



SENATE

18 OCT -9 P 3:02

COMMITTEE REPORT No. 489

Submitted by the Committees on Cooperatives; Civil Service, Government  
Reorganization and Professional Regulation; Finance; and Ways and Means on  
OCT - 9 2018.

Re: Senate Bill No. 2063 Prepared by the Committees

Recommending its approval in substitution of Senate Bill Nos. 305, 1341 and 1934

Sponsor: Senator Juan Miguel "Migz" F. Zubiri

**Mr. President:**

The Committees on Cooperatives; Civil Service, Government Reorganization and Professional Regulation; Finance; and Ways and Means, to which were referred Senate Bill No. **305**, introduced by Senator Zubiri, *entitled*:

**"AN ACT  
REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY,  
REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING  
THE COOPERATIVE DEVELOPMENT AUTHORITY"**

Senate Bill No. **1341**, introduced by Senator Aquino IV, *entitled*:

**"AN ACT  
CREATING THE COOPERATIVE DEVELOPMENT COMMISSION,  
REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939,  
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"**

and

Senate Bill No. **1934**, introduced by Senator Angara, *entitled:*

**"AN ACT**

**REFORMING AND STRENGTHENING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY AND APPROPRIATING FUNDS THEREFOR"**

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached **Senate Bill No. 2063** prepared by the Committees, entitled:

**"AN ACT**

**STRENGTHENING AND REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY"**

be approved in substitution of Senate Bill Nos. 305, 1341 and 1934 with Senators Zubiri, Aquino IV and Angara as authors thereof.

Respectfully submitted:

*Chairpersons*

**SEN. ANTONIO "SONNY" F. TRILLANES IV**

*Committee on Civil Service, Government Reorganization and Professional Regulation  
Member, Committee on Finance  
Member, Committee on Ways and Means*



**SEN. JUAN MIGUEL "MIGZ" F. ZUBIRI**  
*Committee on Cooperatives*



**SEN. SONNY ANGARA**  
*Committee on Ways and Means*  
*Vice-Chairperson*  
*Committee on Finance C*  
*Member, Committee on Cooperatives*

**SEN. LOREN B. LEGARDA**  
*Committee on Finance A*  
*Vice-Chairperson*  
*Committee on Ways and Means*  
*Member, Committee on Cooperatives*  
*Member, Committee on Civil Service,*  
*Government Reorganization and*  
*Professional*

*Vice-Chairpersons*



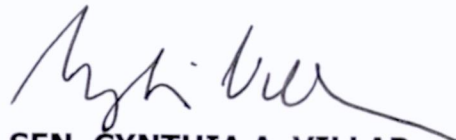
**SEN. FRANCIS "CHIZ" G. ESCUDERO**  
*Committee on Civil Service, Government*  
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*Member, Committee on Finance*  
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**SEN. RISA HONTIVEROS**  
*Committee on Cooperatives*  
*Member, Committee on Finance*  
*Member, Committee on Ways and Means*  
*May interpellate & propose amendments*



**SEN. PANFILO M. LACSON**  
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**SEN. CYNTHIA A. VILLAR**  
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**SEN. JOSEPH VICTOR G. EJERCITO**  
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*Member, Committee on Cooperatives*  
*Member, Committee on Civil Service, Government*  
*Reorganization and Professional*

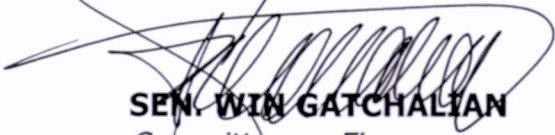



Members:

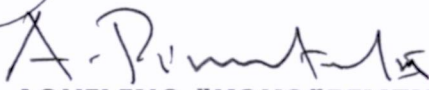
  
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**SEN. EMMANUEL "MANNY" D.  
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*Ex-Officio Members:*

**SEN. RALPH G. RECTO**  
President Pro-Tempore

  
**SEN. JUAN MIGUEL "MIGZ" F.  
ZUBIRI**  
Majority Floor Leader

  
**SEN. FRANKLIN M. DRILON**  
Minority Floor Leader



**HON. VICENTE SOTTO III**

Senate President

Senate of the Philippines

Pasay City

SEVENTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )

SENATE

S.B. NO. 2063



(In Substitution of Senate Bill Nos. 305, 1341 and 1934) 18 OCT -9 P 3:02

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RECEIVED  
Prepared by the Committees on Cooperatives; Civil Service, Government Reorganization and Professional Regulation; Finance; and Ways and Means with Senators Zubiri, Aquino IV and Angara as authors thereof

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**AN ACT**  
**STRENGTHENING AND REORGANIZING THE COOPERATIVE DEVELOPMENT AUTHORITY, REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 6939, CREATING THE COOPERATIVE DEVELOPMENT AUTHORITY**

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

1        **Section 1. Short Title.** – This Act shall be known as the "Cooperative  
2        *Development Authority Charter of 2018.*"

3        **Sec. 2. Declaration of Policy.** – It is hereby declared the policy of the State  
4        to promote the viability and growth of cooperatives as instruments of equity, social  
5        justice and economic development and to create an agency, in fulfilment of the  
6        mandate in Section 15, Article XII of the 1987 Constitution.

7        Toward this end, the State shall recognize cooperatives as associations  
8        organized for the economic and social betterment of their members, operating  
9        business enterprises based on mutual aid, and founded upon internationally  
10       accepted cooperative principles and practices. The State recognizes the Cooperative  
11       Development Authority as primarily responsible for the institutional development and  
12       regulation of cooperatives through partnership with the cooperative sectors.  
13       Accordingly, the State recognizes the right of the cooperatives to initiate and foster  
14       within their own ranks cooperative promotion, organization, training, information  
15       gathering, audit and support services, with government assistance where necessary.

1 In furtherance of this policy, the National Economic and Development Authority  
2 (NEDA) and Department of Finance (DOF) shall include the promotion of growth and  
3 expansion of cooperatives as major and indispensable components of national  
4 development plans.

5 The government and all its branches, subdivisions, instrumentalities and  
6 agencies shall ensure the provision of technical guidance, financial assistance and  
7 other services to enable the cooperatives to develop into viable and responsive  
8 economic enterprises towards a strong cooperative movement, free from condition  
9 which infringes upon the objectives and character of cooperatives. The State shall,  
10 except as provided in this Act, maintain the policy of non-interference in the  
11 management and operation of cooperatives.

12 **Sec. 3. Cooperative Development Authority.** – The Cooperative  
13 Development Authority (CDA) created under Republic Act No. 6939, hereinafter  
14 referred to as the Authority, is hereby strengthened and reorganized to carry out the  
15 provisions of this Act and those of Republic Act No. 9520, otherwise known as the  
16 “Philippine Cooperative Code of 2008”.

17 The Authority shall have its national or head office in the National Capital  
18 Region (NCR), and shall maintain regional and provincial offices and in such places  
19 as the proper conduct of its business shall require. In the case of the NCR, the same  
20 shall be comprised of field district offices and shall maintain offices and branches in  
21 such other places as the proper conduct of its business shall require.

22 The Authority shall be an agency attached to the Office of the President for  
23 policy and program coordination.

24 **Sec. 4. Powers, Functions and Responsibilities.** - The Authority shall  
25 have the following powers and functions:

- 26 a) Develop and formulate, in consultation with the cooperative sector and other  
27 concerned institutions, appropriate regulations, standards, rules, orders,  
28 guidelines and/or circulars to implement this Act and the Philippine  
29 Cooperative Code of 2008 to ensure the effective and sound operation of  
30 cooperatives;
- 31 b) Formulate, adopt and implement integrated and comprehensive plans and  
32 programs on cooperative development consistent with the national policy on



- 1 cooperatives and establish an integrated framework on cooperative  
2 development for all government agencies;
- 3 c) Register all cooperatives including amendments to the Articles of Cooperation  
4 and By-Laws (ACBL), division, merger, and consolidation.
- 5 d) Authorize the establishment of branches and satellite offices of cooperatives;
- 6 e) Issue Certificate of Recognition to organized Laboratory Cooperatives;
- 7 f) Exercise supervision and jurisdiction over all types and categories of  
8 cooperatives registered with the Authority;
- 9 g) Require the submission of annual reports, audited financial statements, and  
10 such reports in compliance with the Philippine Cooperative Code of 2008, in  
11 such forms as may be prescribed by the Authority;
- 12 h) Create an information system from the reports and other documents  
13 submitted by cooperatives;
- 14 i) Collect existing accounts receivables from the transfer of funds from the  
15 Department of Agriculture (DA) under PD 175, as amended, and such other  
16 funds coursed through the Authority, or to otherwise enter into compromise  
17 agreements or the condonation of said accounts, subject to rules and  
18 regulations as may be prescribed by the Authority and the Commission on  
19 Audit (COA);
- 20 j) Promulgate and issue guidelines on the specific use and utilization of  
21 statutory funds and obligations that will achieve the real intent and spirit of  
22 establishing such funds and obligations for the benefit of the cooperatives  
23 and communities they serve;
- 24 k) Prescribe and collect reasonable fees, fines or charges in the performance of  
25 its registration and regulatory functions;
- 26 l) Require the cooperatives to develop business continuity plans to address all  
27 kinds of risks;
- 28 m) Grant awards, recognition and incentives to cooperatives, cooperative leaders  
29 and partners;
- 30 n) Administer all grants and donations exclusively intended for cooperatives  
31 coursed through the Authority for cooperative development, without

1 prejudice to the right of cooperatives to directly receive and administer such  
2 grants and donations upon agreement with the grantors and donors thereof;

- 3 o) Conduct regular inspection or examination of a cooperative in accordance  
4 with the rules and regulations promulgated by the Authority and, when  
5 deemed necessary, conduct special inspection and investigation to protect  
6 the interest and welfare of the members of cooperatives and the general  
7 public.

8 For this purpose, the assistance of the cooperative federations and unions  
9 may be requested by the Authority, in accordance with the Philippine  
10 Cooperative Code of 2008 and the implementing rules and regulations  
11 issued;

- 12 p) Conduct investigations, file necessary charges, discipline, suspend and/or  
13 remove erring officers and members for violation of cooperative laws, rules,  
14 regulations, issuance of the Authority, the ACBL, after due process, and  
15 direct the general assembly to replace the suspended/removed officers, in  
16 accordance with the rules and regulations as may be promulgated by the  
17 Authority;

- 18 q) Order the suspension or cancellation of the Certificate of Registration of  
19 cooperatives and/or the revocation of the Letter of Authority and/or  
20 Certificate of Authority to establish and operate satellite or branch offices,  
21 respectively, after due notice and hearing for non-compliance with lawful  
22 orders, rules and regulations of the Authority, including the ACBL of the  
23 cooperative subject to conditions as defined in the implementing rules and  
24 regulations of this Act;

- 25 r) Order the dissolution and liquidation of cooperatives as well as the transfer of  
26 all or substantially all of their assets and liabilities;

- 27 s) Compel the cooperative to call a general or representative assembly, as  
28 deemed necessary, under the supervision of the Authority with the  
29 participation of their respective cooperative federations and/or unions,  
30 subject to the criteria or conditions to be defined in the implementing rules  
31 and regulations issued for this purpose;



- 1 t) Hear and decide inter and intra cooperative disputes;
- 2 u) Adopt and implement a dispute resolution mechanism that will settle conflicts  
3 between and among members, officers, and directors of cooperatives, and  
4 between and among cooperatives in accordance with Article 137 of Republic  
5 Act 9520, the Philippine Cooperative Code of 2008, and Republic Act No.  
6 9285, the Alternative Dispute Resolution Act of 2004;
- 7 v) Issue cease and desist orders to cooperatives and responsible parties  
8 specified under Article 137 of RA 9520;
- 9 w) Issue subpoena and summon witnesses to appear and produce documents in  
10 any proceedings of the Authority and in appropriate cases, order the  
11 examination of all documents, papers, files and records of any cooperative or  
12 person under investigation as may be necessary for the proper disposition of  
13 cases before it;
- 14 x) Cite for contempt any person guilty of misconduct in the presence of the  
15 Authority which seriously interrupts any hearing or inquiry and impose a fine  
16 of not more than Five Thousand Pesos (Php5,000.00) or imprisonment of not  
17 more than ten (10) days, or both. Acts constituting indirect contempt as  
18 defined under Rule 71 of the Rules of Court shall be punished in accordance  
19 with the said Rule;
- 20 y) Implement and enforce its decision with the assistance of deputized law  
21 enforcement agencies or the local government unit concerned as may be  
22 necessary;
- 23 z) Recognize and register an apex organization or national alliance representing  
24 all types and categories of cooperatives which shall function as the overall  
25 consultative and coordinating body with the Authority, for this purpose, the  
26 pertinent provisions of the Philippine Cooperative Code of 2008 are hereby  
27 amended accordingly;
- 28 aa) Establish a consultative mechanism consistent with Section 18 in order to  
29 provide the cooperative sector a system to ensure participation on matters  
30 concerning government plans, programs, and policies affecting cooperatives;
- 31 bb) Coordinate with the provincial, city, or municipal cooperative offices the  
32 adoption and implementation of national plans, programs and policies on



- 1 cooperative development, and to establish partnership in the promotion,  
2 organization, and development of cooperatives within the jurisdiction of the  
3 local government units;
- 4 cc) Establish the formation and organization of cooperative development councils  
5 in the national, regional, provincial, city and municipal levels in order to  
6 provide the cooperative movement a system for policy consultation and  
7 program coordination in accordance with the guidelines to be prescribed by  
8 the Authority;
- 9 dd) Collaborate with concerned agencies to provide technical, professional and  
10 marketing assistance to ensure the viability, growth, competitiveness and  
11 innovativeness of cooperatives, giving special concern for agriculture, fishery  
12 and the economically depressed sectors;
- 13 ee) Provide assistance on cooperative product development and facilitate their  
14 marketing both in the domestic and international market in coordination with  
15 the concerned agencies;
- 16 ff) Represent the CDA in the sectoral and Regional Development Council (RDC)  
17 as a regular voting member thereof;
- 18 gg) Establish linkages with educational institutions;
- 19 hh) Formulate, adopt and implement an educational and technological exchange  
20 program both in domestic or international levels;
- 21 ii) Formulate, adopt and implement, in a manner consistent with Sec. 17 of this  
22 Act, a standard of training for cooperative officers or members which shall  
23 focus on basic cooperative principles and values, good governance, business  
24 and entrepreneurial management, human resource management, risk  
25 management, conflict management, and technical skills required for the  
26 efficient and effective operations of the cooperatives;
- 27 jj) Establish and maintain a continuing educational and capability-building  
28 program for the Authority; and
- 29 kk) Exercise such other powers and functions as may be necessary to implement  
30 the provisions of this Act and of the Philippine Cooperative Code of 2008.

31 **Sec. 5. Members of the Board.**— The Authority shall have a Board, which  
32 shall be the collegial policy-making body of the Authority. It shall be composed of

1 the Chairperson, and six (6) members of the Board, all of whom shall be appointed  
2 by the President, chosen from among the nominees of the cooperative unions, and  
3 federations, with one director from each of the following representing a cluster of  
4 cooperatives:

- 5 a) Credit and financial services, banking and insurance
- 6 b) Consumers, marketing, producers, and logistics
- 7 c) Human services: health, housing, workers, and labor service
- 8 d) Education and advocacy
- 9 e) Agriculture, agrarian and aquatics: farmers, dairy, and fisherfolk
- 10 f) Public utilities: electricity, water, communications, and transport

11 The Secretary of DOF and President of the League of Cooperative  
12 Development Officers of the Philippines (LCDOP) shall serve as ex-officio members  
13 of the Board. The ex-officio members shall have the same voting rights as that of  
14 the regular members of the Board. The ex-officio members shall not receive  
15 additional remuneration except *per diem* on Board meetings actually attended.

16 The Chairperson of the Board shall have the rank and privileges of an  
17 Undersecretary, while the members shall have the ranks and privileges of an  
18 Assistant Secretary.

19 The Secretary of DOF as an ex-officio member of the Board may designate an  
20 alternate in a permanent capacity who shall be at least Assistant Secretary in rank  
21 and whose acts shall be considered as the acts of the principal.

22 There shall be at least one lawyer member of the Board, as well as women  
23 from the cooperative sector shall be represented in the Board.

24 **Sec. 6. Powers and Functions of the Board.** – The Board as a collegial  
25 body shall be responsible for policy formulation, strategic planning and direction  
26 setting of the agency.

- 27 a) Formulate policies, rules and regulations consistent with the provisions of  
28 the Philippine Cooperative Code of 2008 and this Act;
- 29 b) Adopt implementing rules and regulations for the conduct of the internal  
30 operations of the Authority;
- 31 c) Organize the operating structure and functions of the Authority;



- 1 d) Approve and adopt the annual budget of the Authority;
- 2 e) Provide executive direction to the Authority, delineating the respective roles  
3 of the governments, local government units (LGUs), people's organizations,  
4 private sector and non-government organizations (NGOs) in the promotion  
5 and development of the cooperative sector;
- 6 f) Approve annual, medium-term and long-term cooperative development plans  
7 of the Authority consistent with the over-all socio-economic development  
8 policy of the national government;
- 9 g) Conduct regular policy consultations with the cooperative sector, government  
10 agencies, LGUs, people's organizations, private sector, NGOS, and other  
11 stakeholders on the Authority's policies, programs and initiatives;
- 12 h) Decide cases involving cooperatives that are submitted to the Board for  
13 resolution;
- 14 i) Authorize the Chairperson or the Administrator to enter into contracts or  
15 agreements in behalf of the Authority;
- 16 j) Adopt and submit the annual proposed budget of the Authority to the  
17 President through the Department of Budget and Management (DBM); and
- 18 k) Formulate rules and regulations and exercise such other powers as may be  
19 required to implement the objectives of this Act.

20 **Sec. 7. Qualifications of the Chairperson and the Members of the**  
21 **Board.** – The Chairperson and the Members of the Board must possess the  
22 following qualifications:

- 23 a) Natural-born Filipino citizen;
- 24 b) Holder of any bachelor's degree;
- 25 c) With five (5) years of experience as an officer of a cooperative in the cluster  
26 that he or she represents; and
- 27 d) Shall be residents of the Philippines for at least five (5) years prior to  
28 appointment.

29 Any person appointed as Chairperson or Member of the Board shall, upon  
30 appointment, divest himself or herself of any direct or indirect pecuniary interest or  
31 dealings with any cooperative.



1           **Sec 8. Term of Office.** – The Chairperson and Members of the Board shall  
2 serve for a term of six years.

3           **Sec 9. Removal from Office.** - The Chairperson and the Members of the  
4 Board may be removed from office for cause.

5           The person appointed for the unexpired term shall be eligible for  
6 reappointment provided the unexpired term is less than one-half of the full term.

7           **Sec. 10. Meetings of the Board.** – The Board shall meet at least once a  
8 month for the transaction of its regular business. Under exceptional circumstances,  
9 special meetings may be called by the Chairperson or majority of the Members to  
10 discuss and decide urgent matters. A majority vote by the entire Board shall be  
11 required for a decision. The Chairperson shall only vote in case of a tie.

12           The meeting shall be presided by the Chairperson. However, in the absence  
13 of the Chairperson, the most senior Member of the Board in terms of appointment  
14 shall serve as the Acting Presiding Officer, or in his absence the Board shall elect  
15 from among themselves an Acting Presiding Officer.

16           All regular and special meetings of the Board shall be held at the head office  
17 of the Authority or in any other place as may be determined by the Board.

18           **Sec. 11. Office of the Administrator.** – The Administrator of the Authority  
19 shall be the Chief Executive Officer (CEO) and shall be appointed by the President  
20 from among the recommendees of the Board, and shall have the rank of Assistant  
21 Secretary. The Administrator who shall be a career officer, shall execute and  
22 administer the policies, decisions, orders and resolutions approved by the Board and  
23 shall have the general executive direction and supervision of the work and operation  
24 of the Authority.

25           The Administrator shall be assisted by four (4) Deputy Administrators who will  
26 be assigned to the following specific concerns:

- 27 a) Support Services;
- 28 b) Institutional Development;
- 29 c) Legal affairs & Registration; and
- 30 d) Supervision, Examination and Field Operations

31           **Sec. 12. Qualifications of the Administrator.** – The Administrator must  
32 possess the following qualifications:

- 1 a) Natural-born Filipino citizen;
- 2 b) Holder of any bachelor's degree;
- 3 c) Must possess the necessary Civil Service Eligibility; and
- 4 d) With five (5) years of experience as an officer of a cooperative or official or
- 5 employee in a government office or non-governmental organization dealing
- 6 with cooperatives.

7 Any person appointed as Administrator shall, upon appointment, divest  
8 himself or herself of any direct or indirect pecuniary interest or dealings with any  
9 cooperative.

10 **Sec. 13. Powers and Functions of the Administrator.** - The  
11 Administrator of the Authority shall have the following powers and functions:

- 12 a) Prepare, consolidate and submit periodic reports for the consideration of the
- 13 Board;
- 14 b) Implement a human resource management system in accordance to existing
- 15 Civil Service laws, rules and regulations that will promote professionalism and
- 16 excellence in accordance with sound principles of management;
- 17 c) Prepare the proposed annual and supplemental budget of the Authority for
- 18 the consideration and approval of the Board;
- 19 d) Submit report to the President of the Philippines and Congress on the
- 20 performance and accomplishment of the Authority on an annual basis;
- 21 e) Perform such other functions as may be required by law.

22 **Sec. 14. Registration for Tax Exemption.** – The Authority shall furnish  
23 the Bureau of Internal Revenue (BIR), LGUs which include provincial, highly  
24 urbanized and independent cities, and other concerned agencies a certified list of  
25 duly registered cooperatives for purposes of tax exemptions.

26 Any public official or employee who violates or in any manner circumvents  
27 this provision shall be dealt with in accordance with Article 140 of the Philippine  
28 Cooperative Code of 2008.

29 **Sec. 15. Prohibition.** – Except as provided for under Article 130 of the  
30 Philippine Cooperative Code of 2008, the use by any person or organization of the



1 word "cooperative", "coop" and "koop" in their business name, unless duly  
2 registered with the Authority, shall be prohibited and shall be penalized under Article  
3 140 of the Philippine Cooperative Code of 2008.

4 **Sec. 16. Settlement of Disputes.** – As far as practicable, disputes between  
5 and among members, officers, and directors of cooperatives, and between and  
6 among cooperatives shall be settled in accordance with Article 137 of Republic Act  
7 9520, the Philippine Cooperative Code of 2008, and Republic Act No. 9285, The  
8 Alternative Dispute Resolution Act of 2004, and Section 4 (u) of this Act.

9 **Sec. 17. Training Standards for Cooperative Officers and Members.** –  
10 The Authority, in partnership with learning and training institutions with the  
11 cooperative sector, shall formulate standards of training requirements for  
12 cooperative officers and members to ensure compliance thereof.

13 The Authority may accredit organizations other than cooperatives but duly  
14 registered under Philippine laws and engaged in cooperative promotion,  
15 organization, research and education, as non-academic training institutions.

16 Upon request of cooperatives, State colleges and universities (SUCs) shall  
17 provide technical assistance and guidance to cooperatives in the communities where  
18 they are located. The SUCs may tap the support and participation of unions and  
19 federations of cooperatives in the implementation of this provision.

20 **Sec. 18. Partnership with the Cooperative Sector.** A strong partnership  
21 between the Authority and the cooperative sector comprised of cooperative unions  
22 and federations and the academe shall be established in implementing the  
23 developmental functions of the authority as stated herein Section 4, paragraphs (a),  
24 (b), (aa), (bb), (cc), (dd), (ee) and (ii), and Section 17 to ensure the maximum  
25 participation of the cooperative sector on matters of government plans, projects and  
26 policies affecting cooperatives.

27 The Authority and the cooperative unions and federations and the academe  
28 shall promulgate guidelines for the implementation of the partnership that may give  
29 rise to the recognition of an apex organization or national alliance representing all  
30 types and categories of cooperatives, as provided for under Section 4 (z) of this Act,  
31 that shall function as overall consultative and coordinating body with the Authority.



1 The Authority shall recognize cooperative unions and federations registered  
2 under Articles 24 and 25 of the Philippine Cooperative Code of 2008, and issue  
3 guidelines to promote and develop these secondary cooperatives.

4 **Sec. 19. Cooperatives in the Education System.** – The history,  
5 philosophy, concepts, values, principles and practices of cooperatives and their role  
6 in nation building, shall be part of the curriculum of both in formal and non-formal  
7 education.

8 Notwithstanding existing laws, memorandum orders and directives,  
9 cooperativism as a tool for self-empowerment and nation building shall be included  
10 in the curricula of senior students in all the secondary educational institutions and in  
11 the syllabus of any social and civic studies subject in the K-12 level.

12 Cooperatives development and administration may be offered as a field of  
13 study in the baccalaureate, post baccalaureate and masteral programs in SUCs:  
14 Provided, That SUCs may also offer the courses on a non-traditional approach under  
15 the equivalency program of such SUCs accrediting the equivalent training that an  
16 officer has undertaken to the relevant subject offering in the curriculum: Provided,  
17 further, that in cases where the SUCs do not offer a separate academic program in  
18 cooperative development and administration, the SUCs shall include a 3-unit subject  
19 in the curricula of accountancy, agribusiness, agriculture, agricultural economics,  
20 business, community development, economics, education, environmental sciences,  
21 social sciences, political economy and other curricula that can be instrumental in the  
22 development of cooperatives.

23 **Sec. 20. Cooperatives in the Agriculture Sector.** – The promotion and  
24 development of agricultural cooperatives, in coordination with the Department of  
25 Agriculture (DA) and its attached agencies and government-owned and controlled  
26 corporation (GOCCs), Department of Agrarian Reform (DAR), and National  
27 Commission on Indigenous People (NCIP) shall be a priority program of the  
28 Authority to ensure food security and reduce rural poverty.

29 **Sec. 21. Cooperatives in the Banking System.** - The promotion and  
30 development of cooperative banks, as part of the banking system and of financial  
31 service cooperatives as defined in the Philippine Cooperative Code of 2008, shall be  
32 a special concern of the Authority which shall undertake the necessary program

1 towards this end in collaboration with the *Bangko Sentral ng Pilipinas* (BSP) and the  
2 cooperative sector concerned.

3 **Sec. 22. Cooperatives Engaged in Services Covered by Other Laws.** –  
4 Registered cooperatives shall secure the necessary licenses, franchises, certificate of  
5 authority and permits from other appropriate agencies with jurisdiction over their  
6 activities, if required by other existing laws, rules and regulations.

7 **Sec. 23. Reorganization of the Authority.** - The Authority shall be  
8 reorganized within one hundred twenty (120) days from the effectivity of this Act.

9 **Sec. 24. Transitory Provisions.** – Upon the effectivity of this Act, the  
10 personnel of the Authority shall, unless removed for cause and after due process,  
11 continue to perform their duties and responsibilities without diminution of their rank,  
12 salaries and other emoluments.

13 The CDA created under Republic Act No. 6939 is hereby reorganized and its  
14 employees are hereby absorbed in accordance with its staffing pattern, subject to  
15 Civil Service Commission (CSC) laws, rules and regulations and DBM rules and  
16 regulations: Provided, finally, that those who opt to retire or to separate from office  
17 voluntarily shall be given separation pay computed based on DBM guidelines and  
18 regulations.

19 The incumbent Chairperson and Administrators shall continue to serve and act  
20 as Chairperson and Members of the Board until the new composition of the Board  
21 shall have been appointed.

22 All assets and liabilities of the current CDA as well as the unexpended  
23 appropriations shall be transferred to the reorganized CDA.

24 **Sec. 25. Appropriations.** – The amount necessary for the implementation  
25 of this Act shall be included in the annual General Appropriations Act.

26 **Sec. 26. The Joint Congressional Oversight Committee on**  
27 **Cooperatives (JCOCC).** - The Joint Congressional Oversight Committee created  
28 under Article 138 of the Philippine Cooperative Code of 2008 shall review and  
29 monitor the implementation of this Act.

30 **Sec. 27. Implementing Rules and Regulations.** - The Board shall, in  
31 consultation with the cooperative sector and other concerned government agencies,  
32 formulate the implementing rules and regulations within ninety (90) days upon the



1 effectivity of this Act. The implementing Rules and regulations shall take effect  
2 within fifteen (15) days after publication in the Official Gazette or in two (2)  
3 newspapers of general circulation. All subsequent amendments to the implementing  
4 rules and regulations shall also be published before taking effect.

5 **Sec. 28. Information Campaign.** - The Authority is mandated to conduct a  
6 massive information campaign on the provisions of this Act.

7 **Sec 29. Repealing Clause.** - Republic Act No. 6939, creating the  
8 Cooperative Development Authority, is hereby repealed. All other laws, decrees,  
9 executive orders, rules and regulations or parts thereof inconsistent with the  
10 provisions of this Act are hereby amended or modified accordingly.

11 **Sec. 30. Separability Clause** - If for any cause, any part of this Act is  
12 declared unconstitutional, the rest of the provisions shall remain in full force and  
13 effect.

14 **Sec. 31. Effectivity Clause.** - This Act shall take effect fifteen (15) days  
15 after its complete publication in the Official Gazette or in at least two (2) newspaper  
16 of general circulation.

17 *Approved,*