

[ADMINISTRATIVE ORDER NO. 45, December 22, 1998]

AMENDING ADMINISTRATIVE ORDER NO. 75 BY ABOLISHING THE EXECUTIVE COMMITTEE OF THE BAGONG KILUSANG KABUHAYAN SA KAUNLARAN/NATIONAL LIVELIHOOD SUPPORT FUND AND DIRECTING THE LAND BANK OF THE PHILIPPINES TO TRANSFER THE MANAGEMENT OF ALL ITS APPLICABLE AND EXISTING FUNDS, PROPERTIES, EQUIPMENT AND RECORDS AS A TRUST FUND TO THE PEOPLE'S CREDIT AND FINANCE CORPORATION

WHEREAS, pursuant to Section 37 of Republic Act No. 6657 (1988), the *Bagong Kilusang Kabuhayan sa Kaunlaran (BKKK)* Secretariat was transferred and attached to the Land Bank of the Philippines (LBP) for its supervision including all its applicable and existing funds, personnel, properties, equipment and records;

WHEREAS, Administrative Order No. 75 dated August 6, 1993, as amended, implementing Section 37 of Republic Act No. 6657, created an Executive Committee through which LBP exercised its supervision over BKKK Secretariat and BKKK Capital Fund/National Livelihood Support Fund;

WHEREAS, the People's Credit and Finance Corporation (PCFC) was created by virtue of Administrative Order No. 148 dated 8 September 1994 and Memorandum Order No. 261 dated 9 February 1995 to provide affordable credit to the marginalized sectors of the population, with an initial capitalization of P100 million coming from NLSF;

WHEREAS, Republic Act No. 8425 (Social Reform and Poverty Alleviation Act) designated PCFC as the vehicle for the delivery of microfinance services for the exclusive use of the poor, and as a government-owned and controlled corporation, the lead entity specifically tasked to mobilize financial resources from both local and international funding sources for microfinance services for the exclusive use of the poor;

WHEREAS, Memorandum Order No. 11 dated August 13, 1998, directed the LBP to invest additional P900 million from the capital funds of NLSF to PCFC to provide additional capital for its expanded mandate, and in compliance with government's commitment to Asian Development Bank and International Fund for Agricultural Development to provide additional counterpart funding to PCFC;

WHEREAS, despite the infusion of the above funds to PCFC, there is still a great need for additional funds for poverty alleviation, to enable the government to help at least 2 million assetless poor by year 2004 through the provision of microfinance services;

WHEREAS, the Office of the President was authorized under Executive Order No. 238 dated July 22, 1987 to establish new fund delivery system in addition to or in