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ADMINISTRATIVE ORDER No. 20
Series of 2005

**SUBJECT : CLARIFICATION ON THE IMPLEMENTATION
OF THE UNIFIED PROJECT MANAGEMENT
OFFICE AND DEFINING THE STRUCTURE
THEREOF**

I. Objectives:

This guideline is being issued to:

- (1) refine the scope of unified or centralized management of projects;
- (2) align the implementation of unified project management (UPM) system with the objectives of rationalization of DENR pursuant to Executive Order No. 366;
- (3) define the structure of Foreign Assisted and Special Projects Office (FASPO) in accordance with this Administrative Order.

II. General Policies

In the implementation of the UPM system, following policies should be observed:

A. Mainstreaming of Project Operations and Management

Project Operations and Management shall be mainstreamed in Bureaus, Attached Agencies and Regional Offices within DENR.

Day to day project management shall be undertaken by the implementing units of the concerned bureaus/offices.

Bureaus and Regional Offices may form its own centralized project management office to handle at least three (3) projects of the bureau or of the region.



FASPO shall:

(1) provide oversight function to these projects;

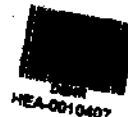
Oversight functions shall mean:

- (a) issuance of guidelines, systems and procedures for the:
 - *preparation of operations and financial plan based on the project document or loan/grant agreement;
 - *preparation of monitoring, assessment and evaluation framework;
 - *project financial management of project operations, resources and expenditures related to the activities.
- (b) conduct of monitoring and evaluation on general project milestones;
- (c) coordination with the implementing bureaus/offices and the donor institutions/development partners for project implementation requirements;
- (d) trouble shooting, especially to ensure compliance to agreed actions in the review missions and to address gaps in the implementation;
- (e) assistance on post-project completion/mainstreaming of project concerns in regular activities of the bureaus/offices.

(2) Provide financial management and administrative support (review of financial plan, contract review and administration, procurement).

To perform these functions, FASPO shall designate Project Officer for each project, Bureau, Region or sector, as may be appropriate.

Mainstreaming shall also apply to projects referred to as Technical Assistance.



B. Central Office-Based Managed Projects

Central Office-based Managed Projects shall refer to projects which have the following features:

- (1) Project components are to be performed by various national agencies and/or bureaus/offices (multi-agency); or
- (2) Project implementation covers two (2) or more regions (multi-regional); or
- (3) Project components cut across two(2) or more sectors (multi-sectoral),

For these types of projects, an effective coordination mechanism within FASPO as the Central Project Management Office has to be instituted.

For this purpose, a dedicated but lean project management office, when necessary may be formed for such project/s to handle the day to day operations of the project. Otherwise, a project management team shall be assigned within FASPO.

Project Management referred herein shall mean coordination of the various activities of the project implementation units and liaisoning with donors/development partners concerned. For this purpose, there shall be created a Project Management Division (PMD) under the Project Operations and Management Service of FASPO as defined herein.

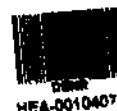
III. FASPO Structure

To implement the refined UPM system, FASPO shall be organizationally designed as follows:

A. Office of the Undersecretary

The Office of the Undersecretary for Management and Technical Services shall have direct oversight function over the Foreign-Assisted and Special Projects Office.

He/She shall provide policy guidance and direction in the development and implementation of Foreign-Assisted and Special Projects.



B. Office of the Assistant Secretary

The Office of the Assistant Secretary for Foreign-Assisted and Special Projects (FASPs) shall be responsible for the overall supervision of FASPs planning, programming, operations and management. The Office shall:

- (1) Prepare development framework plans and guidelines/strategies for the programming and prioritization of programs/projects requiring foreign and local assistance;
- (2) Identify and prepare investment project and program proposals for possible foreign and local assistance in close coordination with other DENR implementing units and other appropriate government agencies;
- (3) Represent the Department and provide assistance in facilitating/negotiating for foreign loans/grants and other sources of assistance;
- (4) Coordinate the conduct of feasibility studies and appraisal of projects identified for external financial and/or technical assistance;
- (5) Provide basic policies, systems and procedures for the effective and efficient implementation of foreign-funded and special projects;
- (6) Monitor and evaluate the performance and impact of all FASPs in coordination with donors and oversight government agencies;
- (7) Document and disseminate lessons learned, experiences gained and technologies generated from projects, and provide policy recommendations with reference to development initiatives and their implications to future projects;
- (8) Ensure that lessons learned, experiences gained and technologies generated from projects are mainstreamed into the Department's policies and operations;
- (9) Coordinate with funding/donor/oversight agencies in programming, monitoring and evaluation of FASPs;
- (10) Coordinate and monitor compliance to multilateral/international agreements/commitments as they relate to FASPs;
- (11) Establish and maintain the Philippine operational focal center for the Global Environment Facility (GEF) and other similar types of foreign-assisted facilities and funds; and
- (12) Directly supervise the Legal Affairs Desk and the International Affairs Desk.

B.1. International and Legal Affairs Desk

Legal Affairs Desk

The Legal Affairs Desk shall provide support services to project management units and other DENR offices implementing foreign assisted and special projects.

The Desk shall:

- a) Provide legal assistance on loan documents and contracts review;
- b) Render legal advice and legal opinion on matters pertaining to foreign-assisted and special projects;
- c) Recommend, in coordination with other organizational units of the Department, the formulation of, and amendments to policies, laws, rules and regulation pertaining to foreign-assisted and special projects;
- d) Perform other related functions that may be assigned by higher authority.

International Affairs Desk

The International Affairs Desk (IAD) shall coordinate, review and support the participation and compliance of the Department in multilateral environmental agreements and international treaties/agreements. The Desk shall:

- a) Program and monitor DENR's contributions to United Nations and other international bodies through the International Commitment Fund;
- b) Coordinate with Planning and concerned bureaus/offices in the preparation of position papers to be presented in Ministerial Forum and international conferences;
- c) Keep track of the position of the Department in the various issues related to international conventions and agreements to ensure coherence and responsiveness of national policies;
- d) In coordination with concerned Bureaus and offices, monitor compliance to obligations and commitments under the international conventions and agreements;

- e) Recommend policies to the management on how to enhance relationship with the international community; and
- f) Facilitate the participation of the Department in cooperative arrangements and maintenance of close relations with other countries and international bodies.

Budgetary requirements for the International and Legal Affairs Desks shall be sourced from funds of certain projects as may be allowed under existing guidelines, since these projects will avail of the services mentioned above.

B. 2. Management Information System Unit

The Management Information System Unit (MISU) shall be responsible for the establishment and maintenance of management information systems for FASPs to support data and information requirements of the FASPO, other DENR offices/units, oversight & other donor agencies. The Unit shall:

- a) Develop, implement and maintain an effective and efficient management information systems, including database systems essential for the conduct of FASPO oversight functions over FASPs;
- b) Design and implement activities that use geographic information systems technology to meet mapping, analysis, planning and decision-making needs of FASPO;
- c) Provide systems hardware and software development-related technical assistance including maintenance, training and prescription of standards;
- d) Manage and administer Local and Wide Area Network including the design and implementation of network security and back-up procedures;
- e) Design, develop and maintain FASPO website and E-Commerce applications taking into consideration its technical, aesthetic, and usability concerns, in coordination with MISD-PPSO;

- f) Manage and maintain FASPs library both in hard and soft copy;
- g) Coordinate the preparation of IEC materials of FASPs; and
- h) Perform other information technology-related functions that are supportive of FASPO's oversight functions.

C. FASPO shall have two (2) Services, each to be headed by a Director, namely: **(1) Project Development Service and (2) Project Operations and Management Service.**

C. 1. Project Development Service

The Project Development Service (PDS) shall be responsible for overseeing the development, programming and evaluation of project proposals for foreign assistance and special funding including the conduct of pre-implementation activities in coordination with Project Operations and Management Service. The Service shall:

- a) Provide frameworks, guidelines/strategies for development and packaging of projects/programs;
- b) Develop, evaluate and appraise project proposals for foreign and special funding and technical assistance including innovative financing;
- c) Provide technical assistance in preparing the Agency Investment Program based on MTPDP and Priority Program Thrusts;
- d) Coordinate negotiations for securing funding and technical assistance for proposed FASPs;
- e) Initiate pre-implementation activities for newly approved projects;
- f) Identify financing gaps in the DENR priority plans and programs for Official Development Assistance (ODA) and special funding, in coordination with Planning and Policy Studies Office;
- g) Participate in the conduct of impact assessment of projects for consideration of lessons learned in future project designs; and

- h) Perform other related functions that may be assigned by higher authority.

The PDS shall have two (2) Divisions, namely:

C.1.1 Multilateral Investments Program Division

The Multilateral Investments Program Division shall be responsible for investment programming and development of project proposals for assistance by foreign **multilateral** funding institutions and local special funds, including coordination of project pre-implementation activities. The Division shall:

- a) Prepare frameworks, strategies, and guidelines on project development;
- b) Prepare, review and refine project proposals for foreign and local assistance;
- c) Initiate and maintain close relations with national, regional and international organizations to promote the environment and natural resources investment portfolio;
- d) Analyze policies of donors, funding agencies or development partners to determine the eligibility and acceptability of the Department's project proposals for funding;
- e) Coordinate and manage project preparation/planning studies, e.g. feasibility, pre-feasibility, appraisal and pre-implementation studies as required by the oversight and donor agencies;
- f) Coordinate and assist in the negotiations for financial and technical assistance for projects with identified financing institutions;
- g) Serve as counterpart staff and/or Secretariat to project preparatory assistance teams and missions dispatched by funding institutions;
- h) Participate in the conduct of mid-term, end-of-project and ex-post impact assessments of projects and identify

activities to be incorporated in the formulation of new projects and gaps for investment programming;

- i) Participate in GOP-Donor Country Assistance Programming (CAP);
- j) Take the lead in the conduct of pre-implementation activities such as issuance of Forward Obligational Authority (FOA), request for Special Budget Request (SBR), and compliance with readiness filters/conditionalities for loan/grant effectivity; and
- k) Perform other related functions that may be assigned by higher authority.

C.1.2. Bilateral and Innovative Financing Division

The Bilateral and Innovative Financing Division shall be responsible for investment programming and development of project proposals for assistance by foreign bilateral funding and proposals enabling private sector participation and other non-traditional and innovative financing schemes. The Division shall:

- a) Prepare frameworks, strategies, and guidelines on project development;
- b) Prepare, review and refine project proposals for foreign, local and private sector's assistance and participation and other non-traditional and innovative financing schemes;
- c) Initiate and maintain close relations with private sector to promote the environment and natural resources investment portfolio;
- d) Coordinate and manage project preparation/planning studies, e.g. feasibility, pre-feasibility, appraisal and pre-implementation studies as agreed upon by the oversight and donor agencies;
- e) Coordinate and assist in the negotiations for financial and technical assistance for

- projects with identified financing institutions;
- f) Explore non-traditional sources of financing environment and natural resources programs/projects, including public-private sector partnership;
 - l) Serve as counterpart staff and/or Secretariat to project preparatory assistance teams and missions dispatched by funding institutions;
 - m) Participate in the conduct of mid-term, end-of-project and ex-post impact assessments of projects and identify activities to be incorporated in the formulation of new projects and gaps for investment programming;
 - n) Participate in GOP-Donor Country Assistance Programming (CAP);
 - o) Take the lead in the conduct of pre-implementation activities such as issuance of Forward Obligational Authority (FOA), request for Special Budget Request (SBR), and compliance with readiness filters/conditionalities for loan/grant effectivity; and
 - p) Perform other related functions that may be assigned by higher authority.

C.2 Project Operations and Management Service

The Project Operations and Management Service (POMS) shall be responsible for overseeing the management and implementation of all FASPs including pre-implementation activities in coordination with PDS. The Service shall:

- a. Facilitate the mobilization and setting-up of newly approved projects;
- b. Coordinate the operational planning, scheduling and implementation of FASPs;
- c. Develop and implement systems and procedures for FASPs implementation, i.e. Monitoring and Evaluation, procurement, financial management, etc.;
- d. Facilitate the procurement of goods, civil works and services;

- e. Conduct continuous monitoring and evaluation of FASPs in relation to specific outputs and outcomes as provided for in the loan/grant agreement, project logical framework, and project operational plans;
- f. Ensure compliance to requirements of oversight agencies and funding institutions related to the implementation of FASPs;
- g. Coordinate/manage the conduct of impact assessment of FASPs, document and disseminate lessons learned, experiences gained and technologies generated from projects, and recommend policies for the improved implementation of subsequent projects;
- h. Facilitate the integration/institutionalization of services/benefits gained from projects to various stakeholders (DENR systems, other institutions, organizations and groups); and
- i. Perform other related functions that may be assigned by higher authorities.

The POMS shall have three (3) Divisions, namely: (1) Project Account Management Division; (2) Project Monitoring and Evaluation Division; and (3) Project Management Division.

C. 2. 1. Project Account Management Division

The Project Account Management Division (PAMD) shall be responsible for the development and management of systems and procedures for the effective financial and administrative management of FASPs. The Division shall:

- a) Coordinate the preparation, review and consolidation of financial plans of foreign-assisted and special projects;
- b) Forecast, review and monitor project expenditures;
- c) Coordinate with finance and management offices on the establishment and maintenance of systems and procedures for finance and administrative matters affecting FASPs;

- d) Establish and manage all working funds such as imprest account, trust funds and special accounts of FAPs as per loan and grant agreements;
- e) Review and facilitate the processing/release of project accounts including monitoring and evaluation of project fund performance and conduct of internal audit;
- f) Coordinate and liaise with oversight agencies and international financing institutions with respect to financial matters of on-going projects;
- g) Coordinate and liaise with bureaus, attached agencies and regional offices on submission of FASPs financial reports;
- h) Coordinate and facilitate the procurement of goods and services, including administration of FASPs contracts entered into between the Department and contractors or consultants;
- i) Coordinate the conduct of regular inventory and maintenance of registry of project equipment; and
- j) Perform other related functions that may be assigned by higher authorities.

C. 2. 2. Project Monitoring and Evaluation Division

The Project Monitoring and Evaluation Division (PMED) shall be responsible for providing the information base required for steering and decision-taking in project implementation and management and in operational policy making. The Division shall:

- a) Develop frameworks, systems and procedures for the monitoring and evaluation of FASPs consistent with the requirements of the Department and with those prescribed by oversight agencies and donor institutions;
- b) Conduct regular assessment of FASPs performance as to their implications/

- contributions to the overall DENR ODA Portfolio, sectoral thrusts and other priority programs;
- c) Consolidate and analyze FASPs' physical reports and formulate recommendations to ensure project implementation concerns are appropriately addressed;
 - d) Coordinate/manage the conduct of impact assessment studies and documentation of lessons and experiences gained from FASPs for consideration in policy decisions and future project formulation;
 - e) Provide periodic reports on the overall progress of FASPs as needed by management, oversight agencies and donor institutions; and
 - f) Perform other related functions that may be assigned by higher authorities.

C. 2. 3. Project Management Division

The Project Management Division (PMD) shall be responsible for facilitating and coordinating the implementation of central office-based foreign-assisted and special projects (FASPs). The Division shall:

- a) Mobilize newly approved projects in coordination with PDS, including the setting up of project organizational structure, systems and procedures;
- b) Coordinate the various activities of DENR operating units involved in the implementation of central office-based projects including;
 - (i) Facilitating the mapping-out of the project's plan of operations and implementation arrangements for efficient and effective project management;
 - (ii) Documenting corrective measures adopted and alternative or revised project plans formulated to

- address problems encountered in project implementation;
- (iii) Monitoring and assessing the progress of projects, including their compliance with conditionalities or provisions of the loan/grant agreement, contracts and other similar instruments; and
 - (iv) Networking with various stakeholders, such as the private sector, Civil Society and other NGAs, for enhanced participation in project implementation;
- c) Coordinate and participate as counterpart in donor agencies' review/supervision missions and other project performance audits;
 - d) Facilitate mainstreaming of project services and benefits into the DENR system and to concerned stakeholders; and
 - e) Perform other related functions that may be assigned by higher authorities.


IV. Operationalization of this Order

Operationalization of the specific project management arrangement to specify roles of the implementing units, Bureaus/Regional Offices and DENR Central Offices particularly FASPO shall be embodied in a Memorandum Circular to be issued for each project.

A Special Order shall be issued by Office of the Undersecretary for Management and Technical Services designating the personnel under the refined Unified Project Management Office.

Department Administrative Order 56, series of 2004 and all Department orders and issuances inconsistent herewith are hereby modified.

This Order shall take effect immediately.


MICHAEL T. DEFENSOR
Secretary *is* *ant*



ANNEX A

UNIFIED PROJECT MANAGEMENT OFFICE

Under DAO 20, Series of 2005

