

BY THE PRESIDENT OF THE PHILIPPINES

MEMORANDUM ORDER NO. 11

**DIRECTING THE LAND BANK OF THE PHILIPPINES TO
INVEST FROM ITS NATIONAL LIVELIHOOD, SUPPORT FUND
TO THE PEOPLE'S CREDIT AND FINANCE CORPORATION**

WHEREAS, the People's Credit and Finance Corporation (PCFC) has been designated by the Government as the lead financing arm of the "Credit for the Poor" program under the Social Reform Agenda (SRA) with the primary task of providing loans to microfinancing institutions which directly lend to the Filipino poor;

WHEREAS, under the Master Plan for the creation of the PCFC which was mandated under Administrative Order No. 148 dated 8 September 1994, the PCFC was envisioned to have the vast resources of the government but shall possess the qualities of an NGO in dealing with the poor; to be flexible in terms of fund disbursement and management; and to have magnitude of a big corporation to cater to the needs of majority of the poor;

WHEREAS, the Land Bank of the Philippines (LBP), as the "Co-champion for Credit" under the SRA, and as the supervising agency of the National Livelihood Support Fund (NLSF), was directed under Memorandum Order No. 261 dated 9 February 1995 to provide for the capitalization of the PCFC from the capital fund of NLSF;

WHEREAS, the PCFC, through LBP and the Government obtained a loan amounting to US\$ 34.7 Million from ADB-IFAD for the relending operations and capability building of PCFC, wherein the Government has agreed to provide a counterpart of P250 million in equity to PCFC;

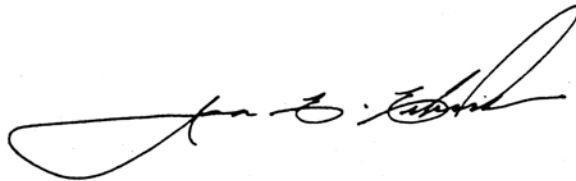
WHEREAS, the growth of PCFC in its maiden year of operation has been outstanding such that its capital funds have become insufficient to sustain its operations and carry out its microfinancing mandate vis-à-vis the credit needs of the Filipino poor; and

WHEREAS, Memorandum Order No. 261 mandates the LBP to invest in the PCFC from the NLSF funds to sustain the operations of PCFC;

NOW, THEREFORE, I JOSEPH EJERCITO ESTRADA, by virtue of the powers vested in me by law, hereby order and direct:

1. The LBP, as supervising agency of the NLSF, to invest additional funds to the PCFC from the capital fund of the NLSF in the amount of PESOS: **NINE HUNDRED MILLION (P 900,000,000.00) PESOS ONLY**, and provided further, that the LBP, on its own, may invest additional funds to the PCFC in the form of loans or advances as needed by the PCFC in its operations; and
2. The PCFC and the LBP to draw guidelines for the release and use of these funds.
3. This Memorandum Order takes effect immediately.

Done in the City of Manila, this 13th day of August in the year of our Lord, Nineteen Hundred and Ninety Eight.



By the President:



RONALDO B. ZAMORA
Executive Secretary



PMS LIBRARY

Received

AUG 24 1998

Date