

# EXPRESSION OF COMMITMENT FOR GCG

BY

**CHAIRMAN CESAR L. VILLANUEVA**

On the signing of the MOA for the Strengthening of the Appointment Process in the GOCC Sector on 21 June 2013, Friday, at 9:00 a.m., Function Room, Office of the Ombudsman, Diliman, Quezon City

The Honorable Ombudsman, Justice Conchita Carpio Morales, Officers and Staff of the Office of the Ombudsman and the Governance Commission for GOCCs, good morning.

We express our belated greetings for Madame Ombudsman's birthday.

As the Office of the Ombudsman celebrates its 25<sup>th</sup> Anniversary, it is with great pleasure to be here in this important gathering that saw the signing of the Memorandum of Agreement (MOA) between the Office of the Ombudsman and the GCG, to important government agencies that are at the center of promoting good governance in the public sector.

Indeed, there have been many significant changes in the GOCC Sector as the GCG pursues its mandate under Republic Act (R.A.) No. 10149, the "GOCC Governance Act of 2011" – to serve as a "central advisory, monitoring, and oversight body with authority to formulate, implement and coordinate policies" of GOCC Sector.

Soon after the GCG was constituted in October of 2011, it swiftly went to work in order to address the problems facing the government corporate sector, such as (a) weak regulatory framework; (b) lack of clear entity that exercises ownership functions; (c) poor oversight mechanism; and (d) the need for institutional rationalization and fiscal discipline to stop the drain on government finances. More significantly, the GCG has pursued vigorously its role as the agency mandated to ensure that: (1) the governance of GOCCs is carried out in a transparent, responsible and accountable manner and with the utmost degree of professionalism and effectiveness; and (2) the governing boards of every GOCC and its subsidiaries are competent to carry out its functions, fully accountable to the State as its fiduciary, and that it acts at all times in the best interest of the State.

Pursuant to R.A. No. 10149, the highest degree of diligence has been imposed on all Directors and Officers of GOCCs — that of extraordinary diligence. In addition, all Appointive Directors in the Governing Boards of GOCCs shall now be appointed by the President of the Philippines from a shortlist prepared by the GCG, and all Board Members, CEOs and other officers of GOCCs Boards shall now be subject to the *Fit and Proper Rule*, as approved by His Excellency. There is now no doubt that Directors and Trustees of GOCCs are public officers for they assume their offices with an appointment from the President of the Philippines, and cannot treat themselves as directors and trustees of private corporations.

It goes without saying that the evaluation of the qualifications of the Appointive Directors cannot be possible without the GCG coordinating all its efforts with the Office of the Ombudsman, as the “protector of the people [mandated to act] on complaints filed in any form or manner against officers or employees of the Government, or of any subdivision, agency or instrumentality thereof, including government-owned or controlled corporations, and enforce their administrative, civil and criminal liability in every case where the evidence warrants in order to promote efficient service by the Government to the people.”

The GCG needs the assistance and cooperation of the Office of the Ombudsman in evaluating the pending cases filed before it against nominees for appointment as Directors, Trustees, Administrators, Commissioners and/or Members of the Governing Boards of GOCCs, which fall under the coverage of R.A. No. 10149, in order to ensure that only those fit and qualified to govern the GOCCs, and only those who can best serve the country are appointed by His Excellency.

The GCG is grateful for the trust and confidence reposed by the Ombudsman in finally signing this MOA. The GCG commits itself to abide by the rules of confidentiality and principles of mutual assistance and cooperation with the Office of the Ombudsman.

In line with His Excellency’s “Daang Matuwid” cornerstone policy, it is only fitting that the GCG and the Office of the Ombudsman work hand in hand to eradicate corruption, and to promote integrity, transparency and good corporate governance within the GOCC sector.

Thank you, and again a pleasant morning to all.