



Republic of the Philippines
Department of Health
OFFICE OF THE SECRETARY

March 16, 1998

ADMINISTRATIVE ORDER

No. 11 s, 1998

SUBJECT: Coordinating Health Investment Planning in the Department of Health (DOH) and Managing the Implementation of the Ten (10) Year Public Investment Plan for the Health Sector

Section 1. Background/Rationale:

1.1 Mandate:

Under EO 119, there are several services/units in the Department of Health (DOH) which coordinate health investment activities. The Foreign-Assistance Coordination Service (FACS), in particular, is responsible for providing services related to the development, coordination, monitoring, reporting and assessment of foreign-assisted projects. The Internal Planning Service (IPS) on the other hand is mandated to provide the Department of services related to planning, programming and project development. The program implementing units at the central and regional health offices as well as specific project coordinating units/project management offices (PCUs/PMOs) also undertake investment and operational planning in the Department.

In line with the regular updating of the Medium—Term Public investment Program (MTPIP) and the Medium Term Philippine Development Plan (MTPDP), Department Circular No 175-H s. 1995 was issued directing IPS to coordinate investment planning and implementation process of the Ten (10) Year Public Investment Plan for the Health Sector.

1.2 The present investment planning in the DOH.

The conduct of investment planning for specific development projects of the DOH are distributed among different units:

a) IPS undertakes investment planning formulation primarily as a requirement for determining the medium-term investment program of the DOH during strategic activity. It has established a database management of FAPs to update the 10-Year Public Investment Plan. It also provides, technical assistance to Regional Health Offices (RHOs) on the formulation of their respective Regional Development Investment Plans (RDIPs) and to certain services/units at the Central Office on project development.

b) FACS coordinates in the negotiation, implementation and monitoring of FAPs and has started a database of FAPs being implemented in the Department. It also discharges coordinating functions on biennial World Health Organization (WHO) Collaborative Programme Cooperation on Health.

c) Program implementing units undertake project development activities mainly for specific projects which are based on annual program budgets and at times for projects to be proposed for Official Development Assistance (ODA).

d) PCUs/PMOs monitor and evaluate projects being implemented. Regular reports are submitted to the funding institutions as basis for project disbursements and to the support services under the Office of Management Service (OMS) to facilitate budgetary and auditing requirements of the projects.

e) Budget/Finance Service leads in budget preparation, review, authorization and execution in the Department.

1.3 Definition of Terms

INVESTMENT PLANNING - is determining investment gaps in existing program efforts and in identifying future sectoral gaps.

STRATEGIC PLANNING - focuses on the identification of sectoral development targets over a plan period and the formulation of appropriate mix of plans-and policies to attain the targets.

OPERATIONAL PLANNING - is the annual translation of the planned programs and projects.

PROGRAM - an organized set of activities, projects, processes or services which is oriented toward the attainment of specific objectives

PROJECT - an undertaking which has a set of interrelated and coordinated activities or component designed to achieve certain specific objectives within a given budget and period of time. It may form part of a sub-program or programs.

MEDIUM-TERM PHILIPPINE DEVELOPMENT PLAN (MTPDP) - provides the over—all macroeconomic framework, thrusts and priorities at the national level as contained in individual sectoral policies, strategies and targets. It emanates from the regional and agency development plans.

MEDIUM—TERM PUBLIC INVESTMENT PLAN (MTPIP) - prioritized list of capital projects to be funded by the national government including ODA In support of the MTPDP.

REGIONAL DEVELOPMENT PLAN (RDP) - provides the regions thrusts and priorities, taking

into account the socio-economic problems and challenges in the region.

REGIONAL DEVELOPMENT INVESTMENT PROGRAM (RDIP) - prioritized listing of projects of specific regions for funding by the local government and or national government.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA) - refers to grants and soft (concessional) loans extended by government of developed countries and by multilateral official agencies to developing countries.

SECTOR “missing text” REVIEW/STUDY — A study that identifies needs of the specific “missing text” review past and current interventions, propose directio “missing text” estimate the cost of undertaking the recommendations.

PUBLIC INVESTMENT PLAN FOR THE HEALTH SECTOR - A rolling 10-year investment plan that presents an investment strategy focused on priority health services and essential health service capabilities, resource development in large scale, nationwide packages, and devolution responsive and package that are designed to carry out the strategy over the long—term period.

Section 2 Objectives:

- a) To institutionalize investment planning in the DOH.
- b) To systematize the DOH Project Cycle
- c) To delineate roles and responsibilities of IPS, FACS, Budget/Finance Service, HPDS, HMDTS and specific project coordinating/implementing units on health development projects.

Section 3. The Investment Planning Framework

Investment planning in the public sector covers planning, development, appraisal, financing and monitoring and evaluation of development projects. As projects are part of the overall medium-term and annual programs which are implemented through annual budgets, investment planning must be undertaken based on the linkage between plans, programs and budgets.

The basic approach to investment planning is in determining investment gaps in existing program efforts and in identifying future sectoral gaps. In this context, investment planning has to be linked to operational planning, wherein existing program gaps can be identified, and to strategic planning, wherein sectoral gaps may be determined. The identification of investment gaps initiates the main activity of investment planning and project development.

The conduct of effective investment planning is primarily one of coordination. Coordination of investment plan, project development, and project monitoring and evaluation must be effected two folds:

a) within the Department in terms of the Plan-Program-Budget Linkage consistent with strategic, investment and operational planning of the Department.

b) from outside the Department through coordinating with development project oversight agencies, co—implementors in health services, other government agencies with projects that have health concerns and local and external sources of support for the delivery of health services.

Cognizant of the importance of health investment planning, guidelines for its management and proper coordination is hereby issued.

Section 4. The DOH Project Cycle

This shows the different stages, procedures and responsible units that shall undertake investment activities.

PROJECT IDENTIFICATION

The identification of a development project starts with a project idea, generated from three (3) sources, namely: 1) Investment Program: 2) sector study of the prospective lending agency (donor) and 3) the project identification survey conducted by the donor's own mission.

The MTPDP/MTPIP/RDIP shall serve as the primary basis for the identification of project by the proponent service/program/unit.

PROJECT SCREENING, SELECTION AND PACKAGING

The identified project proposal shall be presented to the Undersecretary concerned for review to determine its consistency with the priorities enunciated in the MTPDP/MTPIP

The packaging of project which is based on investment program shall be the responsibility of IPS with the approval of the EXECOM.

DESIGN AND PREPARATION

This refers to this stage where the proponent transforms the project concept/idea into specific/detailed design.

During project preparation, feasibility studies are conducted by the proponent or a consultant to examine the technical institutional, financial and economic aspects of the project. This is to

establish the project's impact or desirability.

APPRAISAL

Appraisal involves a critical review of all aspects of the project in order to arrive at a conclusion regarding the desirability and worth of pursuing the project. It is through appraisal process that IPS evaluates the projects based on its consistency with the MTPDP/MTPIP and whether a project is suitable for Official Development Assistance (ODA) and submit recommendations to the EXECOM.

APPROVAL/ENDORSEMENT

The review of investment program according to priority investment list shall be the responsibility of FACS, with the approval of the EXECOM. The appraised projects shall then be submitted to the Office of the Secretary for approval and endorsed to NEDA for grant/loan funding. FACS shall facilitate the entire process.

IMPLEMENTATION/MONITORING

Implementation involves a wide range of activities undertaken by the implementing unit. This includes the organization and staffing of project team, engagement and supervision of consultants, procurement of goods and contracting of civil or other technical works, construction, supervision and contract administration and start-up of completed facilities.

The implementing unit must also comply with the provisions of the loan and loan agreement including requirements and guidelines of the donor agency.

Monitoring of the status or progress of project to ensure that it is proceeding according to plan shall be the task of FACS and IPS. However, preparation of periodic reports on the physical progress (plan and set target) and the financial progress (projected cash flow and budget allocation) of a project shall be the responsibility of the project implementing unit and PCU/PMO for submission to FACS. The latter shall then forward the monitoring reports to PMS-NEDA and donor agency.

EVALUATION

The implementing unit and donor agency conduct an evaluation to:

1. Examine project to determine if it is progressing along the specific strategy, plan, objective and schedule; and

2. Identify all the effects and impact of benefits received upon project completion.

Section 5. Roles and Functions of the IPS, FACS, Budget/Finance Service, HPDS, HMDTS and the Project Implementing/Coordinating Units in Investment Planning Activities.

In order to have an effective coordination in the development, implementation, monitoring and evaluation of all foreign and locally-funded projects in the Department, these services/units shall exercise the following duties and responsibilities:

Internal Planning Service (IPS)

- a) Prepare general guidelines In the continuing development of the health programs and projects.
- b) Evaluate, integrate and package proposed health programs and projects (foreign and local) of different services.
- c) Maintain and update a database of health programs and projects by the different health implementing units.
- d) Coordinate with a technical working group as may be established for the development of new programs or projects.
- e) Provide technical support to the services in formulating and developing health programs and projects.
- f) Liaise with the Social Development Staff (SDS) and Public Investment Staff (PIS) of the National Economic Development Authority (NEDA) on planning and evaluation of health investment plan for the health sector.
- g) Monitor implementation of locally — funded project (LFPs).

Foreign-Assistance Coordination Service (FACS)

- a) Prepare investment programming and facilitate/ participate in preparation of budgeting guidelines of FAPs in collaboration with Finance Service (FS).
- b) Liaise with Project investment Staff (PIS) - NEDA in sourcing funds for health investment programs and projects.
- c) Monitor progress of implementation of FAPs as required by donor agencies and Project Monitoring Staff (PMS)-NEDA in collaboration with PCU/PMO and Budget/Finance Service
- d) Liaise with Project Monitoring Staff (PMS) -NEDA regarding monitoring and evaluation of

health investment projects.

e) Maintain a database of foreign-assisted projects being implemented by different offices/units of the Department.

f) Follow — up status of project proposals submitted to SDS-NEDA

g) Coordinate WHO collaborative programs

h) Liaise with foreign donors and facilitate release of grants and donations

Proponents/Project Implementing Units

a) Undertake strategic and Operational planning to identify investment gaps and deficiencies.

b) Prepare annual planning and budgeting for regular program and project activities.

c) Prepare project proposal/s consistent with the MTPDP and MTPIP which may be supported by donor agencies.

d) At the central office:

* Submit project proposal/s to the respective Office levels (Undersecretaries) and subsequently to IPS for appraisal.

* Submit final proposal/s to FACS for investment programming and endorsement to NEDA for ODA.

* Submit proposed locally-funded projects (LFPs)

e) At the Regional Health Office (RHOs):

* Submit proposals to the respective regional health offices for review and packaging of project based on RDP/RDIP

* Submit final proposal/s to the respective Regional Development Councils (RDCs) for technical evaluation and/or approval

* Submit updated Regional Development Investment Plan (RDIP) to IPS

f) Manage project implementation to include organizational management, work schedule, financial, monitoring and evaluation plan, cash flow schedule and other activities.

g) Submit periodic reports on project implementation to FACS based on the required format for

endorsement to PMS-NEDA and concerned donor agencies.

h) Conduct project evaluation

Project Coordinating Units/Project Management Offices.

a) Coordinate project activities and monitor progress of projects being implemented

b) Submit regular progress report on project implementation to FACS, for endorsement to PMS-NEDA for monitoring

c) purposes and concerned funding agencies for disbursements purposes.

d) Submit annual project operational plans to Finance Service to determine budgetary and auditing requirements of projects, copy furnished FACS.

e) Submit progress report of training to HMDTS

Budget-Finance Service

a) Review annual FAPs (loan) preposed budget in accordance with budgetary requirements/available resources and recommend approval to DBM.

b) Endorse special budget to the Department of Budget and Management (DBM) for review and/or approval and for programming of disbursement of loan proceeds and counterpart funds.

c) Coordinate with DBM on periodic fund releases/budget appropriations.

d) Provide technical assistance and advice on disbursement of funds to different proponents/implementing units

e) Participate in evaluation/assessment of the projects completed.

Health Policy Development Staff (HPDS)

a) Provide the policy framework which will guide investment plan formulation and ensure that it is being followed. Such a framework must embody sectoral development targets, health finance and other resource allocation priorities.

b) Identify investment policy gaps and investment strategies.

c) Monitor and evaluate implementation of investment policy.

Health Manpower Development and Training Service (HMDTS)

- a) Provide updated training needs analysis result of the department to be used as basis for determining program support for local or foreign projects
- b) Provide consultative and advisory services on HRD during project planning and implementation
- c) Provide consultative services in formulating/drawing up of policies/agreements with funding agencies which are related
- d) to training so as to determine possible incorporation into the existing integrated courses.
- e) Serve as the clearing house of all local and foreign-funded training program for the purpose of coordinating and integrating programs offered by the DOH
- f) Disseminate information on training programs offered by other agencies to various services and offices.
- g) Serve as a link between training/HRD institution, NGO's and LGU's
- h) Submit a regular progress report of training on project implementation to FACS thru the project coordinator for monitoring and evaluation, budgeting, and auditing purposes.

This order shall take effect March 16, 1998.

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