

[EXECUTIVE ORDER NO. 256, June 20, 2000]

**GUIDELINES THAT WILL GOVERN THE OPERATIONS OF THE
GUARANTEE OF THE GUARANTEE FUND FOR SMALL AND MEDIUM
ENTERPRISES PENDING ITS FULL
CONSOLIDATION/INTEGRATION WITH THE SMALL BUSINESS
GUARANTEE AND FINANCE CORPORATION AND RELATED
MATTERS**

WHEREAS, Executive Order No. 233, dated April 26, 2000, directed the transfer of the supervision and control over the Livelihood Corporation ("Livecor") from the Office of the Executive Secretary to the Department of Agriculture;

WHEREAS, The same Executive Order likewise mandated that the Guarantee Fund for Small and Medium Enterprises ("GFSME") shall be attached to the Department of Trade and Industry ("DTI") for supervision, control, policy/program coordination;

WHEREAS, to ensure the continued implementation of the programs of GFSME pending full consolidation/integration with the Small Business Guarantee and Finance Corporation ("SBGFC") certain changes in the internal and external operations of GFSME will have to be effected;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The corpus of GFSME that will be eventually integrated/consolidated in the 1999 Audited Financial Statement of GFSME, including subsequent additions/accruals thereto. All liabilities which have accrued prior to the integration/consolidation with SBGFC shall be honored under the new set-up.

SECTION 2. All systems, policies, procedures and guidelines previously approved for GFSME and officially sanctioned by higher authorities including, but not limited to, the Office of the President, Department of Budget and Management, Civil Service Commission, and Commission on Audit, shall be considered authorized under the interim set-up until full consolidation/integration with SBGFC is achieved, after which new systems will be put in place.

SECTION 3. The operations of GFSME pending full consolidation/integration with SBGFC shall be governed by a Management Committee to be composed of five (5) members, as follows:

1. The DTI Undersecretary for Industry and Investments or his designated alternate, as Chairman;
2. The GFSME Executive Director, as Vice Chairman;