



MEMORANDUM ORDER NO. 2021-04

AUTHORIZING THE PHILIPPINE GUARANTEE CORPORATION TO CREATE THE PROGRAM MANAGEMENT DEPARTMENT

WHEREAS, the Governance Commission for GOCCs (GCG), pursuant to Republic Act (R.A.) No. 10149, is mandated to “evaluate the performance and determine the relevance of the GOCC, to ascertain whether such GOCC should be reorganized, merged, streamlined, abolished or privatized, ...[and] implement the reorganization, merger or streamlining unless otherwise directed by the President”;

WHEREAS, the Electric Cooperative Partial Credit Guarantee (ECPCG) was established by the Department of Finance and Department of Energy pursuant to the grant from the Global Environment Facility, which provides guarantees to commercial loans of Accredited Financial Institutions to Electric Cooperative borrowers to finance power distribution system upgrades and reduce systems losses;

WHEREAS, the LGU Guarantee Corporation, a private entity owned by the Development Bank of the Philippines and the Bankers Association of the Philippines, was the designated program manager of the fund for the implementation of the ECPCG and ceased to operate effective April 2020;

WHEREAS, the Philippine Renewable Energy Development Project (PHRED) is a project of World Bank; an expansion of the ECPCG and a follow up to both the Rural Power Project (RPP) and the Electric Cooperative System Loss Reduction Project. The PHRED is intended to support the growth and development of the Philippine renewable energy industries as well as the viability of the country’s electric cooperatives. It seeks to build on the more promising aspects of the RPP for investment support to renewable energy and energy efficiency. It will focus on the energy efficiency and renewable energy market segment in the rural electrification sector, which are less likely to obtain commercial financing;

WHEREAS, in its letter dated 27 March 2020, the World Bank, upon its conduct of due diligence, concluded that the PHILGUARANTEE, meets its eligibility criteria for financial intermediaries and is eligible to act as the program manager of the PHRED/ECPCG.

WHEREAS, the PHILGUARANTEE Board of Directors, thru Resolution No. 061, s. 2020, **accepted** the designation of PHILGUARANTEE as Program Manager of the PHRED/ECPCG, and **approved** the creation of a Program Management Department (PMD);

WHEREAS, the GCG-approved Restructuring Plan¹ of the PHILGUARANTEE pursuant to Executive Order No. 58, s. 2018² consisting of 65 organizational units and 328 positions is arranged according to customer or product type;

WHEREAS, in its letter dated 09 October 2020, PHILGUARANTEE proposed the creation of the PMD, including its attendant staffing requirement, as it will be essential in the administration of the PHRED/ECPCG, inasmuch as these programs need to be originated, managed and monitored by capable personnel. Moreover, PHILGUARANTEE proposed that the PMD will be under its Corporate Business Group (CBG), being the responsible unit in the origination and execution of the guarantee facilities intended for strategic/priority areas.

WHEREAS, the GCG determined that it is in the best interest of the State and the public to create the PMD, including its attendant staffing requirement, to promote better, effective, and efficient services to the public;

NOW, Be it –

RESOLVED, the creation of PHILGUARANTEE's Program Management Department under the Corporate Business Group is hereby **APPROVED**;

RESOLVED FURTHER, that pursuant to Board Resolution No. 061, the following are the manpower of the Program Management Department:

Manpower	Office	Status on the Program
President	PGC ³	-
SVP ⁴	PGC	-
Treasury	PGC	-
Accounting	PGC	-
Program Manager/VP	PGC	-
PMO Consultant	JO ⁵	Part-time
Account Officer	JO	Full-time
Admin. Staff	JO	Full-time
MIS/IT	JO	Full-time
Driver / Messenger	JO	Full-time

RESOLVED FINALLY, that the authorization to create the PMD is **SUBJECT TO THE FOLLOWING CONDITIONS**:

1. The Project Management Department shall be abolished once the PHRED/ECPCG ceased to operate or upon the cancellation of PHILGUARANTEE as Program Manager of the PHRED/ECPCG;
2. The pertinent budgetary, accounting, auditing, civil service and other applicable laws, rules and regulations shall be complied with.

¹ GCG Memorandum Order No. 2019-10 dated 04 July 2019.

² Merger of the Home Guaranty Corporation (HGC) and the Philippine Export-Import Credit Agency (PhilEXIM), transferring the guarantee functions, programs and funds of the Small Business Corporation (SBC), and administration of the Agricultural Guarantee Fund Pool and the Industrial Guarantee and Loan Fund (IGLF) to the PhilEXIM, and renaming PhilEXIM as the Philippine Guarantee Corporation (PhilGuarantee) on 23 July 2018

³ Philippine Guarantee Corporation.

⁴ Senior Vice President.

⁵ Job Order.

DONE, in the City of Makati, this 31st day of March 2021.