

MEMORANDUM ORDER NO. 96

REORGANIZING THE COOPERATIVE BANKING COMMITTEE

WHEREAS, the imperatives of people empowerment and poverty alleviation necessitates the establishment of a strong alternative financial system consisting of cooperative banks which can provide the poor access to and control of resources in their communities;

WHEREAS, the private sector, specifically the Cooperative Banks Federation of the Philippines, Inc. ("BANGKOOP") has launched the Cooperative Banking Program to pursue the establishment of said alternative financial system;

WHEREAS, former President Corazon C. Aquino, in response to BANGKOOP's request for support, issued Memorandum Order No. 396 on September 19, 1991 creating the Cooperative Banking Committee; and

WHEREAS, the Government considers the establishment of cooperative banks as a major component of its people empowerment program to combat poverty and achieve sustainable development, and desires to accelerate and provide full support to the organization and strengthening of said cooperative banks.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested upon me by law, hereby order:

Section 1. The Cooperative Banking Committee ("Committee") under the Office of the President is hereby reorganized to be composed of the following members:

Secretary of Socio-Economic Planning  
and Director-General of NEDA

Secretary of the Department of  
Agrarian Reform

Secretary of the Department of  
Agriculture

Secretary of the Department of  
Environment and Natural Resources

Secretary of the Department of Trade  
and Industry / 1

Governor of the Central Bank of the  
Philippines

President of Land Bank of the Philippines

Chairman of the Cooperative Development  
Authority

Chairman of BANGKOOP

The members shall choose from among themselves the Chairman of the Committee.

Section 2. The Committee shall have the following functions:

- a. Assist in the organization of more cooperative banks;
- b. Formulate and implement a 5-year program for strengthening existing and new cooperative banks through capital adequacy, liquidity assistance and capability-building to enable the cooperative banking network to act as conduit of the Land Bank of the Philippines in credit delivery to the countryside. Said program shall incorporate and implement a plan to convert the countryside credit operations of the Land Bank of the Philippines entirely into wholesaling to cooperative banks and to transform the Land Bank of the Philippines into the apex cooperative bank wholly owned by cooperatives;
- c. Formulate and implement a 5-year savings mobilization and capital build-up program to support the cooperative banking sector;
- d. Encourage government agencies, instrumentalities and subdivisions, government-owned and controlled corporations to utilize duly authorized cooperative banks as depository banks and as conduits and partners in the delivery of their services;
- e. Ensure a very supportive regulatory and supervisory environment for cooperative banking through, among others, the formulation and implementation of an enabling set of rules and regulations to govern the operations of cooperative banks which guarantee the recognition of the unique cooperative nature and character of cooperative banks and their full exercise of powers granted them by law;
- f. Ensure the support of the cooperative movement to cooperative banking; and

g. Source and provide adequate financial and technical support to the cooperative banking sector

Section 3. The Land Bank of the Philippines shall provide the appropriate technical and secretariat support to the Committee.

Section 4. The Committee shall submit regular quarterly reports on its activities to the President through the Office of the Executive Secretary.

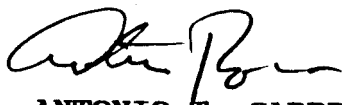
Section 5. The Committee is authorized to call upon any department, bureau, office, agency, instrumentality or subdivision of the Government, including government-owned and controlled corporations, for such assistance as it may need in discharging its functions.

Section 6. All letters of instructions, executive orders and other administrative issuances, or parts thereof, inconsistent herewith are hereby repealed or modified accordingly.

Section 7. This Memorandum Order shall take effect immediately.

DONE in the City of Manila, this 27th day of February in the year of Our Lord, Nineteen Hundred and Ninety-Three.

By the President:



ANTONIO T. CARPIO  
Chief Presidential Legal Counsel



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