

J. PRIVATIZATION AND MANAGEMENT OFFICE

STRATEGIC OBJECTIVES

MANDATE

Implement the actual marketing/disposition program for government corporations, assets and other properties (E.O. 323). Dispose assets and/or rights, mandated under E.O. 372, transferred to NG and entrusted said assets and/or rights to PND (E.O. 471)

VISION

Promote an orderly, coordinated and efficient privatization/disposition of assets, activities and other properties. Broaden economic base by turning state owned enterprises over to the private sector. Provide more investment and employment opportunities to help attain economic growth

MISSION

Take title to and possession of, conserve, provisionally manage, and dispose of assets identified for privatization, and in process, reduce the Government's maintenance expense in non-performing assets and generate maximum cash recovery for the National Government

KEY RESULT AREAS

Anti-Corruption/Transparent, Accountable and Participatory Governance

SECTOR OUTCOME

Fiscal Strength

ORGANIZATIONAL OUTCOME

Effective Assets and Debt Management

New Appropriations, by Program/Project

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		
PROGRAMS					
100000000	General Administration and Support	P 22,066,000			P 22,066,000
300000000	Operations	20,376,000			20,376,000
	MFO 1: Privatization of Government Assets	20,376,000			20,376,000
	Total, Programs	42,442,000			42,442,000
TOTAL NEW APPROPRIATIONS		P 42,442,000			P 42,442,000
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New Appropriations, by Central/Regional Allocation

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		<u>Current Operating Expenditures</u>			
		<u>Personnel</u>	<u>Maintenance</u>	<u>Capital</u>	<u>Total</u>
		<u>Services</u>	<u>and Other</u>	<u>Outlays</u>	
			<u>Operating</u>		
			<u>Expenses</u>		

REGION

Regional Allocation	P 42,442,000	P 42,442,000
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National Capital Region (NCR)	42,442,000	42,442,000
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TOTAL NEW APPROPRIATIONS	P 42,442,000	P 42,442,000
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Special Provision(s)

1. **Revolving Fund for the Conservation and Disposition of Assets.** Revenues realized by the Privatization and Management Office (PMO) from commissions, due diligence fees and sale of asset bidding rules, information memoranda and similar documents, as well as portion or percentage of proceeds from the disposition of GOCCs, assets and idle properties, not to exceed ten percent (10%), as approved by the Privatization Council, shall be constituted as a revolving fund. The fund shall be used for the payment of fees and reimbursable expenses, costs and expenses incurred by the PMO in the conservation and disposition of assets held by it, including fees of hired financial advisers, and in the performance of its other responsibilities pursuant to Proclamation No. 50 dated December 15, 1986 and E.O. No. 323, s. 2000.

In addition, a portion not exceeding ten percent (10%) of the proceeds realized from the disposition of properties of abolished government corporations and former enemy-owned entities of the Board of Liquidators beginning FY 2007 and succeeding years shall form part of this revolving fund. Said fund shall be used for the payment of costs and expenses incurred by the PMO in the conservation and disposition of government assets in accordance with E.O. No. 471, s. 2005.

The remaining balance of ninety percent (90%) of the foregoing proceeds shall be deposited with the National Treasury as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of E.O. No. 292 and Section 65 of P.D. No. 1445.

The PMO shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on income of, and expenditure from, this Fund. The Chief of PMO and the Office's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the PMO.

In case of failure to comply with the foregoing requirements, any disbursement in the subsequent quarters shall be void, except upon certification by the DBM and the Office's web administrator that said report has been submitted and posted, respectively.

2. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

PERFORMANCE INFORMATION

KEY STRATEGIES

Generate proceeds from the sale of real estate properties and intensify the collection of receivables

MAJOR FINAL OUTPUTS (MFOs)/PERFORMANCE INDICATORS (PIs)

Targets

MFO 1: PRIVATIZATION OF GOVERNMENT ASSETS

Sale/Disposition of assets and other properties assigned by the Privatization Council

Number of Assets Sales Completed	11
Value of Asset Sale Proceeds	P 463,000,000
Actual asset sale proceeds less the estimated market value of assets	P 417,000,000
Average number of days from date of Council approval of asset disposition to date of receipt of sale proceeds or date of transfer of ownership (whichever is later)	60

Management of Assets Held in Trust Prior to Privatization

Number of assets under management	131
Value of assets under management	P52,000,000,000
Average change in estimated value of assets under management from beginning of year to end of year or earlier date of sale	0
Percentage of assets for which the financial accounts are produced within 30 days of the end of the financial year	8