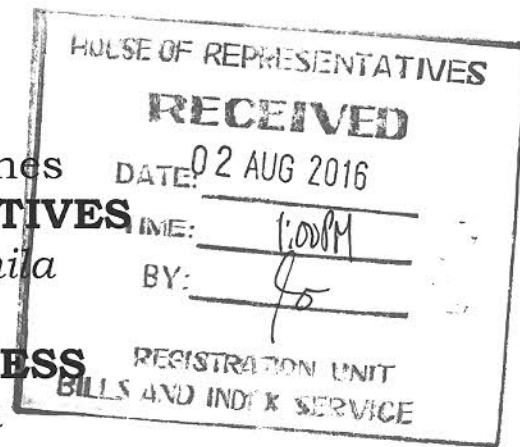


Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
*Quezon City, Metro Manila*

**SEVENTEENTH CONGRESS**  
*First Regular Session*

**HOUSE BILL NO. 2285**



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*Introduced by* **ENGR. CARLITO “Lito” MARQUEZ**

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**EXPLANATORY NOTE**

This bill seeks to amend pertinent provisions of Republic Act No. 9520, otherwise known as the "Philippine Cooperative Code of 2008" that was enacted on February 17, 2009.

A cooperative is defined as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. There is one instant in Philippine history where a cooperative was formed ahead of the passage of the cooperative laws--that was the agricultural marketing cooperative which the national hero, Dr. Jose Rizal, had organized in Dapitan while on exile in 1896. Nothing much is recorded about the cooperative. It may be safe to assume that with the execution of Dr. Rizal in the same year, the cooperative must have died with him.

When RA 6938 (Cooperative Code of the Philippines) was ordained on March 10, 1990, the founding fathers aimed to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice. The law was patterned after the Raiffeinsen experience in Germany. They believed that the creation of cooperatives would eventually encourage the private sector to undertake the actual formation and organization of cooperatives and would create an atmosphere that is conducive to the growth and development of these cooperatives.

We cannot downplay the vital role of cooperatives to nation-building. At the moment, the vision is half-achieved. There are 1,137 cooperatives listed by the Cooperative Development Authority as of December 31, 2013 contributing Php6.3 Billion of the 4.87% Gross Domestic Product of 2012.

When the Local Government Code of 1991 was enacted, it bestowed for the provisions for the optional appointment of a cooperatives officer in the province, city or municipality.

However, if we must consider that State should not just formulate the creation of Cooperative Office in the provincial, city and municipal government as optional but rather be institutionalized as mandatory so that these offices would ensure the provision of technical guidance, financial assistance and other services to enable said cooperatives to develop into viable and responsive economic enterprises in the local government units concerned and thereby bring about a strong cooperative movement that is free from any conditions that might infringe upon the autonomy or organizational integrity of cooperatives, then the vision will be fully attained.

With the stories of success of provinces and cities with institutionalized cooperatives office, we feel that it is high time to create the office in every LGU (province, city or municipality) a compulsory requirement. By the same token, recognizing the principle of subsidiarity under which the cooperative sector will initiate and regulate within its own ranks the promotion and organization, training and research, audit and support services relating to cooperatives with government assistance where necessary, the cooperatives officer in the LGU concerned could be sanctioned by the governor or mayor, as the case maybe, if he is remiss with these functions.

This proposed measure will fortify the cooperatives format in the countryside, thus, the LGUs would now be at the forefront of fostering creation of a Cooperative Development Office that will substantiate the importance of this idea in conveying sustainable development.

Immediate approval of this bill is earnestly sought.



**ENGR. CARLITO “Lito” MARQUEZ**

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**AN ACT**  
**INSTITUTIONALIZING THE MANDATORY**  
**APPOINTMENT OF COOPERATIVES IN ALL**  
**PROVINCES, CITIES AND MUNICIPALITIES**  
**AMENDING FOR THE PURPOSE SECTION 487**  
**(A) OF REPUBLIC ACT NO. 7160, OTHERWISE**  
**KNOWN AS “THE LOCAL GOVERNMENT CODE**  
**OF 1991”, AS AMENDED**

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

**Section 1.** *Title* – This Act shall be known and referred to as the “Mandatory Establishment of Provincial, City and Municipal Cooperatives Offices of 2016”.

**Section 2.** Section 487 of Republic Act No. 7160, otherwise known as “The Local Government Act of 1991”, as amended, particularly Title V (Appointive Local Officials Common To All Municipalities, Cities and Provinces) is hereby amended further to be read as follows:

*“SECTION 487. Qualifications, Powers and Duties. - (a) No person shall be appointed cooperative officer unless he is a*

*citizen of the Philippines, a resident of the local government unit concerned, of good moral character, a holder of a college degree preferably in business administration with special training in cooperatives or any related course from a recognized college or university, and a first grade civil service eligible or its equivalent. He must have experience in cooperatives organization and management of at least five (5) years in the case of the provincial or city cooperatives officer, and three (3) years in the case of municipal cooperatives officer. The appointment of the cooperatives officer is [optional] **MANDATORY** for the provincial [and] city **AND MUNICIPAL** governments.*

*XXX”*

**Section 3. Separability Clause.** – If any part or section of this Act is declared unconstitutional, such declaration shall not affect the other parts or sections of this Act.

**Section 4. Repealing Clause.** – All laws, presidential decrees, executive orders, ordinances, circulars, rules and regulations inconsistent with any provisions of this Act shall be deemed repealed or modified accordingly.

**Section 5. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation or in the Official Gazette.

*Approved;*