

[MEMORANDUM ORDER NO. 13, June 28, 2017]

DIRECTING THE ABOLITION OF QUEDAN AND RURAL CREDIT GUARANTEE CORPORATION AND FOR OTHER PURPOSES

WHEREAS, the Quedan and rural Credit Guarantee Corporation (QUEDANCOR), a government-owned and controlled corporation (GOCC) created pursuant to Letter of Instruction (LOI) No. 704 (s. 1978), as amended by Republic Act No. (RA) No. 7393 or the "Quedan and Rural Credit Guarantee Corporation Act," is mandated to establish a sustainable guarantee system towards improving access to credit in the agriculture sector and accelerating productivity and the flow of investments and credit resources;

WHEREAS, QUEDANCOR is now legally prohibited from continuing its guarantee function under its charter, having exceeded the allowable outstanding guarantee obligation provided therein;

WHEREAS, the Philippine Export-Import Agency, Small Business Corporation and the Agricultural Guarantee Fund Pool, which is placed in trust with Land bank of the Philippines, operate more successful agricultural guarantee programs, activities and projects;

WHEREAS, QUEDANCOR has been operating at a loss for the last five (5) years; and

WHEREAS, pursuant to section 5(a)(ii) of RA No. 10149 or the "GOCC Governance Act of 2011," the Governance Commission for GOCCs (GCG) recommended the abolition of QUEDANCOR for the following reasons: (a) QUEDANCOR is dormant or nonoperational; (b) it performs functions or purposes that duplicate or unnecessarily overlap with functions, programs, activities, or projects already provided by a government agency; and (c) it is not producing the desired outcomes, or no longer achieving the objectives and purposes for which it was originally designed and implemented, and/or not cost efficient and does not generate the level of social, physical and economic returns *vis-a-vis* the resource inputs;

NOW, THEREFORE, the following are hereby ordered:

SECTION 1. Abolition of QUEDANCOR. The QUEDANCOR is hereby abolished.

SECTION 2. Liquidation of Assets and Settlement of Liabilities. The asset of QUEDANCOR shall be liquidated to settle the outstanding liabilities of the corporation in accordance with applicable laws, rules and regulations.

SECTION 3. Compensation for Affected Officials and Personnel. Affected officials and personnel of QUEDANCOR, whether regular or contractual personnel,