

CREATING THE PHILIPPINE DENDRO GASIFIER CORPORATION AND PROVIDING FUNDS THEREFOR

EXECUTIVE ORDER NO. 871, February 12, 1983

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WHEREAS, there exists at present a global recession brought about by numerous factors among which is the unpredictable price of oil;

WHEREAS, the country's oil importations amount to billions of dollars each year, constituting a substantial portion of our annual expenditures and thereby jeopardizing other vital industries;

WHEREAS, the Government has embarked on an energy conservation program aimed at reducing its oil importations and at the development and utilization of other alternative sources of energy;

WHEREAS, the nationwide adoption and implementation of energy conservation measures will result in large savings in the country's expenditures in oil importation, which savings may be utilized to develop other vital industries;

WHEREAS, Executive Order Nos. 655 and 673 enjoin the promotion and widespread application of gasifier equipment in transport vehicles and farm machineries;

WHEREAS, extensive studies coupled with successful experiments show that gasifiers can be utilized to run motor vehicles, bancas, farm equipment and other machineries in order to considerably reduce the country's oil importations and immensely uplift the various sectors of society dependent on oil;

WHEREAS, gasifiers are pollution-free and provide for a more economical operation of vehicles and machineries being utilized for transportation, agricultural, industrial and commercial purposes;

WHEREAS, the power of the President of the Philippines to reorganize the national and other units of the Government includes the authority to create new entities, agencies and instrumentalities of the Government;

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 by Presidential Decree No. 1772, do hereby order:

SECTION 1. Creation of the PHILIPPINE DENDRO GASIFIER CORPORATION. – There is hereby created a body corporate to be known as the PHILIPPINE DENDRO GASIFIER CORPORATION, hereinafter referred to as the CORPORATION, which shall be under the Ministry of Human Settlements. The CORPORATION shall have its principal office in Metro Manila, and may have such other branches or subsidiaries in other areas in the Philippines as it may deem proper or necessary.

SEC. 2. Purposes and Objectives. – The CORPORATION shall have the following purposes and objectives:

(a) To develop, manufacture, produce, improve, distribute, market, sell, repair and maintain gasifier equipment of all kinds and nature in line with the Government's program of reducing the country's dependence on imported oil and in pursuance of the State's policy of securing the well-being of the Filipino people;

- (b) To finance or assist fishermen, farmers, operators and other individuals or cooperatives in obtaining financing terms for the lease, purchase or acquisition of gasifier equipment, for the production of charcoal and/or for the planting, harvesting and marketing of fuel-wood;
- (c) To promote scientific research on anti-pollution and ecological upliftment measures, energy conservation and alternative sources of energy;
- (d) To encourage, assist and finance the invention, development and utilization of gasifier and similar gas-saving devices, and to publish and disseminate up-to-date information on gasifier equipment;
- (e) To sponsor, hold or coordinate or participate in conventions, seminars and work-shops on energy conservation, anti-pollution and related projects in the Philippines or abroad;
- (f) To assist universities and academic institutions in their studies on gasifier and similar gas-saving devices, and to encourage and grant scholarships for advanced studies in fields relevant to the Government's anti-pollution, energy conservation and ecological upliftment program;
- (g) To assist and coordinate with other appropriate government agencies in the implementation of the Government's anti-pollution, energy conservation and ecological upliftment program; and
- (h) To coordinate with the appropriate government agencies in adopting and implementing a program aimed to promote the use of gasifiers and other gas-saving devices.

SEC. 3. Powers and Functions. – The CORPORATION 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 in its corporate name;
- (c) To adopt such rules and regulations as it may deem proper or necessary for implementation of its purposes and objectives;
- (d) To succeed by its corporate name, and 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 award, enter into, make, execute, perform and carry out domestic or foreign contracts of whatever kind and nature;
- (f) 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;
- (g) 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;
- (h) To obtain loans, borrow funds and/or arrange financing or credit assistance of whatever kind and nature from all sources, whether domestic or foreign and whether government or private, 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;
- (i) To levy, assess and collect such fees, charges and assessments as may be necessary or proper to support,

finance and maintain its operations;

(j) To perform such other acts and transact such other business as may be incidental or necessary to carry out its purposes and objectives; and

(k) To exercise all the powers of a corporation under the Corporation Law, insofar as these powers are not inconsistent with the provisions of this Executive Order.

SEC. 4. The Board of Trustees; Composition; Term and Compensation. – The CORPORATION 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 a Chairman, a Vice-Chairman and five (5) members. The Minister of Human Settlements shall be the ex-officio Chairman of the Board. The President of the CORPORATION who shall be appointed in accordance with Section 7 hereof, shall be the ex-officio Vice-Chairman of the Board. The Minister of Trade and Industry, the Minister of Natural Resources, the Administrator, Farm System Development Corporation and the General Manager, National Dendrothermal Development Corporation shall be ex-officio members of the Board.

The President of the Philippines shall appoint, as member of the Board, a representative from the private sector who shall serve for a term of three (3) years, unless sooner removed by the President of the Philippines for any cause. The appointive member shall be eligible for reappointment after the expiration of his term.

In the absence of the Chairman, the Vice-Chairman shall act as Chairman. The Chairman, the Vice-Chairman and the ex-officio Board members may designate their respective representatives to attend Board meetings in their absence. Such representatives 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 once a month and as often as the exigencies of the service demand. The presence of at least four (4) members or their representatives shall constitute a quorum, and the vote of a majority of the members or representatives present there being a quorum shall be necessary for the adoption of any rule, regulation, resolution, decision or any other act of the Board.

The Members of the Board or their representatives shall receive per diems, as the Board may approve, for each Board meeting actually attended by them; PROVIDED, That such per diems shall not exceed ONE THOUSAND PESOS (P1,000.00) during any one (1) month for each member or representative.

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 the purposes and objectives of the CORPORATION;

(b) To prescribe, review and revise the amount of the fees, charges and assessments levied and collected for the support and maintenance of the operations of the CORPORATION;

(c) To control the management, operation and administration of the CORPORATION;

(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 CORPORATION, its officers and employees;

(e) To authorize such expenditures of the CORPORATION as may be necessary or proper for the effective management, operation and administration of the CORPORATION;

(f) Upon the recommendation of the President of the CORPORATION, to determine and approve the

CORPORATION's organizational and administrative structure or pattern, and to establish and fix, review, revise and adjust the appropriate compensation scheme of the officers and employees of the CORPORATION, with reasonable allowances, bonuses and other incentives as may be recommended by the President of the CORPORATION;

(g) To adopt the annual and supplemental budget of receipts and expenditures of the CORPORATION;

(h) To appoint, promote, transfer, remove, suspend or otherwise discipline the Executive Vice-President and other officers of the CORPORATION occupying executive and senior management positions;

(i) To exercise all the general powers necessary or incidental to the attainment of the purposes and objectives of the CORPORATION; and

(j) To do any and all acts as may be necessary or proper for the exercise of the powers and functions of the CORPORATION;

SEC. 6. Officers of the CORPORATION. – The CORPORATION may have an Executive Vice-President and such Vice-Presidents, Assistants Vice-Presidents and other officials as may be required for the effective operation of the CORPORATION. Except as provided in Section 5(h) hereof, the officers of the CORPORATION shall be appointed by the President of the CORPORATION, subject to confirmation by the Board.

SEC. 7. The President; His Term and Remuneration. – The President of the CORPORATION shall be appointed by, and shall serve at the pleasure of, the President of the Philippines. The salary of the President of the CORPORATION shall be fixed by the Board, subject to the approval of the President of the Philippines.

SEC. 8. Powers and Duties of the President. – The President of the CORPORATION shall be the Chief Executive Officer of the CORPORATION. He 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 the purposes and objectives of the CORPORATION;

(c) To direct and supervise the management, operation and administration of the CORPORATION and, for this purpose, he may delegate any or some of his administrative responsibilities and duties to the other officers of the CORPORATION;

(d) To execute, on behalf of the CORPORATION, all contracts and agreements which the CORPORATION may enter into, and to execute, accomplish and deliver any and all documents relative to such contracts and agreements;

(e) To represent the CORPORATION in all dealings with other offices, agencies and instrumentalities of the Government, and with all other persons or entities, whether domestic or foreign and whether government or private;

(f) To appoint, promote, transfer, remove, and suspend or otherwise discipline the officers and employees of the CORPORATION, except those appointed by the BOARD;

(g) To vote all stocks owned or controlled by the CORPORATION; and

(h) To exercise such other powers and perform such other duties as may be vested or reposed upon him by the

Board.

SEC. 9. Assistance from the Government. – The CORPORATION may call upon any Ministry, Bureau, Office, Agency or instrumentalities of the Government, including government-owned or controlled corporations, for such assistance as it may need in the pursuit of its purposes and objectives.

SEC. 10. Capitalization. – The CORPORATION shall have an authorized capital stock of ONE HUNDRED MILLION PESOS (P100,000,000.00), Philippine Currency, divided into One Hundred Thousand (100,000) shares with a par value of One Thousand Pesos (P1,000.00) per share. Of the authorized capital stock, TWENTY MILLION PESOS (P20,000,000.00) divided into Twenty Thousand (20,000) shares with par value of One Thousand Pesos (P1,000.00) per share shall be subscribed to and paid by the Government of the Republic of the Philippines. The said amount shall be set aside and appropriated out of the Casino Trust Fund.

Subject to the approval of the President of the Philippines, the remaining Eighty Thousand (80,000) shares shall be subscribed to by the Government of the Republic of the Philippines out of available funds in the National Treasury, or by any government financial institution or government-owned or controlled corporation. A part of the said shares may also be subscribed to by any interested private investor, whether juridical or natural; PROVIDED; That in no case shall the Government lose majority control over the total number of issued shares of the CORPORATION.

SEC. 11. Joint Venture with the Private Sector. – Notwithstanding any provision of law, rule or regulation to the contrary, the CORPORATION is hereby authorized to enter into any joint venture with any private entity, corporation, individual or group, whether foreign or domestic, in the pursuit of its purposes and objectives.

SEC. 12. Incentives for the Use of Gasifiers. – The CORPORATION in coordination with the Kilusang Kabuhayan at Kaunlaran (KKK) shall formulate a liberal lending program to finance the lease, purchase or acquisition of gasifier equipment for all livelihood projects. The CORPORATION and the KKK shall avail of the facilities of the Philippine National Bank, the Development Bank of the Philippines and the Land Bank of the Philippines, in the implementation of the financing program designed to assist gasifier equipment users.

All persons, whether natural or juridical, including cooperatives who lease, purchase or acquire, and utilize and employ gasifier equipment shall be given priority in their application for any franchise, permit or certificate of public convenience issued by the appropriate government agency.

SEC. 13. Auditor. – The Chairman of the Commission on Audit shall be the ex-officio Auditor of the CORPORATION. For this purpose, he may appoint a representative who shall be the Auditor of the CORPORATION, assisted by the necessary personnel in the performance of his duties. The number and salaries of the Auditor and his personnel shall be determined by the Chairman of the Commission on Audit and paid by the CORPORATION.

SEC. 14. Legal Counsel. – The Office of the Government Corporate Counsel shall be the Legal Counsel of the CORPORATION. For the services of the staff of the Office of the Government Corporate Counsel, the CORPORATION shall appropriate and pay such amount as may be assessed by the Government Corporate Counsel to defray the transportation and representation expenses of the lawyers in the Office of the Government Corporate Counsel who may be assigned to handle the legal matters of the CORPORATION.

SEC. 15. Annual Report. – The CORPORATION shall render to the President of the Philippines an annual report on its operations and accomplishments.

SEC. 16. Applicability of the Corporation Law. – The provisions of the general corporation law, insofar as they

are not inconsistent with the provisions of this Executive Order or with the purposes and objectives of the CORPORATION, shall apply to the CORPORATION.

SEC. 17. Separability Clause. – The provisions of this Executive Order are hereby declared to be separable, and if any provision or section of this Executive Order or application thereof to any person or circumstance should for any reason be held invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or section of this Executive Order.

SEC. 18. Effectivity. – This Executive Order shall take effect immediately.

Done in the City of Manila, this 12th day of February, in the year of Our Lord, nineteen hundred and eighty-three.

(SGD.) FERDINAND E. MARCOS

President of the Philippines

By the President:

(SGD.) JUAN C. TUVERA

Presidential Executive Assistant

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