

[EXECUTIVE ORDER NO. 339, July 29, 2004]

MANDATING THE RATIONALIZATION OF THE OPERATIONS AND ORGANIZATION OF THE SUGAR REGULATORY ADMINISTRATION

WHEREAS, it is the policy of government to continually improve the quality of public service delivery, amidst the people's rising expectations and its limited resources;

WHEREAS, to improve service quality, departments/agencies have to review their existing programs/projects/activities, systems and procedures to enable them to focus on core functions which could contribute to the attainment of their outcome objectives and which available resources could support;

WHEREAS, the *Sugar Regulatory Administration (SRA)*, created pursuant to RA 632 dated 6 June 1951, as amended, is one of the agencies of government which needs to pursue institutional reforms to address inconsistencies and redundancies in its present setup considering the current situation of the sugar industry and the sustainability of its operations;

WHEREAS, the Supreme Court has ruled in "Republic of the Philippines vs. Court of Appeals" dated 5 August 1991, that the SRA is neither a government-owned or controlled corporation nor a subsidiary, but an administrative agency;

WHEREAS, Sections 77 and 78 of the General Provisions of RA 9206 (General Appropriations Act of 2003), as reenacted, authorize the President of the Philippines to direct changes in the organizational units or key positions of any department or agency, and to require all departments/agencies of the Executive Branch to conduct a comprehensive review of their respective mandates, missions, objectives, functions, programs, projects, activities and systems and procedures, identify areas for improvement and implement structural, functional and operational adjustments to improve government's service delivery and productivity, respectively;

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:

Section 1. Rationalization of the Organization and Operations of the SRA. The SRA is hereby directed to review its existing functions, programs/projects/activities, and systems and procedures in order to strengthen its vital/core services and to refocus resources to priority programs and activities.

Section 2. Guidelines. In the implementation of the SRA rationalization, the following guidelines shall be observed:

1. The SRA shall operate and adopt the organizational structure of a regular agency of the National Government, consistent with the ruling of the Supreme Court that it is neither a government-owned or controlled

corporation nor a subsidiary but an administrative body; and

2. The rationalization shall result in the reduction of its existing positions and the corresponding funding for the agency's personal services.

Section 3. Rationalization Timeframe. The SRA shall submit its revised organization structure and staffing pattern to the Department of Budget and Management (DBM) within sixty (60) days from the signing of this Executive Order.

Section 4. Options for Personnel Who May be Affected by the Rationalization of the Functions and Organization of the SRA. Personnel who may be affected by the rationalization of the functions and organization of the SRA shall have the option to remain in government service, if with permanent/temporary appointment attested by the Civil Service Commission (CSC), or to retire/be separated and paid benefits as herein provided.

Section 5. Personnel Who Opt to Remain in the Service. Affected personnel with permanent or temporary appointment who do not want to retire or be separated from the government service shall be placed/assigned to other agencies by the CSC where additional personnel are required. Such affected personnel shall not suffer any diminution in pay, except for certain allowances that used to be given corresponding to the performance of specific functions which would no longer form part of their new functions.

Personnel who would choose to remain in government service but would later object to his/her new job assignment shall be deemed separated/retired and shall be paid retirement, separation or unemployment benefit under the regular existing retirement/separation laws, as applicable, without the incentive provided herein.

Section 6. Personnel Who Opt to Retire or Be Separated from the Service. Affected personnel, with appointments attested by the CSC, whether hired on a permanent or temporary basis, who opt to retire or be separated from the service, and those hired on a casual or contractual basis, if qualified, shall be given the option to avail themselves of any of the following, whichever is beneficial to them.

6.1 Retirement gratuity provided under RA 1616 (An Act Further Amending Section 12 of Commonwealth Act No. 186 as Amended, By Prescribing Two Modes of Retirement and for Other Purposes), as amended, payable by the SRA, plus the refund of retirement premiums payable by the Government Service Insurance System (GSIS), without the incentive herein provided.

6.2 Retirement benefit under RA 660 (An Act to Amend Commonwealth Act No. 186 Entitled "An Act to Create and Establish a Government Service Insurance System, to Provide for its Administration, and to Appropriate the Necessary Funds Therefor," and to Provide Retirement Insurance and for Other Purposes) or applicable retirement, separation or unemployment benefit provided under RA 8291 (An Act Amending PD 1146, as Amended, Expanding and Increasing the Coverage and Benefits of the Government Service Insurance System, Instituting Reforms