

EXECUTIVE ORDER NO. 681

**MERGING THE LIVELIHOOD CORPORATION (LIVECOR) AND THE
NATIONAL LIVELIHOOD SUPPORT FUND (NLSF)**

WHEREAS, the Department of Human Settlements was created under Presidential Decree No. 1396 dated June 2, 1978;

WHEREAS, the Kilusang Kabuhayan at Kaunlaran (KKK) was created under Executive Order No. (EO) 715 dated September 29, 1981 as a priority program of the government;

WHEREAS, the KKK was conceived to be the nationwide movement to mobilize the local resources for the establishment of viable productive enterprises that would provide sources of livelihood within the community;

WHEREAS, under Letter of Instructions No. (LOI) 116, the KKK was given national budgetary resources totaling one billion pesos (P1,000,000,000.00) initially set aside to fund the livelihood projects;

WHEREAS, the KKK Processing Center Authority, later renamed Livelihood Corporation (LIVECOR) was created under EO 866 dated January 11, 1983 to implement the establishment, operation, maintenance and expansion of self-reliant and economically viable agro-industrial processing areas in various region of the Philippines under the KKK;

WHEREAS, the LIVECOR Authority was governed by a Board of Trustees with the Minister of Human Settlements as Chairman;

WHEREAS, the LIVECOR had a capitalization of one billion pesos (P1,000,000,000.00);

WHEREAS, under LOI 144 dated September 22, 1983, the KKK National Secretariat was tasked to oversee the operations and administration of the Fund within the guidelines set forth therein;

WHEREAS, under EO 85 dated December 12, 1986, the Ministry of Human Settlements was abolished;

WHEREAS, LIVECOR was attached to the Presidential Management Staff by virtue of Executive Order No. 130, after the Ministry of Human Settlements was abolished in 1986;



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WHEREAS, under EO No. 238 dated July 22, 1987, the KKK/National Livelihood Support Fund (NLSF) capital and earnings were placed under the control and supervision of the Office of the President which shall be exclusively utilized for the promotion, generation and development of livelihood opportunities;

WHEREAS, under Memorandum Order (MO) 71 dated February 18, 1987, the payment of separation benefits to officials and employees of the Ministry of Human Settlements and other agencies abolished under EO 85 was ordered;

WHEREAS, under MO 85 dated April 30, 1987, the head of the Presidential Management Staff (PMS) was ordered to oversee the orderly abolition of the Ministry of Human Settlements to include the administration of separation benefits to those who will be separated from the service;

WHEREAS, under EO 327 dated June 9, 1988, the Bagong KKK (BKKK) Secretariat was created to (i) implement the objectives and thrusts of the BKKK; (ii) carry out the consolidation of all KKK/NLSF capital funds and the collection of unpaid loans; and (iii) conceptualize, evaluate, market and monitor BKKK as a Fund and its role in the delivery of livelihood opportunities and services to the disadvantaged sectors of the society;

WHEREAS, under Section 37 of the Republic Act (RA) No. 6657, otherwise known as "An act Instituting Agrarian Reform Program to Promote Justice and Industrialization, Providing the Mechanism for its Implementation and for Other Purposes", the 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, under Administrative Order (AO) No. 75 dated August 6, 1993, the BKKK Secretariat, including the BKKK Capital Fund/NLSF was directed to be transferred and attached to the LBP in accordance with Section 37 of RA 6657 and shall be supervised through an Executive Committee led by the President of the LBP as its Chairman;

WHEREAS, under EO 21 dated August 27, 1998, the LIVECOR was attached to the Office of the Executive Secretary;

WHEREAS, under EO 75 dated February 19, 1999, the BKKK Secretariat was abolished and a Management Committee was created in its place, led by the President of the LBP as Chairman and the Executive Director of the NLSF as Vice-Chairman. The newly created Management Committee was formed as the policy making body through which the LBP shall exercise supervision over the Fund;

WHEREAS, while the Management Committee of the NLSF created under EO 75 is endowed with certain specific corporate powers, it lacks a formal creation into a corporation with separate and distinct corporate personality;



WHEREAS, under EO 233 dated April 26, 2000, the attachment of LIVECOR and all its subsidiaries was transferred to the Department of Agriculture;

WHEREAS, to be able to professionalize the handling and management of the Fund and for the efficient collection of the previous loans granted under the KKK and LIVECOR, there is a need to formalize the creation of the NLSF Management Committee by providing it with a corporate personality;

WHEREAS, the Medium Term Philippine Development Plan (MTPDP) discourages the creation of new government corporations;

WHEREAS, LIVECOR is no longer self-reliant and economically viable;

WHEREAS, Section 31, Title III, Book III of the 1987 Administrative Code vests in the President the continuing authority to reorganize the Office of the President;

NOW, THEREFORE, I, GLORIA M. ARROYO, President of the Philippines, by virtue of the power vested in me by the Constitution and the law, do hereby order:

SECTION 1. Merger of NLSF and LIVECOR. NLSF and LIVECOR shall be merged into a non-stock, non-profit, body corporate to be known as Livecor. The new Livecor shall be transferred and attached to the LBP pursuant to the mandate of NLSF under R.A. 6657. As such, the NLSF employees and personnel who are absorbed by the new Livecor shall be accorded the same benefits, privileges and other entitlements similarly received by the LBP employees and officers subject to certain conditions imposed by the new Livecor Board.

SECTION 2. Mandate. - The new Livecor shall undertake the promotion, generation and development of livelihood and community based enterprises primarily in agribusiness, including those in the Agrarian Reform Communities, that will cater to the low-income bracket. It shall take charge of developing and administering livelihood programs using the NLSF funds.

SECTION 3. Additional Capital. - The new Livecor shall be infused with additional capital of One Hundred Million Pesos (P100,000,000.00) that shall be sourced from the accumulated earnings of NLSF.

SECTION 4. Functions and Composition of the Board of Directors of the new Livecor. The Board of Directors of the new Livecor shall be the policy-making body composed of the following:

- a. The Secretary of Agriculture or his designee as ex-officio Chairman;
- b. Executive Director of the NLSF Secretariat as the ex-officio Vice-Chairman;
- c. Nominee of President of the Philippines as Member;
- d. Nominee of the Department of Agrarian Reform, approved by the President of the Philippines as Member, as Member.



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- e. Nominee of the LBP, approved by the President of the Philippines, as Member;
- f. Representative from the Labor Sector, appointed by the President of the Philippines, as Member;
- g. Nominee of the Department of the Interior and Local Government, approved by the President of the Philippines, as Member.

The term of the Members of the Board of Directors of the new Livecor shall be one (1) year, and they shall serve in a hold-over capacity until their successors shall have been appointed and qualified.

SECTION 5. Officers of the new Livecor. – The President of the new Livecor shall be the Executive Director of the present NLSF Secretariat. The Vice-President, Corporate Treasurer, the Corporate Secretary and other officers shall be elected by the Board of Directors in a meeting called for that purpose and approved by the President of the Philippines.

SECTION 6. Transfer. – The administration and management of the NLSF shall be transferred from the NLSF Management Committee to the new Livecor Board of Directors for administration, management and development purposes.

All powers, functions, rights and duties previously exercised by the NLSF Management Committee relating to the administration, management and development of NLSF's programs, assets, liabilities and records shall be transferred to and exercised by the new Livecor Board of Directors.

SECTION 7. Transfer Committee. – A Transfer Committee composed of the Secretary of Agriculture or his designee, the Executive Director of the NLSF Secretariat, a representative each from the Office of the President, Department of Agrarian Reform and Land Bank of the Philippines, shall prepare the necessary plans and measures to effect the transfer of all programs, assets, liabilities and records of the NLSF for the management, administration and development of the new Livecor within thirty (30) days from the issuance of this Executive Order.

The NLSF Secretariat, the new Livecor and the Transfer Committee shall jointly submit a report to the Presidential Management Staff on all actions taken to implement the provisions of this Executive Order within thirty (30) days after the new Livecor shall have been re-organized;

SECTION 8. Personnel. – To ensure the continued implementation and management of the NLSF during the period of transfer and transition, the NLSF personnel who are performing the functions transferred to the new Livecor shall be absorbed and shall continue to perform such duties under the management of the new Livecor; provided, that those personnel, at their option, may retire or be separated from the service from the NLSF, and shall be entitled to the benefits provided by law at the time of retirement or separation. The same option shall be made available to the Livecor personnel.



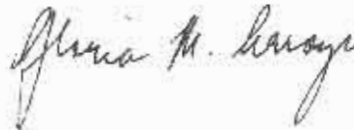
SECTION 9. Operation Expenses. – The operating expenses of the new Livecor shall be charged against the income generated by the NLSF and the liquidation of the assets of Livecor.

SECTION 10. Existing Policies and Rules. – Existing policies, guidelines, rules and regulations with respect to the functions of the NLSF which have been transferred to the new Livecor shall continue in effect until amended or modified accordingly.

SECTION 11. Repealing Clause. – All executive issuances, guidelines, rules and regulations, or parts thereof which are contrary or inconsistent with the provisions of this Executive Order are hereby repealed or modified accordingly.

SECTION 12. Effectivity. – This Executive Order shall take effect immediately.

City of Manila, 22 November 2007



By the President



EDUARDO R. ERMITA
Executive Secretary



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