

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
First Regular Session

HOUSE BILL NO. 5696



Introduced by Representative Michael L. Romero

EXPLANATORY NOTE

The **Cooperative Development Authority** shortened as **CDA**, is a government agency attached to the Office of the President of the Philippines in charge to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development.

It was established under **Republic Act No. 6939** also known as the **Cooperative Development Authority Act**, as mandated by Republic Act No. 6939, the Cooperative Code of the Philippines. Republic Act No. 6939 was repealed and was replaced by **Republic Act No. 9520**, otherwise known as the "**Philippine Cooperative Code of 2008**." CDA's charter was repealed and replaced on August 2019 with **Republic Act No. 11364**, otherwise known as the "**Cooperative Development Authority Charter of 2019**."

This House Bill seeks to provide **Modernization Funding** to the **Cooperative Development Authority (CDA)**, to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development.

Thus, the early passage of this bill is earnestly requested.

A handwritten signature in black ink, appearing to read "Michael L. Romero". The signature is fluid and stylized, with a long horizontal stroke extending to the right.

MICHAEL L. ROMERO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

19TH CONGRESS
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HOUSE BILL NO. 5696

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AN ACT

PROVIDING FOR MODERNIZATION FUNDINGFOR THE
COOPERATIVE DEVELOPMENT AUTHORITY (CDA), INCREASING
AND REORGANIZING ITS ADMINISTRATION, TO PROMOTE THE
VIABILITY AND GROWTH OF COOPERATIVES AS INSTRUMENTS
OF EQUITY, SOCIAL JUSTICE AND ECONOMIC DEVELOPMENT,
AND FOR OTHER PURPOSES

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

SECTION 1. DECLARATION OF POLICY – It shall hereby be a
declared policy of the State to mandate the **Cooperative Development
Authority (CDA)** as a proactive and responsive government agency for the
promotion of sustained growth and full development of the Philippines
cooperatives for them to become broad - based instruments of social justice,
equity and balanced national progress:

- a) Formulates, adopt and implement integrated and comprehensive
plans and programs on cooperative development consistent with
the national policy on cooperatives and the overall socio-
economic development plans of the Government;

- b)** Develops and conduct management and training programs upon request of cooperatives that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for the efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism; and
- c)** Provides, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, fishery and economically depressed sectors.

The state shall continually improve the effectiveness of our Quality Management System towards equitable development for improved quality of life for all.

The state shall formulate policies for the efficient and effective administration and management of all manpower, skills and competencies to ensure compliance.

SECTION 2. MODERNIZATION FUNDING. – The amount of Five Hundred Million Pesos (**Php 500,000,000.00**) for the operation and administration of the **Cooperative Development Authority (CDA)** shall be chargeable against funds for the purpose and other sources recommended by the **Department of Budget and Management (DBM)**. Thereafter, appropriations for the **Cooperative Development Authority (CDA)** shall be included in the budget proposals under the Office of the President (**OP**).

The Department of Budget and Management (**DBM**) shall rationalize the existing organizational structure and staffing pattern of the **Cooperative Development Authority (CDA)** in accordance with the provisions of this Act and relevant compensation and position classification laws, rules and regulations.

Thereafter, the amount needed for the continued implementation of the modernization program, shall be included in the annual General Appropriations Act **(GAA)**.

SECTION 3. COOPERATIVE DEVELOPMENT AUTHORITY (CDA) MODERNIZATION FUND – There is hereby created the **(CDA)** *Modernization Fund* to be used exclusively for the **(CDA)** *Modernization Program*.

The **(CDA)** *Modernization Fund* shall be administered by the Office of the President **(OP)** in accordance with existing government budgeting, accounting and auditing rules and regulations.

SECTION 4. PROGRESS REPORT – The Office of the President **(OP)** shall prepare an annual report on the status of the implementation of the **(CDA)** *Modernization Programs* which shall be submitted, to the President of the Republic and to the Chairpersons of the Committee on Trade and Industry of the Senate and the House of Representatives.

SECTION 5. PERIOD OF IMPLEMENTATION – The modernization program under this Act shall be implemented for an initial period of two **(2)** years:

Provided, that payments for multi-year contract obligations incurred under this Act may extend beyond this period:

Provided, further, That the **Cooperative Development Authority (CDA)** shall continue to develop, modernize and constantly update its operational capabilities to keep pace with best global practices.

SECTION 6. POWERS AND FUNCTIONS. – The **Cooperative Development Authority (CDA)** shall continue to exercise and uphold the following powers and functions; but not limited to:

As stated on its revised charter;

- a)** Develop and formulate, in consultation with the cooperative sector and other concerned institutions, appropriate regulations, standards, rules, orders, guidelines and/or circulars to ensure the effective and sound operation of cooperatives;
- b)** Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and establish an integrated framework on cooperative development for all government agencies;
- c)** Register all cooperatives including amendments to the Articles of Cooperation and Bylaws (ACBL), division, merger, and consolidation;
- d)** Authorize the establishment of branches and satellite offices of cooperatives;
- e)** Issue Certificate of Recognition to organized Laboratory Cooperatives;
- f)** Exercise supervision and jurisdiction over all types and categories of cooperatives registered;
- g)** Require the submission of annual reports, audited financial statements, and such reports;
- h)** Promulgate and issue guidelines on the specific use and utilization of statutory funds and obligations that will achieve the real intent and spirit of establishing such funds and obligations for the benefit of the cooperatives and communities they serve;
- i)** Prescribe and collect reasonable fees, fines or charges in the performance of its registration and regulatory functions;

- j)** Require registered cooperatives to develop business continuity plans to address all kinds of risks;
- k)** Grant awards, recognition and incentives to cooperatives, cooperative leaders and partners;
- l)** Order the dissolution and liquidation of cooperatives as well as the transfer of all or substantially all of their assets and liabilities;
- m)** Compel the cooperative to call a general or representative assembly, as deemed necessary, under the supervision of the Authority with the participation of their respective cooperative federations or unions;
- n)** Hear and decide inter-cooperative and intra-cooperative disputes, controversies and/or conflicts, without prejudice to filing of civil and/or criminal cases by the parties concerned before the regular courts: Provided, That all decisions of the CDA are appealable directly to the Court of Appeals;
- o)** Exercise such other powers and functions as may be necessary to implement the provisions of Republic Acts No. 11364 and 9520

SECTION 7. INCREASE OF PERSONNEL. – The **CDA** shall maintain the sufficient staffing pattern. Hence, it is authorized to increase its manpower to meet such required and may continue to increase personnel per percentage rate increase of committed mandates annually or as the need arises.

SECTION 8. TRANSITORY PROVISION – Existing industries, businesses and offices affected by the implementation of this Act shall be given six **(6)** months transitory period from the effectivity of the IRR or such other period as may be determined, to comply with the requirements of this Act.

SECTION 9. IMPLEMENTING RULES AND REGULATIONS. – The departments and agencies charged with carrying out the provisions of this Act shall, within sixty **(60)** days after the effectivity of this Act, formulate the necessary rules and regulations for its effective implementation.

SECTION 10. REPEALING CLAUSE. – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. SEPARABILITY CLAUSE. – If, for any reason, any section or provision of this Act is held unconstitutional or invalid, the other sections or provisions hereof shall not be affected thereby.

SECTION 12. EFFECTIVITY CLAUSE. – This Act shall take effect after fifteen (15) days from its publication in the Official Gazette or in at least two (2) national newspapers of general circulation whichever comes earlier.

Approved,