

**[ EXECUTIVE ORDER NO. 124, September 12, 2002 ]**

**PROVIDING FOR THE IMPLEMENTING MECHANISM FOR THE  
ARMM SOCIAL FUND FOR PEACE AND DEVELOPMENT**

WHEREAS , this Administration is committed to pursuing a parallel policy of building peace and development in Mindanao;

WHEREAS , the amended Organic Act for the Autonomous Region in Muslim Mindanao (ARMM) was enacted by Congress under Republic Act No. 9054, and the same was ratified in a plebiscite last August 14, 2001, thereby adding the Province of Basilan (except Isabela City) and the City of Marawi to the original provinces and cities that voted to join the ARMM;

WHEREAS , part of the 1996 Peace Agreement between the Government of the Republic of the Philippines and the Moro National Liberation Front is the provision of livelihood opportunities for former combatants in the Special Zone for Peace and Development (SZOPAD), and one such program is the SZOPAD Social Fund.

WHEREAS , a new and enhanced program to be known as the ARMM Social Fund for Peace and Development (ASFPD) dedicated to the ARMM has been designed to be implemented starting fiscal year 2003 to be initially funded by a loan of the Philippine Government from the World Bank;

WHEREAS , the project is designed that it can be scaled up and allow for other donors to come in with official development assistance within the framework of the ASFPD program;

WHEREAS , the Investment Coordinating Committee – Cabinet Committee has approved the ASFPD during its meeting last 15 August 2002; and

WHEREAS , there is a need to establish the implementing mechanism for the ASFPD.

NOW, THEREFORE, I, GLORIA MACAPAGAL ARROYO , President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. ASFPD. – There is hereby established a program fund to be known as the “*ARMM Social Fund for Peace and Development*” (ASFPD) that shall have as its coverage and target beneficiaries disadvantaged conflict affected and influenced communities in the expanded Autonomous Region in Muslim Mindanao (ARMM).

SEC. 2. ASFPD Board. — The ASFPD shall be managed by a Board of Directors to be appointed by the President composed of the following:

- Chairman – ARMM Governor
- Co-Chair – Representative of the Office of the President
- Members – Secretary of Social Welfare and Development;

- Presidential Adviser on the Peace Process;
- Representative of the Governors of the ARMM Provinces;
- Representative of the Business Community from ARMM;
- Representative of former combatants from ARMM; and
- Two (2) representatives of civil society from ARMM.

The Executive Director of the ASFPD-FMO shall be an ex-officio non-voting member of the Board, and shall act as the Secretary of the Board.

Except for the Chairman, each member of the board shall have a permanent alternate to be appointed by the President, who shall have full powers and authority to vote in board meetings in the event that his principal is unable to attend.

Every board member or his/her permanent alternate shall receive a *per diem* of Five Thousand (P5,000.00) Pesos for every meeting attended.

The Board shall meet at least once every quarter, or as may be necessary as determined by the Chairman. The Board may invite in its meetings relevant government agencies and donor agencies for coordination of activities and programs of the ASFPD.

SECTION 3. Functions of the ASFPD Board. — The ASFPD Board shall perform, among others, the following functions:

(a) Establish levels of authority and responsibilities of the Sub-projects Approval Committees (SPACs), Central Fund Management Office (CFMO), Area Fund Management Office (AFMO), the different departments, units, officers and employees of the ASFPD-FMO;

(b) Formulate and approve financing policies and implementing guidelines (including Operations Manual) needed to accomplish the purpose and objectives of the ASFPD.

(c) Review annually the policies and strategies of the ASFPD;

(d) Review and approve the annual work and financial plan and budget of the ASFPD-FMO;

(e) Review the progress of the projects and the performance of the SPACs, CMFO, AFMO in terms of the management of the delivery of services;

(f) Ensure that an external management and financial audit is undertaken of the ASFPD on an annual basis;

(g) Authorize the Executive Director to perform any and all things necessary to implement the decisions and policies of the Board and all other matters that are delegated to him by the Board;

(h) Resolve policy issues relating to the timely and effective utilization of the ASFPD;

(i) Submit a quarterly and annual report to the President;

(j) Promulgate rules and regulations to implement this Executive Order; and

(k) Perform other tasks that may be assigned by the President.