

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 184

**DIRECTING THE REORGANIZATION AND STREAMLINING OF THE
NATIONAL DEVELOPMENT COMPANY**

WHEREAS, the Philippines needs to build its competitive strength to be able to cope with the forces of global change while propelling the country to sustained economic growth;

WHEREAS, the National Development Company (NDC), created by Commonwealth Act No. 182 to serve as an agency of the government in the furtherance of its economic policies, was directed under Presidential Decree No. 1648 as amended, to give the necessary impetus to national economic development;

WHEREAS, in line with the government's goal of global competitiveness, and its strategy of economic liberalization and increased private sector participation, there is a need to reorganize NDC in order to:

- (a) Redirect and refocus its thrusts and priorities to position the country's competitive advantage in the international environment by assisting in the efforts to market it as a premier investment site;
- (b) Realign the programs and priorities of the company in support of the present government's economic agenda and to synchronize its tasks with the Department of Trade and Industry's concerns and policies;
- (c) Invest in areas where investments gaps exist in synergy with government financial institutions, large cooperatives, rural banks and NGOs;
- (d) Attain optimum efficiency in the allocation of resources by streamlining its operations, minimizing organizational levels, reducing span of control with the end view of maximizing the utilization or resources but ensuring the minimum disruption of operations; and
- (e) Restructure its organization by ensuring that its manpower possesses the necessary skills and competencies needed for its proper role, scope



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and focus and to enable the organization to become more responsive, dynamic and cost efficient.

WHEREAS, it is the policy of government to continuously improve and upgrade efficiencies in the delivery of public services, particularly those services that are directed to vital sectors of the economy and society, and to put in place highly qualified professionals competitively chosen in their fields of experience and expertise;

WHEREAS, the government is cognizant of the need to reorganize as and when it is imperative to do so to eliminate redundancies, improve efficiencies and achieve cost savings, within the confines of the law as provided for by R.A. 6656, an Act which provides personnel-related guidelines in the implementation of government reorganization;

WHEREAS, pursuant to Executive Order No. 124, the Department of Trade and Industry (DTI) to which the NDC is an attached agency, is authorized to make operational/structural adjustments in the Department to achieve effectiveness and efficiency in accomplishing its mandate;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order the reorganization of the NDC, as follows:

SECTION 1. *Refocusing of Operations.* NDC in fulfillment of its role as the government's investment arm, shall:

- a. Adopt a new investment philosophy and strategy by actively sourcing funds and investing the same in a portfolio of socially relevant and commercially-driven projects, the returns from which shall balance out the generation of income streams and insure sustainable financial returns to uphold the government's shareholder value;
- b. Adopt a more aggressive divestment policy and clearer exit mechanism on its equity investments which could be best handled by the private sector;
- c. Act as a holding company to manage its subsidiaries where government investments are placed, ensure that their growth potentials are maximized to enhance government's shareholder value and adopt control mechanisms to effectively monitor the performance of its subsidiaries.



The company shall review its operations following a set of criteria for measuring its performance to attain its mission, plans and goals and in consonance with the above refocused functions.

SEC. 2. Staffing. The NDC shall establish the most appropriate staffing pattern and qualification standards for all positions under the new structure, provided that the cost of fully implementing the said staffing pattern shall not exceed the actual cost of personal services in the immediately preceding year. The revised organization structure and staffing pattern (OSSP) shall be subject to the approval of the Department of Budget and Management (DBM).

The DBM shall review and issue the final OSSP within thirty (30) days from the signing of this Order.

SEC. 3. Personnel Selection Committee. An independent Personnel Selection Committee shall be created by the DTI Secretary to recommend: a) what positions in the newly DBM-approved structure will be opened for filling-up consistent with the objectives of cost efficiency and effective service; b) the qualification standards for positions in the new structure which should at least meet the requirements of the Civil Service Commission (CSC); and c) selection of personnel to fill-up opened positions who should be competitively chosen with the end of setting up a highly professional and development-oriented organization. The Committee shall serve its purpose until such time that the new organization can set up appropriate internal rules and regulations on personnel recruitment, selection and hiring.

SEC. 4. Separation Package. NDC personnel shall be entitled to separation pay which shall be two (2) months of the latest compensation for every year of service in the government, which shall be in addition to all gratuities and benefits to which they may be entitled under existing laws; *provided*, however that those who avail of such privileges and opt to start their government service anew by virtue of being absorbed by the reorganized NDC or any other government entity shall refund the government the full amount of the separation benefit so received.

SEC. 5. Compensation. In line with Section 11 of PD 1648, NDC's Revised Charter, the salaries, allowances and fringe benefits of NDC officials and employees shall be in accordance with RA 6758 and other existing laws, rules and regulations on compensation.

SEC. 6. Personnel-Related Movements. All personnel-related movements resulting from the reorganization shall be implemented within CSC rules and regulations.



SEC. 7. Implementing Guidelines. The DTI Secretary is hereby authorized to promulgate implementing rules and regulations, as necessary to ensure the orderly reorganization of NDC.

SEC. 8. All Executive orders, issuance, orders, rules and regulations which are inconsistent with the Executive Order are hereby revoked, amended or modified accordingly.

SEC. 9. If any provision of this Executive Order shall be held unconstitutional, the remainder of the Order not otherwise affected shall remain in effect.

SEC. 10. Effectivity. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 10TH day of *March*, in the year of our Lord, two thousand and three.

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By the President:

Alberto G. Romulo
ALBERTO G. ROMULO
Executive Secretary



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