

EXECUTIVE ORDER NO. 165

DIRECTING THE FORMULATION OF AN INSTITUTIONAL STRENGTHENING AND STREAMLINING PROGRAM FOR THE EXECUTIVE BRANCH

WHEREAS, the "*Re-engineering the Bureaucracy for Better Governance Program*" is a priority of the present Administration to develop an efficient, results-oriented and innovative bureaucracy that will support effective governance and sustainable socio-economic growth;

WHEREAS, Section 79 of the General Provisions of the FY 1999 General Appropriations Act directs heads of departments, bureaus, offices and agencies to identify their respective activities which are no longer essential in the delivery of public services and which may be scaled down, phased-out or abolished pursuant to Circulars or Orders issued for the purpose by the Office of the President;

WHEREAS, the government must continuously pursue streamlining and productivity-enhancement programs to properly define the role of the government in the society; focus its efforts primarily on basic governance functions; prioritize its programs and projects; enhance private sector initiative and participation in development; and adopt simple and lean organization structures;

WHEREAS, the government aims to fast-track management and financial reforms to make the bureaucracy more responsive to the needs of the general public and evolve efficient and effective organizations operating within available resources;

WHEREAS, streamlining and productivity enhancement programs will generate permanent savings that may be used to reward good performance through improved compensation in government comparable with that of the private sector;

WHEREAS, there is a need to formulate short and long-term plans and programs for the institutional strengthening and streamlining of the bureaucracy directed towards the re-engineering of the Executive Branch.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by the powers vested in me by law, do hereby direct the formulation of an Institutional Strengthening and Streamlining Program in accordance with the following provisions:

SECTION 1. INSTITUTIONAL STRENGTHENING AND STREAMLINING OF THE EXECUTIVE BRANCH. The institutional strengthening



and streamlining of the Executive Branch shall be undertaken pursuant to the following objectives/strategies:

- Define the role, scope, level, and focus of government intervention in the various sectors that public resources can realistically support;
- (b) Delineate sectoral activities among the government, business sector and civil society in the light of the privatization effort;
- (c) Achieve proper distribution of functions among levels of the government, given the progress made in decentralizing services and devolving certain functions to LGUs;
- (d) Eliminate unnecessary duplication, proliferation and overlapping of agency functions, programs, projects and activities, and abolish those that are redundant, irrelevant and outdated;
- (e) Strengthen organizational, financial and manpower support to key functions and priority programs, projects and activities, through the appropriate re-focussing and re-allocation of agency resources;
- (f) Improve service delivery systems; and,
Strengthen standard organic support services including planning, information systems management, finance and internal administration, as well as the integrated performance management system in government.

SEC. 2. PRESIDENTIAL COMMITTEE ON EFFECTIVE GOVERNANCE. A Presidential Committee on Effective Governance (PCEG) is hereby created to be composed of the Executive Secretary as Chair, the Secretary of Budget and Management as Co-Chair, with the Director-General of the National Economic and Development Authority, Chairman of the Civil Service Commission, Secretary of Finance, and Head of the Presidential Management Staff, as members, to oversee and coordinate the institutional reforms in the bureaucracy.

The PCEG shall specifically undertake the following functions:

- (a) Study and investigate the present organization and operations of all departments, agencies and entities of the Executive Branch, including government-owned and/or controlled corporations and state universities and colleges;
- (b) Prepare a Public Sector Institutional Strengthening and Streamlining Agenda that will establish the framework, governing principles, guidelines and pacing for the entire institutional development and streamlining processes which could be undertaken administratively;



- (c) Manage technical assistance facilities which may be available for the purpose and approve the grant of necessary technical assistance to agencies in the preparation and implementation of the agency institutional strengthening and streamlining plans;

Assure that agency plans are consistent with the Public Sector Institutional Strengthening and Streamlining Agenda and recommend approval of the same to the President;

- (e) Formulate and submit to the President, as basis for the re-engineering of the bureaucracy, an Integrated Administrative Reform Plan that will contain specific reforms, such as proposed shifts in the missions, functions, structures, systems and operations of agencies, including reforms in staffing and compensation policies, human resources development strategies, and incentives and rewards systems in the public sector;
- (f) Formulate and administer the necessary guidelines, rules and procedures to ensure the implementation of this Executive Order; and
- (g) Call on any department, agency or instrumentality of the government, and request assistance from private sector groups, as may be deemed necessary to accomplish this directive.

The Department of Budget and Management shall provide technical and administrative support to the Committee.

SEC. 3. SUB-COMMITTEES UNDER THE PCEG. The PCEG shall be assisted by sub-committees, which shall be responsible for the study of certain areas, as follows:

(a) Sub-Committee on Service Delivery

Key Study Areas

- Shared government-private sector responsibilities in development
- Alternative modes and systems of public services delivery
- Corporatization/Privatization
- Decentralization/Devolution
- Government-Client interface systems

Sub-Committee on Organizational Development and Staffing

Key Study Areas

- Strategic positioning of the bureaucracy
- Structural changes and organizational design



- Manning and job design
- Organizational productivity improvement
- Organizational performance evaluation

(c) Sub-Committee on Financial Management

Key Study Areas

- Budgeting
- Accounting
- Auditing
- Cash management
- Revenue generation/cost recovery
- Procurement system

(d) Sub-Committee on Personnel and Change Management

Key Study Areas

- Compensation
- Career development
- Career executive system
- Personnel productivity
- Capability building
- Individual performance appraisal
- Advocacy for reforms
- Impact mitigation

(e) Sub-Committee on Information Technology

Key Study Areas

- Acquisition and use of IT resources
- Development and implementation of IT projects

The members of the Sub-Committees that will come from the government, private sector, local government leagues, academe, and public employees' unions/associations shall be determined by the PCEG.

The Sub-Committees shall, in relation to their respective areas of concern, assist in the review of existing policies, structure, operations and programs; identify counter-productive, unresponsive and irrelevant systems and practices, recommend reforms to the PCEG; assist the PCEG in crafting the Public Sector Institutional Strengthening and Streamlining Agenda and Integrated Administrative Reform Plan; and provide technical assistance to agencies in the design of agency plans.

SEC. 4. PUBLIC SECTOR INSTITUTIONAL STRENGTHENING AND STREAMLINING AGENDA. The PCEG shall, within ninety (90) days after the



approval of this Executive Order, submit to the President a Public Sector Institutional Strengthening and Streamlining Agenda embodying the following components:

- Statement of objective and policies of the program
- Framework of the macro, sectoral and department/agency institutional strengthening and streamlining
- Evolving nature and extent of government intervention in the sectors
- Strategies for program implementation
- Roles of the various players involved and expected outputs
- Phasing of activities and timeframe
- Guidelines for institutional strengthening and streamlining of departments/agencies

The Agenda shall be used to guide agencies in the formulation of their respective plans and serve as basis for the PCEG's review of such plans.

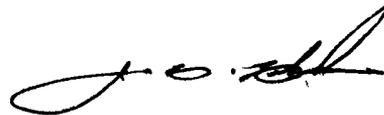
SEC. 5. REWARDS SYSTEM. The PCEG shall formulate a mechanism to reward agencies that will submit and implement an Institutional Strengthening and Streamlining Plan.

SEC. 6. BUDGET FOR THE PCEG. An amount of Two Million Pesos (P2,000,000), chargeable against the Organizational Adjustment Fund is hereby authorized to fund the initial operations of the PCEG.

Thereafter, such sums as may be needed in the continued operation of the PCEG and implementation of the provisions of this Order shall be included in the annual general appropriations act.

SEC. 7. EFFECTIVITY. This Executive order shall take effect immediately.

Done in the City of Manila, this *19th* day of *October*, in the Year of our Lord, Nineteen Hundred and Ninety-Nine.



By the President:



RONALDO B. ZAMORA
Executive Secretary

