

APR 10 1990

EXECUTIVE ORDER NO. 363

**DECENTRALIZING THE COORDINATIVE AND MANAGEMENT
MECHANISMS FOR THE IMPLEMENTATION OF INTEGRATED
AREA DEVELOPMENT PROJECTS**

WHEREAS, under Executive Order No. 230, Series of 1987, the National Council on Integrated Area Development (NACIAD), created as a sub-committee of the Cabinet under Executive Order No. 835, Series of 1982, and the Central Visayas Regional Projects Office (CVRPO), created under Executive Order No. 907, Series of 1983, were transferred to the National Economic and Development Authority (NEDA) for the latter to recommend, within one year from the date of effectivity of the aforesaid Executive Order No. 230, the transfer of the said two agencies to the appropriate department, in conjunction with the Department of Budget and Management (DBM);

WHEREAS, NEDA is mandated to review the functions and activities of all other Integrated Area Development (IAD) programs/projects and any other programs requiring multi-sectoral and/or multi-disciplinary approaches and to recommend the appropriate disposition and supervision of the same;

WHEREAS, an Inter-Agency Task Force composed of officials from the NEDA, the DBM, the Office of the President, and a representative from the academe, undertook a study and review of existing structure and operations of the NACIAD, CVRPO, and other integrated area development project offices (IADPOs);

WHEREAS, the study showed that while the IAD, as a development strategy, remains a viable approach towards the upliftment of depressed areas, the existing institutional arrangements implementing such strategy run counter to the policy on administrative decentralization and regionalization as expressed in Article X, Section 14 of the Constitution;

WHEREAS, there are now in place specific elements of decentralization such as (i) the newly reorganized and strengthened Regional Development Councils (RDCs), (ii) the move towards the regionalization of the budget, (iii) active decentralization of national line agencies, and (iv) other measures which render feasible the shift in the institutional arrangements for the IADS, where the RDCs and local government units may now assume responsibility and authority over the same.

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Definition of Integrated Area Development Programs and Projects. - Integrated Area Development (IAD) programs and projects refer to those requiring multi-sectoral and/or multi-disciplinary approaches covering a defined geographical area.

SECTION 2. Overall Direction, Coordination, and Supervision of IAD. - The overall direction, coordination, and supervision of implementation of existing IAD projects and similar projects that may be established, are hereby transferred from the National Council on Integrated Area Development (NACIAD) to the respective Regional Development Councils (RDCs) and the Local Government Units (LGUs) concerned in accordance with the delineation of functions provided herein.

SECTION 3. Coordination and Policy Guidance at the Regional Level. - The RDCs concerned shall be responsible for policy coordination and direction of all IAD projects at the regional level to ensure consistency of the projects with their respective regional development plans.

SECTION 4. Overall Direction, Coordination, and Supervision of Single-Province IAD Projects. - In the case of IAD projects which cover only one province, the responsibility for overall direction, coordination, and supervision of implementation of such projects is hereby vested in the concerned Offices of the Provincial Governor (OPG).

For this purpose, the Integrated Area Development Project Offices ((IADPOs) are hereby placed under the administrative supervision of the OPG concerned. Existing personnel contracts shall be respected; while the eventual absorption of IADPOs personnel into the OPG shall be decided upon by the respective provincial governments.

Upon assumption of supervision over the project by the concerned OPG, it shall submit to the respective RDCs, for approval, the program of work and management plan for the project.

SECTION 5. Multi-Provincial IAD Projects. - In the case of IAD projects, inclusive of the CVRP, that cover more than one province, the RDC concerned shall be responsible for the overall direction, coordination, and supervision of the implementation of such IAD. The RDC shall constitute from amongst its members a subcommittee to effect close direction, coordination, and supervision over the project, as well as to provide a forum for addressing common inter-provincial and inter-agency concerns.

✓ With respect to the CVRPO, the RDC for Region VII may retain or recommend to the President the reconstitution of the present Central Visayas Regional Projects Office (CVRPO) Board.

In the case of IAD Projects where the development of one sector is clearly predominant as determined by the RDC, the latter shall designate as Chairman of the sub-committee for the IAD the Regional Director of the implementing agency that is responsible for said sector.

✓ To assist the sub-committee, the RDC may establish an ad hoc project coordinating unit whose principal functions shall include coordination of annual budget preparation, provision of technical assistance to the component provinces, maintaining liaison with other government agencies as well as foreign sources of assistance for the adequate and timely release of necessary resources for the project, and project monitoring and evaluation.

The responsibility for overall direction, coordination, and supervision of implementation of provincial-level activities, however, shall remain with the respective OPG.

SECTION 6. Coordination and Policy Guidance at the National Level. - The National Economic and Development Authority (NEDA), as the central government development coordinating body, shall formulate a framework plan to guide the development of future IAD projects, to include the general principles governing: (a) the selection of provinces for future IAD development; and (b) subsequent formulation, implementation, and operation of IAD project packages. Corollarily, the NEDA Board shall be responsible for coordinating the implementation of the framework plan at the national level.

SECTION 7. Delineation of the Functions and Responsibilities of the RDCs, LGUs, and Implementing Departments. - The functions of the RDCs and the OPGs concerned shall be essentially policy-setting and overall direction, coordination, and supervision. The management and actual implementation of operations, activities, and programs of specific sectoral components of IAD projects shall continue to be the responsibility of the designated departments and agencies concerned: Provided, That offices under the Provincial Governor such as the Provincial Engineer's Office, the Provincial Agricultural Office, and the Provincial Planning and Development Office may implement project activities, as may be assigned to them by the lead agency, consistent with the project design: Provided, Further, That said activities are inherent in their respective functions.

SECTION 8. Budgetary Systems. - The budgets for implementation activities in the provinces, including those activities of line agencies under the IAD project, shall be integrated and endorsed by the OPG concerned to the RDC prior to submission thereof to the Department of Budget and

Management (DBM). Funds for specific components of IAD projects shall be released directly by the DBM to the implementing line agencies at the provincial level and to the concerned LGUs for the activities they implement.

The DBM, in consultation with the RDCs, shall issue the appropriate guidelines for budget preparation and execution to ensure the rational allocation and timely releases of funds for specific components of IAD projects.

Funds for the internal operations of IADPOs shall be released by the DBM to the OPG concerned: Provided, That in the case of multi-provincial IAD projects, including the CVRP, funds for the operations of the project coordinating units shall be released directly to them.

SECTION 9. Improved System of Accountability. - The respective RDCs shall adopt measures to improve the system of accountability of the LGUs to their constituency. Towards this end, efforts shall be expended to actively involve non-government organizations (NGOs), including mass media, to inform the public of the objectives, programs, and resources of the project, and to effect progress monitoring and subsequent impact evaluation.

The concerned OPG shall submit to the RDC at least quarterly reports on the physical and financial progress of the project and such other project reports/documents as the latter may require.

SECTION 10. Transitory Measures. ~~To ensure the effective~~ implementation of this Executive Order, the following immediate measures shall be undertaken to support LGUs in the discharge of their functions relative to IAD projects:

- (a) In connection with the transfer of responsibility to the OPG as provided in Section 4 hereof, the RDCs shall ensure: (i) the concrete specification of responsibility and authority among the agencies concerned; (ii) the adequate modification of work programs and budgets, if necessary; (iii) a clear functional delineation of the various agencies involved and the definition of the coordinating steps; and (iv) the formulation of a sufficient program of technical assistance participated in by relevant agencies in support of the institutional changes in project implementation as envisioned herein;
- (b) The RDCs shall also formulate and implement, in coordination with concerned line agencies as well as the LGUs, a training and assistance program designed to enable the staff of LGUs and the concerned line

agencies to sustain the management and operation of the project, and of such other projects as they may develop in the future and design the necessary coordinative mechanism between the LGUs and the regional line agencies;

- (c) In the case of the CVRP, the CVRPO shall re-deploy from the Regional Project Office to the LGUs such technical and administrative personnel as may be necessary for the immediate and effective management by the LGUs of project activities.

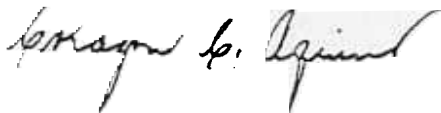
All on-going IAD projects coordinated by line agencies shall continue to operate under existing arrangements, the provisions of this Executive Order notwithstanding.

SECTION 11. Observance of Terms and Conditions of Loan Agreements. - The NEDA shall ensure that all departments, agencies, and LGUs concerned observe strictly all the terms and conditions embodied in Loan Agreements executed between the foreign funding institutions and the Philippine Government involving IAD projects.

SECTION 12. Implementing Guidelines. - The NEDA shall promulgate guidelines to serve as basis for the setting up of the institutional mechanisms by the RDCs and LGUs necessary for the implementation of the policy pertaining to IADs as envisioned herein, including their respective internal operations, as well as the development of subsequent IAD projects.

SECTION 13 Effectivity. - This Executive Order shall take effect immediately.

DONE in the City of Manila, this 17th day of July in the year of Our Lord, Nineteen Hundred and Eighty-Nine.



By the President:



CATALINO MACARAIG, JR.
Executive Secretary