



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 7677

Introduced by **HON. YEVGENY VINCENTE B. EMANO**

**AN ACT ESTABLISHING THE COOPERATIVE START-UP AND YOUTH LEADERSHIP
DEVELOPMENT PROGRAM, PROVIDING FOR SEED CAPITAL, TRAINING,
MENTORSHIP, AND SUPPORT FOR YOUTH-LED COOPERATIVES, AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

The cooperative movement has long been recognized as a cornerstone of inclusive economic development in the Philippines, promoting entrepreneurship, community participation, and local economic resilience. Cooperatives serve as vehicles for shared economic growth, empowering members to collectively manage enterprises, pool resources, and create livelihood opportunities. They are particularly important in rural and underserved areas, where they stimulate local economies, generate employment, and strengthen social cohesion.

While the Philippine Cooperative Code of 2008 (Republic Act No. 9520) and related laws provide the legal framework for the organization, governance, and operation of cooperatives in the country, these statutes primarily focus on general cooperative development, regulation, and administration. They do not, however, provide a comprehensive program or legal framework specifically designed to support youth-led cooperative startups and leadership development, which remains a critical gap in the cooperative policy landscape.

The youth of the Philippines, particularly in Misamis Oriental and other provinces, represent a significant and largely untapped resource for innovation, enterprise, and community engagement. Despite their potential, many young Filipinos face systemic barriers, including:

1. Limited access to start-up capital and financing for cooperative ventures;
2. Lack of structured leadership and governance training tailored to cooperatives;
3. Minimal access to mentorship, advisory support, and peer networks; and

4. Insufficient institutional mechanisms to support inclusive participation, especially for women, indigenous youth, and other marginalized sectors.

In light of these challenges, this proposed bill, entitled “The Cooperative Start-Up and Youth Leadership Development Act,” seeks to:

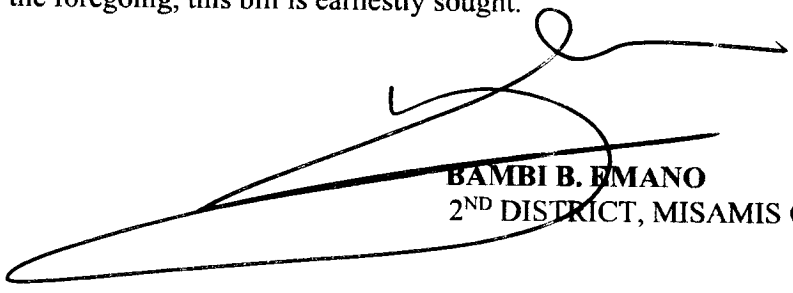
1. Provide seed capital, technical assistance, and mentorship to youth-led cooperatives to facilitate sustainable start-ups;
2. Institutionalize youth leadership training and cooperative governance programs, ensuring continuity and professional management of cooperatives;
3. Promote the establishment of sustainable, resilient, and community-focused youth cooperatives, integrating innovation and social responsibility;
4. Ensure inclusive access for women, indigenous youth, and marginalized sectors, thereby strengthening equitable participation in economic development; and
5. Strengthen the cooperative movement nationwide by actively engaging youth as leaders and stakeholders.

The legal basis for this measure is grounded in:

- Article XIII, Section 10 of the 1987 Philippine Constitution, which recognizes the State’s duty to promote social justice and the preferential development of marginalized sectors, including cooperatives;
- Republic Act No. 9520 (Philippine Cooperative Code of 2008), which provides the general legal framework for cooperative registration, operation, and governance;
- Republic Act No. 8044 (Youth in Nation-Building Act), which mandates the promotion of youth participation in national development; and
- Executive Orders and CDA mandates, which emphasize cooperative development and capacity-building as instruments of inclusive growth.

By legally formalizing support for youth-led cooperatives, this bill empowers young Filipinos to harness their creativity and leadership potential, contributes to economic growth, job creation, and poverty reduction, and strengthens social equity and long-term community resilience.

In consideration of the foregoing, this bill is earnestly sought.



BAMBI B. EMANO
2ND DISTRICT, MISAMIS ORIENTAL



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

SECTION 1. *Short Title.* - This Act shall be known as the “Cooperative Start-Up and Youth Leadership Development Act of 2026.”

SECTION 2. *Declaration of Policy.* - It is hereby declared the policy of the State to:

- a) Promote youth participation, leadership, and entrepreneurship within the cooperative sector;
- b) Encourage the formation of youth-led cooperatives as viable economic enterprises;
- c) Ensure access to financial, technical, and governance support for youth cooperatives;
- d) Strengthen the resilience, innovation, and sustainability of cooperatives nationwide; and
- e) Foster inclusive economic development in both urban and rural communities.

SECTION 3. *Definition of Terms.* - For purposes of this Act:

- a) “Youth” refers to Filipino citizens aged 18 to 35 years;
- b) “Youth-led cooperative” means a cooperative where the leadership and decision-making positions are held by youth;
- c) “Seed capital” refers to funds provided to support the start-up and initial operations of youth-led cooperatives;
- d) “Technical assistance” refers to training, advisory services, mentorship, and capacity-building activities for youth cooperative members;
- e) “Mentorship Program” refers to structured pairing of youth cooperative leaders with experienced cooperative managers, private sector leaders, and community development experts.

SECTION 4. *Cooperative Start-Up and Youth Leadership Development Program.* - There is hereby established a Cooperative Start-Up and Youth Leadership Development Program (CSYLP) under the Cooperative Development Authority (CDA) in partnership with the Department of Trade and Industry (DTI) and the National Youth Commission (NYC).

SECTION 5. *Objectives of the Program.*- The Program shall:

- a) Provide seed funding and low-interest loans to eligible youth-led cooperatives;
- b) Offer training in cooperative governance, financial literacy, marketing, operations, and innovation;
- c) Pair youth cooperatives with mentors from successful cooperatives, business leaders, and community development experts;
- d) Promote inclusive participation of women, indigenous youth, and marginalized sectors; and
- e) Monitor and evaluate the performance, growth, and social impact of youth-led cooperatives.

SECTION 6. *Seed Capital Fund.*- The CSYLP Seed Capital Fund is hereby created to provide financial support to youth-led cooperatives. The fund shall consist of:

- a) Annual allocations from the General Appropriations Act;
- b) Grants, donations, and endowments from public and private sources; and
- c) Returns on prior investments from youth cooperative programs.

SECTION 7. *Mandatory Budget Allocation for Youth-led Cooperatives.*- The Cooperative Development Authority (CDA) shall endeavor to allocate, subject to the availability of funds as provided in the General Appropriations Act, at least twenty percent (20%) of its annual budget for the implementation of programs, projects, and activities exclusively benefiting youth-led cooperatives, including but not limited to:

- a) Seed capital and financial assistance under this Act;
- b) Training, capacity-building, and leadership development programs;
- c) Technical assistance, mentorship, and innovation support; and
- d) Monitoring, evaluation, and institutional support mechanisms.

The amount allocated pursuant to this Section shall be distinct, identifiable, and reflected in the CDA's annual budget proposal and financial reports, and shall be implemented in accordance with existing government budgeting, accounting, and auditing laws, rules, and regulations.

SECTION 8. *Technical Assistance and Mentorship.*- The CDA, in coordination with DTI and NYC, shall provide:

- a) Workshops, seminars, and training modules on cooperative governance, accounting, digital tools, and social entrepreneurship;
- b) Structured mentorship pairings between youth cooperative leaders and experienced cooperative or business professionals;
- c) Guidance in accessing local and international markets.

SECTION. 9. *Incentives.*- Youth-led cooperatives that successfully complete the Program may avail of:

- a) Tax Incentives.
- Youth-led cooperatives shall enjoy tax exemptions, deductions, or reductions in

accordance with existing cooperative laws, such as RA 9520 (Philippine Cooperative Code of 2008), and other applicable revenue regulations issued by the Bureau of Internal Revenue (BIR).

- Specific benefits may include:

1. Exemption from income tax on cooperative earnings to the extent allowed under law;
2. Tax deductions for reinvested earnings into cooperative development and expansion;
3. Streamlined compliance procedures for reporting and filing to minimize administrative burdens on youth cooperatives.

b) Priority in Government Procurement.

- Youth-led cooperatives may be given preferential access and eligibility in government procurement programs in accordance with the Government Procurement Reform Act (RA 9184) and applicable regulations.

- This includes:

1. Participation in bidding opportunities for goods and services;
2. Reserved procurement projects or set-asides for youth cooperatives in line with social enterprise and youth development initiatives; and
3. Technical support to meet government procurement requirements.

c) Recognition and Awards.

- The CDA, in coordination with DTI and NYC, shall establish an annual recognition program to reward youth-led cooperatives that demonstrate:

1. Innovative business practices;
2. Sustainable operations with positive social, economic, or environmental impact;
3. Exemplary governance and management practices; and
4. Community development and social responsibility.

- Awards may include certificates, plaques, and monetary grants funded under this Act.

d) Appropriation for Incentives.

- To ensure the effective implementation of the incentive program, the amount of Ten Million Pesos (₱10,000,000.00) is hereby appropriated from the General Appropriations Act for the first five (5) years of the Program to cover: Monetary recognition awards for outstanding youth-led cooperatives;

- Thereafter, sufficient funds shall be included in subsequent annual General Appropriations Acts to maintain and expand the incentives program, ensuring its sustainability and continuity.

e) Oversight and Reporting.

- The CDA, in coordination with the DTI and NYC, shall monitor, evaluate, and report annually to Congress on the disbursement, utilization, and impact of the incentive program, including data on:
 1. Number of youth-led cooperatives receiving incentives;
 2. Types of incentives utilized; and
 3. Socio-economic outcomes achieved, such as increased employment, revenue growth, and community impact.

SECTION. 10. *Monitoring and Evaluation.*- The CDA, in coordination with NYC and DTI, shall conduct annual evaluations of the Program, reporting to Congress on growth, sustainability, and socio-economic impact of youth cooperatives.

SECTION. 11. *Implementing Rules and Regulations.*- Within ninety (90) days from the effectivity of this Act, the concerned agencies shall jointly issue the implementing rules and regulations for the effective implementation of this Act.

SECTION. 12. *Separability Clause.*- If any part or provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SECTION. 13. *Repealing Clause.*- All laws, decrees, executive orders, rules, regulations, or parts thereof inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION. 14. *Effectivity.*- This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,