



NOV 07 2006

DepED MEMORANDUM
No. 390, s. 2006


DISSEMINATION OF MEMORANDUM ORDER NO. 228
AND ADMINISTRATIVE ORDER NO. 161

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services, Centers and Heads of Units
Regional Directors
Schools Division/City Superintendents

1. For the information and guidance of all concerned, enclosed are copies of the following:

- 1) Memorandum Order No. 228 dated October 5, 2006 entitled "Directing all Departments, Bureaus, Commissions, Agencies, Offices and Instrumentalities of the National Government to Improve Transaction Costs and Flows in Order to Enhance Philippine Competitiveness." and
- 2) Administrative Order No. 161 dated October 5, 2006 entitled "Institutionalizing Quality Management System in Government".

2. Immediate dissemination of this Memorandum is desired.


FRANKLIN C. SUNGA
Undersecretary

Encls.: As stated
Reference: None
Allotment: 1—(D.O. 50-97)
To be indicated in the Perpetual Index
under the following subjects:

BUREAUS & OFFICES

LEGISLATIONS

OFFICIALS

Sally: M.O. 228 & A.O. 161
October 26, 2006

**MALACAÑANG
MANILA**

BY THE PRESIDENT OF THE PHILIPPINES

MEMORANDUM ORDER NO. 228

**DIRECTING ALL DEPARTMENTS, BUREAUS, COMMISSIONS, AGENCIES,
OFFICES AND INSTRUMENTALITIES OF THE NATIONAL
GOVERNMENT TO IMPROVE TRANSACTION COSTS AND FLOWS
IN ORDER TO ENHANCE PHILIPPINE COMPETITIVENESS**

WHEREAS, it is the collective desire of the government and the business sector to move up in international competitiveness rankings in the immediate future;

WHEREAS, the holding of a National Competitiveness Summit immediately addresses the critical problems on a business efficiency, infrastructure, and governance, which are causing the decline in the country's international competitiveness;

WHEREAS, key government agencies, private business organizations and academic institutions drafted an initial Action Agenda for national Competitiveness, laying down the foundation for a unified national campaign to address six sources of competitiveness, namely; Infrastructure, Human Resources, Transaction Flows and Costs, Energy Cost Competitiveness and Self-Sufficiency, Efficiency Public-Private Management and Access to Financing;

WHEREAS, the delivery of immediate and concrete gains in all performance fronts on target and on time by the end of the year 2006 is imperative to jumpstart the national competitiveness;

WHEREAS, the biggest drag to business efficiency and costs is red tape and its resultant corruption;

WHEREAS, the global perception of difficulty in doing business in the Philippines will erode national competitiveness unless, drastic steps are taken to compel key frontline agencies to streamline procedure.

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:

1. All agencies shall:




POMA Hologram # 37146

- a. Freeze the issuance of additional administrative requirements, particularly with regard to business and investments registration, immigration, customs and internal revenue procedures.
 - b. Conduct an impact analysis on existing procedures and implement streamlined processes as previously instructed in Executive Order 428, dated May 18, 2005.
 - c. Implement e-Governance features in the course of streamlining procedures.
2. All agencies shall coordinate with the Public-Private Sector Task Force on Philippine Competitiveness and submit within thirty (30) days their recommendations.
 3. Failure to follow the directives herein provided shall subject concerned agencies and/or officials to administrative sanctions, pursuant to existing laws, rules and regulations.
 4. All other orders and issuances, or portions thereof, which are inconsistent with this Memorandum Order, are hereby revoked, amended or modified accordingly.
 5. This Memorandum Order shall take effect immediately upon its publication in a national newspaper of general circulation.

Done in the City of Manila, this *5th* day of *October*, in the year of our Lord, Two Thousand and Six.

Gloria M. Araya

By the President:

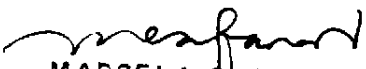

EDUARDO R. ERMITA
Executive Secretary



PGMA Hologram #

37147

CERTIFIED COPY:


MARCELA S. RAFANAN
DIRECTOR IV
Malacanang Records Office

gla 10-9-06
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BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 161

INSTITUTIONALIZING QUALITY MANAGEMENT SYSTEM IN GOVERNMENT

WHEREAS, the Philippines was ranked number 49 among 61 countries in the 2006 World Competitiveness Yearbook, and number 77 among 117 countries in the Global Competitiveness Report of the World Economic Forum;

WHEREAS, there is a need to identify specific actions to improve the country's competitiveness ranking specifically in the areas of business and government efficiency;

WHEREAS, the International Organization for Standardization (ISO) has developed standards for Quality Management System known as the ISO 9000 series to ensure consistency of quality products and services through quality processes;

WHEREAS, the Philippines has adopted the ISO 9001:2000 Philippine National Standards to build a quality culture that characterizes customer-driven organizations and to further strengthen the global competitiveness among the economic sectors;

WHEREAS, there is a need to establish a national system of accreditation as a specific strategy to promote transparency and accountability in governance, provide a framework for assessing quality system performance, establish public service quality standards and recognize quality excellence among the government organizations;

WHEREAS, a growing number of certified agencies can serve as benchmarks and models of quality excellence for other agencies to emulate, thereby building a culture of continual improvement in government.

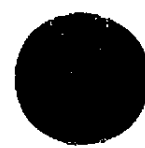
NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the power vested in me by law, do hereby order:

SECTION 1. Institutionalization of Quality Management System in Government. All government agencies and government owned and controlled corporations (GOCCs) are hereby enjoined to establish an ISO-aligned Quality Management System to be recognized for demonstrated conformity of such quality management system to applicable Philippine National Standards. This shall be achieved through the implementation of a government-wide Quality Management Program.

Local Government Units (LGUs) are encouraged to likewise establish an ISO-aligned Quality Management System (QMS).



PGMA Hologram # 37144



SECTION 2. Objectives of the Government Quality Management Program. The Government Quality Management Program (GQMP) has the following objectives:

- a. Promote and enhance public sector performance through the adoption of ISO 9001:2000-aligned QMS in all government agencies, GOCCs and LGUs;
- b. Develop an institutional infrastructure that shall provide certification comparable to international certification;
- c. Recognize customer-driven government organizations that have demonstrated alignment to international standards for other government agencies to emulate.

SECTION 3. Development of Institutional Structure, Systems, and Standards. The Department of Budget and Management thru its Organization Productivity Improvement Bureau, the Department of Trade and Industry thru its Bureau of Product Standards and the Development Academy of the Philippines are hereby directed to constitute a committee to formulate the appropriate institutional framework, mechanisms and appropriate standards within sixty (60) days from effectivity of this Administrative Order to effectively implement the GQMP and to ensure the credibility of all aspects of the system in line with applicable international standards, including the adequacy of the criteria and processes for recognition, and to assess how well the system is serving the national interest. Relevant constitutional bodies such as the Commission on Audit and the Civil Service Commission may be consulted to ensure alignment and integration of the QMS with existing government management systems.

SECTION 4. Effectivity. This Executive Order shall take effect immediately.

Done in the City of Manila, this 5th day of October, in the year of Our Lord, Two Thousand and Six.

By the President:


EDUARDO R. ERMITA
Executive Secretary

Glenn M. Lirio



PUNA Hologram # 37145

CERTIFIED COPY:

Marcela S. Rafanan
MARCELA S. RAFANAN
DIRECTOR IV
Malacanang Records Office

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