

# **Executive Order on the Kilusang Kabuhayan at Kaunlaran**

**MALACAÑANG  
RESIDENCE OF THE PRESIDENT  
OF THE PHILIPPINES  
MANILA**

## **EXECUTIVE ORDER NO. 715**

**ESTABLISHING THE KILUSANG KABUHAYAN AT KAUNLARAN AS A PRIORITY PROGRAM OF GOVERNMENT, PROVIDING FOR ITS ORGANIZATIONAL MACHINERY, AND FOR OTHER PURPOSES.**

WHEREAS, the history of the Philippines is the saga of a people who sailed the seas and reshaped the land to create better conditions of life for themselves;

WHEREAS, the present government, taking pride in this brave and creative spirit, launched nine years ago a thorough-going program of reform and in the process led the nation out of the Old Society, into the New Republic;

WHEREAS, in this program of reform and transformation, new directions in policy were charted, among them a course that would bring into the life of the nation a fresh experience in social justice;

WHEREAS, social justice had always been in reality a mere sop to conscience or a phrase in the slogans and the rhetoric of politicians, until it was accorded its true worth and meaning by the present government;

WHEREAS, this revitalized concept of social justice recognizes man and his capability for useful and life-enhancing production as one of the most important resources of the nation;

WHEREAS, having committed ourselves to reform, we are determined that social justice shall serve as a weapon to stimulate and assist productive elements in Philippine society to contribute their energies and resources to the development process;

WHEREAS, one way of achieving this goal is to transform the rural communities into more viable human settlements, with the people relying primarily on their own human, financial, and physical resources in the locality through self-help and self-reliance;

WHEREAS, the Kilusang Kabuhayan at Kaunlaran was conceived as a nationwide movement to mobilize such local resources for the establishment of viable productive enterprises that would provide sources of livelihood within the community and thus make social justice a real part of day-to-day life; and

WHEREAS, there is need to adopt the Kilusang Kabuhayan at Kaunlaran for-

mally as a government priority program and to install the organizational machinery to support it;

Now, therefore, I, Ferdinand E. Marcos, President of the Philippines, by virtue of the powers vested in me by Presidential Decree No. 1416 as amended, do hereby order and ordain:

**Section 1. Policy Statement and Objectives.** The Kilusang Kabuhayan at Kaunlaran is hereby established and adopted as a priority program of government. The nationwide movement aims to achieve the following:

(1) To promote attitudes in the communities, especially in the countryside, which are more conducive to local development through self-help and self-reliance;

(2) To encourage people to use their local resources effectively for livelihood activities, so as to achieve just and fair returns on their efforts, and to increase individual and family incomes in the community;

(3) More specifically, to promote the establishment of viable local productive enterprises which are preferably private ventures of residents or groups of residents of the community, with the government providing such technical assistance and access to financing as may be required; and

(4) To mobilize existing financial program and to generate new sources of funding for livelihood ventures, for both equity and debt requirements if necessary

The National Government shall align and direct its activities and operations, especially at the municipal level, so as to provide more effective support to the local communities and to the local government in attaining the objectives of the

Kilusang Kabuhayan at Kaunlaran.

**Section 2. Pambansang Lupon ng Kilusang Kabuhayan at Kaunlaran.** There is hereby created a Pambansang Lupon ng Kilusang Kabuhayan at Kaunlaran, or the National Council on Livelihood, hereinafter referred to as the Pambansang Lupon.

The Pambansang Lupon shall have the following functions and powers:

(1) To develop and adopt a national livelihood strategy, known as the Kilusang Kabuhayan at Kaunlaran, the basic purposes and objectives of which are set forth in the preceding Section;

(2) To formulate basic policies, programs and guidelines for the implementation of the Kilusang Kabuhayan at Kaunlaran, including indicative national and subnational production and market estimates;

(3) To define priority areas for the promotion of productive enterprises;

(4) To develop appropriate model productive ventures, or prototypes, for possible adoption in similarly situated communities;

(5) To identify sources of technical and financial assistance for productive enterprises, including model enterprises, and facilitate the availment of these sources by the local communities;

(6) To utilize existing government lending programs and financial institutions, and develop such additional financial conduits as may be necessary to provide financial support for the Kilusang Kabuhayan at Kaunlaran, and for this purpose, organize a delivery system for financing specific projects;

(7) To determine the nature and extent of financial assistance to productive ventures,

including possible counterpart funding for the equity requirements of such ventures;

(8) To develop a nationwide training program on the Kilusang Kabuhayan at Kaunlaran for national and local government officials, including extension workers, and local entrepreneurs;

(9) To prepare and approve the budgetary and other financial requirements of the Kilusang Kabuhayan at Kaunlaran program; and

(10) To oversee and monitor the progress of the Kilusang Kabuhayan at Kaunlaran program in general.

**SECTION 3. *Composition of the Pambansang Lupon.*** The Pambansang Lupon shall be composed of the President as Chairman, the Prime Minister as Vice-Chairman, and the Ministers of Agriculture, Agrarian Reform, Budget, Economic Planning, Human Settlements, Local Government and Community Development, Natural Resources, Public Information, and Trade and Industry, the Governor of the Central Bank, the President of the Philippine National Bank, and the Chairman of the Board of Governors of the Development Bank of the Philippines, as members. The Pambansang Lupon may have such other members as the President may deem necessary, including representatives from various levels of local government as well as from the private sector.

The Pambansang Lupon may create an Executive Committee with such powers and functions as the Pambansang Lupon may determine.

**SECTION 4. *Secretariat and Implementing Agency.*** The Ministry of Human Settlements shall provide the secretariat for, and the Minister of

Human Settlements shall serve as the Secretary-General of the Pambansang Lupon. The Ministry of Human Settlements shall be the implementing agency for the policies, programs, and projects of the Kilusang Kabuhayan at Kaunlaran as approved by the Pambansang Lupon. Other agencies may provide such additional support as may be determined by the Pambansang Lupon.

**SECTION 5. *Program Coordination at the Regional Level.*** The existing Regional Development Council, or Sangguniang Panrehiyon sa Pagpapaunlad, established pursuant to Presidential Decree No. 1 as amended in each region shall, in addition to its powers and functions as provided for under existing laws and issuances, be responsible for coordinating and linking the activities of the national and local governments, including the various ministries, other agencies, and government corporations, in the implementation of their respective development programs, and more specifically in extension work within the region, especially in the promotion of the Kilusang Kabuhayan at Kaunlaran.

The regional representatives of the Batasang Pambansa shall be ex-officio members of the Regional Development Council for the purpose of coordinating regional development plans and programs with the priority thrusts of national legislation.

The Regional Development Council may either create a special subcommittee, utilize the existing Executive Committee, or the Council itself serve as the entity for the purpose of promoting and monitor-

ing the Kilusang Kabuhayan at Kaunlaran, without prejudice to the Chairman of the Regional Development Council assuming this function himself. In promoting and monitoring the Kilusang Kabuhayan at Kaunlaran, the Regional Development Council shall be provided with the necessary support services by the Ministry of Human Settlements. Other ministries and agencies may provide such additional support on the Kilusang Kabuhayan at Kaunlaran as may be necessary.

**SECTION 6. *Program Coordination at the Provincial Level.*** The existing Provincial Development Council, or Sangguniang Panlalawigan sa Pagpapaunlad, established pursuant to Executive Order No. 121 as amplified by Circular No. 76-110 of the Ministry of Local Government and Community Development shall, as provided for under existing laws and issuances, be responsible for coordinating and linking the activities of the national and local governments, including the various ministries, other agencies, and government corporations, in the provision of extension work within the province, especially in the promotion of the Kilusang Kabuhayan at Kaunlaran.

The composition of the Provincial Development Council is hereby modified so as to have for its chairman the provincial governor; and for its members the vice governor and the members of the Sangguniang Panlalawigan; the mayors of the municipalities in the province; the senior officials of National Government ministries, agencies, and government corporations assigned to the province; and the officials of the provincial government engaged in extension work and related livelihood activities. It may have such

other members, including representatives from the private sector, as the provincial governor may designate.

All existing provincial councils or committees consisting of representatives of national and local governments are hereby absorbed or subsumed under the Provincial Development Council.

The Provincial Development Council may create an Executive Committee headed by the provincial governor or his authorized representative which may exercise the powers and functions of the Council when it is not in session, or which may have such powers and functions as the provincial governor may determine.

The Provincial Development Council may either create a special subcommittee, utilize the Executive Committee, or the Council itself serve as the entity for the purpose of promoting and monitoring the Kilusang Kabuhayan at Kaunlaran, without prejudice to the Provincial Governor assuming this function himself. In promoting, coordinating, and monitoring the Kilusang Kabuhayan at Kaunlaran, the provincial governor and the Provincial Development Council shall be provided with the necessary support services by the Ministry of Human Settlements. Other ministries and agencies may provide such additional support on the Kilusang Kabuhayan at Kaunlaran as may be determined by the provincial governor.

**SECTION 7. *Additional Functions of the Provincial Development Council.*** The Provincial Development Council shall have the following additional functions and powers:

(1) To coordinate at the provincial level the extension programs, priorities, and field operations of the various ministries and agencies of the National Government as well as government corporations, through their senior personnel assigned to the province;

(2) To promoté the Kilusang Kabuhayan at Kaunlaran; and

(3) To monitor and coordinate at the provincial level livelihood projects, including those under the Kilusang Kabuhayan at Kaunlaran, of individual or groups of municipalities, especially on the rationalization, consistency, and complementarity of Kilusang Kabuhayan projects in the province.

**SECTION 8. *Program Coordination and Implementation at the Municipal Level.*** The municipality shall be the primary unit for the implementation of the Kilusang Kabuhayan at Kaunlaran at the local level.

The existing Municipal Development Council, or Sangguniang Pambayan sa Pagpapaunlad, established pursuant to Circular No. 76-110 of the Ministry of Local Government and Community Development shall, in addition to its powers and functions as provided for under existing laws and issuances, be responsible for coordinating and linking the activities of the national and local governments, including the various ministries, other agencies, and government corporations, in extension work within the municipality, especially in the promotion, coordination, and implementation of the Kilusang Kabuhayan at Kaunlaran.

The Composition of the Municipal Development Council is hereby modified so that the chairman shall be the Municipal Coordinator as described below, and the members shall be composed

of the vice mayor and the members of the sangguniang bayan; the barangay captains in the municipality; the senior officials of National Government ministries, agencies, and government corporations assigned to the municipality and involved in extension work; municipal government officials directly engaged in extension work; and such representative from the provincial government as the provincial governor may designate. It may have such other members, including representatives from the private sector, as the Municipal Coordinator may designate.

All existing municipal councils or committees consisting of representatives of national and local governments are hereby absorbed or subsumed under the Municipal Development Council.

**SECTION 9. *Functions of the Municipal Development Council.*** The powers and functions of the Municipal Development Council are deemed to include the following, *inter alia*:

(1) To coordinate at the municipal level the extension programs, priorities, and field operations of the various ministries and agencies of the National Government, through their senior extension personnel assigned to the municipality;

(2) With special reference to the Kilusang Kabuhayan at Kaunlaran, to identify and make available for consideration the potential livelihood projects; and

(3) To provide more detailed guidelines concerning the establishment of suitable livelihood projects.

The Municipal Coordinator shall be the

municipal mayor, unless otherwise indicated by the Pambansang Lupon. The Municipal Coordinator shall be assisted by an Assistant Municipal Coordinator, who shall be chosen by the Municipal Coordinator from among the officials of the municipal government or from among the senior representatives of the National Government ministries, other agencies, and government corporations assigned to the municipality and engaged in extension work.

The Municipal Development Council may create a special subcommittee or itself serve as the entity for the purpose of promoting and monitoring the Kilusang Kabuhayan at Kaunlaran, without prejudice to the mayor himself assuming the function.

**SECTION 10. *Implementation of Livelihood Projects at the Municipal Level.*** The Municipal Coordinator shall be responsible for the implementation of all livelihood projects in the municipality, including the encouragement of the establishment of productive private enterprises in the community under the Kilusang Kabuhayan at Kaunlaran. He shall also serve as the initial contact on inquiries and requests for assistance with respect to the Kilusang Kabuhayan at Kaunlaran.

In promoting, coordinating, implementing and monitoring the Kilusang Kabuhayan at Kaunlaran, the Municipal Coordinator and the Municipal Development Council shall be provided with the necessary support services by the senior representative of the Ministry of Human Settlements assigned to the municipality or whose area of responsibility explicitly

includes the entire municipality. Other ministries or agencies may provide additional support on the Kilusang Kabuhayan at Kaunlaran as may be determined by the Municipal Coordinator.

The Municipal Coordinator and the Municipal Development Council may also avail of province-based or region-based technical assistance from National Government ministries, agencies, government corporations, and state colleges and universities in the identification, development, establishment, and operation of local livelihood projects and enterprises.

**SECTION 11. *Approval of Municipal and Barangay Level Projects.*** The establishment of productive enterprises in the municipality or the barangay under the Kilusang Kabuhayan at Kaunlaran program shall not require the approval of higher local government authorities, including provincial or regional authorities; *provided*, that such enterprises have no special financing requirements needing approval from higher authorities. This dispensation from approval does not extend to exemption from such permits and licenses from the provincial or national governments as may be required in the normal course of the establishment and operation of enterprises.

**SECTION 12. *Joint Productive Enterprises.*** The Municipal Coordinator shall also encourage and assist in the establishment of viable joint productive enterprises among municipalities and/or neighboring chartered cities. For this purpose, the Municipal Coordinators of the communities involved may select an overall coordinator for such an enterprise from among themselves.

SECTION 13. *Supervision of Extension Personnel.* The Municipal Coordinator, shall, through the appropriate senior extension official of each entity, supervise the extension workers of the various ministries and other National Government agencies in the delivery of extension services in the municipality. Supervision in this context shall include the following powers:

(1) To review the deployment plan for all extension workers operating within the municipality, and recommend to the appropriate ministries and agencies changes which may need to be made for the implementation of the various extension programs, including livelihood projects, for the municipality;

(2) To adjust the deployment of extension personnel, on an interim basis, in order not to hamper the implementation of extension programs, including livelihood projects, in cases of unforeseen circumstances or emergencies;

(3) To assume the responsibility for taking action on administrative matters concerning extension workers of the National Government as may be mutually agreed upon with the ministries or agencies concerned, such as approval of leaves of absence, attendance in seminars and training programs, and similar matters; and

(4) To recommend to the appropriate representative of the ministry the recognition of, or conversely the disciplining of reassignment of, its extension workers.

In addition to extension workers mentioned in this and in the following sections, other National Government personnel assigned to the municipality, such as public school teachers, may be enlisted by the Municipal Coordinator in promoting coordinating, implementing, or monitoring the Kilusang Kabuhayan at Kaunlaran, under such terms and conditions as may be agreed upon with the ministry or agency concerned, or pur-

suant to such national policies as may be enunciated by the Pambansang Lupon.

SECTION 14. *Definition of Extension Worker.* For the purpose of this Executive Order, an extension worker shall mean a government employee who is primarily or fully engaged in the non-formal transfer of scientific and technological knowledge and skills for the practical use of a specific target clientele by performing any one or a combination of the functions of facilitating, supervising, disseminating, or implementing.

SECTION 15. *Training of Extension Workers.* To expedite the implementation of the Kilusang Kabuhayan at Kaunlaran, a training and information program shall be established to reorient the extension personnel of the National Government in the various ministries and other entities, including relevant government corporations. Training and information programs shall also be established for appropriate local government officials and personnel as well as local entrepreneurs. The Pambansang Lupon shall designate the appropriate entities for implementing the training program, and shall approve the contents, duration, location, participation, and coverage of such training programs. Such training programs shall be formulated in consultation with the Civil Service Commission and the Ministry of the Budget.

SECTION 16. *Applicability of the Organizational Structure.* The organizational structure for the Kilusang Kabuhayan at Kaunlaran provided in the regional, provincial and local levels shall be applicable to all the regions except the National Capital Region and Regions IX and XII. The organizational structure

shall be followed to the extent feasible and compatible with the special organizational structures, functions, and powers obtaining in the National Capital Region and Regions IX and XII.

The provisions contained in this Executive Order concerning the organization and implementation of the Kilusang Kabuhayan at Kaunlaran at the municipal level shall also be applicable to chartered cities, except that chartered cities will not be under the coordinative framework of the province.

**SECTION 17. *Funding.*** The organizational and other operating expenses to be incurred in the implementation of the Kilusang Kabuhayan at Kaunlaran program shall be charged against the National Livelihood Program Support Fund, as well as from other appropriated funds intended for the organization and operation of livelihood activities. All releases shall be made with the approval of the Pambansang Lupon and/or the President.

The financing of Kilusang Kabuhayan at Kaunlaran projects shall come from the National Livelihood Program Support Fund and from other government financial programs as appropriate, and shall be made available through the regular government and private financial institutions participating in the Kilusang Kabuhayan at Kaunlaran, and such other channels and institutions as may be determined by the Pambansang Lupon and/or the President.

The Pambansang Lupon shall coordinate and, where necessary and ap-

propriate, allocate the utilization of available funds from the various sources above-mentioned to ensure their distribution among the organizational, operational, and equity and debt project funding requirements in the most effective and efficient manner.

**SECTION 18. *Repealing Clause.*** All laws, decrees, charters, executive orders, administrative orders, proclamations, rules and regulations or parts thereof that are in conflict with this Executive Order are hereby repealed or modified accordingly.

**SECTION 19. *Separability Clause.*** Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying the other portions thereof; *provided*, that such remaining portions can still stand and be given effect in their entirety to accomplish the objectives of the Executive Order.

**SECTION 20. *Effectivity.*** This Executive Order shall take effect immediately.

DONE in the City of Manila, this 6th day of August, in the year of Our Lord, nineteen hundred and eighty-one.

(Sgd.) FERDINAND E. MARCOS  
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA  
Presidential Executive Assistant