

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 97

REVOKING EXECUTIVE ORDER NO. 523 (s. 2006) AND CONFERRING UPON THE OFFICE FOR ALTERNATIVE DISPUTE RESOLUTION THE MANAGEMENT, DEVELOPMENT, COORDINATION, AND OVERSIGHT OF ALTERNATIVE DISPUTE RESOLUTION PROGRAMS IN THE EXECUTIVE DEPARTMENT, AND FOR OTHER PURPOSES

**WHEREAS**, Section 16, Article III of the Constitution guarantees the right of all persons to a speedy disposition of their cases before all judicial, quasi-judicial or administrative bodies;

**WHEREAS**, Republic Act (RA) No. 9285, or the Alternative Dispute Resolution Act of 2004 (ADR Act of 2004), declares that it is the policy of the State to actively promote and encourage the use of Alternative Dispute Resolution (ADR);

**WHEREAS**, the use of ADR has been proven to be effective in amicably and speedily resolving disputes filed before judicial or quasi-judicial bodies and administrative agencies;

**WHEREAS**, there is a need to promote the use of ADR to achieve speedy resolution of disputes before the agencies under the Executive Department;

**WHEREAS**, the ADR Act of 2004 created the Office for Alternative Dispute Resolution (OADR), an attached agency of the Department of Justice (DOJ), to, *inter alia*, promote, develop, and expand the use of ADR in the private and public sectors; assist the government to monitor, study, and evaluate the use of ADR by the public and private sectors; and recommend to Congress necessary statutory changes to develop, strengthen, and improve ADR practices in accordance with world standards;

**WHEREAS**, Executive Order (EO) No. 523 (s. 2006), entitled "Instituting the Use of Alternative Dispute Resolution in the Executive Department of the Government" vested upon the Office of the President (OP) the management and development of ADR practice in the executive agencies;

**WHEREAS**, with the establishment of the OADR pursuant to Sections 49 and 50 of the ADR Act 2004 and the issuance of its Implementing Rules and Regulations (IRR) on 4 December 2009, it is now necessary to transfer to the OADR all authority over the development, management, and oversight of ADR programs and services in all agencies under the Executive Department;

**WHEREAS**, public interest requires that the delivery of ADR services to the public by government agencies adheres to the highest standards of competence, professionalism, integrity, and internationally accepted best practices;

**WHEREAS**, it is imperative that each agency under the Executive Department regularly submit to the OADR reports, information, feedback, and recommendations on the status of their respective ADR programs, plans, and policies in order for the OADR to fulfil its duty to coordinate the development, implementation, monitoring, and evaluation of government ADR programs; and

**WHEREAS**, Section 31, Chapter 10, Title III, Book III of EO No. 292, or the Administrative Code of 1987, vests on the President the continuing authority to reorganize the Executive Department.

**NOW, THEREFORE, I, BENIGNO S. AQUINO III**, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1. Authority of the OADR.** All powers, functions, and duties previously vested by EO No. 523 upon OP over the development, use, implementation, promotion, monitoring, coordination, expansion, evaluation, and study of ADR programs and services in the Executive Branch, including all its departments, administrative offices, quasi-judicial agencies, and government-owned or controlled corporations (GOCCs) (hereinafter collectively referred to as agencies), are hereby transferred to the OADR.

Such ADR services and programs shall include, but not be limited to, providing dispute resolution services; conducting ADR trainings; engaging in program and system design; and, managing, overseeing or administering ADR programs.

**SECTION 2. Powers and Functions.** Pursuant to the powers and functions provided for in Sections 49 and 50 of the ADR Act of 2004 and its IRRs, the OADR shall oversee, monitor, coordinate, and evaluate the development of ADR programs and services in all agencies. In the exercise of this authority, the OADR shall:

- a) Coordinate and oversee the development of rules, regulations, and procedures to define and implement ADR policies;
- b) Provide guidelines for the training, accreditation, monitoring, and evaluation of ADR providers and practitioners to ensure adherence to the highest professional and ethical standards;
- c) Provide guidelines for the establishment, design, management, conduct, and monitoring of ADR programs to streamline, improve, and render more efficient the delivery of dispute resolution services in conformity with internationally accepted best practices;



- d) Monitor and evaluate the use of ADR by agencies, and require compliance with any standards or guidelines issued by the OADR;
- e) Require agencies to establish and approve ADR programs or require changes to existing ADR programs to conform to standards or guidelines issued by the OADR;
- f) Require agencies to provide information regarding current or planned ADR program as well as copies of ADR decisions, awards or settlements issued or approved by these agencies or the courts, subject to such guidelines as the OADR may issue to protect the confidentiality of ADR proceedings and the parties thereto;
- g) Coordinate with and request information from the Judicial Department or any of its courts with regard to court-annexed ADR programs;
- h) Prepare annual reports on the status of ADR use in agencies, and cause its publication in the OADR website;
- i) Assist agencies in providing training resources for the development and the use of ADR; and,
- j) Perform such other functions as may be necessary or appropriate to carry into effect the purpose of this order.

**SECTION 3. Use of Alternative Modes of Dispute Resolution.** All agencies shall continue to promote the use of alternative modes of dispute resolution such as, but not limited to, arbitration, mediation, conciliation, and early neutral evaluation as part of their practice in resolving disputes filed before them.

**SECTION 4. Mandatory Submission of Reports to the OADR.** Within three (3) months from the effectivity of this Order, each agency shall submit a status report to the OADR on the following:

- a) Designation of a senior official and an alternate responsible for developing, coordinating, and managing ADR programs and/or other ADR related activities in their respective offices; and,
- b) Compliance with the directives under Section 4 of EO No. 523, including the particulars of any such ADR program that may have been implemented in their respective offices in the meantime.

Thereafter, all agencies shall, once every six (6) months or within such other period as the OADR may determine, continue to submit periodic reports and provide data on their respective ADR programs as may be required by the OADR.

**SECTION 5. Contents of regular reports of agencies.** To assist the OADR in coordinating, monitoring, and evaluating the use of ADR in the public sector and to recommend to Congress such changes as may be made to ADR laws, the agencies shall, as part of their regular progress reports to the OADR, periodically review their ADR processes and recommend to the OADR the following:

- a) Specific procedures to reduce delay in decision-making; institutionalize the use of ADR process prior to litigation; facilitate self-representation; and, expand non-lawyer counselling and representation where appropriate;
- b) Any necessary changes to existing laws to develop, strengthen, and improve ADR practices in their respective agencies in order to encourage the settlement or resolution of the disputes at the agency level so as to minimize the necessity of seeking court relief;
- c) Specific proposals regarding the establishment, management, monitoring or improvement of ADR programs and policies, and the training, accreditation, and assessment of ADR providers in their respective agencies; and,
- d) Such other programs, standards, guidelines or practices as may be required or expedient to implement the basic policy of the law to actively promote party autonomy in the resolution of disputes and encourage and actively promote the use of ADR.

**SECTION 6. Submission of Annual Report to the President.** The OADR shall regularly submit to the President, through the Executive Secretary, an Annual Report on the policies, programs, and activities relative to the implementation of this Order.

**SECTION 7. Funding.** Agencies shall include in their proposed annual budget an allocation for the development, management, and operation of their respective ADR programs. Funding for such programs shall be included in the yearly appropriations of each agency.

**SECTION 8. Non-applicability to the Katarungang Pambarangay System.** This Order shall not apply to the management, oversight, and implementation of the Katarungang Pambarangay System, and shall not be interpreted to repeal, amend or modify the jurisdiction of the Katarungang Pambarangay System under Republic Act No. 7160, otherwise known as the "Local Government Code of 1991." This notwithstanding, all ADR training programs relative to Katarungang Pambarangay System shall be submitted to the OADR for prior approval.

**SECTION 9. Jurisdiction of OADR in ADR activities outside the Executive Department.** Nothing herein shall be construed as limiting the jurisdiction, authority, powers, and functions of the OADR as set forth in Sections 49 and 50 of the ADR Act and Articles 2.2 and 2.3 of its IRRs such as, but not limited to, the promotion,



development, and expansion of the use of ADR in the private sector, to the extent provided by law.

**SECTION 10. Repealing Clause.** This Order revokes E.O. No. 523 (s. 2006) and other executive and administrative orders and issuances inconsistent herewith.

**SECTION 11. Separability Clause.** If any provision of this Order is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in full force and effect.

**SECTION 12. Effectivity.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

**DONE**, in the City of Manila, this 18<sup>th</sup> day of October, in the year of our Lord, Two Thousand and Twelve.



By the President:



**PAQUITO N. OCHOA, JR.**  
Executive Secretary



**CERTIFIED COPY:**  
  
MARIANITO M. DIMAANDAL  
DIRECTOR IV  
MALACANANG RECORDS OFFICE

10-22-2012