

**Office of the President
of the Philippines
Malacañang**

MEMORANDUM ORDER NO. 13

**DIRECTING THE ABOLITION OF QUEDAN AND RURAL CREDIT
GUARANTEE CORPORATION AND FOR OTHER PURPOSES**

WHEREAS, the Quedan and Rural Credit Guarantee Corporation (QUEDANCOR), a government-owned and controlled corporation (GOCC) created pursuant to Letter of Instruction (LOI) No. 704 (s. 1978), as amended by Republic Act No. (RA) No. 7393 or the "Quedan and Rural Credit Guarantee Corporation Act," is mandated to establish a sustainable guarantee system towards improving access to credit in the agriculture sector and accelerating productivity and the flow of investments and credit resources;

WHEREAS, QUEDANCOR is now legally prohibited from continuing its guarantee function under its charter, having exceeded the allowable outstanding guarantee obligation provided therein;

WHEREA, the Philippine Export-Import Agency, Small Business Corporation and the Agricultural Guarantee Fund Pool, which is placed in trust with Land Bank of the Philippines, operate more successful agricultural guarantee programs, activities and projects;

WHEREAS, QUEDANCOR has been operating at a loss for the last five (5) years; and

WHEREAS, pursuant to Section 5(a)(ii) of RA No. 10149 or the "GOCC Governance Act of 2011," the Governance Commission for GOCCs (GCG) recommended the abolition of QUEDANCOR for the following reasons: (a) QUEDANCOR is dormant or nonoperational; (b) it performs functions or purposes that duplicate or unnecessarily overlap with functions, programs, activities, or projects already provided by a government agency; and (c) it is not producing the desired outcomes, or no longer achieving the objectives and purposes for which it was originally designed and implemented, and/or not cost efficient and does not generate the level of social, physical and economic returns *vis-à-vis* the resource inputs;

NOW, THEREFORE, the following are hereby ordered:

SECTION 1. Abolition of QUEDANCOR. The QUEDANCOR is hereby abolished.

SECTION 2. Liquidation of Assets and Settlement of Liabilities. The assets of QUEDANCOR shall be liquidated to settle the outstanding liabilities of the corporation in accordance with applicable laws, rules and regulations.

SECTION 3. Compensation for Affected Officials and Personnel. Affected officials and personnel of QUEDANCOR, whether regular or contractual personnel, may avail of the separation benefits below in addition to retirement or separation benefits allowed under existing laws:

Years In Service	Rates
First 20 years	1.00 x BMP* x No. of years
20 years and 1 day to 30 years	1.25 x BMP x No. of years
30 years and 1 day and above	1.50 x BMP x No. of years

**Basic Monthly Pay*

Funding for the separation pay and other benefits of affected officials and personnel of QUEDANCOR shall be sourced from its corporate funds. The Department of Budget and Management shall ensure that there are sufficient funds to cover the compensation for affected officials and personnel.

SECTION 4. Creation of Technical Working Group. To implement the provisions of this Order, GCG shall be assisted by a Technical Working Group composed of the following:

- a. Department of Agriculture;
- b. Department of Finance;
- c. Department of Budget and Management; and
- d. Land Bank of the Philippines.

SECTION 5. Repeal. All other orders, issuances, or parts thereof, which are inconsistent with the provisions of this Order, are hereby repealed or modified accordingly.

SECTION 6. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 7. Effectivity. This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 28th day of June, in the year of our Lord Two Thousand and Seventeen.

By authority of the President:


SALVADOR C. MEDIALDEA
Executive Secretary