

MEMORANDUM ORDER NO. 27

**MANDATING ALL HEADS OF DEPARTMENTS, AGENCIES AND INSTRUMENTALITIES OF THE NATIONAL GOVERNMENT TO STREAMLINE AND IMPROVE THEIR OPERATIONS AND ORGANIZATIONS**

WHEREAS, there is a need to strengthen existing economic stabilization measures to ensure a smooth and enduring transition to growth and prosperity;

WHEREAS, continued fiscal discipline is a major component of this stabilization program through optional allocation of scarce resources;

WHEREAS, the meager resources allotted to the different departments for FY 1993 as reported in the Cabinet Meeting of 7 July 1992 may not be able to include the priority functions, programs, and thrusts of the new government;

WHEREAS, there is a corresponding need to assess the organizational arrangements within each government agency to streamline operations, and provide a stronger and more efficient organizational and budgetary support to priority programs and projects;

WHEREAS, Section 48 of Republic Act No. 7180 mandates the scaling down, phasing out or abolition of agency activities which are no longer essential in the delivery of public services, and the utilization of budgetary savings generated therefrom in priority programs, projects and activities of agencies;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

**SECTION 1. COVERAGE.** This Memorandum Order shall cover all Executive Departments, including agencies and corporations attached thereof, as well as State Universities and Colleges. This Order shall apply on voluntary basis to the Constitutional Offices, the Judiciary, and the Legislature.

**SEC. 2. ASSESSMENT AND STREAMLINING OF AGENCY OPERATIONS AND ORGANIZATION.** All heads of agencies are hereby directed to conduct a comprehensive assessment of their respective operations and organizations with a view to achieve the following objectives:

- 2.1 To eliminate unnecessary duplication, proliferation and overlapping of agency functions, programs, projects and activities, and abolish those that are redundant, irrelevant and outdated; and

To provide stronger organizational, financial and manpower support to key functions and priority programs, projects and activities, through the appropriate focusing and re-allocation of agency resources.

SECTION 3. *STREAMLINING CRITERIA.* In the streamlining of their respective operations and organizations, agency heads may be guided by the following criteria:

Programs, projects and activities falling under any of the following categories may either be phased out or abolished:

- a) Those that are not producing the desired effects, and no longer achieve the objectives and purposes for which they were originally designed and implemented;
- b) Those that are no longer relevant to the agency mandate or functions;
- c) Those that are not cost-efficient and do not generate the level of physical and socio-economic returns intended for specific amounts of resource inputs; and
- d) Those that duplicate, or unnecessarily overlap with other programs, projects and activities, or those that are redundant and outdated.
- e) Those that unnecessarily duplicate or compete with the private sector and can be done more efficiently and effectively by it.

3.2 The following programs, projects and activities may be scaled down:

- a) Those that are not presently considered as having high priority but for which substantial amounts of financial, manpower and physical resources are available; and
- b) Those that are supposed to provide services to a wide segment of the population or over a wide geographical area, resulting in a thinly spread, unfocused provision of benefits or services. These programs, projects and activities should be scaled down in scope by focusing on priority areas or population segments.

- 3.3 The following programs, projects and activities shall be given priority in the allocation of all organizational resources:
- a) Those that are directly involved in the social, economic and political empowerment of the people; promote private sector initiative; or those that contribute to the creation of livelihood or employment opportunity, and an environment conducive to investment and entrepreneurship, and productivity.
  - b) Those that are concerned with the regular duties of governance as mandated by existing laws.
  - c) Those that directly contribute to the fulfillment of agency mandate.
  - d) Those that directly relate to the conservation of environment or provide strategic support thereof.

SECTION 4. *IMPLEMENTATION PROCEDURE.* The following procedures shall guide agencies in the streamlining of their operations and organizations:

- 4.1 The new program, project activity structure of the agency should be defined, those which will be abolished, merged, scaled down or phased out should be identified.
- 4.2 The necessary modifications in the organizational arrangements including possible revisions in the formal structure, program/project/activity distribution, and staffing patterns should be thoroughly studied and justified. These modifications should be implemented under the following conditions:
  - a) That formal structural modifications will not violate the agency enabling act and other pertinent laws.
  - b) That no incumbent to any permanent position will be terminated as a result of the streamlining, nor should they suffer any diminution in compensation.
  - c) That the deployment of people will be carried out in accordance with pertinent Civil Service Laws.
  - d) That positions which have remained vacant or have been vacated as a result of these modifications should be abolished.

- 4.3 The savings in financial resources generated should be identified, and the intended reallocation of these resources to priority programs, projects and activities should be carefully planned and implemented in accordance with existing budgetary rules and regulations.

**SECTION 5. REPORTING PROCEDURE AND SCHEDULE.** All Department Secretaries, Heads of Agencies, and the President of PASUC in the case of State Universities and Colleges, shall submit a Streamlining Report to the Office of the President, through the Department of Budget and Management, containing the actions taken to fulfill the provisions of this Order, in accordance with the schedule and reporting procedure indicated hereunder:

The report shall contain the following and may be presented in the forms attached herewith:

- a. Function/Activity/Project Structure Modifications, reflecting the structure of regular programs and activities, and the list of public investments projects to be undertaken.
- b. Organizational Modifications Report, reflecting revisions in the formal internal structure, program/project/activity distribution, staffing distribution, and positions to be abolished.
- c. FY 1992 Budget Modifications, indicating the realignment/redistribution of all pertinent budgetary resources from one Function/Activity/Project to another. Realignment which require authority shall be submitted to DBM and acted on by that Department within 15 days upon receipt thereof.

The report submission schedule shall be as follows:

- a. The Streamlining Report shall be submitted within 60 days upon the effectivity of this Order.
- b. The Department of Budget and Management shall submit to the President a comprehensive report on the results of the implementation of this Order, within 90 days upon the effectivity of this Order.

SECTION 6. *EFFECTIVITY*. This Memorandum Order shall take effect immediately.

DONE in the City of Manila, this 13th day of August, in the Year of Our Lord, nineteen hundred and ninety-two.



By the President:



DIONISIO S. DE LA SERNA  
Senior Deputy Executive Secretary



**CERTIFIED COPY:**

  
AURORA T. AQUINO  
PRESIDENTIAL STAFF DIRECTOR  
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**FORMAL STRUCTURE MODIFICATIONS**

DEPARTMENT	AGENCY/BUREAU
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ORGANIZATION CHART	NARRATIVE ACTION SUMMARY
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**Instruction:**

1. Prepare I chart for each bureau and attached agency indicating units down to Division level
2. Mark boxes representing units which are to be merged, abolished, downgraded, or created.
3. Accomplish Action Summary Column, explaining specific action taken for each unit, created, abolished, merged, etc.

