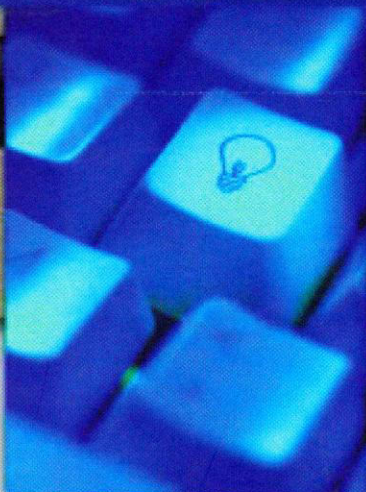


creating
breakthroughs



scaling
the heights



gaining
headways



Annual Report 2011
Cooperative Development Authority



MANDATE

The Cooperative Development Authority as the lead government agency in the development and regulation of cooperatives is responsible for promoting the viability and growth of cooperatives as instruments of equity, social justice and economic development.

MISSION

To ensure the safe and sound operations of cooperatives

VISION

An effective and efficient regulatory agency working towards the development of viable, sustainable, socially-responsive and globally competitive cooperatives

CORE VALUES

Excellence

Giving one's best performance and achieve the desired outcome through effective and efficient management of resources.

Commitment

High dedication and proactive involvement in the realization of the Agency's mandate

Integrity

Maintaining personal and professional conduct, beyond reproach

Teamwork

Working collectively and harmoniously to achieve synergy in an environment conducive to the achievement of organizational goals.

CDA QUALITY POLICY

As the government Agency granting juridical personality to cooperatives, the CDA is committed to:

Continually enhance the quality of our programs and services, considering the aspirations of our clients in mind;

Deliver prompt services to the public, following a culture of excellence, professionalism and integrity;

Act in accordance with law and public policy;

In line with these commitments, CDA will continue to give priority to capacity building to ensure that its human capital is knowledgeable, highly skilled, and creative as well as imbued with positive work ethics and spiritual values.

These, it will pursue with the goal of improving service delivery in the name of transparency, accountability and quality service.



The Chairman's Report

The year 2011 was a busy year. We encountered many challenges, we went through many issues and controversies, and we introduced changes we thought were for the good of our employees and the CDA.

Since my assumption as CDA Chairman in January 2011, there have been significant internal reforms on programs and priorities undertaken. Foremost of which was the crafting of the Three-Point Agenda as the Agency's flagship programs and the cornerstone of its activities.

The Three-Point Agenda are as follows:

- Mainstreaming membership in cooperatives (Membership Expansion) as a vehicle for social transformation for people, planet and prosperity with a goal of enlisting 2 Million, 5.5, Million, and 5.5 Million members in 2011, 2012 and 2013, respectively;
- Human Resource Development through the establishment of support systems and structures for cooperative development, specifically capability building at all levels of the cooperative organization as well as CDA's internal clients-its human resource; and
- Awards and Recognition for cooperatives and partners as recognition for exemplary performance, best practices and good governance for both external and internal clients of the CDA.

The identification of the Three-Point Agenda, notwithstanding, existing programs, projects and activities of the Agency including those in the pipeline were continued and sustained. The Three-Point Agenda attempts to put across organizational focus towards re-channeling its collective effort and resources that are responsive to the CDA's Mandate, Vision and Mission.

The office left its mark in almost all aspects of our mandated functions. We exceeded by a wide margin our past performances in generating membership in cooperatives as never before did we have a staggering increase of some 500,000 new members in cooperatives in just one year.

We have exceeded our target in advancing equity-led development having trail-blazed cooperative marketing where we have showcased the quality products of our cooperatives to be locally and even globally competitive. We can now aptly claim that the 158-billion volume of business of the 20,792 cooperatives nationwide has created an impact in poverty reduction, in job generation and in social integration. This is so because cooperatives are enterprises, are members-owned and any development redounds to the benefit of every member. This is a demonstration that cooperatives advance growth that is inclusive, rapid and sustainable.

In terms of our regulatory function, despite the mismatch in the number of personnel vis-à-vis the number of cooperatives that we need to inspect and regulate, our performance of 63% inspected cooperatives out of the 18,484 total number of cooperatives as of December 2010 bespeaks of the dedication of our frontliners to their sworn duties as public servants.

The Cooperative Development Authority together with the 20,792 cooperatives nationwide is in the forefront of advancing the 5-priority areas of the present dispensation as embodied in the Philippine Medium-Term Development Plan for 2011-2016.

Cooperatives have empowered the poor and the vulnerable and thus, reduced poverty. It is a public notice that the cooperatives have become a development force whose constituency has reached more than seven million members cutting across sectors, geography, gender, beliefs, ideology and class. The aggregate volume of business, their share to self-generated employments through the multifarious economic endeavors of the members, can well attest that cooperativism has really come of age.

To be at par with the cooperatives in their ardent task to make life better for the people, the CDA can do no less but work efficiently and effectively. In 2011, we issued a good number of the guidelines called for in the implementation of RA 9520 conducting intensive consultations.

My leadership has been characterized as very democratic and consultative having conducted several big fora which saw thousands of stakeholders participating. Among these were the National Consultation on the Philippine Cooperative Medium-Term Development Plan (PCMTDP) for 2011-2016, CDA-LGU National Consultative Forum; Mindanao and Visayas Cooperatives' Consultative Convergence; Luzon Cooperatives' Consultative Convergence; 5th National Tripartite Conference for Cooperative Development; Cooperative Peace Forum. In all of these convergences, several declarations have been crafted as the basis of the CDA in crafting its programs and activities.

Having mentioned the breakthroughs, CDA will now further scale the heights in the following:

1. Completion of the guidelines and standards for various types of cooperatives;
2. Implementation of CDA Communication Advocacy Program;
3. Development and implementation of the Social Audit System of the Philippines;
4. Development and implementation of the Coop Performance Audit conduct and implementation of the Coop Performance Audit;
5. Conduct and implementation of activities in connection with the observance of the International Year of Cooperatives (IYC);
6. Activation of the National Coordinating Committee on Cooperative Promotion and Development, in accordance with EO 95 from the national to the regional levels;
7. Full implementation of MC 2011-02 (Simplified and Rationalized Guidelines in the Operation and Structure of Cooperative Development Councils);
8. Work for the ISO Certification of CDA Central Office and MEO;
9. Forging a Memorandum of Agreement with LGU Coop Office and work for the inclusion of the cooperative agenda.

Certainly our office has gained headways in 2011. Let the breakthroughs be the springboard to catapult the cooperative movement to greater heights. We know that the road ahead will be long and tedious; the climb will be very steep, but with the help of the men and women of the CDA, I know we will be able to contribute more in making the life of our people better, through cooperativism.


EMMANUEL M. SANTIAGUEL, Ph.D.



The Board of Administrators



Chairman **Emmanuel M. Santiaguel**



Administrator **Manuel C. Lapeña**



Administrator **Felicitas S. Acosido**



Administrator **Irma A. Villanueva**



Administrator **Nelon B. Alindogan**



Administrator **Paisalin P. Tago**



Administrator **Pendatun B. Disimban**



Mary Grace I. Cinco
Acting Board Secretary

The Executive Director's Report



2011 Report in Context

"Creating BreakthroughsScaling the Heights ... Gaining Headways"

Although the report focuses on what has been done in 2011 by an office that is mandated to be the lead agency in promoting cooperativism as an instrument of social justice, equity and sustainable development, the portrayal could not be complete without first mentioning the sector in whose name and for whose cause CDA is there for.

With a critical mass of over seven million members nationwide cutting across gender, sectors, beliefs, class and political affiliations, the cooperative movement is now up to the task to be that long-awaited transformational leader to liberate the people from the quagmire of poverty. As the problems besetting our country are deeply rooted in flawed systems, structures and cultures, that leader has come in the form of a movement that gives high adherence to the time-honored and universally-accepted cooperative principles where power is put in its rightful place, that is, with the people.

It is the leading edge to effect social transformation based on the principles of social justice, sustainable development and people empowerment. It manifests a truism that unless the people participate, all the outpourings of development programs will just be palliatives and cannot be the real solution. It is one to serve the people, in whose name and for whose cause, it exists for.

Indeed, the road ahead will be long and arduous; the climb will be uphill but we will get there to make life better for our people. This is because of the cooperative principles that we give high adherence to.

These principles which are anchored on participation, democratic control and concern for society and the environment are now pitted against social problems which are deeply rooted in the culture of poverty, culture of powerlessness, the culture of violence and the culture of corruption and greed.

There is now an urgent call to regain back our dignity as the people. There is now this urgent call to have a countervailing force against the cultures that have consigned our country to widespread poverty, now the worst in East Asia.


ORLANDO R. RAVANERA

Execom Members



ATTY. NIEL A. SANTILLAN
Exec. Director for Special Concern



ORLANDO R. RAVANERA
Acting Exec. Director



GIOVANNI T. PLATERO
Deputy Exec. Director



ATTY. ELEONOR T. HERNANDEZ
Director, Legal & Registration Dept.



FE D. CAINGLES
Director, Institutional Development Dept.



ATTY. PURITA L. ONG
Chief, Legal Division



MARIETA P. HWANG
Chief, Registration Division



MELISSA C. SANTOS
OIC Chief, Coop. Research, Info & Training Division



MA. CORAZON G. DIWAS
OIC Chief, Coop. Project Development & Assistance Division



AURORA A. CAMPOS
OIC Chief, Administrative Division



ATTY. ELIZABETH O. BATONAN
Chief, Finance Division

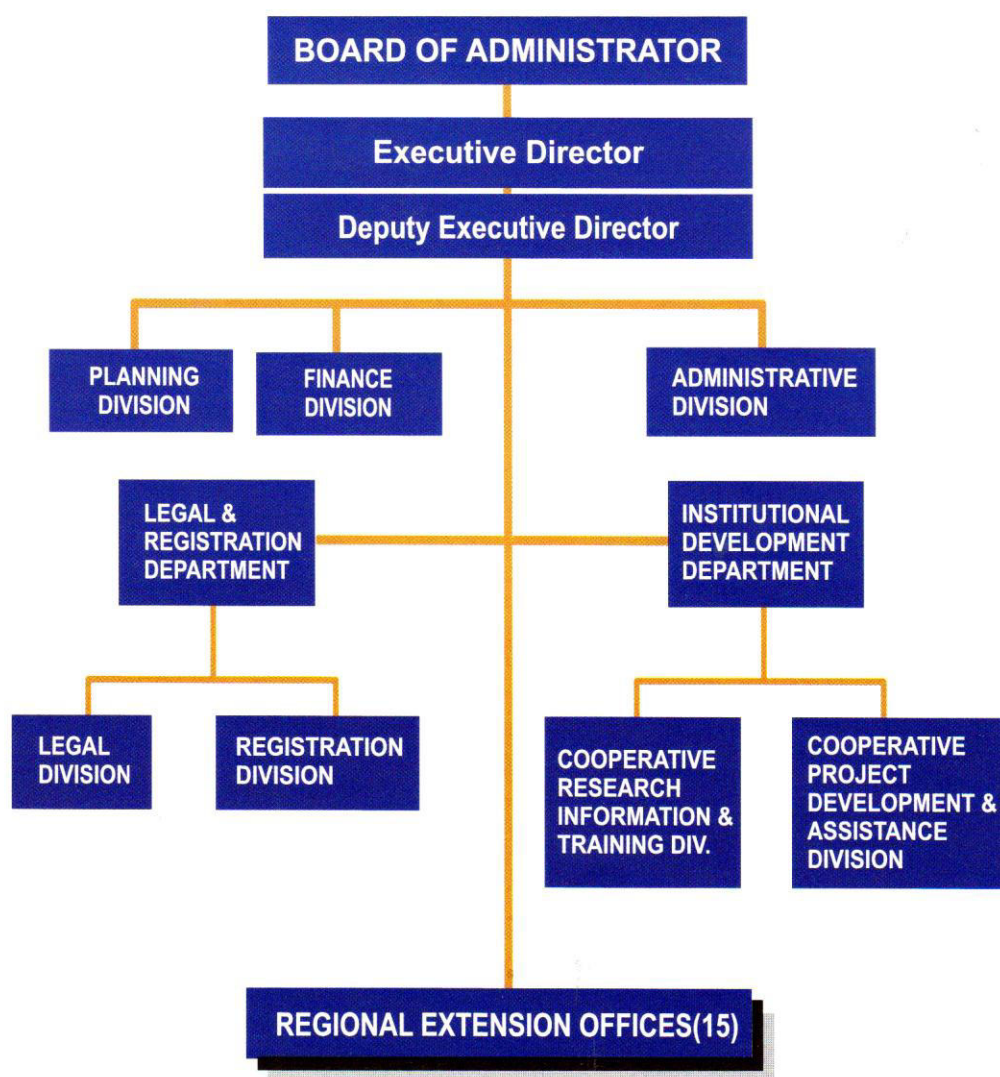


TERESITA LEIGHLANY T. CARIASO
Chief, Planning Division

Organizational Structure and Resources

The CDA is governed by a Board of Administrators consisting of a Chairman and six (6) members appointed by the President. It has an approved plantilla of 736 positions with only 569 positions filled-up. The CDA is organized into two main departments: Institutional Development and Legal and Registration with the Planning, Administrative and Finance as support Divisions. The Agency's headquarters is in Quezon City, and it has 15 regional offices throughout the country.

In FY 2011, it had an approved budget of Php257,154,000.





PERFORMANCE RESULTS BY MAJOR FINAL OUTPUT

MFO 1 Regulatory Services

Regulatory Services include the functions of registering cooperatives, fostering and enforcing compliance with laws on cooperatives and establishing an effective regulatory environment. It also includes the conduct of investigation and hearing of cases involving cooperative controversies.

Registration of Cooperatives and Amendments to Articles of Cooperation and By-Laws

From January to December 2011, the CDA registered 1,894 new cooperatives nationwide. This brings to a total of 20,792 registered cooperatives as of December 31, 2011. Within the same period, it was able to enlist 1,755,680 new members of cooperatives across the country.

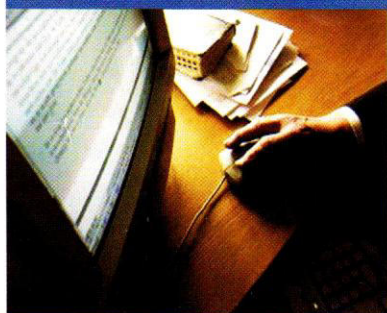
To scale the heights in increasing membership in cooperatives, the CDA embarked on strategic convergence initiatives and broad-based consultations with National Government Agencies (NGAs), Local Government Units (LGUs), cooperative federations, and unions and other stakeholders. Among these, the CDA and the Department of Agrarian Reform (DAR) forged a Memorandum of Understanding to promote cooperativism in agrarian reform areas where the agrarian reform beneficiaries have expressed readiness to organize themselves. It is also intensifying its advocacy for the conversion of electric cooperatives into genuine electric cooperatives through the conduct of "Power Fora".

This year, the Agusan del Norte Electric Cooperative (ANECO) registered with the Cooperative Development Authority. The decision to register with CDA was arrived at after a member-consumer-initiated referendum was conducted.

Also in Mindanao, the Banco Cooperativa of Zamboanga was registered with the CDA. This is the realization of the efforts of cooperatives in Mindanao to organize a cooperative bank as partner in the development of their region.

The registered cooperatives are expected to help fuel economic activities in their respective areas of operation. Their capital structure translates to internally generated resources for their undertakings and lowers their dependence on external funding for their start-up operations.

Corollary to this, the Agency registered 2,342 amendments to Articles of Cooperation and By-laws (ACBL) of cooperatives in our effort to enjoin cooperatives to conform their ACBL to the provisions of RA 9520 or the Philippine Cooperative Code of 2008.



Regulation of Cooperatives

As the regulatory Agency for cooperatives, it enforces compliance to the requirements of RA 9520 and other applicable laws and maintains a regulatory environment that promotes high- quality disclosure, financial reporting and governance. This is done through the evaluation of Cooperative Annual Performance Reports (CAPR) and Audited Financial Statements (AFS) to ascertain compliance to statutory requirements. Findings and recommended actions are communicated to the cooperatives and in case of violations, show-cause orders are issued directing

**TOTAL NUMBER OF REGISTERED COOPERATIVES
BY REGION, BY TYPE
AS OF DECEMBER 31, 2011**

TYPE OF COOPERATIVES	REGION																	
	I	II	CAR	III	NCR	IV	V	VI	VII	VIII	IX	X	XI	XII	CARAGA	ARMM	CENTRAL OFFICE	GRAND TOTAL
CREDIT	139	148	112	242	371	293	100	80	136	111	44	154	130	96	92	20		2,268
CONSUMER	102	18	56	62	141	85	18	28	32	43	28	50	69	25	73	20		850
PRODUCER	17	25	18	156	25	83	60	30	21	27	29	57	77	48	102	174		949
MARKETING	20	53	22	73	15	98	11	47	11	17	10	45	53	34	23	221		753
SERVICE	20	21	16	133	291	145	51	15	68	61	17	56	112	68	22	52	12	1,160
MULTI-PURPOSE	958	482	743	1,300	1,222	1,698	536	1,113	1,232	401	600	1,050	1,191	721	718	711		14,406
ADVOCACY					1	1					1	1	1					5
AGRARIAN REFORM		1		3		2	1		1		1		1		1			11
DAIRY				6		1	2		4	1				1				15
FISHERMEN					1	3					2		2	1		9		18
HOUSING			1		1		1					2	1					6
ELECTRIC																1	1	2
WORKERS			2	2	5	6	2					3			1			21
TRANSPORT	1			4	14	4	1		1			2	1	3				31
FINANCIAL SERVICE						1							1					2
HEALTH SERVICE									1			1						2
WATER SERVICE						2												2
COOP-BANK SECONDARY					1												44	45
FEDERATION SECONDARY	9	6	5	20	26	22	7	18	13	5	9	14	10	9	8	5	2	188
FEDERATION TERTIARY		1			2												3	6
UNION SECONDARY	3		6	4	12	6	3	1	3			2	4		2	1		47
UNION TERTIARY																	1	1
INSURANCE SECONDARY					1							1					2	4
GRAND TOTAL	1,269	755	711	2,005	2,129	2,450	793	1,332	1,523	666	741	1,438	1,653	1,006	1,042	1,214	65	20,792



**CAPITAL STRUCTURE OF COOPERATIVES REGISTERED
For the Year 2011**

REGION	CAPITALIZATION		
	AUTHORIZED	SUBSCRIBED	PAID-UP
I	153,065,600.00	39,582,800.00	10,706,000.23
II	97,062,000.00	31,260,400.00	10,082,610.00
CAR	89,279,600.00	23,475,800.00	6,675,600.00
III	167,599,600.00	44,740,300.00	11,214,950.00
NCR	569,815,542.56	158,174,003.57	56,630,058.39
IV	345,156,280.00	115,851,620.00	43,191,230.00
V	61,310,400.00	16,406,600.00	4,612,350.00
VI	86,092,400.00	21,955,600.00	5,948,175.00
VII	109,688,000.00	27,505,400.00	8,217,050.00
VIII	25,100,400.00	7,798,000.00	3,117,150.00
IX	45,100,000.00	11,754,100.00	4,508,201.12
X	79,999,680.00	25,533,320.00	10,125,643.45
XI	137,872,200.00	38,596,550.00	11,238,062.50
XII	130,432,434.56	37,655,100.00	9,941,650.00
CARAGA	76,251,600.00	20,434,500.00	5,274,475.00
ARMM	89,100,600.00	22,283,400.00	5,570,850.00
CENTRAL OFFICE	129,700,000.00	34,148,000.00	13,004,200.00
TOTAL	2,393,277,337.12	677,155,493.57	220,058,255.46

concerned cooperatives to explain why sanctions under RA 9520 or other pertinent laws should not be meted on them.

The Cooperative Development Specialists (CDS) are the personnel assigned to inspect cooperatives. However, with only 284 CDSs with 18,484 cooperatives to inspect, this translates to a 65:1 ratio nationwide. Given this constraint, the accomplishment figure in inspection resulted in only 11,723 cooperatives or 63% of the 18,484 total number of cooperatives as of December 2010.

In terms of submission of the mandatory administrative requirements, the compliance figures for 2011 is 10,623 for Cooperative Annual Performance Report (CAPR) and 10,905 for the Audited Financial Statement (AFS).

For the same year, a total of 2,968 cooperatives were ordered cancelled by the Agency.

Issuance of Certificate of Good Standing

Subject to compliance with set requirements, the Agency issues Certificate of Good Standing (CGS) to Cooperatives. There are two kinds of CGS that the Agency issues- Regular and Special. Among others, a CGS is one of the requirements for availing a Certificate of Tax Exemption (CTE) from the Bureau of Internal Revenue (BIR). In 2011 there were 11,542 cooperatives issued CGS.

Policy Development and Guidelines Formulation

In terms of policy formulation, the CDA Board of Administrators passed Thirty Eight (38) Memorandum Circulars and Office Orders implementing the Philippine Cooperative Code of 2008 and other pertinent laws. These issuances are geared at promoting an effective and conducive regulatory environment for cooperatives and to enhance the delivery mechanisms of the Agency. The issuances include:

Title / No.	Subject
MC No. 2011 - 01	Guidelines on the Accreditation of Cooperative Training Providers
MC No. 2011 - 02	Simplified Policy and Rationalized Guidelines in the Organization and Structure of the Cooperative Development Council
MC No. 2011 - 03	Policy Regarding Article 27 (2) of RA 9520
MC No. 2011 - 04	Legal Interpretation of the Philippine Cooperative Code
MC No. 2011 - 05	Limitation on Share Capital Holdings
MC No. 2011 - 06	Filing of Annual Reports of Cooperative by Electronic Means
MC No. 2011 - 07	Organization Structure of Cooperative Under RA 9520
Office Order No. 2011 - 08	Pro-Forma of CDA Authorization for BIR to Conduct Examination of the Cooperative Books of Accounts
MC No. 2011 - 09	Guidelines for the Adoption of Ring-Fencing Tool for Multi-Purpose Cooperatives with Water Service Operations
MC No. 2011 - 10	Submission of List of Member Cooperatives that May Qualify to be Converted into Financial Service Cooperatives (FSC)
MC No. 2011 - 11	Addendum to MC No. 2011-04 dated February 22, 2011
MC No. 2011 - 12	The Members of the Local Election Committee Under the Representative Assembly Termed as Election Deputies
MC No. 2011 - 13	Fidelity Bond and Surety Bond as Defined
MC No. 2011 - 14	Standard Training Curricula for Cooperative Officers
MC No. 2011 - 15	Revised Guideline for the Registration of Primary Cooperative
MC No. 2011 - 16	Revised Guideline Governing the Issuance of Certificate of Good Standing (CGS)
MC No. 2011 - 17	Policy and Guidelines on the Establishment of Cooperative Branch

Title / No.	Subject
MC No. 2011 - 18	Revised Guidelines in the Registration of Cooperative Federation and Union
MC No. 2011 - 19	Model Election Guidelines in the Conduct of Election/s for the Board of Directors and Other Elective Officers of Electric Cooperatives (EC's) Registered with the CDA
MC No. 2011 - 20	Guidelines on the Registration of Amendment of Articles of Cooperation and By-Laws by Substitution
MC No. 2011 - 21	Addendum to MC No. 2011-17 dated May 6, 2011 re: Policy and Guidelines on the Establishment of Cooperative Branch
MC No. 2011 - 22	Guidelines on Post Referendum Activities in the Registration of Electric Cooperatives with CDA
MC No. 2011 - 23	Guidelines for the Deputation of Federations as Supervisors of the Financial Service Cooperatives (FSC) and Cooperative with Savings and Credit Services (CSCs)
MC No. 2011 - 24	Policy Guidelines for Workers Cooperatives
MC No. 2011 - 25	Policy Guidelines for Job Contracting/ Sub-Contracting Workers Service Cooperative and Multi-Purpose Cooperative with Job Contracting/ Sub-Contracting Operation
MC No. 2011 - 26	Guidelines on the Submission of Cooperative's List of Officers
MC No. 2011 - 27	Implementation of the Training Requirements for Cooperative Officers and Training Undertaken/Completed
OC No. 2011 - 01	Grant of CDA Uniform Allowance and Its Guidelines
OC No. 2011 - 02	Procedural Guidelines in the Accomplishment of Computerized Evaluation in the Registration of Cooperatives
OC No. 2011 - 03	Procedural Guidelines on the Accreditation of Cooperative Training Providers as Provided for in Memorandum Circular No. 2011-01
OC No. 2011 - 04	Reminder on the Issuance of Certificate of Good Standing (CGS) Especially for Rice Importation
OC No. 2011 - 05	Policy Guidelines on the Prohibition on the Consumption of Alcoholic Beverages Among CDA Officials and Employees in CDA
OC No. 2011 - 06	Strict Observance of No Smoking Policy
OC No. 2011 - 07	Guidelines in the Pre-Screening of Applicants for Vacant Positions in the CDA
OC No. 2011 - 08	Pro-Forma of CDA Authorization for Bid to Conduct Examination of the Cooperative Books of Accounts
OC No. 2011 - 09	Revised Procedural Guidelines on Check Disbursements
OC No. 2011 - 10	New Templates for Uniform Adoption
OC No. 2011 - 11	Procedural Guidelines in the Inspection of Job Contracting/ Sub-Contracting Workers Service Cooperative and Multi-Purpose Cooperative With Job Contracting/ Sub-Contracting Operation

MFO 2 DEVELOPMENTAL SERVICES

Human Resource Development

Through its priority agenda of Human Resource Development, CDA pushed developmental services which include rendering of technical assistance to cooperatives towards increasing their capacities and positioning themselves and their communities for long-term success. CDA performs this role in partnership with other national agencies of government, local government units, cooperatives and other institutions. For the reporting period, the Agency was able to deliver 31,980 technical assistance which benefitted 148,252 members of cooperatives. These came in the form of trainings, orientations, consultancy and cliniquing.

Efforts to synchronize and institutionalize education and training programs for the cooperative sector have gained headways. The Agency issued Guidelines on the Accreditation of Cooperative Training providers as well as the Standard Training Curricula for Cooperative Officers. In 2011 there were 54 training providers accredited by CDA.

To establish standards and ensure the quality and effectiveness of its training programs, the CDA shall oversee the establishment of a training institute for cooperatives.

Gawad Parangal

The crafting of the Criteria and Guidelines of the Awards and Recognition for Cooperative Leaders and Partner Organizations, dubbed as Gawad Parangal was completed this year. Twelve (12) Most Outstanding Cooperatives were awarded in November. Priority Agenda No. 3, the Gawad Parangal is being implemented in partnership with stakeholders as commendation for exemplary performance, best practices and good governance. This is also undertaken for the purpose of modeling, replication and up scaling as they represent the best practices of cooperatives.

The following outstanding cooperatives received the Gawad Parangal:

Outstanding Cooperatives

Medium Scale Category

Luzon

- 1st Capitol Multi-Purpose Cooperative
Pile, Camarines Sur
- 2nd Calapan Labor Service Development Cooperative
San Antonio, Calapan City, Oriental Mindoro
- 3rd San Juan Dela Cruz Parish and Saving Cooperative
Ungong, Valenzuela City

Visayas

- 1st Escalante Public & Private School Teachers and Employees
Multi-Purpose Cooperative
East Avenue, Escalante City, Negros Occidental

Mindanao

- 1st Sto. Niño District Public School Teachers' Multi-Purpose Cooperative
Sto. Niño Central School Compound, Sto. Niño, South Cotabato

Outstanding Cooperatives

Large Scale

Luzon

- 1st Holy Cross Saving and Credit Cooperative
Gen. T. De Leon, Valenzuela City
- 2nd Apung Monica de Minalin Multi-Purpose Cooperative
Minalin, Pampanga
- 3rd Sta. Cruz Saving and Development Cooperative
Poblacion Este, Sta. Cruz, Ilocos Sur

Visayas

- 1st Dingle Government Workers Development Cooperative
Brgy. Dawis, Dingle, Iloilo

Mindanao

- 1st Tagum Cooperative
Magugpo West, Tagum City, Davao del Norte
- 2nd Aurora Integrated Multi-Purpose Cooperative
Poblacion Aurora, Zamboanga del Sur
- 3rd Agusandel Norte Teachers, Retirees, Employees &
Community Cooperative;
ANTRECCO Bldg., JP Rosales Avenue, Butuan City



THE INTERNATIONAL YEAR OF COOPERATIVES 2012

The United Nations General Assembly in Resolution 64/136 proclaimed 2012 as the International Year of Cooperatives (IYC). The UN Resolution encourages all member States and all relevant stakeholders to take advantage of the IYC to promote cooperatives, to raise public awareness of the contribution of cooperatives to social and economic development and promote the formation and growth of cooperatives.

CDA convened a National IYC Committee to spearhead the preparation and planning for the celebration of the IYC in the Philippines.

The Philippines adopted the theme "Transformative Cooperatives for People, Planet, Prosperity and Peace". With this as the guiding principle, the National IYC Committee and its Steering Committee developed a year-long plan of action all geared at sustainable development of cooperatives.

The Philippine IYC was formally launched during the National Cooperative Summit on November 11, 2011 in Cagayan de Oro. The Philippines IYC Goals are:

1. To increase public awareness about co-operatives and their contributions to advance People, Planet, Prosperity & Peace of Sustainable Development. "MAKILALA ANG KOOPERATIBA".
2. To strengthen and unite the co-operative movement. "MAPALAKAS AT MAPAG-ISA ANG KOOPERATIBA".
3. To influence policy makers to make the right policy environment conducive to the formation, growth and stability of co-operatives. "MAGKAROON NG ANGKOP NA BATAS PARA SA IKALALAKI AT IKATATATAG NG KOOPERATIBA".



In conjunction with the observance of the IYC a nationwide tree planting activity, which aims to plant 500,000 trees nationwide was launched in October 2011. The launching was one of the highlights of the celebration of Cooperative Month. This activity was conducted in coordination with the Department of Environment & Natural Resources' (DENR) National Greening Program.



Program Development for Cooperatives

In support to the developmental functions of the Agency, the Cooperative Project Development and Assistance Division (CPDAD) crafted regulatory frameworks and spearheaded the conduct of stakeholders' forum, consultation / planning workshops, advocacy campaigns, sectoral meetings, convergences and conferences as a pro-active stance of the regulatory agency to tackle the emerging issues and concerns of various cooperative sectoral groupings. These are preliminary to developing programs, projects and policy guidelines that would ensure the sustainable growth and development of cooperatives, among them, agricultural cooperatives, cooperative banks, water service cooperatives, electric cooperatives, housing cooperatives, workers / labor-service cooperatives and transport cooperatives.

With the clear policy directions set by the Agency, the CDA was able to enlist the full support of other national government agencies, legislators and the cooperative sector as well. Road maps and strategic plans were crafted by the advocacy groups and strategic alliances.

Cooperative Performance Standards

In compliance with the requirements under Article 53 of Republic Act 9520 and Section 2, Rule 8 of its Implementing Rules and Regulations on the submission of progress and achievement reports at the end of the fiscal year by all cooperatives using the prescribed format to be promulgated by the CDA, a Technical Working Group (TWG) on Cooperative Performance Standards was created to craft the necessary guidelines and monitoring tools. The TWG is composed of CDA personnel and representatives from the cooperative sector coming from the National Confederation of Cooperatives (NATCCO), Philippine Cooperative Center (PCC), Polytechnic University of the Philippines Institute of Cooperatives (PUP-IC), Cooperative Union of the Philippines (CUP), Novaliches Development Cooperative (NOVADECI), Philippine Federation of Teachers and Employees Cooperatives (PFTEC), Cooperative Confederation of Cooperative Banks (BANGKOOP), Philippine Federation of Credit Cooperatives (PFCCO) and Cooperative Union of Taguig and Pateros (COUNTPA).

The TWG came up with indicators to assess the performance of cooperatives in the areas of organizational, economic and social aspects of its operation. The standards will be pilot-tested in 2012.

Cooperative Banks

In line with the Agency's efforts to strengthen cooperative banks, the CDA coordinated with the Bangko Sentral ng Pilipinas (BSP) on matters relative to the issues and concerns of cooperative banks. Along this line, the CDA initiated the conduct of consultative conferences for the cooperative banking sector to thresh out policy issues (e.g. capitalization, guidelines and issuances and Article of Cooperation and Model By-Laws). A draft Policy Guidelines on the Conversion of Samahang Nayons and Municipal Katipunan ng mga Samahang Nayons Common Shares with Cooperative Banks into Preferred Shares has been submitted to the BSP for comments.



Water Service Cooperatives

Rule III of the Implementing Rules and Regulations (IRR) of Republic Act 9520 provides that cooperatives with multi- purposes are required to maintain separate books of accounts for each business activity. In line with such provision, the CDA issued Memorandum Circular No. 2011-09: Guidelines for the Adoption of Ring-Fencing Tool for Multi Purpose Cooperatives (MPCs) with Water Service Operations. With the objective of improving the performance of water service operations of cooperatives, the Ring-Fencing Tool is being introduced to serve as a management tool to segregate the operations of the water service unit from the general account of multi-purpose cooperatives.

The CDA is an active participant in Inter-Agency Technical Working Groups of the Philippine Development Forum activities to address the national issues and concern on the continuous supply of clean and safe potable water. The project also aims to enhance the technical and financial capacities of water service providers including cooperatives to meet the requirements of the National Water Resources Board (NWRB) for the issuance of Certificate of Public Convenience (CPC).



Electric Cooperatives

In line with the CDA's 3-Point Agenda on the expansion of membership, the CDA, in partnership with the NATCCO Partylist, conducted an activity dubbed as **"Convergence of Electric Advocates"** on November 22, 2011 at the NATCCO Training Center in Quezon City. The objective of this activity is to come up with a strategic plan for the registration and strengthening of electric cooperatives in the country and advocate for the rights and privileges of consumers as co-owners of these multi-billion utilities in the form of stocks issued under their names as well as in the distribution of interest on shares and patronage refund.

As a result of the activity, the Road Map for the Strengthening of Electric Cooperatives was crafted. Further, the National Alliance for Truth and Consumer Empowerment of Electric Cooperatives (NACEELCO) was organized. NACEELCO is composed of representatives from the CDA, the Cooperative Bloc in Congress (Council of Elders) as the interim Board, Philippine Federation of Electric Cooperatives (PHILFECO), NASECORE, Academe, and CDA-registered electric cooperatives. The initial meeting of the NACEELCO was conducted on December 15, 2011.

Cooperative Business Forum

In line with its advocacy for a paradigm shift from conventional marketing to cooperative marketing, the CDA, in partnership with the Department of Agriculture (DA), Department of Agrarian Reform (DAR) and the Department of Trade and Industry (DTI), is looking into the maximization of the contribution of cooperatives in achieving agricultural sustainable development in our country through enhancing the capacity and provision of technical and support services to promote and market the agricultural produce of farmer-members.

Related to this, a Cooperative Business Forum on Sustainable Agriculture was conducted on November 29-30, 2011 at the Tagaytay International Convention Center. Around 140 cooperatives from across the country participated including stakeholders from Congress, National Government and Local Government. Products of cooperatives were showcased and the participants had an opportunity to share and exchange ideas with the delegates of the Regional Network for the Development of Agriculture Cooperatives in Asia and the Pacific (NEDAC) who were in the country for their General Assembly. An output of this activity, is the road map for the development of agricultural cooperatives, specifically for the five (5) Sectoral Groupings: 1) Rice and Corn, 2) Dairy and Livestock, 3) Vegetables, 4)

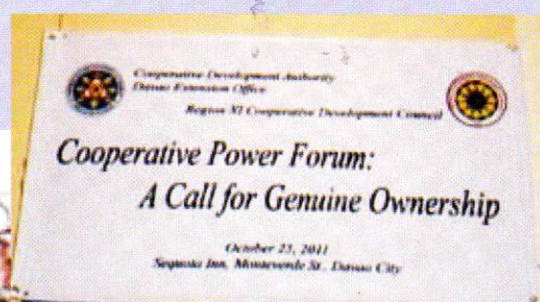


Rubber and 5) Processed Foods. In the absence of a strong national federation and marketing arm for the agricultural sector, the group agreed to create the Agricultural Cooperative Alliance in the Philippines (ACAP) with representation from all regions.

Philippine Cooperative Medium-Term Development Plan (PCMTDP) 2011-2016

The Agency also coordinated the consultations and finalization of the Philippine Cooperative Medium-Term Development Plan for 2011-2016. This was conducted in March with the participation of representatives from cooperatives, NGAs, LGUs and other non-government organizations.

The Cooperative Sector's complementary blueprint to the Philippine Medium-Term Development Plan for 2010-2016 which they have called "The Co-op Sector 10-Year Strategic Direction-An Integrated and Transformative Cooperative Sector is spelled out in the PCMTDP for 2010-2016. The PCMTDP has identified five (5) Policy Directions namely: 1) Strengthening and Enhancing the Delivery Mechanisms of the Cooperative Development Authority 2) Providing an Enabling Environment for the Strengthening Development of Cooperatives 3) Ensuring Local and Global Competitiveness of Cooperatives 4) Promoting Cooperativism, as a Vehicle for Social Transformation for People, Planet, Prosperity and Peace, and 5) Massive Expansion of Cooperative Membership.



The CDA leadership team is creating a culture rooted in collaboration and consultation across organizational lines. This seeks to promote a dynamic synergy among government (national and local), cooperatives and other sectors. Within the first semester, there were three (3) convergence activities among cooperative development stakeholders conducted in Luzon, Visayas and Mindanao. These resulted in three (3) declarations that outlined their action plans in accordance with the Philippine Cooperative Medium-Term Development Plan for 2011-2016.

The LGUs have proven to be crucial partners in the development of cooperatives. Because cooperatives are associations of people, mostly at the grassroots level, the involvement of the LGUs in institutionalizing cooperativism in the country has become a major direction to ensure the sustainability of cooperative development programs. Many years after the passage of the Local Government Code and the precursor of RA 9520, RA 6938 of the Cooperative Code of the Philippines, there are still obstacles in the full fruition of the empowerment pursued separately and together by these laws. A major step undertaken by the Agency is forge agreements with the LGUs in order to mainstream cooperative development programs in the LGU Development Plans.

On the other hand, coordinative meetings were also undertaken with the legislative branch of government and the executive branch through the various agencies with cooperative development programs to identify areas of complementation to mitigate cases of duplication in programs, projects and activities. This is in pursuance to Executive Order No. 95 designating the CDA as lead agency in the registration, promotion and development of cooperatives.





With funding support from the International Commitment Fund of the Department of Foreign Affairs (DFA) and with prior authority from the Office of the President, CDA hosted the 18th Meeting of the Board of the ASEAN Center for the Development of Agriculture Cooperatives (ACEDAC) and the 13th Meeting of the ASEAN Sectoral Working Group on Agricultural Cooperatives (ASWGAC) and the General Assembly and Seminar on Current Trends in the Development of Agricultural Cooperatives of the Regional Network for the Development of Agriculture Cooperatives in Asia and the Pacific (NEDAC) this year.

institutional development



Within the same period, the Agency worked at improving its operational capacity-working to transform the culture, investing in human and technical capital and adopting new procedures that broadly encourage individual initiative and improve Agency performance. It continued to adopt its Quality Management System with the objective of being ISO 9001:2008-certified in 2012.

In terms of developing its human capital, the Agency conducted Six (6) batches of training for the CDS nationwide geared to enhance their knowledge, skills and attitudes in its effort to mold them to become technically equipped, managerially skilled and socially committed frontliners of the Agency. This will keep them current and attune to the legal, regulatory, technical and financial policy environment.

To help boost its advocacy initiatives, the CDA Website was made more dynamic and current.

This year, twenty (20) vacant positions from both the Central Office and Extension Offices were filled-up. Personnel sent to trainings and short courses/scholarships numbered Two Hundred Sixty, Seven (267).



COOPERATIVE DEVELOPMENT AUTHORITY
Consolidated Detailed Statement of Income and Expenses
For the Year Ended December 31, 2011
(With Comparative Figure for 2010)

	<u>2011</u>	<u>2010</u>
Income	P 394,769,678.13	P 303,447,893.50
Less: Expenses		
Personal Services	P 250,565,312.35	P 220,127,466.66
Maintenance and Other Operating Exp	91,840,320.82	74,621,294.35
Total Expenses	342,405,633.17	294,748,761.01
Net Income over Expenses	P 52,364,044.96	P 8,699,132.49

Certified Correct by:


DORIS D. TEODORO
Acting Accountant III



COOPERATIVE DEVELOPMENT AUTHORITY
Consolidated Detailed Balance Sheet
As of December 31, 2011
(With Comparative Figures for 2010)

	2011	2010
ASSETS		
Cash	P 59,485,480.99	P 57,257,467.67
Receivables	1,223,191,853.72	1,138,428,182.31
Inventories	1,321,030.39	2,398,848.70
Prepaid Expenses	6,123,793.56	3,843,618.30
Other Current Assets	135,937.81	258,337.81
Investment in Securities	190,455,341.48	191,455,341.48
Property, Plant and Equipment	120,670,349.63	116,957,378.13
Less: Accumulated Depreciation	(63,461,220.03)	(63,288,236.61)
Other Assets	18,965,450.49	18,869,396.18
Total Assets	<u>1,556,888,018.04</u>	<u>1,466,180,333.97</u>
LIABILITIES AND EQUITY		
Current Liabilities	P 1,049,798,119.73	P 1,004,754,395.28
Other Liabilities	71,900.00	71,900.00
Total Liabilities	<u>P 1,049,870,019.73</u>	<u>P 1,004,826,295.28</u>
EQUITY		
Government Equity, beginning January 1	461,354,038.69	455,277,386.52
Retained Operating Surplus		
Current Operations	52,364,044.96	8,256,824.34
Refund of Disallowance		
Disposal of PPE	(13,435.20)	(109,550.09)
Purchase of PPE 2007-2010	35,190.00	380,474.30
Income from Grants & Donations		156,299.00
Transfer from Central Office	775,819.28	
Adjustment on PPE	958,944.90	-
Prior Years' Adjustment	(8,456,604.32)	(2,607,395.38)
Total	45,663,959.62	6,076,652.17
Government Equity, Ending December 31	<u>P- 507,017,998.31</u>	<u>P- 461,354,038.69</u>
Total Liabilities & Equity	<u>P- 1,556,888,018.04</u>	<u>P- 1,466,180,333.97</u>

Certified Correct by:

[Signature]
DORIS D. TEODORO
 Acting Accountant III

COOPERATIVE DEVELOPMENT AUTHORITY
Consolidated Statement of Cash Flows
As of December 31, 2011
(With Comparative Figures for 2010)

	<u>2011</u>	<u>2010</u>
Cash Flow from Operating Activities :		
Cash Inflows:		
Receipt of Cash Allocation (NCA)	P 475,211,576.50	P 300,292,219.13
Collection of Income/ Revenues	4,965,804.15	6,506,350.99
Collection of Receivables	1,406,490.86	1,173,453.96
Receipt from Bid Documents	55,000.00	
CDA Fund with Procurement service		144,880.00
Adjustment of CY 2009 income collection		14,000.00
Receipt of Cash advance	439,089.80	-
Receipt of Disallowance	129,006.55	151,860.92
Prior Years' Interest PNB dep.- Savins Acct.		8,502.10
Payroll Fund		91.50
Cancelled Check		400.00
Receipts of Financial assistance from Cong. Rodriguez		100,000.00
Receipts of Cash from sale of Coop Registration Forms		25,000.00
Receipt of refunds of Cash Advances and overpayments of expenses		62,790.89
Total Cash Inflow	482,206,967.86	308,479,549.49
Less: Cash Outflows:		
Cash payment of operating expenses	302,400,904.13	205,329,871.17
Cash payment of payables incurred in operations	828,519.20	1,259,502.80
Cash Payment of Prior Year's Payables	10,987,854.72	3,499,796.35
Cash payment of operating expenses- Trust Fund	2,240,077.54	453,877.02
Cash Purchase of Inventories/Equipments	1,896,276.15	1,780,588.79
Cash disbursement of 2009 unclaimed salaries		8,940.00
Prepayment for expenses	298,892.78	229,406.64
Granting of cash advances	2,000,330.25	27,076,530.43
Granting of petty cash fund	27,000.00	30,000.00
Release of grants to NGOs/Pos	9,800,000.00	2,185,089.92
Remittance of GSIS/PAG-IBIG/ PHILHEALTH Payable	37,951,449.15	27,338,742.45
Other Remittances	3,620,825.21	6,206,789.14
Deposit of collection to BTR	3,506,782.81	1,770,220.63
Cash - National Treasury - MDS -unreleased checks	51,071.73	
Payment for Radio Program		25,000.00
Remittance to BTR of refund of Cash Advance & Overpayment of expenses	16,308.66	108,962.17
Remittance to BTR of refund of disallowance	57,643.13	107,356.80
Remittance to BTR of rent deposit		12,537.50
Refund of excess WTAX		15,097.61
Issuance of NTA	1,307,146.50	150,000.00
Reversion of Unused NCA	102,252,413.13	17,280,800.22
Total Cash Outflow	479,243,495.09	294,869,109.64
Net Cash Provided by Operating Activities	2,963,472.77	13,610,439.85
Cash Flow from Investing Activities :		
Cash Inflows:		
Receipts of proceeds from sale of disposable assets	7,050.00	
Redemption of Long Term Investments	1,000,000.00	0.00
Total Cash Inflow	1,007,050.00	0.00
Less: Cash Outflows:		
Cash purchase of Motor Vehicles		6,954,480.00
Cash purchase of property, plant and equipment	(1,735,459.45)	7,328,250.00
Remittance of sale of assets to NT	(7,050.00)	
Total Cash Outflow	(1,742,509.45)	14,282,730.00
Net Cash Provided by Investing Activities	(735,459.45)	(14,282,730.00)
Total Cash Provided by Operating and Investing Activities	2,228,013.32	(672,290.15)
Add: Cash Balance, Beginning January 1	57,257,467.67	57,929,757.82
Cash Balance, Ending December 31	P 59,485,480.99	P 57,257,467.67

Certified Correct by:

DORIS D. TEODORO
Acting Accountant III

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