



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE
PROCESS



Joint Memorandum Circular No. 01, Series of 2012

TO: REGIONAL DIRECTORS (CAR, IV-A, IV-B, V, VI, VII, VIII, IX, X, XI, XII, XIII); DILG REGIONAL SECRETARY, ARMM; GOVERNORS, MUNICIPAL/CITY MAYORS, DILG REGIONAL, PROVINCIAL and CITY DIRECTORS, CLGOOs and MLGOOs OF PAMANA FUND LGUs; AND, ALL OTHERS CONCERNED

SUBJECT : GUIDELINES IN THE MANAGEMENT OF THE PAyapa at MAsaganang PamayaNAn OR PAMANA – DILG FUND

I. LEGAL BASES

- Chapter 9: *Peace and Security*, Philippine Development Plan 2011 to 2016, which indicates PAMANA as a priority Program of Government
- Chapter XLIII, PAMANA Fund, Republic Act 10155 (FY 2012 General Appropriations Act) that provides for PhP 958 Million under the PAMANA-DILG Fund

II. BACKGROUND

In order to strengthen peace-building, reconstruction and development in Conflict Affected Areas (CAAs), the Government is adopting a two-pronged approach: (i) negotiated political settlement of all armed conflict through peace negotiations and (ii) undertaking programs aimed at addressing the root causes of armed conflict through interventions on the ground.

The PAMANA Program, as embodied in the Philippine Development Plan for 2011 to 2016, was thus launched as a framework for intervention in conflict-affected and vulnerable areas to complement the government's peace negotiation efforts in line with its commitment to address the causes of conflict and issues affecting the peace process. The Program will be implemented within the 5-year period from 2011 to 2016.

A. Program Objectives

The PAMANA Program aims to contribute to lasting peace by achieving the following objectives:

- Reduce poverty and vulnerability in conflict-affected areas
- Improve governance, and
- Empower communities and strengthen their capacities to address issues of conflict and peace through activities that promote social cohesion

B. Strategies and Approaches

The Program endeavors to attain the objectives by bringing back government to PAMANA Areas and ensuring that the communities benefit from improved delivery of basic services and are served by responsive, transparent and accountable local government units.

The following approaches are adopted by the Program: convergence of delivery of basic social services; good governance through responsive, transparent and accountable resource allocation and utilization; community empowerment to enhance local demand for services in conflict-affected barangays, and; asset reform, to address age-old issues of agrarian unrest and encroachment and unimpeded exploitation of ancestral domain and natural resources. To ensure that all interventions are truly peace-building, the principles of social cohesion, namely, inclusion, participation, transparency and accountability and conflict-sensitivity, are applied.

In line with its capacity-building mandate, the DILG will support the PAMANA Program as it provides targeted interventions and adopts strategies and approaches to improve local governance and LGU institutional capacities that will foster sub-regional development, promote social cohesion and reduce poverty in conflict-affected areas.

C. PAMANA Program Framework

The PAMANA framework is anchored on three complementary strategic pillars that define core interventions to achieve lasting peace. These are:

- **Pillar 1** – refers to interventions that support the establishment of the foundations of peace and the building of resilient communities through policy reform and development
- **Pillar 2** – refers to micro-level interventions to promote the convergent delivery of services and goods focused on households and communities by both national and local agencies/units
- **Pillar 3** – refers to meso-level interventions that address regional and sub-regional development challenges and will contribute to peace building.

PAMANA is to be implemented by national line agencies in partnership with local government units (LGUs), through various modalities, as appropriate.

In 2012, Pillars 1 and 2 are to be implemented by DSWD and DAR. Pillar 3 is to be executed through a partnership between DILG and OPAPP, in cooperation with the target provinces and municipalities. Other agencies such as DA, DENR, NCIP, DOH, DepEd and the DND-AFP may be partnered with as necessary.

While the DILG-OPAPP collaboration is focused on addressing regional development under Pillar 3, projects and activities of PAMANA Pillar 1 that aim to build the foundation for peace and Pillar 2 for the establishment of resilient communities, all contribute to the attainment of the DILG's vision of empowered and accountable, business-friendly and competitive LGUs with conflict-free and safe communities.

D. PAMANA Coverage

PAMANA covers seven (7) geographical zones, in which target areas have been selected and prioritized based on the various peace process lines:

- 1. Areas affected by the Bangsamoro Fronts**
 - a. Central Mindanao
 - b. Zamboanga-Basilan-Sulu-Tawi-Tawi (ZamBaSulTa)
- 2. Areas affected by the Communist Party of the Philippines (CPP) / New People's Army (NPA) / National Democratic Front (NDF)**
 - c. Bicol-Quezon-Mindoro
 - d. Samar Island
 - e. Davao- Compostela Valley-CARAGA/Region XIII
- 3. Peace Agreement Areas**
 - f. Cordillera Autonomous Region (CAR) – barangays covered by the 2011 Government of the Philippines (GPH)-Cordillera Bodong Administration (CBA)-Cordillera People's Liberation Army (CPLA) Closure Agreement
 - g. Negros-Panay – areas covered by the peace process with the Rebolusyonaryong Partido ng Masang Pilipino (RPMP) / Revolutionary People's Army (RPA) / Alex Boncayao Brigade (ABB)

E. PAMANA - DILG Fund

To enable the realization of Pillar 3 interventions, the National Government has allocated under the FY 2012 General Appropriations Act, the **PAMANA-DILG Fund**. An amount of PhP 958 Million has been appropriated under the DILG Budget, which shall be provided to eligible LGUs in the form of fund subsidy under the PAMANA-DILG Fund.

The fund may also be used to support community projects identified under the closure agreements with the CBA-CPLA and the RPMP/RPA/ABB.

III. GUIDELINES IN ACCESSING THE FUND

A. ELIGIBILITY REQUIREMENTS

A.1 Eligible LGUs

- Eligible LGUs are those previously selected and prioritized, based on the criteria set by OPAPP, in close coordination with the Security Sector, or as defined by the relevant Peace Agreements.

Within the program period from 2011 to 2016, beneficiary LGUs were/will be chosen from peace agreement areas, conflict-affected and vulnerable communities across seven (7) geographical zones as indicated in Section II, sub-item D (PAMANA Coverage).

- For 2012, a total of 36 provinces will be assisted. Please refer to **Annex A** for the list of provinces, cities and municipalities covered by the PAMANA for FY 2012.
- In the event that an LGU backs out from the Program, OPAPP shall make available a back-up list from which DILG may draw the replacement.

A.2 Eligible Projects

- Projects eligible for PAMANA-DILG Fund Subsidy are those that are:
 - ✧ Anchored on the goal of high-impact sub-regional economic integration, connectivity and development.
 - ✧ Locally-driven and owned – Projects must reflect the needs of the communities, especially vulnerable sectors. Through activities that promote inclusion and participation, communities should be consulted in the planning, implementation and evaluation of projects. Municipal and Provincial LGUs should have discussed and mutually agreed on the project to be financed by the Fund.
 - ✧ Conflict-sensitive and peace-promoting– The proposed projects must be identified through a conflict-sensitive planning and programming process. Through this, proposed projects will be identified based on the peace and development needs and challenges that should be addressed in each area. Specifically, the projects must help address security, justice and economic stressors, thereby contributing to sustainable peace and development as characterized by social cohesion, human development and social justice.

For FY 2012, priority projects shall be identified through the provincial workshop of the Mainstreaming Peace and Development in Local Governance Project (MPDLGP) facilitated by DILG and OPAPP, which have undergone the conflict sensitive planning and programming processes.

- ✧ Priority projects are to be mainstreamed in the Provincial Development and Physical Framework Plan (PDPFP)/Annual Investment Plan (AIP), for provinces; and the Comprehensive Development Plan (CDP)/Annual Investment Plan (AIP), for municipalities and cities; to be integrated in the peace and development agenda of the region. For FY 2012, priority projects should, at least, be endorsed by the respective Sanggunian of PAMANA LGUs through a resolution.
- ✧ Identified projects under Peace Agreements.
- Local projects may include infrastructure and non-infrastructure projects that would involve: connectivity systems, basic services for economic development, economic investments in conflict-affected

areas in Mindanao and IP areas, and disaster-preparedness, environmental and Climate Change Adaptation interventions.

Please refer to **Annex B** for samples of eligible projects.

B. PROCEDURAL REQUIREMENTS FOR ACCESSING THE PAMANA-DILG FUND

B.1 Transparency and Accountability Requirements

In line with DILG's thrust towards accountable and transparent governance, the results of the Seal of Good Housekeeping (SGH) assessment shall be applied to PAMANA LGUs, for prioritization of assistance under Pillar 3-

For FY 2012, the results of the FY 2011 SGH assessment shall be applied to the 36 provinces and the target cities/municipalities to prioritize assistance and project financing under the PAMANA-DILG Fund. For those identified LGUs that have not been awarded the SGH, LGUs should comply with the Full Disclosure Policy (FDP) by posting at least 10 of the documents and in the modalities stipulated under the FDP. Results of the FDP assessment in the preceding quarter shall be used as the basis in prioritizing assistance. However, the SGH shall not be applied to LGUs included in the Closure Program.

The SGH assessment results for FY 2012 and 2013 will respectively be used to determine prioritization of assistance for FY 2013 and FY 2014 implementation.

B.2 Preparation, Submission and Evaluation of Proposals and supporting documents

- Eligible LGUs may seek assistance from the DILG Regional Offices in preparing the Project Proposal, following the suggested format. Project Proposal template is attached as **Annex C**.
- Formulation of the Project Proposal/s should adhere to the PAMANA Peace and Social Cohesion Standards.
- Eligible LGUs will prepare proposal/s for priority projects that satisfy eligibility requirements as specified in Section III, item A.2 (Eligible Projects).
- In the case of projects amounting to Php 15.0 Million and below proposed by LGUs, the proposals shall be submitted to the DILG Provincial Director in his capacity as the PPOC Secretariat Head. Within two (2) days upon receipt of the proposal, the DILG Provincial Director shall endorse said proposal to the PAMANA Provincial Technical Working Group (PTWG), constituted under the Provincial Peace and Order Council (PPOC), for review and evaluation.

- In the case of projects, amounting to above Php 15.0 M proposed by LGUs, the proposals shall be submitted to the DILG Regional Director as Chair of the Regional PAMANA Project Management Team. Within two (2) days upon receipt of the proposal, the DILG Regional Director shall endorse said proposals to the PAMANA Regional Technical Working Group (RTWG), constituted under the Regional Peace and Order Council, for review and evaluation.
- The proposal will be submitted with the following documents:
 - ✧ Procurement Plan
 - ✧ Work and Financial Plans
 - ✧ Program of Works, Detailed Estimates
 - ✧ Detailed Technical Description (for non-infrastructure projects)/ Detailed Engineering Plans (for infrastructure projects)
 - ✧ Appropriate Sanggunian Resolution
 - ✓ Authorizing the Local Chief Executive to enter into a MOA for the PAMANA
 - ✓ Approving the allocation of LGU counterpart funds, if needed
- For FY 2012, projects covered by the peace agreement with the CBA-CPLA will no longer require the submission of project proposals, since projects have already been validated and approved. The Joint Committee of the GPH-CBA-CPLA Closure Process will instead formally endorse the projects, together with the pertinent documents as listed above and submitted by the proponent LGU, to DILG-CAR for technical review and funding.

B.3 Review of Project Proposals

- The PAMANA-DILG Fund Provincial TWG to be constituted by the PPOC shall review project proposals of LGUs amounting to Php 15.0 Million and below. However, for those project proposals amounting to above Php 15.0 million, the proposals shall be reviewed by the PAMANA-DILG Fund Regional Technical Working Group to be constituted under the Regional Peace and Order Council (RPOC).
- Within fifteen (15) days after receipt of the LGU proposal, complete with required documents, the PAMANA-DILG Fund Provincial/Regional TWG shall complete the review and appraisal of the proposals of concerned LGUs with Feasibility, Soundness, Sustainability and Peace-building as parameters.
- If necessary, the PAMANA-DILG Fund Provincial/Regional TWG shall be fielded to conduct site validation visits to verify the accuracy of submitted documents and to further assess the feasibility of the project/s.
- Proposals reviewed by the PAMANA-DILG Fund Provincial/Regional TWGs that passed the appraisal criteria set under the Fund shall be endorsed to the PPOC/RPOC for their final approval.

B.4 Approval of PAMANA Subsidy

- Proposals approved by the PPOC/RPOC shall be endorsed to the DILG Regional Director as Chair of the PAMANA-DILG Fund Regional Project Management Team.
- Upon verification of satisfactory compliance to all the requirements, the DILG, through the Regional Director, shall enter into a Memorandum of Agreement (MOA) with the concerned LGU.
- Within ten (10) days after the signing of MOA, the concerned DILG Regional Office shall issue a Certificate of Availability of Funds (CAF) to the LGU for the corresponding amount of the approved PAMANA subsidy, subject to the submission of the following documents:
 - ✧ Certification from a Government Bank that the LGU has opened a Trust Account for PAMANA
 - ✧ Appropriations Ordinance to cover the total project cost

C. FUND ADMINISTRATION

- C.1** In general, all applicable provisions of COA Circular No. 94-103 dated December 13, 1994 re “Rules and Regulations in the Grant, Utilization and Liquidation of Funds Transferred to Implementing Agencies” shall be followed.
- C.2** The concerned DILG Regional Offices shall open a Trust Account exclusively intended for the management of PAMANA Funds.
- C.3** The recipient LGU shall open a Special Trust Account in a Government Bank. Funds shall be directly transferred by the DILG Regional Office to the LGUs through the Special Trust Account by tranches. The amount to be transferred shall be based on the approved Work and Financial Plan of the LGU project and the prescribed tranches as indicated in **Annex D**.
- C.4** For projects that will be implemented by other entities such as the AFP Engineering Brigade/CSOs/other Responsible Partners, the concerned Regional Office, shall transfer the fund to these entities, based on the approved Work and Financial Plan as agreed with the LGU. These entities shall open a Special Trust Account for the purpose. The DILG, through the Regional Director, shall likewise enter into a MOA with these entities.

C.5 Mechanics for Fund Releases

- For all types of projects (i.e infrastructure, livelihood, procurement of equipment/goods), fund releases will be made in two (2) tranches, 80% for the 1st tranche, and 20% for the final tranche upon LGU submission of evidentiary support that the initial release of 80% has been fully disbursed, as well as, a Certificate of Completion in the case of infrastructure and livelihood projects or a Certificate of Acceptance for procurement of equipment/goods.

- Requests for fund releases shall be submitted to the concerned Regional Offices with the required supporting documents. Please refer to **Annex D**, for the list of documents required for the release of each tranche, depending on the type of project.
- Liquidation of fund releases shall be made by the recipient municipalities/component cities/provinces or other entities, to the concerned Regional Offices.

IV. IMPLEMENTATION ARRANGEMENTS

A. PAMANA-DILG Fund Steering Committee

- Shall be co-chaired by Undersecretaries of OPAPP and DILG with the Assistant Secretaries and Directors of OPAPP and DILG, as may be assigned by the heads of both agencies, as members. Offices under the DILG shall include LGA, BLGD, FMS, OPDS, Planning Service, BLGS, IAS, and OPA. Other agencies shall be invited as needed.

The Steering Committee shall:

- ✧ Provide policy guidance for the Pillar 3 projects of PAMANA Program
- ✧ Review and endorse to the DILG Secretary the annual work and financial plan for the PAMANA DILG-Fund

B. Regional and Provincial Peace and Order Councils and their Secretariats

- B.1 The Regional and the Provincial Peace and Order Councils shall be the coordinating bodies for PAMANA at the regional and provincial levels.
- B.2 The RPOC and the PPOC Secretariats shall coordinate with the RDC and PDC Secretariats for harmonization of programs and projects. This will ensure that the Peace and Conflict-Sensitive PDPFP/AIPs or CDP-ELA/AIPs shall be integrated into the Peace and Development Plans of each region.
- B.3 The RPOC and the PPOC shall:
- Create or convene PAMANA Regional and Provincial Technical Working Groups which shall serve as the review team of project proposals submitted at their respective level
 - Approve projects recommended by the respective PAMANA Provincial/Regional TWGs.
 - Recommend approved projects to the concerned PAMANA-DILG Fund DILG Regional Project Management Teams for funding.
 - Coordinate provincial programs, activities and funding requirements for areas identified under PAMANA;
 - Ensure mainstreaming of PAMANA interventions into the plans and programs of concerned government agencies and local government units;

- Coordinate with relevant agencies, development partners, CSOs, and project management offices on the implementation of the PAMANA in the region; and
- Provide support to OPAPP in monitoring the implementation of PAMANA in the province/region.

C. PAMANA-DILG Fund Regional and Provincial Technical Working Groups (TWGs)

- The PAMANA-DILG Fund Technical Working Groups constituted under the RPOC and PPOC shall:
 - ✧ Review and evaluate project proposals submitted at their levels
 - ✧ Conduct site visits and field validation to further assess the feasibility of the proposed project when necessary.
 - ✧ Recommend for approval/ disapproval of LGU proposals
 - ✧ Provide support to OPAPP in monitoring the implementation of the projects under the PAMANA-DILG Fund.

Members of the PAMANA TWGs shall be composed of a maximum of seven (7) technical personnel from among the member agencies represented in the PPOC/RPOC. With the varying types and nature of proposed projects, NEDA and other relevant sector agencies may be invited.

The Provincial TWG shall be chaired by the DILG Provincial Director. For provinces with existing PAMANA TWGs, the PPOC may opt to designate from the members a small group to take on the above functions.

D. PAMANA-DILG Fund National and Regional Project Management Teams

Project management shall be done by the PAMANA-DILG Fund National and Regional Project Management Teams in close coordination with the OPAPP-PAMANA Area Manager of each zone.

D.1 PAMANA-DILG Fund National Project Management Team

PAMANA-DILG Fund National Project Management Team shall be composed of focal persons from the following DILG offices and shall lead in the implementation of specific PAMANA-DILG Fund components, in coordination with OPAPP PAMANA Coordinating Units for Luzon-Visayas and Mindanao.

Concern	Bureau/Office
<ul style="list-style-type: none"> • Over-all Coordinator in DILG's engagement in PAMANA Program • Capacity-Building for Proponent LGUs under the Mainstreaming Peace and Development in Local Governance Project (MPDLGP) 	Local Government Academy (LGA)
Mainstreaming the results of the conflict-sensitive planning and	Bureau of Local Government Development

programming process to the CDP/ELA/AIP	(BLGD)
SGH and Full Disclosure Policy assessment	Bureau of Local Government Supervision (BLGS)
Lead in PAMANA DILG-Fund project implementation	Office of Project Development Services (OPDS)
Capacity Building Support to DILG Regional Offices in Project Development and Management and other interventions related to Infrastructure Investments	
Fund Management and Release	Financial Management Services (FMS)
Monitoring and Evaluation support to the Regions	Internal Audit Service (IAS)
Communication and Advocacy	Office of Public Affairs (OPA)

- The PAMANA-DILG Fund National Project Management Team shall exercise the following functions:
 - ✧ Carry out over-all project management and provide advisory assistance and technical support to Regional Offices as may be necessary;
 - ✧ Prepare over-all work and financial plans
 - ✧ Ensure compliance with PAMANA-DILG Fund Guidelines;
 - ✧ Conduct periodic monitoring on the utilization of funds;
 - ✧ Prepare and transmit monthly and quarterly reports to the PAMANA-DILG Fund Steering Committee, OPAPP and DILG Secretaries
 - ✧ Prepare evaluation and assessment reports on program implementation; and
 - ✧ Provide Secretariat services to the PAMANA-DILG Fund Steering Committee.

D.2 PAMANA-DILG Fund Regional Project Management Teams

- Regional PAMANA-DILG Fund Project Management Teams shall be organized to perform multiple tasks in the implementation of PAMANA sub-regional development projects. It shall be composed of the following:
 - Chair: Regional Director
 - Vice-Chair: Assistant Regional Director
 - Members: Designated LGPMS Focal Person
 - Designated CDP Focal Person
 - Designated PAMANA-DILG Fund Project Focal Person
 - Designated PDMU Head
 - Regional Accountant
 - Regional Budget Officer
 - Provincial Director/ Provincial PAMANA-DILG Fund Project Focal Person
 - Representative from Civil Society Organizations (CSOs)
 - OPAPP PAMANA Area Managers

- The Regional PAMANA-DILG Fund Project Management Team shall take the lead and be responsible for the efficient and effective implementation of PAMANA Pillar 3 activities on the ground. It shall perform the following functions:
 - ✧ Conduct assessment and validation of internal housekeeping;
 - ✧ Prepare the Regional work and financial plan;
 - ✧ Facilitate compliance to requirements of eligible LGUs;
 - ✧ Coordinate and provide capacity building assistance to LGUs in PAMANA Pillar 3 activities;
 - ✧ Provide technical support to the TWG/ Secretariat of RPOC/PPOC in the review and evaluation of proposals
 - ✧ Manage and release the PAMANA-DILG Fund Project subsidy;
 - ✧ Provide support to OPAPP-PAMANA Area Managers and the Provincial/Regional Councils in monitoring and evaluating the PAMANA-DILG Fund projects of LGUs
 - ✧ Submit monthly reports to the DILG PAMANA-DILG Fund National Project Management Team, and furnish copies to the PPOC and the RPOC;
 - ✧ Facilitate the resolution of implementation issues that are not resolved at the local level.

E. Local Government Units

The Provincial Government shall be the implementing partner of DILG and OPAPP. However, in situations wherein component cities/municipalities have the capacity to implement and have passed other project requirements, such cities/municipalities may act as the implementing partner.

Also, in situations wherein LGUs do not have the capacity to implement or did not pass project requirements and conditions, the DILG and OPAPP may opt to directly implement the project.

The implementing bodies shall:

1. Prepare project proposal/s based on the identified priorities as a result of the Provincial/Regional conflict-sensitive investment plans.
2. Enter into a MOA with the DILG, through the DILG Regional Director for the Fund Release in favor of the LGU
3. Open a Trust Account for the PAMANA-DILG Fund for the transfer of funds
4. Designate a focal person/appropriate focal unit/department in the LGU which will manage and coordinate the implementation of PAMANA projects in the area.
5. Implement projects by Contract through competitive bidding, adhering to the provisions of RA 9184 and its Implementing Rules and Regulations (IRR), as revised.
6. Enact appropriate local ordinances providing LGU equity if needed, for the implementation of proposed PAMANA projects and the sustainability of their operations and maintenance.
7. Oversee the physical implementation of their respective projects to ensure that they are in accordance with the provisions stipulated in the MOA.
8. Submit monthly financial and physical accomplishment reports to the Regional PAMANA-DILG Project Management Team.

9. Responsible for the liquidation reports of PAMANA-DILG Fund transferred to the LGU
10. Return the unexpended balance of the released portion of the funds or the pertinent portion related to the cancelled component, whenever applicable.

F. Structures and Mechanisms established under the Peace Agreements

The implementation of the projects in support of the peace processes with the CBA-CPLA and RPMP/RPA/ABB shall take cognizance of the implementing guidelines set forth by the structures under the Peace Agreements. Pertinent guidelines shall be provided to the concerned Regional Offices.

V. MONITORING AND EVALUATION

In accordance with the special provisions of Chapter XLIII, PAMANA Fund, Republic Act 10155 (FY 2012 General Appropriations Act), OPAPP will act as the lead agency in the monitoring of the PAMANA Program, in partnership with PAMANA implementing agencies such as DSWD, DAR and DILG.

To ensure timely approval, funds release, implementation and completion of projects under the PAMANA-DILG Fund, regular monitoring and evaluation shall be conducted by DILG. Site visits to PAMANA LGUs will be undertaken to assess project status and integration of peace and conflict sensitive tools and processes in the different aspects of local governance.

- DILG shall monitor LGU projects supported by the PAMANA-DILG Fund .
- Alert mechanisms shall be established to ensure timely resolution of issues that may arise before, during and after project implementation.
- Civil Society Organizations shall be tapped by OPAPP as third party monitors to conduct project monitoring as part of the Transparency and Accountability Mechanism of the Program.
- Community billboards shall be installed on the project site to provide information including the period of implementation, fund allocation and status of fund utilization.
- Project implementation status shall also be posted on the PAMANA and DILG websites (www.pamana.net and www.dilg.gov.ph). Full disclosure of project information and status of implementation shall be made through tri-media.
- The PAMANA-DILG Fund Project Management Team shall submit monthly and quarterly progress reports to Secretaries of DILG and OPAPP and furnish copies to the PPOC and the RPOC.
- OPAPP shall include an update in its quarterly monitoring report to the Office of the President, DBM, House Committee on Appropriations and the Senate Committee on Finance a consolidated report on the implementation of the PAMANA-DILG Fund.

VI. PENALTIES and SANCTIONS

The Regional Director, as chair of the Regional PAMANA-DILG Project Management Team is authorized to:

- *Terminate/ cancel the implementation of the project in the following instances:*
 - ✧ LGU non-compliance to prescribed project processes, standards and requirements
 - ✧ Corruption and fraudulent practices
 - ✧ When situations/circumstances would make it improbable for the Project to continue to be carried out
 - ✧ Upon request of the LGU


In such case that the project is partially or fully cancelled due to the fault of the LGU, the LGU shall be obliged to return the unexpended balance of the released portion of the funds or the pertinent portion related to the cancelled component, whichever applies.

- *Suspend/ withhold the release of the final tranche if any of the following occurs:*
 - ✧ The Regional PAMANA-DILG Project Management Team, during the conduct of review and monitoring activities determines that: (i) the procurement of any contract is inconsistent with RA 9184 provisions (ii) LGU is performing unsatisfactorily in the implementation and execution of the project or in the event that substantial slippage in implementation is incurred
 - ✧ extraordinary conditions such as force majeure, fortuitous events and the like which shall make it necessary to suspend the implementation of the Project

LGUs will be given a period of one month to resolve the issue, improve performance or remedy the situation. However, termination will be resorted to only, if LGUs, having been duly notified, do not make any effort to institute measures that will address issues at hand.

VII. EFFECTIVITY

This Joint Memorandum Circular shall take effect immediately.


JESSE M. ROBREDO
Secretary, DILG


TERESITA QUINTOS DELES
Secretary, OPAPP



Annex A: List of Municipalities, Component Cities and Provinces covered by PAMANA for CY 2012

PAMANA ZONE	REGION	PROVINCE	MUNICIPALITY
CENTRAL MINDANAO	REGION XII	COTABATO (NORTH COTABATO)	ALEOSAN
			ARAKAN
			CARMEN
			KABACAN
			LIBUNGAN
			MIDSAYAP
			PIGKAWAYAN
			PIKIT
	REGION X	LANAO DEL NORTE	KAUSWAGAN
			MUNAI
			PANTAO RAGAT
			POONA PIAGAPO
			SALVADOR
			TANGCAL
	AUTONOMOUS REGION IN MUSLIM MINDANAO	LANAO DEL SUR	BUBONG
			BUMBARAN
			CALANOGAS
			KAPATAGAN
			LUMBA-BAYABAO (MAGUING)
			MAROGONG
			PAGAYAWAN (TATARIKAN)
			POONA BAYABAO (GATA)
			PUALAS
			TUBARAN
		MAGUINDANAO	AMPATUAN
			BULDON
			DATU PIANG
			DATU SAUDI-AMPATUAN
			KABUNTALAN (TUMBAO)
			TALAYAN
ZAMBASULTA			BASILAN
		MALUSO	
		TIPO-TIPO	
		TUBURAN	
		SULU	KALINGALAN CALUANG
		TAWI-TAWI	BONGAO
			LANGUYAN
			PANGLIMA SUGALA (BALIMBING)
			SIMUNUL
	REGION IX	ZAMBOANGA DEL NORTE	SIBUCO
			SIOCON
		ZAMBOANGA DEL SUR	LABANGAN
			MARGOSATUBIG
		ZAMBOANGA SIBUGAY	ALICIA
			IPIL

			KABASALAN
			MABUHAY
			NAGA
			OLUTANGA
			PAYAO
			ROSELLER LIM
			TALUSAN
			TITAY
			TUNGAWAN
DAVAO-COMVAL-CARAGA CORRIDOR	REGION XI	COMPOSTELA VALLEY	COMPOSTELA
			MARAGUSAN (SAN MARIANO)
			MONKAYO
			MONTEVISTA
			NEW BATAAN
			PANTUKAN
		DAVAO DEL NORTE	TALAINGOD
		DAVAO ORIENTAL	BAGANGA
			BOSTON
			CATEEL
			TARRAGONA
	REGION XIII	AGUSAN DEL NORTE	CARMEN
		AGUSAN DEL SUR	BUNAWAN
			ESPERANZA
			LA PAZ
			VERUELA
		SURIGAO DEL NORTE	GIGAQUIT
BICOL-QUEZON-MINDORO	REGION IV-A	QUEZON	SAN MIGUEL
			TAGBINA
			BUENAVISTA
			CATANAUAN
			MULANAY
	REGION IV-B	ORIENTAL MINDORO	SAN FRANCISCO (AURORA)
			SAN NARCISO
			GLORIA
	REGION V	CAMARINES NORTE	MANSALAY
			BULALACAO
			CAPALONGA
		MASBATE	JOSE PANGANIBAN
			LABO
			MOBO
		SORSOGON	MONREAL
			SAN PASCUAL
			BARCELONA
			CASIGURAN
			GUBAT
			IROSIN
SAMAR ISLAND	REGION VIII	EASTERN SAMAR	JUBAN
			MAGALLANES
		NORTHERN SAMAR	PRIETO DIAZ
			JIPAPAD
			MASLOG
			LAS NAVAS

			SAN ROQUE
			SILVINO LOBOS
CORDILLERA	CORDILLERA ADMINISTRATIVE REGION	SAMAR (WESTERN SAMAR)	MATUGUINAO
			SAN JORGE
			SAN JOSE DE BUAN
			BUCLOC
		ABRA	LICUAN-BAAY (LICUAN)
			LUBA
			MANABO
			SAN ISIDRO
			CONNER
		APAYAO	LUNA
			PUDTOL
			BAKUN
		BENGUET	KIBUNGAN
			MANKAYAN
			AGUINALDO
		IFUGAO	ALFONSO LISTA (POTIA)
			ASIPULO
			BANAUE
			HINGYON
			LAMUT
			TINOC
			BALBALAN
		KALINGA	CITY OF TABUK
			PASIL
			PINUKPUK
			TANUDAN
			TINGLAYAN
		MOUNTAIN PROVINCE	BONTOC
			PARACELIS
			NATONIN
			SADANGA
NEGROS-PANAY	REGION VI	AKLAN	IBAJAY
			MADALAG
			NABAS
		ANTIQUE	CULASI
			LAUA-AN
			PANDAN
			SEBASTE
			SIBALOM
		ILOILO	CABATUAN
			GUIMBAL
			JANIUAY
			LAMBUNAO
			LEON
			MAASIN
			NEW LUCENA
			OTON
			SAN JOAQUIN
			TIGBAUAN
		NEGROS OCCIDENTAL	BINALBAGAN
			CADIZ CITY

			CALATRAVA
			CANDONI
			CAUAYAN
			CITY OF ESCALANTE
			CITY OF KABANKALAN
			CITY OF TALISAY
			CITY OF VICTORIAS
			ENRIQUE B. MAGALONA (SARAVIA)
			ILOG
			LA CASTELLANA
			MURCIA
			SAN CARLOS CITY
			TOBOSO
	REGION VII	NEGROS ORIENTAL	AMLAN (AYUQUITAN)
			CITY OF GUIHULNGAN
			CITY OF TANJAY
			PAMPLONA
			SAN JOSE
			SIATON
			SIBULAN
			ZAMBOANGUITA

Annex B: Indicative List of Eligible/ Ineligible Projects under the DILG PAMANA Fund

I. Eligible projects

- A. Connectivity Systems
 - Sub-regional roads and bridges
 - Transportation systems
 - Telecommunication facilities
- B. Basic Services for Economic Development
 - Electrification
 - Water systems
- C. Agricultural Services and Industry Investments
 - Tourism facilities
 - Irrigation systems
 - Post-harvest facilities
 - Cold Storage facilities
 - Ports and wharves
 - Markets
 - Entrepreneurial development and employment generation
- D. Economic Investments in Moro and IP areas
 - Halal production facilities
 - Development and implementation of Ancestral Domain Sustainability and Development and Protection Plans
- E. Disaster-preparedness, Environmental and Climate Change Adaptation Interventions
- F. Fund may also be used:
 - As one of the sources of subsidy for big projects of LGUs with similar objectives, but should not cover the entire counterpart requirement from the LGU.
 - To finance Detailed Engineering Design (DED) costs (maximum of 3% of the Total Project Cost)

II. Ineligible Projects

The following negative list of activities/ items are also not eligible will also be applied:

- Weapons, chainsaws, explosives, pesticides, insecticides, herbicides, asbestos and other potentially dangerous materials and equipment
- Fishing boats and nets above the prescribed size and weight set by RA 8550, the Philippine Fisheries Code
- Road construction into protected areas
- Use of project funds for purchase of or compensation for land
- Maintenance and operation of facilities provided with project funding
- Recurrent government expenditures (e.g. salaries for government and LGU staff)
- Construction or repair of government offices and places of religious worship
- Political and religious activities, rallies, and materials
- Salaried activities that employ children below the age of 16 years
- Activities that unfairly exploit women or men at any age
- International travel
- Consumption items or events
- Tax payments not related to the project
- Microcredit and loan financing

PILLAR 3: DETAILED PROJECT PROPOSAL FORMAT

I. PROJECT PROFILE	
Project Title:	<i>Indicate Project Title</i> <i>For infrastructure projects, specify if the project is New Construction, Rehabilitation or Upgrading of an existing facility.</i>
Project Location:	<i>Describe the political jurisdiction information from sitio to region. (Include the Congressional District of the LGU)</i> <i>Include a short geopolitical and socioeconomic profile of the covered municipality/ies.</i>
Project Beneficiaries:	<i>Indicate segment or sector of the population in the PAMANA Zone who will benefit from the project.</i> <i>Notes:</i> <i>Indicate the estimated number of target beneficiaries.</i> <i>(Indicate the number or the percentage of rebel returnees who will directly benefit from the project, for example, in terms of employment, etc.)</i>
Total Project Cost:	<i>Indicate the Total Project Cost in Pesos and the percentage of contribution / counterpart of the proponent (if any)</i>
Project Duration:	<i>Indicate number of man-days or man-months needed to implement the project</i>
Project Proponent (PP):	<i>Indicate the Proponent Name, Address and Contact Persons</i>
Project Partners:	<i>Describe other partners in the project, CSO participation, their roles and commitment, if any.</i> <i>Describe other sources of funding for the project</i>

	including other support received relevant to the proposal
--	---

II. PROJECT DESCRIPTION

C. Background/ Rationale

Briefly describe and summarize the peace and development issue(s) of the conflict affected area/ population being addressed by the project. Describe also how the project was conceptualized /how it came to being

Describe the relevance of the Project in relation to the:

- *LGU's Vision. (Describe if the project has been identified as a priority in the LGU's CDP, etc.)*
- *Provincial/Regional Road Maps/Conflict Sensitive Plan*
- *National Government's thrust. (Describe how it will contribute to the National Government's Peace and Development thrust.)*

Describe if consultation with potential beneficiaries has been conducted; if project identification was done through a participatory process

Describe existing condition in terms of:

- *Poverty*
- *Governance*
- *Empowerment*

Describe the existing condition of the community, in general. Describe their existing condition in relation to the proposed project. For example:

- *For road projects, what is the existing means of transport?*
- *For water projects, what is the existing source of water?*
- *For livelihood, what is the existing means of livelihood?*

Cultural considerations (if IPs will be affected)

Project Objectives

Specify the Specific Objectives and state how would the specific program and project contribute to the target areas/beneficiaries and how will it respond to the issues that aggravate the persistence of armed conflict and promote peace

Project Components (if applicable)

Specify the components of the project (program/project/activity/expected

output/budget)

Expected Output/Outcome/Results

Describe the Expected Outputs/Results of the Project. This may be presented in Results Matrix format

Peace and Social Cohesion Dimension

- *Describe the consultation measures undertaken. Include results of the Simplified Stakeholders' Analysis undertaken*
- *Peace and Social Cohesion: If possible, describe how the PSC indicators will be achieved*
- *Gender Equality*
Discuss concrete strategies and actions that were incorporated in the project design to gender equality and socio-economic impact. (e.g. sex disaggregated data, conscious involvement of women, employment to be generated, etc.)

Simplified Demand and Supply Analysis

Describe the existing and projected demand and supply situation

Describe the demand-supply gap, which should serve as the basis in the technical design of the Project

Technical Evaluation

- **Site Analysis**
Describe the physical and spatial location of the proposed project, including
 - *Topography*
 - *Hydrology*
 - *Soil Investigation*
 - *Proximity to Utilities*
 - *Vulnerability to Natural Hazards*
 - *Land Use/Zoning Plans*

Notes: (to take into account DRRM)

- *The proposed site should not be susceptible to excessive surface run-off or flooding except for small water impounding projects and inland fishery projects*
- *The proposed site should not be located on or near the slopes that is prone to landslide and erosion*
- *The proposed site should not be located near an active fault line*
- *The proposed site will not disturb historical and monumental markers*
- *For road projects, describe if it is linked with an existing national road*

- For new water supply projects, describe its distance from the potential source
- Design Consideration
- Preliminary Quantity and Cost Estimates
Specify:
 - Activity
 - Bills of Materials/ Services Needed
 - Unit Cost
 - Total Cost

Attachment 1: a 1:10,000 clear location/vicinity map, oriented to the north. Clearly mark & indicate the name of the sitio(s), barangay(s), and town/city where the proposed project is located. Pinpoint the exact location of the project (bridge) by using an arrow, and at the tail of the arrow place a box containing the name of the project (bridge) and its coordinates. At the bottom of the map, write the title of the project, address of the project, name of the proponent and date the map was finalized.

Attachment 2: site photos facing all quadrants around the project to show a glimpse of the ecological and socio-cultural status of the project vicinity.

Environmental Analysis and Related Strategy (if applicable)

Discuss the impact of the project on the environment and the proposed mitigating measures. Include the environmental management and monitoring plan (based on the suggested format)

Project Management Structure

- Describe how the project will be implemented:
- Composition of project management team and positions
- Implementation arrangement
- Other stakeholders and their roles

Sustainability/ Phase-out Plan

Discuss the mechanisms to sustain the project, such as, stakeholders' support/ mapping; network and linkages whether existing or projected to be established during project implementation; provision for institutionalization of lessons learned (if any); generation of resources to support the project beyond PAMANA partnership; and identification of organization(s) or institution(s) that will operate and manage (support and monitor the project) the completed infrastructure or facility after termination of PAMANA assistance (program):

- Operations and Maintenance

Business Development Plan or Savings Mobilization Plan (for livelihood / enterprise projects)

Risk Assessment and Risk Management Strategy (if applicable)

Describe the factors that may affect progress and achievement of deliverables/ output results including the proposed mitigating and risk management measures.

Commitment Section

This section should indicate LGU commitment to pursue measures/ activities for the attainment of the following:

- *Project sustainability*
- *Peace and social cohesion*
- *Transparency and accountability*
- *Compliance to the PD/EMP*

III. Implementation Schedule (for infra project)

Detailed breakdown by major activities, timeframe concerned.

IV. Work and Financial Plan (for non-infra project)

Detailed breakdown by major activities, timeframe, concerned and budget with specification of amount requested

Prepared by:

Signature above Printed Name
LGU/PO/NGO _____

Endorsed by:

Signature above Printed Name
LGU/PO/NGO _____

Annex D: List of Requirements for Funds Release

FOR INFRASTRUCTURE PROJECT:

First Tranche – 80% of the Project Design Cost (approved cost)

1. Request Letter from the LGU/Responsible Partner
2. Certified Copy of the Sanggunian Resolution Authorizing the Governor/Mayor to sign the MOA
3. Signed MOA between DILG and LGU
4. Certified copy of the EO on the designation of the Focal Person
5. Certification on the Opening of Special Account
6. Certification of the availability of LGU equity in the form of cash or services (if required)
7. Approved Program of Works
8. Detailed Engineering Plans and Technical Specifications (for Infrastructure Projects) and other technical drawings.
9. Environmental Compliance Certificate (where applicable)
10. Applicable Legal instrument/s allowing use of the land or property for the project (where applicable)

Second Tranche – 20% of the Project Design Cost (approved cost)

1. Request Letter from the LGU/Responsible Partner
2. Certified true copy of BAC Resolution Recommending Award of Contract
3. Certified true copy of the approved Contract of Agreement
4. Certified true copy of the Notice to Proceed/ Commence from LGU to the contractor
5. Copies of other bidding documents as may be required
6. Statement of Receipts and Disbursement (SORD)/Statement of Expenditure (SOE) duly signed by the Treasurer/Accountant and the Auditor attesting that the initial 80% released has been disbursed
7. Project Status Report by the LGU, with Statement of Work Accomplished, showing 100% physical accomplishment, duly signed by appropriate LGU staff and approved by LCE and verified by the CSO partners
8. Certificate of Completion/Turn-over and Acceptance
9. Audit Inspection Report of the Technical Services Division of COA
10. Operations and Sustainability Plan
11. For Water Projects, Certificate of Water Potability Quality Test

FOR LIVELIHOOD

First Tranche – 80% of the Project Design Cost (approved cost)

1. Request Letter from the LGU/Responsible Partner
2. Certified Copy of the Sanggunian Resolution Authorizing the Governor/Mayor to sign the MOA
3. Signed MOA between DILG and LGU
4. Certified copy of the EO on the designation of the Focal Person
5. Certification on the Opening of Special Account
6. Certification of the availability of LGU equity in the form of cash or services (if required)
7. Approved Work and Financial Plan

8. Applicable Legal instrument/s allowing use of the land or property for the project (where applicable)

Second Tranche – 20% of the Project Design Cost (approved cost)

1. Request Letter from the LGU/Responsible Partner
2. Certified true copy of Agreement for the Livelihood Project with other implementing entities, if applicable
3. Statement of Receipts and Disbursement (SORD)/Statement of Expenditure (SOE) duly signed by the Treasurer/Accountant and the Auditor attesting that the initial 80% released has been disbursed
4. Project Status Report by the LGU, with Statement of Work Accomplished, showing 100% physical accomplishment, duly signed by appropriate LGU staff and approved by LCE and verified by the CSO partners
5. Certificate of Completion/Turn-over and Acceptance, if applicable
6. Audit Inspection Report
7. Operations and Sustainability Plan

FOR EQUIPMENT/ GOODS:

First Tranche – 80% of the Project Design Cost (approved cost)

1. Request Letter from the LGU/Responsible Partner
2. Certified Copy of the Sanggunian Resolution Authorizing the Governor/Mayor to sign the MOA
3. Signed MOA between DILG and LGU
4. Certified copy of the EO on the designation of the Focal Person
5. Certification on the Opening of Special Account
6. Certification of the availability of LGU equity in the form of cash or services (if required)
7. Approved Work and Financial Plan

Second Tranche – 20% of the Project Design Cost (approved cost)

1. Request Letter from the LGU/Responsible Partner
2. Original and four copies of the Suppliers invoice showing Goods description, quantity, unit price, and total amount
3. Delivery Receipt detailing number and description of items received signed by the authorized receiving personnel
4. Statement of Receipts and Disbursement (SORD)/Statement of Expenditure (SOE) duly signed by the Treasurer/Accountant and the Auditor attesting that the initial 80% released has been disbursed.
5. LGU Inspection report
6. Operations and Sustainability Plan