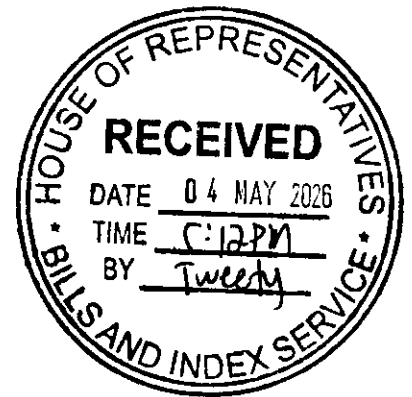




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

20th CONGRESS
1st Regular Session

HOUSE BILL NO. 9061



Introduced by Representative SITTIE SHAHARA "BAI DIMPLE" I. MASTURA

AN ACT
ESTABLISHING A LOCAL COOPERATIVES DEVELOPMENT FUND FOR EACH LOCAL GOVERNMENT UNIT (LGU) AND APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

On April 9, 2021, Republic Act No. 11535 was enacted into law, making the position of Cooperatives Development Officer mandatory at the municipal, city, and provincial levels, the purpose of which is to pursue and promote cooperatives development and enhance their viability as an economic enterprise and social organization.

Cooperatives are autonomous organizations formed to pursue and address common economic, social, and cultural needs under the spirit of volunteerism, primarily guided and operating under the principles of equity, solidarity, and cooperation, emphasizing mutual benefits rather than profits alone.

In partnership with the Cooperative Development Authority (CDA), Department of Trade and Industry (DTI), and other government agencies, cooperative unions and federations, the academe, and other private organizations, local government units through the Cooperatives Development Officer is mandated to provide technical and other forms of assistance to existing cooperatives such as training and education, business and financial management, and establish beneficial linkages with government and the private sector. Unfortunately, many LGUs still have not appointed their respective cooperative development officers or operationalized their cooperative development plans and programs, primarily due to budgetary constraints.

This bill, therefore, seeks to require LGUs to appropriate and allocate at least 1% of their internal revenue allotment (IRA) or 2% of their local development funds for cooperative development, wherein sufficient resources can be made available for cooperative development as to: (a) local cooperative development planning; (b) technical and financial assistance; (c) social and economic development; and (d) capacity development.

In view of the above, passage of this bill is earnestly sought.

SITTIE SHAHARA "BAI DIMPLE" I. MASTURA
Representative

Maguindanao del Norte, Lone District with Cotabato City



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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 "*Local Cooperatives Development Fund Act.*"

SEC. 2. Declaration of Policy. – The State shall recognize the roles of cooperatives as an instrument for economic development, social justice, and equity. The State guarantees that the rights of the cooperatives, anchored upon internationally accepted principles and practices, shall be respected, promoted, and fulfilled. The State mandates national government agencies and local government authorities to promote the growth and expansion of cooperatives, provide resources and mechanisms to strengthen the cooperative movement, enable policies and programs for cooperatives as a viable, responsive, and resilient economic enterprise, and facilitate partnerships with other national and local stakeholders. The State, except as provided in this Act, shall maintain the principles of noninterference in the development and management of cooperatives and guarantee that the cooperatives shall be free from conditions that infringe upon their objectives and characteristics.

SEC. 3. Creation of the Local Cooperatives Development Fund. - The Local Cooperatives Development Fund, herein referred to as LCDF, is hereby created to be managed and administered by the provincial, city, and municipal local government units to support local cooperatives development in their jurisdictions.

SEC. 4. Funding Source. - Provincial, city, and municipal local government units are hereby mandated to appropriate at least one percent (1%) of their Internal Revenue Allocations (IRA) for programs, projects, and activities for local cooperatives development; Provided that

provincial, city, and municipal local government units belonging to the fourth to sixth income classification, may opt to allocate at least two percent (2%) of their local development projects as their LCDF; Provided, further, the local government units belonging to fourth to sixth income classification shall commit to progressively realize this mandate within the next five years upon effectivity of this Act.

SEC. 5. *Use of Funds.* - The LCDF shall primarily be used to support and fund programs, projects, and activities directed towards the following:

- a) Formulation and implementation of a participatory Local Cooperatives Development Plan and localized special programs are deemed as priorities of the local cooperatives.
- b) Provision of technical guidance, financial assistance, and other services to local cooperatives.
- c) Promotion, organization, and mobilization of local cooperatives as a viable and responsive community-based social and economic development enterprise.
- d) Provision of capacity development and capacity-building initiatives and activities for local cooperatives.
- e) Support the plans, programs, and activities for the local cooperatives' 17 development councils and local cooperatives development officers in line with its 18 mandates under existing laws.

SEC. 6. *Implementing Rules and Regulations* - The Cooperatives Development Authority and the Department of the Interior and Local Government shall, in consultation with the cooperative sector and concerned leagues of local governments, formulate and disseminate the IRR within ninety (90) days after the effectivity of this Act.

SEC. 7. *Congressional Oversight* – Upon the effectivity of this Act, the Joint Congressional Committee on Cooperatives (JCOCC), created under Republic Act No. 9520, shall review and monitor the implementation of this Act.

SEC. 8. *Repealing Clause* – All laws, decrees, executive orders, rules, and regulations, issuances, or parts thereof Inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 9. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,