



Sana Sana sa DECS

Office of the Secretary

November 13, 1997

DECS ORDER

No. 97, s. 1997

**IMPLEMENTING AUSTERITY MEASURES
IN GOVERNMENT FOR 1997**

To: Undersecretaries/Assistant Secretaries
Bureau/Center/Service Directors
Regional Directors
School Superintendents
District Supervisors

1. Enclosed is a copy of Executive Order No. 454 dated October 31, 1997 entitled "Implementing Austerity Measures in Government for 1997."
2. Particular attention is hereby directed to Section 4 of the attached EO. At the DECS Central Office, austerity shall include fiscal/cost reduction of 10% assigned to Director Maximó C. Aljibe as action person.
3. Dissemination of and compliance with this Order is directed.


RICARDO T. GLORIA
Secretary

Incl: As stated

Reference: None

Allotment: 1-3-(D.O. 50-97)

To be indicated in the Perpetual Index
under the following subjects:

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BY THE PRESIDENT OF THE PHILIPPINES
EXECUTIVE ORDER NO. 459

IMPLEMENTING AUSTERITY MEASURES IN GOVERNMENT FOR 1997

WHEREAS, in the light of the current currency crisis, the government has reassessed its financial condition to ensure that its targeted fiscal position remains on track;

WHEREAS, the recent peso depreciation and associated rise in interest rates will increase government expenditures in forms of higher foreign-denominated costs and larger expenditures for debt servicing, among others;

WHEREAS, there is a need to maintain a prudent and firm fiscal posture to send positive signals about the government's genuine commitment to economic stability and sustainable growth and facilitate the reduction of the country's current account deficit and domestic interest rates;

WHEREAS, the Consultative Conference on Socio-Economic Development on 26 September 1997 has reaffirmed the need for government to identify cost-reduction measures to meet the fiscal targets for the year and augment resources for priority economic and social projects;

NOW, THEREFORE, I FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the power vested in me by the Constitution, do hereby order and direct:

SECTION 1. All government departments and agencies, including state universities and colleges, government owned and controlled corporations and local government units shall implement austerity measures to reduce expenditures and enhance cost effectiveness and efficiency in government programs and projects. For this purpose, they shall identify and undertake measures that will reduce expenditures by at least five (5%) percent of authorized regular appropriations for non-personal services items.

SEC. 2. The measures may include the implementation of any or all of the following:

1. Continued implementation of the policy on personnel retention;
2. Defecment of any of the following activities:
 - a. Acquisition of motor vehicles;

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- b. All foreign travels of government personnel, except those approved by the Office of the President and those associated with scholarships and trainings funded by sponsors other than the government;
- c. Attendance to conferences by private sector entities where the cost shall be charged to the government;
- d. Conduct of trainings/workshops/seminars except those conducted by government training institutions and agencies in the performance of their regular functions and those that are funded by foreign grants;
- e. Conduct of cultural and social celebrations except milestone anniversaries;
- f. Construction of new office buildings except those that have already been contracted; and
- g. Grant of honoraria except in cases where it constitutes the only source of compensation from government received by the person concerned.

2.3 Cost saving on the use of office supplies, electricity and other utilities, including communication and other regular operating expenses; and

2.4 Projects that are encountering problems and significant cost-overruns may be identified and deferred to succeeding years.

SEC. 3. Agencies are given the flexibility to identify sources of cost savings, provided the 5% minimum savings under Section 1 is complied with.

SEC. 4. All agencies shall prepare their respective austerity programs and submit a report thereon to the Office of the President, through the Department of Budget and Management (DBM), on or before November 15, 1997.

SEC. 5. This Executive Order shall take effect immediately.

DONE in the City of Manila, this 8/9 day of October, in the year of our Lord, Nineteen Hundred and Ninety-Seven.

By the President:


ROBERT S. TORRES
 Executive Secretary

