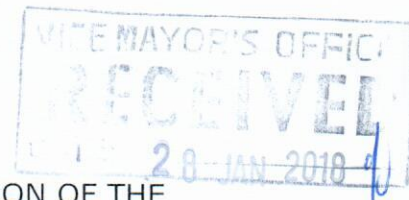


REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE
FOURTEENTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD
AT THE SANGGUNIANG PANLUNGSOD SESSION HALL,
ORMOC CITY HALL BUILDING
ON JANUARY 24, 2019

PRESENT:

Leo Carmelo L. Locsin, Jr.	City Vice Mayor & Presiding Officer
Vincent L. Rama,	SP Member, Majority Floor Leader
Mario M. Rodriguez,	SP Member, Presiding Officer "Pro-Tempore"
Benjamin S. Pongos, Jr.,	SP Member
Eusebio Gerardo S. Penserga,	SP Member
Gregorio G. Yrastorza III,	SP Member
Nolito M. Quilang,	SP Member
Lea Doris C. Villar,	SP Member, Asst. Minority Floor Leader
Esteban V. Laurente,	Ex-Officio SP Member, Chapter President, Liga ng mga Barangay ng Ormoc
Jasper C. Yerro,	Ex-Officio SP Member, Chapter President, Panlungsod Pederasyon ng mga Sangguniang Kabataan ng Ormoc

ON OFFICIAL BUSINESS:

Tomas R. Serafica,	(Acting City Mayor), SP Member, Asst. Majority Floor Leader
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ON LEAVE:

John Eulalio Nepomuceno O. Aparis II,	SP Member Minority Floor Leader
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RESOLUTION NO. 2019-017

AN OMNIBUS RESOLUTION GRANTING AUTHORITY TO THE CITY MAYOR RICHARD I. GOMEZ OR HIS REPRESENTATIVE TO ENTER INTO AND SIGN THE FOLLOWING: (1) IMPLEMENTATION MANAGEMENT AGREEMENT(IMA) BY AND AMONG THE DEPARTMENT OF AGRICULTURE(DA), THE PHILIPPINE RURAL DEVELOPMENT PROJECT - REGIONAL PROJECT COORDINATION OFFICE(PRDP-RPCO 8) AND THE LOCAL GOVERNMENT UNIT OF ORMOC CITY (LGU-ORMOC) AND (2) THE ENTERPRISE INVESTMENT AGREEMENT(EIA) BETWEEN THE LOCAL GOVERNMENT UNIT OF ORMOC CITY (LGU-ORMOC) AND THE ORMOC CITY JACKFRUIT PRODUCERS ASSOCIATION(OCJPA) AND OTHER SUBSEQUENT AGREEMENTS RELATIVE TO THE PRDP-RPCO 8 JACKFRUIT SUBPROJECT.

WHEREAS, the 14th Sangguniang Panlungsod ng Ormoc received an endorsement letter from the Office of the City Mayor on January 17, 2019 requesting for the issuance of an Omnibus Resolution granting the City Mayor or his representative, the authority to enter into and sign the Implementation Management Agreement(IMA) by and among the Department of Agriculture(DA), the Philippine Rural Development Project - Regional Project Coordination Office(PRDP-RPCO 8) and the Local Government Unit of Ormoc City (LGU-ORMOC) and the Enterprise Investment Agreement(EIA) between the Local Government Unit of Ormoc City (LGU-ORMOC) and the Ormoc City Jackfruit Association(OCJPA), copies of the subject agreements are hereto attached as Annexes "A" and "B", respectively, and made integral parts hereof;

WHEREAS, the Government of the Philippines has obtained a loan from the International Bank for Reconstruction and Development – World Bank (IBRD-WB) with IBRD Loan No. 8421 PH amounting to U.S. Dollar Five Hundred One Million Two Hundred Fifty Thousand Only (US\$501,250,000) for the purpose of financing the Philippine Rural Development Project (PRDP) to support the Government's effort to reduce poverty among the rural communities of Eighty-One (81) provinces in the country;

WHEREAS, the DA gives foremost consideration to poverty alleviation and social equity through the development and implementation of 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 infrastructure particularly in areas where productivity is low and the incidence of poverty is high pursuant to Republic Act No. 8435, otherwise known as the Agriculture and Fisheries Modernization Act (AFMA) of 1997;

WHEREAS, all funds concerning the implementation of Rural Agri-Fishery Enterprise and Productivity Enhancement under the Enterprise Development Component of PRDP will be coursed through and maintained by the Project Support Office of the DA and will be made available to participating Local Government Units (LGUs);

WHEREAS, the Enterprise Development Component of PRDP intends to strengthen and develop viable agri-fishery based enterprises through the development of efficient value chains of key agricultural and fishery products in targeted program areas;

WHEREAS, the Proponent Group, Ormoc City Jackfruit Producers Association (OCJPA), had submitted a project proposal entitled "Jackfruit Enterprises of Ormoc" with all the necessary documents to support the implementation of the project under the Enterprise Development Component of PRDP;

WHEREAS, the LGU-ORMOC identified Jackfruit Enterprises of Ormoc as its priority project for PRDP as indicated in the approved City Commodity Investment Plan (CCIP);

WHEREAS, the LGU-ORMOC manifested its interest to participate in the Project, thus forwarded and endorsed to the DA pertinent documentary requirements for its proposed subproject, Jackfruit Enterprises of Ormoc, under the Enterprise Development Component of PRDP;

WHEREAS, PRDP's Regional Project Advisory Board (RPAB) approved the Jackfruit Enterprises of Ormoc as subproject under the Enterprise Development Component of PRDP as per RPAB Resolution No. 18 Series of 2018 dated December 3, 2018;

WHEREAS, the Implementation Management Agreement (IMA) sets out the commitments of the Department of Agriculture under the Philippine Rural Development Project (PRDP) and the LGU ORMOC for implementing the subproject while the Enterprise Investment Agreement (EIA) shall cover the implementation of the Jackfruit Enterprise of Ormoc;

WHEREAS, after review of the draft MOAs by the City Legal Officer of the City he finds nothing legally objectionable therein considering that the same is in order, not contrary to law, morals or public policy and not detrimental to the best interest of the City, recommending that the aforementioned MOA be endorsed to this august Body for the issuance of an Omnibus Resolution granting the City Mayor the authority to enter into said agreements in behalf of LGU-ORMOC pursuant to Section 22(c) in relation to Section 455(b)(vi) of R.A. No. 7160 (Local Government Code);

WHEREAS, upon close and thorough review, this Sanggunian finds the aforementioned request by the City Mayor advantageous and for the best interest of the City and its inhabitants, most especially the jackfruit farmers and producers;

NOW THEREFORE, on joint motion of SP Member Benjamin S. Pongos Jr., Chairman, Committee on Laws and Ordinances and SP Member Mario M. Rodriguez, Acting Chairman, Committee on Agriculture, Fisheries & Agrarian Reform, severally seconded by SP Members Vincent L. Rama, Nolito M. Quilang, Esteban V. Laurente, Jasper C. Yerro and Gregorio G. Yrastorza III; be it

RESOLVED, AS IT IS HEREBY RESOLVED, to pass AN OMNIBUS RESOLUTION GRANTING AUTHORITY TO THE CITY MAYOR RICHARD I. GOMEZ OR HIS REPRESENTATIVE TO ENTER INTO AND SIGN THE FOLLOWING: (1) IMPLEMENTATION MANAGEMENT AGREEMENT(IMA) BY AND AMONG THE DEPARTMENT OF AGRICULTURE(DA), THE PHILIPPINE RURAL DEVELOPMENT PROJECT - REGIONAL PROJECT COORDINATION OFFICE(PRDP-RPCO 8) AND THE LOCAL GOVERNMENT UNIT OF ORMOC CITY (LGU-ORMOC) AND (2) THE ENTERPRISE INVESTMENT AGREEMENT(EIA) BETWEEN THE LOCAL GOVERNMENT UNIT OF ORMOC CITY (LGU-ORMOC) AND THE ORMOC CITY JACKFRUIT PRODUCERS ASSOCIATION(OCJPA);


ADOPTED, January 24, 2019.

RESOLVED FURTHER, that a copy of the final and notarized Implementation Management Agreement (IMA) and Enterprise Investment Agreement (EIA) be submitted to the Sangguniang Panlungsod of Ormoc City for its information and files;


RESOLVED FINALLY, that copies of this resolution be furnished each to the City Mayor; City Administrator; City Legal Officer; City Agriculture Office; Ormoc City Jackfruit Producers Association, Project Support Office - Visayas of the Department of Agriculture; the Philippine Rural Development Project - Regional Project Coordination Office of the Department of Agriculture; the OIC-City Director of DILG; and all other offices concerned for their information and guidance.

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the above resolution.


NANCY I. LOPENA
(OIC - SP Secretary)
Local Legislative Staff Officer V

ATTESTED:


LEO CARMELO L. LOCSIN, JR.
City Vice Mayor & Presiding Officer

IMA Number -PSO Visayas - _____

Republic of the Philippines
Department of Agriculture
PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP)
Project Support Office - Visayas

IMPLEMENTATION MANAGEMENT AGREEMENT
Enterprise Development with Civil Works

This Agreement is made and entered into, this ____ day of ____ 201____, at _____, Philippines, between and among:

The **Department of Agriculture**, an Agency under the Executive Department of the Republic of the Philippines, with principal address at DA-PRDP PSO, 2nd Floor Iloilo Sports Complex Magsaysay Village, Lapaz, Iloilo City, represented herein by **Regional Executive Director Remelyn R. Recoter, MNSA, CESO III, Project Director, Project Support Office - Visayas** hereinafter referred to as the **DA**;

The Philippine Rural Development Project-**Regional Project Coordination Office - (RPCO 8)**, of the **Department of Agriculture**, with principal address at Kanhuraw Hill, Tacloban City, Philippines, represented herein by its **OIC - Regional Executive Director, Dir. Andrew Rodolfo T. Orais, DVM**, hereinafter referred to as the **RPCO**;

-and-

The **City Local Government Unit (CLGU) of Ormoc**, a political subdivision of the Republic of the Philippines, with principal address at City Hall, Ormoc City, Leyte Philippines, represented by its **City Mayor, Hon. Richard I. Gomez**, hereinafter referred to as the **CLGU**;

- WITNESSETH -

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 obtained a loan from the International Bank for Reconstruction and Development - World Bank (IBRD - WB) with **IBRD Loan No. 8421 PH** amounting to **U. S. Dollar FIVE HUNDRED ONE MILLION TWO HUNDRED FIFTY THOUSAND ONLY (US\$501,250,000)** for the purpose of financing the **Philippine Rural Development Project (PRDP)** to support the Government's effort to reduce poverty among the rural communities of eighty-one (81) provinces in the country;

WHEREAS, all funds concerning the implementation of **Subcomponent 3.1: Rural Agri-fishery Enterprise and Productivity Enhancement (Enterprise Project Fund)** under **Component 3: Enterprise Development** of PRDP will be coursed through and maintained by the Project Support Office (PSO) and will be made available to participating 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 CLGU manifested its interest to participate in the Project, and forwarded to the DA pertinent documentary requirements for its proposed sub project;

WHEREAS, the **Project Support Office** has issued a No Objection Letter (NOL) 1 on _____, 2018 which is the basis of this Implementation Management Agreement (IMA);

WHEREAS, the CLGU 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 CLGU through Sanguniang Panlungsod Resolution No. dated _____, authorized the City Mayor to sign this Agreement and commit the LGU to the provisions therein;

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

ARTICLE I - PURPOSE OF THE AGREEMENT

Sec 1.01 This Agreement sets out the commitments of the Department of Agriculture under the **Philippine Rural Development Project (PRDP)** and the CLGU 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 is the **JACKFRUIT ENTERPRISE OF ORMOC**, of Ormoc City, Leyte under Infrastructure and Development Component described in detail in **Schedule 2 (Description of Subproject)** hereof (hereinafter referred to as the "Subproject").

Sec 3.02 The Subproject Cost is estimated at **TEN MILLION SEVEN HUNDRED TWENTY-EIGHT THOUSAND TWO HUNDRED FIFTY FOUR AND 73/100 PESOS (Php 10,728,254.73)** the breakdown of which is set forth in **Schedule 3 (Estimated Subproject Cost)**.

- Sec 3.03** The portion of Civil Works under the Infrastructure Development Component in the subproject is estimated at **FOUR MILLION SIX HUNDRED FIFTY SIX THOUSAND SEVEN HUNDRED NINETY NINE AND 73/100 PESOS (Php4,656,799.73)** the breakdown of which is set forth in **Schedule 3A (Estimated Subproject Cost for the Civil Works)**.
- Sec 3.04**
- a) The DA shall make available from the Loan Proceeds sixty percent (60%) or **TWO MILLION SEVEN HUNDRED NINETY FOUR THOUSAND SEVENTY NINE AND 84/100 PESOS (Php 2,794,079.84)** and twenty percent (20%) from GOP Counterpart or **NINE HUNDRED THIRTY ONE THOUSAND THREE HUNDRED FIFTY NINE AND 95/100 PESOS (Php931,359.95)** from the cost of Civil Works portion in the subproject under the Infrastructure Development Component as financial assistance to the CLGU in the form of Grant subject to the terms and conditions of this Agreement.
- b) The CLGU Equity shall be twenty percent (20%) or **NINE HUNDRED THIRTY ONE THOUSAND THREE HUNDRED FIFTY NINE AND 95/100 PESOS (Php 931, 359.95)** of the Civil Works portion of the Subproject to be used exclusively for civil works.
- Sec 3.05** The portion of the Enterprise Cost in the subproject is estimated at **THREE MILLION NINE HUNDRED TWENTY FIVE THOUSAND EIGHT HUNDRED PESOS (Php 3,925,800.00)** the breakdown of which is set forth in **Schedule 3B (Estimated Subproject Cost for the Enterprise)**.
- Sec 3.06**
- a) The DA shall make available from the Loan Proceeds sixty percent (60%) or **TWO MILLION THREE HUNDRED FIFTY FIVE THOUSAND FOUR HUNDRED EIGHTY PESOS (Php 2,355,480.00)** and twenty percent (20%) from GOP Counterpart or **SEVEN HUNDRED EIGHTY FIVE THOUSAND ONE HUNDRED SIXTY PESOS (Php 785,160.00)** from the cost of the Enterprise portion in the subproject under the Enterprise Development Component as financial assistance to the LGU in the form of Grant subject to the terms and conditions of this Agreement.
- b) The CLGU Equity shall be twenty percent (20%) or **SEVEN HUNDRED EIGHTY FIVE THOUSAND ONE HUNDRED SIXTY PESOS (Php785,160.00)** of the Enterprise portion of the Subproject to be used exclusively for the enterprise.
- c) The Proponent Group will contribute an amount equal to at least 20% (cash or in kind) to the Enterprise as incremental enterprise cost.
- Sec 3.07** Any increase or decrease in the cost but not beyond the approved sub project cost stated in this Agreement shall follow the approved financing mix and does not require amendment to IMA.
- In case the subproject cost exceeds the amount stated in the IMA, the CLGU/PG will provide the additional cost.
- The cost of Business Plan and all other cost of the subproject shall also be for the account of the CLGU/PG.
- Sec 3.08** 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 and 4 (Tentative Disbursement Schedule)** of this Agreement.

ARTICLE IV – SUBPROJECT ACCOUNT AND RECORDS

Sec 4.01 The CLGU shall:

- a) Upon signing of this Agreement, establish and maintain in a bank acceptable to the Government one (1) 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 **CLGU** 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 and financial condition of the Participating CLGU, including the operations, resources and expenditures related to the Project, including the recovery of all costs, for carrying out the Sub-project 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 2a, 2b and 3 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 of the 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 operation by the participating CLGU;
- 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 details 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; and

- h) Furnish the NPCO and PSO such other information concerning the said separate accounts, records and expenditures and the audit results thereof as NPCO and PSO may reasonably request from time to time.

ARTICLE V – SUBPROJECT EXECUTION

Sec 5.01 The CLGU 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 the 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.

Sec 5.03 The CLGU shall pass an ordinance for the appropriating the CLGU 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, and equipment as well as the works/outputs of consultants/contractors/suppliers; 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 CLGU shall also:

- a) Carry out an environmental screening for the proposed Subproject in accordance with the provisions of the Environmental Social Safeguards Framework (ESSF) (including the EMFG);
- b) Prior to the commencement of any installation of equipment, facilities or services to be rendered, prepare, hold consultations on and disclose an Environmental Social Management Plan (ESMP), satisfactory to the bank;
- c) Carry out the Sub-project in accordance with the ESMP;

- d) Not amend, suspend, or abrogate any of the provisions of the ESMP without prior approval of the bank;
- e) In the event that an environmental compliance certificate is required under the Philippine Laws or regulations, obtain such certificate from the DENR or its instrumentality at the regional level, in respect of the activities under the said Sub-project.

Sec 5.06 The CLGU shall:

- a) Maintain, throughout the period of Project implementation, the organization, management and resources, satisfactory to the Bank, for carrying out Subprojects;
- b) Establish, prior to the carrying out of any Subprojects, and thereafter maintain, a City Project Management and Implementation Unit (CPMIU) 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;
- c) Carry out the Subprojects with due diligence and efficiency, and in conformity with appropriate 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 therefor;
- d) Submit monthly, quarterly and annual financial and physical progress reports regularly to PSO through RPCO on or before due dates; and
- e) Comply with all the provisions applicable in the PRDP Operations Manuals and Guidelines in subproject implementation.

Sec 5.07 Each participating CLGU shall:

- a) In the procurement of goods, equipment and services, the CLGU shall comply with PRDP Procurement Manual, the 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 relevant provisions of the Loan Agreement which shall be suppletory in character;
- b) Ensure that said goods are insured against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, any indemnity thereunder to be made payable in a currency freely usable by the purchaser thereof to replace or repair such goods; and
- c) Ensure that said goods, equipment, facilities and services included in the project are utilized exclusively for the purpose of carrying out the Project.

ARTICLE VI - MONITORING, REPORTING AND EVALUATION

- Sec 6.01** The CLGU, through the CPMIU, 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 CLGU in carrying out the tasks, responsibilities and obligations set forth in this Agreement.
- Sec 6.03** The CLGU shall enable the WB, NPCO, PSO and RPCO to monitor, examine all goods, facilities, sites and equipment 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/or RPCO Directors, copies of which shall be furnished to the CLGU.
- Sec 6.04** Status reports such as Statement of Expenditures (SRE), Statement of Sources and Application of Funds (SSAF), financial statements (Trial Balance, Cash Flow Statement and Bank Reconciliation Statement) attached as **Schedule 8 (Format of Financial Reports and Statements)** and Monthly Progress Reports on the Subproject shall be forwarded by the CLGU 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 CLGU 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, their 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 CLGU shall allow/enable 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 CLGU falls short of the agreed objectives, targets or projects, the CLGU shall notify the NPCO, PSO and RPCO in writing, within fifteen (15) calendar days from the receipt of the latest monthly accomplishment report, so that necessary adjustments, modifications or amendments will 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 CLGU.
- Sec 7.02** The CLGU shall be responsible for bank charges and other expenses associated with remittances to and from the Subproject Trust Account established by the CLGU 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 CLGU warrants that the *Sangguniang Panlungsod* has passed a resolution as shown in **Schedule 9 (Sangguniang Panlungsod Resolution No. _____)** that:
- a) Authorizes the Local Chief Executive (LCE) to enter into contracts with the winning bidders for consultancy, procurement of goods/equipment and other agreements required to be done to put this Agreement into effect; and
 - b) Commits resources and logistical support for the effective implementation of the Subproject.
- Sec 7.05** The CLGU shall submit a Sub-project Completion Report not later than six (6) months after the last payment was made by the CLGU to the contractor and/or the proponent group.
- Sec 7.06** Upon the issuance of the Certificate of Completion, the CLGU shall operate and maintain, or cause to be operated and maintained properly, the structures, systems and facilities 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 the subproject's completion. The DARFO shall be copy furnished with a copy of the Appropriation Ordinance for monitoring purposes.
- 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 CLGU, or to 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 CLGU, may be taken or executed by the LCE, except, those expressly reserved in this Agreement to be taken by the CLGU's Sangguniang Panlungsod.
- Sec 7.08** By mutual consent, this Agreement or any part thereof may be changed, modified, revised, amended or supplemented for purposes 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 CLGU 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 CLGU has no or insufficient equity for the Subproject;
- b) Unsatisfactory performance of the CLGU in the implementation and execution of the Sub-project. (There is unsatisfactory performance if there is delay in the delivery, compliance or installation of more than seven (7) calendar days, for goods or equipment procured locally, or forty-five (45) calendar days, in case of goods or equipment procured abroad, *save the existing approved extension or suspension of delivery or installation or compliance*, of goods, services, equipment and facilities by the winning bidder/contractor/consultant/supplier.)
- c) At any time, the NPCO, PSO or RPCO shall have the power to determine, during the conduct of review and monitoring activities, whether or not the procurement of any contract to be financed by the Grant is consistent with the procedures set forth or referred to in the applicable Manuals and Guidelines of the PRDP, or in reference to the WB and GOF guidelines; and
- d) Extraordinary conditions such as force majeure, fortuitous events, and the like, shall 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 the Grant for the Subproject of the CLGU.

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

- a) Non-compliance or violation by the CLGU of any of the provisions of this Agreement;
- b) The NPCO and/or PSO finds out, with respect to any contract to be financed by the Grant, that corrupt or fraudulent practices as provided for under R.A. 3019 or otherwise known as Anti-Graft and Corrupt Practices Act were engaged in by representatives of the CLGU or a beneficiary of the Grant during the procurement and execution of such contract, without the CLGU 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, and makes it improbable for the Subproject to be continued/carried out; and
- d) Upon request by the CLGU.

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

- a) The CLGU shall be obliged to return to DA the unexpended and/or unliquidated balance of the released Grant of the Subproject within one month from the date of receipt of the notice of cancellation of the IMA; and

- b) The amount of Grant that were utilized shall be refunded to the DA within three (3) months from the date of receipt of the notice of cancellation of the 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 the IMA.

Sec 8.06 In case of cancellation upon the request of CLGU as stated in **Section 8.03 (d)**, the total amount of grant released should be returned within two (2) months after receipt of notice of approval of such cancellation.

Sec 8.07 The CLGUs whose IMA were cancelled but did not refund or return the grant funds in full to DA, will not be considered for on- going including future projects of the department.

Sec 8.08 **Failure to comply with the Operational Plan:** Should the CLGU fail to properly operate the subproject and/or to provide necessary budget allocations as per Operational Plan in **Schedule 10 (Operational Plan)** and assessment criteria, the 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.

ARTICLE IX - EFFECTIVITY

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

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

Sec 9.02 This Agreement shall become effective upon signing by the parties concerned and compliance by the CLGU of the additional preconditions for its 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 _____, 201__.

By:

REMELYN R. RECOTER, MNSA, CESO III
Project Director -
Project Support Office (PSO)

By:

HON. RICHARD I. GOMEZ
City Mayor
Ormoc City, Leyte

By:

ANDREW RODOLFO T. ORAIZ, DVM
OIC-Regional Executive Director
Project Director, Regional Project Coordination Office (RPCO) VIII

WITNESSES:

JENNY LYN R. ALMERIA, Ph.D., CESE
PRDP RPCO 8 Deputy Project Director

MS. DELIA C. VIBAR
City Treasurer

MAE IOY D. BACANTO
Project Accountant - PSO Visayas

DR. MARIO M. RODRIGUEZ
SP Member, Finance Committee

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

BEFORE ME, this _____ day of _____ 201_ at _____
personally appeared:

Name	Competent Evidence of Identity	Date/Place of Issue
ANDREW RODOLFO T. ORAIZ	_____	_____
RICHARD I. GOMEZ	_____	_____

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

This instrument, consisting of 13 pages, including the page on which this
acknowledgement is written, has been signed by abovementioned parties and their
witnesses, and sealed with my notarial seal.

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

NOTARY PUBLIC
Until December 31, 201_
PTR No. _____

Doc No _____;
Page No _____;
Book No. _____;
Series of 201____.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

BEFORE ME, this _____ day of _____ 201_, at Iloilo City personally
appeared:

Name	Competent Evidence of Identity	Date/Place of Issue
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REMELYN R. RECOTER	_____	_____
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Known to me to be the same persons who executed the foregoing agreement, and
acknowledged that the same are their own free act and deed and those of the offices they
represent.

This instrument, consisting of 13 pages, including the page on which this
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Book No. _____;
Series of 201_____.

Republic of the Philippines
Department of Agriculture

PHILIPPINE RURAL DEVELOPMENT PROJECT (PRDP)

Jackfruit Enterprise of Ormoc
SP ID # **PRDP-IR-R008-LEY-012-ORM-001-2018**
City of Ormoc, Leyte

ENTERPRISE INVESTMENT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

THIS AGREEMENT is made this ____ day of ____, **201**, by and between the following:

The **City Government of Ormoc**, a Local Government Unit of the Republic of the Philippines, represented by Hon. Richard I. Gomez, City Mayor of Ormoc City, of legal age, Filipino, married and with principal address at **Office of the City Mayor, City Hall Building, Ormoc City, Leyte** and hereinafter referred to as the "CLGU".

- and -

The **Ormoc City Jackfruit Producers Association (OCJPA)** duly registered organization of the Republic of the Philippines, under the **Department of Labor and Employment (DOLE)**, with office address at **Barangay Valencia, Ormoc City, Leyte** represented herein by its **President, Amando P. Apoderado**, and hereinafter referred to as the "Proponent Group" (PG);

WITNESSETH -

WHEREAS, the DA is implementing the Philippine Rural Development Project (PRDP) aimed at increasing farm and fishery productivity and incomes in target areas in all 16 regions of the country by improving access of farmers and other industry players to a strategic network of infrastructure, market information and support services;

WHEREAS, the Enterprise Development Component (I-REAP) of PRDP intends to strengthen and develop viable agri-fishery based enterprises through the development of efficient value chains of key agricultural and fishery products in targeted program areas;

WHEREAS, all funds concerning the implementation of I-REAP will be coursed through Project Support Office (PSO) and will be made available to participating provincial LGUs and proponent groups;

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

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 Ormoc** identified **Jackfruit Enterprise of Ormoc** as its priority subproject for PRDP as indicated in the approved CCIP;

WHEREAS, the Proponent Group submitted project proposal entitled "**Jackfruit Enterprise of Ormoc**" with all the necessary documents to support the implementation of the subproject under the Enterprise Development Component;

WHEREAS, the proposal of **Jackfruit Enterprise of Ormoc** was endorsed by CLGU and approved by Regional Project Advisory Board (RPAB) per RPAB Resolution No. 18 Series of 2018 dated December 3, 2018;

WHEREAS, the PSO has issued a No Objection Letter (NOL 1) on the business plan of **Jackfruit Enterprise of Ormoc** dated _____, 2018, amounting to **EIGHT MILLION FIVE HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED NINETY NINE AND 73/100 PESOS (Php8,582,599.73)** net of the Proponent Group's Equity;

NOW THEREFORE, the parties hereto hereby agree as follows:

Article I DEFINITION OF TERMS

Sec 1.01 Unless this Agreement otherwise requires, the terms of acronym used in this Agreement shall have definitions and meanings as set out in **Schedule 1 (Definition of Terms)**.

Article II SCOPE OF AGREEMENT

Sec 2.01 This agreement shall cover the implementation of **Jackfruit Enterprise of Ormoc**, referred as the "**Enterprise**" in accordance with the approved Business Plan to be located in **Barangay Valencia, Ormoc City, Leyte**.

ARTICLE III SUBPROJECT DESCRIPTION AND COST ESTIMATES

Sec 3.01 The subproject covered by this agreement is **Jackfruit Enterprise of Ormoc**, with a total cost of **EIGHT MILLION FIVE HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED NINETY NINE AND 73/100 PESOS (Php8,582,599.73)** excluding Proponent Group equity described in detail in **Schedule 2 (Description of Enterprise)**.

Sec 3.02 The Enterprise cost is **THREE MILLION NINE HUNDRED TWENTY FIVE THOUSAND EIGHT HUNDRED PESOS (Php3,925,800.00)** Schedule 3B (Estimated Subproject cost - Enterprise for Jackfruit Enterprise of Ormoc).

- Sec 3.03 The CLGU shall make available from the Enterprise Fund eighty percent (80%) or **THREE MILLION NINE HUNDRED TWENTY FIVE THOUSAND EIGHT HUNDRED PESOS (Php3,925,800.00)** under the Enterprise Development Component as financial assistance to the Proponent Group in the form of Grant subject to the terms and condition of this Agreement.
- Sec 3.04 The Proponent Group equity shall be at least twenty percent (20%) of the total Enterprise Cost which consist of cash equity in the amount of **NINE HUNDRED SEVENTY-SIX THOUSAND FOUR HUNDRED THIRTY FIVE PESOS (Php976,435.00)** and equity in kind amounting to **ONE MILLION ONE HUNDRED SIXTY NINE THOUSAND TWO HUNDRED TWENTY PESOS (Php1,169,220.00)** to be used exclusively for the enterprise.
- Sec 3.05 Any increase or decrease in enterprise cost but not beyond the approved cost of business plan shall follow the approved financing mix and does not require amendment to EA. In case the subproject cost exceeds the amount stated, the PG will provide the additional amount.
- Sec 3.06 The grant shall be allocated in accordance with the provisions of this Agreement, for expenditures incurred in respect to the approved costs of the Enterprise described and referred to in accordance with **Annex A (Work and Financial Plan)** and as provided in the submitted and approved **Annex B (Procurement Plan)** of this Agreement.

ARTICLE IV SUBPROJECT ACCOUNT AND RECORDS

- Sec 4.01 The PG shall:
- Upon signing of this Agreement, establish and maintain current account in a Commercial Bank acceptable to the PSO and to CLGU;
 - 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 and financial condition of the participating PG;
 - Establish and maintain accounts and books for the Enterprise, reflecting all expenditures and on withdrawals requested and received from the CLGU on the basis of the Statement of Receipts and Expenditures (SRE);
 - Disburse the funds in accordance with the Subproject components to which the Grant were provided as presented in **Schedule 4 (Tentative Disbursement Schedule)** thereof;
 - 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 Enterprise, and enable the DA and LGU representatives to examine such records;
 - Have its financial statements for the Project referred to above audited by independent auditors acceptable to the Bank, NPCO, PSO and CLGU. Each audit of these financial statements shall cover the period of one (1) calendar year of the participating PG;

- g) Furnish the CLGU thru the CPMIU 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 details as the CLGU shall reasonably request; and
- h) Furnish the CLGU such other information concerning the said separate accounts, records and expenditures and the audit thereof as CLGU may reasonably request from time to time.

ARTICLE V DUTIES AND RESPONSIBILITIES

Sec 5.01 The CLGU through the CityProgram Management and Implementing Unit (CPMIU) shall have the following duties and responsibilities:

- a) Make available to the Proponent Group (PG) the enterprise fund and its timely releases as per approved work and financial plan corresponding to the detailed implementation plan and/or program of works;
- b) Provide technical support to the ProponentGroup in all aspects of enterprise development including conduct of capacity building interventions;
- c) Ensure that goods and works are procured in accordance to the Enterprise Development Operations Manual and Procurement Guidelines of PRDP;
- d) Assist the Proponent Group in installing financial records to facilitate proper disbursement of funds, liquidation and records keeping;
- e) Assign a focal person to conduct periodic monitoring and evaluation of enterprise implementation and operation and provide regular feedback to Proponent Group;
- f) Ensure adherence of the Proponent Group to PRDP processes as provided in the PRDP Enterprise Development Operations manual;
- g) Submit regularly the monitoring and evaluation reports to the RPCO as defined in the Results-Based Monitoring and Evaluation (RBME) Guidelines for PRDP; and
- h) Facilitate the turn-over to the Proponent Group of goods and works procured for the enterprise upon subproject completion thru a **Deed of Donation and Certificate of Turn-Over.**

Sec 5.02 The Proponent Group shall:

- a) Ensure smooth implementation of the enterprise according to the approved business plan and detailed implementation plan and/or program of works and in adherence to social and environmental standards;
- b) Ensure broad participation of farmers and other key stakeholders in the enterprise activities;

- c) Undertake Operations and Maintenance of the facilities and other properties relevant to the enterprise;
- d) Enable the CLGU and other entities to examine goods and works procured and the operation thereof including relevant records and documents;
- e) Implement continuous capability building and capacity improvement for the enterprise and other farmers stakeholders;
- f) All expenses that will be incurred in the enterprise implementation in excess of the approved enterprise fund shall be fully assumed by the Proponent Group. However, if the actual cost incurred is lower than the approved amount, the Proponent Group may request the CLGU to reprogram the fund for similar project provided it shall not require additional funds from the province;
- g) Maintain financial records to properly disburse and liquidate enterprise funds; and
- h) Submit required physical and financial reports to the CLGU. These reports shall be made accessible to all PRDP implementing units.

ARTICLE VI SUBPROJECT EXECUTION

- Sec 6.01 The PG shall start the implementation of the enterprise, based on the presented **Schedule 5 (Implementation Plan)** and in accordance with the approved business plan, immediately from the date of the effectivity of this Agreement.
- Sec 6.02 Upon approval of this Agreement, the CLGU will release or cause the release of Grant to the PG in accordance with **Schedule 6 (Schedule of Requirements for the Release of Funds)** of this Agreement.
- Sec 6.03 The CLGU through the CPMIU shall:
- a) Monitor, supervise and evaluate the PG in the implementation of its Enterprise and its compliance with the obligations under this Agreement;
 - b) Assist the Proponent Group in the formation of a procurement committee as stated in Article VIII Sec 8.03 of this Agreement;
 - c) Assist in the review of the procurement of goods, services, civil works and equipment as well as works/outputs of consultants/contractors;
 - d) If the PG upon assessment is not capable in the procurement process of PRDP, the CLGU shall, in behalf of the PG, shall procure the goods, services or works necessary for the implementation of the enterprise; and
 - e) Ensure that the enterprise is implemented in accordance with the provisions of this Agreement, relevant laws, rules and regulations, and professional and technical standards.
- Sec 6.04 The PG shall:

- a) Submit monthly, quarterly and annual financial and physical progress reports regularly to CLGU through RPCO on or before due dates.
- b) Comply with all the provisions applicable in the PRDP Operations Manuals and Guidelines in Subproject Implementation.

Sec 6.05 In the procurement of infrastructure, goods, supplies, and consultancy services, the CLGU shall comply with the 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 the NEDA Guidelines on the procurement of Consulting Services for Government Projects (Implementing Rules and Regulations) respectively.

ARTICLE VII MONITORING, REPORTING AND EVALUATION

Sec 7.01 The CLGU, through the CPMIU, shall comply with the procedures and guidelines for monitoring and reporting as prescribed by the PRDP.

Sec 7.02 The CLGU shall, on behalf of NPCO, PSO, and RPCO, undertake overall monitoring and evaluation of the performance of the PG in carrying out the tasks, responsibilities and obligations set forth in this Agreement.

Sec 7.03 The WB, NPCO, PSO, RPCO and LGU shall audit, monitor and evaluate the progress and status of the implementation and management of the Enterprise. The findings of the monitoring team shall be forwarded to the NPCO, PSO, and/or RPCO Directors, copies of which should be furnished to the CLGU and PG.

Sec 7.04 Status reports such as Statement of Receipts and Expenditures (SRE), and/or Monthly progress report on the Subproject shall be forwarded by the PG to the LGU 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 CLGU and RPCO.

Sec 7.05 The PG shall allow the WB, NPCO, PSO, RPCO and LGU to conduct audit inspection and review of financial accounting records.

Sec 7.06 In the event that the performance of the PG falls short of the agreed objectives, targets or programs, the PG shall notify the LGU in writing of the 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 CLGU.

ARTICLE VIII OTHER COVENANTS

Sec 8.01 The PG shall be responsible for the bank charges or other expenses associated with remittances to and from the Enterprise Bank Account established by the PG in accordance with this Agreement.

Sec 8.02 The PG shall maintain a monitoring and record system reflecting all the funds released and the expenditures made for the execution of the Subproject.

Sec 8.03 The PG may manage the procurement of goods, works and services. This will depend on the established procurement capacity of the PG. The basic

requirement/capacity of the PG to manage the procurement within the prescribed threshold shall include formation (if no existing procurement committee) of bidding/procurement committee, experience and knowledge on procurement/purchasing, and should have attended the procurement training under the PRDP.

- Sec 8.04 The PG shall submit the Subproject Completion Report not later than three (3) months after the date of issuance of Certificate of Completion to the LGU.
- Sec 8.05 Upon the issuance of the certificate of completion, the PG shall operate and maintain, or cause to be operated and maintained properly, the structures, systems and facilities constructed, installed or established under the Enterprise.
- Sec 8.06 (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 PG; 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 under this Agreement, on behalf of the LGU, may be taken or executed by the Local Chief Executive (LCE) 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 Sangguniang Panlungsod.
- Sec 8.07 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 8.08 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-PRDP RPCO 8.
- Sec 8.09 Notarial fees and expenses incidental to the processing of these documents shall be chargeable against the PG funds.

ARTICLE XI REMEDIES

- Sec 9.01 The CLGU, after according due process to PG, shall suspend the subsequent releases of the Grant if any of the following occurs:
- (a) The PG has no or insufficient equity for the Enterprise;
- (b) Unsatisfactory performance of the PG in the implementation and execution of the Sub-project;
- (c) At any time the NPCO, PSO, RPCO or CLGU 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/or

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

Sec 9.02 The CLGU, at its own sole option, reserves the right to lift such suspension for the resumption of releases of Grant for the Enterprise of the PG.

Sec 9.03 Upon the recommendation of the CPMIU, the LCE shall cancel the EA if any of the following occur:

- (a) Non-compliance or violation of the PG of any provisions of this Agreement;
- (b) The NPCO, PSO, RPCO and/or CLGU found out, with respect to any contract to be finance by the Grant, that corrupt or fraudulent practices were engaged in by representatives of the PG or a beneficiary of the Grant during the procurement and execution of such contract, without the PG having taken timely and appropriate action satisfactory to the NPCO, PSO, RPCO and/or CLGU to remedy the situation;
- (c) At any time, when the extent of the events mentioned in **Section 9.01 (d)** escalates that shall make it improbable for the Subject to continue to be carried out; and/or
- (d) Upon the request of the PG.

Sec 9.04 In such case that the Subproject is suspended or cancelled due to the fault of the PG as in **Section 9.01** Sub-sections (a), (b), and (c) the following provisions shall apply;

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

Sec 9.05 In case of cancellation of EA due to the force majeure, as stated in **Section 9.01 (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 months from the receipt of the notice of approval of cancellation of EA.

Sec 9.06 In case of cancellation upon the request of PG as stated in **Section 9.03 (d)**, the total amount of grant released should be returned within two months after receipt of notice of approval of the cancellation.

Sec 9.07 The PGs whose EA were cancelled but did not refund or return the grant funds in full to CLGU will not be considered for on-going and future projects and programs of the DA and CLGU, without prejudice to the filing of case against the responsible officials of PG.

Sec 9.08 **Failure to comply with Operation Plan:** Should the PG fail to properly operate the enterprise in accordance with **Schedule 10 (Operational Plan)** and assessment criteria, for a continuous period of one (1) year

without justifiable cause and within the ten (10) year period from issuance of Certificate of completion, the CLGU shall have the right to recover ownership over the facilities and/or equipment which are covered by this Agreement subject to existing laws, rules and regulations.

**ARTICLE X
GENERAL PROVISIONS**

Sec 10.01 **Amendments and Effectiveness.** The parties may, by mutual agreement, amend, alter, or modify this Agreement anytime through the addendum signed by both parties. The Agreement shall take effect on the date of signing of both parties, unless sooner terminated by either party, provided further that such termination will not prejudice any on-going subproject.

IN WITNESS WHEREOF, the partners have duly executed this Agreement on the day and year set forth hereinabove.

By:

HON. RICHARD L. GOMEZ
City Mayor
Ormoc City, Leyte

By:

MR. AMANDO P. APODERADO
OCJPA- President
Proponent Group

WITNESSES:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S

BEFORE ME, this _____ day of _____ 201____, at _____
personally appeared:

Name	Competent Evidence of Identity	Date/Place of issue
RICHARD I. GOMEZ	_____	_____
AMANDO APODERADO	_____	_____

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

This instrument, consisting of 10 pages, including the page on which this acknowledgement is written, has been signed by abovementioned parties and their witnesses, and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand on the date and place above written.

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