

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 445

PROVIDING FOR THE IMPLEMENTATION OF THE SZOPAD  
SOCIAL FUND AND THE MECHANISM FOR THE  
ADMINISTRATION THEREOF

**WHEREAS**, the Government of the Republic of the Philippines has forged a Peace Agreement with the Moro National Liberation Front (MNLF) on September 2, 1996;

**WHEREAS**, the President has created the Special Zone of Peace and Development (SZOPAD) and the Southern Philippines Council for Peace and Development (SPCPD) through Executive Order No. 371 on October 2, 1996;

**WHEREAS**, the Government has invited both domestic and foreign donor institutions to support the goals of the peace and development process in the SZOPAD and some have already expressed their support;

**WHEREAS**, the victims of internal armed conflicts as well as the people of poor communities in the SZOPAD are in urgent need of assistance to enable them to access basic social services and opportunities for economic development;

**WHEREAS**, there is a need to create an institutional mechanism that will support and enhance international, national and local government initiatives and promote public and private sector partnership and synergy for the development of the SZOPAD;

**NOW, THEREFORE, I, FIDEL V. RAMOS**, President of the Republic of the Philippines, by virtue of the powers vested in me by law and the Constitution, do hereby order the following:

**SECTION 1. Implementation of the SZOPAD Social Fund.**

There is hereby established a mechanism for the implementation of the SZOPAD Social Fund, hereinafter referred to as the Fund, to undertake the implementation of small-scale social and economic infrastructure projects and services to sustain the gains of the peace process and accelerate the development of the SZOPAD.

**SECTION 2. Purpose and Objectives of the Fund.** The SZOPAD Social Fund shall:

- a) Coordinate development assistance to be mobilized to implement social and economic infrastructure projects in the SZOPAD;



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- b) Provide a quick and responsive mechanism to facilitate financing of small-scale social and economic infrastructure projects; and
- c) Help meet basic needs of victims of armed conflicts and economically disadvantaged communities in the SZOPAD.

**SECTION 3. The Board of Directors.** The Board of Directors, hereinafter referred to as the Board, is hereby constituted with the following functions:

- a) Establish the financing policies and guidelines to accomplish the purpose and objectives in the implementation of the Fund;
- b) Review and approve the Annual Work and Financial Plan and the Special Budget of the Fund;
- c) Convene once every quarter and as may be necessary to resolve issues emerging from the operations of the Fund;
- d) Submit periodic reports to the President; and
- e) Perform other tasks that may be assigned by the President to promote the objectives of the Fund.

The Board shall be composed of the following:

- |     |   |               |
|-----|---|---------------|
| (a) | Executive Secretary   | Chairman      |
| (b) | Secretary of Finance  | Vice-Chairman |
| (c) | Secretary of Budget and Management                                    | Member        |
| (d) | Director-General of National Economic Development Authority           | Member        |
| (e) | Chairman of the Southern Philippine Council for Peace and Development | Member        |

The Presidential Adviser on the Peace Process and the Executive Director hereunder mentioned shall act as non-voting ex-officio Members.

**SECTION 4. The Executive Committee.** The Executive Committee, hereinafter referred to as the EXCOM, is also hereby constituted with the following functions:

- a) Review and recommend to the Board the Annual Work and Financial Plan as well as the Special Budget of the Fund;

- b) Safeguard the integrity of the fund and ensure conduct of its periodic audit;
- c) Recommend amendments in policies and guidelines in the implementation of its financing operations that may be necessary to meet its objectives;
- d) Monitor the utilization of funds and ensure that policies are observed; and
- e) Convene every two weeks or as often as may be necessary to review and approve project proposals;
- f) Perform other tasks that may be assigned by the Board

The EXCOM shall be composed of the permanent representatives of the five (5) voting members of the Board herein above constituted who shall be designated by the President.

In addition, one (1) representative from a duly accredited non-governmental organization engaged in social development work with an established track record of five (5) years, and one (1) representative from the private sector, civic organizations and the business community in the SZOPAD, shall be designated by the President as members of the EXCOM upon the recommendation of the Board.

The Executive Director acts as non-voting ex-officio member of the EXCOM, with the permanent representative of the SPCPD as Chairman.

**SECTION 5. The Executive Director.** The Executive Director shall head a Management Office (MO), which is hereby created composed of the technical and administrative personnel and acts as the Secretariat of the EXCOM.

The Executive Director shall

- a) Organize an *ad hoc* office and establish the staffing complement thereof, subject to existing standards and procedures;
- b) Screen project proposals for the approval of the EXCOM;
- c) Prepare the Annual Work and Financial Plan and Special Budget of the Fund;
- d) Develop the administrative systems and procedures that shall facilitate the quick and timely approval of projects and release of funds;
- e) Maintain financial records and book of accounts with regard to the utilization of funds;

- f) Monitor the status of project implementation; and
- g) Perform other tasks that may be assigned by the EXCOM.

**SECTION 6. Fund Sources.** The loan proceeds from the World Bank and corresponding government counterpart, and other foreign assistance specifically intended for the SZOPAD projects shall accrue and constitute the Special Budget of the Fund. Grant proceeds specifically intended for the SZOPAD projects shall likewise accrue to said Fund which shall initially finance its operational and administrative expenses. Contributions from other funding agencies shall be used to augment these resources.

**SECTION 7. Review and Evaluation.** The Board and the participating donor agencies shall undertake the review and evaluation of the operations of the Fund on or before 31 July 1999.

**SECTION 8. Effectivity.** This Executive Order shall take effect immediately.

**DONE** in the City of Manila, this 1st day of October, in the year of Our Lord, Nineteen Hundred and Ninety-Seven.

By the President:



**RUBEN D. TORRES**

Executive Secretary



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