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Office of the Secretary

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REPUBLIC OF THE PHILIPPINES)
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SENATE
S. B. No. 1011

RECEIVED BY: _____

Introduced by Senator SONNY ANGARA

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"

EXPLANATORY NOTE

A key feature of the Local Government Code (Republic Act No. 7160) is the recognition that local issues and development often do not respect geographic and administrative boundaries. Environmental concerns cut across municipalities and sometimes even provinces and regions.

For instance, road infrastructure investments made in one province can improve the access of agricultural goods in an adjoining province by connecting both of them to a national artery. As a result, the benefit of thinking "outside the boundaries" for their mutual benefit has become apparent to many LGUs. The COVID-19 pandemic further emphasized the need for this type of cooperation as its spread transcended boundaries. In fact, up to this day, many Filipinos from smaller municipalities heavily relied on the health resources of bigger LGUs. Fortunately, the Local Government Code has foreseen this and encourages inter-LGU cooperation ventures.

However, what the Code has not foreseen was that a new vehicle is needed whenever memoranda of agreement are insufficient to maximize the potential of inter-LGU cooperation. Although LGUs can share their resources for a venture, because existing law does not allow them to formalize a legal personality for the venture, they cannot collectively contract credit financing for the venture.

It is in this regard that an amendment of the Code is necessary for the creation of a mechanism by which LGUs that wish to organize themselves into a legal entity can access credit financing or other debt instruments, making their alliance more efficient and effective.

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



SONNY ANGARA
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1 **Sec. 2.** Section 33 of the Code is hereby amended to read as follows:

2 *"Sec. 33. Cooperative Undertakings Among Local Government Units*
3 ***THROUGH MUTUAL AGREEMENT.*** – Local government units may,
4 through appropriate ordinances, group themselves, consolidate, or
5 coordinate their efforts, services, and resources for purposes commonly
6 beneficial to them **THROUGH MUTUAL AGREEMENT.** In support of
7 such undertaking, the local government units involved may upon
8 approval by the sanggunian concerned after a public hearing conducted
9 for the purpose, contribute funds, real estate, equipment, and other
10 kinds of property and appoint or assign personnel under such items and
11 conditions as may be agreed upon by the participating local government
12 units through Memoranda of Agreement."

13 **Sec. 3.** A new Section 33-A in Book I of the Code is hereby inserted as follows:

14 **"SEC. 33-A. COOPERATIVE UNDERTAKINGS AMONG LOCAL**
15 **GOVERNMENT UNIT THROUGH THE FORMATION OF AN**
16 **ALLIANCE WITH LEGAL PERSONALITY. – LOCAL GOVERNMENT**
17 **UNITS MAY GROUP THEMSELVES, CONSOLIDATE, OR**
18 **COORDINATE THEIR EFFORTS, SERVICES, AND RESOURCES**
19 **FOR PURPOSES COMMONLY BENEFICIAL TO THEM THROUGH**
20 **THE FORMATION OF AN ALLIANCE WITH A LEGAL**
21 **PERSONALITY. FOR THIS PURPOSE, A NATIONAL REGISTRY OF**
22 **ALLIANCES (NRA) SHALL BE FORMED TO REGISTER THE**
23 **ALLIANCE OF LGUS AND ESTABLISH THE LEGAL PERSONALITY**
24 **AND ALL THE CONSEQUENT IMPLICATIONS OF THE SAME. THE**
25 **NRA SHALL BE COMPOSED OF THE SECRETARY OF THE**
26 **DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT AS**
27 **CHAIR WITH THE PRESIDENTS OR CHAIRMEN OF THE**
28 **LEAGUES OF PROVINCES, CITIES, AND MUNICIPALITIES AND**
29 **THE LIGA NG MGA BARANGAYS AS BOARD MEMBERS. THE NRA**
30 **BOARD SHALL FORMULATE THE REQUIREMENTS, GUIDELINES,**
31 **AND PROCEDURES FOR THE APPLICATION, CREATION,**
32 **REGISTRY, REGULATION AND MONITORING OF INTER-LGU**

1 **ALLIANCES COVERED BY THE NRA. THE REGISTRY AND**
2 **SECRETARIAT SHALL BE HOUSED AT THE DEPARTMENT OF THE**
3 **INTERIOR AND LOCAL GOVERNMENT.”**

4 **Sec. 4. *Repealing Clause.*** – All general and special laws, acts, city charters,
5 executive orders, presidential proclamations, issuances, rules and regulations, or parts
6 thereof which are contrary to or inconsistent with any of the provisions of this Act are
7 hereby repealed, amended, or modified accordingly.

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

11 **Sec. 6. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after
12 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,