

MALACAÑAN PALACE

MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 43

**PURSUING OUR SOCIAL CONTRACT WITH THE FILIPINO PEOPLE
THROUGH THE REORGANIZATION OF THE CABINET CLUSTERS**

WHEREAS, the Preamble of the 1987 Philippine Constitution articulates the aspiration of the sovereign Filipino people to build a just and humane society, and establish a Government that shall embody our ideals and aspirations, promote the common good, conserve and develop our patrimony, and secure to ourselves and our posterity, the blessings of independence and democracy under the rule of law and a regime of truth, justice, freedom, love, equality, and peace;

WHEREAS, the aspirations in the Preamble are embodied in the President's Social Contract with the Filipino People, a sixteen-point agenda that lays down the vision of government in the different priority areas of development;

WHEREAS, the Philippine Development Plan (PDP) 2011-2016 is the government's blueprint that defines the strategies and programs that will translate the Social Contract into efficient, effective, and responsive actions that are achievable within the term of office of the President;

WHEREAS, given its finite resources, Government needs to orient and direct its programs, projects, and activities towards the attainment of development outcomes that will lead the nation closer to its priority development goals;

WHEREAS, the Cabinet, as the highest policy-making body of the Executive branch of government, serves as a catalyst for national development;

WHEREAS, consonant with the principles of efficiency, effectiveness, and focus, the Cabinet needs to be organized thematically into smaller groups otherwise called as the Cabinet Clusters; and

WHEREAS, the Cabinet Clusters shall serve as a venue and mechanism for coordination, harmonization, complementation, and synergy among the Departments and other Government instrumentalities with the main purpose of attaining national development goals and objectives, as disaggregated into annual performance targets,

NOW THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order the following:

SECTION 1. *Defining our Vision.* Our vision is a country with:

A re-awakened sense of right and wrong, through the living examples of our highest leaders;

An organised and widely-shared rapid expansion of our economy through a government dedicated to honing and mobilizing our people's skills and energies as well as the responsible harnessing of our natural resources;

A collective belief that doing the right thing does not only make sense morally, but translates into economic value as well; and

Public institutions rebuilt on the strong solidarity of our society and its communities.

SECTION 2. *Key Result Areas of our Social Contract.*

a. **Transparent, accountable, and participatory governance** – to institutionalize open, transparent, accountable, and inclusive governance;

b. **Poverty reduction and empowerment of the poor and vulnerable** – to translate the gains from good governance into direct, immediate and substantial benefits for the poor;

c. **Rapid, inclusive, and sustained economic growth** – to achieve rapid economic expansion that generates jobs and livelihood for and increase the income of the poor while moving away from the boom-and-bust cycle of the economic performance of the past;

d. **Just and lasting peace and the rule of law** – to attain a just, comprehensive, and lasting peace within the bounds of our law; and

e. **Integrity of the environment and climate change adaptation and mitigation** – to promote sustainable natural resource utilization and climate change adaptation and mitigation strategies and measures among national government agencies, the local government units (LGUs) and their respective communities, the general public, and other stakeholders.

To achieve focus and optimal impact given the available resources of Government, all departments and agencies shall orient their programs, projects, and activities towards the pursuit of these five (5) key result areas.

Furthermore, the government shall engage key stakeholders such as the LGUs, the legislative and judicial branches of government, and the private sector, particularly the business and civil society, in pursuit of our Social Contract with the Filipino People.

SECTION 3. *Organizing the Cabinet Clusters.* The Cabinet is hereby organized thematically into five (5) clusters composed of the following: (a) Good Governance and

Anti-Corruption; (b) Human Development and Poverty Reduction; (c) Economic Development; (d) Security, Justice and Peace; and (e) Climate Change Adaptation and Mitigation.

SECTION 4. *Functions.* The Cabinet Clusters shall serve as the primary mechanism of the Executive Branch for directing all efforts towards the realization of the Social Contract with the Filipino People and its five (5) key result areas. They shall set concrete and measurable targets per program and/or project every year until 2016 leading to the intended outcomes as outlined above.

Furthermore, the Clusters shall assess the degree of accomplishment of their respective cluster targets in partnership with the private sector and civil society organizations; evaluate whether the milestones leading to the intended outcomes are being attained; and undertake the necessary measures to fast-track program and/or project implementation. Regular reports on the actual results of program and project implementation shall be submitted to the Presidential Management Staff.

Finally, the Clusters shall serve as advisory committees to the Office of the President. As such, they shall recommend measures on policy and operational matters for the final consideration of said office.

SECTION 5. *Participation of Cabinet Members.* Participation in the Cluster meetings and activities is not limited to the core members identified herein. For this reason, the Cluster Chairs may require the participation of the heads of other departments and/or agencies as deemed necessary.

The Executive Secretary and the Secretary of the Presidential Management Staff shall attend all Cluster meetings as regular members, in the performance of their general monitoring and oversight functions.

The Secretary of the Presidential Communications Development and Strategic Planning Office and the Presidential Spokesperson shall attend and participate in all cluster meetings to effectively communicate to the general public, agreements or major discussion points therein, or those which may be subsequently approved by the President.

THE CABINET CLUSTER SYSTEM

SECTION 6. *Good Governance and Anti-Corruption.* The Good Governance and Anti-Corruption Cluster shall promote transparency, accountability, participatory governance, and strengthening of public institutions. It shall also work to regain the trust and confidence of the public in government. In particular, the following goals shall be pursued:

- a. Upholding transparency in government transactions and our commitment to combating graft and corruption.

- b. Strengthening of the capacity of government institutions to link their respective budgets with performance outcomes and enabling citizens and civil society to monitor and evaluate these;
- c. A professional, motivated and energized bureaucracy with adequate means to perform their public service missions;
- d. Improvement of public sector asset and resource management and revenue performance; and
- e. Establishing an improved policy and regulatory environment that will reduce the cost of doing business in the country and improve competition;

The composition of the Cluster shall be as follows:

Chair:	The President
Members:	Secretary, Department of Budget and Management Secretary, Department of Finance Secretary, Department of the Interior and Local Governmen Secretary, Department of Justice Secretary, Department of Trade and Industry Head, Presidential Legislative Liaison Office Chief Presidential Legal Counsel
Secretariat:	Department of Budget and Management

SECTION 7. Human Development and Poverty Reduction. The Human Development and Poverty Reduction Cluster shall focus on improving the overall quality of life of the Filipino and translating the gains of good governance into direct, immediate, and substantial benefits that will empower the poor and marginalized segments of society. In particular, the cluster shall pursue the following goals:

- a. Making education the central strategy for investing in our people, reducing poverty and building national competitiveness;
- b. Recognizing the importance of advancing and protecting public health;
- c. Building of the capacities and creation of opportunities among the poor and the marginalized;
- d. Increasing social protection and engaging communities in their own development;

e. Promotion of equal gender opportunities in all spheres of public policies and programs;
and

f. Ensuring effective coordination of national government programs for poverty reduction at the local level.

The composition of the Cluster shall be as follows:

Chair:	Secretary, Department of Social Welfare and Development
Members:	<p>Chair, Housing and Urban Development Coordinating Council</p> <p>Secretary, Department of Agrarian Reform</p> <p>Secretary, Department of Agriculture</p> <p>Secretary, Department of Environment and Natural Resources</p> <p>Secretary, Department of Education</p> <p>Chair, Commission on Higher Education</p> <p>Secretary, Department of Health</p> <p>Secretary, Department of Labor and Employment</p> <p>Secretary, Department of Budget and Management</p> <p>Secretary, National Economic Development Authority</p> <p>Secretary, Department of the Interior and Local Government</p> <p>Lead Convenor, National Anti-Poverty Commission</p>
Secretariat:	Secretariat: National Anti-Poverty Commission

SECTION 8. *Economic Development.* The Economic Development Cluster shall focus on the promotion of rapid, inclusive, and sustained economic growth. In particular, the following goals shall be pursued:

a. Promoting an environment conducive to the growth and competitiveness of private enterprises and the creation of jobs that will empower people and provide them with opportunities to rise above poverty;

b. Ensuring the reliability of vital infrastructure and technologies that facilitate the movement of peoples, goods, services, and information; and energy that will fuel the economy;

c. Improving farms and rural enterprises vital to achieving food security and more equitable economic growth;

- d. Undertaking research and development that are relevant to and supportive of the requirements of micro-, small- and medium-scale enterprises and of national industries;
- e. Improving of national productivity and the competitiveness of domestic products and services; and
- f. Ensuring deep and wide distribution of economic opportunities and benefits to the Filipino people.

The Cluster shall be composed of the following:

Chair:	Secretary, Department of Finance
Members:	<p>Secretary, National Economic and Development Authority</p> <p>Secretary, Department of Trade and Industry</p> <p>Secretary, Department of Budget and Management</p> <p>Secretary, Department of Public Works and Highways</p> <p>Secretary, Department of Transportation and Communications</p> <p>Secretary, Department of Energy</p> <p>Secretary, Department of Science and Technology</p> <p>Secretary, Department of Tourism</p> <p>Secretary, Department of Agriculture</p> <p>Secretary, Department of the Interior and Local Government</p>
Secretariat:	National Economic and Development Authority

The Economic Development Cluster may enjoy the participation of the Governor of the Bangko Sentral ng Pilipinas as necessary.

SECTION 9. *Security, Justice and Peace.* The Security Cluster shall ensure the preservation of national sovereignty and the rule of law; and focus on the protection and promotion of human rights and the pursuit of a just, comprehensive, and lasting peace. In particular, the Security Cluster shall pursue the following goals:

- a. Protecting our national territory and boundaries;
- b. Attaining a just and lasting peace;
- c. Ensuring the welfare of the Overseas Filipino Workers (OFWs);

- d. Strengthening the rule of law;
- e. Institutionalizing an efficient and impartial justice system that delivers equal justice to the rich and poor; and
- f. Advancing and protecting human rights.

The Cluster shall be composed of the following:

Chair:	The Executive Secretary
Members:	Secretary, Department of the Interior and Local Government Secretary, Department of Foreign Affairs Secretary, Department of National Defense Secretary, Department of Justice National Security Adviser Presidential Adviser on the Peace Process
Secretariat:	National Security Council

SECTION 10. *Climate Change Adaptation and Mitigation.* The Climate Change Adaptation and Mitigation Cluster shall focus on the conservation, and protection of the environment and natural resources. It shall take the lead in pursuing measures to adapt to and mitigate the effects of climate change on the Philippine archipelago; and undertake all the necessary preparation for both natural and man-made disasters. The cluster shall pursue the following objectives in particular:

- a. Adopting climate change adaptation and mitigation measures by local government units and their respective communities, national government agencies, and the general public; and ensure that these are incorporated in their annual work plans and budgets, where applicable;
- b. Ensuring the utilization of natural resources for the equal benefit of the present and future generations;
- c. Formulating alternative and inclusive urban development plans, which ensure that people of varying income levels are integrated in productive, healthy and safe communities; and
- d. Undertaking all other measures necessary to prepare for and manage the risks and/or threats associated with natural and man-made phenomena such as, but not limited to, typhoons, earthquakes, tsunami, floods, landslides, civil disturbance and terrorism.

The Cluster shall be composed of the following:

Chair:	Secretary, Department of Environment and Natural Resources
Members:	Chair, Housing and Urban Development Coordinating Council Secretary, Department of Science and Technology Secretary, Department of the Interior and Local Government Secretary, Department of Public Works and Highways Secretary, Department of Social Welfare and Development Secretary, Department of Agriculture Secretary, Department of Agrarian Reform Secretary, Department of Energy Secretary, Department of National Defense Chair, Metropolitan Manila Development Authority
Secretariat:	Climate Change Commission

SECTION 11. *Separability.* Should any part of this Executive Order be declared invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SECTION 12. *Repealing Clause.* All other issuances or parts thereof inconsistent with the provisions of this Executive Order are hereby repealed or amended accordingly.

SECTION 13. *Effectivity.* This Executive Order shall take effect immediately.

DONE, in the city of Manila this 13th day of May, in the Year of our Lord Two Thousand and Eleven.

(Sgd.) **BENIGNO S. AQUINO III**

By the President:

(Sgd.) **PAQUITO N. OCHOA, JR.**

Executive Secretary