

**[ EXECUTIVE ORDER NO. 866, January 11, 1983 ]**

**CREATING THE KKK PROCESSING CENTER AUTHORITY,  
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

WHEREAS, the Constitution mandates that the State shall promote social justice and establish, maintain and ensure adequate social services in the field, of welfare, among others, to guarantee the well-being of the Filipino people;

WHEREAS, Executive Order No. 715 established the Kilusang Kabuhayan at Kaunlaran (KKK) as a priority program of government in fulfillment of the above-mentioned constitutional mandate;

WHEREAS, it is necessary to strengthen the institutional structure of the KKK in order to accelerate the effective implementation, monitoring and coordination of specific KKK programs;

WHEREAS, agricultural products as well as small and medium scale industrial commodities manufactured under the auspices of the KKK can attain greater economic value through the introduction and application of modern processing technology;

WHEREAS, the processing of primary agro-industrial products will likewise stimulate self-sustaining economic activities, generate employment and entrepreneurial opportunities, and ultimately enhance the socio-economic development of the country;

WHEREAS, KKK Regional Processing Centers strategically located in various parts of the country can provide valuable technical assistance, quality control, and marketing services and facilities, in order to meet the rigid standards of local and foreign buyers;

WHEREAS, the role of the KKK Regional Processing Centers can be pursued with flexibility under the aegis of a corporate body;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution and by Presidential Decree No. 1416, as amended do hereby order:

SEC. 1. Declaration of Policy. The establishment, operation, maintenance and expansion of self-reliant and economically viable agro-industrial processing areas in various regions of the Philippines under the Kilusang Kabuhayan at Kaunlaran (KKK) is hereby declared to be a national policy of utmost priority, as a means of accelerating the economic development of the country, reducing the domestic unemployment rate, strengthening the Philippines' trading and foreign exchange position, and ultimately realizing the enjoyment by the people of a decent standard

of living. Towards this end, it is hereby declared to be in the national interest that all workers within the KKK Regional Processing Centers shall be considered for all legal intent and purposes as government employees and partners in progress.

SEC. 2. Creation of the KKK Processing Center Authority. There is hereby created a body corporate to be known as the KKK PROCESSING CENTER AUTHORITY, hereinafter referred to as the AUTHORITY, which shall implement the policy declared in this Executive Order in line with the purposes and objectives of Executive Order No. 715. The AUTHORITY shall have its principal office in Metro Manila and may have such branches, agencies and/or subsidiaries in other areas in the Philippines as it may deem proper and necessary. The AUTHORITY shall be an implementing agency of the Kilusang Kabuhayan at Kaunlaran and shall coordinate with the National Secretariat in program implementation.

SEC. 3. Powers and Functions. The AUTHORITY, as a body corporate action through its Board of Trustees, shall have the following powers and functions in addition to those provided for in the other sections of this Executive Order:

- (a) To adopt and use a corporate seal;
- (b) To sue and be sued as to succeed in its corporate name;
- (c) To adopt its by-laws, rules and regulations as it may deem proper and necessary for implementation of the purposes and objectives of the KKK;
- (d) To acquire and possess properties, rights and interests of whatever kind and nature, and mortgage, pledge, alienate, encumber or otherwise dispose of the same;
- (e) To exercise the power of eminent domain in the pursuit of the purposes and objectives of the KKK;
- (f) To award, enter into, make, execute, perform and carry out domestic or foreign contracts of whatever kind and nature, and for this purpose the AUTHORITY is hereby exempted from the requirements of public bidding, any provision of law, rule or regulation to the contrary notwithstanding;
- (g) To invest in, and purchase or otherwise acquire, own, hold, use, lease, grant, mortgage, pledge, sell, assign, convey, transfer, exchange or otherwise deal with, real and/or personal properties of every kind and nature, including shares of stock, bonds, debentures, notes, securities and other evidences of indebtedness or obligations of other corporations, whether domestic or foreign, and whether government or private;
- (h) To require submission of and register articles of incorporation of community organizations or associations who are proponents or beneficiaries of KKK programs and issue certificates of incorporation/registration, upon compliance by the registering associations with the duly promulgated rules and regulations thereof; maintain a registry thereof; and exercise all the powers, authorities and responsibilities that are vested in the Securities and Exchange Commission with respect to such associations;

(i) To act as general or operating managers, representatives, or agents of agricultural, commercial and/or industrial concerns of whatever kind and nature, and to engage in the promotion, assistance, encouragement, development and expansion of any lawful business in the Philippines or abroad;

(j) To obtain loans, borrow funds and/or arrange financing on credit assistance of whatever kind and nature from all sources, whether domestic or foreign and whether government or private, to arrange commodity swaps and other similar offset arrangements, and to mortgage, pledge or otherwise encumber any of its properties and assets for the purpose of securing or guaranteeing the performance or fulfillment of any obligation it may undertake for itself or for other entities in which it may be interested;

(k) To levy, assess and collect such fees, charges and assessments as may be necessary or proper to support, finance and maintain its operations; and

(1) To exercise such other powers and functions as may be incidental or necessary to carry out the intent of this Executive Order.

SEC. 4. The Board of Trustees; Composition; Term and Compensation. The AUTHORITY shall be governed, and its activities and properties shall be controlled and managed, by a Board of Trustees, hereinafter referred to as the Board, which shall be composed of the Minister of Human Settlements as Chairman, the Deputy Minister of Human Settlements as Vice-Chairman, the Deputy Ministers of Trade and Industry, Agriculture, and Natural Resources, the President of the Philippine National Bank, the Chairman of the Board of Development Bank of the Philippines, and the Administrator of the Authority as ex officio members, and three (3) representatives from the private sector to be appointed by the President of the Philippines. The representatives from the private sector shall each hold office for a term of three (3) years, and until their respective successors shall have been duly appointed and qualified: Provided, that they shall be eligible for immediate re-appointment after the expiration of their respective terms.

In the absence of the Chairman, the Vice-Chairman shall act as Chairman. Only the ex-officio Board members may designate their individual alternates to attend Board meetings in their absence. Such alternates shall attend Board meetings and the meetings of any committee assigned to their principals, and receive the corresponding per diems.

The Board shall meet regularly at least once a month and as often as the exigencies of the service demand. The presence of at least six (6) members shall constitute a quorum, and the vote of a majority of the members present there being a quorum shall be necessary for the adoption of any resolution, rule, regulation, decision, award or any other corporate act.

Each member of the Board shall receive a per diem of at least FIVE HUNDRED PESOS (P500.00) per meeting actually attended: Provided, That no member shall receive a per diem of more than TWO THOUSAND FIVE HUNDRED PESOS (P2,500.00) per month.

SEC. 5. Powers and Functions of the Board. The Board shall have the following powers and functions:

- (a) To formulate policies, guidelines and programs to effectively implement and carry out this Executive Order in line with the purposes and objectives of the KKK;
- (b) To prescribe and periodically review and revise the amount of the fees, charges, and assessments levied and collected for the support and maintenance of the operations of the AUTHORITY;
- (c) To control the management, operation and administration of the AUTHORITY;
- (d) To promulgate such rules and regulations as may be necessary or proper for the effective exercise of powers and functions as well as the discharge of the duties and responsibilities of the AUTHORITY, its officers, and employees;
- (e) To authorize such expenditures of the AUTHORITY as may be necessary or proper for the effective management, operation and administration of the AUTHORITY;
- (f) Upon the recommendation of the Administrator of the AUTHORITY, to determine and approve the AUTHORITY's organizational and administrative structure or pattern, and establish and fix, review, revise and adjust the appropriate compensation scheme of the officers and employees of the AUTHORITY with reasonable allowances, bonuses and other incentives as may be recommended by the Administrator of the AUTHORITY;
- (g) To approve the annual and supplemental budget of receipts and expenditures of the AUTHORITY;
- (h) To appoint, remove, suspend or otherwise discipline the Deputy Administrator and other officers of the AUTHORITY occupying executive and senior management positions; and
- (i) To do any and all acts and transact such business as may be necessary or proper for the attainment of the powers and functions of the AUTHORITY.

SEC. 6. Officers of the AUTHORITY. The Chief Operating Officer of the AUTHORITY is the Administrator, assisted by one or two Deputy Administrator(s) all appointed by the Board. The Board shall determine the other officers of the AUTHORITY who, except as provided in this Executive Order, shall be appointed by the Administrator subject to confirmation by the Board.

SEC. 7. The Administrator; His Powers and Duties. The Administrator shall exercise the following powers and duties:

- a) To execute the policies, guidelines and programs approved by the Board, and to be responsible for the efficient discharge of management and operational functions;
- b) To submit for the consideration and approval of the Board proposed measures, policies, guidelines and programs as he may deem necessary or proper for the effective implementation of this Executive Order;
- c) To direct and supervise, the management, operation and administration of the