

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This **MEMORANDUM OF AGREEMENT**, hereinafter referred to as the “Agreement”, is hereby made and entered into on _____ 2020 and executed by and between:

The **DEPARTMENT OF TOURISM** with principal office address at DOT Bldg., 351 Gil Puyat Avenue, Makati City, Metro Manila represented herein by **Secretary BERNADETTE ROMULO-PUYAT (or RD?)** hereinafter referred to as the “**DOT**”;

The **TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY**, with principal office address at Tower 1, Double Dragon Plaza, Meridian Park, Macapagal Avenue corner EDSA Extension, Bay Area, Pasay City, Metro Manila, represented herein by its General Manager and Chief Operating Officer **POCHOLO J.D. PARRAGAS**, hereinafter referred to as the “**TIEZA**”;

The **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES OFFICE**, with principal office address at Visayas Avenue, Diliman, Quezon City, Metro Manila, represented herein by **Secretary ROY A. CIMATU (or RD?)** hereinafter referred to as the “**DENR**”;

The **PALAWAN COUNCIL FOR SUSTAINABLE DEVELOPMENT STAFF**, with principal office address at Sports Complex Road, Sta. Monica Heights, Puerto Princesa City, Palawan, represented herein by its Executive Director, **Atty. TEODORO JOSE S. MATTA**, hereinafter referred to as the “**PCSDS**”;

The **BUREAU OF FIRE PROTECTION-PALAWAN** with principal office address at JTR Building, Salvador P. Socrates Government Center, Brgy. Bancao-Bancao, Puerto Princesa City, Palawan represented herein by **Provincial Fire Marshall SUPT. CATALINO C. RAMOS JR.** hereinafter referred to as the “**BFP**”; and

The **LOCAL GOVERNMENT UNIT OF SAN VICENTE, PALAWAN**, with principal office address in Brgy. Poblacion, San Vicente, Palawan represented herein by its Local Chief Executive **AMY ROA ALVAREZ**, hereinafter referred to as the “**LGU-SAN VICENTE**”;

WITNESSETH THAT:

WHEREAS, the municipality of San Vicente, Palawan was officially designated by the national government as the country’s 1st Flagship Tourism Enterprise Zone (“FTEZ”), pursuant to Republic Act 9593 or the *Tourism Act of 2009*, declared through TIEZA Board Resolution No. _____, and *Sangguniang Bayan* Resolution No. 2013-025;

WHEREAS, as a Flagship Tourism Enterprise Zone, the municipality enjoys the special support, assistance, and incentives provided by no less than the country’s Department of Tourism (“DOT”) and its key infrastructure arm, the Tourism Infrastructure and Enterprise Zone Authority (“TIEZA”), as both agencies implement the landmark *Tourism Act of 2009*, its Implementing Rules and Regulations, and other relevant issuances, all aimed at the full development of the TEZs, the advancement of the tourism industry, and the over-all improvement of the quality of life in its host communities;

WHEREAS, as part of its designation as a FTEZ, the municipality rigorously formulated, worked for the approval and has been implementing a model 30-year *Integrated and Conceptual Tourism Master Plan* since 2015, and a unique comprehensive *green building* and sustainability local legislation called “*Deed of Restrictions*” (“DOR”) since 2017, stringently regulating all the developments, use and occupancy of lots in the municipality. The Master Plan, awarded internationally “for excellence in planning”¹, envisions the municipality to become the country’s leader in sustainable, responsible and inclusive tourism development, following a spatial development approach, green principles, and government-led development (“build and they will come” principle) with minimal impact to the environment;

WHEREAS, San Vicente, Palawan was also selected as the country’s pilot Eco-town² by the Climate Change Commission in its implementation of the “*Demonstration of the Eco-town Framework Project*” in 2011-2014, and as its model in its “*Eco-town Scale-up Project*” known as the “*Climate Resilient Green Growth at the Provincial Level*”, implemented in the entire Provinces of Palawan and Oriental Mindoro from 2016 to 2018. Under the Project, the municipality’s vulnerabilities to the impacts of climate change were scientifically accounted for, and thereafter, a science-based Local Climate Change Action Plan was formulated, integrated into the LGU’s plans and programs, and successfully implemented in the municipality;

WHEREAS, both planning frameworks have been integrated and harmonized into the municipality’s Comprehensive Land and Water Use Plan (“CLWUP”), Environmentally-Critical Areas Network (“ECAN”) Map, Land Classification Map, Hazards Map, Tax Maps, and all other derivative plans and maps. All these maps were digitized and are available in Geographic Information System (“GIS”), making planning, land use implementation and zoning, building and developments regulation, environmental protection, and even resolving land disputes easier, more convenient and most importantly, data-backed in the municipality;

WHEREAS, by virtue of San Vicente Management Committee (SVT ManCom) Resolution No. 06-27-19-VI³ and Resolution No. 09-26-19-III⁴, adopted by the LGU through *Sangguniang Bayan* Resolution No. 2019-67, business permitting for tourism-related establishments (“TRES”) in the municipality has been transferred to the jurisdiction of TIEZA effective year 2020. The SVT ManCom, acting as the interim TEZ Operator in-charge of the over-all management of the San Vicente FTEZ and oversees its operation, is composed of TIEZA’s Chief Operating Officer as Chairperson, the municipality’s local chief executive as its Vice-Chairperson, and sitting as its members are a DOT’s Undersecretary, TIEZA’s Assistant COO for TEZ Management Sector, and a representative of the private sector;

WHEREAS, a workshop between and among the representatives of all the Parties concerned herein was conducted last January 9-10, 2020 “to harmonize and streamline the processes in the issuance of endorsements, clearances, certificates and permits” as permitting for TRES in the municipality was mired by “complex inter-agency process flow”⁵ and imposition of

¹ Awarded by UK’s Royal Town Planning Institute in 2016.

² Stands for “ecologically-sustainable” and “economically-resilient” communities. It is a planning framework and proactive approach to climate change-proofing communities by analyzing vulnerabilities and identifying adaptation measures based on science, expert advice and local knowledge, all with the end in view of improving the adaptive capacity of the community from the inevitable impacts of climate change.

³ “Formalizing the Institutional Arrangement Between TIEZA and the Municipality of San Vicente in the Issuance of Permits and Licenses”, signed and approved June 27, 2019.

⁴ “Approving the Policy in the Administration on Permits and Licensing Function from the Municipality of San Vicente to the Tourism Infrastructure and Enterprise Zone Authority (TIEZA)”, signed and approved September 26, 2019.

⁵ “Official Report and Documentation” of the “Workshop on Harmonization and Streamlining the Processes in the Issuance of Endorsements, Clearances, Certificates and Permits” held January 9-10, 2020 prepared by Mr James Paul S. Inawasan.

“excessive number of requirements”⁶: 62 to 117 documents required in seven government agencies and offices before one can legally build a TRE, and 30 to 45 additional documents to be submitted to at least six different government agencies/offices before one can legally operate a business⁷;

WHEREAS, during the workshop, all the Parties concerned herein agreed to harmonize and streamline the processes and requirements down to the minimum, most reasonable number and processing time without compromising the “sustainable development” of this pilot *Ecotown* of the country.⁸ A “logical framework and decision matrix of business permitting for TREs in the vis-à-vis its Tourism Master Plan” (*see Annex “A”*) was formulated based on this agreement, as well as the “guiding principles of harmonization, streamlining and permitting” agreed upon during the “Harmonization and Streamlining Workshop”⁹ participated in by representatives of regulatory offices and agencies;

WHEREAS, it is a declared policy of the State, and the President of the Republic, Pres. Rodrigo Roa Duterte (“PRRD”) to “increase competitiveness and the ease of doing business” in the country, as laid out in PRRD’s 10-point socio-economic agenda duly adopted in the Philippine Development Plan 2017-2022. Specifically, the President wants government services to be more accessible to the people through reduced documentary requirements, processing time and signatories for transactions. He mandated a “whole-of-government approach that promotes simplification of government transactions, inter-operability of government processes and strengthened linkages and coordination among agencies”;

WHEREAS, to support the vision of the national government, and this municipality’s Tourism Master Plan and its key strategies, contribute to the national effort of promoting and developing the tourism industry particularly in the countryside, address the current policy gaps on business permitting, and encourage investments and developments while at the same time adapting to the “New Normal scenario”¹⁰, the SVT ManCom formulated **and approved** “the Harmonized and Streamlined Guidelines on the Issuance of Clearances and Permits to Build, Occupy and Operate Tourism-Related Establishments within the Territorial Jurisdiction of the Municipality of San Vicente, Palawan, Philippines” (“the Guidelines”);

WHEREAS, among the implementing mechanisms of said Guidelines is an “Inter-Agency Memorandum of Agreement” (this “Agreement”) between and among all Parties involved in the permitting system of TREs in the municipality, explicitly stating the conformity of these agencies to the Guidelines, their commitment to the achievement of the latter’s goals and objectives, their cooperation to all the institutional arrangements, specific agency roles, duties and responsibilities under this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing premises, all Parties do hereby agree to bind themselves and fulfil the following:

I. ALL PARTIES shall:

- (1) Adopt the Guidelines as its official permitting system for TREs in the municipality of San Vicente, Palawan, and where needed, issue the necessary orders or memoranda updating its own Citizen’s Charter or pertinent regulations specific for the municipality;

⁶ Ibid.

⁷ Ibid. In addition, the International Finance Corporation’s 2018 Doing Business Report shared that the country’s rank deteriorated at 101st on “dealing with construction permits”, as securing a construction permit for a warehouse requires 23 procedures that took 123 days to complete.

⁸ See Part II (“Recommendations”) of the Official Report and Documentation, Inawasan, 2020.

⁹ See full Report, *id.*

¹⁰ Refers to “the emerging behaviors, situations, and minimum public health standards that will be institutionalized in common or routine practices and remain even after the pandemic while the disease is not totally eradicated through means such as widespread immunization. These include actions that will become second nature to the general public as well as policies such as bans on large gatherings that will continue to remain in force”, Inter-Agency Task Force on Emerging Infectious Diseases, adopted by the said Guidelines.

- (2) Fully cooperate in all institutional arrangements as enumerated and required by the Guidelines;
- (3) Establish a satellite office in the municipality, dedicated toward processing permits and clearances for TREs, where possible;
- (4) Dedicate sufficient number of full-time staff members in-charge of its effective and efficient administration of its regulations, and timely issuance of its permits and clearances for TREs in the municipality;
- (5) Dedicate permanent and alternate representatives in the Joint Inspection Team created by the Guidelines;
- (6) Dedicate permanent and alternate representatives in the Joint Closure Team created by the same Guidelines, where needed;
- (7) Fully participate in the Business One Stop Shop (“BOSS”) program and activities designed for TREs in the municipality;
- (8) Fully participate in the Information, Education and Communications (“IEC”) program of the lead agency, including during the New Normal scenario, in order to educate the stakeholders about each respective Party’s streamlined permitting process;
- (9) Fully participate in the “Computerization Program” or ePermitting of the lead agency, and where needed, share each Party’s necessary files and databases subject to the *Data Privacy Act* and confidentiality clauses;
- (10) Fully participate in the “Incentives Program” to be launched by the lead agency in order to encourage compliance, support, and excellence from among the stakeholders, and where possible, develop its own incentives program for TREs in the municipality;
- (11) Determine and provide “alternative means of compliance” to requirements that are generally difficult to complied with vis-à-vis resources of the TRE, and the cost and length of processing these said requirements. Said “AMC” shall be simpler, affordable, easier-to-process, and does not compromise the goals or objectives of the original requirement/s;
- (12) Participate in all other activities as may be needed in the smooth, effective, efficient and successful implementation of these Guidelines and Agreement;
- (13) Allocate the requisite support funding, logistics, supplies and materials in order for its satellite office and support staff to be able to effectively and efficiently perform its obligations under this Agreement; and
- (14) In case of institutional difficulty hindering the concerned Party to fulfill any of its obligations stipulated herein, such concerned Party/ies shall authorize TIEZA in writing to act on its/their behalf in the issuance of accreditation, clearance, and other related documents subject to certain terms, conditions and limitations, and using the Deed of Restrictions and the Tourism Master Plan as development and regulation standard.

II. In addition to its obligations enumerated under the preceding Article, the TIEZA shall:

- (1) Lead the implementation of these Agreement and Guidelines,
- (2) Act as the Lead Secretariat in coordinating, monitoring and documenting the implementation of this Agreement;
- (3) Issue the necessary policies, rules and memoranda as may be needed, in order to clarify gray areas, issues and concerns arising from this Agreement and Guidelines;
- (4) Allocate support funding, staff, logistics, supplies and materials for the effective and efficient implementation of this Agreement; and
- (5) Compile, publish and disseminate bi-annual reports to all Parties concerned relative to the implementation of this Agreement; and
- (6) Develop and implement other initiatives and innovations as may be needed in order to achieve the goals and objectives of this Agreement, and that of the Guidelines, in coordination with other concerned Parties as may be applicable.

III. In addition to its obligations enumerated under Article I, LGU-SAN VICENTE shall:

- (1) Jointly lead with TIEZA the implementation of this Agreement;
- (2) Enact the necessary support legislation/s and executive order/s adopting and implementing this Agreement, the business permitting guidelines for TREs, and all other relevant issuances relative to this subject at hand; and
- (3) Provide space, temporary or permanent, for concerned Party/ies planning to set-up a satellite office in the municipality relative to the implementation of this Agreement; and
- (4) Develop and implement other initiatives and innovations as may be needed in order to achieve the goals and objectives of this Agreement, and that of the Guidelines, in coordination with the lead agency and other concerned Parties as may be applicable.

IV. In addition to its obligations enumerated under Article I, the DOT shall:

- (1) Authorize TIEZA to accredit TREs with four rooms and below;
- (2) Authorize **either TIEZA or LGU-San Vicente** (particularly its Tourism Office) to accredit TREs with more than five rooms;
- (3) Provide appropriate trainings, seminars and other forms of technical assistance to TIEZA and LGU-San Vicente in implementing the Progressive Accreditation System and its implementing guidelines, and other relevant topics that may be needed in the smooth implementation of this Agreement and the Permitting Guidelines; and
- (4) Develop and implement other initiatives and innovations as may be needed in order to achieve the goals and objectives of this Agreement, and that of the Guidelines, in coordination with the lead agency and other concerned Parties as may be applicable.

V. In addition to its obligations enumerated under Article I, the DENR shall:

- (1) Recognize the municipality's Tourism Master Plan and Deed of Restrictions as strict environmental and development standards that may be used by the agency as a key regulatory tool in reviewing environmental clearance applications in the municipality, and henceforth, shall issue the necessary agency rules allowing and recognizing the relevant provisions in the comprehensive Permitting Guidelines as valid and, where applicable, substantial compliance to the same is a lawful alternative to "environmental clearance/s" issued by the agency;
- (2) Explore the possibility of issuing an encompassing, one-time "Environmental Clearance" to the 883.05-hectares covered by the Integrated Tourism Master Plan ("ITMP"), subject to certain terms and conditions, including the faithful compliance of landowners and developers to the provisions of the ITMP and the DOR;
- (3) Study and resolve the land ownership issues and concerns hampering the business permitting system of TREs in the municipality;
 - i. Provide immediate relief to long-term occupants of untitled and timberland areas (but are apparently qualified to become A & D) in the municipality;
 - ii. Lift the suspension of titling in the municipality;
 - iii. Reclassify certain areas of the municipality from timberland to Alienable and Disposable, subject to certain criteria as may be jointly determined by the DENR, TIEZA and the LGU; and
- (4) Develop and implement other initiatives and innovations as may be needed in order to achieve the goals and objectives of this Agreement, and that of the Guidelines, in coordination with the lead agency and other concerned Parties as may be applicable.

- VI.** In addition to its obligations enumerated under Article I, **the PCSDS shall:**
- (1) Recognize the municipality’s Tourism Master Plan and Deed of Restrictions as strict environmental and development standards that may be used by the agency as a key regulatory tool in reviewing environmental clearance applications in the municipality, and henceforth, shall issue the necessary agency rules allowing and recognizing the relevant provisions in the comprehensive Permitting Guidelines as valid and, where applicable, substantial compliance to the same is a lawful alternative to “environmental clearance/s” issued by the agency;
 - (2) Explore the possibility of issuing an encompassing, one-time “Strategic Environmental Plan Clearance” to the 883.05-hectares covered by the Integrated Tourism Master Plan (“ITMP”), subject to certain terms and conditions, including the faithful compliance of landowners and developers to the provisions of the ITMP and the DOR; and
 - (3) Develop and implement other initiatives and innovations as may be needed in order to achieve the goals and objectives of this Agreement, and that of the Guidelines, in coordination with the lead agency and other concerned Parties as may be applicable.
- VII.** In addition to its obligations enumerated under Article I, **the BFP shall:**
- (1) Recognize the municipality’s Tourism Master Plan and Deed of Restrictions as strict environmental, development and fire safety standards that may be used by the agency as a key regulatory tool in reviewing fire safety clearance applications in the municipality, and henceforth, shall issue the necessary agency rules allowing and recognizing the relevant provisions in the comprehensive Permitting Guidelines as valid and, where applicable, substantial compliance to the same is a lawful alternative to the “fire safety clearance/s” issued by the agency; and
 - (2) Develop and implement other initiatives and innovations as may be needed in order to achieve the goals and objectives of this Agreement, and that of the Guidelines, in coordination with the lead agency and other concerned Parties as may be applicable.
- VIII. Role of the San Vicente Management Committee.**
Matters that may not be covered by the above enumeration of roles, duties and obligations or cases of overlapping and vagueness in jurisdiction shall be submitted for resolution before the SVT ManCom, pending the creation of a TEZ Operator for the San Vicente Flagship TEZ.
- IX. Confidential Information.**
All Parties understand and agree that any and all information, materials, data, details, disclosed by all Parties, including that of applicants, in whatever form (“Confidential Information”) is of a strictly confidential nature and all Parties jointly and severally undertake to maintain all such Confidential Information in strict confidence, and not to disclose the same to any third Party, subject only to disclosures required by law or by virtue of legal processes.
- X. Effectivity.**
This Memorandum of Agreement shall take effect immediately upon its execution and may be amended upon agreement of all Parties.

IN WITNESS WHEREOF, the Parties through their respective representatives have hereunto affixed their signatures this ____ day of ____ 2020 in _____, Philippines.

DEPARTMENT OF TOURISM

**TOURISM INFRASTRUCTURE AND
ENTERPRISE ZONE AUTHORITY**

By:

By:

Secretary

Chief Operating Officer

**DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES**

**PALAWAN COUNCIL FOR
SUSTAINABLE DEVELOPMENT STAFF**

By:

By:

Secretary

Executive Director

**BUREAU OF FIRE PROTECTION
PALAWAN**

**LOCAL GOVERNMENT UNIT OF
SAN VICENTE, PALAWAN**

By:

By:

Provincial Fire Marshall

Municipal Mayor

WITNESSES:

ACKNOWLEDGMENT

Republic of the Philippines)
Makati City) S.S.

BEFORE ME, a Notary Public for and in the City of Makati, personally appeared the following:

Proof of ID	Issued at	Issued on

known to me to be the same persons who executed the foregoing instruments and acknowledged to me that the same is their own free act and deed and of the entities they represent.

This Acknowledgment refers to a Memorandum of Agreement consisting of eight (8) pages including the page on which this acknowledgment is written duly signed by all Parties and their instrumental witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL this ____ day of ____ 2020 in _____, Philippines.

Doc. No. _____
Page No. _____
Book No. _____
Series of 2020.