



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF CUSTOMS  
MANILA

05 October 1992

CUSTOMS MEMORANDUM ORDER  
NO. 109-92

All District Collectors of Customs  
Service / Division Chiefs

Subject : Memo Order No. 27 of  
the President

Attached for your information, guidance and ready reference is a photocopy of aforesaid Memorandum Order No. 27 dated 13 August 1992 and of National Budget Circular No. 427 dated 01 September 1992, which are self-explanatory.

Memorandum Order No. 27, in relation to 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, and orders the streamlining and improvement of the operations and organizations of national government agencies.

In order to have a comprehensive assessment of the overall operations and organizations of the Bureau, which may serve as the basis for the Report to be submitted to the Office of the President, you are hereby directed to submit to the office of the Deputy Commissioner for Internal Administration Group on or before October 9, 1992 the following informations;

1. Present Organizational Structure of the Port
2. Total numbers of Personnel
3. Numbers of personnel assigned in its offices, divisions, sections and units with its corresponding positions.

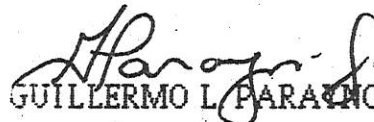
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Your report shall include your recommendations/proposals on the particular office, division, section or unit that should be sealed down, phased out or abolished for the following reasons:

1. To eliminate unnecessary duplication of functions and activities;
2. To prevent proliferation and overlapping of functions and activities; and
3. To remove functions that are redundant and irrelevant.

For immediate and strict compliance.

  
GUILLERMO L. PARANO, JR.  
Commissioner

CMO-104-92

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

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- 2.2 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:

- 3.1 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 the 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.

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- 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:

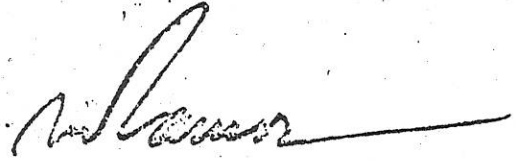
- 5.1 The report shall contain the following and may be presented in the forms attached herewith:
- a. Function/Activity/Project Structure Modifications, reflecting the structure of regular programs and activities, and the list of public investments projects to be undertaken.
  - b. Organizational Modifications 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.
- 5.2 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.

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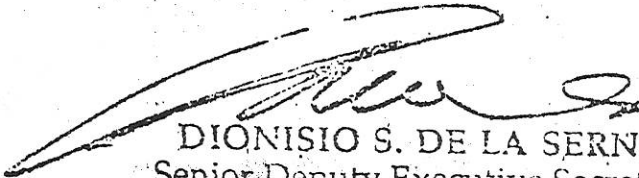
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SECTION 6. EFFECTIVITY. This Memorandum Order shall take effect immediately.

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

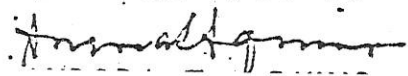


By the President:



DIONISIO S. DE LA SERNA  
Senior Deputy Executive Secretary

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CMO-109-92

Annex B

FORMAL STRUCTURE MODIFICATIONS

DEPARTMENT	AGENCY/BUREAU	NARRATIVE ACTION SUMMARY
ORGANIZATION CHART		
<p>Instruction:</p> <ol style="list-style-type: none"><li>1. Prepare 1 chart for each bureau and attached agency indicating units down to Division level</li><li>2. Mark boxes representing units which are to be merged, abolished, downgraded, or created.</li></ol> <p>Accomplish Action Summary Column, explaining specific action taken for each unit, created, abolished, merged, etc.</p>		

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Annex C

### STAFFING MODIFICATIONS

DEPARTMENT		AGENCY/BUREAU						REMARKS
POSITION TITLE	Salary Grade	FILLED			VACANT AND ABOLISHED			
		No.	Salary Rate	Total Salaries	No.	Salary Rate	Total Salaries	

Notes:

1. Modifications in the position title should be reflected in capital letters, abolitions should be bracketed.
2. All positions reported as vacant are considered abolished.



MALACAÑANG  
MANILA

MEMORANDUM ORDER NO. 27

*CMO-109-92*

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 optimal 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

- 2.2 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:

- 3.1 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 the 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:

- 5.1 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.

- 5.2 The report submission schedule shall be as follows:

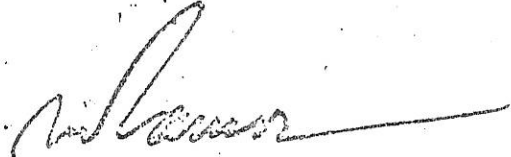
- a. The Streamlining Report shall be submitted within 60 days upon the effectivity of this Order.
- b. The Department of Budget and Management shall submit to the President a comprehensive report on the results of the implementation of this Order, within 90 days upon the effectivity of this Order.

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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. AGUINO

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CMO-109-92

Annex A

BUDGET AND FUNCTION/ACTIVITY/PROJECT MODIFICATION REPORT

DEPARTMENT		AGENCY/BUREAU											
FUNCTION/ACTIVITY/ PROJECT	Unit Responsible	BEFORE			AFTER			REMARKS					
		PS	MOOE	CO	TOTAL	PS	MOOE		CO	TOTAL			

Notes:

1. All modifications in the Function/Activity/Structure should be reflected in Capital letters, deletions should be bracketed.
2. The remarks column should explain the nature and reasons for the changes.



CMO-109-92

Annex B

FORMAL STRUCTURE MODIFICATIONS

DEPARTMENT	AGENCY/BUREAU	NARRATIVE ACTION SUMMARY
ORGANIZATION CHART		
<p>Instruction:</p> <ol style="list-style-type: none"><li>1. Prepare 1 chart for each bureau and attached agency indicating units down to Division level</li><li>2. Mark boxes representing units which are to be merged, abolished, downgraded, or created.</li><li>3. Accomplish Action Summary Column, explaining specific action taken for each unit, created, abolished, merged, etc.</li></ol>		



CMO-104-92

September 15, 1992

Memo For : HON. GUILLERMO L. PARAYNO, JR.  
Commissioner of Customs

From : CESAR S. OCHOA

Subj. : Analysis & Recommendation

Re : Memorandum Order No. 27

Requiring all heads of Depts., Agencies and instrumentalities of National Government to streamline and improve its operations and organizations.

**Objectives:**

1. Adopt a stabilization program thru fiscal discipline inspite of scarce and meager resources.
2. Section 48 of RA No. 7180 mandates the sealing down, phasing out or abolition of dept. or sections which are no longer essential in the delivery of services and utilization of savings in priority programs, projects and activities.

**Approaches:**

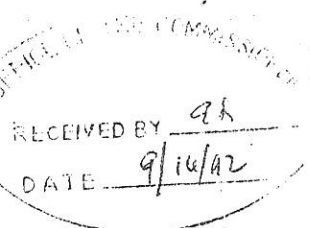
How

Conduct comprehensive assessment of the present operations and organizations aim at;

1. To eliminate unnecessary duplication, proliferation and overlapping of functions, programs, projects and activities and abolish those that are redundant, irrelevant and outdated.
2. To provide stronger organizational, financial and manpower support to key functions and priority programs, projects and activities thru re-allocation of resources.

Guide

1. Programs and activities that should 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 bureau functions.
  - c. Those that duplicate or unnecessarily overlap with other programs, projects and activities, or those that are redundant and outdated.
  - d. Those that unnecessarily duplicate or compete with the private sector and can be done more efficiently and effectively by it.
2. Programs and activities may be sealed down.
  - a. Those that are no longer considered to be in high priority but for which substantial amounts of financial, manpower and physical resources are available.



3. Programs that should be given priority;
  - a. Those that are concerned with the regular duties as mandated by existing laws.
  - b. Those that directly contribute to the fulfillment of bureau mandate.

Implementing Procedures:

1. The new programs should be properly defined and those that will be abolished, merged, sealed down or phase out should be clearly identified.
2. The necessary modifications in the organizational arrangements including possible revision in the formal structures, activity distribution and staffing patterns should be thoroughly studied and justified. The 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 position which have remained vacant or have vacated as a result of these modification should be abolished.
  - e. That savings in financial resources generated should be identified and the intended reallocations of these resources to priority programs and activities should be carefully planned and implemented in accordance with existing budgetary rules and regulations.

Reporting Procedure and Schedule:

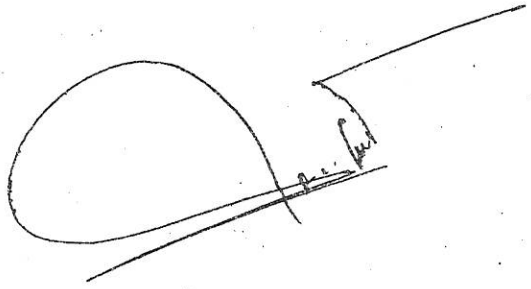
1. Organizational Modification Report reflecting revisions in the formal internal structure, programs/project/activity distribution, staffing distribution, and position to be abolished.
2. FY 1992 Budget Modification, indicating the realignment/redistribution of all pertinent budgetary resources from one function/activity/project to another. Realignment which require authority shall be submitted to DBM and acted on by the Dept. within 15 days upon receipt thereof.

Submission of Reports:

1. The streamlining report should be submitted within 60 days from August 13, 1992.

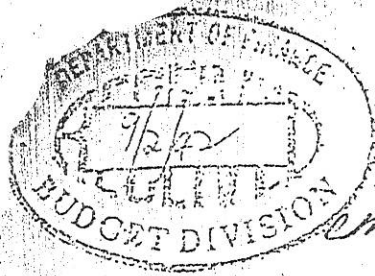
Recommendations:

1. A seminar workshop should be organized for chief of offices to be headed and organized by the office of the Deputy Commissioner for Human resources and development in coordination with the office of management.
2. Require the head of office to prepare and submit their present respective functions, organizational structures and proposals in order to achieve the desired objectives.

A handwritten signature or set of initials, possibly "J. S. [unclear]", written in dark ink. The signature is somewhat stylized and appears to be written over a horizontal line.



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACANANG, MANILA



NATIONAL BUDGET CIRCULAR NO. 427  
1 September 1992

EMO-109-92

PRESCRIBING THE GUIDELINES AND PROCEDURES  
FOR THE IMPLEMENTATION OF MEMORANDUM ORDER NO. 27

The following guidelines and procedures are issued to clarify the provisions of Memorandum Order No. 27, dated 14 August 1992 which mandates the streamlining of agency operations and organizations:

PART I. OBJECTIVES

1. To provide agencies with information on existing laws, rules and regulations governing the various aspects of the implementation of Memorandum Order No. 27; as well as guidelines on the institutional processes involved.
2. To present the options and parameters available within existing laws, rules and regulations, for the rationalization, refocusing, and improvement of agency functions, projects and activities; structure, staffing pattern, and budgetary allocations.
3. To ensure uniformity and consistency in the interpretation and application of the provisions of Memorandum Order No. 27.

PART 2. STREAMLINING PROCEDURE

1. FUNCTIONS, ACTIVITIES AND PROJECTS

1.1 Definition of Terms

- a) *Program* refers to the functions and activities necessary for the performance of a major purpose for which a government agency is established (Sec. 2.12, Book VI, National Government Budgeting, EO 292).

Program components are listed as functions, activities and projects with corresponding budgetary allocations under the General Appropriations Act.



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- b) *Project* means a component of a program covering a homogeneous group of activities that result in the accomplishment of a identifiable output (Sec. 2.13, Book VI, National Government Budgeting, EO 292), and undertaken within a definite time frame.

Projects are categorized as locally-funded and foreign-assisted in the General Appropriations Act (GAA).

- c) *Abolition* means the one-time elimination or discontinuance of the operation of a function, activity or project.

- d) *Phase-out* refers to the gradual elimination or discontinuance of a function, activity or project through the sequential or selective abolition of its component parts, until such time that the said function, activity or project ceases to exist.

- e) *Scale down* means a reduction in the intensity or magnitude of a function, activity or project either by eliminating selected components; or reducing its geographical, demographic or clientele coverage, the types of services rendered, or the level of outputs.

- f) *Strengthening or Expansion* means an increase in targets, expected outputs/services and desired impact, or widening of clientele/geographical coverage; and, the infusion of the required additional physical, financial and other resources.

## 1.2 General Principles

- a) Functions, activities and projects shall be prioritized according to their level of contribution to the agency mandate, the agency thrusts, or government priorities in general.
- b) All agency functions, activities and projects that are devolved pursuant to the Local Government Code shall be excluded from the agency functions, activities and projects.
- c) The abolition of functions, activities and projects shall not violate pertinent laws or agency enabling act which may specifically provide for their existence.

### 1.3 Specific Guidelines

a) The following functions, activities and projects may be abolished or phased out as indicated:

- Those that are no longer relevant to the agency mandate, or government thrusts and priorities.
- Those that duplicate, or unnecessarily overlap with other functions, activities and projects or those that are redundant or outdated.

*Duplication or overlapping occurs if the objectives, geographical or clientele coverage, expected outputs and desired impact of agency functions, activities and projects are the same or similar.*

- Those that are not producing the desired effects, and no longer achieve the objectives for which they were originally designed and implemented.
- 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.

*For this purpose, each agency shall review and validate the criteria against which the cost-efficiency of functions, activities or projects are determined. Those whose cost-efficiency levels fall under the minimum shall be considered for abolition or phase out.*

- Those that unnecessarily duplicate or compete with the private sector and can be done more efficiently and effectively by it.

*Government participation in areas/services which have socioeconomic development impact but where limited or no private sector participation has been generated, shall be considered in determining unnecessary duplication or competition with the private sector.*

*For the purposes of these guidelines, a function, activity or project, or component thereof is considered unnecessary duplication or competition if a similar private endeavor is also being undertaken for the same purpose, over the same clientele/geographical coverage, and with the same targeted results/outputs.*

b) Functions, activities and projects may be scaled down based on the following:

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- Reduction in Geographical Coverage. Implementation may be stopped in some areas and focused on those considered priority. A priority area could be a region, province, city, municipality, barangays, or a combination thereof.
  - Reduction in Demographic or Clientele Coverage. The size or types of population/clientele being served may be reduced, focusing only on those requiring most urgently this particular government service.
- c) Functions, activities and projects may be expanded or strengthened based on the following criteria:
- Those functions, activities and projects that are not being undertaken but which are necessary may be subsumed under existing functions, activities and projects to which they are related;
  - Those that are considered priority based on the provisions of these guidelines may be strengthened or expanded in any of the following forms:
    - expansion of population or clientele coverage
    - addition of more types and levels of services or outputs
    - improvement of the quality of services or outputs
    - infusion of more physical, manpower and financial resource inputs to support expansion and or improvements indicated.

## 2. DEPARTMENT/AGENCY FORMAL STRUCTURE

### 2.1 Definition of Terms

- Organic units are offices, bureaus, staffs, services, divisions and other units within a department or agency which are integral parts of the internal organization of that department or agency.
- For the purposes of these guidelines, attached agencies refer to those entities which are not organic parts of the structure of a department, but which may be attached to it for operational and policy coordination; and which have separate budgets as provided for in the General Appropriations Act.

## General Principles

- a) The function/activity/project distribution to various agency formal units should be clear. Where more than one office, bureau, service or division performs a function, activity or project, their specific role should be defined.
- b) Where the enabling act specifically provides for the existence of an office, bureau, service, or division; its internal structure may be modified in accordance with the guidelines prescribed hereunder. Where its functions, activities, or projects are abolished or transferred, such that its active operation is no longer necessary, such unit may be rendered dormant or inoperational, but not abolished.

*For the purposes of these guidelines, an office, bureau, service or division, duly created by law is rendered "dormant" or "inoperational" if its operational existence is terminated but its formal existence continues. The said unit is devoid of any activity, personnel, and financial and physical resources.*

- c) Where the existence of an office, bureau, service or division has not been specifically provided for by law, and where its functions, activities and projects are abolished it may likewise be abolished.

*For the purposes of these guidelines, an office, bureau, service, or division is considered abolished if its formal and operational existence is terminated.*

- d) The internal structure of a department or attached agency may be expanded and organic units thereof may be established, merged, consolidated, rendered dormant or abolished, provided that the total structural size of the department or attached agency should not be bigger than its present structure, in terms of the total number of organic units.

## 2.3 Specific Guidelines

### a) Merger/Consolidation of existing organic units

- Existing offices, bureaus, services or divisions, performing similar or overlapping functions, activities or projects may be merged or consolidated into only one unit with a redefined set of functions, activities, and projects, and corresponding manpower, financial as well as physical resources.

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b) *Expansion of Existing Organic Units*

- An existing bureau, office, service or division may be expanded if additional functions, activities and projects have been transferred to it from other units which have been abolished, if its existing programs are expanded in coverage or scope, or if it is the surviving unit of the merger or consolidation with another unit.

CPM

c) *Creation, Abolition, Merger or Consolidation and Expansion of Attached Agencies*

- No new agencies shall be created. Existing attached agencies with independent budgets provided for in the General Appropriations Act may not be merged, consolidated, abolished or rendered dormant or inoperational.

- If there is an expansion in agency functions, activities and projects, the internal formal structure may be expanded in conformity with the agency's mandate as provided by law; provided that such expansion will not result in an increase in the number of supervisory levels. Likewise, the internal structure may be streamlined in accordance with the guidelines provided herein.

3. STAFFING PATTERN

3.1 General Principles

- a) The determination of the individual position titles and their corresponding salary rates and statement of duties and responsibilities should conform with the provisions of RA 6758 (Salary Standardization Law) and its associated implementing issuances, as well as with pertinent laws, rules and regulations on compensation and position classification.
- b) The staffing modifications should enhance the application of management policies such as unity of command, and matching of authority, responsibility and accountability. It should not result in the increase in the number of key positions.



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- c) The distribution of positions should give priority to units performing front-line services and substantive functions.
- d) The streamlining of department or attached agency staffing should not result in the increase in the budget for salaries of permanent positions over that authorized for FY 1992 for the department or attached agency.

3.2 Specific Guidelines

a) Total Number of Positions

- The resultant number of regular positions for the department or attached agency, should not exceed the present number of incumbents to permanent positions of that department or attached agency as of 1 January 1992.

b) Filling of Vacant Positions

- Vacant positions may be filled consistent with the department's streamlining agenda and subject to the approval of the Civil Service Commission pursuant to RA 7430.

c) Creation, Abolition, Modification of Positions

- Existing vacant positions may be reclassified, upgraded, merged, consolidated, or abolished and new positions created in their stead as required, subject to existing laws on compensation and classification.
- A filled position may be upgraded, reclassified, merged or consolidated with a vacant position, subject to pertinent position classification and compensation laws, rules and regulations and pertinent Civil Service laws.
- The total number of positions in one organic unit may be increased by the transfer of permanent positions from other organic units.
- All positions vacant or vacated as a result of the implementation of Memorandum Order No. 27 shall be abolished.



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(d) *Transfer of Personnel*

Personnel may be transferred from one organic unit to another within a department, or from one organic unit to another within an attached agency, consistent with Civil Service laws, rules and regulations.

USE OF SAVINGS IN PROGRAMMED APPROPRIATIONS

4.1 *Definition*

Savings refer to portions or balances of any programmed appropriation (act or reserves) free of any obligation or encumbrance still available after the satisfactory completion or unavoidable discontinuance or abandonment of the work, activity or purpose for which the appropriation is authorized, or arising from unpaid compensation and related costs pertaining to vacant positions and leaves of absence without pay (Section 19, General Provisions, RA 7180).

4.2 *Uses*

Savings generated by departments or attached agencies on the abolition, phase out or scaling down of unnecessary activities may be used by said departments or attached agencies for the augmentation of their respective programs, projects and activities.

In the use of savings priority shall be given to the augmentation of the amounts set aside for salary standardization, bonus and retirement, and terminal leave benefits in the order listed, as provided for in Sec. 18, General Provisions, RA 7180.

The use of savings shall however be subject to Section 14, General Provisions, RA 7180 which states that no government funds shall be utilized for the following purposes:

*To purchase motor vehicles, except medical ambulances, military and police patrol vehicles, other utility vehicles, and those used for mass transport, and those specifically authorized in this Act;*

*To defray foreign travel expenses (except in the case of training, seminar or conference abroad when the officials and other personnel of the foreign mission cannot effectively represent the country therein, and travels necessitated by international commitments;*

provide fuel, parts, repair and maintenance of any government vehicle which is not permanently marked "FOR OFFICIAL USE ONLY" with the name or number of the agency, nor otherwise properly identified as a government vehicle assigned to the President, Vice-President, Senate President, Speaker of the House of Representatives, Chief Justice of the Supreme Court, and Chairmen of the Constitutional Commissions and those used by personnel performing intelligence and national security functions ...

To pay honoraria, allowances and other forms of compensation to any government official or employee, except those specifically authorized by law;

To be invested in non-government securities, money market placements and similar investments or deposited in private banking institutions."

These provisions are implemented through Executive Order 265 which prescribes the economy measures.

### Procedural Guidelines

- a) All budget modifications and corresponding realignments shall be forwarded to DBM. DBM shall issue the necessary Advices of Allotments authorizing such realignments, within 15 days upon receipt of the agency report.
- b) All realignments shall be within the specific amounts programmed in accordance with the approved agency work and financial plans.

## PART B. STREAMLINING PROCESS

Following the experience of some agencies, the streamlining of functions, activities and projects, as well as the organization structure and staffing may be facilitated if conducted on the basis of a planned process. The suggested process reflected in Annex A hereof, may be adopted by departments and agencies as guide for their staff.

## PART C. REPORTING PROCEDURE

### 3.1 Submission Specifications

All departments shall submit a Department Streamlining Report covering all the organic units and attached agencies of the department, in accordance with the format prescribed in Sec. 5.1 of Memorandum Order No. 27 (forms attached).

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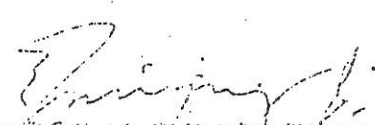
#### Submission Schedule

The Streamlining Report shall be forwarded to DBM not later than 3 October 1992, for confirmation by the Office of the President.

#### PART 5. PROVISION OF TECHNICAL ASSISTANCE

The Department of Budget and Management shall provide all agencies, upon request, with technical assistance in the implementation of the provisions of Memorandum Order No. 27.

The cooperation of all department heads, bureau directors, planning officers, budget officers and all other agency staff involved will be critical in the success of the President's efforts to streamline the bureaucracy.

  
SALVADOR M. ENRIQUEZ, JR.  
Acting Secretary



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Appendix F

### FORMAL STRUCTURE MODIFICATIONS

DEPARTMENT	AGENCY/BUREAU	ORGANIZATION CHART	NARRATIVE ACTION SUMMARY

**Instruction:**

1. Prepare 1 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.

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## STREAMLINING PROCESS

### 1. CONDUCT OF A STREAMLINING WORKSHOP

To facilitate and systematize the streamlining process, department heads are encouraged to conduct a streamlining workshop which may involve the following suggested process:

#### 1.1 Organization Assessment

##### a) Coverage

- Review of the organization's mandate, performance and functional relationships
- Prioritization and disposition of functions/programs and projects/activities

##### b) Content Specification

- The Mandate Review shall establish the scope of the organization's mandate, the nature and substance or content of its functions, the clientele that it serves, and their major legal basis. It shall look into how the organization's functions/programs and projects/activities fulfill and are relevant to/consistent with the agency's mandate as well as how the organization's mission and program/project efforts serve the new administration's development goals and its Key Result Areas (KRAs).

*The results of the mandate review shall be presented in Table 1.1.*

- The Performance Review shall cover the period from 1986 to 1992 and the 1st Semester of 1992. It shall seek to establish relative cost-effectiveness/efficiency through a simplified measure of cost per unit of output in selected key performance indicators.

*The results of the performance review shall be presented in Table 1.2.*

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The review shall determine areas of cooperation/interface (shared responsibility/complementation and/or supplementation of efforts); areas of conflict/competition and unnecessary duplications. This should lead to the realignment and prioritization of the organization's functions/programs and projects/activities with the determination of what the organization is doing or should be doing and/or what it should not be doing at all.

*The results of this review shall be presented in Table I.3.*

1.2 Identification and Design of Organization Streamlining/Modifications

a) Coverage

- Function/program and project/activity restructuring
- Restructuring/reallocation of the FY 1992 Department/Agency Programmed Appropriations
- Streamlining of the Department/agency formal structure and staffing

b) Content Specifications

- Based on the the review of its mandate, performance and functional/program relationship, the organization shall examine the results of its review process of prioritizing functions/programs and projects/activities and draw up its Disposition Scheme indicating program/project ranking as well as which to stop; start, scale down or phase out, maintain/sustain or intensify or fast track.

The organization's function/program and project/activity restructuring through prioritization and dispensation schemes shall take into account the degree to which the criteria set forth in MO 27, Section 3 have been met.

*The results shall be presented in Table II.*



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Based on the restructured functions/programs and projects/activities, the organization's work targets and budgetary resources for FY 1992 shall be correspondingly modified or restructured.

The budget restructuring/reallocation shall reflect modifications in amounts allocated for personnel services, maintenance and operating expenses and capital outlays.

*These shall be summarized in Table III, which incorporates the data requirements set forth in MO 27, Annex A (Budget and Functions/Activities Modification Report Form).*

Likewise based on its restructured functions/programs and project/activities, the organization shall determine appropriate adjustments/arrangements in its formal structure and staffing pattern.

Adjustments in the formal structure of the organization shall be consistent with the modifications in its function/program/project/activity structure.

*These shall be presented in Table IV.1A.*

*The overall configuration of the organization's formal structure as revised/streamlined shall be presented in a chart accompanied by a summary narrative of actions, as indicated in Annex B (Formal Structure Modification Report Form) of MO 27.*

*Information on position titles, salary grades and whether or not the positions are filled or vacant/abolished shall be indicated in Table IV.2, which incorporates the data requirements of MO 27, Annex C (Staffing Modification Report Form).*

The organization's modifications, particularly on its formal structure and staffing pattern shall be pursued under conditions set for in MO 27, Section 4.

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Procedures for the Conduct of the Organization Assessment and Streamlining, and Report Preparation.

a) The organization assessment and streamlining including report preparation shall follow a framework-based, comprehensive and participatory process. The activities shall be conducted with the participation of the various central and regional units at different levels of the organization and in consultation with other concerned agencies in both the public and private sectors where appropriate.

b) The process shall begin with the review by all central and regional agencies/units of the Department, of MO 27 and its implementing guidelines as well as other pertinent documents containing organization data (mandate, functions/programs/projects, budgets, structure, including staffing patterns, performance records, clientele feedback, etc.).

Time Frame: If the review process would require a maximum period of two days per Department/Agency, the process if done simultaneously would be finished within one week. This may be done between September 7-11, 1992.

c) Each agency of the Department shall conduct its individual assessment and streamlining activities including the preparation of Individual Agency Reports following the specifications in these guidelines.

Time Frame: The conduct of Individual Agency Level Assessment would require three days of assessment and streamlining exercises, and another two days report preparation. This may be done between September 14-18, 1992.

d) Central and regional agencies of the Department with common function/program concerns shall cluster together, to conduct joint assessment and arrive at agreements on streamlining options/recommendations cluster/sector level, also following the specifications in these guidelines.

The reports of individual agencies/cluster/sector level shall be integrated into Cluster/Sector Level Reports.

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Remaining areas of disagreements shall be noted in these reports, for discussion/decision by the Senior Officials of the Department composed of the Secretary, Undersecretaries, Assistant Secretaries and Heads of attached agencies of undersecretary and assistant secretary rank.

Time Frame: The Cluster Level Assessment would require two day consultation sessions among cluster members and one day consolidation of cluster report. This may be done between September 21-23, 1992.

- e) The clusters/sectors of agency of the Department shall conduct inter-cluster/sector consultations and assessments. The Report of each cluster/sector shall reflect inter-cluster/sector agreements. Areas of disagreements shall be noted for discussion/decision by the Senior Officials of the Department.

Time Frame: Inter-Cluster Consultation would be done right after preparation of cluster program reports. This may be done between September 24 - 25, 1992.

- f) The Reports of each cluster/sector shall be integrated into a Department wide Report, for review by the Senior Officials and the Secretary. Final action including resolution of remaining areas of disagreements shall be taken at this level.

Time Frame: The integration/consolidation of reports of each cluster will require a maximum period of two to three days from September 26-28, 1992, after which a Senior Officials Consultation Meeting may be conducted on September 29, 1992. The Department/Agency Streamlining Report shall be submitted to DBM by October 3, 1992, at the Office of the Secretary, Mezzanine Floor, Administration Building, Malacañang, Manila.

#### 14 Consultation/Validation, Follow-Up and Final Action on Report Recommendations

Consultations/validation and other follow-up actions may be undertaken at the initiative either of the DBM or the concerned Departments/Attached Agencies.

2. PREPARATION OF THE STREAMLINING REPORT

To supplement the report forms prescribed under MO 27, the following report preparation process may be adopted:

a) Coverage.

The organization's Streamlining Report shall contain the results of its organization assessment and restructuring/streamlining of functions/program/projects/activities, formal structure, staffing and budgetary resources for FY 1992.

b) Format and Content Specifications

The Streamlining Report shall consist of 2-3 paged Executive Summary, the Main Body of the Report, and Annexes.

The Executive Summary shall briefly state the scope of the organization's mandate, nature and content of its functions, clientele and key program/result areas. It shall highlight the major modifications in functions/programs/projects/activities, formal structure, staffing and FY 1992 Budget of the organization.

The main body of Report shall present in greater detail the considerations and features of the organization assessment and streamlining modifications. Annexes A, B and C of MO 27 shall serve as Summary Tables A, B and C and therefore comprise part of the Report's main body.

The Annexes shall include Tables I to IV.2 as provided in these guidelines. These Tables shall serve as reference for supporting, validating and cross-checking the organization's basis and considerations regarding its streamlining decisions.

The Annexes shall also include a Directory of Departments/Attached Agencies cited in Tables in acronyms.

The Annexes shall likewise include a 3-paged report on the process and procedures followed in the actual conduct of the organization assessment and streamlining, including report preparation.

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Annex 1

ORGANIZATION ASSESSMENT AND STRATEGIZING  
 Schedule of Activities  
 August 14 - October 3, 1992

DATE	ACTIVITY	EXPECTED OUTPUT	AGENCY/UNIT/PERSONNEL INVOLVED
September 7-11, 1992	1. Review of documents/organization data <ul style="list-style-type: none"> <li>o Memorandum Order #21/Implementing Guidelines</li> <li>o Organization's Mandate/Functions</li> <li>o Programs/Projects</li> <li>o Budgets</li> <li>o Organizational Structure</li> <li>o Staffing Patterns</li> <li>o Performance Records</li> <li>o Clientele Feedback</li> </ul> 2. Organization Assessment	Reviewed Documents	All Agencies/Units in the Department (Central and Regional Offices)
September 14-16, 1992	2.1 Individual agency level Assessment	Report of Individual Agency/Unit in the Department as specified in Implementing Guidelines # 1.3C	Central Offices of the Department <ul style="list-style-type: none"> <li>o Services</li> <li>o Bureaus</li> <li>o Structural Units</li> </ul> Regional Offices of the Department
September 21-23, 1992	2.2 Group/Cluster/Sector Level Assessment	Report of Each Group/Cluster/Sector in the Department as specified in Implementing Guidelines # 1.3D	Group/Cluster/Sector of the Department with Special Functionally/Program Concerns
September 24-25, 1992	2.3 Inter-Group/Cluster/Sector Consultation/Assessment	Inter-Group/Cluster/Sector Reports of agreements as specified in Implementing Guidelines # 1.3E	Staff of Heads of Sectors/Cluster Groups, or Special Committees/Task Force

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DATE	ACTIVITY	EXPECTED OUTPUT	AGENCY RES PERSON/CONTRACT
September 26, 1992	Initiation/Implementation of Department-wide Internal Audit Report	Circulating Report of the Department	Staff of reported Secretary/Assistant Controller Tax
September 29, 1992	A-4 Letter to the State Comptroller/Management	Report of Senior Officials' comments/resolutions as specified in Implementing Guide Lines 4.1.1	Staff of various Sects./Divisions/Units or Special Committee/In Charge
October 3, 1992	Approval of Department-wide Circulating Report	Circulating Report of the Department	Secretary of the Department/...
October 4, 1992	Finalization and circulation of the proposed Department-wide Circulating Report	Finalized circulating Report	HR
October 5, 1992	Final submission to the President of final Report		HR



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ORGANIZATION ASSESSMENT: MARIJUANA REVIEW

Department/Agency:

KEYWORDS:

REMARKS:

BASIC FUNCTIONS

MANAGER :

SCOPE :

CLIENTELE :

JOB BASIS :

MISSION STATEMENT:

FUNCTIONS AND PROGRAMS/PROJECTS/ACTIVITIES

RESPONSIBLE : CLIENTELE COVERAGE

UNIT(S)

RELIANCE/CONSISTENCY CHECKS AS TO:  
(Indicate L for low consistency/relevance, M for medium and H for high)

AGENCY

MARKETS

VALUES

DEPARTMENT GOALS/ADMINISTRATIVE AIDS

INDICATOR

RATING



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MINNEAPOLIS POLICE DEPARTMENT  
711 WEST

MINNEAPOLIS

10/15/77/5580/10111 1500

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TABLE II  
FUNCTION/PROGRAM PROJECT/ACTIVITY RESTRICTIONS

DEPARTMENT/AGENCY

FUNCTIONS AND PROGRAMS/ PROJECTS/ACTIVITIES	RESPONSIBILITY/ CONCERNED AGENTS	CONSISTENCY/ADJUSTABLE CHECKS (Indicate in Appropriate Columns A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z for Consistency/Relevance level; H for Radio, and II for High)	DISPOSITION SCHEME (CHECK APPROPRIATE COLUMN)	OVERALL PRIORITY/RANKING SCHEME (Rank I to Highest (No. 1) To Lowest)
			STOP SHIPS (a) (b) (c) (d) REVISIT PROGRAM REVISIT REGULATIONS REVISIT PERFORM/WORK/STAFF/PROGRAM REVISIT REVIEW OF SATISFACTION 10% PUNC. OF MOST CRITERIA	PROGRAM PRO- GRESS START SUSTAIN TRACK

REMARKS

Disposition Criteria Per 40 CFR, Section 3

- a. Those that are directly involved in the (1) social, economic and political environment of the people, (2) private sector initiative; or those that (3) contribute to the creation of livelihood or employment opportunity, and (4) 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 the environment or provide strategic support thereof.





