

MALACAÑANG
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 407

PROVIDING FOR THE GUIDELINES ON THE ALLOCATION, RELEASE
AND MANAGEMENT OF THE 1997 POVERTY ALLEVIATION FUND

WHEREAS, human resource development and poverty alleviation together with measures to establish globally competitive industries are vital components in the government's objective of reducing the nation's poverty incidence from 35.7 percent in 1994 to 30 percent by 1998;

WHEREAS, to focus initial intensive poverty alleviation measures, the 1996 Poverty Alleviation Fund was implemented in the most depressed and isolated provinces of the country namely, the twenty priority provinces, and those in Mindanao, particularly the Autonomous Region of Muslim Mindanao (ARMM);

WHEREAS, the 1996 National Anti-Poverty Summit defined the priority geographic areas where the SRA shall be implemented: (1) all regions, particularly ARMM; (2) all provinces, particularly the 20 priority provinces; (3) all municipalities, particularly 5th and 6th class municipalities; and, (4) convergence sites as ecosystems;

WHEREAS, in order to make further headway in the war against poverty and institutionalize the minimum basic needs (MBN) approach and convergence policy necessary to enhance the effectiveness of government anti-poverty programs, the other depressed communities in the country particularly those in the fifth and sixth class municipalities, as well as those urban poor communities in the cities outside the National Capital Region (NCR), must be drawn into the focus areas of the Social Reform Agenda;

WHEREAS, the 1997 General Appropriations Act provides for a Poverty Alleviation Fund (PAF) to address the six most unmet basic minimum needs of poor communities based on initial surveys of the Presidential Commission to Fight Poverty (PCFP) and the Department of Social Welfare and Development (DSWD), and enable the full installation and institutionalization of the MBN approach and a community-based information system (CBIS) for poverty tracking;

WHEREAS, to facilitate the multi-level and multi-dimensional implementation of the PAF, there is a need to clearly inform and advice all

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concerned on the allocation formula and access procedure that will be adopted in the utilization of the PAF;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order the adoption of the following guidelines for the allocation and implementation of the 1997 Poverty Alleviation Fund, net of reserves and administrative overhead cost:

SECTION. 1. The installation and maintenance of the MBN/CBIS shall be implemented nationwide, giving priority to the nationally-coordinated and locally-initiated convergence areas in the fifth and sixth class municipalities. The National Statistics Office (NSO) with the Presidential Commission to Fight Poverty (PCFP), the Department of Social Welfare and Development (DSWD) and the Department of Interior and Local Government (DILG) shall allocate the funds and implement the program on the basis of the status and funding requirements on the Minimum Basic Needs - Community Based Information System (MBN-CBIS) installation in each municipality.

SEC. 2. The resettlement and housing program components to be administered by the National Housing Authority (NHA) and the National Home Mortgage and Finance Corporation (NHMFC) shall be equitably or equally allocated to all convergence areas in cities outside of the NCR, considering the ability of the cities to finance resettlement and housing programs as measured by their average per capita incomes of the last three years and the number of poor households in the said localities. The allocation of funds among the cities shall be done together with the League of Cities. The resettlement program shall give priority to the implementation of programs in NHA pre-identified sites while the housing programs shall be implemented as part of the Community Mortgage Program of the NHMFC.

SEC. 3. The rest of the six (6) other program components of the PAF with total funding of ₱1.4908 billion, shall be implemented in the fifth and sixth class municipalities of the country's 77 provinces.

SEC. 4. Each program component of the PAF shall be administered by the designated principal agencies in coordination with their partner agencies, SRA Regional/Provincial/Municipal Technical Working Groups (TWGs) and the concerned provincial and municipal chief executives.



SEC. 5. The identification and implementation of the specific projects to be funded from the PAF shall be, to the extent possible, devolved to the concerned municipal government in accordance with the objective of the PAF to build capabilities of the local government units, particularly the poorest municipalities, in the development and implementation of anti-poverty programs. The principal implementing agencies, partner agencies and their regional and provincial offices, and the provincial government units shall provide the requisite technical assistance to the municipal governments to enable this.

Sec. 6. The beneficiary city and municipal LGUs shall contribute to the cost of implementing the PAF projects in their localities as their stake in the implementation of the projects. In no case shall the cost sharing for each project be less than 10 percent of the total project cost.

Sec. 7. Principal implementing agencies may request realignment of the savings from each program component under the PAF to address the gaps in the provision of services needed in each of the target municipalities and cities, provided that the provincial entitlement provided for in Section 3 is maintained. The Oversight Committee hereinbelow created, shall review and endorse these requests to DBM for approval subject to existing budgeting and accounting rules and regulations.

Sec. 8. The concerned principal agencies in coordination with their partner agencies shall submit their individual program management guidelines and specifications of projects to be funded from the PAF no later than ten (10) calendar days from the approval of this Executive Order and Implementing Rules and Regulations to the Oversight Committee which shall review and approve these for dissemination to the concerned implementing national and local government units. The principal agencies shall provide their respective regional offices with this Executive Order and Implementing Rules and Regulations and their respective agency guidelines to ensure smooth implementation of the PAF at all levels.

Sec. 9. The appropriations for the PAF, excluding those for the housing, resettlement and MBN-CBIS programs, shall be released directly to the regional offices of the principal agencies to facilitate program implementation and monitoring of the progress in utilizing the PAF, subject to budgeting and accounting rules and regulations. Fund releases shall be based on the list of project packages and work plans submitted by the PAF-Regional Technical Working Groups (RTWG) within the time fixed by the Oversight Committee as stipulated in the Implementing Rules and Regulations.

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Sec. 10. In the case of the Autonomous Region of Muslim Mindanao (ARMM), funds shall be released to the central offices of the principal agencies. Subsequently, the concerned principal agencies shall enter into a Memorandum of Agreement with the Office of the Regional Governor of the ARMM, who shall oversee the implementation of PAF by the local government units in the region.

Sec. 11. An Oversight Committee chaired by the SRA Lead Convenor, is hereby created to oversee the implementation of the PAF composed of representatives from the following agencies as members:

- National Economic and Development Authority
- Department of Budget and Management
- Department of Interior and Local Government
- Presidential Commission to Fight Poverty
- Presidential Council for Countryside Development
- League of Provinces of the Philippines
- League of Municipalities of the Philippines
- League of Cities of the Philippines
- Liga ng mga Barangay sa Pilipinas
- Representative from the SRC Basic Sector Counterpart Council (BSCC)

Sec. 12. The Oversight Committee shall undertake periodic review and revision of the PAF Implementing Rules and Regulations as the need arises.

Sec. 13. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 4th day of **April** in the year of Our Lord, Nineteen Hundred and Ninety-Seven.



By the President



RUBEN D. TORRES
Executive Secretary

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