

[MEMORANDUM ORDER NO. 252, January 13, 1995]

ESTABLISHING CRITERIA AND ADMINISTRATIVE PROCEDURE FOR COMPENSATION ADJUSTMENTS FOR GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS (GOCCS) AND GOVERNMENT FINANCIAL INSTITUTIONS (GFIS)

The Government Corporate Monitoring and Coordinating Committee (GCMCC) is hereby directed to convene for the purpose of identifying Government-Owned and Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs) which will qualify for compensation adjustments under the criteria and guidelines hereunder indicated and to recommend for approval by this Office the corresponding compensation packages.

With the GMCC's recommendations, shall be submitted an Index of Occupational Services in the qualified GOCCs and GFIs clearly identifying and providing benchmark positions for salary grade adjustments as closely comparable to their private sector counterparts.

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Qualification Criteria

The GOCCs/GFIs to be recommended for compensation adjustments must satisfy the following criteria:

- a. Strategic Position - The GOCC/GFI must be operating in a strategic industry with strong and extensive backward and forward linkages with other industries.
- b. Proprietary Functions - The GOCC/GFI must be performing proprietary functions and activities more in the nature of a private character or enterprise, rather than governmental or political in character.
- c. Stability and Self-Reliance - The GOCC/GFI must not be a recipient of any operational subsidy or guarantee from the National Government, except for those required in the ordinary conduct of its business or activities, e.g. required by lending institutions pursuant to their charters.
- d. Performance Rating - The economic performance of the GOCC/GFI for the preceding fiscal year should at least be at par with its high-performing private counterparts, evaluated by the applicable industry standards as determined by the GCMCC.
- e. Financial Capacity - The GOCC/GFI must be financially capable of sourcing the compensation adjustments solely from their corporate funds without prejudicing corporate operations or sacrificing agreed corporate