

DENR Memorandum Circular
No. 36
September 30, 1994

SUBJECT : Establishing Guidelines for the Preparation of Phase-In/Phase-Out Plan for Completing/Terminating Foreign-Assisted Projects.

Sec. 1 Rationale

Foreign-assisted projects are large investment projects funded through foreign loans or grants over a limited period. However, while continued funding for the projects are assured during their loans/grants periods, difficulty in sourcing of funds from the regular appropriations after said period are encountered. Activities e.g., plantation maintenance and protection are disrupted or discontinued, resulting in the waste of initial investments. Moreover, maintenance of existing infrastructure and other facilities are affected, thereby hastening their deterioration.

It is therefore, imperative that plans and strategies for the phase-in/phase-out of said projects be formulated at the earliest time possible. This will provide for the smooth integration of the project's components into the regular activities of the Regional Offices, local government units or community, where appropriate and acceptable, and ensure that the developmental activities, existing infrastructure and equipment are continued and maintained, respectively.

Sec. 2 Definition of Terms

- Phase In** - systematic transfer/integration of project or component thereof to another party inclusive of all characteristics inherent to the project/component.
- Phase Out** - systematic withdrawal of assistance; can be complete or partial.
- Assistance** - may be in the form of project funds sourced from foreign and GOP counterpart fund; manpower; administration/supervision.

Party - a recognized agency, organization, institution, community, or unit.

Sec. 3 Objectives

1. To formulate plans, strategies and schedules for the phasing-in/phasing-out of foreign-assisted projects and facilitate the integration/transition of their activities into the regular activities of their respective Regional Offices, LGUs or communities as they approach their termination/completion date;
2. To determine the budgetary requirements of the projects during the phasing-in/phasing-out period for integration into the budgetary requirements of the Regional Offices;
3. To formulate recommendations regarding the appropriate uses of existing infrastructure and the deployment and maintenance of the existing equipment and vehicles;
4. To identify operational problems, including the issue on utilization of highly trained contractual project personnel and formulate strategies and courses of action to address said problems; and
5. To conduct a complete inventory of the equipment, infrastructure, other properties and accomplishments of all foreign-assisted projects.

Sec. 4 Expected Output

1. Plans, strategies and schedule of integrating project activities into the regular activities of the regions, LGUs or communities.
2. Projects' budgetary requirements and alternatives after termination of loans/grants and strategies for integration into the regions, LGUs regular budget or community funding

3. Recommendations on the uses of the projects' infrastructure, deployment and maintenance of vehicles and equipment after termination of loans/grants.
4. List of identified operational problems, including the placement of highly trained contractual personnel by the projects and strategies and courses of action to address the problems.
5. A complete inventory and distribution plan of equipment, vehicles, infrastructure, and other properties, including the physical and financial accomplishment reports and other documents of the projects.

Sec. 5 Implementing Strategy

A. Coverage

All ongoing foreign-assisted projects.

B. Participating Offices and Roles

B.1 Participating Offices

To ensure the efficient and effective implementation of the undertaking, the following offices shall be informed/represented/involved/ consulted in the preparation and execution of the Phase-In/Phase-Out Plan, thus:

1. Office of the Designated Senior Officer of the Project.
2. Office of the Undersecretary for Field Operations.
3. Office of the Undersecretary for Natural Resources Management
4. Office of the Undersecretary for Environment and Research

5. Office of the Foreign-Assisted and Special Projects (FASPO)
6. Office of the Assistant Secretary for Planning and Policy Studies
7. Office of the Assistant Secretary for Management Services
8. Other concerned DENR Offices (including Regional/PENRO/CENRO Levels)
9. Concerned Project Management Offices (PMO)
10. Concerned oversight agencies/institutions/ organizations/ local government units.
11. Affected community/ies

B.2 Roles

- B.2.1 The Designated Senior Officer (DSO) of the Project shall take the lead in the review and shall oversee the implementation of the Plan. The Office of the Undersecretary for Field Operations through the respective PENRO/CENRO concerned shall support and coordinate the implementation of the Plan.
- B.2.2 A Secretariat based at FASPO shall be formed to backstop the Designated Senior Officer (DSO).

The Secretariat shall be composed of:

1. PCMS, FASPO representatives (2)
2. PDPS, FASPO representatives (1)
3. Field Operations representatives (2)

- B.2.3 The concerned FASPO Desk Officer shall be one of FASPO's representatives to the Secretariat.
- B.2.4 The Office of the Assistant Secretary for Management Services shall take the lead in the inventory and documentation of vehicles, equipment and other facilities and fixtures of the Project, in coordination with FASPO's Desk Officer for the Project. It shall also be responsible in the safekeeping of all original documents.
- B.2.5 Likewise, the Office of the Assistant Secretary for Management Services shall provide duplicate copies of all documents pertaining to Item B.2.4, to PCMS-FASPO for future evaluation purposes.
- B.2.6 The respective Regional and/or Central-based Project Management Offices shall prepare the accomplishment reports, Work and Financial Plans and other pertinent documents, if applicable, and provide copies for reference.

C. Schedule of Implementation

C.1 Draft Phase-In/Phase-Out Plan

To facilitate the preparation of each Project's Phase-In/Phase-Out Plan, a draft framework Plan shall be prepared by the respective PMO of all on-going FAPs in consultation with participating offices (Section V.B.1). The Plan shall be guided by the attached outline but shall not be constrained from providing more information than what the outline is requiring.

C.2 Submission of Draft Framework Plan

All draft framework plans shall be submitted to the Secretariat not later than two (2) months upon the signing of this Circular.

The Secretariat will then prepare a summary of all recommendations for review by the Designated Senior Officer (DSO) and other concerned Offices.

Likewise, it may recommend the conduct of a meeting, if necessary, with the Designated Senior Officer as presiding officer. The meeting shall discuss and decide on the final Plan.

C.3 Revisions in the Final Plan

The Designated Senior Officer through the Secretariat shall be informed in writing of any proposed amendment to or revision on the Final Phase-In/Phase-Out Plan. Item C.2, paragraph 2 can be invoked upon, if necessary.

C.4 Effectivity of the Final Plan

Effectivity of the Plan shall be specified in the final design (whether complete or partial phase in/out e.g. by component; by site) and at what phase of project implementation. (Details per Annex A under Specific Strategies). Otherwise, the Plan shall be fully implemented by the final year of project implementation.

Sec. 6 Funding and Logistic

All traveling expenses incurred relative to the implementation of the undertaking shall be chargeable against the appropriations of the respective offices of the team members unless specified otherwise.

To facilitate mobility of the teams, the respective Regional and Project Management Offices shall provide vehicles (i.e., including fuel) and assistance, whenever necessary.

Sec. 7 Monitoring and Evaluation

To ensure the smooth implementation of the Phase-In/Phase-Out Plan, the respective regional offices shall be responsible in the regular monitoring of

the execution of the Plan and shall provide monthly feedback to the Designated Senior Officer (DSO) through the Secretariat. Timely and appropriate action must be taken to address problems and potential bottleneck areas so as to prevent significant delays in the implementation.

Likewise, each PMO shall include in their monthly reports to FASPO the progress by which their plans are being implemented.

Sec. 8 Additional Guidelines

A copy of the Projects' Phase-In/Phase-Out Plan shall be an Annex to the Project Completion/Termination Report (PCR/PTR).

The Secretary may issue additional instructions as may be necessary for the effective implementation of this Circular.

Sec. 9 Repealing Clause

All other provisions, orders memos, circulars and other rules and regulations inconsistent or contrary to the provisions herein specified are hereby repealed and modified accordingly.

Sec. 10 Effectivity

This Memorandum Circular shall take effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

RICARDO M. UMALI
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BEN S. MALAYANG III
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