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ADMINISTRATIVE ORDER

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SUBJECT : STRENGTHENING THE PROJECT MANAGEMENT SYSTEM FOR FOREIGN ASSISTED PROJECTS IN THE DENR

I. BACKGROUND:

- A. On March 13, 2003, DBM Budget Circular No 485 was issued providing for Rationalization of Project Management Offices. On August 31, 2004, pursuant to said circular, DENR issued Administrative Order No. 56 "Integration/Consolidation of PMOs in the DENR structure and operations". On September 28, 2005, DENR Administrative Order No. 20 was issued providing for the Clarification on the implementation of the Unified PMO and defining the structure thereof.
- B. The Administrative Orders on the Unified Project Management Office (UPMO) implement mainstreaming of implementation of projects with the regular offices particularly the Bureaus and Regional Offices. FASPO provides over-all coordination of the projects performing oversight functions, ensuring compliance to fiduciary obligations, monitoring and evaluation and serves as Central PMO for Central Office-based FAPs (i.e., multi-regional and/or multi-sectoral/agency in scope).
- C. The UPMO system has presented some limitations in ensuring effective and efficient implementation of the project:
 1. Limited capability of the regular offices/units to handle the day-to-day operations of projects vis a vis huge tasks under regular programs and regulatory functions;
 2. Limited experience of said units on project management, which include financial and procurement management under existing guidelines of the donors/financing institutions.
- D. Thus, the need to rationalize further the implementation of the UPM system in the DENR and strengthen the same.

II. OBJECTIVES:

This Administrative Order is being issued to:

- A. fine-tune the implementation of the Unified Project Management System in DENR with due consideration to present limitations and capacities of the operating and staff units;
- B. strengthen FASPO and the Bureau/Regional Implementing Units by allowing them appropriate flexibility to immediately act on project concerns including financial and procurement matters;
- C. provide for the creation of pool of Project Managers from among DENR personnel which shall ensure sustained availability of experienced/competent personnel to handle projects on a full-time basis with clear objective of mainstreaming the implementation, knowledge and resources with the Bureaus and Regional Offices.

III. GUIDELINES:

- A. Big loan and grant projects, particularly those described in Section 4.3 of NBC No. 485 (i.e. capital-intensive development projects, whose implementation involves two or more agencies/sectors and covers two or more regions) shall have a full-time Project Manager and lean support staff. A special order designating the Project Manager and staff shall be issued for this purpose. The Project Manager shall report directly to the Assistant Secretary for FASPO.
- B. For projects cited in item A, full-time Component Coordinators/Focal Person shall likewise be designated by the Bureau or Region responsible for component-specific or site level implementation of the project to handle its day to day operation. They shall report directly to the Bureau Head and Regional Executive Director concerned. They shall also closely coordinate with Project Manager for project planning, project monitoring and evaluation, financial and procurement management and troubleshooting. A system and flow of coordination, monitoring and communication will be defined in a separate guideline that will be prepared by FASPO.
- C. FASPO shall continue to perform its oversight functions by shepherding the projects at the agency level, particularly:
1. Ensuring complementation and synergies among projects;
 2. Identification and development of project management methodology, best practices and standards;
 3. Clearing house for general project policies, procedures, templates and standards;
 4. Central coordination of communication management within DENR including oversight agencies and donor partners;
 5. Centralized management for shared and unique risks for all projects;
 6. Central monitoring of all projects; and
 7. Mentoring platform for project managers.
- D. To facilitate implementation and ensure sustained operations of projects, approving authorities for administrative and financial transactions will be delegated to concerned officials at the central and field levels who will be directly involved in the management and implementation of projects.
- E. A pool of Project Managers shall be created under the Office of the Assistant Secretary, FASPO. The same shall be considered in the proposed Rationalization Plan.
1. The Terms of Reference for the pool shall be developed by FASPO which includes competency requirements, system of screening and qualification.

A Special Order shall be issued for the designation of personnel who shall be placed in the pool of Project Managers.

2. A continuing capacity development program for the Project Managers and staff shall be developed and implemented by FASPO.
3. A performance evaluation system for the Project Managers and staff shall also be developed and implemented.

This Order takes effect immediately and shall supersede all orders/ issuances inconsistent herewith.


JOSE L. ATIENZA, JR.
Secretary

