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**MALACAÑANG**  
**Manila**

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 86

CREATING THE NATIONAL CREDIT COUNCIL

WHEREAS, it is well recognized that credit is a vital tool for countryside development;

WHEREAS, current efforts have emphasized, in particular, the role of credit in poverty alleviation and people empowerment;

WHEREAS, there exists at present a number of government-based credit and guarantee programs which are diversely managed and implemented;

WHEREAS, the Social Pact on Credit, forged and established by a broad alliance of government, non-governmental, and people's organizations concerned with credit delivery to the countryside, recommended the rationalization of these programs, especially as they cater to small farmers and other rural workers, fisherfolk, urban poor, and small entrepreneurs via a rationalization mechanism.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, by virtue of the powers vested upon me by law, hereby order:

SECTION 1. There is hereby created the National Credit Council (NCC) composed of the following:

- Department of Agriculture (Agricultural Credit Policy Council)
- Department of Agrarian Reform
- Department of Environment and Natural Resources
- Department of Finance
- Department of Trade and Industry / Small and Medium Enterprises Development Council
- Bangko Sentral Ng Pilipinas
- Land Bank of the Philippines
- Philippine National Bank
- Philippine Deposit Insurance Corporation
- Presidential Council on Countryside Development
- Presidential Commission to Fight Poverty
- Cooperative Development Authority
- Congress Planning and Budget Office
- Bankers Association of the Philippines

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Rural Bankers Association of the Philippines  
Chamber of Thrift Banks/Development Banks Assn.  
BANGKOOP  
Representative, Cooperative Federation/Assn.  
Representative, Social Pact Alliance

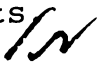
The following agencies shall also sit as ex-officio members:

Government Service Insurance System  
Social Security System  
Home Developmental Mutual Fund/PAG-IBIG

The heads of the Department of Finance and of the Land Bank of the Philippines shall serve as Chairperson and Co-chairperson respectively, of the Council. The Vice-Chairmen are the Chairman of the Presidential Commission on Countryside Development and the President of the Bankers Association of the Philippines.

SEC. 2. The Council shall have the following functions:

- a. Rationalize and optimize the use and delivery on a sound basis of the various credit programs of all government institutions in order to harmonize activities and where deemed necessary by the Council, to consolidate through the regular lending entities taking into consideration such parameters as clientele and local area characteristics, interest rate policy, delivery mechanism, mobilization process, and fund sourcing.
- b. Develop, through multisectoral consultations/linkages and policy dialogues, a national credit delivery system, incorporating the attendant capability upgrading and institutional strengthening mechanisms towards enhancing the credit beneficiary groups productive capability and the financial intermediaries' efficiency and effectivity.
- c. Encourage a higher level of private sector participation, with its extensive network of commercial bank branches with combined resources which are far greater than that of government, in credit delivery of countryside small and medium enterprises and rural entrepreneurs, to spur countryside development and the creation of workplaces with small per-capita investments; and also for rural infrastructure and other economic projects



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- d. Define and rationalize the role of guarantee programs and guarantee agencies. Review the adequacy of guarantee funds and coverage towards undertaking the necessary adjustments thereto.

SEC. 3. A Secretariat shall be created simultaneously with the NCC to assist in the implementation of the aforementioned functions. To act as secretariat shall be the Land Bank of the Philippines.

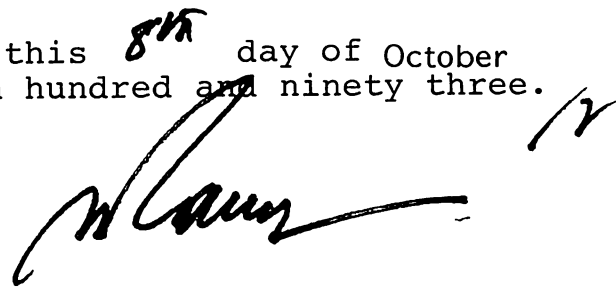
SEC. 4. The Council shall submit regular quarterly reports on the results of its activities to the President and the Social Pact on Credit.

SEC. 5. The Council may call upon any department, bureau, office, agency, or any instrumentality of the government, including government-owned or controlled corporations and government financial institutions, for assistance as it may deem necessary in discharging its functions and said agency shall give due priority to and comply with the requirements of the Council.


SEC. 6. Whatever expenses to be incurred by the Council shall be jointly borne by participating agencies from out of their respective funds for such type of activities.

SEC. 7. This Administrative Order shall take effect immediately.

Done in the City of Manila, this <sup>8th</sup> day of October in the year of Our Lord, nineteen hundred and ninety three.



By the President:



TEOFISTO T. GUINGONA, JR.  
Executive Secretary

