



FEB 21 2008

DEPARTMENT ORDER
NUMBER 40

SUBJECT: RECONSTITUTION OF THE PHILIPPINE DEFENSE REFORM (PDR) BOARD AND CREATION OF THE OFFICE FOR DEFENSE REFORM (ODR)

Pursuant to Republic Act No. 7898 or the AFP Modernization Act, Section 35, Chapter VI, Sub-Title II, Title VIII, Executive Order No. 292 and Administrative Order 218 s. 2008, and in recognition of the strategic importance of reforms in the development of capabilities in the defense establishment and in order to ensure the attainment of the goals and objectives of the reform program, the Philippine Defense Reform (PDR) Board is hereby reconstituted and an Office for Defense Reform (ODR) is hereby activated.

Section 1. Reconstitution of the Philippine Defense Reform (PDR) Board. The membership of the PDR Board is hereby reconstituted as follows:

Secretary of National Defense - Chairman
Chief of Staff, AFP - Vice Chairman,

Members:

CERTIFIED COPY Undersecretaries of the Department of National Defense
AFP Major Service Commanders

Jovino S. Molano
JOVINO S. MOLANO
RECORDS OFFICER III
RECORDS DIVISION, DND

Section 2. Functions of the PDR Board. - The PDR Board shall have the primary function of providing governance, strategic leadership and stewardship to the defense reform program, and establishing broad policies and strategic direction to all capability and organizational development programs, activities and projects of the defense establishment. In the performance of its aforesaid primary functions, the PDR Board shall:

(a) Direct and govern the defense reforms by establishing broad policies and general guidelines, and oversee, evaluate, review and monitor the implementation of defense reforms;



GCT-080452

(b) Guide the defense establishment towards the attainment of the defense vision and the defense reform goals, and foster and develop a strong DND-AFP Team;

(c) Promote the well-being of the defense establishment through defense reforms, and ensure the optimal use of resources for the purposes intended and for the benefit of the organization; and

(d) Perform such other functions or responsibilities as the Secretary of National Defense may direct.

A majority of the members of the PDR Board shall constitute a quorum to do business. The vote of a majority of all the members of the PDR Board shall be necessary for the approval of its decisions, resolutions, orders or actions. However, no decision, resolution, order or action of the PDR Board shall be valid or effective unless it bears the affirmative vote of the Chairman of the PDR Board.

Section 3. **Creation of the ODR.** - There is hereby created an Office for Defense Reform (ODR) under the Armed Forces of the Philippines. The ODR shall be headed by a Chief, who shall have an AFP TO of 07. The ODR shall be under the supervision and control of the Chairman of the PDR Board. The military and civilian personnel complement of the ODR shall be as directed or determined by the Chairman of the PDR Board.

The Organization, Recapitulation of Personnel Allowances, Unit Manning Document, Major Commodity Managership Allowances, and Secondary Equipment Allowances of ODR are herewith prescribed as Annex A of this Department Order.

Section 4. **Functions of the ODR.** - The Office for Defense Reform shall have the following functions:

(a) Assist the Secretary of National Defense/Chairman, PDR Board in the governance, central management and the merging and integration of all programs, activities, and projects on defense reforms in the defense establishment, in order to improve overall defense capabilities and professionalizing the whole organization;

(b) Provide Secretariat functions to the PDR Board, provided that, the Chief of the ODR shall be the Secretary of the PDR Board;

(c) Formulate and recommend reform policies; oversee the effective implementation of Defense Reform Program; act as a central integrating, monitoring and evaluating body on reforms; and conduct special reform projects and other related activities as deemed necessary by the Secretary of National Defense/Chairman, PDR Board.

(d) Advise the Secretary of National Defense/Chairman, PDR Board on the status and progress of the defense reform program, and its sub-programs and projects; and initiate development of other needed reforms;

(e) Assist the Secretary of National Defense/Chairman, PDR Board in overseeing, evaluating, reviewing and monitoring the defense reform programs, activities and projects in the defense establishment, in close coordination with the other offices and components associated with the defense reform program;

(f) Facilitate defense reform planning, programming and budgeting, and the implementation of approved support programs to enable reform proponents;

(g) Provide regular updates of PDR program status and coordinates with the Undersecretary for Armed Forces Modernization Affairs to enhance unity of effort and synchronization between PDR activities affecting related programs under the Modernization and/or Capability Upgrade Program of the AFP.

(h) Provide staff support to Executive Steering Committee activities and act as Secretariat to the RP-US PDR ESC meetings;

(i) Serve as the Department's liaison office to JUSMAG on PDR matters, and coordinate the employment of the US SME; and

(j) Perform such other tasks as the Secretary of National Defense/Chairman, PDR Board and/or the PDR Board may direct.

Immediately upon the effectivity of this Department Order, the ODR shall formulate the new defense reforms management structure and processes to be presented to the PDR Board for adoption and recommendation to the Secretary of National Defense.

Section 5. **Repealing clause.** - This Department Order repeals and revokes Department Order No. 82 s. 2005, (Subject: Creation of the Philippine Defense Reform (PDR) Board and Defining the PDR Management Structure and Processes) dated 30 November 2005 and Department Order No. 259 s. 2007, (Subject: Designation of new members of the Philippine Defense Reform [PDR] Board) dated 19 November 2007. The provisions of Department Order No. 24 s. 2007 and Department Order No. 24-A s. 2007 which are inconsistent with this Department Order are hereby amended.

All other Department Orders and other issuances inconsistent with this Department Order are hereby revoked, repealed and/or amended accordingly.

Section 6. **Effectivity** - This Department Order takes effect immediately.


GILBERTO C. TEODORO, JR.
Secretary

 SECRETARY OF
NATIONAL DEFENSE



GCT-080455