

**MALACAÑANG  
MEMORANDUM  
ORDERS**

**Malacañang Memorandum Order  
No. 97  
March 01, 1993**

**Subject : Further Rationalizing the Application of the Disbursement System Established Under Memorandum Order No. 276 on the Automatic Release Procedures Mandated Under Section 286 of the Local Government Code of 1991 for the Shares of the Local Government Units in the Proceeds from National Taxes**

**WHEREAS**, Section 286 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, provides that the share of each local government unit (LGU) in the annual internal revenue allotment, as well as from the proceeds in the development and utilization of the national wealth, shall be released, without need of any further action and without lien holdback for whatever purpose, directly to the provincial, city, municipal, or barangay treasurer, as the case may be.

**WHEREAS**, Memorandum Order No. 276, dated 12 January 1990, which established a Modified Disbursement System (MDS) for Government, seek to utilize the services of government financial intermediaries, not only to reduce the overhead cost of budgetary transactions and operations, but also to promote the growth, stability, and equity objectives of fiscal and monetary policies; and

**WHEREAS**, the application of the MDS on the automatic release procedures contemplated under Section 286 of the local Government Code may be further rationalized to likewise enhance the effectiveness and efficiency of the budget and cash programming systems of the individual provinces, cities, municipalities, and barangay;

**NOW THEREFORE, I, FIDEL V. RAMOS**, President of the Philippines, by virtue of the powers vested in me by law, and upon the recommendation of the Chairman of the Oversight Committee Constituted under Section 533 of the Local Government Code and at the initiative of the Chairman of the Development Budget Coordination Committee, do hereby order and direct the following:

1. Such sums as maybe appropriated under the annual General Appropriation Act of the share of LGUs in the proceeds from national taxes shall administered and programmed by the Department of Budget and Management (DBM) for direct release to individual provinces, cities, municipalities, and barangays in accordance with the procedures

prescribed for the purpose under the Local Government code, with whatever additional special provisions, which may be set by Congress in the yearly General Appropriation Act and with other existing laws, rules and regulations pertinent to the matter.

2. The comprehensive Advice of Allotment and the corresponding Notices of Cash Allocation covering the share of LGUs in the proceeds from national taxes shall be prepared by the DBM as basis for drawing monthly MDS checks for credit to the current accounts in any of the authorized government servicing banks of the concerned province, city, municipality, and barangay pursuant to established MDS procedures. The necessary guidelines and the appropriate delegation of authority to its offices in the field shall be promulgated and issued to ensure prompt compliance by DBM with this directive
3. Established MDS banking arrangement with the Philippine National Bank, the Land Bank of the Philippines, and the Development Bank of the Philippines shall be reviewed and, where found needed, redirected towards the expeditions transfer funds to the LGUs, particularly the barangays.
4. The department of the Interior and Local Government, in coordination with the DBM, shall monitor and report through the Oversight Committee, the implementation of this Memorandum Order.

This memorandum Order shall take effect immediately.

DONE in the city of Manila, this 1st day of March, in the year of Our Lord, nineteen hundred and ninety-three.

By the President:

**(SGD.) ANTONIO T CARPIO**  
Chief Presidential Legal Counsel

**Malacañang Memorandum Order  
No. 107  
March 23, 1993**

**SUBJECT : Clarifying Memorandum Order No. 17 dated 17 June 1986 by Prescribing Administrative Guidelines on the Status of Areas Subject of Proclamation No. 2282 Issued on 29 March 1983**

**WHEREAS**, Proclamation No. 2282 issued on 29 March 1983 reclassified certain portions of the public domain as agricultural land and declared the same as alienable and disposable for agricultural and resettlement purpose of the Kilusang Kabuhayan at Kaunlaran (now the National Livelihood Support Fund);

**WHEREAS**, portions of the land covered by Proclamation No. 2282 were already previously reclassified by the then Bureau of Forestry as alienable and disposable lands;

**WHEREAS**, Memorandum Order No. 17 of 1986 revoked Proclamation No. 2282, failing to provide administrative guidelines on, among others, the status of (a) the area previously reclassified by the Bureau of Forestry, and (b) other areas actually devoted to agricultural uses relying on the effect of Proclamation 2282;

**WHEREAS**, the public has recognized the effect of Proclamation No. 2282 and pursuant thereto, the area covered therein are actually being utilized as agricultural lands;

**WHEREAS**, this administration recognizes agrarian reform as a demonstration of the empowerment of the people;

**WHEREAS**, Republic Act No. 6657 mandates that all lands of the public domain suitable for agriculture shall be covered by the Comprehensive Agrarian Reform Law;

**WHEREAS**, Executive Order No. 407 of 1990 mandates the acceleration of the acquisition and disposition by the Department of Agrarian Reform of government-owned lands devoted to or suitable for agriculture.

**NOW, THEREFORE, I, FIDEL V. RAMOS**, President of the Republic of the Philippines, by virtue of the powers vested upon me by the Constitution and existing laws, hereby order that:

**Section 1.** All lands covered by Proclamation No. 2282 which were reclassified as alienable and disposable agricultural lands prior to 29 March 1983 and used or administered by the KKK-NLSF as agricultural lands shall remain alienable and disposable agricultural lands.

**Section 2.** All lands actually classified as agricultural land prior to the effectivity of Proclamation NO. 2282 and used or administered by the KKK-NLSF as agricultural land shall be turned over to the Department of Agrarian Reform for disposition to farmer-beneficiaries in accordance with Executive Order No. 407.

**Section 3.** The Department of Agrarian Reform and the Department of Environment and Natural Resources shall jointly determine which areas were reclassified as alienable and disposable agricultural land previous to the effectivity of Proclamation No. 2282 for disposition by the Department of Agrarian Reform.

**Section 4.** All Executive Orders, Proclamations, and issuances inconsistent herewith are hereby repealed or amended accordingly.

**Section 5.** This Memorandum Order shall take effect immediately.

DONE in the City of Manila, this 23rd day of March in the year of Our Lord, Nineteen Hundred and Ninety-Three.

**FIDEL V. RAMOS**  
**President of the Philippines**

**By the President:**

**ANTONIO T. CARPIO**  
**Chief, Presidential**  
**Legal Council**

**Malacañang Memorandum Order**

**No. 126**

**May 03, 1993**

**SUBJECT : Implementing Kasaganaan ng Sakahan at Kalikasan (KASAKALIKASAN), the National Integrated Pest Management Program**

**WHEREAS**, the Government is pursuing sustainable food production programs to ensure adequate food supply and attain higher standards of living for our people;

**WHEREAS**, the Government is committed to Agenda 21 of the United Nations Conference on Environment and Development (Earth Summit) in promoting sustainable agriculture and rural development;

**WHEREAS**, crop protection is a vital component of the Government's sustained production programs since losses in food production due to pests amount to hundreds of millions of pesos annually;

**WHEREAS**, scientific studies show that many problems in rice and other crops are exacerbated by the excessive and indiscriminate use of pesticides; and

**WHEREAS**, as a consequence, there is a need to implement an integrated crop protection strategy that will lead to reduced risks of pesticide-induced pest outbreaks, higher and more stable farm incomes, reduced health hazards for farmers and consumers, reduced environmental damage, and strengthened farmer organizations and farmers' management capabilities.

**NOW, THEREFORE, I FIDEL V. RAMOS**, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order the following:

**Section 1.** The Department of Agriculture (DA) shall implement Kasaganaan ng Sakahan at Kalikasan (KASAKALIKASAN), the National Pest Management Program, with the long-term goal of making integrated pest management (IPM) the standard approach to crop husbandry and pest management in rice, corn, and vegetable production in the country. To achieve this goal, the DA shall carry out programs of activities on IPM in close collaboration with farmer organizations, non-government organizations, Local Government Units, and other policy makers of the National Government.

**Section 2.** Provincial Governors and Municipal Mayors or participating provinces and municipalities shall create IPM Training Teams composed of IPM-trained extension workers and agricultural technicians whose sole responsibility shall be to train farmers through season-long Farmer Field Schools. These teams including local program managers shall be detailed to the Program on a full-time basis.

**Section 3.** An Executive Committee is hereby created to set policy and general operating guidelines of the Program and to source and provide funds and human resources in support of provincial and municipal-based IPM programs.. The Committee shall be chaired by the Secretary of Agriculture and shall be composed of the following:

1. The Secretary of the Department of the Interior and Local Government;
2. The Secretary of the Department of Environment and Natural Resources;
3. The Secretary of the Department of Health;
4. The Secretary of the Department of Agrarian Reform;
5. The Administrator of Fertilizers and Pesticides Authority;
6. The Executive Director of the National Agricultural and Fishery Council;
7. A representative from a non-government organization involved in the Program as may be designated by the Chairman;
8. A representative from a national farmers organization as may be designated by the Chairman; and
9. The Regional Coordinator of the FAO Intercountry Programme for Integrated Pest Control in Rice in South and Southeast Asia (Chief Technical Adviser).

**Section 4.** The Executive Committee is authorized to call upon any department, bureau, office, agency, instrumentality or subdivision of the Government, including government-owned and controlled corporations, for such assistance as it may need in discharging its functions.

**DONE** in the city of Manila, this 3rd day of May in the year of Our Lord, Nineteen Hundred and Ninety-Three.

**FIDEL V. RAMOS**  
**President**

**By the President:**

**ANTONIO T. CARPIO**  
**Chief, Presidential**  
**Legal Counsel**

**Malacañang Memorandum Order**  
**No. 136**  
**June 16, 1993**

**SUBJECT : Confirming the Streamlining of Functions, Activities and Projects and the Organization Structure and Staffing Pursuant to Memorandum Order No. 27**

**WHEREAS**, Section 48 of Republic Act No. 7180 as reiterated under Republic Act. No. 7645 authorized the streamlining of functions, organization structure and staffing through the scaling down, phase out or abolition of the activities of agencies within the Executive Branch of the government;

**WHEREAS**, Memorandum Order No. 27 dated 13 August 1992 was issued to prescribe the processes and the guidelines for the streamlining;

**WHEREAS**, confirmation of the streamlining should be done by the President pursuant to National Budget Circular No. 427 and Section 48 of R.A. No. 7180;

**NOW, THEREFORE, I FIDEL V. RAMOS**, President of the Philippines, by virtue of the powers vested in me by law do hereby order:

**Section 1. Streamlining Confirmation.** The streamlining of functions, activities and projects as well as the organization structure and staffing pursuant to Memorandum Order No. 27 of departments/agencies and instrumentalities indicated in Attachment "A" as recommended by the Department of Budget and Management in the June 1993 Report on the Implementation of Memorandum Order No. 27, is hereby confirmed and authorized to be adopted in the agency operations and organization as well as in the formulation of the agency budget proposals for CY 1994.

The Department of Budget and Management shall inform concerned agencies of the approval of specific confirmed proposals and any corresponding budgetary realignments thereof.

**Section 2. Budgetary Sanctions.** The Department of Budget and Management is hereby authorized to impose the following budgetary sanctions:

a. for those with no submission

\* no filling of vacant positions for CY 1993 except where authorized pursuant to the Attrition Law (R.A.. 7430)



\* no hiring of new contractuels and casuals for CY 1993 reduction in the 1994 budget equivalent to 10% (5% for SUCs) of the 1993 personal services appropriation

\* no use of savings for CY 1993

\* no realignment of funds For CY 1993

b. for those whose submission is pure expansion or whose request for exemption is not found valid

\* no filling of vacant positions for CY 1993 except where authorized pursuant to the ATTRITION Law (R.A. 7430)

\* no hiring of new contractuels and casuals for CY 1993

\* no use of savings for CY 1993

\* no realignment of funds for CY 1993

**Section 3. Effectivity.** This Memorandum Order shall take effect immediately.

**DONE** in the City of Manila, this 16th day of June, in the Year of Our Lord, nineteen hundred and ninety-three.

**FIDEL V. RAMOS**  
President

**By the President:**

**ANTONIO T. CARPIO**  
Chief, President  
Legal Counsel

**Malacañang Memorandum Order**

**No. 142**

**July 07, 1993**

**SUBJECT : Reconstituting the Cabinet Cluster System as Provided in Memorandum Order No. 37 Dated September 14, 1992**

**WHEREAS**, it is necessary to introduce changes/additions in the composition of some of the existing Cabinet Clusters to enhance inter-agency coordination and expedite the implementation of vital inter-agency programs and projects;

**WHEREAS**, it is also imperative that additional Cabinet Clusters be created to act on matters and specifically falling within the purview of the present Cabinet Clusters;

**WHEREAS**, there is need to review the membership of the clusters to make them more responsive to the priorities of the President and the Medium Term Development Plan; and

**WHEREAS**, there is need to clarify the relationship between the Cabinet Clusters and the committees of the National Economic Authority;

**NOW, THEREFORE, I, FIDEL V. RAMOS**, President of the Philippines, by virtue of the powers vested in me by law, do hereby modify Memorandum Order 37 dated 14 September 1992, to read as follows:

**Section 1.** The Cabinet Cluster System is hereby reconstituted as follows:

**Cabinet Cluster A.** Agro-Industrial Development Cluster to be composed of the following:

1. Secretary of Agriculture - Chairman
2. Secretary of Trade and Industry - Vice-Chairman
3. Secretary of Finance
4. Secretary of Agrarian Reform
5. Secretary of Labor and Employment
6. Secretary of Environment and Natural Resources
7. Secretary of Tourism
8. Secretary of Science and Technology
9. Director-General of National Economic and Development Authority
10. Chairman, Presidential Council for Countryside Development

**Cabinet Cluster B.** Macro-Economy and Finance Cluster to be composed of the following:

1. Secretary of Finance - Chairman
2. Secretary of Budget and Management - Vice-Chairman
3. Secretary of Foreign Affairs
4. Secretary of Trade and Industry
5. Director-General of National Economic and Development Authority
6. Chairman of the Coordinating Council on the Philippine Assistance Program
7. Governor of the Bangko Sentral ng Pilipinas

**Cabinet Cluster C.** Human Resource and Development Cluster to be composed of the following:

1. Director-General of the National Economic Development Authority - Chairman
2. Secretary of Social Welfare and Development - Vice-Chairman
3. Secretary of Health
4. Secretary of Education Culture and Sports
5. Secretary of Labor and Employment
6. Secretary of Interior and Local Government
7. Secretary of Agrarian Reform
8. Secretary of Agriculture
9. Chairman, Housing and Urban Development Coordinating Council
10. Chairman, Presidential Council for Countryside Development
11. Chairman, Presidential Commission to Fight Poverty

**Cabinet Cluster D.** Physical Infrastructure Support Cluster to be composed of the following:

1. Director-General of the National Economic Development Authority - Chairman
2. Secretary of Public Works and Highways - Vice-Chairman
3. Secretary of Budget and Management
4. Secretary of Transportation and Communications
5. Secretary of Finance
6. Secretary of Energy
7. Secretary of Tourism
8. Secretary of Interior and Local Government
9. Chairman, Housing and Urban Development Coordinating Council

**Cabinet Cluster E. Security and Political Development Cluster** to be composed of the following:

1. Secretary of Foreign Affairs - Chairman
2. Director General of the National Security Council - Vice-Chairman
3. Secretary of Justice
4. Secretary of National Defense
5. Secretary of Interior and Local Government
6. Chief Presidential Legal Counsel
7. Presidential Legislative Liaison Officer for the Senate and the House of Representatives

**Cabinet Cluster F. Development Administration Cluster** to be composed of the following:

1. Secretary of Budget and Management - Chairman
2. Secretary of Interior and of Local Government - Vice-Chairman
3. Secretary of Finance
4. Director-General of National Economic and Development Authority
5. Resource person from Civil Service Commission
6. Resource person from Commission on Audit
7. President of the Development Academy of the Philippines

**Cabinet Cluster G. Energy Cluster** to be composed of the following:

1. Secretary of Energy - Chairman
2. Secretary of Environment and Natural Resources - Vice-Chairman
3. Secretary of Finance
4. Secretary of Justice
5. Secretary of National Defense
6. Secretary of Trade and Industry
7. Secretary of Science and Technology

The Committee on Social Development and the Committee on Infrastructure of the National Economic Development Authority (NEDA) shall be the functional equivalent of Cabinet Cluster C and D respectively.

**Section 2.** The Executive Secretary, Press Secretary and Head of the Presidential Management Staff may attend all Cluster meetings as regular members.

**Section 3.** The Cabinet clusters shall serve as advisory committees of the President and the Cabinet. They shall identify agenda items requiring Cabinet deliberation, and recommend measures on policy and operational matters for the consideration of the President and the Cabinet.

**Section 4.** The Chairman and Vice-Chairman of the Clusters herein designated shall serve for one (1) year effective 30 June 1993. The Cabinet Clusters shall thereafter elect their respective Chairman and Vice-Chairman to serve for a period of one (1) year. The Cabinet Clusters may create sub-committees or ad-hoc working groups as may be required from time to time.

**Section 5.** The Cabinet Clusters shall meet every month, or as often as necessary. The Chairman, in consultation with the member-agencies, and the Executive Secretary, shall set the date of the regular meetings of the Cabinet Cluster, provided, that the Executive Secretary may, whenever deemed necessary, call for a special meeting of one or more Cabinet Clusters when the subject to be taken up may require the presence of said Cabinet Cluster in the resolution thereof.

Notwithstanding the composition of a particular cluster, any Cabinet secretary may attend any cluster meeting.

While the agenda of the Cabinet Cluster is expected to consist primarily of policy and operational matters, the Cluster shall regularly provide opportunities for reflection and brainstorming on government direction.

**Section 6.** The Secretariat support for the Clusters shall be provided by the following:

Cluster A	-	Department of Agriculture
Cluster B	-	Department of Finance
Cluster C	-	NEDA Secretariat
Cluster D	-	NEDA Secretariat
Cluster E	-	National Security Council
Cluster F	-	Department of Budget and Management
Cluster G	-	Department of Energy

The Chairman may call on any member agency to extend technical support and assistance to the Cluster as may be required. He shall submit minutes and reports of cluster activities to the Office of the President through the Presidential Management Staff.

**Section 7** To ensure that policy and operational decisions and their implementation are consistent with the overall thrusts of the government, notices of the cluster meetings and agenda items to be discussed shall be given to all Cabinet members by the respective cluster secretariat.

**Section 8** This Memorandum Order repeals Memorandum Order No. 37 dated 14 September 1992.

**Section 9** This Memorandum Order shall take effect immediately.

DONE in the City of Manila, this 7th day of July, in the year of Our Lord, nineteen hundred and ninety-three.

**FIDEL V. RAMOS**  
President of the Philippines

**By the President:**

**TEOFISTO T. GUINGONA, JR.**  
Executive Secretary

**Malacañang Memorandum Order**  
**No. 162**  
**August 19, 1993**

**SUBJECT : Providing Guidelines For the Disposition of Confiscated Logs, Lumber and Other Forest Products for Public Infrastructure Projects and Other Purposes**

**I, FIDEL V. RAMOS**, President of the Philippines, by virtue of the powers vested in me by law, do hereby promulgate the following guidelines in the disposition of confiscated logs, lumber and other forest products:

**Section 1. Coverage.** - The following confiscated logs, lumber and other forest products may be disposed through donation:

- a. Those which are not subject of a pending case in court or with other appropriate office;
- b. Those without claimants or offenders against whom the case could be filed; and
- c. Those found abandoned within forest areas, the ownership of which could not be ascertained and without claimants.

**Section 2. Beneficiaries.** - The following are qualified to receive donations of confiscated logs, lumber and other forest products:

- a. Barangays;
- b. Municipal and Provincial Governments;
- c. Other Government agencies, who by the nature of their functions require wood materials or other forest products in order to enhance their services to the general public.

**Section 3. Supporting Documents.** - The request for donation shall be supported by the following documents:

- a. Justification for the construction/establishment of the infrastructure;
- b. Bill of materials and building plan duly approved by the Project Engineer; provided that in the case of barangay constructions or similar projects, a simple

sketch plan duly signed by the building foreman or barangay captain shall be sufficient;

- c. Certification from the CENRO/PENRO/Regional Office concerned that said volume or amount of forest products is available for disposition.

**Section 4. Prioritization.** - In the event that two (2) or more parties are requesting for the same confiscated forest products, priority shall be given in accordance with the following order:

- a. Needy victims of disasters as certified by the Department of Social Work and Development (DSWD);
- b. School Building Program of the Department of Education Culture and Sports (DECS) and those undertaken by the Department of National Defense/AFP Engineering Brigade;
- c. Health Centers;
- d. Public Markets;
- e. Municipal Buildings;
- f. Police Station;
- g. AFP camps;
- h. The Department of Public Works and Highways (DPWH) whose projects cater to the benefit of the greater number and pursuant to a Memorandum of Agreement entered into between DPWH and the DENR dated 18 June 1992;
- i. Local Government Units which have jurisdiction over the place where the logs, lumber and other forest products were cut, gathered and/or confiscated; and
- j. Commitments to provincial, regional and national projects.

**Section 5. Disposition.** - All disposition of confiscated logs, lumber and other forest products for public infrastructure projects shall be made upon the approval of the Secretary of Environment and Natural Resources or his duly authorized representative pursuant to DENR Administrative Order No. 38, Series of 1990, and DENR Memorandum Circular No. 12, Series of 1992.



Upon approval of the disposition, the official concerned who has custody of the confiscated logs, lumber or other forest products shall release the same and issue the necessary supporting documents.

The recipient shall sign an acknowledgement receipt of the donated logs, lumber or other forest products and submit the same to the CENRO/PENRO/Regional Officer concerned.

**Section 6. Post Requirements.** - A certification of completion of the project shall be submitted by the donee to the concerned DENR office duly attested by the DENR official concerned and the Provincial Auditor, accompanied by the following documents:

- a. Certification by the Project Engineer of the completion of the project/s;
- b. Species and volume of timber and other forest products utilized in the project out of the disposed forest products; and
- c. Photographs of the completed project, showing the specific portion(s) of the project where the donated materials were utilized.

**Section 7. Repealing Clause.** - All Memorandum Orders, Circulars, Rules and Regulations inconsistent with this Order are hereby repealed or modified accordingly.

**Section 8. Effectivity.** - This Memorandum Order shall take effect immediately.

DONE in the City of Manila, Philippines, this 19th day of August, in the year of Our Lord, nineteen hundred and ninety-three.

(Sgd.) **FIDEL V. RAMOS**  
President of the Philippines

By the President:

(Sgd.) **TEOFISTO T. GUINGONA, JR.**  
Executive Secretary