

THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

SENATE  
OFFICE OF THE SECRETARY

04 JUN 30 P2 52

SENATE

S. No. 222

RECEIVED BY: 

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Introduced by Senator S. R. Osmeña III

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#### EXPLANATORY NOTE

According to generally accepted principles of good governance, the role of the government is primarily that of setting the stage to ensure the success of private enterprises.

In the Philippine reality, however, government has not chosen to keep to the background in support of private businesses. It has shown a tendency to grow, to venture increasingly into areas which are ideally the domain of private businesses, and in the process, to increase its expenditure programs well beyond the capacity of the tax system to finance.

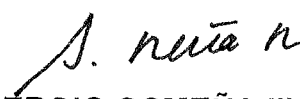
This bill seeks the creation of a Government Reorganization Commission to undertake studies and propose measures to abolish, merge, integrate, transfer, regroup, or restructure departments, bureaus, offices, government-owned and controlled corporations and other agencies of the Executive Branch in order to eliminate overlapping and/or fragmentation functions programs and activities.

The Commission is proposed to be chaired by the Chairman of the Senate Committee on Civil Service and Government Reorganization. It will have 15 members representing both houses of Congress, the Civil Service Commission, and representatives from the private sector and a recognized government employees organization.

The Commission is mandated to submit a report of its study and reorganization Plan to the President who may, if so inclined, submit the same to Congress for approval through a concurrent resolution.

At present, government is a significant contributor to the tremendous waste of resources in the Philippine economy. All the rhetoric about reducing poverty and bringing about Philippine economic resurgence should start with the urgent need to trim down the unnecessary and redundant appendages of the government and make it better able to address the needs of development.

In view of the foregoing, early passage of this bill is earnestly requested.

  
SÉRGIO OSMEÑA III  
Senator

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AN ACT  
REORGANIZING THE GOVERNMENT BUREAUCRACY, CREATING A  
GOVERNMENT REORGANIZATION COMMISSION, DEFINING ITS POWERS AND  
FUNCTIONS AND FOR OTHER PURPOSES

*Be it enacted by the Senate and the House of Representatives of the Republic of the  
Philippines in Congress assembled:*

1       SECTION 1. **Short Title.** – This Act shall be known as the  
2       **"Government Reorganization Act of 2004."**

3       SEC. 2. **Declaration of Policy.** – It is declared the policy of the State to  
4       maintain an efficient, effective, professionalized, and properly compensated  
5       bureaucracy which scope and focus of functions, programs and activities  
6       support national development goals and efforts and whose size and  
7       organizational structure promote economy, productivity, innovation and  
8       responsiveness and service to the general public.

9       SEC. 3. **Creation of the Government Reorganization Commission.** –  
10       Pursuant to the preceding section, a Government Reorganization Commission,  
11       hereinafter referred to as the Commission, is hereby created with the following  
12       as members thereof:

- 13       1. Chairman of Senate Committee on Civil Service and Government  
14       Reorganization, who will be its chairman;  
15       2. Chairman of House Committee on Government Reorganization, who  
16       will be a co-vice chairman;

- 1           3. Chairman of the House Committee on Civil Service, who will be a co-
- 2           vice chairman;
- 3           4. Three(3) majority members of the Senate Committee on Civil Service
- 4           and Government Reorganization;
- 5           5. One (1) minority member of the Senate Committee on Civil Service
- 6           and Government Reorganization;
- 7           6. One (1) majority member of House Committee on Government
- 8           Reorganization;
- 9           7. One (1) majority member of House Committee on Civil Service;
- 10          8. One (1) minority member of the House Committee on Civil Service
- 11          and/or Government Reorganization;
- 12          9. Chairman and the two (2) members of the Civil Service Commission;
- 13          10. Representative from the private sector to be appointed by the
- 14          President; and
- 15          11. Representative from a recognized government employees
- 16          organization to be nominated by members of such organization.

17          SEC. 4. **Mandate.** – The Commission shall pursue a survey of the

18 government bureaucracy and draft a plan of reorganization of all entities and

19 offices of the Executive branch of government. These shall include all

20 departments and their respective attached agencies, bureaus, offices,

21 commissions, boards, councils, authorities, including government-owned and

22 controlled corporations, state universities and colleges, and all other

23 instrumentalities of the Executive branch.

24          SEC. 5. **Powers and Functions.** – Pursuant to Section 2 of this Act, and

25 in order to ensure the successful implementation of the reorganization of the

26 Executive branch, the Commission is hereby authorized to:

- 27          1. formulate and administer the necessary guidelines, rules, and
- 28          procedures to implement and ensure adherence to this Act;

- 1           2. draft a plan to abolish, merge, integrate, transfer, and regroup, or  
2           restructure departments, bureaus, offices, government-owned and  
3           controlled corporations, and other agencies of the Executive branch  
4           only for the purpose of eliminating overlapping and fragmented  
5           functions, programs and activities; effects the distribution and transfer  
6           to appropriations, assets, liabilities, equipment, records, other  
7           properties, transactions, positions, and personnel, all the time giving  
8           due regard to pertinent laws and rules and regulations, and the right  
9           to security of tenure of civil service officers and employees;
- 10          3. adopt a human resource development strategy, and a government  
11          staffing and remuneration policy to include a rewards and incentives  
12          scheme that will establish equity, promote morale, productivity,  
13          innovativeness, professionalism, and creativity, and attract and retain  
14          the best and the brightest within the civil service; and
- 15          4. adopt and enforce the necessary guidelines, rules and regulations,  
16          and processes to fully implement the reorganization herein, provided.

17          SEC. 6. ***Principles and Parameters.*** – The reorganization of the  
18          Executive branch herein authorized shall be carried out according to the  
19          following principles and guidelines:

- 20          1. *Government's role*, and the determination of the scope, level, and  
21          prioritization of its activities shall be in accordance with its  
22          Constitutional mandate, political and socioeconomic objectives, and  
23          available resources, to be guided by the following policies:
  - 24                  a. Government shall prioritize the strengthening its fundamental  
25                  functions, among which are:
    - 26                          1. effective macro-economic management, including the  
27                          formulation and implementation of socioeconomic, fiscal,  
28                          and monetary policies;

- 1                   2. the maintenance of peace and order, and national political
- 2                   security;
- 3                   3. the conservation of natural resources and ensuring their
- 4                   productive utilization and development for the national
- 5                   welfare;
- 6                   4. the maintenance of an effective and reliable system of
- 7                   administering justice, lawmaking, and law enforcement;
- 8                   5. providing quality basic and secondary education, especially
- 9                   to the poor and disadvantaged population;
- 10                  6. providing adequate and appropriate infrastructure;
- 11                  7. promoting economic and political diplomacy to achieve
- 12                  sound and mutually productive economic and political
- 13                  relations with other nations and international communities;
- 14                  8. the promotion of total human development; and
- 15                  9. disaster mitigation and the effective management of state
- 16                  emergencies and calamities.
- 17                  b. Government's role shall e to steer and mobilize the instruments
- 18                  that contribute to achieving sectoral objectives. To this end,
- 19                  Government shall focus its sectoral functions on:
- 20                  1. policy setting, monitoring, and assessment;
- 21                  2. promotion and advocacy;
- 22                  3. providing information and linkages or access to markets;
- 23                  4. providing assistance and incentives;
- 24                  5. enforcement of the appropriate rules and regulations; and
- 25                  6. providing safety nets for adversely affected sectors of the
- 26                  population.
- 27                  c. To the extent possible, government shall limit direct provision
- 28                  and production of public goods and encourage more private
- 29                  sector participation.

- 1           2. The National Government shall assist, supervise, and monitor local  
2           government units to complement the greater autonomy granted to  
3           them. The declination of responsibilities between the National  
4           Government and local government units in the provisions and  
5           production of public goods shall be clearly defined and agreed upon.
- 6           3. The National Government shall adopt a structural framework that will  
7           define the vertical as well as horizontal compartmentalization of the  
8           Executive Branch, including the basic structural and functional  
9           configuration of departments and agencies. It shall likewise adopt a  
10          typology of government offices which shall serve to determine the  
11          proper organizational configurations and groupings of these offices.
- 12          4. The Executive Branch shall streamline its systems and procedures to  
13          facilitate and improve the relevance and quality of front-line services,  
14          and improve policy formulation, planning and performance, and  
15          evaluation and assessment. These systems and procedures shall e  
16          designed within the context of decentralizing the decision-making  
17          authority within the Executive Branch and its departments, agencies,  
18          bureaus, offices and other instrumentalities.

19           **SEC. 7. *Submission of Report to the President and Congress.*** – The  
20          Commission shall submit the report of its study and reorganization plan, to the  
21          President. If the President finds the report or plan satisfactory, the same shall be  
22          submitted to both Houses of Congress. The organizational plan, shall be  
23          effective upon the its approval of Congress through a concurrent resolution.

24           **SEC. 8. *Re-Tooling, Re-Training, and Re-Deployment Program.*** – The  
25          Government shall adopt and implement a re-tooling, re-training, and re-  
26          deployment program for personnel who might be displaced as a result of the  
27          reorganization of departments, agencies, bureaus, offices, and other  
28          instrumentalities of the Executive Branch. This program shall include the  
29          formulation of technical and objective criteria for the identification of redundant

1 positions and the consequent incumbents therein, the establishment and  
2 operation of a government manpower pool, and the re-tooling, re-training, and  
3 subsequent re-deployment of personnel to appropriate non-redundant positions  
4 in the newly reorganized agencies.

5 All personnel whose positions have been declared redundant shall be  
6 consequently be deployed to the government pool, which shall be established  
7 according to the following guidelines:

- 8 1. All redundant personnel shall continue to receive their basic salaries  
9 for one (1) year from the day their positions are officially declared  
10 redundant;
- 11 2. All allowances, financial and non-financial benefits, and other  
12 compensation received by the incumbents prior to their positions  
13 being declared redundant shall be terminated upon such declaration;
- 14 3. If the redundant personnel shall choose to immediately leave the  
15 government service, or before the expiration of the one(1) year period  
16 provided for, he shall be entitled to receive in cash his basic salary for  
17 the remaining period, in addition to any separation pay and other  
18 benefits due pursuant to Section 9 of Republic Act No. 6656;
- 19 4. Redundant personnel who are eligible for retirement under existing  
20 laws shall likewise be entitled to encash the basic salary for the  
21 remaining period, should they choose to retire before the end of the  
22 one (1) year period provided for; and
- 23 5. Residence in the manpower pool shall not be considered nor credited  
24 as service for purposes of computing retirement and separation  
25 benefits.

26 **SEC. 9. *The Judiciary and Constitutional Offices.*** – The Judiciary and  
27 Constitutional offices may likewise pursue a survey and reorganization of its  
28 ranks in accordance with the principles, guidelines, standards, and time frame  
29 prescribed in this Act. They may coordinate their respective reorganization

1 efforts with the Executive branch for better coordination and in the interest of  
2 public service.

3 SEC. 10. **Repealing Clause.** - All laws, decrees, orders, rules and  
4 regulations and other issuances inconsistent with the provisions of this Act are  
5 hereby repealed or amended accordingly.

6 SEC. 11. **Separability Clause.** - Should any section or provision of this  
7 Act be declared unconstitutional or invalid, other sections or provisions not so  
8 affected shall continue to be full force and effect.

9 SEC. 4. **Effectivity Clause.** - This Act shall take effect fifteen (15) days  
10 after its publication in the *Official Gazette* and in at least two (2) newspapers of  
11 general circulation

12 Approved,