

**PRO-FORMA MOA ON THE CREATION OF THE MULTI-PARTITE MONITORING TEAM (MMT),  
ENVIRONMENTAL MONITORING FUND (EMF) AND ENVIRONMENTAL GUARANTEE FUND (EGF)**

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**MEMORANDUM OF AGREEMENT  
ON THE CREATION OF THE  
MULTI-PARTITE MONITORING TEAM,  
ENVIRONMENTAL MONITORING FUND  
AND THE ENVIRONMENTAL GUARANTEE FUND**

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, at \_\_\_\_\_ by and among:

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**, through the **ENVIRONMENTAL MANAGEMENT BUREAU** with principal office at EMB, Bldg., DENR Compound, Visayas Avenue, Diliman, Quezon City, represented by its Director, \_\_\_\_\_ hereinafter referred to as **EMB**;

-And-

The **[Official Name of the Proponent: Company/Corporation]**, with principal office at \_\_\_\_\_, represented by its *(President/VP)*, \_\_\_\_\_, hereinafter referred to as **[acronym of the company/corporation (proponent)]**;

**WITNESSETH, That:**

**WHEREAS:**

- (i) **[Proponent]** has been issued an Environmental Compliance Certificate (ECC) with ECC Reference Code No. \_\_\_\_\_ on **(date of issuance)** pursuant to Presidential Decree No. 1586 for its proposed **[ Official Name of the Project and its exact location]**, hereinafter referred to as the PROJECT;
- (ii) The Parties have previously executed a Memorandum of Agreement on the creation of the Multipartite Monitoring Team (MMT) and the establishment of Environmental Monitoring Fund (EMF) and Environmental Guarantee Fund (EGF) on **(date of previous MOA, if there is a MOA)**;
- (iii) DENR issued DENR Administrative Order (DAO) No. 2017-15 and DAO 2018-18 which rationalized the composition and operation of the MMT among others;
- (iv) The Parties desire to clarify and thus define hereunder their respective commitments and responsibilities in connection with the formation of the MMT and the establishment of the EGF and EMF;

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

**TITLE I. THE MMT ORGANIZATION**

**SECTION A. COMPOSITION**

The applicable provisions of DAO 2017-15 and DAO 2018-18 shall guide the identification of members of the MMT. The representatives from the government sector shall be on ex-officio basis. The selection process for sectoral representatives shall be prescribed in the Manual of Operations (MOO). Likewise, the code of ethics for MMT members, suspension/removal, resignation/replacement and other organizational processes shall be prescribed in the MOO.

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The following shall be represented in the MMT:

- 1) LGU/s representatives:
  - PG ENRO/MENRO/City ENRO of -----(please state specific municipality/city)-----
  - Provincial/City/Municipal Health Unit (RHU) Chief of -----(please state specific unit/barangay)-----
  - Barangay Captain/s of -----(please state specific barangay/s)-----

*NOTATION: Representative from the Municipal/City Environment and Natural Resources Officer MENRO/City ENRO (for projects whose DIA is limited to the City or Municipality) and Provincial Government (PG) ENRO (for projects whose DIA covers more than 2 municipalities). In cases where there is no PG-ENRO, MENRO/City ENRO, the Municipal/Provincial Planning and Development Officer (MPDO/PPDO) or the chairman of the environment committee of the Sangguniang Bayan may be designated as representative to the MMT.*

*(NOTATION: If project area covers only one (1) barangay, the MMT shall not exceed ten (10) members. If project area covers more than one (1) barangay, additional members can be added such as the Barangay/s Captain and MENRO of affected municipalities.)*

- 2) LGU-accredited local NGOs (*maximum of one 1*)  
*Note: that the NGO should have mission specifically related to environmental management and/or to the type and impacts of the proposed undertaking/project. In cases, where there is no such NGOs, it can be open to other NGOs.*
- 3) Community leaders: (*maximum of 2*)  
*Note: that the community leaders must represent vulnerable sectors including indigenous populations, women and senior citizens, and/or representatives from the academe may be included as member of the MMT in addition to the LGU-accredited NGO.*
- 4) DENR
  - PENRO and
  - CENRO
- 5) Other government agencies representatives (*maximum of 3*):
  - -----(please state specific office)-----
  - -----(please state specific office)-----
  - -----(please state specific office)-----

**SECTION B. MMT STRUCTURE AND LEADERSHIP**

The MMT Chair shall be elected by members of the MMT with due consideration of Section 16.4 of DENR DAO 2017-15 using the procedures prescribed in the MOO.

The MMT shall operate and decide based on majority vote of members in attendance constituting a quorum.

*(Note: As general rule, the ENRO, PG-ENRO or Regional Director of the Regional Lead Agency shall serve as the MMT Chair. The MOO shall govern the election process).*

**SECTION C: MEMBERSHIP**

The MMT shall be multi-sectoral and shall have representations from the stakeholders as identified in Section A above. The identified offices / sector shall officially designate/authorize through a written office order, endorsement letter or similar instruments, a representative to be a member of the MMT who must:

1. Be able to regularly attend meetings, orientations, training, actual monitoring and reporting activities.
2. Be able to read, write and learn the various aspects of monitoring.
3. Be credible to the larger community and without any criminal or administrative cases  
*(Note : an alternate member for each represented entity maybe officially designated, if deemed necessary, and should be specified in the MOO)*

The MMT Chair shall confirm and update the official listing of MMT Members on an annual basis.

MMT members especially those who will lose their opportunity to earn while participating in MMT activities shall receive an honoraria of not more than Php2,000.00 per quarter for their participation charged to the EMF.

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**TITLE II. MMT FUNCTIONS, INSTITUTIONAL ARRANGEMENTS AND  
RESPONSIBILITIES**

SECTION A. MAJOR FUNCTIONS OF THE MMT

Functions of MMT are as follows:

1. Monitor project compliance with the conditions stipulated in the ECC (**Annex A**) and the EMP (**Annex B**);
2. Validate proponent's conduct of self-monitoring;
3. Receive complaints, gather relevant information to facilitate determination of validity of complaints or concerns about the project and timely transmit to the proponent and EMB recommended measures to address the complaint;
4. Prepare, integrate & disseminate simplified monitoring reports to community stakeholders;
5. Make regular and timely submission of MMT Report based on the EMB-prescribed format (Compliance Monitoring Validation Report);

SECTION B. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

*The EMB Central Office* shall be responsible for taking the lead in policy guidance, the provision of needed support for the operationalization of the MMT and its performance validation.

*EMB Regional Office* upon written invitation of the MMT, shall act as the resource person and provide technical advice/assistance in the operation of the MMT.

Other member offices/sector identified in Section A of Title I as needing representation in the MMT shall have the following roles, duties and responsibilities:

*DENR (PENRO and CENRO)* shall lead in undertaking actual monitoring activities and act with dispatch on issues/problems that arise relative to the PROJECT being monitored.

*(Proponent)* shall provide necessary budget/funds for the MMT activities, make available to the MMT all project information necessary to determine compliance with the environmental requirements and commitments to the extent that such information is not subject to any restrictions and confidentiality, coordinate with and allow the MMT members to inspect and observe construction and operation activities of the PROJECT.

*(Local Government Units)* shall designate a representative who shall participate in actual monitoring work, prepare or concur with and sign the MMT monitoring reports, provide the necessary information about local policies, plans and programs affecting MMT monitoring results and standards, advise the MMT of any complaints, information or reports from LGUs concerning the PROJECT.

*(NGO/PO and other vulnerable groups)* shall designate a representative who shall participate in actual monitoring work, prepare or concur with and sign the monitoring reports, provide the necessary information such as update regarding the perceptible impact of the project on the sector/concern being represented.

As may be required from time to time, MMT may request the assistance of *(other relevant government agencies, or other sectors)* to provide the necessary information about agency/sectoral policies, plans and programs affecting MMT monitoring results. Shall participate in actual monitoring work, prepare or concur with and sign the MMT monitoring reports.

**TITLE III. MMT OPERATIONS AND PROCEDURES**

SECTION A. MMT MANUAL OF OPERATIONS

All MMT activities shall be guided by a Manual of Operations (MOO) to be prepared based on the EMB-prescribed generic manual of operations which shall be customized based on the project type/situation and the corresponding monitoring requirements and submitted to EMB for approval within sixty (60) days from the signing of this MOA. The **(PROPONENT)** shall prepare the MOO in consultation with the members of the MMT and EMB.

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The MOO shall contain, at the minimum, the following:

MMT Code of Ethics

- INTRODUCTION
- PROJECT BACKGROUND
- LEGAL BASIS
- VISION-MISSION
- OBJECTIVES
- GENERAL FUNCTIONS
- MEMBERSHIP
  - 7.1 Selection Process and Criteria for Membership
  - 7.2 Suspension/Removal, Resignation and Replacement of Members
- ORGANIZATION
  - 8.1 MMT Structure and leadership
  - 8.2 General Roles, Duties And Responsibilities Of MMT Members
  - 8.3 Specific Roles, Duties And Responsibilities Of MMT Members
- FUND ADMINISTRATION AND MANAGEMENT
  - 9.1 Eligible Expenses and Standards
  - 9.2 Utilization of EMF / Preparation of a Work and Financial Plan
  - 9.3 Management of the Fund
  - 9.4 Disbursement and Auditing Procedures
- ACTIVITIES AND CORRESPONDING GUIDELINES
  - 10.1 Meetings
    - 10.1.1 Regular Meetings
    - 10.1.2 Special Meetings
    - 10.1.3 Notice of Meetings
    - 10.1.4 Quorum
    - 10.1.5 Proxy Voting
  - 10.2 Compliance Monitoring, Site Validation and Reporting
    - 10.2.1 Document Review – ECC & EMP Commitments, Previous and Current Monitoring Reports
    - 10.2.2 Site Validation
    - 10.2.3 Complaint Verification and Management
    - 10.2.4 Reporting – Compliance Monitoring and Validation Report
  - 10.3 Records Keeping
  - 10.4 Public Disclosure and IEC
  - 10.5 Other MMT Operations Enhancement Activities
    - 10.5.1 Review of Proponent’s Monitoring Activities
    - 10.5.2 MMT Performance Validation
    - 10.5.3 Annual Planning Workshop
    - 10.5.4 Trainings

The MOO may be updated as the need arises to address operational problems and for continuous improvement of the MMT operations.

**SECTION B. ESTABLISHMENT OF THE ENVIRONMENTAL MONITORING FUND (EMF)**

The EMF is a fund that the proponent shall commit to establish to support the activities of the MMT.

(Proponent) shall arrange the opening of an account in a reputable bank in the country for the EMF within ten (10) banking days after the effectivity of this Agreement, the amount of [equivalent to the annual MMT budget based on the EMB-approved AWWFP] to finance the organizational activities of the MMT for the PROJECT based on the attached Work and Financial Plan (**Annex C**).

The Interest shall accrue to the same fund. Replenishment of this amount shall be done by the proponent semi-annually upon liquidation of expenses by the MMT and after validating the submission of the MMT Report to EMB for the previous reporting period. Subsequent releases shall correspond to the EMB-approved annual work and financial plan.

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**SECTION C. EMF ADMINISTRATION AND MANAGEMENT**

The EMF shall be exclusively utilized to cover all costs attendant to the operation of the MMT and disbursed in accordance with the guidelines stipulated in the approved MOO. The EMF shall be managed and administered by Fund the designated Fund Administrator in accordance with the MMT MOO and the EMB-approved annual work and financial plan.

*(Note: The Fund Administrator should have an acceptable and operational financial accounting system and shall be designated by the MMT or proponent, in consultation with the MMT.)*

A separate bank account of the EMF shall be established. The signatories shall be the designated MMT Chairman and the Proponent.

The MMT Chair and Treasurer shall undertake the accounting of all expenses by the MMT.

An external auditor shall be commissioned by the either by the MMT, Proponent or EMB to conduct annual audit on the expenditures/disbursements of EMF in accordance with applicable rules and regulations to be submitted to EMB and the Proponent not later than February of the following year.

**SECTION D. DOCUMENTATION, REPORTING AND RECORDS KEEPING**

All MMT activities shall be documented and a report following the EMB-prescribed Compliance Monitoring and Validation Form shall be submitted semi-annually to EMB CO and the EMB RO. The MMT shall document relevant data, technical references and compile monitoring reports and store them at designated repository identified by the MMT.

*(Note: The MMT shall decide on the records repository which should be specified in the MOO under the custody of the custodian, preferably a member of the MMT, who should also be specified in the MOO.)*

**TITLE IV. ENVIRONMENTAL GUARANTEE FUND (EGF)**

**SECTION A. OBJECTIVE**

The EGF shall be established and used exclusively for the following purposes:

1. The immediate rehabilitation of areas affected by damages to the environment and the resulting deterioration of environmental quality as a direct consequence of project construction, operation and abandonment;
2. The just compensation of parties and communities affected by the negative impacts of the PROJECT;
3. The conduct of scientific or research studies related to the PROJECT that will aid in the prevention or rehabilitation of accidents and/or environmental damages; and
4. For contingency clean-up activities, environmental enhancement measures, damage prevention programs and social equity measures (e.g. livelihood, social development programs) including the necessary IEC and capability building activities related to the PROJECT.

**SECTION B. ESTABLISHMENT OF EGF**

There shall be two (2) components of the EGF as follows:

**1.1 EGF Trust Fund**

The (Proponent) shall open an account for the Trust Fund in the amount of [state proposed amount: e.g. FIVE MILLION PESOS (Php 5,000,000.00)] in the form of *(please state the specific economic guarantee instrument: bank guarantee/insurance policy/letter of credit)*, the earnings/interests of which shall accrue to the same Fund. The Trust Fund will be used to compensate aggrieved parties for any damages to life or property, undertake community-based environmental programs, to conduct environmental research aimed at strengthening measures to prevent environmental damage and to finance restoration and rehabilitation of environmental quality of the project-affected area.

The Trust Fund shall also be renewed upon every expiration. The proponent shall immediately inform EMB Central and RO should it fail to renew the Trust Fund (e.g. insurance policy) on its stated expiration date or

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should the Trust Fund be cancelled or voided by the Insurer because of non-payment of the required premiums or any other cause allowed by the Insurance Code or pertinent issuances of the Insurance Commission.

1.2 EGF Cash Fund

The *(state Proponent)* shall open an account for the EGF Cash Fund at a reputable bank in the area in the amount of *[state the proposed amount: e.g. THREE MILLION FIVE HUNDRED THOUSAND PESOS (PhP3,000,000.00)]* which shall be earmarked for immediate rehabilitation and compensation of affected communities in case of damage or accidents. It shall also be used to cover the operational costs of the EGF Committee. This Cash Fund shall be placed in an interest-bearing account and such interest shall accrue to the same Cash Fund. The Fund shall be replenished to its original amount annually or whenever the amount goes below 50% of the amount.

Provided, further that in the event of insufficiency of both the EGF Trust Fund and the EGF Cash Fund to answer for expenses, the Proponent shall shoulder the amount of any such insufficiency.

**SECTION C. EGF ADMINISTRATION AND MANAGEMENT**

An EGF Committee shall be established for EGF Management and Administration. It shall be composed of the following:

- EMB Director-Central Office (or EMB Regional Director as designated by the EMB-CO Director) – Chairperson
- Project Proponent
- LGU representative (PG ENRO/ City or ENRO/ MENRO or RHU Chief) [choose only one (1)]

The Committee shall have the following functions:

- Manage, control and operate the EGF in accordance with approved procedures established regarding the mechanisms for fund disbursement, processing, validation, accounting and documentation;
- Resolve issues involving rehabilitation and compensation for damages that may be brought before it;
- Decide on issues or complaints/questions involving the implementation of the rehabilitation program between the proponent and the aggrieved party;
- Designate entities or individuals in the event that an independent body must resolve the issues and cases;
- Hire credible experts, when necessary, to conduct independent studies and research on the environmental and socio-cultural impacts of the PROJECT in order to assist the EGF Committee in making judicious decisions about environmental issues related to the PROJECT; and
- Undertake damage preventive and social equity measures.

Existing EMB guidelines on fund disbursement, processing, validation, accounting and documentation shall be implemented.

**TITLE V. AMENDMENTS**

Amendment - This Agreement may not be renewed, extended, amended or otherwise modified except by agreement in writing signed by both parties.

**TITLE VI. EFFECTIVITY AND DURATION**

Effectivity and Duration - This Agreement shall take effect immediately and shall be maintained by the Parties hereto (or their respective successors or assigns) until the transfer of ownership of the Project by the *(state Proponent)* or the abandonment or termination of the PROJECT for whatever reason. Upon such transfer, abandonment or termination of the PROJECT, all funds set up by the Proponent under this Agreement shall automatically revert to the *(state Proponent)*, except to the extent necessary to satisfy any outstanding obligations of the *(state Proponent)* under this Agreement including the financing of the rehabilitation, restoration, decommissioning or other such activities as may be required for the abandonment phase relative to the PROJECT.

**IN WITNESS WHEREOF**, the parties hereto have signed and executed this Agreement as of the date and place first above written.

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(OFFICIAL NAME OF THE PROPONENT)

**ENVIRONMENTAL  
MANAGEMENT BUREAU  
(EMB)**

By:

By:

\_\_\_\_\_  
President/Chairman/CEO

\_\_\_\_\_  
Director

**WITH OUR CONFORMITY**

LOCAL GOVERNMENT UNIT

Provincial Government/ City/Municipal ENRO

Provincial/City/Municipal Health Unit

Barangay Captain/s

OTHER SECTORS

Community Leader/s

LGU-accredited local NGO

DENR

PENRO

CENRO

RELEVANT GOVERNMENT AGENCY/IES

Agency

**WITNESSES**

EMB REGIONAL DIRECTOR

PROPONENT'S POLLUTION CONTROL OFFICER

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**ACKNOWLEDGMENT**

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

**BEFORE ME**, a Notary Public for and in \_\_\_\_\_, on this \_\_\_\_\_, at this \_\_\_\_\_, personally appeared the following:

<i>Name and Designation</i>	<i>TIN/CTC No.</i>	<i>Date &amp; Place Issued/Expiry Date</i>
_____ Director, EMB-CO	_____	_____
<i>(Name of proponent, position)</i>	_____	_____
<i>(Name of LGU official, PG/City/Municipal ENRO)</i>	_____	_____
<i>(Name of LGU official, P/C/M Health Unit)</i>	_____	_____
<i>Name of LGU official, Barangay Captain/s</i>	_____	_____
<i>(Name of NGO rep., position)</i>	_____	_____
<i>Name of Community Leaders, position)</i>	_____	_____
<i>DENR-PENRO</i>	_____	_____
<i>DENR-CENRO</i>	_____	_____
<i>Government Agency/ies</i>	_____	_____

Known to me as the same persons who executed the foregoing Memorandum of Agreement and acknowledged the same as their free act and deed.

This Agreement, consisting of \_\_\_\_\_ (\_\_\_\_) pages including this page on which this Acknowledgement is written, has been signed by the Parties and their instrumental witnesses on each and every page thereof.

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

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