Taxation, ensure that the transferred or donated properties to be utilized in the Subproject are already declared tax-exempted and deducted to the taxable properties of the transferor or donor; and
- h) Process the transfer of and/or annotation to land title/s of the transferred or donated properties mentioned in the immediately preceding paragraph with the concerned Registry of Deeds, and the payment of documentary stamp tax, transfer tax, and registration fees.

**Sec 5.06**

If the activities under the proposed Sub-project give rise to Project Affected Persons the (PAPs) LGU shall carry out the following in accordance with the Land Acquisition, Resettlement and Rehabilitation Framework (LARRF) of the IESSF:

- a) continuous consultation processes to ensure the smooth implementation of right-of-way and site acquisition agreements consistent with the policy on the rights of the PAPs to just



compensation for any involuntary loss and in the event that additional PAPs during implementation cannot be avoided;

- b) prepare, hold consultations on and disclose, prior to the commencement of any works, a Resettlement Action Plan (RAP);
- c) carry out the Sub-project in accordance with the LARRF through the implementation of the RAP and other land acquisition instruments, unless otherwise agreed with the Bank, payment in full of compensation to all PAPs prior to the commencement of any related works; and
- d) not amend, suspend or abrogate any of the provisions of the RAP without the prior approval from the Bank.

**Sec 5.07** Should the activities under the proposed Sub-project involve Indigenous Peoples (IPs) and/or Indigenous Cultural Communities (ICCs), the LGU shall:

- a) carry out, with emphasis on cultural sensitivity, the provisions in Section 5.06, especially the consultations, separately for the IPs/ICCs in accordance with the IP Framework of the IESSF and IP Rights Act (R.A. 8371); and
- b) in the event a certificate of pre-condition or non-overlap is required under the Philippine law or regulations, such certificate must be obtained from National Commission on Indigenous Peoples (NCIP).

**Sec 5.08** To effect access to the Project Grievance Redress Mechanism (GRM) of any person who has feedbacks or complaints, the LGU shall:

- a) set-up the GRM at the provincial, municipal, barangay levels that accepts feedbacks/complaints of any person on project activities and performance as well as resolve complaints/address any concern promptly in accordance with the GRM resolution process;
- b) designate, through an Executive Order, a Grievance Point Person (GPP) and Grievance Committee, who shall perform the roles and functions as set in the GRM Framework of the IESSF to resolve complaints and address feedbacks promptly; and
- c) document the registry and resolution process of lodged complaints and feedbacks as prescribed in the GRM Framework and submit the same to the Project through the RPCO; and
- d) facilitate the production, installation/dissemination of GRM posters and other GRM information materials.

**Sec. 5.09** To uphold safety and health of the community and workers in the Sub-project site, the LGU shall:

- a) enforce to the Sub-project contractor to abide with R.A. 11058 also known as "Occupational Safety and Health Standards Law" as well as the Occupational Safety and Health Standards of the DOLE; and



- b) require the Sub-project contractor to employ measures that would help avoid adverse impacts on health and safety of the community or minimize community exposure to health and safety risks.

**Sec 5.10**      The LGU shall:

- a) Maintain, throughout the period of Project implementation, the organization, management and resources, satisfactory to the Bank, for carrying out Sub-projects;
- b) Establish, prior to the carrying out of any Sub-projects, and thereafter maintain, a Provincial Project Management and Implementation Unit (PPMIU) throughout the period of Project implementation, with composition, terms of reference, staffing and other resources acceptable to the Bank, to be responsible for supporting project implementation activities, preparing annual work plans and budgets, undertaking monitoring and evaluation and overall accounting and financial management; and
- c) Carry out the Sub-projects with due diligence and efficiency, and in conformity with appropriate engineering, economic, financial, administrative, technical, and agricultural practices and sound social and environmental standards, as set forth in the Operations Manuals prepared and adopted by the Project, and acceptable to the Bank, and provide promptly as needed, the funds, facilities, services and other resources required therefore.
- d) Submit monthly, quarterly and annual financial and physical progress reports regularly to PSO through RPCO on or before due dates;
- e) Comply with all the provisions applicable in the PRDP Operations Manuals and Guidelines in subproject implementation. In case of ambiguity, the LGU shall refer with World Bank Procurement Guidelines and Republic Act No.9184, known as the "Government Procurement Reform Act, their allied statutes and their respective Implementing Rules and Regulations, and in accordance with the relevant provisions of the Loan Agreement;
- f) Ensure that said works, services and other incident thereto are utilized exclusively for the purpose of carrying out the Project;
- g) Enable the Borrower and the Bank to examine all materials, equipment, facilities, sites and works included in the Project, the operation thereof, and any relevant records and documents; and
- h) 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.



## ARTICLE VI - MONITORING, REPORTING AND EVALUATION

- Sec 6.01** The LGU, through the MPMIU, shall comply with the procedures and guidelines for monitoring and reporting as prescribed by the PRDP.
- Sec 6.02** The DA shall, on behalf of NPCO, PSO and RPCO, undertake overall monitoring and evaluation of the performance of the LGU in carrying out the tasks, responsibilities and obligations set forth in this Agreement.
- Sec 6.03** The LGU shall enable the WB, NPCO, PSO and RPCO to monitor, examine all materials, equipment, facilities, sites and works included in the Project, the operation thereof, and any relevant records and documents. The findings of the monitoring team shall be forwarded to the NPCO, PSO and RPCO Directors, copies of which should be furnished to the LGU.
- Sec 6.04** Status reports such as Statement of Receipts Expenditures (SRE), Statement of Sources and Application of Funds (SSAF), financial statements (Trial Balance, Balance Sheet and Cash Flow Statement) attached as **Schedule 8 (Format of Financial Reports and Statements)** and Monthly progress Report on the Subproject shall be forwarded by the LGU to the PSO through RPCO on or before the 5th day of the ensuing month in such details and frequency as may reasonably be requested subject to validation by the PSO and/or RPCO.
- Sec 6.05** The LGU shall:
- a) Maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the performance indicators in the Loan Agreement, the carrying out of the Sub-projects; and
  - b) Prepare, under the terms of reference satisfactory to the Bank, a semi-annual report summarizing the results of the monitoring and evaluation activities performed on progress achieved in carrying out the Sub-projects during the preceding calendar semester and setting out the measures recommended to during the next semi-annual period following such date and furnish the same to RPCO/PSO/NPCO to enable them to consolidate and submit the information to the Bank.
- Sec 6.06** The LGU shall allow the WB, NPCO, PSO and RPCO to conduct audit inspection and review of financial accounting records.
- Sec 6.07** In the event that the performance of the LGU falls short of the agreed objectives, targets or projects, the LGU shall notify the NPCO, PSO and RPCO in writing within fifteen (15) calendar days from the latest monthly accomplishment report for necessary adjustments, modifications or amendments made or to be made in accordance with the provisions of this Agreement without prejudice to the remedies available to the DA.



## ARTICLE VII - OTHER COVENANTS

- Sec 7.01** All national and local taxes, duties, fees, levies and other government impositions on the Subproject shall be for the account of the LGU.
- Sec 7.02** The LGU shall be responsible for bank charges and other expenses associated with remittances to and from the Subproject Trust Account established by the LGU in accordance with Section 4.01, paragraph (a) i - iii of this Agreement.
- Sec 7.03** The NPCO, PSO and RPCO shall maintain a monitoring and record system reflecting all the funds released and the expenditures made for the execution of the Subproject.
- Sec 7.04** The LGU warrants that the *Sanggunian* has passed a resolution, as shown in **Schedule 9 (Sanggunian Resolution No. 2021-12-141)** that:
- a) Authorize the Local Chief Executive (LCE) to enter into contracts with the winning bidders for civil works, consultancy, procurement of goods/equipment and other agreements required to be done to put this Agreement into full effect,
  - b) Commits to process the transfer of and/or annotation to land title/s of the transferred or donated properties to be utilized in the Subproject, and
  - c) Commits resources and logistical support including allocation of funds for safeguards-related costs for the effective implementation of the Subproject.
- Sec 7.05** The LGU shall submit the Subproject Completion Report not later than six (6) months after the last payment was made by the LGU to the contractor and/or to the proponent group.
- Sec 7.06** Upon the issuance of the Certificate of Completion, the LGU shall operate and maintain, or cause to be operated and maintained properly, the structures, systems and facilities constructed, installed or established under the Subproject and shall pass an appropriation ordinance providing for the funds, facilities, services and other resources required for the purpose for the next ten (10) years after subproject completion. The DA-RFO shall be copy furnished with the copy of the Appropriation Ordinance for monitoring purposes.
- For access roads, the LGU shall pass an ordinance relating on speed and load limits for farm-to-market road and bridges subprojects ensuring public safety.
- Sec 7.07** a) Any notice or request required or permitted to be given or made in this Agreement shall be in writing and shall be deemed to have been duly given or made when delivered to NPCO or PSO, the Office of the LCE, in case of the LGU, or such other address which the Parties hereto may specify in writing.



- b) Any action required or permitted to be taken, and any document required or permitted to be executed under this Agreement, on behalf of the DA, may be taken or executed by the PSO Project Director or his authorized representative.
- c) 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 LCE except those expressly reserved in this Agreement to be taken by the LGU's Sanggunian.

**Sec 7.08** 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 of the Subproject. All other parties concerned shall be notified/ informed of such changes, revisions and amendments.

**Sec 7.09** All disputes or controversies between the parties arising out of or in connection with this Agreement, which is not settled between the parties shall be elevated initially to the DA.

**Sec 7.10** Notarial fees and expenses incidental to the processing of this document shall be chargeable against the LGU funds.

#### **ARTICLE VIII- REMEDIES**

**Sec 8.01** The DA shall suspend the subsequent releases of the Grant if any of the following occurs:

- a) The LGU has no or insufficient equity for the Subproject;
- b) Unsatisfactory performance of the LGU in the implementation and execution of the Subproject. There is an Unsatisfactory Performance if:
  - 1 there is an apparent negative 15% slippage of the monthly physical performance of the Subproject;
  - 2 there is negligence to Social and Environmental Safeguards requirements/standards set forth in the IESSF and guidelines that would result to adverse environmental or social impact;
  - 3 there is an apparent collusion between the LGU and winning bidder based on a verified report by the NPCO/PSO, which is prejudicial to the subproject. The suspension shall last until final findings and recommendations were issued by the NPCO;
  - 4 All other analogous cases prejudicial to the subproject.
- c) At any time the NPCO, PSO or RPCO determines, during the conduct of review and monitoring activities, that the procurement of any contract to be financed by Grant is inconsistent with the procedures set forth or referred to by the WB and GOP; and



- d) Extraordinary conditions such as force majeure, fortuitous events, and the like which shall make it necessary to suspend the implementation of the Subproject.

**Sec 8.02** The DA, at its own sole option, reserves the right to lift such suspension for the resumption of releases of Grant for the Subproject of the LGU.

**Sec 8.03** Upon the recommendation of NPCO or PSO, the concerned Regional Project Advisory Board (RPAB) shall cancel the IMA if any of the following occur:

- a) Continuous non-compliance or violation by the LGU of any provisions of this agreement without doing anything to rectify the non-compliance or violation despite due notice from the PRDP;
- b) The NPCO and/or PSO found out, with respect to any contract to be financed by the Grant, that corrupt or fraudulent practices as provided for under RA 3019 were engaged in by representatives of the LGU or a beneficiary of the Grant during the procurement and execution of such contract, without the LGU having taken timely and appropriate action satisfactory to the NPCO and/or PSO to remedy the situation;
- c) At any time, when the extent of the events mentioned in **Section 8.01(d)** escalates that shall make it improbable for the Subproject to continue to be carried out; and
- d) Upon the request of the LGU.

**Sec 8.04** In such case that the Subproject is partially or fully cancelled due to the fault of the LGU as in **Section 8.01** Sub-sections (a), (b), and (c) the following provisions shall apply:

- (a) The LGU shall be obliged to return to DA the unexpended and/or unliquidated balance of the released Grant of the Subproject within one (1) month from the date of receipt of the notice of cancellation of IMA.
- (b) The amount of Grant utilized shall be refunded to DA within three (3) months from the date of receipt of cancellation of IMA.

**Sec 8.05** In case of cancellation of IMA due to force majeure, as stated in **Section 8.01(d)**, the amount disbursed and paid for the actual accomplishment of the subproject may not be returned. However, any unexpended and /or unliquidated balance should be returned not later than two (2) months from the receipt of the notice of approval of cancellation of IMA.

**Sec 8.06** In case of cancellation upon the request of LGU as stated in **Section 8.03 (d)**, the total amount of grant released should be returned within two months after receipt of notice of approval of the cancellation.

**Sec 8.07** The LGUs whose IMA were cancelled but did not refund or return the grant funds in full to DA will not be considered for ongoing and future projects and projects of the department.



**Sec 8.08**      **Failure to comply with O & M Plan:** Should the LGU fail to properly maintain the subproject and/or provide necessary budget allocations as per Operation and Maintenance (O&M) Plan and Budget in **Schedule 10 (Operation and Maintenance Plan and Budget)** and assessment criteria, DA shall review its option to deny/withhold similar assistance in the future until such time that it is convinced that a reconsideration on the matter should be effected.

**Sec 8.09**      **Conflict Settlement for O&M,** disputes and conflicts rooted on the O&M of the subproject shall be submitted to and settled by the Regional Project Advisory Board (RPAB) created for PRDP or any other appropriate Government Body.

**Sec 8.10**      **Operation and Maintenance Compliance Monitoring,** the LGU shall endeavor to engage the Local/Regional Project Monitoring Councils (L/RPMC) to monitor the implementation of the O&M plan for the completed sub-projects and submit monitoring report to DA.

The DA through the organization of the Regional Operation and Maintenance Audit Team (ROMAT) shall act as the technical arm of the RPAB in evaluating reports from the L/RPMC and task laterally to monitor the implementation of the LGU O&M plan, assess implementation compliance of LGUs of the *O&M plan and assessment criteria* and make appropriate recommendations to national government agencies concerned for appropriate alternative measures for ensuring O&M of the sub-project facilities.

#### ARTICLE IX - EFFECTIVITY

**Sec 9.01**      **Compliance of Preconditions by the LGU for the effectivity of this Agreement:**

- a) A Sanggunian Resolution and Appropriation Ordinance have been passed committing logistical and funding support to the LGU and the Subproject, particularly with respect to the equity contribution and operations and maintenance of completed or installed structures, systems and facilities.

**Sec 9.02**      This Agreement shall become effective upon signing of the parties concerned and compliance by the LGU of the additional preconditions for effectiveness referred to in Section 9.01 of this Agreement 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.

-----nothing follows-----

**IN WITNESS WHEREOF,** the Parties, have caused this Implementation Management Agreement to be signed in \_\_\_\_\_, Philippines on this \_\_\_\_ day of\_\_\_\_\_.



By: \_\_\_\_\_  
Project Director -  
Project Support Office (PSO)

By: \_\_\_\_\_  
Mayor

By: **RAD DONN L. CEDEÑO**  
Director  
Regional Project Coordination Office (RPCO IX)

**WITNESSES:**

**FERDINAND D. GAMOROT CSEE**  
PRDP Focal Person

\_\_\_\_\_  
Municipal Accountant

**MARY PAZ G. RAMIREZ**  
Project Accountant

\_\_\_\_\_  
SB Member, Finance Committee



**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES)  
\_\_\_\_\_ ) S.S.

Before me this \_\_\_\_\_ day of \_\_\_\_\_ 2022, at \_\_\_\_\_  
personally appeared:

Name	Competent Evidence of	Date/Place of Issue
ABEL JAMES I. MONTEAGUDO		
HON. FIONA MARIE C. MANIGSACA	TIN 936-100-683-000	Dipolog City

Known to me and to me known to be the same persons who executed the foregoing agreement and they acknowledged to be the same is of their own free and voluntary act and deed and those of the offices they represent.

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

NOTARY PUBLIC  
Until December 31, 2022  
PTR No. \_\_\_\_\_

Doc No \_\_\_\_\_  
Page No \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 2022 \_\_\_\_\_



## **SCHEDULES**

- Schedule 1 - **Definition of Terms**
- Schedule 2 - **Description of Subproject**
- Schedule 3 - **Estimated Subproject Cost**
- Schedule 4 - **Tentative Disbursement Schedule**
- Schedule 5 - **Project Implementation Plan**
- Schedule 6 - **Schedule of Release of Funds**
- Schedule 7 - **Schedule of Requirements for the Release of Funds**
- Schedule 8 - **Format of Financial Reports and Statements**
  - a) Statement of Receipts And Expenditures (SRE)
  - b) Statement of Sources and Application of Funds (SSAF)
  - c) Trial Balance
  - d) Balance Sheet
  - e) Cash Flow Statement
- Schedule 9 - **Sanggunian Resolution - Resolution Authorizing the Local Chief Executive (LCE) to Execute and Enter into an IMA and Approving the Appropriation for the Total Subproject Cost**
- Schedule 10 - **Operation and Maintenance (O & M) Plan and Budget**