

RA 6939, Section 3(n)

"The Authority shall have the responsibility to submit an annual report to the President and Congress on the State of the Cooperative Movement."









### About the Cover

### Transformative Cooperatives Gear-Up for the 4P's

For several years, the Philippine Cooperatives were known as institutions that provide credit and grant loans to members for providential and productive purposes. The cooperatives are sometimes viewed as panacea that will extricate the public from the clutches of endemic loan sharks. One hundred years of experience has opened up our perspective that the cooperatives have more to offer to make lives of the fellow Filipinos better by treating cooperatives not only as conduit of loanable funds/capital for members but also as institutions doing other business ventures.

The imminent ASEAN Economic Integration brings infinite possibilities for Philippine Cooperatives to respond to the emerging challenges as a result of the formation of the ASEAN Economic Communities. The time has come for the Philippine Cooperatives to be recognized as a major player in the supply and value chain in the cross sections of our society – beyond where the Cooperatives are used to be known as credit institutions.

In truth, by nature, nurture and by law, cooperatives exist for social transformation based on the principles of social justice, equity and sustainable development. In pursuance of such mandate, the cooperatives are now gearing-up for the four P's which stand for People, Planet, Peace and Prosperity.

People, the number one resource of the country, are the subject and object of development, thus, their potentials must be fully developed in accordance with the core principle of sustainable development. Harnessing the people's collective potentials and capacities has become imperative and must now take precedence over all other priorities. Countries which have not developed their human capital are now being penalized by slow growth, as in the case of the Philippines which is now the poorest country in East Asia.

Planet, Mother Earth, is now in severe pain. We are now in the  $16^{\text{th}}$  year of the  $21^{\text{st}}$  century but we are not certain anymore if we can reach the  $22^{\text{nd}}$  century as the earth warms and the oceans rise.

A hundred thousand years ago, the earth had only about 10,000 people. The earth's population has reached three billion in 1900. While it took a hundred thousand years to produce 3 billion earthlings, it took only 116 years to double that figure to 6 billion people now. By 2050, the world's population will reach 9.3 billion according to UN demographers or an additional 3.3 billion in just a matter of 40 years.

How can the Planet feed, cloth and house that many people when for every one degree Celsius increase in temperature there will be a corresponding 10 percent decrease in food production? Indeed, massive famine is in the offing. This is notwithstanding the fact that there, mostly in Asia, who can barely eat three square meals a day.

Our country has already lost its ecological integrity and with it, goes our ecological security. From 17 million hectares of dipterocarp forest a hundred years ago, we barely have half a million hectares left. Some 40 major rivers in the country are biologically dead. Only five percent of our coral reefs are in good condition and our mangroves, the spawning grounds of fish, are almost gone. Our bays have become the waste pits of industries and our agricultural lands are poisoned due to intensive use of chemical fertilizers and pesticides which find their way ultimately to our watersheds, polluting the water tables.

We must now stop our accelerating drive towards ecological disasters by healing the blighted land back to life otherwise we will all perish!

Peace has been so illusive all these years in the troubled island of Mindanao, There looms the worsening "negative peace" which was horribly manifested late last year in the "Maguindanao Massacre." "Negative peace" exists where there may be no on-going combat but the ingredients of conflict and violence are present, ready to erupt anytime.

The cooperatives are now working to erase "negative peace" which is presented in many ways. Where power and greed driven-structures exist having private armies as vanguards; where poverty roars its ugly head stripping the communities of their human dignity.

Where the constituents have become beholden to the whims and caprices of politicians through patronage politics; where social injustices are at its worst portrayed by farmers tilling the land not their own and following mode of production which they can hardly afford; where the indigenous people are further marginalized having no access and control over their resources.

When these conditions exist, let us all beware! Physical violence will burst out anytime even for a flimsy of reason as exemplified by the recent massacre, a logical conclusion emanating from poverty driven structures that have spawned utmost fear, dire poverty and great disparities. These are by themselves subtle and silent forms of violence, the epitome of negative peace.

Through their cooperatives, all the sectors are now advancing their inherent right as citizens of this country and as responsible members of the community of the Earth. By so doing, the people are now awakened and are serving notice to one and all on the on-going metamorphosis from being just "homo sapiens" to that of being "homo pacem," (human being for Peace), not only among themselves but peace with Mother Earth.

It is only then can there be Prosperity. (Chairman Orlando R. Ravanera)

### **CONTENTS**

Cover	1
About the Cover	2
Contents	3
Chairman's Message	7
Executive Director's Report	11
Vision, Mission, Core Values	15
Quality Policy	16
An Ongoing Commitment To Improving Performance. CDA in 2015	17
Philippine Cooperative Centennial	20
CDA's Silver Anniversary	22
Cluster Congresses	24
CDA Gawad Parangal 2015	28
Serbisyo Caravan For Lasting Peace	33
CDA Naga Continues its Co-op School on Wheels	34
CDA Davao - Ateneo de Davao University Partnership	35
EO Activities In Pictures	36
Cooperative Broadcasting Federation of Mindanao (COOP TV)	38
Registration of the One Mindanao Energy Cooperative	40
Mindanao Cooperative Power Summit	42

•	Earth Day Celebration	44
•	CDA Tacloban Extension Office Back on its Feet Despite the Odds	48
•	Capacity Building for Micro and Small Cooperatives	50
•	Approval of the Revised Rules and Regulations	51
•	Tax Fora Conducted	54
•	Aggressive Approach to Public Protection Through Inspection and Examination Efforts	56
•	CDA Gender and Development Program for Cooperatives	58
•	Accreditation Program	60
•	ICT Updates	61
•	Technical Advisory Services	62
•	Human Resource Development Activities	62
•	CDA Earns ISO 9001:2008 Certificate for All Its Extension Offices	63
•	Office of the Ombudsman Dismisses	
	Case Against the Former CDA Chairman	
	on the Registration of the Davao Del	
	Norte Electric Cooperative (DANECO)	64

Succe	ss Stories of Cooperatives	65
•	Lamac Multi-Purpose Cooperative	66
•	Manatal Multi-Purpose Cooperative	68
•	Agrarian Reform and Organic Farming : The Road to People Empowerment	72
•	Cooperatives in CAR Establish Farmers Commodities and SME Center	77
What i	is Next for Cooperatives?	79
CDA R	load Map	81
•	Priority Area No. 1 : Rapid, Inclusive And Sustainable Economic Growth	82
•	Priority Area No. 2: Poverty Reduction And Empowerment Of The Poor And The Vulnerable	83
•	Priority Area No. 3 : Transparency, Accountable And Participatory Governance	84
•	Priority Area No. 4: Integrity Of The Environment And Climate Change Adaptation And Mitigation	86
•	Priority Area No. 5 : Just And Lasting Peace And The Rule Of Law	87



ORLANDO R. RAVANERA, *CSEE, CEO VI* Chairman Cooperative Development Authority

### Chairman's Message

The Cooperative Development Authority (CDA) is up to the task of being a transformational leader geared towards social change, advocating for the much needed paradigm shift. Cooperativism is the empowering path in crafting our own destiny.

Through transformative cooperatives, we have to democratize wealth and power through legal and peaceful means. Cooperatives are not just an ordinary people's movement for change, they put the power where it rightfully belongs, that is, with the people. Coope ratives put people at the center of development processes where money is used not to make more money but to enhance the well-being of the poor, the oppressed and the down-trodden.

There are 25,610 registered cooperatives nationwide and around 14 million individual members as of December 31, 2015, based on CDA data, directly employing 520,758 persons and indirectly employing or generating entrepreneurs by 1,923,047; and contributing a withholding tax amounting to Php 3.9 Billion.

Based also on recent CDA data, 69% of these cooperatives are offering financial services to their members. This data is significant because these coops can be considered as financial inclusion access points. More than that, 72% or at least one cooperative (head office) with financial services is present in 1,172 out of 1,634 cities and municipalities in the Philippines.

25,610
Total Cooperatives

13,774, 391

Estimated Number of Cooperative Members as of 2014

520,758

Estimated Number of Direct Employment Generated

1,923,047

Estimated Number of Indirect Employment Generated

"to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development,"

These cooperatives have come together to harness their collective potentials, energies and experiences, not only to combat poverty but to uproot its causes such as social injustices and powerlessness and thus, effect social transformation. A hundred years of experience has prepared the Cooperative Movement to take stock of its role in national development and to look beyond our shores in promoting social enterprise through cooperativism.

This is the raison d'etre of cooperatives by nature, by nurture and by law as expressed in the Constitution, that is, as "instruments of social justice, equity and development".

As the Agency mandated by the Constitution "to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development," the CDA shall focus its resources for the micro and small cooperatives that represent over 80% of the country's registered cooperatives.

In the genuine cooperative tradition, the CDA shall overcome budgetary constraints, with only P349 Million budget for FY 2016, not only with the indubitable hard work of its officers and staff, but with judicious strategies, like building development partnerships with other government agencies, the civil society, academe, church and church-based institutions, international financing institutions and investments from cooperatives.

After one hundred years of cooperativism in the Philippines, we are now ready to face the next one hundred years, underscoring, that all along, the cooperatives in the Philippines have been advancing a brand of cooperativism that has been embodied in the recent issuance of the United Nation's Sustainable Development Goals, the call for Transformative Cooperatives for People, Planet, Prosperity, Peace and Purpose, which has been the battle cry of Philippine Cooperatives since 2012.

As a show of force, the CDA spearheaded thirteen (13) Cooperative Cluster Congresses that served as a venue for cooperatives to air their problems, issues, needs and concerns. Cooperatives and local and national government officials participated in these cluster congresses. From each congress, a Call to Action was passed as an appeal for government offices to draft, create and implement policies to support cooperatives.

This also gave way to the crafting of a CDA Roadmap for cooperatives, setting out a 5-year medium-term plan, in accord with the Social Contract with the Filipino People of His Excellency, President Benigno C. Aquino geared towards: 1) Empowering the poor and the vulnerable to reduce poverty; 2) Rapid, inclusive and sustained economic growth; 3) Just and lasting peace and the rule of law; 4) Transparent, accountable and participatory governance; and 5) Integrity of the environment and climate change adaptation and mitigation. Also, it is aligned with His Holiness Pope Francis's encyclical, Laudato Si when he recently pronounced that, "it bids us all to break the bonds of poverty and social injustice that give rise to glaring and scandalous social disparities."

There are good stories to tell on the challenges and successes of cooperatives in every corner of this country which will inspire the cooperative sector and partners on cooperative development to unequivocally support the endeavours of the backbone of our economy which are the cooperatives.

All told, when transformative cooperatives stand together for people, planet, prosperity, peace and purpose, negative peace is erased because social wrongs such as poverty and social injustices are rectified. Peace that is solidly based on social justice, equity and sustainable development can then be had.

ORLANDO R. RAVANERA, CSEE, CEO VI Chairman, Cooperative Development Authority



### **Executive Director's Report**

Throughout the past year, the 569 public servants of the Cooperative Development Authority have diligently carried out the mission of the Agency to ensure the safe and sound operations of cooperatives in the country.

The Agency's accomplishment in 2015 were many and significant amidst budgetary constraints. It vigorously pursued its validation, inspection, supervision and examination efforts and adopted reforms to protect members of cooperatives and the general public from unsafe and unsound practices, and illegal acts such as rice and onion smuggling, investment scams and tax shielding. This resulted in the

shielding. This resulted in the cancellation of Certificates of Registration, including denial of applications for the registration of several proposed cooperatives.

The micro and small cooperatives are at the core of the CDA's capability building initiatives and effective this year, free trainings on how to comply with mandatory reportorial requirements were made available to them. Also, through the organized efforts of CDA Extension Offices, free of charge premembership educational seminars were provided to organizing groups of proposed cooperatives who are applying for registration to initially guide them with the basics of cooperativism, including registration and other regulatory/reportorial requirements. These are in addition to the various technical assistance that the CDA renders to its clients.

In today's
evolving
marketplace, the
dedicated men
and women of
the Cooperative
Development
Authority are
working hard to
meet the changes
we need to do.

2015 is the Centenary of Philippine Cooperatives. The Philippine Cooperatives' first 100 years was commemorated with an array of activities from congresses, lectures, discussions, art performances, festivities, and awarding and recognition of cooperatives, cooperative leaders, cooperative development offices and cooperative development councils. It was a vibrant event where cooperatives and stakeholders gathered to celebrate the achievement of cooperatives that marked its first century and to set the stage for the second.

Another milestone for CDA in 2015 is the promulgation of the Revised Rules and Regulations Implementing Certain and Special Provisions of the Philippine Cooperative Code of 2008. This was signed by the Board of Administrators of the Cooperative Development Authority and the Chairpersons of the Joint Congressional Oversight Committee on Cooperatives. The amendments to the Implementing Rules and Regulations will be discussed in the body of this Annual Report.

In line with the Government Quality Management Program, the CDA continues to implement its quality management system and underwent its re-certification for ISO 9001:2008 audit for 15 sites and a certification audit for the CDA Tacloban Extension Office. A

Confirmation Letter has been issued by its Certifying Body not just for the registration of cooperative process but covering already the Provision of Cooperative Registration and Amendment; Supervision and Examination; Development Support and Assistance and Research Information and Training Processes. We take pride in being one of the few government agencies in the country which have

hurdled the certification process

clients.

because this will help us to increase

ultimately improve our service to our

our productivity as an organization and

It is also in 2015 when a new Chairman of the Agency, Honorable Orlando R. Ravanera, was appointed by the President together with two new Board Members, namely Administrator Paisal Cali and Administrator Benjie Oliva. The Chairman and the six Members of

the Board of Administrators now steer the CDA towards a developmental direction with enhanced and facilitative regulatory framework charted by a new CDA Roadmap that responds to its mandate laid down not just by a law but by the 1987 Philippine Constitution.

In today's evolving marketplace, the dedicated men and women of the Cooperative Development Authority are working hard to make the changes we need to do. The accomplishments contained in this Annual Report is a testament to their unyielding commitment to our mission.

As we usher a new year, we will build upon these efforts, strive to do more and be always guided that "a public office is a public trust".

RAY R. ELEVAZO, CSEE Executive Director



## Vision, Mission, Core Values and Quality Policy

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

Mission. To ensure the safe and sound operations of cooperatives.

### **Core Values**

### Excellence.

Giving ones best performance and achieve the desired outcome through effective and efficient management of resources

#### Commitment.

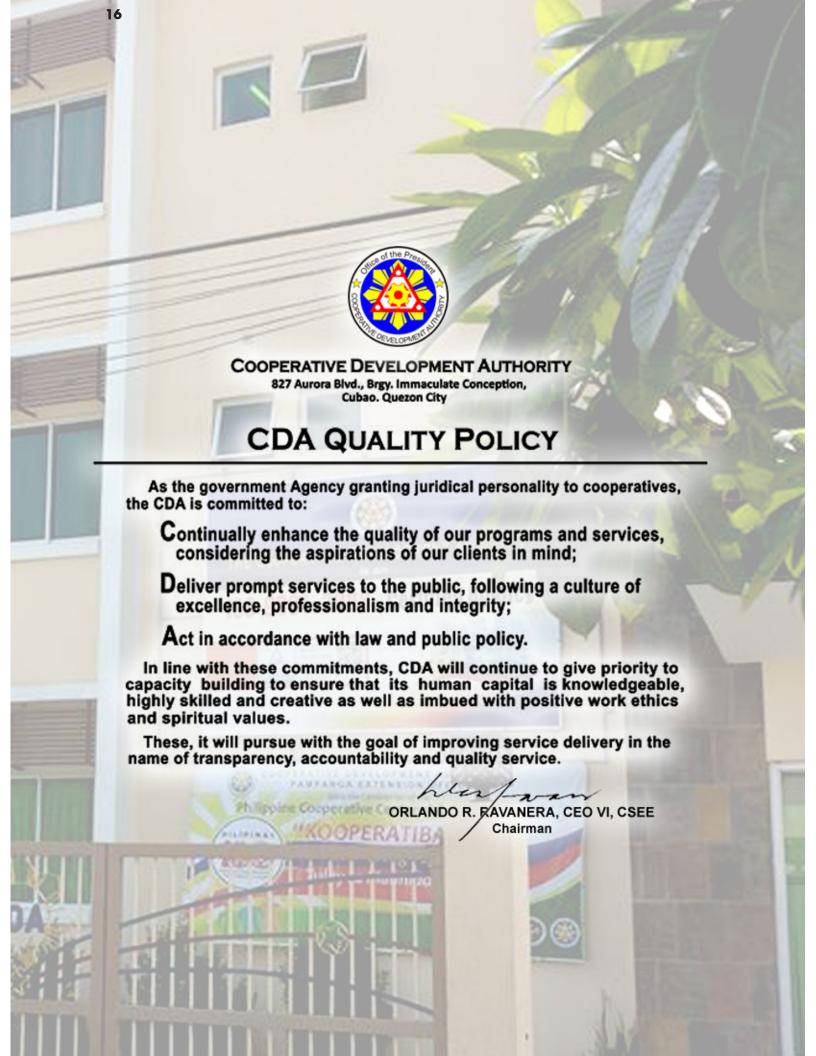
High dedication and proactive involvement in the realization of the Agency's mandate

### 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





Thank you for a wonderful year! 2015 marks one of the busiest year in the Cooperative Development Authority's recent history. It was marked with public events-congresses, consultations, conferences, tree planting events even fun runs involving cooperatives and other stakeholders, throughout the year. It drew thousands upon thousands of cooperative members from the large to the micro cooperatives. This signals a major inflection point for a highly engaged cooperative movement.

Twelve months passed by so quickly because there were major events that fuelled each and every CDA personnel to work and contribute to nation building. Through this Annual Report, we present the milestones of CDA in 2015 as we continue to fulfil our mandate, "to promote the viability and growth of cooperatives as instruments for social justice and economic development". (Section 15, Article XII, 1987 Philippine Constitution) in consonance with President Aquino's Social Contract with the Filipino People.





## Philippine Cooperative Centennial

The entire Philippine cooperative movement commemorated its 100 years of cooperativism in the country. This is reckoned when Act. No. 2508, An Act Regulating the Creation and Operation of Rural Agricultural Cooperative Associations," and for Other Purposes, was enacted in 1915 by the Philippine Legislature during the American Regime. Under this Act cooperatives shall be organized to accumulate funds, by means of cooperation, in order to extend credit to their members exclusively for agricultural operations.

The Centennial is a defining moment with a sense of gratitude for the past century and a look at those one hundred years as a foundation, a preparation for what lies ahead in the coming years and equip each and every member of a cooperative a breadth of vision to reach beyond our own shores but in the ASEAN Economic Community.

The celebration of the centenary carried the theme "Kooperatiba: Ika-Isandaang Taong Pagpupugay, Tulay sa Maunlad na Buhay". It portrayed how cooperatives evolved into a preferred organization by the people and has become an effective vehicle for changing the plight of the Filipinos through those years and in the next millennium.

The Cooperative sector through the initiative of the CDA joined hands in the planning of the celebration. Volunteerism, cooperation and participation are the values that were



Philippine Trade Tra

evident in the working team. A Centennial logo and jingle/song exclusive for the centennial celebration were created by cooperative members determined through a contest.

operative Cer

A Kick-off Ceremony to start the yearlong celebration was held on February 05, 2015 with about 10,000 cooperative leaders and members in attendance. Pioneers in the cooperative movement and development shared how cooperatives worked for the people then and now.

During the yearlong celebration, various activities were conducted. This includes cluster congresses which aimed to gather issues and concerns of each cluster and were translated it into Call to Actions. These Calls to Actions were submitted to the Excellency through the Department of Finance (DOF). A National fora for CDA accredited training providers and external auditors were conducted to gather feedbacks and thresh out issues and concerns. Further, it served as venue to provide clear directions and uniform interpretation of pertinent CDA issuances.

During the Culmination Rites, a grand celebration of the unity and cooperation among the cooperative sector was witnessed. It was a 4-day event held from October 20 - 23, 2015 at the Philippine Trade Training Center in Pasay City. Each day was packed with relevant topics affecting cooperatives

such as social solidarity, financial inclusion, ASEAN Economic Community, product standards and designing, and inclusive growth.

A product expo featuring products of cooperative from all over the country were showcased. There were also demonstrations of product produced by Filipino inventors.

In recognition of the pioneers and early advocates of cooperatives and cooperativism, cooperative leaders who have been in the movement for fifty years and beyond were awarded the Cooperative Centennial Leadership Awards. The awardees include Former CDA Chair Edna E. Aberilla, Mr. Orlando J. Sacay of Cooperative Foundation PHils., Inc., Atty. Renato C. Fernandez of Baguio Benguet community Cooperative, Mr. Fermin L. Gonzales of CLIMBS, Dr. Sylvia L. Flores of Dumaguete Cathedral Credit Cooperative (DCCCO), Ms. Priscilla G. Mariano of Panganiban Primary Hosp. Service Cooperative. Posthumous Awards were given to the family of the late Atty. Mordino R. Cua of Mindanao Alliance of Self-help Societies, Mr. Aguilino "Aguio" Pimentel, Sr., Sen. Agapito "Butz" Aquino of the Philippine Cooperative Center (PCC) and Dr. Nathaniel Tablante of UP Los Banos Credit Cooperative.

The CDA Gawad Parangal Awarding Ceremony and the presentation of the Call to Action to the Office of the President through Undersecretary Gil Beltran of the Department of Finance concluded the culmination rites.





### **Cluster Congresses**

The biennial conduct of the Cooperative Summit, the conduct of National Cooperative Development Council Meetings (NCDC), and the convergence of the National Coordinating Committee on Cooperative Promotion and Development (NCCCPD) serves as the CDA's existing coordinating mechanisms. However, even with the presence of these existing consultative frameworks, there are prevailing issues and concerns per cooperative cluster that need to be addressed at the national level. CDA feels the need to strengthen such consultative mechanisms and partnership programs with the sector and other government

agencies. Government agencies should have a full appreciation of the predicament of cooperatives per cluster. This would result in a need-based government intervention for cooperative growth and development.

Furthermore, the structure and mechanisms to effectively implement the co-operative programs of various government agencies need to be emphasized so as to make those programs complement and respond to the overall development direction of cooperatives in the country.

During the Philippine Cooperative Centennial Year, cluster congresses



country and their pervasive presence in the countryside is a clear competitive advantage. This makes cooperatives ideal financial access points for communities.

At the transport cluster congress, among others, the transport cooperatives called for the strict implementation of the preferential treatment by LGUs and national government agencies as stated in Article 62 of RA 9520 which provides, "(9) A public transport service cooperative may be entitled to financing support for the acquisition and/or maintenance of land and sea transport equipment, facilities and parts through the program of the government financial institutions. It shall have the preferential right to the management and operation of public terminals and ports whether land or sea transport where the cooperative operates and on securing a franchise for active or potential routes for the public transport;. In addition, the....oil importation.

On the part of the Agriculture cluster, they called for action for the inclusion of "Agricultural Cooperative" as a type of cooperative under an amended R.A. No. 9520, otherwise known as the Philippine Cooperative Code of the 2008; strengthen functional and organization integrative linkage of agricultural cooperatives to build their economies of scale and entrepreneurial capacity; intensify concerted and organized efforts to institutionalize value chain mechanisms with the end view of cooperative product marketability in both the national, ASEAN and global

markets; continually work for the upgrade and sustainability of micro and small cooperatives; partner with Local Government Units and National Government Agencies for the convergent and coherent implementation of cooperative programs and mobilize resources and technical support for agricultural cooperatives. They also signified that they are against rice, vegetable and meat smuggling.

The labor service cooperatives raised as one area for action is for the CDA. Department of Labor and Employment (DOLE), Bureau of Internal Revenue (BIR), and other regulatory or government and non-government agencies to harmonize their policy issuances in the future in order to ensure a more integrated approach at regulating the operations of labor service and workers cooperatives, and in order for policies and implementing rules and regulations to be consistent with the Constitutional provisions protecting the cooperatives, and with R. A. 9520;

Housing cooperatives called on the government to provide a conducive and enabling policy environment to address the housing needs of Filipino families. The achievement of the target set under the Millenium Developmet Goals should be pushed by instrumentalities of the government and to consider Housing Cooperatives as a vehicle of achieving such target. They called on housing cooperatives to provide decent and affordable housing to their members, specially those in dire need, and

support the housing program of the government and organize other types of cooperatives in the community to support the production of contruction / building materials and livelihood activities of the cooperative members such as workers and producer cooperatives.

Cooperative banks call for the passing of a Cooperative Banking Act.

The tourism sector looks at creating a partnership with cooperatives on tourism promotion (i.e. Travel and tour services, cooperative media); Cooperativizing tourism services (i.e. Tourist guides, HR workers with labor service coops, tourism transport with transport cooperatives); financing tourism investments needs; and preservation of cultural heritage and the environment to attract more tourists.

The Province of Ilocos Sur was the venue of the First Cooperative Tourism Cluster Congress held on July 30-August 1, 2016. CDA Region I hosted the event at the Vigan Convention Center in Vigan City. It was a tri-partite activity among the Regional Cooperative Development Council Region I, the CDA and the Nueva Segovia Consortium of Cooperatives.

The Persons with Disability (PWD) and the Elderly cluster urges CDA to take the lead in ensuring that PWD and Senior Citizens Agenda be included in the General Cooperative Framework of Development.

During the congress for Indigenous Peoples (IPs) and Muslims, one of their

action area is for government to formulate a policy recognizing cooperatives as mechanism in the development of the Indigenous Peoples (IPs) and Muslim Cooperatives, with due consideration of their culture and belief.

Finally, in line with intergenerational sustainability, the crafting of a Cooperative Development Program for the Youth was raised during the Youth Congress.





The CDA Gawad Parangal, an award and recognition program of the Authority, has been implemented for five years now, and is continually gaining support and participation from the cooperative sector.

Of the 102 qualified nominees for the categories of cooperatives, cooperative development offices, cooperative development councils, and cooperative leaders; thirty five (35) made it to the final screening and were awarded as most outstanding and best performers.

For this year, the CDA Gawad Parangal Awarding Ceremony was part of the Culmination Rites of the Philippine Cooperative Centennial Year and as such, it was the major event for the said occasion. Cooperative officers, members, leaders, local government units-cooperative development offices and councils were in attendance for the most celebrated awarding event of the

Chairman Orlando Ravanera commended the cooperative sector for their full support for one of the banner programs of the CDA. He encouraged the cooperative officers, leaders, members to continually give their best not only for their organizations, but for the sector as a whole.

Governor Vilma Santos-Recto of the Province of Batangas and Governor Faustino Dy of Isabela Province both expressed their continuing support to the cooperative movement.

This years winners are as follows:

## COOPERATIVE DEVELOPMENT COUNCILS

### Municipal Level

1st Placer - Cauayan Cooperative Development Council (Region II) 2nd Placer - Calamba Cooperative



Development Council (Region IV)
3rd Placer - Valenzuela Cooperative
Development Council (NCR)

### **Provincial Level**

1st Placer - Isabela Provincial Cooperative Development Council (Region II) 2nd Placer - Bataan Provincial Cooperative Development Council (Region III)

### Regional Level

1st Placer - Southern Tagalog Regional Cooperative Development Council (STaRCDC) (Region IV)

### LGU-COOPERATIVE DEVELOPMENT OFFICES

### **Independent City**

1st Placer - Valenzuela Cooperative Development Office (NCR) 2nd Placer - City Cooperative Development & Livelihood Office of Iligan (Region X) 3rd Placer - City Cooperatives
Development & Livelihood Assistance
Office, Tacloban City (Region VIII)

### Municipal/ Component City

1st Placer - Cooperatives & Livelihood Development Dept. City Government of Calamba (Region IV) 2nd Placer - City Cooperative's Office City of Cauayan (Region II) 3rd Placer - City Cooperative Office of Tabuk (CAR)

### **Provincial Level**

1st placer - Provincial Cooperative Development Office of Batangas (Region IV) 2nd Placer - Provincial Cooperative Development Office of Isabela (Region II)

3rd Placer - Provincial Cooperative Development Office of Cotabato (Region XII)



### COOPERATIVE LEADER

1st Placer - Rev. Fr. Anton CT. Pascual (NCR)
2nd Placer Profetiza S. Lim, Ed.D. (Region VII)

3rd Placer - Divina C. Quemi (Region I)

### COOPERATIVES

#### Union

1ST Placer - Negros Oriental Union of Cooperatives (Region VII) 2nd Placer - Cooperative Union of Taguig& Pateros (NCR) 3rd Placer Cordillera Administrative Region Cooperative Union (CAR)

### Federation

1st Placer MASS SPECC Development Center (Region X)

2nd Placer - National Confederation of Cooperatives (NCR) 3rd Placer - Nueva Segovia Consortium of Cooperatives (Region I)

### LARGE

1st Placer - ACDI Multipurpose
Cooperative (NCR)
2nd Placer Barbaza Multi-Purpose
Cooperative (Region VI)
3rd Placer - San Jose Del Monte
Savings & Credit Cooperative (Region III)

#### MEDIUM

1st Placer - Watchlife Workers Multipurpose Cooperative (Region III) 2nd Placer - Manuel Guianga and Sirib Growers and Employees Multi-Purpose



# Serbisyo Caravan For Lasting Peace

The CDA Extension Office in Caraga joined the 2015 Peace Caravan or SERBISYO CARAVAN this year. This is Initiated by the Association of Caraga Executives (ACE) composed of Regional Directors of Government offices in Region XIII, in coordination with the Office of the Presidential Adviser for Peace Process (OPAPP), the 4th Infantry Division, Philippine Army, the Private Sector and Governor Johnny Pimentel of the Province of Surigao del Sur. This peace caravan was held at San Isidro, Marihatag, Surigao del Sur last August 24, 2015 and at Lianga, Surigao del Sur on August 25, 2015. The surrender of forty (40) rebels and the turning -over of their assorted high powered fire arms was the highlight of the caravan. CDA provided technical assistance on how to organize cooperatives during the event. It was attended by more or less 3,000 people from the national and local government offices, officials and residents of rebel infested areas, and the local populace.

CDA also provided Pre-membership Education Seminars to 35 rebel returnees and 200 tribal members at at Manawi, Loreto, Agusan del Sur and Brgy. Pag-asa, Sta. Josefa, Agusan del Sur, respectively.







### **CDA Naga Continues its Co**op School on Wheels

To give flesh to the 5th cooperative principle - Education, Training and Information, CDA Naga embarked in again embarked on its opening activities for the sector through an info caravan dubbed as "COOP SCHOOL ON WHEELS". The two teams constituted for the activity, took turns in conducting the mobile school in the six provinces of the Bicol Region.

"COOP SCHOOL ON WHEELS" is a one-day activity which feature three major components: 1.) updates/ refresher on the latest CDA issuances and regulatory requirements; 2.) mentoring and coaching on the preparation of reports and 3.) technical assistance on other concerns of the cooperative.

For the first component, updates on the latest issuances on registration, submission of reportorial requirements, issuance of CGS, compliance with training requirements for officers and compliance with inspection findings and recommendation were discussed

by Atty Emilio D. Escueta III. For those batches conducted after the approval of the Revised IRR, salient portions of such Revised IRR were included in the inputs.

For the second component, a guided workshop on the preparation of the mandatory reports was done. Special emphasis was given on the on-line submission of CAPR which is on its first year of implementation. Each of the two teams are composed of Field CDS and a representative from each of the Sections/units at the Regional Office to ensure that all concerns raised during the activity are addressed. All the six batches were conducted prior to the deadline for the submission of the mandatory reportorial requirements so that the cooperatives will be properly guided as a proactive move to assist cooperatives in complying with mandatory reportorial requirements. The Provincial Cooperative Development Councils and the Local Government Units provided the logistical requirements for the activity.

## CDA Davao - Ateneo de Davao University Partnership

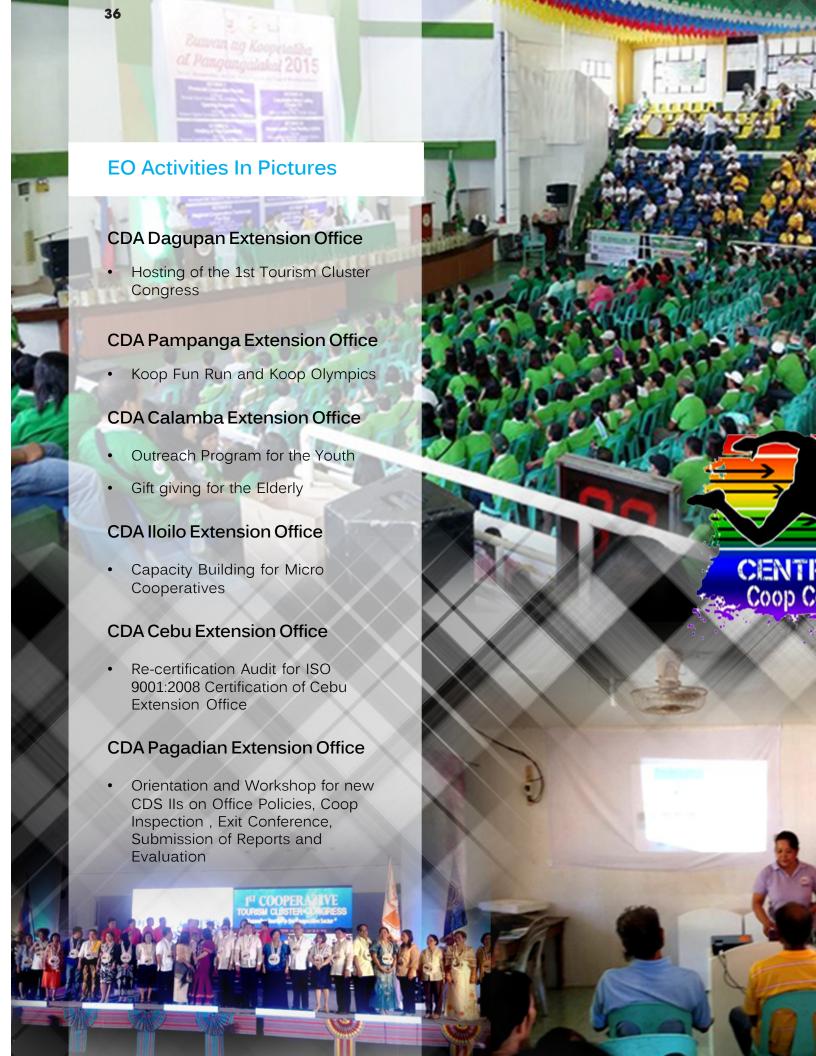
CDA Davao Extension Office and the Ateneo de Davao University, School of Business and Governance, forged an agreement to do a research study on the status and the contributions of the cooperative sector in the general socioeconomic development of Davao City and its neighboring provinces in the Region. The study will likewise cover the challenges besetting the sector in general as well as their needs and opportunities to ensure their growth and viability as social enterprises.

This agreement is a major breakthrough for the CDA considering the expanse of Ateneo's influence in the socioeconomic landscape of Davao Region.



of the Presiden









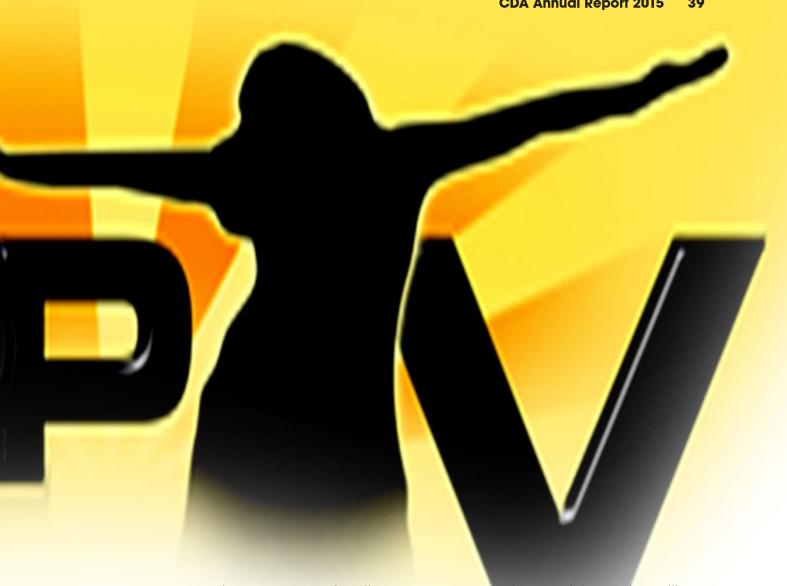
On this contemporaneous Information Age, information is Power! Based on the studies of social scientists and development experts, the quagmire of poverty in Mindanao emanates from the powerlessness of the people to have access and control over their resources and utilities. As a countervailing measure, the people must be empowered by harnessing their collective potentials and by that, these development experts have concluded that only by organizing themselves into cooperatives can they be empowered to be drawn into the mainstream of development processes.

Empowering the people especially the marginalized sectors calls for strong advocacy and the right outpourings of information, so that power can be put

where it rightfully belongs – to the people themselves.

It is in this light that eighteen medium and large cooperatives in Region 10 have come together in the formation of the Cooperative Television Federation of Northern Mindanao (CO-OP TV) in coordination with the Cooperative Development Authority Region 10. This is the first of its kind in the whole country. And this is very tenable in a region that is increasingly becoming the Coop Capital of the country.

Putting up a Co-op TV has come of age. It can carry a Cooperative School-on-TV where Accredited Training Providers can give lectures on the 14 mandatory trainings. This will be a tremendous help to our cooperatives, especially the micro and small ones who cannot afford to avail of these trainings as each



coop must spend some P100,00 for all these trainings.

Through COOP TV, the products of our cooperatives will be advertised during most challenging times of the ASEAN Economic Community. Moreover, there are pressing issues which are never touched by the mainstream media. COOP TV will be the springboard to drumbeat all of these issues, be on it electric cooperatives or on our bid to own the Agus Pulangi Hydro Complex, on our roadmap for peace in Mindanao, on the call to bring back ecological integrity and food security, on our cries for social justice and equity and on our struggle to make cooperativism a way of life.

The COOP TV as owned by member cooperatives, does not need to engage in rating wars. This means that the

program producers of the station will not become slaves to the dictates of competition and produce to 'sound bites' and exaggerated stories just to attract listeners but to produce materials that are with substance. Other than that, the station will not necessarily need to attract listeners since it has its own proud listeners who are the owners themselves.

Coop TV is anchored on four core programming:

- Products Promotional Programs
- **Educational Programs**
- Inspirational Programs
- Advocacy Programs

Yes, information is POWER and the cooperatives are the empowering instrument to make life better for our people.



# Registration of the One Mindanao Energy Cooperative

This is an opportunity for the Mindanaowons to take an aggressive initiative by coming together to bid for the ownership of the Agus – Pulangi Hydro Power Complex.

This will primarily empower the electricity consumers of Mindanao because it is meant to give the ownership of the power plants to the very same people who have paid for the total costs of the power plants. Yes, the more than 8,000 cooperatives in Mindanao are serving notice to one and all are very much capable of running

power-generating plants. Their combined assets total more than one hundred billion pesos. But more than that, they are capable of maintaining the watersheds from which the power comes from.

In the power summits mounted, the participants came from the cooperatives of Indigenous People who are living in the forest ecosystem, which are considered the invisible water dams. Mindanawons ask why do they have to suffer from power shortages





when the island oozes with watersheds

Scientists

DOWER 1 power for the people? The response they get is that the reason for the shortages is that the existing hydrogeneration plants have not been wellmaintained, thus, not optimized. Because of this, six coal -fired power plants, which are already banned in other countries, will be established in different regions in Mindanao. According to the Union of Social

Scientists, coal-burning power plants are making people sick and shortening their lives, thousands of them. Burning coal is a leading cause of smog, acid rain and global warming.

These cooperatives committed to maintain the integrity of these watersheds and if the dams are silted, are willing to do de-siltation. That is the advantage of having these power plants cooperativized.







## Earth Day Celebration

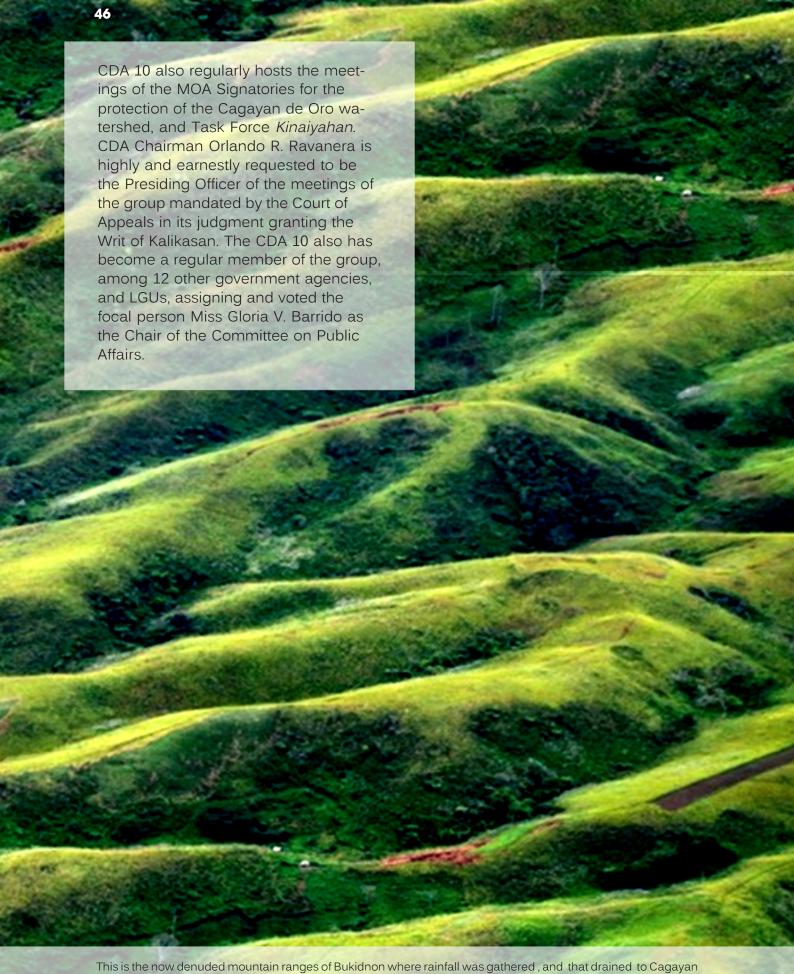
The Regional Cooperative Development Council (RCDC) 10 supported the CDA CDO Extension Office in Celebrating Earth Day 2015 on April 21, 2015 as a demonstration of their adherence to the 7th Cooperative Principle of Concern for the Community and the Environment. Former CDA Director Orlando R. Ravanera, now the CDA Chairman, a staunch advocate of concern for the environment, takes his lead and embraces the advocacy. The celebration with the officials of the Department of Environment and Natural Resources (DENR), and the RCDC 10, the 2015 Earth Day Celebration was centered on the success of the greening of the Iponan River, that over the years of illegal mining and illegal logging was rendered and was called the "chocolate river."

By this gathering, the objective of giving high adherence and love for Mother Nature, the cooperative sector, will not remain oblivious why Mother Nature leashed its fury through Typhoon Sendong and left a considerable number of cooperative members not only homeless, but more so, family-less, as their loved ones perished during the inundation.

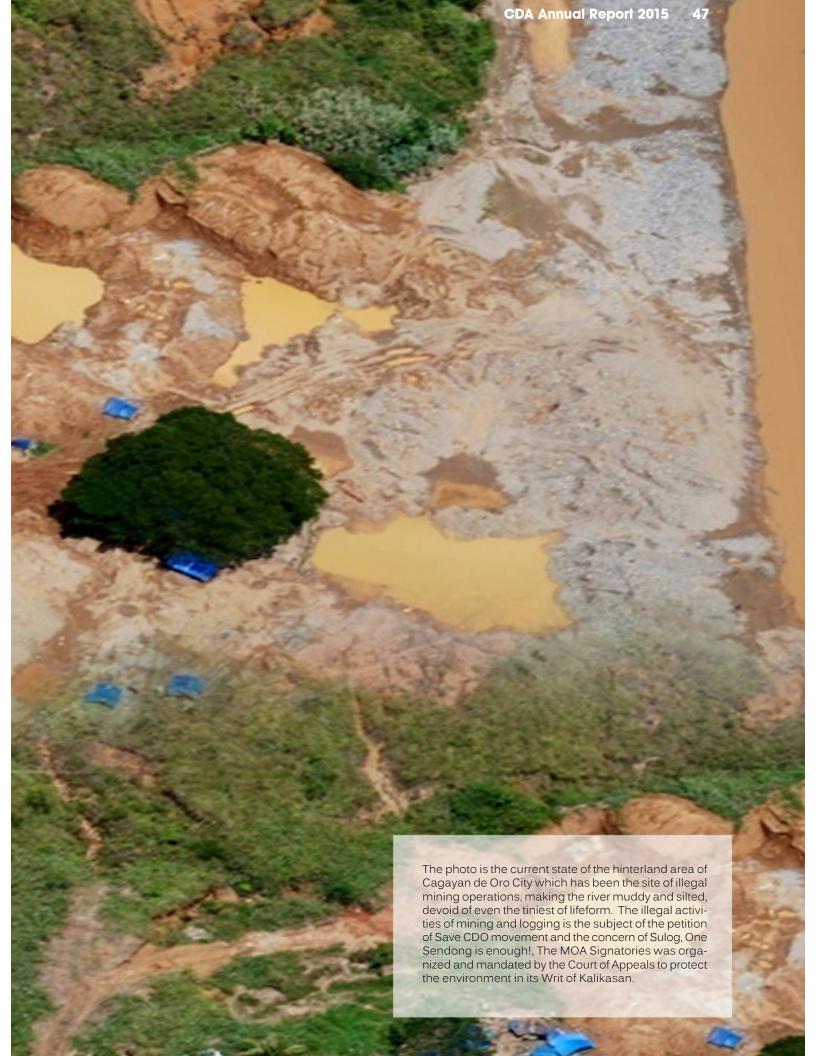




Oscar S. Moreno of the City of Cagayan de Oro, Sec. Nereus Acosta of the Office of the Presidential Adviser for Environmental Protection (OPAEP) as the Guests Speakers. Shown in the above photos, Sec. Acosta, and Chairman Ravanera leading in the planting of bamboo seedlings alongside the Iponan River, and joined by the cooperative leaders and members of the Oro Integrated Cooperative, FICCO and NORMIN Dairy Federation of Cooperatives among other cooperative leaders. Also shown is Mayor Oscar Moreno giving his support for the environmental advocacy.



This is the now denuded mountain ranges of Bukidnon where rainfall was gathered, and that drained to Cagayan de Oro City and Iligan City during Typhoon Sendong, that caused so much loss of properties and lives.



# CDA Tacloban Extension Office Back on its Feet Despite Odds

Typhoon Haiyan or Yolanda affected 424 cooperatives in Region 8 comprising 180 micro, 171 small, 53 medium, and 20 large cooperatives.

The CDA Tacloban Extension Office went back to full operation in 2014. The daunting task of rehabilitating the office was undertaken through the creation of the Regional Task Force "RISE", composed of cooperative leaders, whose objective was to assess the affected cooperatives and report the damages caused by the typhoon to agencies such as the Cooperative Development Authority - Central Office, National Economic Development Authority (NEDA) and other agencies. The office undertook several rehabilitation activities such as the reconstitution of office records. implementation of the memorandum circular on the guideline on regulatory relief for affected cooperatives, facilitation and monitoring of assistance received by the cooperatives, initial

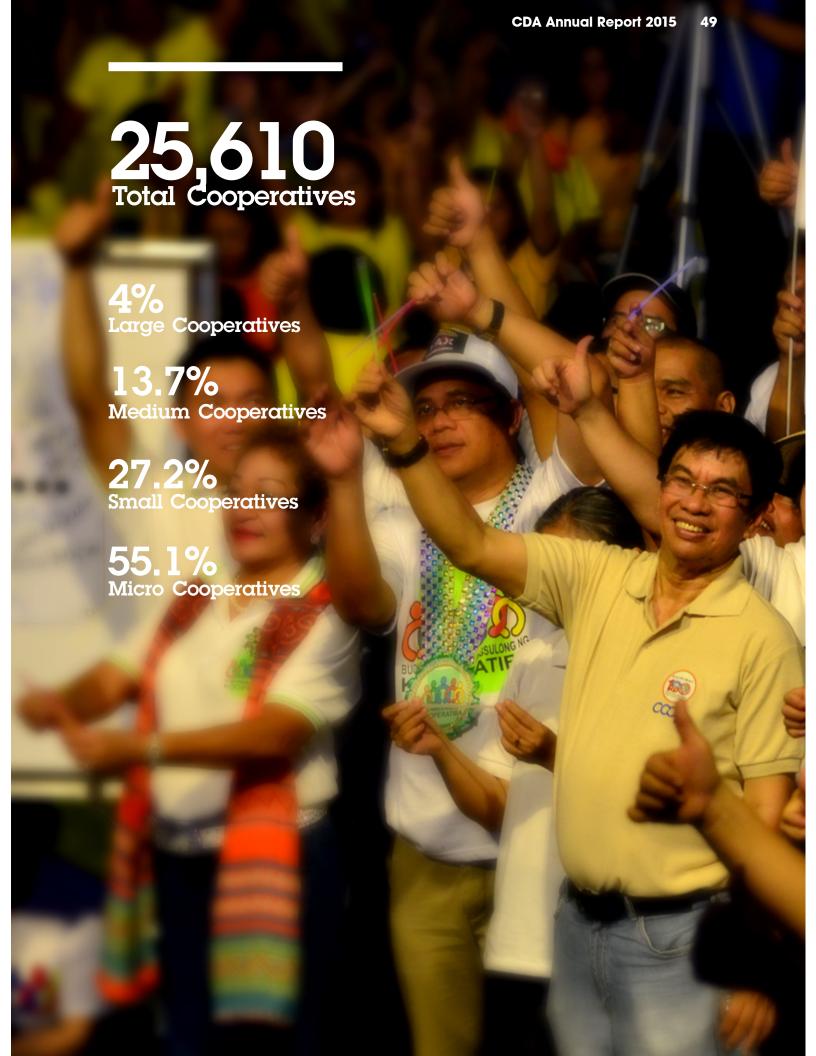
repair of the CDA extension office building and initial procurement of office equipment i.e. computers, printers and tables, and rehabilitation of cooperatives.

Region 8 has a total of 424 cooperatives with an estimated total Asset of Php 9 billion, and a estimated net surplus of Php 290 million.

Other major activities undertaken in 2015 included the repair completion of the CDA Tacloban Extension Office and provision of additional office equipment and furniture and acquisition of six (6) motorcycles for field workers. Affected cooperatives were monitored as to their compliance to regulatory requirements with some issued with certificate of good standing.

After all the sacrifices of its personnel and the difficulties it went through in the aftermath of Typhoon Yolanda in 2013 with the able support of the government and other private institutions that helped in the immediate recovery and rehabilitation of the Office, the CDA Tacloban Extension will be joining the league of CDA Extension Offices which are ISO 9001:2008-certified.

Despite the adversities that struck the Visayas, the Office was able to maintain its momentum and remain true to its mandate of serving the public with its core values of excellence, integrity and teamwork.





Approval of the Revised Rules and Regulations Implementing Certain and Special Provisions of the Philippine Cooperative Code of 2008

Three years after the signing into law of the Philippine Cooperative Code of 2008 in 2009, the CDA Legal and Registration Department initiated a review of its Implementing Rules and Regulations (IRR) pursuant to the provisions on Amendments of the said IRR. The review was long and tedious. The Revised Rules and Regulations Implementing Certain and Special Provisions of the Philippine Cooperative Code of 2008 was promulgated and signed by the Board of Administrators of the Cooperative Development Authority and the Chairpersons of the Joint Congressional Oversight Committee on Cooperatives on March 18, 2015. (Insert Pictures of the Signing of the new IRR)

Significant amendments were introduced specially on the training requirements and submission of mandatory reports. Under the Revised IRR, officers of cooperatives are now only required to undergo a minimum of sixteen (16) hours of training on the fundamentals of cooperatives and another sixteen (16) hours on governance and management of cooperatives within the first half of their term. In case of micro-cooperatives, they shall only undergo sixteen (16) hours of training on the fundamentals,



The trainings focuses more on the fundamentals of cooperatives, governance and management of cooperatives, for these aspects are the most basic trainings needed by the officers- the people who will be in charge with managing the operations of the cooperative and to be more appreciative of the conduct of the affairs of a cooperative in accordance with Filipino culture, good values, and the universally accepted principles of cooperation.

In addition to the above-mentioned trainings, the officers of cooperatives engaged in savings and credit operations shall be required to undergo an additional sixteen (16) hours of specialized training on financial management, risk management and credit management. There is indeed a need for officers of the savings and credit cooperatives to have additional trainings on financial management, risk management and credit management.

As to submission of reports, all cooperatives registered with the Cooperative Development Authority shall be required to submit annually, the Cooperative Annual Progress Report (CAPR) with the following attachments:

- a. Social Audit Report including its program of activities pursuant to its socio-civic goals of the cooperative;
- b. Performance Audit Report, including copies of the semi-annual Report on mediation and conciliation as received

- by the Authority pursuant EO 97;
- c. Audited Financial Statements; and
- d. List of Officers and Trainings Undertaken /Completed.

Failure to file the required regular reports with the corresponding attachments on time shall now only subject the Accountable Officers to a fine of One Hundred Pesos (Php100.00) per day of delay which is a shift from the P100.00 per report per day under the old IRR resulting to a P500 per day penalty.

The Authority is cognizant of the fact that while it needs to receive accurate and updated reports of cooperatives on their programs of activities and sociocivic undertakings showing their progress and achievements, the same should not be carried out to the detriment of the micro-cooperatives or cooperatives with assets below Three million (P3,000,000.00).

Hence, under the revised IRR, cooperatives with assets of Three Million Pesos (Php3,000,000.00) and below shall be exempted from the monetary penalties but may be meted the penalty of non-issuance of Certificate of Compliance. This is within the power and responsibility of the Authority under RA No. 6939 or the CDA Charter to assist cooperatives in arranging for financial and other forms of assistance under such terms and conditions as are calculated to strengthen their viability and autonomy.

The other changes in the revised IRR include the following:

- New terms defined including redefinition and enhancement of terms as used in the IRR
- 2) Re-structuring of the relationship between the subsidiary cooperative and its parent cooperative
- Restrictive approach to the registration of Multi-purpose Cooperative
- Re-engineering the concept of laboratory cooperative and its relationship with its guardian cooperative
- 5) Re-packaging the training requirements for officers of the cooperative as defined in RA 9520
- 6) Simplifying the reportorial requirements for cooperatives and rationalizing the reports submitted to CDA
- Re-polishing the guidelines on Voluntary Arbitration
- 8) Simplifying and clarifying the roles of partner agencies in the registration and regulation of cooperatives..i.e.electric cooperatives, insurance cooperatives, transport service cooperatives
- 9). Simplifying and clarifying the roles of partner agencies in the registration and regulation of cooperatives..i.e.electric cooperatives, insurance cooperatives, transport service cooperatives.

#### Tax Fora Conducted

The Cooperative Development Authority (CDA) in partnership with cooperatives, the Senate, the House of Representatives, other government agencies and non-government organizations spearheaded the conduct of various tax fora nationwide to enlighten the cooperative sector on the taxation rights and privileges focusing on tax exemption and the pending bill in Congress for the withdrawal of such exemption. The theme of the gathering is "Co-op Sustainability Through Tax Consciousness, Compliance & Strong Governance".

In the fora, presentations were made on the issuances and regulations affecting cooperative taxation and the issues and concerns relative to taxation on cooperatives. Participants were also given the chance to voice out their issues / concerns during the open forum. The common tax issues and concerns affecting cooperatives raised during the fora are the following:

- 1. The Bureau of Internal Revenue (BIR) conducts examination of coops in the guise of tax mapping.
- 2. BIR examines the books of accounts or other accounting records of the cooperative without previous authorization

- from the CDA which is required under Art. 61 (3) of RA 9520.
- 3. In the application or renewal of Certificate of Tax Exemption (CTE), coops are required to submit other requirements other than those provided by the Joint Rules and Regulations Implementing Articles 60, 61 and 144 of RA 9520 in relation to RA 8424 or the national Internal Revenue Code (NIRC) as amended.
- 4. Issuance of BIR Memorandum dated February 4, 2015 indicating the non-issuance and revocation of existing CTE of selected coops.
- 5. Long processing of BIR in the application filed by coops for CTE despite the submission of complete documents.
- 6. Pending bill in congress (lower and upper house) removing Art. 60 and 61 of RA 9520.
- 7. Absence of data on the direct and indirect tax contribution of cooperatives.
- 8. Documentary Stamp Tax are being assessed on loan transactions with members of the cooperative.



# Aggressive Approach to Public Protection Through Inspection and Examination Efforts

The Cooperative Development Authority as the regulatory body for cooperatives in this country has the responsibility to ensure that cooperatives operate in accordance with law and are not used for ulterior motives such as rice and onion smuggling, investment scams and tax shielding. Memorandum Circulars and Office Orders were issued to address these wrong doings or avert their occurence.

CDA Extension Offices were instructed to refrain from registering cooperatives like labor contracting, professional, construction, mining and other cooperatives similarly created and to verify complaints through the conduct of inspection/examination and/or investigation whether existing cooperatives belonging to those enumerated are being used as tax shields or are fraudulently registered.

The function to register selected types of primary cooperatives such as workers cooperatives, service or other types of cooperatives engaged in labor, manpower, health, mining and other related service was temporarily recalled. It has to be clarified that such recall merely transferred the application for registration of said types of cooperatives with the CDA Central

Office to ensure that cooperatives are not being used as "Tax-Shield" of some misguided groups. It does not mean that Authority will refrain from registering said types of cooperatives.

Based on CDAs records, seven (7) Labor Service Cooperatives and three (3) Health Service Cooperatives were ordered examined. Three (3) cooperatives have pending criminal cases with the Department of Justice pertaining to rice smuggling. There are also twenty eight (28) cooperatives in Region IV and five (5) cooperatives in Region III which have been issued Cease and Desist Orders for engaging in illegal rice importation. Consequently, their application for Certificate of Good Standing have been denied. On garlic importation, one (1) cooperative was ordered dissolved after conducting an examination on the cooperative.

As a result of a more risk-based registration process through a pre-registration validation, forty nine (49) proposed labor service cooperatives have been denied registration.



# CDA Gender and Development Program for Cooperatives

The Cooperative Development Authority pursued its program of promoting gender and development for cooperatives based on the following framework:

The 1987 Constitution, Article II Section 14 in the Declaration of Principles provides that "The State recognizes the role of women in nation-building and shall ensure the fundamental equality before the law of women and men". The same Constitution under Article XIII Section 14 further assures that "protection to working women by providing safe and healthful working conditions taking into account their maternal functions, and such facilities and opportunities that will enhance their welfare and enable them to realize their full potential in the service of the nation". Pursuant to this Constitution, the Philippines committed to achieve the Millennium Development Goals more specifically goal number three which "requires governments to promote gender equality and empower women".

Furthermore, Executive Order (EO) 273 otherwise known as the Philippine Plan for Gender-Responsive Development (PPGD 1995 – 2025) mandated the implementation of gender and development in accord with our constitutionally guaranteed human

rights. It envisions a society that promotes gender equality and women's empowerment as enunciated in the United Nations Fourth World Conference Platform for Action. Paragraph 1.1 of the said EO directs all government agencies and instrumentalities to "take appropriate steps to ensure the full implementation of the policies/strategies and programs/projects outlined in the Plan".

In fulfillment of the Philippine government's commitment, PCW-NEDA-DBM Joint Circular No. 2012-01 was issued setting the priority agenda for women's empowerment and gender equality including the targets.

Against this backdrop, the Cooperative Development Authority conducted and implemented the following activities in 2015:

 Issued Guidelines on Mainstreaming GAD in Cooperatives which is now being used to monitor the implementation and adoption of GAD by the cooperatives in their programs. Initially, the tool for social audit report is also being used to identify their compliance thereon;

- Conducted a Gender Sensitivity and Analysis Training on July 13-15, 2015 to capacitate GAD focal persons of the Central and Extension Offices,. This was facilitated by the Gender Equality Resource Center (GERC). The training aims to provide the participants knowledge and information on gender and gender analysis, and come up with monitoring and reporting tools for GAD mainstreaming in Co-ops. Through a workshop, gender issues for clients and institution were identified. Models of Gender Mainstreaming Tools were presented, checklist on GAD Mainstreaming Monitoring and Reporting for Co-ops was developed using four (4) areas, namely: Policy, People, Enabling Mechanisms and Programs, Projects and Activities.
- Prepared for the 2<sup>nd</sup> National Summit of GAD in Cooperatives through initial discussions with GERC on the plan to mount the Summit.
- Participated in the Philippine Commission on Women (PCW)
   GAD 4<sup>th</sup> Planning and Budgeting

- Forum to re-orient national line agencies, attached offices, etc. on the Revised Guidelines on the Preparation of the Annual GAD Plan and Budget and Accomplishment Report including the supplemental guidelines on the new procedure of GPB submission through the Gender Mainstreaming Monitoring System (GMMS) and the Forum on Women in Leadership, Power and Decision-Making in the Bureaucracy whose objective is to create opportunities for women, who are about to, or aiming to be leaders to learn strategies in facing challenges and seizing opportunities from fellow women who were able to get to leadership positions.
- Complied with PCW-NEDA-DBM
  Joint Circular on the submission
  of CDA GAD Plan and Budget for
  FY 2015 and earned the
  endorsement of the said plan
  from the PCW. CDA has also
  submitted its Annual GAD Plan
  and Budget for 2016 to DOF and
  PCW along with CDA GAD
  Accomplishment Report for FY
  2014 which is now under review.



# **Accreditation Program**

No. of Accreditations Granted in 2015

- Training Providers 44
- Cooperative External Auditors- 180
- Conciliators and Mediators 17



# **ICT Updates**

- MITHI E-FUND | PERSONAL COM-PUTERS 2015 PROVISION The office received 70 LENOVO PCs (35 laptops and 35 desktop)
- CDA-DOST/ICTO ICT PARTNERSHIP

The CDA-CO is now on its 100MBps Fibre Optic Cable Internet Line - A GOVNET project of the DOST-ICTO and soon CDA-Caraga EO will experience the same

- Other Free Services Availed thru DOST/ICTO
  - √ WEBHOSTING. Where www.cda.gov.ph, ITPPL and all EO websites are being hosted.
  - √ GOVMAIL. The Government-wide E-mail System (GovMail).
  - √ FORMSGEN. PHGov
    Opensourced Online Forms. |
    This is where our online AFS
    being hosted while waiting for
    the development of CAFSIS



REPUBLIC OF THE PHILIPPINES

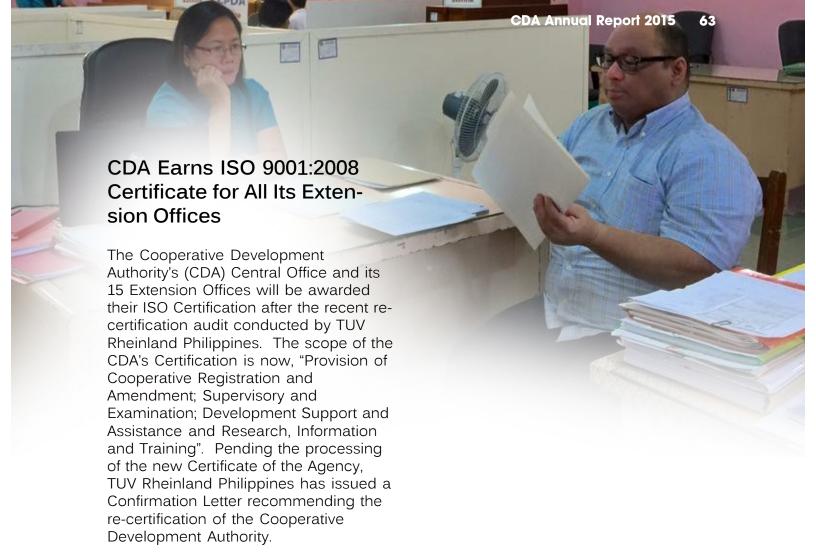
INFORMATION AND COMMUNICATIONS TECHNOLOGY

# **Technical Advisory Services**

Indicator	Target	Accomplishment
No. TAS rendered	34,759	59,620
% of Clients who rated TAS as good or better	80%	115%
% of TAS rendered within 3 days from request	80%	171%

# Human Resource Development Activities

Indicator	No. of Personnel
New Personnel Hired in 2015	112
No. of Trainings Attended by CDA Personnel in 20	015 674



The ISO 9001:2008 certification of all the CDA Extension Offices is included in the Performance Commitment Secretary of the Secretary of Finance (DOF) in the Office of the President's Planning Tool.

CDA's program of developing a Quality Management System (QMS) is anchored on Executive Order 605 Institutionalizing the Structure, Mechanism and Standards to Implement the Government Quality Management Program (GQMP). EO 65 directs all departments, agencies of the Executive Branch including Government Owned and Controlled Corporations (GOCCs) and Government Financial Institutions to adopt ISO 9001 Quality Management Systems (ISO-

QMS) and the Government Quality Management Systems (GQMS). The said executive directive was specifically created to bring about concrete improvements in public governance following the International Organization for Standardization (ISO) family of standards.

As an ISO-certified agency, the CDA has embraced the concept of quality through continual improvement and understood that continued client satisfaction is the ultimate goal of a Quality Management System (QMS).

Office of the Ombudsman
Dismisses Case Against the
Former CDA Chairman on
the Registration of the Davao
Del Norte Electric
Cooperative (DANECO)

In a resolution promulgated by the Office of the Ombudman dated September 3, 2015, the case against former CDA Chairman Emmanuel M. Santiaguel, Ph.D., along with his corespondents who are Members of the Board and employees of DANECO was dismissed.

The case filed is for alleged violation of Sec. 3 (e) of RA 3019, (e) Causing any undue injury to any party, including the Government, or giving any private party any unwarranted benefits, advantage or preference in the discharge of his official administrative or judicial functions through manifest partiality, evident bad faith or gross inexcusable negligence. This provision shall apply to officers and employees of offices or government corporations charged with the grant of licenses or permits or other concessions.

According to the facts of the case, allegedly, the "respondents took advantage of the twenty-day Temporary



Restraining Order issued by the Regional Trial Court Branch 3 in Nabunturan, Compostela Valley, enioining the Board of Administrators of the National Electrification Administration (NEA) from implementing its decision to remove the original Board of Directors of DANECO belonging to the CDA Group". They further alleged that the "CDA Group" stealthily scheduled a referendum for the approval of the members of DANECO of its registration with the CDA following the theory that once registered, they could no longer be removed by NEA because jurisdiction over DANECO would now be vested with the Cooperative Development Authority (CDA)". The said referendum was conducted on May 20, 2012 with majority of the members voting in favor of registering with the CDA.

The complainants also assailed the issuance of a Certificate of Registration on the same day that DANECO applied and the issuance of a Certificate of Good Standing by CDA. These, according to the complainants, were manifestations that former Chairman Santiaguel's acts were clearly tainted with "manifest partiality in favor of the CDA group which was given unwarranted benefit, advantage and preference".

The Ombudsman ordered the dismissal of the case because, 'the case is bereft of evidence to prove that respondent Santiaguel, in conspiracy with his corespondents, acted with evident bad faith, manifest partiality or gross inexcusable negligence, in the exercise of his official functions to favor and give unwarranted benefits, advantage or preference to the CDA group." Further, the Ombudsman found that DANECO's application for registration complied with the existing rules and regulations of the CDA and that the issuance of the Certificate of Good Standing was done with regularity.

# Success Stories of Cooperatives

CDA always takes pride in recognizing the inspiring stories of the cooperatives-from their humble beginnings to their current success and how they have helped improved the lot of their members and showed concern for their communities. The following stories are just three of the many cooperative success stories around. We can learn from the experiences of Manatal MPC, Pecuaria Development Cooperative and Lamac MPC.

# Lamac Multi-Purpose Cooperative

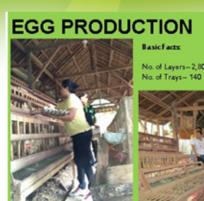
Lamac MPC, located at the remote barangay of Lamac, Pinamungajan, Cebu, is revered and widely known as one of the country's most successful cooperatives. It is now classified as a large cooperative with more than a billion worth of assets and with several branches located in the entire Visayas area. The success it attained is very inspiring and exceptional as this cooperative had its humble beginnings and is originally owned, operated and managed by very poor farmers of the place.

Due to the miserable conditions of the area, these farmers grouped themselves together and formed a Samahang Nayon with the aim for a better life. Joining a Samahang Nayon was a pre-requisite for tenant-farmers for ownership of the land they till. That was during the 1980's. Through the sweat of their brow and spending some sleepless nights, they gradually attained their goals. And today, Lamac is a showcase of a complete transformation of a laidback barangay where development was elusive before to a more progressive and economically developed community. The story of Lamac MPC demonstrates how unity

and cooperation work and create wonders to the lives of the small tenant farmers.

By opening branches in other areas of the Visayas, Lamac MPC was able to spread the gospel of cooperativism and allow people in these areas to partake in the benefits derived from it. Lamac MPC's varied services create a great impact into the lives of a cross-section of society most of them coming from the lower strata-farmers, fishermen, small vendors, laborers, dressmakers, small-salaried employees, etc. The currently engages in lending, consumer store, hardware, piggery, poultry, rice-mill and corn mill, water system, agri-production, hotel and resort, and others.





## **COOP MART**



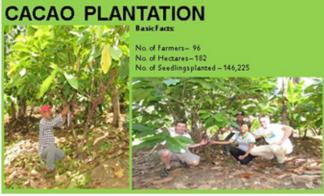
#### Establishment of OG Coffee Hub in LMPC Branches



#### Construction of New Dormitory Building







HOUSING PROJECT

Location: Pandacan, Pinamungajan, Cebu Lot Area: 100 sq.m. Land Area: 10,000 sq.m. No. of lots: 55 units (lowcost



# Success Story of Manatal Multi-Purpose Cooperative

In 1988, the Rural Bank of Pandi chose eighteen (18) residents of Manatal to train them in the so-called "Integrated Rural Financing" (IRF), which became a project of Bangko Sentral ng Pilipinas. However in 1991, the IRF was stopped for no concrete reason. Because of what happened, the Pilot group came up with an idea of converting IRF into a cooperative.

The fifteen (15) individuals who was left in the initial group of eighteen (18) became the incorporators of the MANATAL COOPERATIVE which was registered with the Cooperative Development Authority (CDA) on August 22, 1991 (Registration number MLA-1232). The operation of MANATAL COOP started from the share capital contributions of fifteen (15) incorporators amounting to Php21,700.00.

The Manatal Cooperative later established several business activities providing support economic services to its members as follows:

#### Savings and Credit

- providing members financial needs.
- Feeds & Agri Supply
- providing members with all feeds and agri products such as rice, hog feeds, poultry feeds, duck feeds, seeds, fertilizers, herbicides, insecticides

Breeding Farm/Swine Dispersal

220 Sow Level Capacity

- Producing less than 4,000 piglets annually
- Producing boar semen used in artificial insemination
- Maintaining more than 3,000 hogs fatteners.

Hardware & General Merchandise

Providing different kinds of construction materials such aggregates, deformed bars, roofing sheets, plumbing, electrical, etc.

#### Veterinary Supply

Providing all kinds of veterinary medicines used in livestock production such as vitamins, mineral, antibiotic, & vaccines.

#### Feed Mill

Producing different kinds of quality and affordable feed products:

#### **Bus Services**

Providing members with transport services (with 30 seater, 41 seater, and 55 seater buses)

#### Motor Trade

Providing members with quality and affordable used trucks

#### Meat Shop

Providing members with fresh and processed meat, raised and slaughtered in the cooperative's facility.



Savings & Credit



**Bus Rental** 



**Hardware Supply** 



Feeds & Agri-Supply



TSM Swine Dispersal



**Veterinary Supply** 



Feed Mill



**Motor Trade** 



**Meat Shop** 



Norzagaray Branch



Sta. Maria Branch



ANVATIAL GOOP
"Alalay Mo Sa Hanapbuhay"

Branches and BUSINESSES

Due to the increasing number of members, the cooperative opened its first branch in Norzagaray, Bulacan on June 2010, offering savings and credit services. The branch is currently serving more than 434 members with more than P29.77 Million resources as of Dec. 31, 2014.

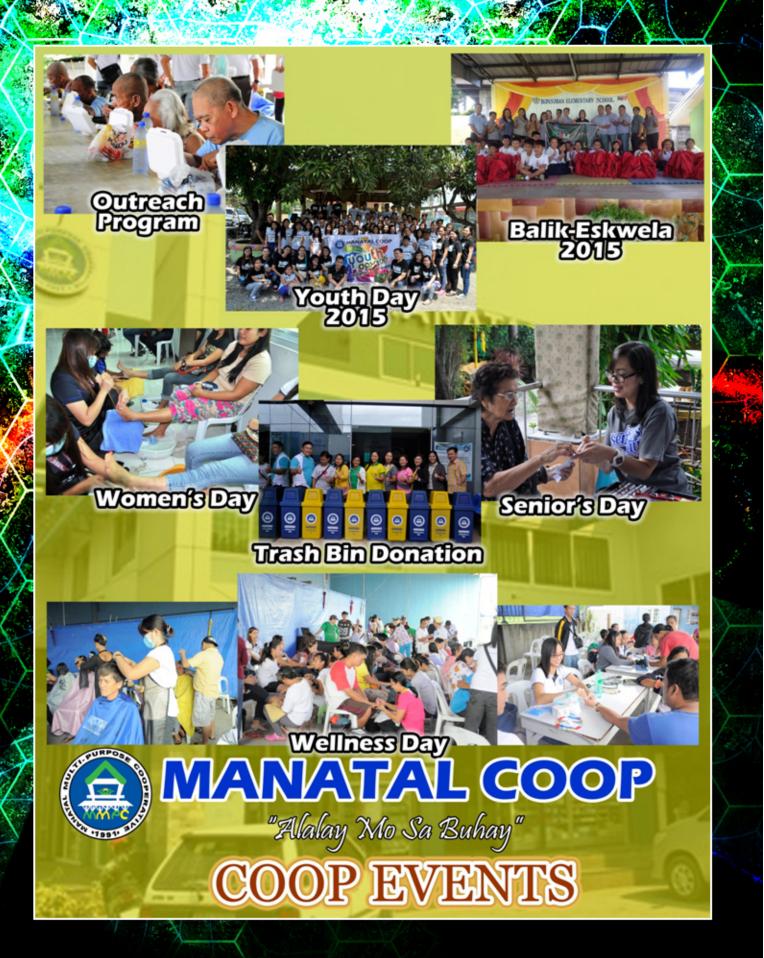
The second branch was established in Sta. Maria Bulacan April 2014 offering savings and credit services with initial membership of 23 and capitalization of P2.5 Million. Currently, the branch is serving more than 178 members with more than P14.96 Million resources as of Dec. 31, 2014.

The Cooperative ensures that the members and the community benefit from the gains of its success by providing social services through: (1) environmental awareness program; (2) scholarship programs - Alternative Learning System BRIGADA ESKWELA; (5) health care programs; (6) conduct of relief operations in times of calamity; (7) promotion of gender equality thru its Youth Member Day, Women Member Day, Senior Member Day and Farmers Day; (8) conduct of financial wellness program; and (9) empowerment programs through livelihood seminars and trainings.

By the end of year 2015, the total resources rose from P21,700.00 to P900 Million which is almost unimaginable with only a little over two decades of operation. From a mere 15 members in 1991, Manatal Cooperative is now

serving more than 9,000 of its members from Bulacan and nearby provinces which it owes to its active and patronizing members and the effective management and the faithful stewardship its dedicated leaders.





# Agrarian Reform and Organic Farming: The Road to People Empowerment

PDCI is a story of a struggle for a better life. It is a manifestation of people's aspiration to manage their resources and be masters of their fate and destiny.

Land to the Farmers. In 1989, a struggle for control of the many resources of the hacienda ensued. The Tripartite Partnership for Agrarian Reform Development Program (TRIPARD) was implemented which resulted in the organization of Peoples Coalition for Unity and Agrarian Reform Integration Action (PECUARIA) was born and registered in the Securities and Exchange Commission in April 5, 1991. Eventually. PECUARIA became the predecessor of Pecuaria Development Cooperative. Inc. (PDCI) which was registered with the Cooperative Development Authority on September 30, 1991. The cooperative has 426 members who are agrarian reform beneficiary farmers, of which, 329 are male and 97 are female. Total land distributed to farmers are 817.33 hectares

Starting and Sustaining Organic Farming. In 1994, PDCI farmers implemented the sustainable agriculture (SA) farming to reduce their dependency in expensive commercial agri-inputs. The cooperative encouraged more of their farmers to convert into organic rice production with farmer's field school

and plant good eating quality varieties that the market needs promoting eco-friendly production and economic empowerment of the members.

The sizable loss generated by the Organic rice production during the first 3 years all the more fired the enthusiasm of the cooperative to continue the enterprise. The perseverance paid off when the increasing demand of Manila consumers generated positive income on the fourth year.

To further ensure the integrity of the organic rice, PDCI applied for organic certification and was certified in 2007 by the Organic Certification Center of the Philippines (OCCP), the first organic rice producer in the Philippines to be awarded such certification.

They expanded to 17 nearby municipalities of Camarines Sur to include Pili, Ocampo, Tigaon Baao, Bula, Nabua, Iriga, Buhi, Tinambac, San Jose, Goa, Calabanga, Naga, Minalabac, San Fernando, Pamplona, and Libmanan. Other small farmers organic practitioners are assisted by the cooperative by providing farm inputs, technology, financial assistances and post harvest facilities.



### The Products

Organic rice is considered special rice not only locally but has a potential for export. PDCI organic rice is grown using OCCP certified organic fertilizer that are ecological-friendly. It does not promote use of chemical fertilizers for soil fertility improvement but uses organic fertilizer that is processed from materials which are locally available, and are processed without use of chemo-synthetic substances and petroleum-based materials. Unlike the conventional rice, organic rice relies on crop rotation and biological pest control to minimize insects, weeds and other pests. Organic rice also comes from traditional or farmers' seed selection that are sown, reaped and stored using only natural pest control measures.

Aside from being produced free of pesticides and chemicals, organic rice offers a bunch of health benefits. Organic rice is high in carbohydrate and fiber content. It also has low sugar content, which are good for diabetic patients, these are but some of the reasons why a growing number of people prefer organic rice over conventional rice.

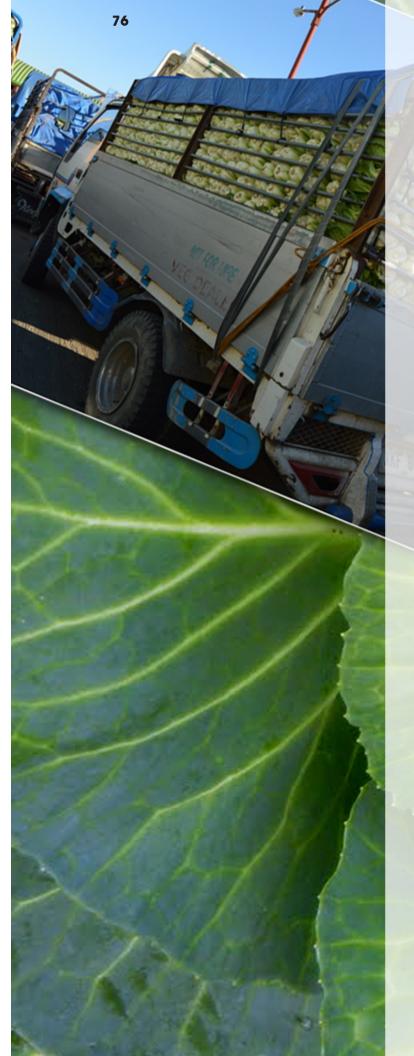
The Pecuaria Development Cooperative is a certified organic producer in the Southern Tagalog and Bicol Region and 85% of production is delivered to Metro Manila wherein the elite consumers are ready and available. The organic rice produced by PDC has contributed 77% of the total supply in Metro Manila.

### Marketing Arm

PDCI has two major market channels for its Metro Manila market. They are Glow Corp. (Global Wellnesss Corp) and UMFI (Upland Marketing Foundation). The former is concentrating its distribution in institutional buyers, buyers abroad (Hongkong) and small supermarkets while the latter is distributing through major supermarkets like SM, Robinsons, PureGold and Market-Market. Each distribution company are having their own brand. In the case of Glow Corp, "Prime Organics" is the brand name while UMFI is "Farm and Cottages". More than 300 store outlets in Metro Manila are being served by these two major distribution company.

As they prepare to celebrate their 25th anniversary as a cooperative, PDCI strongly believes that pursuing organic agriculture will further the gains they have attained in agrarian reform eventually empowering each and every member of the cooperative and their families.





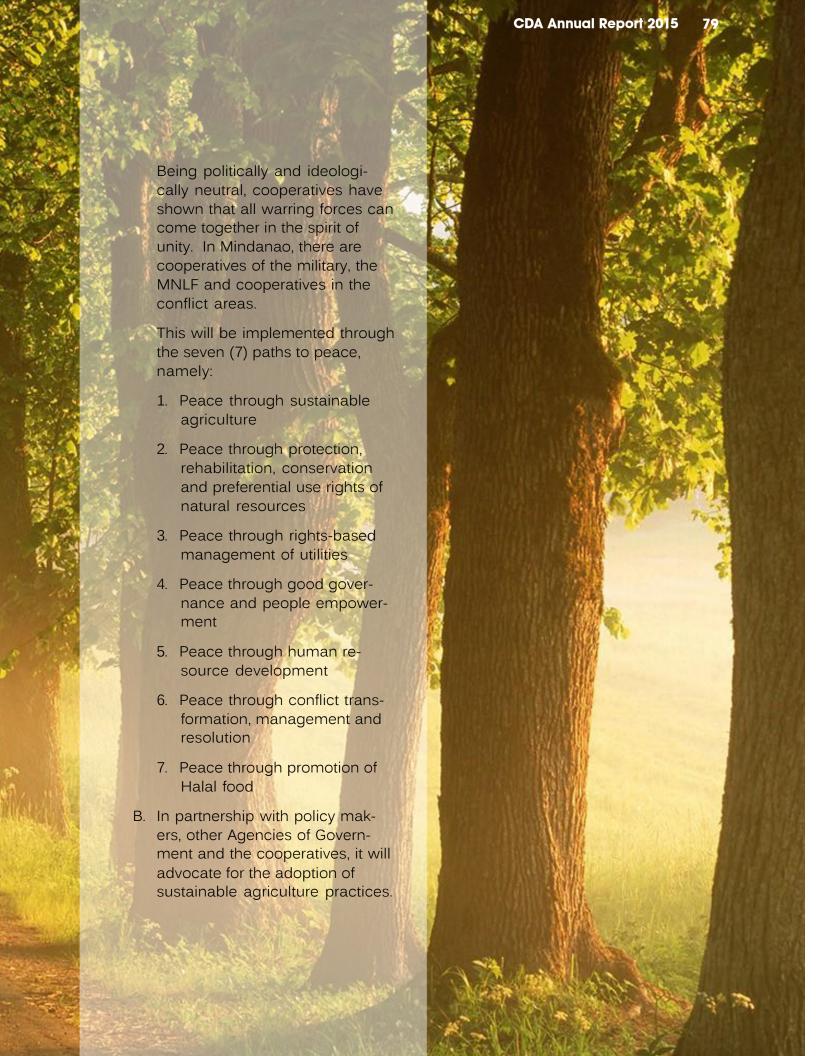
### Cooperatives in CAR Establish Farmers Commodities and SME Center

A one hectare facility owned by various cooperatives in Benguet located at Puguis, La Trinidad Benguet was established as Farmers Commodities Center to complement the existing La Trinidad Vegetable Trading Post and the Benguet Agri-Pinoy Trading Center that is already near completion. The trading post was built to help farmers and entrepreneurs cope up with the challenges of ASEAN Integration. About 250 tons of assorted vegetables are traded daily in this private facility. The center generates employment for the community.

The La Trinidad Vegetable Trading Post MPC, a primary cooperative based in the Benguet capital town owns almost one third of the property. Other cooperative owners include the Badayan Buguias Development MPC, Progressive MPC and the rest were repossessed by the Cooperative Bank of Benguet.

The Farmers Commodities and SME Center Federation of Cooperative currently manages the facility with primary cooperatives as locators or users of the commercial spaces.









CDA ROAD MAP

PRIORITY AREA NO. 1:

### PRIORITY NO 1: RAPID, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH

Strategy No.1: Financial Inclusion following the DNA of Cooperatives - members owned, value-based and sustainable

Strategy No. 2: Strengthening of cooperatives to respond to the challenges of the ASEAN Economic Community through the supply and value chain approach, increase their competitiveness and their ability to deliver products more efficiently, with a higher quality.

Strategy No. 3: To effect paradigm shifts for people to have access & control over this resources and correct social injustices & gross inequities through agrarian reform, sustainable agriculture, just marketing system, affordable medical services, decent houses, etc.

Strategy No. 4: Provision of an enabling environment for the youth to be trained as future cooperative leaders for intergenerational sustainability.

Strategy No. 5 – Implementation of a robust Communication and Information Development Program



PRIORITY NO. 2:

# PRIORITY AREA NO.2: POVERTY REDUCTION AND EMPOWERMENT OF THE POOR AND THE VULNERABLE

Strategy No. 1: To empower the people through Cooperativism to become Transformative cooperatives for People, Planet, Prosperity and Peace.

Strategy No. 2: Mobilizing the potential productivity of cooperatives by promoting a conducive business environment and enhancing their capabilities be it in management adroitness, technical know-how and entrepreneurial abilities.

Strategy No. 3: Facilitation of the establishment of a fund for cooperatives to be funded by large federations or primary cooperatives especially agriculture/production cooperatives in support of supply and value chain projects.

Strategy No. 3: Focus Intervention on Selected Type of Cooperatives and Other Identified Vulnerable Sectors by responding to their respective Call for Actions.

Strategy No. 4: Continuing allocation of budget for the regular provision of Premembership Education Seminars (PMES) for applicant cooperatives and capability building for micro and small cooperatives

### CDA ROAD MAP

PRIORITY AREA NO. 3:

## PRIORITY AREA NO. 3: TRANSPARENCY, ACCOUNTABLE AND PARTICIPATORY GOVERNANCE

Strategy No. 1: Strengthening of the Cooperative Development Authority's Consultative Mechanism and participation in relevant international organizations

Strategy No. 2: Implementation of an efficient registration of cooperatives system

Strategy No. 3: Accreditation of Service Providers (Accreditation of Training Providers, Cooperative External Auditors, Conciliators and Mediators and Voluntary Arbitrators)

Strategy No. 4: Conduct of an award and recognition program for cooperatives, leaders, and partner organizations and documenting their experiences and best practices (Gawad Parangal)

Strategy No. 5: Implementation of an effective monitoring and supervision and enforcement program for cooperatives for the protection of members and the public

Strategy No. 6 Strengthening the Cooperative Development Authority by Capacitating its Personnel

Strategy No. 7: Organization of Cooperative TV & Broadcasting Federation

Strategy No. 8: Enhancement of the Agency Performance Planning, Monitoring, Evaluation, Validation and Reporting System

Strategy No. 9: Maintenance of CDA's ISO 9001: 2008 Certification and Continuing Improvement of its Quality Management System

Strategy No. 10: Formulation of coherent information systems aligned and capable of enabling the over-all organizational strategy of the Cooperative Development Authority

Strategy No. 11: Implementation of a CDA Gender and Development (GAD) Program

Strategy No. 12: Active involvement in the Regional Network for the Development of Agricultural Cooperatives for Asia and the Pacific (NEDAC), ASEAN Centre for the Development of Agricultural Cooperatives (ACEDAC), Asia Pacific Rural and Agricultural Credit Association's (APRACA)-international organizations established primarily to help develop agricultural cooperatives, by participating in their activities and supporting policies and initiatives beneficial to our agricultural cooperatives.

CDA ROAD MAP 2015-2021



**PRIORITY AREA NO. 4:** 

# PRIORITYY AREA NO. 4: INTEGRITY OF THE ENVIRONMENT AND CLIMATE CHANGE ADAPTATION AND MITIGATION

Strategy No. 1: Integration of environmental sustainability in cooperative governance

Strategy No. 2: Support to One Mindanao Energy Coop and Renewable Energy Initiatives i.e. Solar Share, Etc. and debunk coal-fired Power Plants

Strategy No. 3: Advance UN's Sustainable Development Goals and Pope Francis New encyclical LAUDATO SI

Strategy No. 4: Encouraging cooperatives to contribute to the achievement of the sustainable energy goals by promoting or engaging in renewable energy-related undertakings

PRIORITY AREA NO. 5.

## PRIORITY AREA NO 5: JUST AND LASTING PEACE AND THE RULE OF LAW



Strategy No. 1: Organizing and developing cooperatives in conflict areas

Strategy No. 2: Promote the 7 path to Peace in Mindanao through:

- 2.1 Peace through Paradigm shift from conventional to sustainable agriculture
- 2.2 Peace through protection, rehabilitation, conservation and preferential use rights of natural resources, i.e. Electric Cooperatives
- 2.3 Peace through rightsbased management of utilities, i.e, conversion of EC's to genuine cooperatives
- 2.4 Peace through good governance and people empowerment
  Peace through human resource management
  Peace through conflict transformation, management and resolution
  Peace through international cooperation and respect cultural diversity.

