

MALACANAÑG
Manila

EXECUTIVE ORDER NO. 786

CREATING THE NATURAL RESOURCES DEVELOPMENT CORPORATION
DEFINING ITS FUNCTIONS, POWERS AND RESPONSIBILITIES
AND FOR OTHER PURPOSES.

WHEREAS, with the urgent need to accelerate the country's development is the need to conserve the natural resources and the environment to attain a better quality of life for the people;

WHEREAS, there are new technologies which complement the utilization of a resource with the conservation of another and result to greater new benefit to the people and the environment, such as the charcoal pig iron making;

WHEREAS, more productive utilization of resources can be attained by the use of new or better systems or technologies, such as the stumpage valuation system; and

WHEREAS, with the present slump in the economy, it is imperative that the government actively support the development and implementation of such technologies and systems;

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

SECTION 1. Creation of the Corporation. - The Natural Resources Development Corporation (NRDC) is hereby created under the Ministry of Natural Resources. It shall have corporate term of fifty (50) years which shall be deemed renewed for an equal period unless earlier dissolved by law. The principal office shall be in Metro Manila but the Board may hereafter establish branches/offices elsewhere in the Philippines as it shall deem necessary.

SEC. 2. Policy/Purposes. - The NRDC shall on its own, or through its subsidiary/subsidiaries or in joint venture with the private sector hasten development by promoting and/or undertaking the development and/or use of technologies/systems that complement the utilization of natural resources with its conservation and/or optimize its utilization;

SEC. 3. Functions/Objectives. - The NRDC shall undertake all manner of activity, business or development projects that shall achieve the purpose to include but not limited to the following;

1. Engage in the production of charcoal pig-iron and small and/or medium scale steel mills as well as, the necessary support fuel wood plantations.
2. Engage in and/or encourage private sector to engage in reforestation and industrial forestry operations through the stumpage sale system and other means.
3. Ensure a stable market for natural resources-based products by coordinating the production and marketing activities and/or by engaging in the production and/or local/international marketing of critical natural resources-based products.
4. Promote investment in natural resources-based industries by providing financial, technical and/or management support/assistance.
5. Conduct research and development on natural resources-based products.
6. Engage in the production and marketing of minor forest, aquatic and marine products.

SEC. 4. Powers. - The NRDC shall have the general powers provided in the Corporation Law, insofar as they are not inconsistent with this Order, and such other power necessary to enable it to attain its objectives. Without in any manner restricting the purpose of this Section, it is expressly provided that the NRDC shall exercise the following powers:

1. Acquire, hold and dispose such lands as may be necessary to carry out the purposes and objectives of the NRDC within such approved by the Board of Directors;
2. Promulgate such rules and regulations necessary for the attainment of the objectives of this Order;
3. Enter into, make and execute contracts of any kind with any person, firm or corporation, with the Philippine Government or with any foreign government, subject to existing laws;
4. Form, establish, organize and operate and/or contract in operate such subsidiaries, divisions, functional units, offices and departments of the NRDC as it may deem necessary or useful for the furtherance of the purpose of this Order;
5. Enter into any lawful arrangement for sharing profits, joint ventures, union interests reciprocal concession or cooperation with any association, partnership, syndicate or entity located in or organized under the laws of any authority in any part of the world as may be necessary to carry out its Operations;
6. Obtain funds to support or carry out its objectives and purposes and/or to investable funds or income derived from marketing, contributions, etc. in any authorized government depository banks;
7. Arrange for financing or credit, or any kind of assistance or its own account, subsidiaries in any client from government or private sources in the Philippine or from international public or private financial institutions, as the Board may deem necessary;
8. Secure any of all its obligations or liability by any guarantee or counter-guarantee, pledge, mortgage, deed of trust or assignment of the NRDC property or by creating or suffering to exist, a charge, lien, or encumbrance, general or special, upon its assets as the Board may deem reasonable and proper;

9. Guarantee domestic or foreign loans and other forms of indebtedness both as to principal and interest or either, issued by its own subsidiaries and/or by any duly incorporated companies engaged in the business of developing, producing and marketing natural resources-based products.

10. Accept and/or grant donations, in any form, from/to any entity, private or government, domestic or foreign;

11. Acquire equipment and/or raw materials and supplies by outright purchase or lease or rent from, as well as contract services or the undertaking of development projects to, any person or entity, domestic or foreign, private or government, with or without bidding, as the Board may deem reasonable and proper;

12. Exercise the power of eminent domain as may be necessary in carrying out the purposes of the Order;

SEC. 5. - Board of Directors. - The NRDC shall be governed by a Board of Directors composed of the following or their only designated representatives;

Chairman: Minister of Natural Resources
Member : Minister of Trade and Industry
Chairman of Development Bank of the Philippines
Minister of Transportation and Communications
Minister of Economic Planning
Minister of Finance
President of NRDC

SEC. 6. - Powers/Functions of the Board. - The Board of Directors of the NRDC shall exercise/perform the following powers/functions:

1. Prescribe and amend the By-Laws of the NRDC;

2. Formulate policies, plans, projects, rules and regulations to effectively carry out the functions of the NRDC;

3. Direct the management, operations and administration of the NRDC;

4. Create committee and/or positions necessary for the efficient operation of the Corporation, fix and authorize payment of salaries, allowances, per diems, honoraria and other remunerations or emoluments of the members of the Board, President, other officers and personnel, including personnel of the government agencies/instrumentalities who may be designated to work for the NRDC by detail or designation in concurrent capacity;

5. Fix the term of office of the members of the Board and officers of the NRDC;

6. Submit to the President of the Republic of the Philippines the annual report to operations and condition of the NRDC;

7. Exercise such other powers as may be necessary to accomplish the purposes/objectives of the NRDC;

8. Delegate any or all of the powers and functions to the officers of the NRDC.

SEC. 7. - Management. - The management of the NRDC shall be headed by a President who shall be appointed by the Board of Directors. Other officer positions may be created by the Board as it shall deem fit. The powers, duties, term and compensation of the officers shall be determined by the Board.

SEC. 8. - Powers and Duties of the President. The President shall have the following powers and duties:

1. To prepare the agenda for meeting of the Board and to submit for the consideration at the Board proposed policies and measures necessary to carry out the purposes of the Order;

2. To recommend and execute and administer to policies and measures approved by the Board;

3. To represent the NRDC in all dealings with offices, agencies, and instrumentalities of the government and other entities, public or private, domestic or foreign; and

4. To exercise such other powers as may be delegated/vested in him by the Board.

SEC. 9. - Capitalization. - The NRDC shall have an authorized capital stock of FIVE HUNDRED MILLION PESOS (P 5000,000.00) divided into five (5) Million Shares having a par value of the hundred (100.00) pesos each. The entire amount shall be subscribed by the National Government and to be paid up in accordance with the project funding requirements to be approved by the Minister of the Budget, provided, however, that the Minister of the Budget shall immediately release the amount of One Million Pesos (1,000,000.00) to the NRDC to start its Operations.

SEC. 10. - Exemption from all Taxes, Duties, Fees, imposts, and Other Charge by Government and Government Instrumentalities. To enable the NRDC to effectively carry out its purposes and objectives, the NRDC is hereby declared exempt for a period of ten (10) years from the effectivity of this Order, from the payment of the following:

1. Taxes, duties, fees, imposts, cost, and other charges provided for under the Tariff and Customs Code of the Philippines, as amended;

2. All income taxes, franchise taxes and realty taxes due to the national and/or local government agencies or instrumentalities;

3. All import duties, compensating taxes and advance sales tax, wharfage fees on foreign goods imported for its operations; and

4. All taxes, duties, fees imposts and other charges imposed on all petroleum and related products used by the NRDC.

Any provision of existing laws to the contrary notwithstanding, any donation, contribution, bequest, subsidy or financial aid which may be made to the NRDC shall be exempted from taxes of any kind, and shall constitute allowable deductions in full from the income of the donors or givers for income tax purposes.

SEC. 11. - Auditor. - The NRDC shall be audited by the corporate auditor, whose appointment by the Commission on Audit is subject to the approval of the Board. The subsidiary corporation/s of the NRDC formed and registered with the Securities and Exchange Commission shall be audited by independent Certified Public Accountants selected by the Board.

SEC. 12. - Separability Clause. - Should any provisions of this Order be held unconstitutional, no other provisions hereof shall be affected thereby.

SEC. 13. - Effectivity. - This Order shall take effect immediately.

Done in the City of Manila, this 19th day of March in the year of Our Lord, nineteen and eighty-two.

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

By the President:

(SGD.) JOAQUIN T. VENUS, JR.
Acting Presidential Executive Assistant