



REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT**  
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, Quezon City  
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20 NOV 2020  
DATE:

**MEMORANDUM CIRCULAR**  
No.: 2020- 160

**TO: ALL PROVINCIAL GOVERNORS, CITY AND MUNICIPAL MAYORS, DILG REGIONAL DIRECTORS, BARMM MINISTER OF LOCAL GOVERNMENT, PUNONG BARANGAYS AND ALL OTHER CONCERNED INDIVIDUALS**

**SUBJECT: GUIDELINES FOR THE IMPLEMENTATION OF THE PRESCRIBED STANDARDIZED MEMORANDUM OF AGREEMENT FOR A COOPERATIVE ARRANGEMENTS BETWEEN INFORMAL SETTLER FAMILIES-SENDING AND RECEIVING LOCAL GOVERNMENT UNITS ON PROVISION AND UTILIZATION OF FINANCIAL ASSISTANCE**

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**1. BACKGROUND**

The Department of the Interior and Local Governance through the Capacitating Local Government Units on Resettlement Governance Project Management Office (CLRG - PMO) is providing technical assistance to Local Government Units (LGUs) on resettlement concerns. Particularly, on governance, resettlement action planning, and immediate solutions to the needs of the resettled communities.

In accordance with Article 61 of the implementing rules and regulations of the Local Government Code of 1991, on Inter-Local Government Unit Loans, Grants, Subsidies, and other cooperative undertaking, the DILG CLRG - PMO aims to standardize and mainstream a prescribed standard Memorandum of Agreement (MOA). This will serve as a guide for informal settler families (ISFs)-Sending and Receiving LGUs on the provision and utilization of technical and financial assistance, as well as providing a clear delineation of obligations between Sending and Receiving parties who enter the agreement.

This intervention is designed as a response of the DILG CLRG - PMO to address different housing and settlement issues and challenges expressed by ISF-Receiving LGUs and resettled communities, as well as those identified by Sending and Receiving LGUs during the implementation of the P50 Billion Alternative Housing Program on People's Fund (AHPP) or the Oplan LIKAS Program.

## **2. OBJECTIVES**

- 2.1. Facilitate an effective and efficient inter-LGU cooperative undertaking between ISF-Sending and Receiving LGUs for the resettlement of ISFs; and provide other government agencies, Key Shelter Agencies, and concerned departments a guide on how to facilitate an inter-LGU agreement;
- 2.2. Address existing gaps in services/facilities in the resettlement sites and alleviate the burden of ISFs by ensuring identified services / facilities are provided;
- 2.3. Secure the provision of adequate assistance to ISFs that can support resettled communities towards the eventual integration of ISFs into their new community.

## **3. LEGAL COMPLIANCE**

- 3.1. Article X, Section 13 of the Philippine Constitution states that the Local Government Units may group themselves, consolidate their efforts and resources for the purpose commonly beneficial to them in accordance to the law.
- 3.2. Section 13 of the Local Government Code of 1991 states that "this allows for Inter-LGU Cooperation to occur through Memoranda of Agreement for mutually beneficial purposes, with agreed contributions of staff, financial and capital resources in whatever manner that suits the LGU concerned."
- 3.3. Article 61 (a) of the Implementing Rules and Regulations of the Local Government Code of 1991 states that province, cities and municipalities may, upon approval of a majority of all members of the Sanggunian concerned and in amounts not exceeding their surplus funds, extend loans, grants or subsidies to other LGU's under such terms and conditions as may be agreed upon by the contracting parties.
- 3.4. Section 28 of the Urban Development and Housing Act of 1992 or Republic Act. 7279 states that in the execution of eviction or demolition orders involving underprivileged and homeless citizens, Adequate consultations shall be mandatory on the matter of settlement with the duly designated representatives of the families to be resettled and the affected communities in the areas where they are to be relocated.
- 3.5. Section 3 of the Implementing Rules and Regulations of the Article XII, Section 44 entitled "Moratorium on Eviction and Demolition" and Article VII, Section 28, entitled "Eviction and Demolition of Squatters" of Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992, states the procedures and guidelines on relocation operation shall be strictly observed by the Local Government Unit (LGU) or government agency authorized to demolish.



#### 4. SCOPE/COVERAGE

This policy covers all LGUs that intend to send or receive ISFs without/within their territorial jurisdiction.

All concerned DILG Regional, Provincial, and Field Offices and local chief executives (LCEs) are enjoined to comply with these guidelines for the adaptation of the prescribed standardized Memorandum of Agreement between ISF-Sending and Receiving LGU on the provision and utilization of financial and technical assistance.

#### 5. DEFINITIONS:

For purposes of this policy, the following definitions apply unless otherwise stated:

- 5.1. **Financial Assistance** – fund that will assist the Receiving LGU in developing resiliency among its resettlement sites through the procurement of equipment, tools, and facilities for the promotion of peace and order, enhancement of disaster preparedness mechanisms, and implementation of efficient solid waste management within the resettlement sites. The fund can be used to finance projects jointly identified by the resettled community, the concerned LGUs, and other stakeholders, through the LIAC.
- 5.2. **Household** – refers to a social unit consisting of a person living alone or a group of persons who sleep in the same housing unit and have a common arrangement in the preparation and consumption of food.
- 5.3. **Informal Settler Families** – refers to a household or individual residing in a temporary, informal or makeshift dwelling unit or structure located in urban or urbanized areas. He or she does not own the land upon which his/her residence may be found and, therefore, does not enjoy security of tenure.
- 5.4. **Inter-LGU Cooperation** – refers to sending and receiving LGUs shall conduct bilateral meetings in order to identify and agree on specific kinds of assistance such as basic social services, education, livelihood etc.
- 5.5. **Local Inter-Agency Committee (LIAC)** – refers to the multi-stakeholder body consisting of representatives from the concerned LGU, national government agencies (NGAs), homeowners' associations (HOA) or sectoral organizations, non-government organizations (NGOs), and from the private sectors, charged with the implementation and monitoring of the Relocation and Resettlement Action Plan (RRAP).
- 5.6. **Local Housing Board (LHB)** – refers to the local special body created by cities and municipalities outside of the Autonomous Region in Muslim Mindanao (ARMM) pursuant to DILG Memorandum Circular (MC) No. 2008-143 and Joint Memorandum Circular No. 1, s. 2013 that is tasked to formulate, develop, implement, and monitor policies and provision for integrated sustainable housing and resettlement areas, and on the

observance of the right of the underprivileged and homeless to a just and humane eviction and demolition.

- 5.7. **Memorandum of Agreement (MOA)** – shall refer to the agreement entered into by the Sending and Receiving LGUs relative to the provision and utilization of financial assistance.
- 5.8. **P50 Billion Alternative Housing Program on People's Fund (AHPP) (Oplan LIKAS Program)** – refers to the government's project as established in Joint Memorandum Circular No.1 (s.2013).
- 5.9. **Receiving Local Government Unit (LGU)** – refers to the LGU, in or outside of Metro Manila, which consented to the resettlement of ISFs to sites/areas under its jurisdiction. A Memorandum of Agreement (MOA) with the sending LGU strengthens this consent, and includes provisions for basic welfare services and requests for support from concerned national agencies whenever needed before resettlement.
- 5.10. **Relocation and Resettlement Action Plan (RRAP)** – refers to the comprehensive work plan for the pre, actual and post relocation of the ISFs and the resettlement site which stipulated the necessary activities, expected outputs, timeframe, focal persons/offices/agencies, needed resources, and allocated budget. It is prepared by the Local Housing Board (LHB) and/or Local Inter-Agency Committee (LIAC) endorsed to the Local Chief Executive (LCE), and duly adopted by the Sanggunian Bayan/Panglungsod through a resolution.
- 5.11. **Resettlement sites** – refers to the off-city housing projects in the Provinces of Bulacan, Cavite and Rizal including the three (3) in-city Low Rise Buildings (LRBs) in the Cities of Caloocan, Manila and Valenzuela which were established by the NHA for the ISFs of the NCR under the P50 Billion Fund.
- 5.12. **Sending Local Government Unit (LGU)** – refers to the LGU from where, in cases of evictions and voluntary resettlement actions, the ISFs originate and sought to be resettled, in compliance with MC. No. 008-143, 2009-005, MC No. 2010-134, Section 27 or RA 7279, Section 481 (4) of the Local Government Code and the Joint Memorandum Circular No, 1, series of 2013.
- 5.13. **Technical Assistance** – refers to the process of providing targeted support to the Receiving LGUs. It can be the form of sharing information and expertise, instruction, skills training, transmission of working knowledge, and consulting services and may also involve the transfer of technical data which enhance the capability of the Receiving LGUs in handling relocation and resettlement activities.



## 6. INSTITUTIONAL ARRANGEMENTS

The duties and responsibilities of the ISF-Sending and Receiving LGUs relative to the cooperative arrangements on the provision and utilization of financial technical assistance shall consist of the following:

### 6.1. Sending Local Government Unit:

#### 6.1.1. Creation of Local Inter-Agency Committee (LIAC) and its functions:

6.1.1.1. The LIAC shall be created to formulate the guidelines and to coordinate operationally the thrusts, objectives and activities of all agencies and organization concerned in the smooth implementation of the project in accordance with laws.

6.1.1.2. The Committee may be created by an Ordinance approved by the Local Sanggunian. It may also be created by the Local Chief Executive through an Executive/Administrative Order creating the LIAC.

Section 18 of the Local Government Code of 1991, the LGUs shall have the power and authority to establish any organization that shall efficiently and effectively implement its development plans, programs and projects.

6.1.1.3. It shall be composed of the Mayor as Chairman, a representative from the City/Municipal Planning and Development, Engineering, Housing Office, Social Welfare, Urban Poor, MENRO/CENRO, MLGOO, Chief of Police/PNP and Barangay concerns.

Representative from Key Housing Agencies and other National Government Agencies (NGAs).

Representative from Private Sectors such as People's Organizations, Non-Government Organizations, Developers, Homeowner's Associations, Neighborhood Associations.

The members of the LIAC shall also act as focal persons within their respective Agencies/Department/Offices/Organizations, for the purpose of facilitating the implementation of necessary programs/projects/activities pursuant to their respective mandates.

6.1.1.4. The decisions of the LIAC shall be made through consensus, In the event no consensus is obtained, the decision shall be settled by a simple majority vote of the

committee members and shall implemented thru Resolutions.

6.1.1.5. Upon the approval and issuance of the Ordinance or Administrative/Executive Order, a notice to convene the LIAC shall be disseminated accordingly by the assigned LIAC Secretariat to all the members

**6.1.2. The Sending-LIAC shall have the following duties and responsibilities:**

6.1.2.1. To ensure the compliance with the Relocation and Dismantling, Social Preparation, Beneficiary Selection, Award and Arbitration, Legal and Security, and Resettlement Guidelines specified in the law.

6.1.2.2. To conduct adequate public consultations and community assemblies to the affected families for the orientation and information of the project and acceptability of the resettlement site;

6.1.2.3. To validate the census list of affected household and create census claims resolution;

6.1.2.4. To ensure all qualified families are relocated to acceptable, secure, and affordable resettlement sites that are provided with basic utilities, facilities and services;

6.1.2.5. To facilitate the orderly, peaceful and humane relocation of the ISFs occupying the areas;

6.1.2.6. To tap the assistance of National Agencies concerned in the implementation of the resettlement project.

6.1.2.7. To coordinate with the LIAC of Receiving LGU for the available units, number of ISFs to be relocated, and assistance to be provided by the Sending LGU such as financial and/or technical assistance;

6.1.2.8. To recommend to the Sending-LCE and Sanggunian the identified resettlement site and the financial and/or technical assistance to support the ISFs that will be resettled;

6.1.2.9. To develop and implement livelihood program to generate employment and income restoration for the resettlement families;

**6.1.3. Roles and responsibilities of the LGU/ the Sanggunian/the Local Chief Executive (LCE):**

6.1.3.1. The Sending LGU-Sanggunian will issue an Ordinance to support the agreed financial and/or technical assistance to the ISFs that will be resettled to the Receiving-LGU.

6.1.3.2. The LCE shall lead the implementation of the project/resettlement.

**6.1.4. Roles of other office within the LGU:**

6.1.4.1. Certify qualifications of ISF for the program/resettlement. The conduct of pre-qualifications must be warranted by the Sending LGU to ensure that ISF beneficiaries are qualified and are not previously been blacklisted;

6.1.4.2. The Sending LGU shall identify available units/resettlement through coordination with the National Housing Authority (NHA);

6.1.4.2.1. Secure Certification of Availability of Units from Receiving NHA;

6.1.4.3. Sending LGU to provide a master-list of beneficiaries before, actual and after the relocation activity;

6.1.4.4. Provide the pre- and post-relocation assistance for the Project. The assistance shall be released to the **Receiving Local Government Unit** subject to the compliance by the **Receiving Local Government Unit** to the auditing reportorial necessities set forth in existing COA rules and regulations;

6.1.4.5. Execute the necessary documents to implement the herein financial assistance;

6.1.4.6. Assist and closely coordinate with the **Receiving Local Government Unit** in the supervision of the Project implementation; and

6.1.4.7. Do such other acts that will facilitate the Project's implementation.

**6.2. Receiving Local Government Unit**

**6.2.1. Creation of Local Inter-Agency Committee (LIAC) and its functions:**



6.2.1.1. The LIAC shall be created to formulate the guidelines and to coordinate operationally the thrusts, objectives and activities of all agencies and organization concerned in the smooth implementation of the project in accordance with laws.

6.2.1.2. The Committee may be created by an Ordinance approved by the Local Sanggunian. It may also be created by the Local Chief Executive through an Executive/Administrative Order creating the LIAC.

Section 18 of the Local Government Code of 1991, the LGUs shall have the power and authority to establish any organization that shall efficiently and effectively implement its development plans, programs and projects.

6.2.1.3. It shall be composed of the Mayor as Chairman, a representative from the City/Municipal Planning and Development, Engineering, Housing Office, Social Welfare, Urban Poor, MENRO/CENRO, MLGOO, Chief of Police/PNP and Barangay concerns.

Representative from Key Housing Agencies and other National Government Agencies (NGAs).

Representative from Private Sectors such as People's Organizations, Non-Government Organizations, Developers, Homeowner's Associations, Neighborhood Associations.

The members of the LIAC shall also act as focal persons within their respective Agencies/Department/Offices/Organizations, for the purpose of facilitating the implementation of necessary programs/projects/activities pursuant to their respective mandates.

6.2.1.4. The decisions of the LIAC shall be made through consensus, In the event no consensus is obtained, the decision shall be settled by a simple majority vote of the committee members and shall implemented thru Resolutions.

6.2.1.5. Upon the approval and issuance of the Ordinance or Administrative/Executive Order, a notice to convene the LIAC shall be disseminated accordingly by the assigned LIAC Secretariat to all the members

**6.2.2. The Receiving-LIAC shall have the following duties and responsibilities:**



- 6.2.2.1. To monitor the implementation of the project/resettlement;
- 6.2.2.2. To formulate plan and undertake the provision of needed social service in health, education, security, environmental sanitation, etc. in the resettlement site;
- 6.2.2.3. To develop and implement livelihood program to generate employment and income restoration for the resettlement families;
- 6.2.2.4. To organize and/or strengthen community-based organization to facilitate the delivery of services in the resettlement projects;

**6.2.3. Roles and responsibilities of the LGU/the Sanggunian/the LCE:**

- 6.2.3.1. The Receiving LGU-Sanggunian will issue an Ordinance to accepting the support of the agreed financial and/or technical assistance to the ISFs that will be resettled by the Sending-LGU.
- 6.2.3.2. The LCE shall lead the implementation of the project/resettlement.

**6.2.4. Roles of other office within the LGU:**

- 6.2.4.1. The **Receiving LGU** will accept the relocatees once the **Sending LGU** provided all necessary documents and NHA has provided all needed facilities;
- 6.2.4.2. Implement the resettlement of ISFs from the **Sending LGU** on the approved location and agreed technical design;
- 6.2.4.3. Prioritize and facilitate the easy access by the ISFs from the **Sending LGU** in the use of facilities/equipment, and in availing of social services;
- 6.2.4.4. Ensure timely completion of the project within the prescribed period set for the relocating operations;
- 6.2.4.5. Provide the **Sending Local Government Unit** with quarterly status reports on the implementation of the above-cited project;
- 6.2.4.6. Subject to the regular accounting procedures of the **Sending Local Government Unit**, the **Receiving Local Government Unit** shall be responsible for the disbursement of the appropriate amount from the financial assistance fund necessary to carry out and provide the basic services requirements of the relocated ISFs;

- 6.2.4.7. Issue a certificate of completion to be furnished to the **Sending Local Government Unit** for reference;
- 6.2.4.8. Issue an Official Receipt for the financial assistance received to the **Sending Local Government Unit**; and
- 6.2.4.9. The **Receiving Local Government Unit**, upon full utilization of the financial assistance fund, shall provide the **Sending Local Government Unit** with its corresponding pertinent accounting documents.

### 6.3. **Joint Obligation of Sending and Receiving Local Government Units**

- 6.3.1. Creation of a negotiating committee composed of **Sending** and **Receiving LGU's** respective Budget Departments and DILG for the proper determination of the financial assistance following the prescribed formula (See Annex 1);
- 6.3.2. The respective Local Inter-Agency Committees (LIAC) or Local Housing Board (LHB) of both the **Sending and Receiving LGUs** shall coordinate with each other in planning the details of the project implementation:
  - 6.3.2.1. Ensuring that the resettlement site is in line with the objectives that the resettled ISFs must have access to basic needs, such as education, health, permanent utility services, affordable transportation, peace and order and livelihood programs;
  - 6.3.2.2. LIAC shall consult, if not include as member, the appropriate agencies/project stakeholders such as, but not limited to, the Department of Education, Philippine National Police, Department of Human Settlements and Urban Development, Department of Health, utility companies, and other government stakeholders applicable to the relocation and resettlement project;
- 6.3.3. Both Parties shall agree on the timeline of implementation of the project and/or provision of assistance, and determine the schedule of release of the financial assistance, which shall form part of the Memorandum of Agreement.
- 6.3.4. Creation of a monitoring team composed of representatives from the respective LIAC or LHB of the **Sending** and **Receiving LGUs** shall conduct joint monitoring inspections and verification of the implementation of the Project.



## 7. Monitoring and Evaluation System and Tools

- 7.1. The monitoring team shall quarterly furnish a copy of the joint monitoring inspection and verification report to the **Department of the Interior and Local Government, Resettlement Governance-Project Management Office (DILG RG-PMO)** through the **DILG Regional Office**

## 8. Penal Provisions

Any violation of the agreed Memorandum of Agreement shall be settled amicably by BOTH PARTIES. Termination, cancelation, and/or suspension of the execution of the Agreement, or any particular programs, projects, and activities thereof, may be warranted under the following circumstances:

- 8.1. Gross violation of any of the terms and conditions this agreement;  
  
Gross Violation is an action that breaks or acts against something, especially a law, agreement, principle, constitution or something that should be treated with respect.
- 8.2. Failure of either PARTY to execute each of their assigned obligations and non-adherence to all provisions herein stated;
- 8.3. Occurrence of fraudulent practice; and
- 8.4. Occurrence of force majeure when it becomes improbable for the parties to carry out their undertaking;

LGUs are encouraged to agree on a mechanism/process on settling arising concerns and disputes.

## 9. Annexes

- Annex 1. Proposed Computation on Financial Assistance Amount
- Annex 2. Assistance Project Proposal
- Annex 3. Template of Receiving LGU Quarterly Report

## 10. Effectivity

This Memorandum Circular shall take effect upon signing, following its posting on the DILG website.

## 11. Approving Authority

  
**EDUARDO M. AÑO**  
Secretary



DILG-OSEC 11202020-021