

**MEMORANDUM OF AGREEMENT**

This **MEMORANDUM OF AGREEMENT** entered into and executed this \_\_\_\_\_ of \_\_\_\_\_ by:

The **Department of the Interior and Local Government (DILG)** herein referred to as the **DILG-Region 02** with principal address at #3 Dalan na Imammo cor. Pavyurulun, Regional Government Center, Carig Sur, Tuguegarao City, Cagayan represented herein by **Regional Director JOHN M. CASTAÑEDA**.

and

The **Local Government Unit of SAGUDAY**, herein referred to as **LGU PCF** recipient with principal office at **National Highway, Magsaysay, Saguday, Quirino** and represented in this Agreement by its (**Municipal Mayor**) **HON. MARCELINA M. PAGBILAO** by virtue of Sanggunian Resolution No. 132, Series of 2016.

**WITNESSETH**

**WHEREAS**, the Department of the Interior and Local Government (DILG) is mandated to strengthen local government unit's capability to effectively discharge their powers and functions towards improving the delivery of basic services and facilities to their constituents;

**WHEREAS**, the Development Budget Coordinating Committee (DBCC) of the Department of Budget and Management (DBM) approved the Performance Based Incentive Policy (PBIP) which provides for an incentive framework to rationalize national government and intergovernmental transfers to LGUs towards improving LGU performance in governance and delivery of basic services;

**WHEREAS**, the Performance Challenge Fund (PCF) for Local Government Units is a program of DILG that serves as a facility to help stimulate LGUs that put premium on transparency, accountability and service delivery performance to enable themselves to avail of financial support to jumpstart and sustain local socio-economic development initiatives supportive of national government goals and priorities. It is an incentive fund to eligible LGUs to support the implementation of high-impact capital investment projects in the development plans;

**WHEREAS**, the Performance Challenge fund (PCF) is being administered by the Department of the Interior and Local Government in collaboration with the Department of Budget and Management (DBM) to recognize governance performance particularly in the adoption of "good local governance" along the governance areas of (1) Good Financial Housekeeping, (2) Disaster Preparedness (3) Social Protection (4) Business Friendliness and Competitiveness (5) Peace and Order and (6) Environmental Management.

**WHEREAS**, the Performance Challenge Fund's progressive realization to achieve the Philippine Development Plan (PDP) 2011-2016 thru programs and projects supporting the Millennium Development Goals (MDGs), stimulating local economic development, encouraging disaster preparedness and climate adaptation, promoting ecological solid waste management and promotion of transparency and accountability are anchored on the contribution of local government units (LGUs), as well as non-governmental and private sector organizations;

**WHEREAS**, the Local Government Units (LGUs), as provided for under the Local Government Code of 1991 or Republic Act 7160, assume the primary responsibility of providing basic services and

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facilities and the improvement of quality of life of their constituents through the implementation of these programs and projects;

**WHEREAS**, the Municipality of Saguday, has been awarded the Seal of Good Local Governance (SGLG) thereby entitles the LGU to receive the PCF incentive.

**NOW, THEREFORE**, for and in consideration of the above premises and of the mutual covenants stipulated hereinafter set forth the PARTIES hereto agree to enter into this Memorandum of Agreement to adhere to the following terms and conditions:

### Section 1. Identification of Projects for PCF Funding

The LGU PCF Recipients shall utilize the PCF incentive only in projects that support the national priorities for the attainment of the Philippine Development Plan 2011-2016 such as those projects aimed at achieving the Millennium Development Goals (MDGs); preparing for disaster and adaptation to climate change ; towards sustainable environmental management; stimulating local economic development and furthering transparent, accountable and participative local governance, which are implementable within **one (1) year from the date of receipt of the Notice to Implement (NTI) signed by the DILG Regional Office.**

### Section 2. Submission of Project Details

Within 30 days after signing of this MOA, the LGU PCF Recipient shall submit to DILG Regional Office the project proposal to include Administrative /Executive Order creating the LGU PCF Project Implementation Unit/Team, Program of Works with Detailed Estimates and Quantity Take-off, Pictures of the Proposed site (in high-resolution preferably taken in two different angels) and all other pertinent documents needed for the proposed project.

### Section 3. Roles and Responsibilities of PCF Recipient LGU

1. Maintain separate ledger/book of accounts for the PCF incentive fund;
2. Issue an Official Receipt corresponding to the amount of PCF incentive, upon receipt of the PCF;
3. Create a PCF Project Team to be responsible for the implementation of the project;
4. Submit to the DILG Regional Office thru channels the complete documentary requirements of the proposed project/s and reports as stipulated in Memorandum Circular No. 2016-167 dated November 23, 2016;
5. Put up a signage of the reports using formats such as billboards, tarpaulins, banners, or posters in the place where the project is to be implemented following the template/design stipulated in COA Circular No. 2013-004 dated January 30, 2013.
6. For disclosure of projects, post in conspicuous places within public buildings (in front of Provincial Capitol, City/Municipal Halls, public library, market, etc.) monthly/quarterly progress of project implementation, completed projects including disbursed PCF subsidy. In the absence of website ( in the case of cities/municipalities), said documents shall be posted on the website of the Provincial Government or on the DILG Regional websites.
7. Put up a "PCF Marker" as stipulated in the MC No.2016-167 dated November 23, 2016 upon completion of the project.
8. Submit to DILG Regional Office thru channels the progress monitoring report and other reports needed as stipulated in the MC No.2016-167 dated November 23, 2016.

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES)

) S.S.

BEFORE ME, a notary public, for and in the above jurisdiction, personally appeared on this:

<u>NAME</u>	<u>CTC. NO.</u>	<u>DATE/PLACE OF ISSUE</u>
<u>JOHN M. CASTAÑEDA, CESO V</u> DILG Regional Director	_____	January __, 2016 - Tuguegarao City, Cagayan
<u>MARCELINA M. PAGBILAO</u> Municipal Mayor	08404249	January 04, 2016 – Saguday, Quirino

Known to me be the person/s who executed the foregoing instrument and acknowledge to me is his/her free and voluntary act and deed.

The parties have signed this Memorandum of Agreement consisting of 4 pages, including the page where the acknowledgement is written, and their instrumental witnessed on the left margin of each and every page.

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

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*G.M. D. City*  
ATTY. GENERAL  
NOTARY PUBLIC  
OFFICE OF THE ATTORNEY GENERAL  
TUGUEGARAO CITY  
CAGAYAN  
REG. NO. 19729 / 2016  
RPLA No. V-0014917 VALID  
UNTIL APRIL 14, 2019