



Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



Management System
ISO 9001:2015
TÜV Rheinland
certification
ID 91606063

MEMORANDUM ORDER NO. 2019-10

RESTRUCTURING OF THE PHILIPPINE GUARANTEE CORPORATION

WHEREAS, the Governance Commission for GOCCs (GCG), under Section 5(a) of Republic Act No. 10149 otherwise known as "GOCC Governance Act of 2011", is mandated to "*evaluate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized*";

WHEREAS, the President of the Philippines has approved Executive Order (E.O.) No. 58, or the Merger of the Home Guaranty Corporation (HGC) and the Philippine Export-Import Credit Agency (PhilEXIM), transferring the guarantee functions, programs and funds of the Small Business Corporation (SBC), and administration of the Agricultural Guarantee Fund Pool and the Industrial Guarantee and Loan Fund (IGLF) to the PhilEXIM, and renaming PhilEXIM as the Philippine Guarantee Corporation (PhilGuarantee) on 23 July 2018;

WHEREAS, Section 4 of E.O. 58 mandated PhilEXIM and SBC to submit its proposed Restructuring Plan within one (1) year from the effectivity of the E.O, for review, evaluation and approval of the GCG, in accordance with the existing rules and regulations;

WHEREAS, GCG Memorandum Circular (M.C.) No. 2015-04 (Re-Issued) provides guidelines on the reorganization, rationalization, and personnel planning in the GOCC Sector, pursuant to its mandate under R.A No. 10149 to actively exercise the State's ownership rights in the GOCCs through reorganization or streamlining;

WHEREAS, the M.C. No. 2015-04 (Re-Issued) also provided the GOCC operational flexibility in light of the principle of "Board Autonomy" under Article 9-10 of the "Ownership and Operations Manual for the GOCC Sector.";

WHEREAS, in consideration of the express directives under E.O. No. 58 to merge the guarantee functions, programs, personnel, assets, and liabilities of PhilEXIM and HGC, and acknowledging the timeline stated for the said merger, the required documentary submissions for the restructuring of PhilGuarantee were modified and streamlined;

WHEREAS, the PhilEXIM Board of Directors approved the Restructuring Plan of PhilGuarantee on 24 September 2018 pursuant to the direction of the President of the Philippines under E.O No. 58;

WHEREAS, the PhilEXIM officially submitted to the GCG PhilGuarantee's Restructuring Plan on 28 September 2018¹, Technical Working Group (TWG) meetings were convened on 13 November 2018, 22 November 2018, 03 December

¹ Officially received by the Governance Commission on 3 October 2018.

2018, 10 January 2019 and 31 January 2019 and all the necessary documents to were submitted to the Governance Commission on 16 April 2019², and;

WHEREAS, PhilGuarantee is expected to benefit from economies of scale, prevent operational redundancies, standardize policies, processes and procedures for similar guarantee facilities and programs, facilitate timely approvals and lower administrative costs from the Restructuring Plan;

NOW, BE IT—


RESOLVED, the Restructuring Plan of PhilGuarantee with 65 organizational units and 328 positions is hereby **APPROVED** as reflected in the documents below, which form an integral part of this Memorandum Order (M.O.).

Annex A – Overview of Restructuring Plan
Annex B – Organizational Structure;
Annex C – Staffing Pattern; and
Annex D – Functional Description

RESOLVED FINALLY, the implementation of this order shall comply with the following conditions and guidelines:

1. The Governance Commission's approval of PhilGuarantee's Organizational Structure and Staffing Pattern is subject to the approval of PhilGuarantee's compensation framework by the Office of the President;
2. Immediate filling up of 217 positions, corresponding to the combined filled plantilla positions of PhilExim, HGC, AGFP, and SBC;
3. The implementation of the new organizational structure and staffing shall commence within two months from PhilGuarantee's receipt of the Memorandum Order subject to item (1) above, and PhilGuarantee shall submit a revised multi-year hiring plan program for the filling up of the remaining 111 positions. A quarterly progress report shall also be submitted to the GCG until such time that the implementation has been completed;
4. Filling up the remaining positions shall be programmed to ensure overall financial viability of agency operations, actual revenue collection and operating requirements;
5. Funding requirements for regular positions shall be included in the Corporate Operating Budget of PhilGuarantee;
6. The Governing Board through the President/Chief Executive Officer (PCEO) shall be accountable for the payment of separation benefits to the retirees/separated employees pursuant to existing laws, rules and regulations;

² Officially Received by the Governance Commission on 16 April 2019.



7. PhilGuarantee's Design Framework shall be formulated in coordination with the Governance Commission to measure the performance results of the reorganization;
8. The pertinent civil service, budgetary, accounting, auditing and other relevant laws, rules and regulations shall be complied with; and,
9. In light of the Board Autonomy under Articles 9 and 10 of GCG M.C. No. 2012-06, or otherwise known as the "*Ownership and Operations Manual for the GOCC Sector*", the operational flexibility provided under Item 4.1 of the GCG M.C. No. 2015-04 (Re-Issued) is granted to the Governing Board of PhilGuarantee subject to existing guidelines, rules and regulations.


DONE, in the City of Makati, this 4th day of July Two Thousand and Nineteen.



SAMUEL G. DACPIN, JR.
Chairman


MICHAEL P. CLORIBEL
Commissioner


MARITES C. DORAL
Commissioner




CARLOS G. DOMINGUEZ
DOF Secretary
JUL 30 2019


JANET B. ABUEL
DBM Officer-in-Charge
AUG 05 2019

