

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 218

REORGANIZING THE DEPARTMENT OF NATIONAL DEFENSE TO STRENGTHEN ITS CAPABILITY AND ENSURE ITS EFFICIENCY TO ADEQUATELY RESPOND TO CURRENT EXIGENCIES IN NATIONAL SECURITY, TO ACHIEVE THE IMPLEMENTATION OF ITS DEFENSE REFORM PROGRAM, AND TO ATTAIN ALL ITS OTHER LEGALLY MANDATED GOALS

WHEREAS, Executive Order (EO) No. 292, otherwise known as the Revised Administrative Code of 1987 and EO 112, series of 1999, define the mandate of the Department of National Defense (DND) as follows: guard against external and internal threats to national security, promote the welfare of soldiers and veterans, and provide support to socio-economic development;

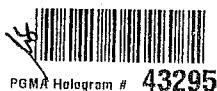
WHEREAS, there is urgency for the DND and the Armed Forces of the Philippines (AFP) to comply with the President's mandate as declared during the 71st Anniversary of the AFP on December 21, 2006, to wit: "to achieve a strategic defeat of the communist terrorist movement by 2010, to destroy the Abu Sayaff and other terrorist groups, and to contain the secessionist groups in order to establish a physically, and psychologically secure environment conducive to national development";

WHEREAS, in view of the need, now more than ever, to improve the capability and capacity of the DND – AFP to address the threats to national security, the full actualization of the AFP Modernization Program pursuant to R.A. 7898 is deemed an imperative;

WHEREAS, there is a need to strengthen the Department's Bids and Awards Committee that would conduct all its activities not only with efficiency but also with utmost regularity to complement the need to fast track the capability upgrade and modernization of the AFP with the acquisition of all military hardware;

WHEREAS, the DND is now fast-tracking the implementation of the Philippine Defense Reform Program; and there is a need to make the DND organization more attuned with the requirements of said program;

WHEREAS, under Administrative Order 167, series of 2006, the Department was reorganized with a view of making the same more responsive in fulfilling its mandate;



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NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. New Organizational Structure of the Department of National Defense. The DND shall be reorganized as follows:

A. There shall be five (5) Offices for Undersecretary positions, namely:

- i) Defense Affairs (OUSDA)
- ii) Civil Veterans and Reserve Affairs (OUSCVRA)
- iii) Legal Affairs and Strategic Concerns (OUSLASC)
- iv) Internal Affairs (OUSIA)
- v) Finance and Armed Forces Modernization Affairs (OUSFAFMA)

The USDA, USCVRA and USLASC positions shall be filled by way of regular appointments, whereas, the USIA and USFAFMA shall be filled by way of seconding Presidential Assistants to the DND.

B. There shall be five (5) Offices for Assistant Secretary positions to handle five (5) Executive Staff functions, namely:

- i) Plans and Programs (OASPP)
- ii) Acquisitions, Installations and Logistics (OASIL)
- iii) Strategic Assessment (OASSA)
- iv) Comptrollership (OASComp)
- v) Personnel (OASPer)

All the Assistant Secretary positions shall be filled by way of regular appointments.

C. There shall be four (4) director-level offices namely:

- i) Executive Staff:
 - Public and Legislative Affairs (OPLA)
 - Legal Service (OLS)
- ii) Service Staff :
 - Administrative Services Office (ASO)
 - Information Management Office (IMO)

All the director-level positions shall be filled by way of regular appointments.

Section 2. Re-Assignment of Respective Functional Areas to Second Level Positions of the Department:



A. The Functional Areas assigned to the Office of the Undersecretary for Defense Affairs (OUSDA) shall be as follows:

- i) Monitoring of operations of the Armed Forces of the Philippines
- ii) Defense Policy
- iii) Defense Intelligence
- iv) Civilian Armed Forces Geographical Units
- v) Maritime Security and Coast Watch
- vi) Supervision of the National Defense College of the Philippines

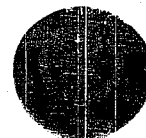
The Staff for Plans and Programs shall report to the Undersecretary for Defense Affairs.

B. The functional areas assigned to the Office of Undersecretary for Civil, Veterans and Reserve Affairs (OUSCVRA) shall be the following:

- i) Civil Relations
- ii) Reserve Force Development
- iii) Civil Military Operations
- iv) National Reconciliation Development and the Peace Process
- v) Veterans and Retirees Affairs
- vi) Support to socio-economic development
- vii) Supervision of the following DND bureaus and offices:
 - Philippine Veterans Administration Office (PVAO), including Veterans Memorial Medical Center (VMMC) and Military Shrines Service (MSS)
 - Office of the Civil Defense (OCD)
- viii) Supervision of the following DND-AFP corporations and institutions:
 - Philippine Veterans Industrial Development Corporation (PVIDC)
 - Philippine Veterans Bank (PVB)
 - Veterans Federation of the Philippines (VFP)
 - AFP Retirement Separation and Benefit System (AFPRSBS)

C. The functional areas assigned to the Undersecretary for Legal Affairs and Strategic Concerns (USLASC) shall be as follows:

- i) Legal matters and strategic concerns
- ii) Legislative and public affairs
- iii) Strategic assessment
- iv) International Policy
- v) Counter-Terrorism



- vi) Human Rights
- vii) DND Representative to the Dangerous Drugs Board
- viii) Strategic Communication:
 - Public and Legislative Affairs
 - Public Information
 - Congressional Liaison

The Staff for Strategic Assessment, Office for Legal Affairs, and Office for Public & Legislative Affairs shall report to the Undersecretary for Legal Affairs and Strategic Concerns.

D. The functional areas assigned to the Office of the Undersecretary for Internal Affairs (USIA) shall be the following:

- i) General administration and management of DND Proper
- ii) Administrative services
- iii) Promotion Board
- iv) Management Information System

The Staff for Personnel, Administrative Services Office and Information Management Office shall report to the Undersecretary for Internal Affairs.

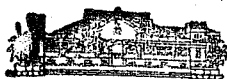
E. The functional areas assigned to the Undersecretary for Finance & Armed Forces Modernization Affairs (USFAFMA) shall be the following:

- i) Multi-Year Capability Planning and Execution System
- ii) Modernization
- iii) Real Estate
- iv) AFP Modernization Act Trust Fund
- v) DND Bids and Awards Committee
- vi) Supervision of the Government Arsenal

The Staff for Acquisition, Installations and Logistics and Staff for Comptrollership shall report to the Undersecretary for Finance & Armed Forces Modernization Affairs.

F. The following agencies and offices shall directly report to the Secretary of National Defense over whose operations the latter shall have direct control and supervision:

- i) National Disaster and Coordinating Council (NDCC)
- ii) Philippine Defense Reform (PDR) Program
- iii) Office of the Senior Military Assistant (OSMA)
- iv) Internal Audit (IA)
- v) Defense Intelligence Security Group (DISG)
- vi) Protocol Office



Section 3. The Secretary of National Defense is given the authority to periodically review the performance of the department vis-a-vis the fulfillment of its mandate and to effect the necessary changes in the department as the Secretary may deem appropriate based on such periodic review, which changes shall include, but not limited to, the following;

- i) Rotation of Undersecretaries or second level officials and Transfer or Re-assignment of staff assignments of Assistant Secretaries or third level officials of the department as the exigencies of the service may require considering the expertise and skills of the officials concerned;
- ii) Transfer or Re-assignment of the functional areas herein assigned to the Undersecretaries including offices the latter exercise operational or administrative control over;
- iii) Creation of units, task forces and other ad-hoc bodies within the department necessary to implement its mandate subject to existing rules and regulations on rationalization and other pertinent matters; and
- iv) Designation of officials in accordance with existing civil service laws and rules.

Section 4. Transitory Provisions. In the exigency of the service, and notwithstanding the immediately preceding section, the Secretary shall immediately effect the reorganization of the DND Bids and Awards Committee, including the appointment of new members in accordance with existing laws and implementing rules & regulations.

Section 5. Repealing Clause. Administrative Order No. 167, series of 2006, and all other issuances, circulars and orders that are inconsistent with the provisions of this Administrative Order are hereby revoked or amended accordingly.

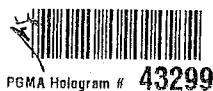
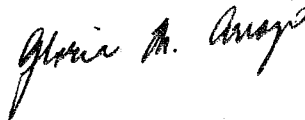
Section 6. Effectivity. This Administrative Order shall take effect upon publication in a national newspaper of general circulation.

DONE in the City of Manila, this 18th day of January , in the year of Our Lord, Two Thousand and Eight.

By the President:



EDUARDO R. ERMITA
Executive Secretary



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