

[EXECUTIVE ORDER NO. 110, June 20, 2002]

**DIRECTING THE PEOPLE'S CREDIT AND FINANCE CORPORATION
TO ADMINISTER THE PEOPLE'S DEVELOPMENT TRUST FUND AND
FOR OTHER PURPOSES**

WHEREAS, the People's Development Trust Fund, hereafter referred to as the PDTE was established under Republic Act No. 8425, hereafter referred to as the Social Reform and Poverty Alleviation Act;

WHEREAS, PDTE shall be used for the development of a nationwide network of viable and sustainable microfinance institutions and micro-enterprise business development service groups that are able to deliver effective and efficient microfinance services to the poor and help them develop enterprises;

WHEREAS, the PDTE shall be used to systematically provide funding for microfinance and micro-enterprise capability building with parallel efforts in providing a supportive and appropriate policy environment and institutional framework for a private-led micro-financial market;

WHEREAS, under the Social Reform and Poverty Alleviation Act, the President of Philippines shall assign the administration of the PDTE to any existing government department or agency based on expertise, organizational capability and orientation or focus;

WHEREAS, the People's Credit and Finance Corporation, hereafter referred to as the PCFC is a government-controlled corporation registered with the Securities and Exchange Commission pursuant to Administrative Order No. 148 dated September 8, 1994;

WHEREAS, the Social Reform and Poverty Alleviation Act provides that the PCFC shall be the vehicle for the delivery for the delivery of microfinance services and the lead government entity specially tasked to mobilize financial resources from both local and international funding sources for microfinance services for the exclusive use of the poor;

WHEREAS, under the Social Reform and Poverty Alleviation Act, the National Anti-Poverty Commission, hereafter referred to as NAPC, shall monitor the utilization of the PDTE.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President. of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order;

SECTION 1. PDTE Administrator. The PCFC shall directly administer the utilization of the PDTE. With the approval of the Department of Finance, the PCFC shall (i) deposit the PDTE in a duly authorized banking institution; and/or (ii) invest the PDTE in government securities. The PCFC shall not have the authority to invest the PDTE in other securities or assets.

SECTION 2. *Sources and Structure of the PDTF.* The PDTF is a trust fund intended for the development and strengthening of institutions involved in providing microfinance and micro-enterprise services to the poor. The Corpus of the PDTF, as defined hereunder, seeks to establish a continuing source of funds for building the capacity of microfinance institutions to provide sustainable financial services for the poor. The PDTF Income, as defined hereunder, shall be directly utilized for implementing microfinance and micro-enterprise capability building programs and projects.

The Corpus of the PDTF is the amount allotted by the Social Reform and Poverty Alleviation Act for the PDTF, amounting to a total of Four Billion and Five Hundred Million Pesos (P4,500,000,000.00) over a span of ten years and other additional amounts provided through voluntary contributions, grants and gifts from both local and foreign sources, as may be accepted or decided on by NAPC. Any amount added to the PDTF shall form part of the Corpus of the PDTF, unless the donor, contributor or grantor expressly provides as a condition that the amount be included in the disbursable portion of the PDTF.

The PDTF Income consists of the earnings of the PDTF. The PDTF Income shall constitute the disbursable portion of the PDTF and shall also include additional amounts expressly donated, contributed or granted as part of the disbursable portion of the PDTF. Any undisbursed income for the preceding year shall form part of the disbursable portion of the PDTF in the following year.

SECTION 3. *Uses of the PDTF Income.* The PDTF Income shall be utilized for the following purposes, as provided under Section 11 of the Social Reform and Poverty Alleviation Act:

- a. Consultancy and training services for microfinance institutions and their beneficiaries on the establishment of the necessary support services, social and financial preparation of beneficiaries, preparation of plans and programs including fund sourcing and assistance, establishment of credit and savings monitoring and evaluation mechanisms;
- b. Scholarships or training grants for microfinance staff and officers, and selected beneficiaries;
- c. Community organizing for microfinance, livelihood and micro-enterprise training services;
- d. Livelihood/micro-enterprise project/program feasibility studies and researches;
- e. Savings mobilization and incentive programs, and other similar facilities;
- f. Information and communication systems such as baseline surveys, development, monitoring systems, socio-economic mapping surveys, organizational assessments and other similar activities;
- g. Legal and other management support services such as registration, documentation, contract review and enforcement, financial audit and operational assessment;
- h. Information dissemination of microfinance technology; and
- i. Other activities to support microfinance, as approved by the PCFC.