



Republic of the Philippines
DEPARTMENT OF ENERGY

DEC 09 2013
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DEPARTMENT ORDER NO. DO2013-12-0019

**STRENGTHENING THE MANAGEMENT AND OPERATIONS
OF THE AFFILIATED RENEWABLE ENERGY CENTERS
(ARECS) IN THE PHILIPPINES**

WHEREAS, pursuant to Article XII, Section 2, of the 1987 Philippine Constitution, all forces of potential energy and other natural resources within the Philippine territory belong to the State and their exploration, development and utilization shall be under the full control of the State;

WHEREAS, Republic Act No. 7638, as amended, otherwise known as the "Department of Energy Act of 1992," mandates the DOE to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation, among others;

WHEREAS, Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008", provides that it is the policy of the State to encourage and accelerate the exploration, development and increase the utilization of renewable energy resources such as, but not limited to, biomass, solar, wind, hydropower, geothermal, and ocean energy sources, and including hybrid systems;

WHEREAS, Section 31 (e) Rule 10 of the Implementing Rules and Regulations of R.A. No. 9513 embodied under Department Circular No. D02009-05-0008 provides "Continue to strengthen the Affiliated Renewable Energy Centers (ARECs) nationwide;"

WHEREAS, the DOE is continuously adopting new mechanisms and strategies to effectively carry out its plans and programs as mandated under the R.A. No. 9513 and its Implementing Rules and Regulations (IRR);

WHEREAS, the DOE recognizes the potentials of the ARECs in terms of expertise, resources and contributions in ensuring proper and effective formulation, implementation and evaluation programs, projects and activities that are responsive and complementary to the ever changing needs of the stakeholders and clientele in the Renewable Energy sector in the Philippines;

WHEREAS, there is a need to institutionalize accreditation process and strengthen the management and operations of Affiliated Renewable Energy Centers (ARECs) in the Philippines in order to ensure sustainability of its operation, promote complementation of resources, accountability, and to implement programs and projects in a unified direction congruent with the DOE's mandates, mission and thrusts;

NOW THEREFORE, in consideration of the foregoing, the following provisions are hereby promulgated and ordered for strict compliance of all concerned:

Section 1. Application and Coverage. This Department Order shall be applied suppletorily to relevant Department Orders and issuances of the Department of Energy (DOE or Department) and shall cover all existing and prospective applications as Affiliated Renewable Energy Centers (ARECs) in various parts of the Philippines.

Section 2. Accreditation. All Affiliated Renewable Energy Centers (ARECs) shall undergo a competitive accreditation process subject to the criteria, requirements and processes provided hereunder:

Energy Center, Merritt Rd., Fort Bonifacio, Taguig City, Metro Manila, Philippines
Fax # 812-61-94 Tel.# 840-20-08 Fax # 840-21-38 Tel # 840-22-36 Fax # 840-17-31 Tel # 817-86-03 Trunkline 479-29-00
Website: www.doe.gov.ph, E-mail: info@doe.gov.ph

1. **Criteria and Requirements.** An institution-applicant, which can be an academic institution, or research and development entity, or consortium of academic institutions or R&D organizations, shall comply with the following criteria and requirements/indicators:

Table 1
ACCREDITATION CRITERIA AND REQUIREMENTS/INDICATORS

Criteria	Weight Allocation (Max.)	Requirements/Indicators
1. Institution's Counterpart	60%	
1.1. AREC's Office	20%	Conducive area dedicated for AREC's Office with standard office space with complete facilities, ventilation, furniture and fixtures that can accommodate the Team Leader/Director, three Division Heads and at least two (2) staff.
1.2. Personnel Complement	20%	<ul style="list-style-type: none"> - The institution shall provide at least three five (5) counterpart qualified personnel: a Team Leader/Director or its equivalent and at three (3) technical experts (with at least master's degree) assigned to three major divisions: Technical, Socio-Economic and Extension, and Research and Development; and at least two (2) reasonable administrative staff. Special Order issued for their designations with appropriate documents (e.g. TORs, Diplomas, Personal Data Sheet/ Curriculum Vitae, Licenses/eligibility and Certificates of Trainings Attended [15%]. - Approved organizational structure [5%].
1.3. Fund Complement	20%	<ul style="list-style-type: none"> - Certification on the availability of funds/Check/Deposit Slip at least equivalent to the DOE counterpart or as determined by the DOE-CFAC [10%]. - Liquidation report/s validated by COA [10%].
2. Commitment Plan and Accomplishment Report	20%	<ul style="list-style-type: none"> - Work and Financial Plan or Line Item Budget approved by the President/Head of the Institution [5%]. - Accomplishment Report with pictorials following the standard format for the last three (3) years [15%].
3. Research and Development Capability	15%	<ul style="list-style-type: none"> - At least five (5) completed researches on energy, socio-economic and policy oriented (copy of the researches/studies) [5%]. - At least two (2) publications in reputable journal or international proceedings of personnel/faculty members on topics mentioned above during the first evaluation, and at least one (1) publication every year during the succeeding evaluations (copy of the publication/journal) [10%]
4. Energy related accreditation, awards/citations received	5%	<ul style="list-style-type: none"> - Duly certified certification/s issued by the appropriate agencies.
Total	100%	

2. **Accreditation Process.** Using the foregoing criteria and requirements/indicators, the following processes shall be strictly observed:

a. **For existing ARECs:**

- Step 1. Mandatory evaluation by the Accreditation Committee.
 - a. Duly accomplished self-survey report
 - b. Validation/evaluation by the Accreditation Committee
- Step 2. Endorsement by the AREC Advisory Committee.
- Step 3. Board Resolution granting authority to sign the Memorandum of Agreement and to disburse funds as counterpart of the institution.
- Step 4. Signing of the Memorandum of Agreement and Board Resolution ratifying the MOA and issuance of the Certificate of Accreditation.
- Step 5. Release of the DOE and Institution's counterpart funds.

b. **For new applicants:**

- Step 1. Letter of Intent by the President/Head of the Institution.
- Step 2. Mandatory Evaluation by the Accreditation Committee.
 - a. Duly accomplished self-survey report
 - b. Validation/evaluation by the Accreditation Committee
- Step 3. Endorsement by the AREC Advisory Committee.
- Step 4. Board Resolution granting authority to sign the Memorandum of Agreement and to disburse funds as counterpart of the institution.
- Step 5. Signing of the Memorandum of Agreement and Board Resolution ratifying the MOA and issuance of the Certificate of Accreditation.
- Step 6. Release of the DOE and Institution's counterpart funds.

3. **Composition and Duties of the Accreditation Committee for AREC.**

The Accreditation Committee for AREC or AC-AREC is hereby created composed of the Assistant Secretary supervising REMB or any official designated by the DOE Secretary, as Chair, REMB Director or his authorized representative as Vice Chair, and an AREC Team Leader/Director not connected with the institution under evaluation, and the Director or his authorized representative of DOE Field Office concerned, as Members to be designated by the Committee Chair.

The AC-AREC shall develop specific guidelines on the conduct of the required evaluation processes and discharge all the duties as provided under this Department Order.

4. **Institutionalization of the Accreditation.** The accreditation shall cover the entire institution and henceforth be called as the Affiliated Renewable Energy Center (AREC). However, the institution shall be responsible for determining of where the Office of the AREC will be attached. Moreover, all personnel, faculty members, staff and students of the AREC shall be provided with the corresponding benefits in accordance with its obligations under the MOA, its Charter and existing laws, rules and regulations.

Provided, That at any given time, the DOE has the authority to suspend, revoke or terminate the accreditation for violations of the terms and conditions in the memorandum of agreement or any act that would constitute offense/s inimical to the interest of the DOE during the accreditation process and effectivity thereof.

Provided, further, That any ARECs refuses to undergo the evaluation process shall automatically be disqualified from enjoying the rights and privileges provided under this Department Order, and its accreditation and MOA shall be terminated upon receipt of the notice of termination by the DOE.

5. **Validity of the Accreditation; Effect of Accreditation Results, and Mandatory Re-accreditation.** The validity of the accreditation shall be based on the total points earned during the accreditation processes, but in no case, it shall be more than five (5) years, and the effect of the accreditation results and mandatory re-accreditation (mid-term and end-term) shall be, as provided below:

Table 2
ACCREDITATION VALIDITY AND EFFECTS OF ACCREDITATION RESULTS, AND MANDATORY RE-ACCREDITATION

Ranges of Total Earned Points	Validity/Effects		Mandatory Re-Accreditation	
	Existing AREC	New Accredited AREC	Mid-term	End-term
90-100	5 years	5 years	2 months after the 2.5 th year	3 months before 5 th year ends
80-89	3-4 years	3-4 years	2 months after the 1.5 th or 2 nd year	3 months before 3 rd or 4 th year ends
70-79	2 years	2 years	1 month after 1 st year	2 months before 2 nd year ends
60-69	Back to applicant status	1 year (mentoring with other AREC)	Not applicable	1 month before 1 st year ends
50-59	Suspension for 1 year	Automatic disqualification and can apply after 1 year	2 months after the service of suspension	
40-49 and below	Termination and disqualification for 2 years or more		3 months after the service of termination or disqualification	

The accreditation of the AREC shall be valid as specifically stated in its certification and can be renewed, at the discretion of the Department of Energy, subject to the compliance of the criteria and requirements in this Department Order as well as the obligations indicated in the Memorandum of Agreement.

The mandatory mid-term accreditation shall be conducted to provide the AREC measures to further improve its compliance to the requirements set forth in this Department Order. However, the conduct of the mandatory mid-term accreditation and final-term accreditation may be requested by the institution/AREC but the actual evaluation shall not be earlier or later, as the case may be, as indicated in Table 2 above.

6. **Scope of Locations/Jurisdiction.** The scope of locations/jurisdiction of an AREC shall be by geographical in nature such as, by province or a group of provinces or municipalities. To facilitate the delivery of services, a certain area may be carved out from any AREC in the event that an applicant institution has earned a total points of at least sixty (60) based on the criteria and requirements under Section 2 hereof.
7. **Certificate of Accreditation.** The Certificate of Accreditation [copy hereto attached as **Annex A**] shall be in accordance with the form and style as prescribed by the DOE duly signed by its Secretary. It shall contain, among others, the period of validity, scope of location/s or jurisdiction and other salient information.

Section 3. Management and Operations of the ARECs. The ARECs shall be managed and operated in accordance with the provisions of this Department Order and such terms and conditions set forth in the duly signed Memorandum of Agreement between the DOE and the institution concerned. It shall be headed by a Team Leader/Director or any equivalent as may be determined by the President/Head of the institution.

To ensure proper coordination and accountability, the AREC shall be under the joint administrative supervision by the President or Head of the AREC and the Assistant Secretary supervising the Renewable Energy Management Bureau (REMB) of the DOE or any official of the DOE duly designated by its Secretary.

Section 4. Duties and Responsibilities of the ARECs. The ARECs shall perform the following duties and responsibilities:

1. Meet and maintain the accreditation criteria and requirements, and undergo the processes, and if necessary, continually improve the previous total earned points to upgrade its status, as provided under Section 2 and Section 5 of this Department Order;
2. Undertake the implementation of any project, such as, but not limited to, the Household Electrification Program (HEP), Barangay Electrification Program (BEP) and other RE related programs, projects and activities to be assigned by the DOE taking into account the following conditions:
 - a. Issue an official receipt for every amount received from the DOE and maintains a separate bank account dedicated for the Project funds in a government depository bank, preferably the Land Bank of the Philippines (LBP);
 - b. Keep and maintain separate and complete book of accounts for the Project funds and shall allow the DOE to have access to this book for audit purposes;
 - c. Use the Project fund/s exclusively for the Project in accordance with the approved Line Item Budget (LIB) and Work and Financial Plan (WFP) [copy hereto attached as Annex B];
 - d. Undertake the implementation of the Project and submit to the DOE the final report of all activities within ten (10) days after the expiry of the Terms of Reference (TOR) and/or relevant agreement;
 - e. Submit to the DOE a quarterly technical and financial reports on its accomplishments and Project funds utilization/disbursement duly certified by its accountant and verified by an Auditor, within fifteen (15) days after the end of each quarter, duly authorized by the Commission on Audit (COA);
 - f. Allow the DOE to conduct an inspection of the Project and full access to all pertinent records, documents and books in support of disbursements made pertaining to the Project under the appropriate TOR or agreement;
 - g. Return the corresponding amount to the DOE in the event that disbursements made by the institution are inconsistent with the (1) approved Line Item Budget (LIB) and Work and Financial Plan (WFP), (2) existing government accounting and auditing rules; and (3) are not acceptable to DOE based on its relevant policies and guidelines; and
 - h. Hold the DOE free from any suits/liabilities whatsoever that may be filed by any party in connection with and arising from the implementation of any program, project or activity.

3. Engage with RE Developers in the conceptualization, implementation and evaluation of their respective Corporate Social Responsibility (CSR) programs, projects and activities. For this purpose, a MOA shall be signed between AREC and the RE Developer subject to the provisions of the duly signed Service/Operating Contract/s between the RE Developer and the DOE and other applicable laws, rules and regulations;
4. Implement at least two (2) energy related researches or studies and publish the same in a reputable journal, copies of which be submitted to the DOE;
5. Allocate adequate counterpart fund/s chargeable against its income and/or appropriate fund/s that shall be used, among others, for the MOOE, Capital Outlay and Personnel Services requirements of the Office of the AREC based on the approved Annual Line Item Budget (LIB) and Work and Financial Plan (WFP);
6. Authorize its Officials and Staff of the Office of the AREC including responsible personnel and students, as the case may be, to attend meetings, conferences, and workshops relative to the formulation, implementation, and monitoring of AREC's programs, projects and activities including in the monitoring and evaluation of the implementation of the duly signed Service/Operating Contracts between the DOE and RE Developers;
7. Attend and present researches and studies during the Annual NREB-ARECs-RE Developers Conference and other *fora* and consultations;
8. Subject to its institutional capabilities and relevant requirements as may be prescribed by competent authorities, consider the offering of degree programs on Renewable Energy and other energy related degrees and trainings;
9. Negotiate, receive and utilize any form of assistance or grants from other benefactors subject to the specific instruction/s of the latter and other applicable laws, rules and regulations that are relevant, contributory or essentials to the attainment of the foregoing duties and responsibilities: *Provided*, That the DOE shall be furnished of the agreement/s and actual utilization report thereof for reference; and
10. Discharge such other duties and functions as expressly provided under this Department Order and/or as may be determined by the DOE from time to time.

Section 5. Duties and Responsibilities of the DOE. The Department of Energy (DOE) shall perform the following duties and responsibilities:

1. Provide financial assistance to the ARECs based on the allocation provided under Section 8 of this Department Order which shall be used exclusively for the purposes specified in the approved Annual Line Item Budget (LIB) and the Work and Financial Plan (WFP). In addition, it shall appropriate such sums that may be necessary in the establishment and continued publications of the Journal on Applied Renewable Energy Technologies as provided under Section 12 of this Department Order;
2. Direct any AREC to refund the corresponding and applicable amount to the DOE in the event that the disbursements made by such AREC are inconsistent with the (a) approved LIB and WFP, (b) existing government accounting and auditing rules, and (c) are not acceptable to DOE based on its relevant policies and guidelines;
3. Perform technical inspection on any program, project or activity undertaken by the ARECs;
4. Provide necessary assistance to the AREC's relevant program, project or activity;

5. Act on any request by the ARECs for deviation in the approved WFP and LIB within thirty (30) days after receipt of the request, which action shall form an integral part of the agreement or TOR; and
6. Discharge such other duties and responsibilities as may be provided under this Department Order and other issuances and/or as may be agreed upon with any party in accordance with existing laws, rules and regulations.

Section 6. The **Memorandum of Agreement (MOA), Terms of Reference or Contracts**. The Memorandum of Agreement or MOA [copy hereto attached as **Annex C**] to be entered into between the institution and the DOE shall contain, among others, the duties and responsibilities in Section 4 and 5 hereof and such other terms and conditions as may be mutually agreed upon by the institution and DOE subject to existing laws, rules and regulations.

The validity and renewal of the MOA shall be the same as provided in Section 2 hereof, and subject to the periodic evaluation and accreditation processes provided under this Department Order.

In addition to any ground as provided in any of the provisions of this Department Order, the MOA may be suspended, terminated or revoked by the DOE on any and/or all of the following grounds:

1. Inability to maintain the criteria and requirements based on the duly validated report by the Accreditation Committee;
2. Failure to submit liquidation report/s duly validated by the Commission on Audit;
3. Inadequate fund/s by both the DOE and the institution which may substantially hamper the AREC's operations and delivery of services;
4. Violation/s of any and/or all provisions of the Memorandum of Agreement; and
5. Such other acts that may constitute violation/s of existing laws, rules and regulations.

Further, the Department of Energy and any AREC may sign or execute a Term of Reference (TOR) or Contract [copy hereto attached as **Annex D**] for the implementation of a particular project or activity. The agreements and conditions of the TOR or contract shall be based on the nature, objectives and outcomes of the project or activity taking into consideration the provisions of this Department Order and such other relevant laws, rules and regulations.

Section 7. **Management and Disbursement of Counterpart Funds**. The DOE and the institution of AREC shall release their respective counterpart fund/s within thirty (30) days upon the execution of the MOA and/or approval of the Work and Financial Plan. Considering that the MOA has maximum validity of five (5) years, the duly approved Annual Line Item Budget (LIB) and Work and Financial Plan (WFP) shall be sufficient as supporting document/s for the release of funds: *Provided*, That the MOA and Certificate of Accreditation are in full force and effect: *Provided, further*, That the approved Annual LIB and WFP shall be submitted to the DOE and institution on or before 15th day of December of every year thereafter.

The amount of the annual counterpart fund or fund complement of the Institution or AREC shall not be less than the amount provided by the DOE as provided under Section 8 of this Department Order. In the event that the Institution has insufficient fund source/s, the DOE-Counterpart Fund Allocation Committee shall determine the amount of the Institution's counterpart taking into consideration the expenses allocated to the various commitments of the Institution in the LIB and WFP.

Should there be delay in the allocation of the DOE counterpart fund, the amount in the immediate Fiscal Year shall be used as basis in the computation of the institutional or AREC's fund complement and any adjustment thereof may be made through supplemental budget to support the AREC's expenses.

All unutilized fund/s allocated for ARECs may be disbursed to support any expenses necessary in the implementation of any related AREC and DOE's programs, projects and activities upon written authority by the President or Head of the Institution and the Secretary of the Department of Energy, through the Assistant Secretary supervising the REMB, as the case may be.

Section 8. Establishment of the DOE Counterpart Fund for ARECs; Its Allocation Through Performance-Based. There is hereby established a DOE Fund that shall be used exclusively as its counterpart fund to the different ARECs to be charged from any and/or of the following:

1. Annual sources of funds of the DOE for AREC and relevant budget from the GAA;
2. Fund allocations from the DBM on specific program or project such as, but not limited to, HEP, BEP, and others subject to DBM rules and regulations;
3. Unutilized development fund provided by the RE Developers; and
4. Financial assistance provided by any RE Developer or benefactor.

Provided, That the allocation of the DOE Counterpart Fund/s shall be as follows:

- a. 40% of the Total Fund shall be allocated equally among the existing ARECs and new accredited ARECs; and
- b. 55% of the Total Fund shall be allocated on Performance-Based scheme as evidenced by their respective total earned points during the immediate preceding accreditation using the following:

Ranges of Total Earned Points of the Accreditation	Performance-Based DOE Counterpart Allocation	
	Existing ARECs	New Accredited ARECs
90-100	Equivalent to 120% of the amount allocated in sub-section (a) above	Equivalent to 100% of the amount allocated in sub-section (a) above
80-89	Equivalent to 100% of the amount allocated in sub-section (a) above	Equivalent to 90% of the amount allocated in sub-section (a) above
70-79	Equivalent to 90% of the amount allocated in sub-section (a) above	Equivalent to 80% of the amount allocated in sub-section (a) above
60-69	Equivalent to 80% of the amount allocated in sub-section (a) above	Equivalent to 70% of the amount allocated in sub-section (a) above

- c. 5% of the Total Fund shall be used for the conduct of periodic meetings on AREC, the establishment and continued publications including the honorarium of the Editorial Board and Editorial Staff of the Journal on Applied Renewable Energy Technologies, and the MOOE of AREC at the DOE Central Office.

Provided, further, That adjustment to the percentage under the Performance-Based scheme may be made by the DOE-Counterpart Fund Allocation Committee until the fund is fully allocated proportionately.

Provided, furthermore, That the adjustment on the actual fund allocations from the DOE counterpart from the sources provided above may be made based on the actual needs and priorities and thrusts of the DOE and of the national government.

Section 9. The DOE-Counterpart Fund Allocation Committee, Its Composition and Duties. There shall be a DOE-Counterpart Fund Allocation Committee hereinafter referred to as the DOE-CFAC composed of the Assistant Secretary supervising REMB or any official designated by the DOE Secretary as Chair, Director for Financial Services as Vice Chair, REMB Director and at least three (3) AREC Team Leaders/Directors with at least one representative each from Luzon, Visayas and Mindanao, designated by the Committee Chair, as Members.

The DOE-CFAC shall, among others, discharge the following functions and duties:

1. On or before the 15th day of every December, determine the actual allocation of the DOE counterpart fund to all accredited ARECs and the same be submitted to the DOE AREC Advisory Committee for further deliberation and recommendation to the Secretary of the Department;
2. Recommend to the Secretary, taking into consideration the financial evaluation report and the grounds provided under Section 6 (2 and 3) of this Department Order, for the suspension or termination of any AREC. All motions for reconsideration or requests for lifting of the suspension or termination on the bases of any of the two (2) identified grounds shall be recommended by the duly constituted DOE-CFAC;
3. Devise mechanism that are necessary for the implementation of Section 8 of this Department Order; and
4. Discharge such other duties and responsibilities as may be delegated by the Assistant Secretary supervising the REMB and/or by the Department's Secretary

Section 10. Search and Awards for Most Outstanding ARECs in the Philippines. An Annual Search for Most Outstanding ARECs in the Philippines is hereby authorized to be conducted and to be participated in by all accredited ARECs. The Committee on Most Outstanding ARECs in the Philippines shall be composed of the DOE representative as Chair designated by the Secretary, one representative each from the National Renewable Energy Board (NREB), RE Sector, and any scientific government agency or private organization.

The Committee shall design the criteria and requirements including the corresponding awards or recognition for the following categories: Outstanding AREC (Institutional Level), Leadership (for President and Team Leader/Director), and Researcher, and the same be submitted to the DOE Secretary for review and approval. The awarding ceremonies shall be held simultaneously during the Energy Month on December.

All expenses necessary for the conduct of the search shall be charged from any appropriate fund/s of the DOE and/or financial assistance from RE Developers or any benefactors.

Section 11. AREC Advisory Committee; Its Composition and Functions. An AREC Advisory Committee is hereby created composed of the Assistant Secretary supervising the REMB or any official of the DOE designated by Secretary, as Chair, Director of the REMB, as Vice-Chair, and the Director of the Legal Services and all Team Leaders/Directors of the duly accredited ARECs in the Philippines, as Members.

The AREC Advisory Committee shall perform the following functions:

1. Assist the DOE in the conduct of periodic review and recommend measures necessary to further improve the implementation of this Department Order;
2. Deliberate the allocation of the DOE Counterpart fund and recommend the same to the DOE for further review and approval;
3. Review the evaluation report/s by the Accreditation Committee and recommend the same to the DOE for further review and approval; and
4. Perform such other duties and functions as expressly provided in this Department Order and/or as may be authorized by the Department of Energy.

Section 12. Establishment and Continued Publications of the Journal On Applied Renewable Energy Technologies. In support to the Research and Development or scientific activities of the different ARECs and to ensure that the results of their activities are shared or communicated to different stakeholders, a refereed Journal on Applied Renewable Energy Technologies (JARET) is hereby established to be published annually and registered by the Department of Energy in the ISBN or ISSN registry, subject to existing laws, rules and regulations. The management of the JARET may be assigned to any of the accredited ARECs consistent with the policies and guidelines hereof.

The Secretary of the Department of Energy shall constitute the Editorial Board and Editorial Staff of the JARET upon the recommendation by the AREC Advisory Committee and by the Assistant Secretary supervising the REMB and/or any official designated by the Secretary. The term of office of the Editorial Board and Staff shall be at least three (3) years renewable at the discretion of the DOE Secretary. *Provided*, That any personnel of the AREC under suspension or disqualification shall be prohibited membership to the Editorial Board and Editorial Staff of the JARET.

The Chair, Vice Chair and at least three (3) Members of the Editorial Board and the Editorial Staff including the Referees or External Evaluators may be entitled to reasonable monthly honorarium subject to appropriate Department of Budget and Management (DBM) and Commission on Audit (COA) laws, rules and regulations.

Articles or technical papers from contributors or researchers other than submitted by ARECs may be accepted upon payment of review and publication fees and subject to the policies formulated by the AREC Advisory Committee, upon the recommendation by the JARET Editorial Board.

The duly constituted AREC Advisory Committee shall, upon the recommendation by the JARET Editorial Board, formulate and implement internal rules of procedure, evaluation and publication standards and requirements, and such guidelines necessary to fully implement this provision subject to the approval by the Secretary of the Department of Energy.

Section 13. Point Credit Equivalency on the Participation/Involvement of the Personnel. The participation/involvement of the personnel of both parties shall be credited as research or extension services, as may be applicable, and with point equivalent subject to their respective charters and relevant policies and guidelines. To enjoy with the credits, a Certificate of Participation shall be issued jointly by the Team Leader/Director of the ARECs concerned and the Assistant Secretary supervising REMB.

Section 14. Transitory Provisions. The following measures shall be undertaken after the issuance of this Department Order:

1. Within ten (10) days, the Assistant Secretary supervising REMB and/or any official designated by the Secretary shall constitute the AREC-Accreditation Committee responsible of conducting the mandatory accreditation processes.

2. Within fifteen (15) days, the existing ARECs shall be convened as the Interim AREC Advisory Committee until the end of January 31, 2014. The Interim AREC Advisory Committee shall, among others, devise the evaluation materials and instrument based on the criteria and requirements under this Department Order.
3. On or before January 15, 2014, all existing ARECs shall undergo the mandatory accreditation process provided under this Department Order. All expenses necessary in the conduct of the mandatory accreditation processes shall be charged from the existing unutilized funds of the ARECs and such other appropriate funds identified under Section 8 of this Department Order, and/or such appropriate fund of the Institution, subject to usual accounting and auditing rules and regulations.
4. On or before January 31, 2014, the Memorandum of Agreement (MOA) shall be executed between the DOE and the existing ARECs in accordance with the provisions of this Department Order.
5. The applications of new institutions shall be processed simultaneously with the existing ARECs and the signing of the Memorandum of Agreement shall be in accordance with the provisions of this Department Order.
6. Within fifteen (15) days, the Interim Editorial Board and Editorial Staff of the JARET shall be constituted and convene, to formulate the policies and guidelines necessary to implement the provisions of Section 12 hereof. The existing ARECs may be allowed to submit article/s or technical papers to facilitate the printing of the first issue of the JARET as a requirement for the registration at the ISSN or ISBN registry. The funds necessary to print and register the first issue of the JARET shall be charged against the unutilized funds of the ARECs or such other appropriate funds of the DOE subject to usual accounting and auditing rules and regulations.
7. Within fifteen (15) days, the DOE Counterpart Fund Allocation Committee (DOE-CFAC) shall be constituted and convene to immediately perform its duties to discuss the DOE counterpart allocation for Fiscal Year 2014.
8. The First Annual Search for Most Outstanding ARECs for Institutional, Leadership and Researchers categories shall be held on or before November 20, 2014 and the schedule for the next search shall be determined by the duly constituted Committee.

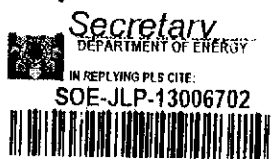
Section 15. **Repealing Clause.** All circulars, orders, issuances and the like which are inconsistent with any part/s of this Department Order are hereby amended or repealed accordingly: *Provided*, That the provisions of those circulars or issuances and the like which are not affected hereof shall remain in full force and effect.

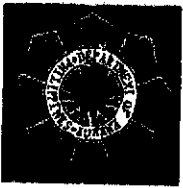
Section 16. **Separability Clause.** If for any reason, any provision of this Department Order is declared unconstitutional or invalid, such part/s which are not affected thereby shall remain in full force and effect.

Section 17. **Effectivity.** This Department Order shall take effect immediately upon its issuance.

Issued this 02 day of DEC 2013 at the Department of Energy, Taguig City, Philippines.


CARLOS JERICHO L. PETILLA





Republic of the Philippines
DEPARTMENT OF ENERGY

Annex A
(D.O. No. _____)

CERTIFICATE OF ACCREDITATION

DOE-AREC No. _____-20_____

This is to certify that the Department of Energy (DOE) has duly accredited the

as an **AFFILIATED RENEWABLE ENERGY CENTER (AREC)** for _____

This Certificate of Accreditation shall serve as the basis of entitlement to the DOE's counterpart fund and other financial assistance provided under Department Order No. _____ entitled, "Strengthening the Management and Operations of the Affiliated Renewable Energy Centers (ARECs) in the Philippines," the Implementing Rules and Regulations of Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008", subject to compliance and performance of its duties or obligations under the Memorandum of Agreement executed on _____ and such other issuances of the Department of Energy (DOE) and relevant laws, rules and regulations.

This ACCREDITATION shall be valid for the period of _____ (_____) year/s starting _____ until _____ and may be suspended, terminated or revoked by the Department of Energy on any of _____ the grounds stipulated under pertinent DOE issuances and existing laws, rules and regulations.

IN TESTIMONY WHEREOF, the seal of the DOE and the signature of its Secretary are hereunto affixed.

ISSUED in Taguig City, Metro Manila, Philippines, this _____ day of _____

CARLOS JERICHO L. PETILLA

Secretary

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement, "MOA" in brevity, made and entered into this _____ in _____, by and between:

The DEPARTMENT OF ENERGY, hereinafter referred to as "DOE" or "Department of Energy", a government agency established pursuant to Republic Act No. 7638, as amended, and is mandated to implement Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008", with principal office address at the Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila, represented herein by its Secretary, **HON. CARLOS JERICHO L. PETILLA**;

-and-

The [_____ Complete name _____], hereinafter referred to as the " _____ ", a [State University or College/Private University or College/Consortium/Research and Development], duly organized per [Republic No. _____ or _____] and existing under the laws of the Republic of the Philippines, with principal office address at _____ represented herein by its President/Chair/Head, _____;

WITNESSETH:

WHEREAS, pursuant to Article XII, Section 2, of the 1987 Philippine Constitution, all forces of potential energy and other natural resources within the Philippine territory belong to the State and their exploration, development and utilization shall be under the full control of the State;

WHEREAS, Republic Act No. 7638, as amended, otherwise known as the "Department of Energy Act of 1992," mandates the DOE to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation, among others;

WHEREAS, Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008", provides that it is the policy of the State to encourage and accelerate the exploration, development and increase the utilization of renewable energy resources such as, but not limited to, biomass, solar, wind, hydropower, geothermal, and ocean energy sources, and including hybrid systems;

WHEREAS, Section 31 (e) Rule 10 of the Implementing Rules and Regulations of R.A. No. 9513 embodied under Department Circular No. D02009-05-0008 provides "Continue to strengthen the Affiliated Renewable Energy Centers (ARECs) nationwide;"

WHEREAS, the DOE is continuously adopting new mechanisms and strategies to effectively carry out its plans and programs as mandated under the R.A. No. 9513 and its implementing rules and regulations;

WHEREAS, the DOE recognizes the potentials of the _____ in terms of expertise, resources and contributions in ensuring proper and effective formulation, implementation and evaluation programs, projects and activities that are responsive and complementary to the ever changing needs of the stakeholders in _____ and clientele in the Renewable Energy sector in the Philippines;

WHEREAS, the _____ is mandated under its charter to undertake research and extension services or outreach programs, and to establish partnership with any entity for the attainment of its mandates along with the thrusts and priorities of the national government;

WHEREAS, Department Order No. _____ was issued on _____ by the there is a need to institutionalize accreditation process and strengthen the management and operations of Affiliated Renewable Energy Centers (ARECs) in the Philippines in order to ensure sustainability of its operation, promote complementation of resources, accountability, and to implement programs and projects in the _____

NOW, THEREFORE:

In consideration of the terms and conditions set forth herein, and pursuant to the provisions of DOE D.O. No. _____ and Board Resolution No. _____ adopted by the _____ - [Board of Regents/Trustees/Director] on _____, the parties hereby stipulate and agree as follows:

Section 1. **Supplementary Application of Department Order No. _____ and Other Relevant Policies Issued by the Secretary of the Department of Energy.** Department Order No. _____ hereinafter referred to as "DOE D.O. No. _____," and other relevant policies issued by the Secretary of Energy shall be applied suppletorily to and shall serve as the governing guidelines of this MOA.

Section 2. **Designation of the _____ as the Affiliated Renewable Energy Center (AREC) for _____.** In view of the Accreditation [copy hereto attached as integral part hereof labeled as Annex A], the Department of Energy hereby designates the _____ as the Affiliated Renewable Energy Center (AREC) for _____ and henceforth be called as the _____-AREC.

Section 3. **Management and Operations of the AREC.** The ARECs shall be managed and operated in accordance with the provisions of DOE D.O. No. _____, and such terms and conditions setforth in this Memorandum of Agreement.

It shall be headed by a Team Leader/Director or any equivalent as may be determined by the President of the _____. The specific duties and responsibilities of the Team Leader/Director shall be prescribed by the President of the _____.

To ensure proper coordination and accountability, the AREC shall be under the joint administrative supervision by the President or Head of the AREC and the Assistant Secretary supervising the Renewable Energy Management Bureau (REMB) of the DOE or any official of the DOE duly designated by its Secretary.

Section 4. **Duties and Responsibilities of the _____.** The _____ shall perform the following duties and responsibilities:

1. Meet and maintain the accreditation criteria and requirements, and undergo the processes, and if necessary, continually improve the previous total earned points to upgrade its status, as provided under Section 2 and 5 of DOE D.O. No. _____ its subsequent issuances issued by the Secretary of the Department of Energy;

2. Undertake the implementation of any project, such as, but not limited to, the Household Electrification Program (HEP), Barangay Electrification Program (BEP) and other RE related programs, projects and activities to be assigned by the DOE taking into account the following conditions:
 - a. Issue an official receipt for every amount received from the DOE and maintains a separate bank account dedicated for the Project funds in a government depository bank, preferably the Land Bank of the Philippines (LBP);
 - b. Keep and maintain separate and complete book of accounts for the Project funds and shall allow the DOE to have access to this book for audit purposes;
 - c. Use the Project fund/s exclusively for the Project in accordance with the approved Line Item Budget (LIB) and Work and Financial Plan (WFP) [copy hereto attached as Annex A];
 - d. Undertake the implementation of the Project and submit to the DOE the final report of all activities within ten (10) days after the expiry of the Terms of Reference (TOR) and/or relevant agreement;
 - e. Submit to the DOE a quarterly technical and financial reports on its accomplishments and Project funds utilization/disbursement duly certified by its accountant and verified by an Auditor, within fifteen (15) days after the end of each quarter, duly authorized by the Commission on Audit;
 - f. Allow the DOE to conduct an inspection of the Project and full access to all pertinent records, documents and books in support of disbursements made pertaining to the Project under the appropriate TOR or agreement;
 - g. Return the corresponding amount to the DOE in the event that disbursements made by the institution are inconsistent with the (1) approved Line Item Budget (LIB) and Work and Financial Plan (WFP), (2) existing government accounting and auditing rules; and (3) are not acceptable to DOE based on its relevant policies and guidelines; and
 - h. Hold the DOE free from any suits/liabilities whatsoever that may be filed by any party in connection with and arising from the implementation of any program, project or activity.
3. Engage with RE Developers in the conceptualization, implementation and evaluation of their respective Corporate Social Responsibility (CSR) programs, projects and activities.

For this purpose, a MOA shall be signed between AREC and the RE Developer subject to the provisions of the duly signed Service/Operating Contract/s between the RE Developer and the DOE and other applicable laws, rules and regulations;

4. Implement at least two (2) energy related researches or studies and publish the same in a reputable journal, copies of which be submitted to the DOE;
5. Allocate adequate counterpart fund/s chargeable against its income and/or appropriate fund/s that shall be used, among others, for the MOOE, Capital Outlay and Personnel Services requirements of the Office of the AREC based on the approved Annual Line Item Budget (LIB) and Work and Financial Plan (WFP);
6. Authorize its Officials and Staff of the Office of the AREC including responsible faculty member/personnel and students, as the case may be, to attend meetings, conferences, and workshops relative to the formulation, implementation, and monitoring of AREC's programs, projects and activities

- including in the monitoring and evaluation of the implementation of the duly signed Service/Operating Contracts between the DOE and RE Developers;
7. Attend and present researches and studies during the Annual NREB-ARECs-RE Developers Conference and other *fora* and consultations;
 8. Subject to its institutional capabilities and relevant requirements as may be prescribed by competent authorities, consider the offering of degree programs on Renewable Energy and other energy related degrees and trainings;
 9. Negotiate, receive and utilize any form of assistance or grants from other benefactors subject to the specific instruction/s of the latter and other applicable laws, rules and regulations that are relevant, contributory or essentials to the attainment of the foregoing duties and responsibilities: *Provided*, That the DOE shall be furnished of the agreement/s and actual utilization report thereof for reference; and
 10. Discharge such other duties and functions as expressly provided under this Department Order and/or as may be determined by the DOE from time to time.

Section 5. Duties and Responsibilities of the DOE. The Department of Energy (DOE) shall perform the following duties and responsibilities:

1. Provide financial assistance to the _____ based on the allocation provided under Section 8 of DOE D.O. No. _____, which shall be used exclusively for the purposes specified in the approved Annual Line Item Budget (LIB) and the Work and Financial Plan (WFP).
2. Direct the _____ to refund the corresponding and applicable amount to the DOE in the event that the disbursements made by the _____ are inconsistent with the (a) approved LIB and WFP, (b) existing government accounting and auditing rules, and (c) are not acceptable to DOE based on its relevant policies and guidelines;
3. Perform technical inspection on any program, project or activity undertaken by the _____;
4. Provide necessary assistance to the _____-AREC's relevant program, project or activity;
5. Act on any request by the _____ for deviation in the approved WFP and LIB within thirty (30) days after receipt of the request, which action shall form an integral part of the agreement or TOR; and
6. Discharge such other duties and responsibilities as may be provided under this Department Order and other issuances and/or as may be agreed upon with any party in accordance with existing laws, rules and regulations.

Section 6. Management and Disbursement of Annual Counterpart Funds. The DOE and the _____ shall release their respective annual counterpart fund/s within thirty (30) days upon the execution of the MOA and/or approval of the Work and Financial Plan. Considering that the MOA has a validity of _____ years, the duly approved Annual Line Item Budget (LIB) and Work and Financial Plan (WFP) shall be sufficient as supporting document/s for the release of funds: *Provided*, That the MOA and Certificate of Accreditation are in full force and effect: *Provided, further*, That the approved Annual LIB and WFP shall be submitted to the DOE and _____ on or before 15th day of December of every year thereafter.

The amount of the annual counterpart fund or fund complement of the _____ shall not be less than the amount provided by the DOE as provided under Section 8 of DOE D.O. No. _____. Should there be delay in the allocation of the DOE counterpart fund, the amount in the immediate Fiscal Year shall be used as basis in the computation of the institutional or AREC's fund complement and any adjustment thereof may be made through supplemental budget to support.

All unutilized fund/s allocated for _____ may be disbursed to support any expenses necessary in the implementation of any related _____-AREC and DOE's programs, projects and activities upon written authority by the President or Head of the Institution and the Secretary of the Department of Energy, through the Assistant Secretary supervising the REMB, as the case may be.

Section 7. Submission of Articles or Technical Papers for Publications in the Journal On Applied Renewable Energy Technologies. The _____ shall submit at least two (2) articles or technical papers per year for publication in the refereed Journal on Applied Renewable Energy Technologies (JARET) subject to approved internal rules of procedure, evaluation and publication standards and requirements, and such guidelines.

Section 8. Signing of the Term of Reference (TOR) or Contract. The Department of Energy and any AREC may sign or execute a Term of Reference (TOR) or Contract for the implementation of a particular project or activity provided under this MOA, whenever necessary, including those project or activity that may arise or may be identified within the effectivity of this MOA. The agreements and conditions of the TOR or contract shall be based on the nature, objectives and outcomes of the project or activity taking into consideration the provisions of DOE D.O. No. _____ and such other relevant laws, rules and regulations.

To facilitate the signing and implementation, the parties hereby designate the following authorized signing officials for the TOR or Contract, to wit:

- a. For the Department of Energy- Assistant Secretary supervising the REMB or any official duly authorized by the DOE Secretary.
- b. For the _____ - the duly designated Team Leader/Director of the AREC.

Section 9. Point Credit Equivalency on the Participation/Involvement of the Personnel. The participation/involvement of the personnel of both parties shall be credited as research or extension services, as may be applicable, and with point equivalent subject to their respective charters and relevant policies and guidelines. To enjoy with the credits, a Certificate of Participation shall be issued jointly by the Team Leader/Director of the _____ and the Assistant Secretary supervising REMB.

Section 10. Grounds for Suspension or Termination. In addition to any ground as provided in any of the provisions of DOE D.O. No. _____, this Memorandum of Agreement or MOA may be suspended, terminated or revoked by the DOE on any and/or all of the following grounds:

1. Inability to maintain the criteria and requirements based on the duly validated report by the Accreditation Committee;
2. Failure to submit liquidation report/s duly validated by the Commission on Audit;

- 3. Inadequate fund/s by both the DOE and the institution which may substantially hamper the AREC's operations and delivery of services;
- 4. Violation/s of any and/or all provisions of the Memorandum of Agreement; and
- 5. Such other acts that may constitute violation/s of existing laws, rules and regulations.

Section 11. **Validity and Renewal.** The validity of the MOA shall be _____ years from reckoned from the date of notary, and subject to the periodic evaluation and accreditation processes provided under DOE D.O. No. _____. This MOA may be renewed at mutual consent by the parties subject to the provisions of DOE D.O. No. _____.

Section 12. **Repealing Clause.** All agreements inconsistent with any part/s of this Memorandum of Agreement are hereby amended or repealed accordingly.

Section 13. **Separability Clause.** If for any reason, any provision of this Memorandum of Agreement is declared unconstitutional or invalid, such part/s which are not affected thereby shall remain in full force and effect.

Section 14. **Effectivity.** This Memorandum of Agreement shall take effect immediately.

IN WITNESS WHEREOF, the Parties have caused this Memorandum of Agreement to be executed by their respective representatives on the date above written.

DEPARTMENT OF ENERGY
By:

CARLOS JERICO L. PETILLA
Secretary

President/Head/Chair

Witnesses:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }
_____ } S. S.

I, _____, a Notary Public duly authorized in the city named above to take acknowledgments, certify that on this _____ personally appeared:

Name	Passport No.	Date & Place of Issuance
Carlos Jericho L. Petilla		

known to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he executed the instrument as his free and voluntary act and deed as well as the free and voluntary act and deed of the government agency herein represented.

This Memorandum of Agreement consisting of eight (8) pages, including the page on which this Acknowledgment is written, is signed on each and every page thereof by the Party and his instrumental witness and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on _____ at _____

NOTARY PUBLIC

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

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }
_____ } S. S.

I, _____, a Notary Public duly authorized in the city named above to take acknowledgments, certify that on this _____ personally appeared:

Name	Passport No.	Date & Place of Issuance

known to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he executed the instrument as his free and voluntary act and deed as well as the free and voluntary act and deed of the government agency herein represented.

This Memorandum of Agreement consisting of eight (8) pages, including the page on which this Acknowledgment is written, is signed on each and every page thereof by the Party and his instrumental witness and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on _____ at _____

NOTARY PUBLIC

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

TERMS OF REFERENCES OR CONTRACT

This **TERMS OF REFERENCE OR CONTRACT** in brevity, made and entered into this _____ in _____, by and between:

The **DEPARTMENT OF ENERGY**, a government agency established pursuant to Republic Act No. 7638, as amended, and is mandated to implement Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008", with principal office address at the Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila, represented herein by its Secretary, **HON. CARLOS JERICHO L. PETILLA**, hereinafter referred to as the "DOE";

-and-

The [_____ *Complete name* _____],
a [State University or College/Private University or
College/Consortium/Research and Development], duly organized per
[Republic No. _____ or _____]
and existing under the laws of the Republic of the Philippines, with principal
office address at _____
represented herein by its President/Chair/Head,
_____ hereinafter referred to as the
"_____" or "AREC";

WITNESSETH:

WHEREAS, Republic Act No. 7638, as amended, otherwise known as the "Department of Energy Act of 1992," mandates the DOE to prepare, integrate, coordinate, supervise and control all plans, programs, projects and activities of the Government relative to energy exploration, development, utilization, distribution and conservation, among others;

WHEREAS, Republic Act No. 9513, otherwise known as the "Renewable Energy Act of 2008", provides that it is the policy of the State to encourage and accelerate the exploration, development and increase the utilization of renewable energy resources such as, but not limited to, biomass, solar, wind, hydropower, geothermal, and ocean energy sources, and including hybrid systems;

WHEREAS, the DOE is continuously adopting new mechanisms and strategies to effectively carry out its plans and programs as mandated under the R.A. No. 9513 and its implementing rules and regulations;

WHEREAS, the _____, is an Affiliated Renewable Energy Center (AREC) per Certificate of Accreditation No. _____-20____, and Memorandum of Agreement executed on _____ which has been recognized by the DOE of its potentials in terms of expertise, resources and contributions in ensuring proper and effective formulation, implementation and evaluation programs, projects and activities that are responsive and complementary to the ever changing needs of the stakeholders in _____ and clientele in the Renewable Energy sector in the Philippines;

WHEREAS, the _____ is mandated under its charter to undertake research and extension services or outreach programs, and to establish partnership with any entity for the attainment of its mandates along with the thrusts and priorities of the national government;

NOW, THEREFORE:

In consideration of the terms and conditions set forth herein, and pursuant to the provisions of DOE D.O. No. _____, the parties hereby stipulate and agree as follows:

Section 1. **Application.** This Terms of Reference (TOR) or Contract shall cover for the implementation of _____

Section 2. **Duties and Responsibilities of the** _____ The _____ shall perform the following duties and responsibilities:

1. Undertake the implementation of any project, such as, but not limited to, the Household Electrification Program (HEP), Barangay Electrification Program (BEP) and other RE related programs, projects and activities to be assigned by the DOE taking into account the following conditions:
 - a. Issue an official receipt for every amount received from the DOE and maintains a separate bank account dedicated for the Project funds in a government depository bank, preferably the Land Bank of the Philippines (LBP);
 - b. Keep and maintain separate and complete book of accounts for the Project funds and shall allow the DOE to have access to this book for audit purposes;
 - c. Use the Project fund/s exclusively for the Project in accordance with the approved Line Item Budget (LIB) and Work and Financial Plan (WFP) [copy hereto attached as Annex A];
 - d. Undertake the implementation of the Project and submit to the DOE the final report of all activities within ten (10) days after the expiry of the Terms of Reference (TOR) and/or relevant agreement;
 - e. Submit to the DOE a quarterly technical and financial reports on its accomplishments and Project funds utilization/disbursement duly certified by its accountant and verified by an Auditor, within fifteen (15) days after the end of each quarter, duly authorized by the Commission on Audit;
 - f. Allow the DOE to conduct an inspection of the Project and full access to all pertinent records, documents and books in support of disbursements made pertaining to the Project under the appropriate TOR or agreement;
 - g. Return the corresponding amount to the DOE in the event that disbursements made by the institution are inconsistent with the (1) approved Line Item Budget (LIB) and Work and Financial Plan (WFP), (2) existing government accounting and auditing rules; and (3) are not acceptable to DOE based on its relevant policies and guidelines; and
 - h. Hold the DOE free from any suits/liabilities whatsoever that may be filed by any party in connection with and arising from the implementation of any program, project or activity.
2. Discharge such other duties and functions as expressly provided under this Department Order and/or as may be determined by the DOE from time to time.

Section 3. **Duties and Responsibilities of the DOE.** The Department of Energy (DOE) shall perform the following duties and responsibilities:

1. Provide financial assistance to the _____ based on the allocation provided under Section 8 of DOE D.O. No. _____, which shall be used exclusively for the purposes specified in the approved Annual Line Item Budget (LIB) and the Work and Financial Plan (WFP).
2. Direct the _____ to refund the corresponding and applicable amount to the DOE in the event that the disbursements made by the _____ are inconsistent with the (a) approved LIB and WFP, (b) existing government accounting and auditing rules, and (c) are not acceptable to DOE based on its relevant policies and guidelines;
3. Perform technical inspection on any program, project or activity undertaken by the _____;
4. Provide necessary assistance to the _____-AREC's relevant program, project or activity;
5. Act on any request by the _____ for deviation in the approved WFP and LIB within thirty (30) days after receipt of the request, which action shall form an integral part of the agreement or TOR; and
6. Discharge such other duties and responsibilities as may be provided under this Department Order and other issuances and/or as may be agreed upon with any party in accordance with existing laws, rules and regulations.

Section 4. Ownership of Properties. The following shall strictly be observed:

1. All non-expendable materials and properties purchased out of funds granted by the DOE for the Project shall exclusively belong to the DOE. They shall be inventoried and a copy of such inventory furnished to the DOE within thirty (30) days calendar days from the date of purchase and such materials and properties shall be marked as DOE property. Upon written request of _____ non-expendable materials and properties may be donated to _____ provided that they are essential to the operations of AREC, upon approval by the Assistant Secretary supervising the REMB and/or any official duly designated by the Secretary of DOE.
2. Patents, trademarks, copyrights and other intellectual property rights arising directly out of the conduct of the activities funded by this Project shall be owned by the Government of the Philippines represented by the DOE and _____ being the grantor of the project funds and implementer of the Project, respectively, in accordance with Republic Act No. 8293, otherwise known as the "Intellectual Property Code of the Philippines."

Section 5. Warranties. The _____ hereby warrants the following:

1. None of its officials or employees has given any money or gift to any official or employee of DOE to influence the decision regarding the execution of this TOR or Contract and that none of its officials and employees have exerted influence to secure this TOR or Contract;
2. Personnel and support staff to be employed by the AREC shall not be considered employees of the DOE;

3. An breach of the warranties aforementioned shall be considered a ground for termination of this TOR or Contract upon prior written notice to _____

Section 6. **Fidelity Bond.** The duly designated Project Leader of _____ shall secure a Fidelity Bond in favor to the DOE from the National Treasury within thirty (30) days upon execution of this TOR or Contract.

Provided, That the bond shall be equal to 10% of the Project fund/s for the faithful compliance of its obligations under this TOR or Contract.

Provided, further, That the Fidelity bond shall be released and cancelled thirty (30) days from the submission of all reports required under this TOR or Contract as certified by the DOE Counterpart Fund Allocation Committee duly constituted under DOE. D.O. No. _____

Section 7. **Grounds for Suspension or Termination.** In addition to any ground as provided in any of the provisions of DOE D.O. No. _____, this Terms of Reference or Contract may be suspended, terminated or revoked by the DOE on any and/or all of the following grounds:

1. Non-compliance with any of the obligations of the parties;
2. Non-posting of Fidelity Bond;
3. Breach of warranties mentioned in Section 5 hereof;
4. Such other acts that may constitute violation/s of existing laws, rules and regulations.

Provided, That a written notice of termination must be sent to the Party who caused any of the grounds mentioned in the preceding section. *Provided, further,* That in case of early termination based on a valid cause, the _____ shall return the remainder of the Project fund/s to the satisfaction of the DOE, in cognizant of the WFP and LIB, duly accepted by the DOE Counterpart Fund Allocation Committee duly constituted under DOE. D.O. No. _____

Section 8. **Settlement of Disputes.** Any dispute or differences arising out of the interpretation/implementation/application of the provisions of this TOR or Contract shall be settled amicably through consultation/negotiations between the Parties without reference to any third party subject to relevant policies of the DOE and existing laws, rules and regulations.

Section 9. **Amendment and Modification.** Any amendment or modification, if necessary, may be negotiated between the parties hereto and shall be agreed by a written document signed by the principals or authorized representatives of the both Parties.

Section 10. **Validity and Renewal.** The validity of the Terms of Reference or Contract shall be _____ year/s from reckoned from the date of notary, and this may be renewed at mutual consent by the parties subject to the provisions of DOE D.O. No. _____ and such other relevant DOE issuances.

Section 11. **Notice.** All notices and reports pertaining to this TOR or Contract shall be sent in writing by registered mail, facsimile or shall be handed personally to the addressed so stated in the preliminary proportion of this TOR or Contract. Such notices and reports shall take effect from the date of receipt by the other party.

In case either party changes the address or contract numbers, the part concerned shall give such notice to the other party beforehand.

Section 12. **Effectivity.** This TOR or Contract shall take effect immediately.

IN WITNESS WHEREOF, the Parties have caused this TOR or Contract to be executed by their respective representatives on the date above written.

DEPARTMENT OF ENERGY

By:

By: _____

CARLOS JERICO L. PETILLA
Secretary

President/Head/Chair

Witnesses:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }
_____ } S. S.

I, _____, a Notary Public duly authorized in the city named above to take acknowledgments, certify that on this _____, personally appeared:

Name	Passport No.	Date & Place of Issuance
Carlos Jericho L. Petilla		

known to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he executed the instrument as his free and voluntary act and deed as well as the free and voluntary act and deed of the government agency herein represented.

This Memorandum of Agreement consisting of seven (7) pages, including the page on which this Acknowledgment is written, is signed on each and every page thereof by the Party and his instrumental witness and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on _____ at _____

NOTARY PUBLIC

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Page No. _____
Book No. _____
Series of _____

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES }
_____ } S. S.

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Name	Passport No.	Date & Place of Issuance

known to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he executed the instrument as his free and voluntary act and deed as well as the free and voluntary act and deed of the government agency herein represented.

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