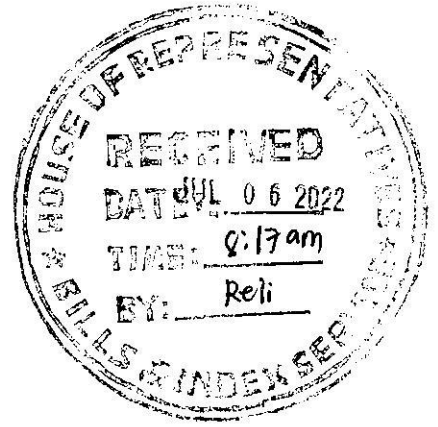


**Republic of the Philippines
House of Representatives
Quezon City**

**NINETEENTH CONGRESS
First Regular Session**

HOUSE BILL NO. **1334**



Introduced by Hon. Felimon M. Espares
COOP-NATCCO PARTYLIST

**"AN ACT
MANDATING EACH LOCAL GOVERNMENT UNIT TO ALLOT TO COOPERATIVES
TWO PERCENT (2%) OF THE APPROPRIATIONS FOR LOCAL DEVELOPMENT
PROJECTS AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE
KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991"**

EXPLANATORY NOTE

This bill seeks to require each local government unit (LGU) to allot to cooperatives two percent (2%) of the appropriations for local development project provided under Section 287 of Republic Act (RA) No. 7160, otherwise known as the "Local Government Code of 1991"

RA 6938, otherwise known as the "Cooperative Code of the Philippines" approved on March 10, 1990, was amended by RA 9520, otherwise known as "Philippine Cooperative Code of 2008" on February 17, 2009. Through RA 9520, it was declared the policy of the State to foster the creation and growth of cooperatives as practical vehicles for promoting self-reliance and that government shall create an atmosphere that is conducive to the growth and development of cooperatives.

A cooperative is a duly registered association of person with a common bond of interest where people voluntarily join together to achieve a lawful common social or economic end by making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in accordance with the universally accepted cooperative principles. The common bond of interest is the very impetus for people to find a rallying point. A motivation to take the risk because of the belief that cooperatives provide answers to their quest for a better life.

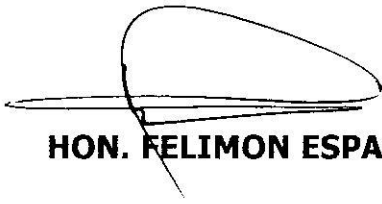
At present, there are 24,652 cooperatives registered in the Philippines based on a December 2014 report from the Cooperatives Development Authority. Thus, there is still much room for growth if potentials of cooperatives are recognized.

Section 287 if the Local Government Code of 1991 provides that each LGU shall appropriate in its annual budget no less than twenty percent (20%) of its annual internal revenue allotment for development projects. The proposed measure intends to require each LGU to allot cooperatives two percent (2%) of its appropriation for development projects. The cooperatives will then use this funding to implement its plans, programs, activities and

services for the benefit of the LGU and its constituents. This support for the growth of cooperatives is in recognition of the importance of cooperatives as practical vehicles for promoting self-reliance and empowering people towards the attainment of economic development and social justice. This is also the LGU's way of supporting cooperatives to become instruments of sustainable social and economic change in an increasingly modernized world.

In order for cooperatives to stay viable and their growth promoted, it requires utmost support from the government. This Bill is a positive expression of the appreciation for the existence, importance, and contribution of cooperatives to society.

In view of the foregoing, approval of this bill is earnestly sought.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a small vertical stroke at the end.

HON. FELIMON ESPARES

**Republic of the Philippines
House of Representatives
Quezon City**

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HOUSE BILL NO. **1334**

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AN ACT

MANDATING EACH LOCAL GOVERNMENT UNIT TO ALLOT TO COOPERATIVES TWO PERCENT (2%) OF THE APPROPRIATIONS FOR LOCAL DEVELOPMENT PROJECTS AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991"

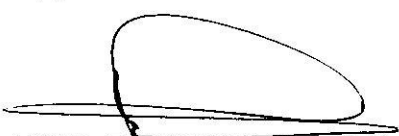
Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 287 of Republic Act No. 7160 is hereby amended to read as follows: "Section 287 Local Development Projects. Each Local government unit shall appropriate in its annual budget no less than twenty percent (20%) of its annual internal revenue allotment for development projects [.]; [PROVIDED, THAT TWO PERCENT (2%) OF THIS APPROPRIATION SHALL BE ALLOTTED TO COOPERATIVES FOR THE IMPLEMENTATION OF ITS PLANS, PROGRAMS, ACTIVITIES AND SERVICES. Copies of the development plans of Local Government Units shall be furnished the Department of Interior and Local Government

SECTION 2. Implementing Rules and Regulations – Within sixty (60) days from the effectivity of the Act, the Secretary of the Department of Interior and Local Government shall issue the necessary implementing rules and regulations to carry out the provisions of this Act.

SECTION 3 Effectivity - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.



HON. FELIMON M. ESPARES
COOP NATCCO PARTY LIST