

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

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6880



Introduced by **HON. EDGAR M. CHATTO**
First District, Bohol

EXPLANATORY NOTE

As no man is an island, no local government unit is an island.

Section 13, Article X of the 1987 Philippine Constitution recognizes this in the following provision, "Local government units may group themselves, consolidate or coordinate their efforts, services and resources for purposes commonly beneficial to them in accordance with law."


Inter-Local Cooperation refers to the arrangement wherein geographically adjacent local government units (LGUs) enter into an agreement to jointly plan and implement development projects, programs and initiatives.¹

Indeed, cooperation between and among LGUs is an indispensable component for the empowerment of governance in the grassroots. This cooperation would ensure achievement of common agendas such as economic development, environmental protection and management, integrated health development, and road network investments.

In fact, various laws have already been passed promoting inter-local cooperation such as the Philippine Fisheries Code, the National Integrated Protected Areas System Act, the Ecological Solid Waste Management Act, the Urban Development and Housing Act and Executive Order 205 series of 2000 for the establishment of Inter-Local Health Zones, among others.

The proposed amendment, thus, provides the necessary framework for LGUs to cluster themselves with regard to common and mutually-beneficial objectives and empower them to enter into beneficial ventures as a single unit.

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


REP. EDGAR M. CHATTO

¹ Metropolitan Arrangements in the Philippines: Passing Fancy or the Future Megatrend?. Philippine Institute for Development Studies by Manasan and Mercado, 1998

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AN ACT
TO ENHANCE INTER-LGU COOPERATION BY AMENDING CERTAIN
PROVISIONS IN BOOK I OF 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 3 of Republic Act No. 7160, otherwise known as the "Local Government Code of 1991", hereinafter referred to as the Code, is hereby amended to read as follows:

"Section 3. Operative Principles of Decentralization. – The formulation and implementation of policies and measure on local autonomy shall be guided by the following operative principles:

xxx

(f) Local government units may group themselves, consolidate or coordinate their efforts, services, and resources for purposes commonly beneficial to them **THROUGH MUTUAL AGREEMENT OR THROUGH THE FORMATION OF AN ALLIANCE WITH A LEGAL PERSONALITY;**"

SECTION 2. – Section 33 of the Code is hereby amended to read as follows:

"Section 33. Cooperative Undertakings Among Local Government Units **THROUGH MUTUAL AGREEMENT.** - Local government units may, through appropriate ordinances, group themselves, consolidate, or coordinate their efforts, services, and resources for purposes commonly beneficial to them **THROUGH MUTUAL AGREEMENT.** In support of such undertakings, the local government units involved may, upon approval by the sanggunian concerned after a public hearing conducted for the purpose, contribute funds, real estate, equipment, and other kinds of property and appoint or assign personnel under such terms and conditions as may be agreed upon by the participating local units through Memoranda of Agreement."

SECTION 3. – A new Section 33-A in Book I of the Code is hereby inserted as follows:

“SECTION 33-A. COOPERATIVE UNDERTAKING AMONG LOCAL GOVERNMENT UNITS THROUGH THE FORMATION OF AN ALLIANCE WITH LEGAL PERSONALITY. – LOCAL GOVERNMENT UNITS MAY GROUP THEMSELVES, CONSOLIDATE OR COORDINATE THEIR EFFORTS, SERVICES, AND RESOURCES FOR PURPOSES COMMONLY BENEFICIAL TO THEM THROUGH THE FORMATION OF AN ALLIANCE WITH A LEGAL PERSONALITY. FOR THIS PURPOSE, A NATIONAL REGISTRY OF ALLIANCES (NRA) SHALL BE FORMED TO REGISTER THE ALLIANCE OF LGUs AND ESTABLISH THE LEGAL PERSONALITY AND ALL THE CONSEQUENT IMPLICATIONS OF THE SAME. THE NRA SHALL BE COMPOSED OF THE SECRETARY OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT AS CHAIR WITH THE PRESIDENTS OR CHAIRPERSONS OF THE LEAGUES OF PROVINCES, CITIES, AND MUNICIPALITIES AND THE LIGA NG MGA BARANGAYS AS BOARD MEMBERS. THE NRA BOARD SHALL FORMULATE THE REQUIREMENTS, GUIDELINES, AND PROCEDURES FOR THE APPLICATION, CREATION, REGISTRY, REGULATION AND MONITORING OF INTER-LGU ALLIANCES COVERED BY THE NRA. THE REGISTRY AND SECRETARIAT SHALL BE HOUSED AT THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT.”

SECTION 4. Repealing Clause. – All laws, presidential decrees, executive orders and rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 5. Separability Clause. – If any portion or provision of this Act is subsequently declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SECTION 6. Effectivity Clause. – This Act shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or in two (2) national newspapers of general circulation.

Approved.