THE STATE OF PHILIPPINE COOPERATIVES

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Constitutional Provision

The 1987 Constitution of the Philippines contain provision recognizing cooperatives as legal personalities with economic and social functions and mandating the creation of an agency to promote their viability and growth for the good of the nation.

THE COOPERATIVE DEVELOPMENT AUTHORITY

It is hereby declared the policy of the State to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development and to create an agency, in fulfillment of the mandate in Section 15, Article XII of the Constitution

RA 6938 - Cooperative Code of the Philippines as amended by Republic Act 9520, Phil. Cooperative Code of 2008

RA 6939 – Also known as the Cooperative Development Authority Law

Executive Order No. 332 Transfer of CDA to DOF

Executive Order No. 1 Reverting the CDA to the Office of the President

Powers, functions and responsibilities of the CDA

DEVELOPMENTAL

Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and the overall socio-economic development plans of the Government.	Develop and conduct management and training programs upon request of cooperatives that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for the efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism.	Provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, fishery and economically depressed sectors

REGULATORY

Register all cooperatives and their federations and unions, including their division, merger, consolidation, dissolution or liquidation. It shall also register the transfer of all or substantially all of their assets and liabilities and such other matters as may be required by the Authority.	Require all cooperatives, their federations and unions to submit their annual financial statements, duly audited by certified public accountants, and general information sheets.	Order the cancellation after due notice and hearing of the cooperative's certificate of registration for non-compliance with administrative requirements and in cases of voluntary dissolution.

C D A's

PILLARS OF COOPERATIVE DEVELOPMENT

CDA Mandate: Promote the viability and growth of cooperatives as instrument of equity, social justice and economic development

EMPOWERING THE POOR & THE VULNERABLE

- Capability Building for Micro and Small Cooperatives thru Enterprise Development
- Supply and Value Chain
- Support Services to Farming Communities specially the ARBs
- 7 Paths to Peace
- Financial Inclusion
- CSF
- Microfinance and Micro-insurance Programs
- Conversion of Electric Coops to a Genuine Coops
- Cluster Congresses and Summit

ADVOCACY PROGRAMS & INITIATIVES

- International collaborations
- Partnership and Linkaging with NGAs/LGUs and other organizations
- Review and enhance pertinent provision of laws, rules and
- regulations affecting coops
- Awards and recognition for Cooperative
- Environmental Sustainability Program Coops
- Supporting Federalism by Coops
- Program for Co-op Management for Public Utilities

MEMBER & PUBLIC PROTECTION

- Creating awareness against the exploitation of Coops (Rice, Oil Palm, Root crops such as onion and garlic)
- Registration of Coops
- Inspection and Examination of Cooperatives

STRENGTHENING THE CDA

- CDA QMS Program
- Capacity Building for CDA Personnel
- Robust Communication and Info Development Program
- Apprenticeship Program
- Image Build Up

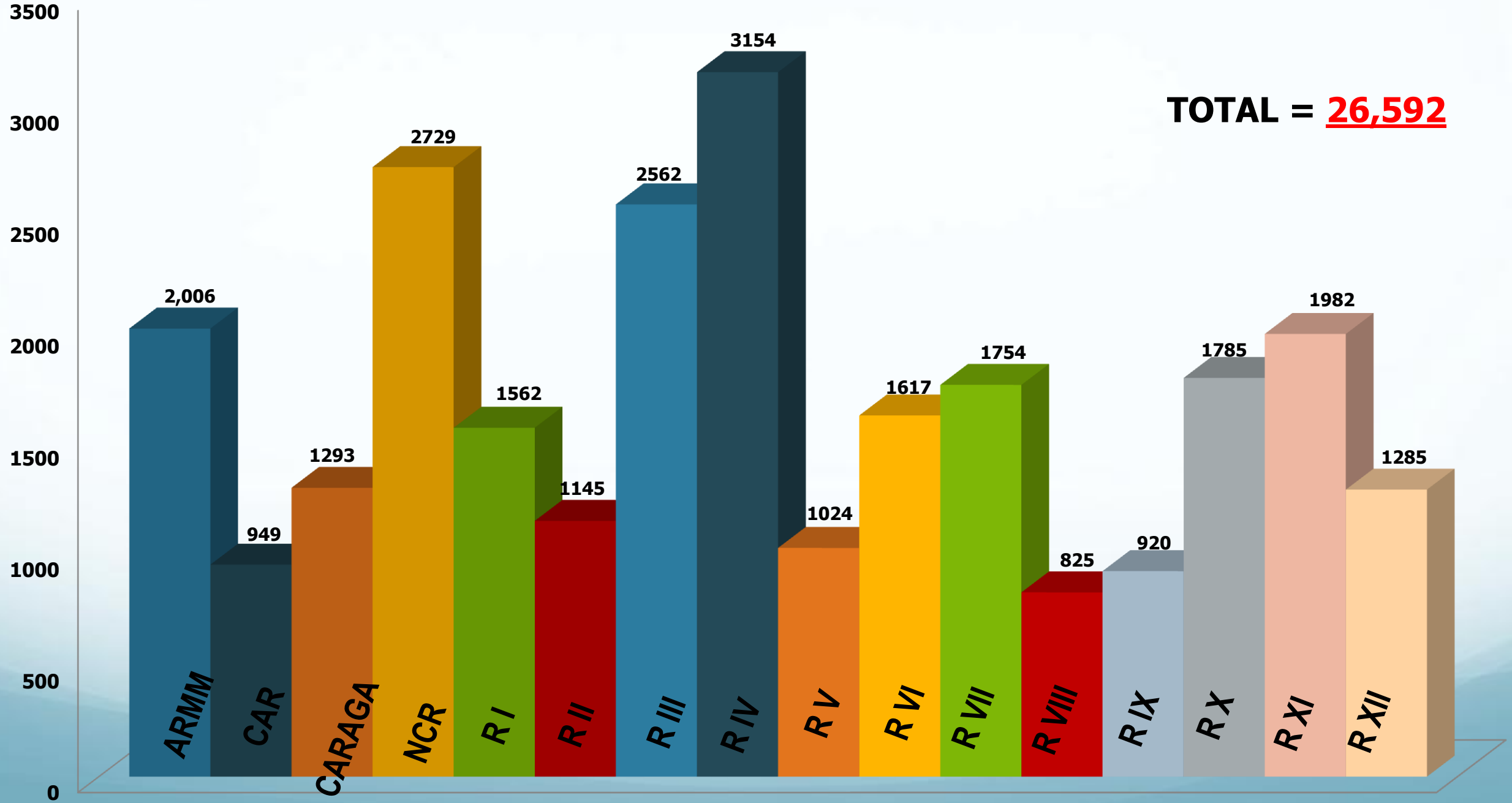
Data and Measurement

CURRENT STATE OF COOPERATIVES

DATA ON COOPERATIVES
AS OF DECEMBER 2016

TOTAL REGISTERED COOPERATIVES	26,592
COMPLIANT COOPERATIVES	16,940
WITH ENCODED REPORTS	9,432

Total Registered Coops by Region, as of Dec.2016



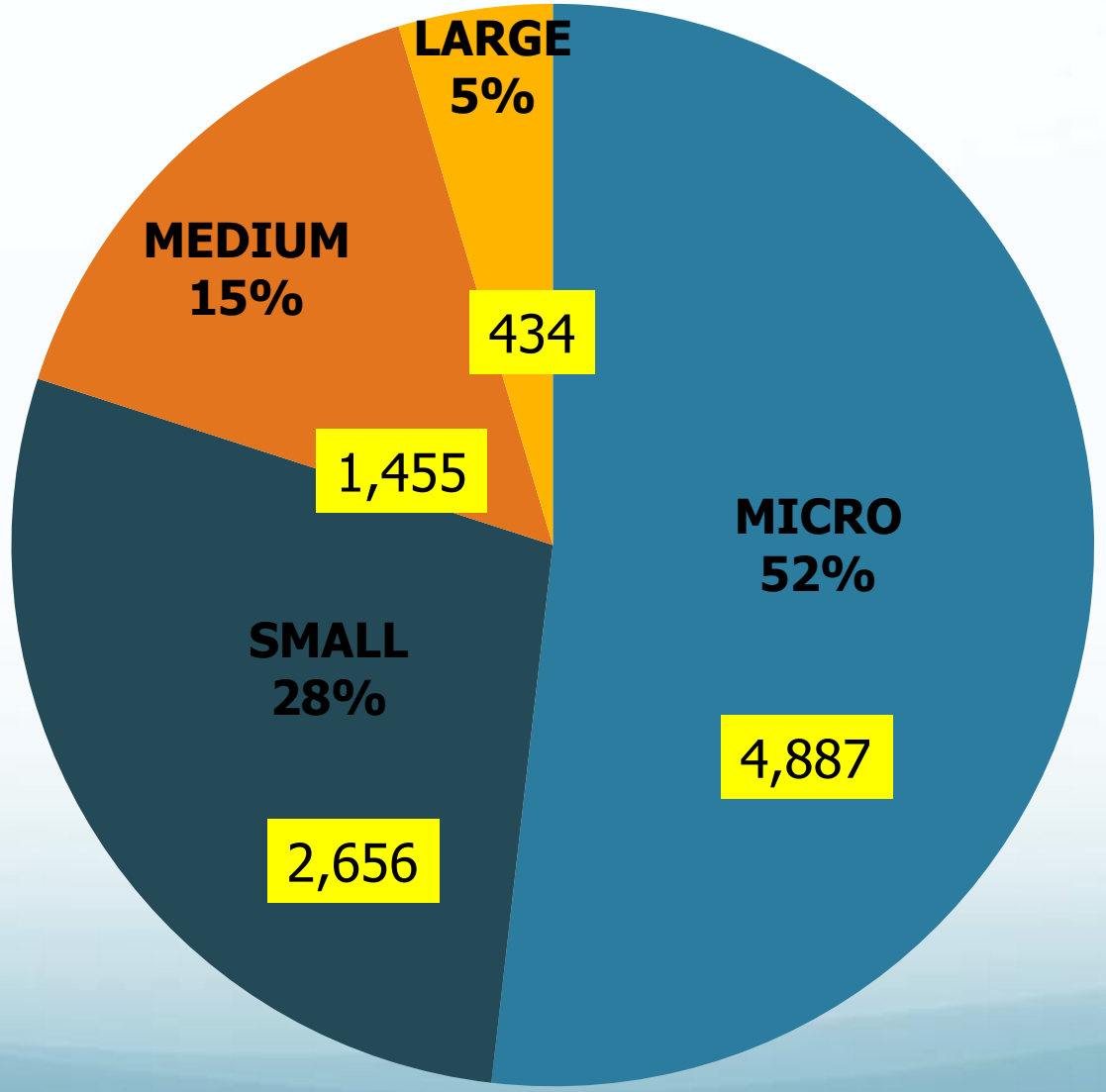
DISTRIBUTION OF COOPERATIVES PER CLASSIFICATION
AS OF DECEMBER 2016

Type	Total
Advocacy	43
Agrarian Reform	369
Agriculture	124
Consumers	1,676
Cooperative Bank	47
Credit	3,446
Dairy	42
Education	7
Electric	17
Federation-Secondary	228
Federation-Tertiary	4
Fishermen	76
Health Service	11

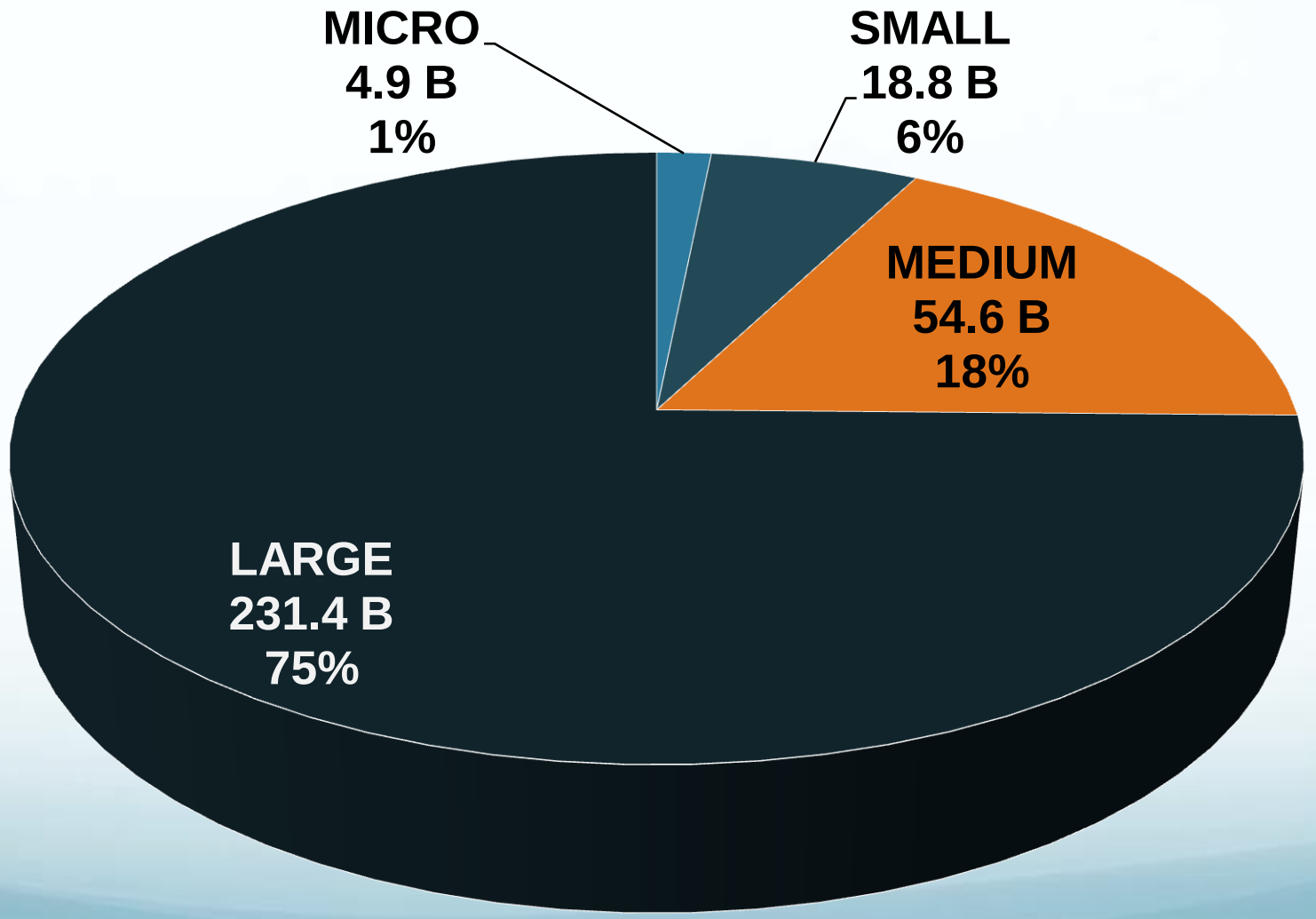
Type	Total
Housing	67
Insurance-Secondary	4
Labor Service	51
Marketing	1,475
Multipurpose	15,079
Producers	2,140
Service	1,332
Small Scale Mining	16
Transport	202
Union-Secondary	60
Union-Tertiary	2
Water Service	30
Workers	44

DISTRIBUTION OF COOPERATIVES PER CLASSIFICATION
AS OF DECEMBER 2016

TOTAL
9,432



TOTAL ASSETS OF COOPERATIVES PER CLASSIFICATION
AS OF DECEMBER 2016



MEMBERSHIP OF COOPERATIVES BY SEX
AS OF DECEMBER 2016

TOTAL COOPERATIVES: 9,432		
MALE	**3,202,300**	**42%**
FEMALE	**4,445,500**	**58%**
TOTAL	**7,647,800**	**100%**

ACCREDITATION OF COOPERATIVE EXTERNAL AUDITORS

CDA MEMORANDUM CIRCULAR NO. 2009-03

Guidelines for the Accreditation of Cooperative External Auditors

LEGAL BASIS

Article 80 of Republic Act 9520
Philippine Cooperative Code of 2008

ACCREDITATION OF COOPERATIVE EXTERNAL AUDITORS

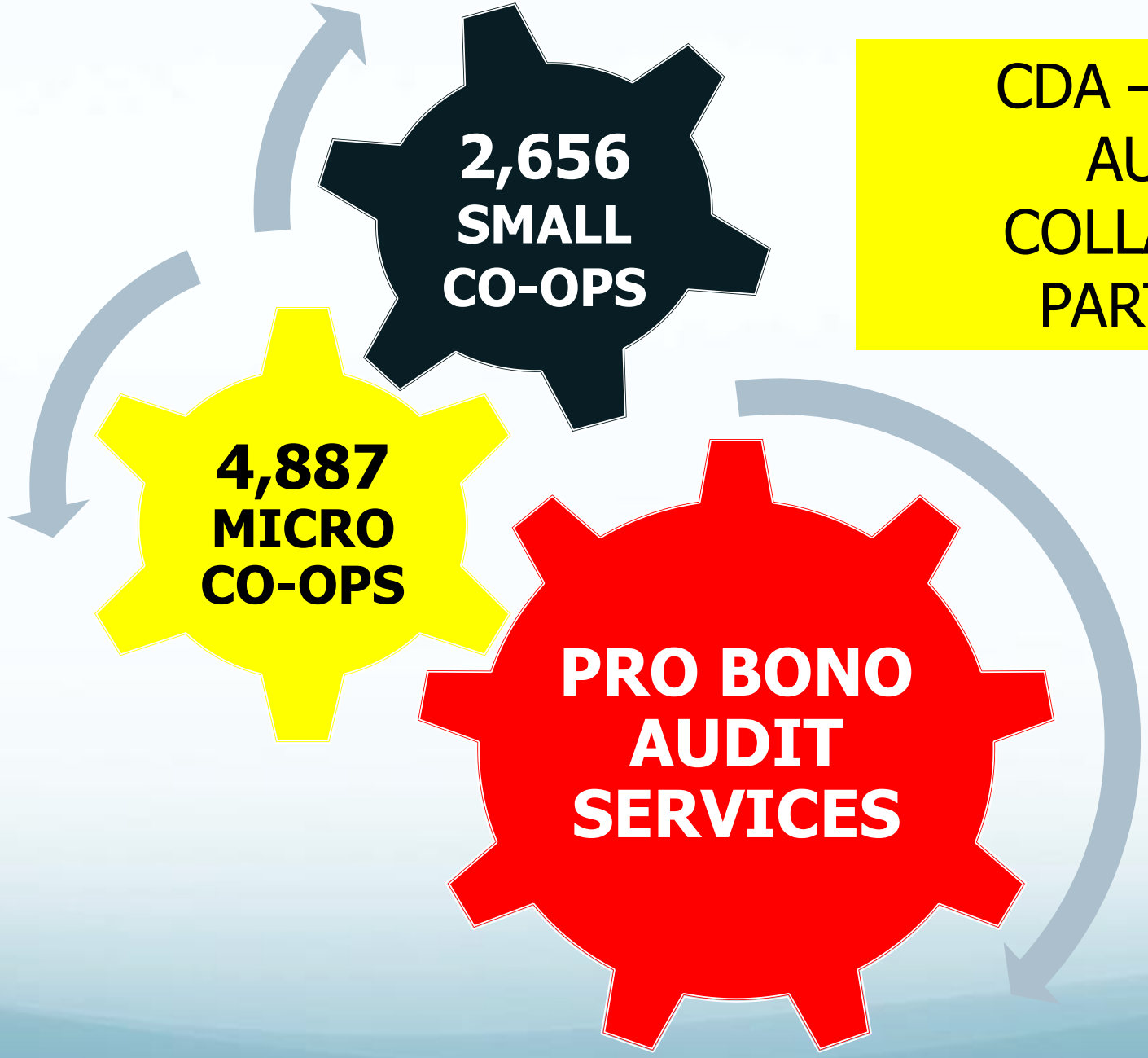
As of JULY 2017

	TOTAL	WITH VALID CERTIFICATION		WITH EXPIRED CERTIFICATION	
INDIVIDUAL CPA	1,259	701	56%	558	44%
AUDIT FIRM	117	72	62%	45	38%
TOTAL	1,376	773	56%	603	44%

ACCREDITATION OF COOPERATIVE EXTERNAL AUDITORS

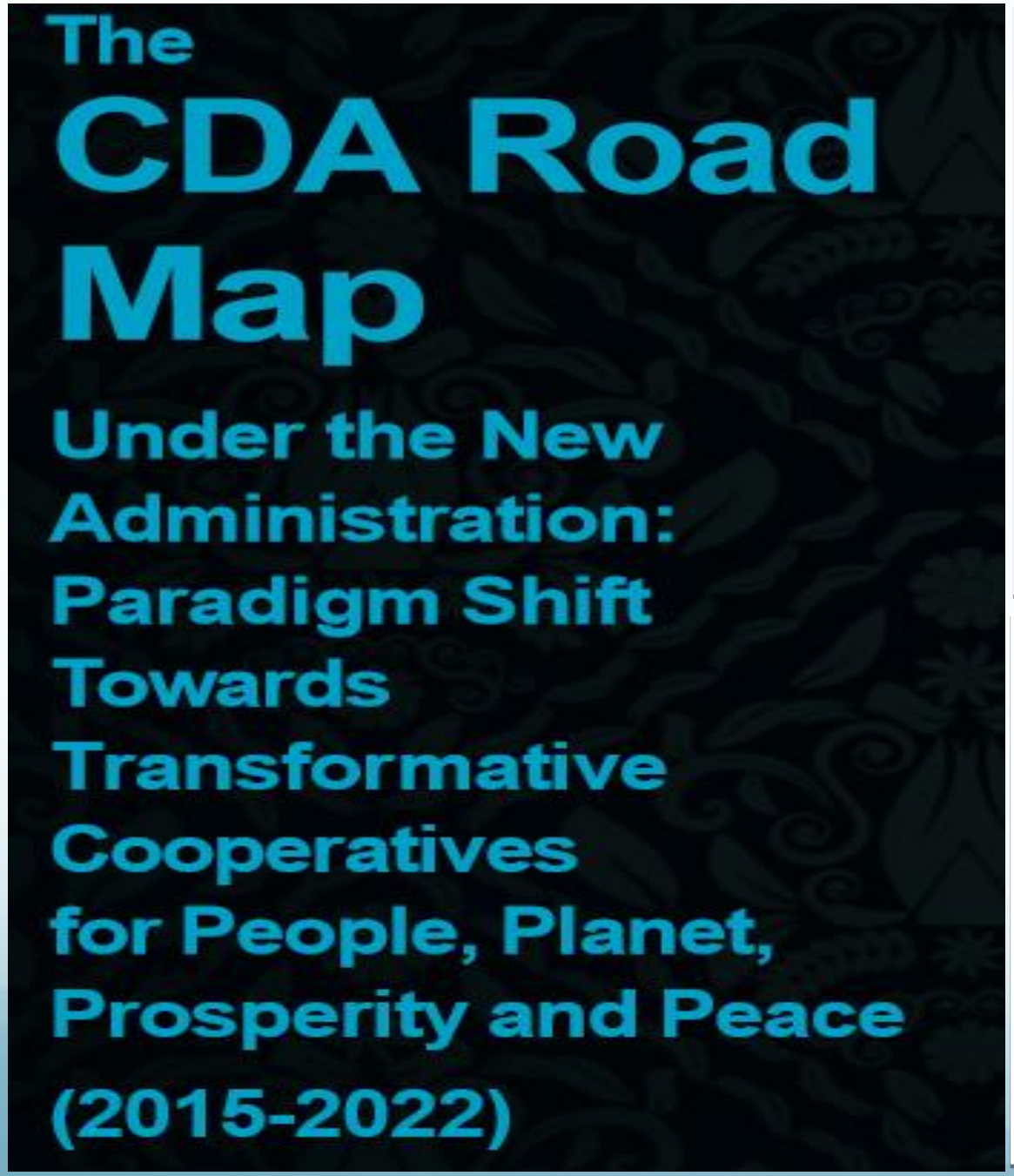
PROVIDED IN THE
CDA MEMORANDUM CIRCULAR NO. 2009-03

"… cooperative external auditor has engaged in at least one (1) **activity for cooperatives that is free of charge** (e.g. installation of books of accounts, consultancy, etc) as part of his/her social responsibility"



CDA – EXTERNAL AUDITORS COLLABORATIVE PARTNERSHIP

The
CDA Road
Map



- Accelerate the drive to protect the ecological integrity of our environment. Cooperatives contribute to the protection of the environment for future generations.

- Converting to sustainable agriculture and debunking conventional agriculture to ensure that the future generation's needs are met.

The CDA Path is Anchored on:

UN Sustainable Development Goals

PROGRAM NO. 1

AGRICULTURE
- FOOD SECURITY
- AGRI-TRAINING INSTITUTE
- AGRARIAN REFORM

FOR FOOD SECURITY

ADVOCATE SUSTAINABLE AGRICUTURAL TECHNOLOGIES

- Adoption Program of IPs
- Exchange Visits
- Establishment of demonstration farms
- Technology exchange
- Forum
- Inter-trading
- Joint venture/ partnership
- Propose conduct of the 7th ACBF

SUSTAINABLE AGRICULTURE and ORGANIC FARMING

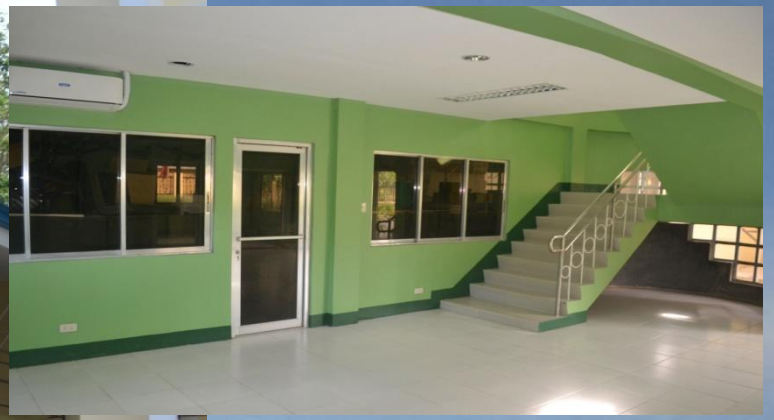
Agricultural Coops

- Conventional to sustainable development; and
- Supply-Value Chain Approach
- Paradigm shift

Paradigm shift:
SUSTAINABLE AGRICULTURE and ORGANIC FARMING

- **From conventional to sustainable agriculture**
- **Capability Building for micro and small cooperatives through enterprise development**

CDA AGRICULTURE TRAINING INSTITUTE



LOCATED AT CDA EXTENSION OFFICE REGION 10 COMPOUND

AGRARIAN REFORM= LAND DISTRIBUTION

AGRARIAN REFORM
IN THE PHILIPPINES

Gross inequality – on Land Distribution

- **9 out of 10 farmers are landless; 75% of all land reform beneficiaries are unable to pay land amortizations *(IBON)***
- **Farmers are the one feeding the nation and yet their dining table have no food**

PROGRAM NO. 2: ENERGY

1 Mindanao Energy Cooperative Federation (1MIECOOP)

An advocacy cooperative, it has an initial number of 28 cooperatives from all over Mindanao.

COOPERATIVIZING ELECTRIC COOPS

FOR ELECTRIC CO-OPs REGISTERED UNDER CDA:

1. **Recognition of member-owner-consumer contribution**

2. **Internal generation of funds for expansion and other capital expenditures through member's contributions**

3. **Enhanced concern of members to the coop being real owners thereof having equity contribution**

4. **Enjoys tax privileges**

5. **Distribution of cash dividends and patronage refunds**

PROGRAM NO. 3: EMPOWERMENT

Poverty is rooted, not in the lack of resources but in the powerlessness of the people.

COMMUNICATION

DATA BANKING

THE IMPORTANCE OF DATA BANKING

Fig 1

STRATEGY ▪ POLICY ▪ GOVERNANCE

TRANSACTION MANAGEMENT	PORTFOLIO MANAGEMENT	BALANCE SHEET MANAGEMENT	PERFORMANCE MANAGEMENT

FILTERS AND CLEANSING (DATAMART LAYER)

RAW DATA

COOP TV

VERITAS LIBERABIT VOS

Will operate with four aims: People Empowerment, Inclusive Growth and Development, Equalizer of power and help local products in embracing the AEC. COOP TV will become a university on TV which will purvey free and truthful developmental information and an advocate for environmental and cultural protection for Filipinos and the real watchdog for democracy.

- **Coop Broadcasting Federation of Mindanao (COOP TV), is a cooperative television based in Cagayan de Oro which aims to serve as an advocacy arm of coops**

PROGRAM NO. 4: FEDERALISM

TO SOLVE SOCIAL INJUSTICE & INEQUITY

CHILDREN

- 28% malnourished
- 27% underweight
- 30% stunted
- 15% healthy

1 billion children
(1 in every 2 children)
Live in poverty

25,000 children
Die everyday

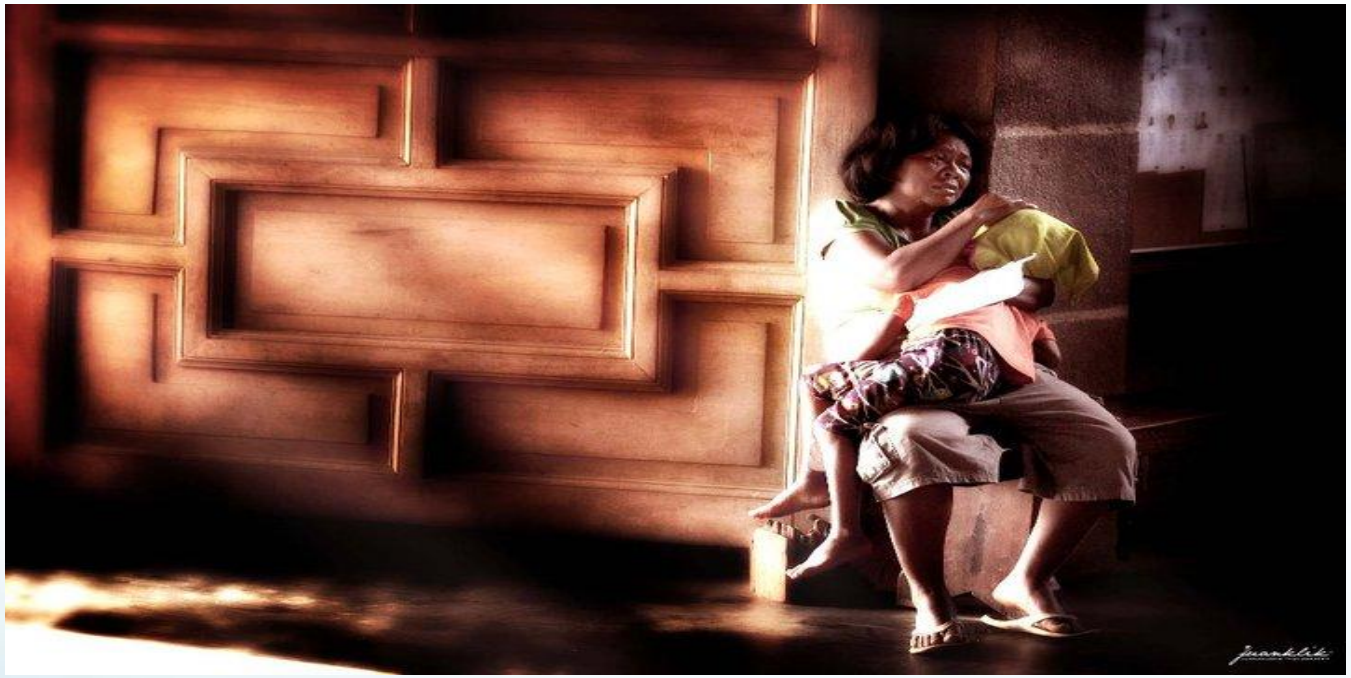
Nearly 1 child
Dies every second

Source: Anup Shah in www.globalissues.org

- There are approximately **61,000** families in urban poor communities

HOUSING

SOCIAL REALITY



HEALTH

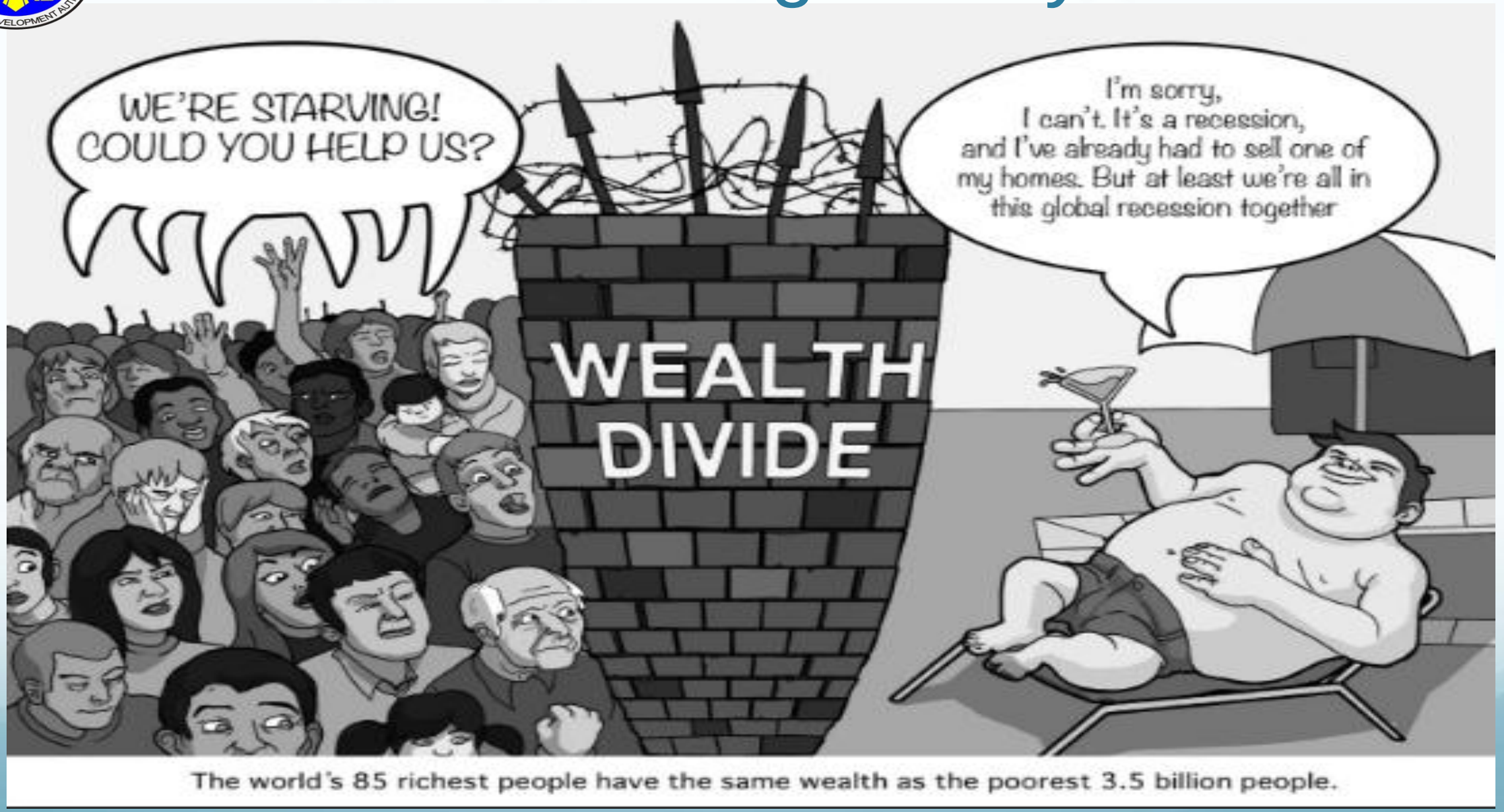
- **68% of personal health expenses are out-of-pocket**
- **6 out of 10 die without seeing a doctor**
- **80,000 infants die of curable diseases every year**

ECONOMIC REALITY

JOB CRISIS

- **14 Million Filipinos un / under-employed**
- **6,000 Filipinos leave daily to work abroad**

Glaring Reality



COOPERATIVISM as the
BACKBONE OF FEDERALISM!

PROGRAM NO. 5: PEACE IN MINDANAO THRU COOPERATIVE

Erase "Negative Peace"

7 Paths to Peace:

- Peace through Sustainable Agriculture
- Peace through protection, rehabilitation, conservation and preferential use rights of natural resources
- Peace through rights-based management of utilities
- Peace through good governance and people empowerment
- Peace through human resource development
- Peace through conflict transformation, management resolution, and
- Peace through promotion of halal food

Paradigm shift:
from arms to farms

MORO combatants surrender weapons, Government gives Them farm animals and farming tools as part of peace building program

PROGRAM NO. 6: GOING GLOBAL

"Enhancing ASEAN Economic Collaboration through Cooperatives"

PROGRAM NO. 7: ENVIRONMENT

- **Cooperatives conduct tree planting activities to help in the preservation of the environment**

DEGRADED COAST

- 70% of reefs at high/very high risk, among world's "coral hotspots", 76% of mangroves lost

BIODIVERSITY HOTSPOT

- 4th country in Asia with most number of threatened species (221 fauna, 526 flora)

WATER CRISIS

- 67% of river systems unsafe
- 58% of groundwater contaminated
- 25 major rivers biologically dead

DEFORESTATION

- The islands that make up the Philippines used to be all forested. Today only 35% of those forests remain.
- 17 million hectares of dipterocarp forests were lost in the last 100 years

Source: IBON

The current degradation of the environment and the massive loss of species are evidences that we are facing our own extinction.

"Burning coal is a leading cause of smog, acid rain and global warming," the Union of Concerned Scientists said. That "in an average year, a typical coal plant generates 3,700,000 tons of carbon dioxide, the primary human cause of global warming - as much carbon dioxide as cutting down 161 million of trees; 10,000 tons of sulfur dioxide which causes acid rain that damages forest, lakes and buildings, and forms small airborne particles that can penetrate deep into lungs; and 500 tons of small airborne particles, which can cause chronic bronchitis, aggravated asthma and premature death; and so many toxic chemicals such as 225 pound of arsenic which will cause cancer."

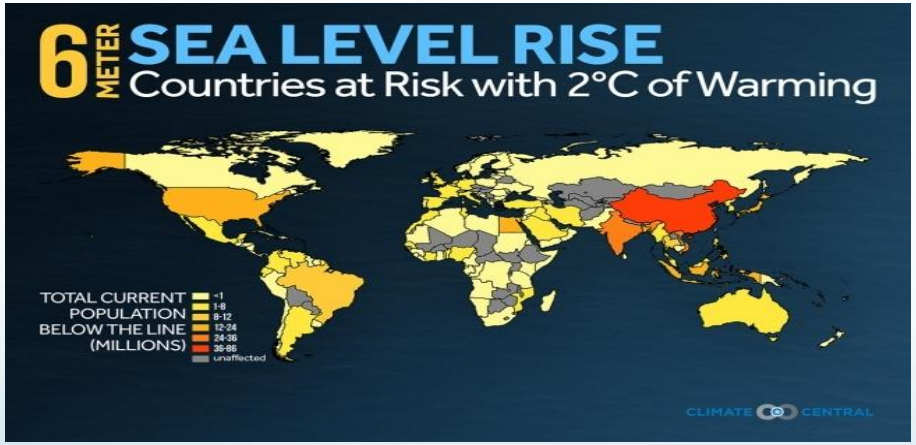
Environment

Deforestation

- The islands that make up the Philippines used to be all forested. Today only 35% of those forests remain.
- 17 million hectares of dipterocarp forests were lost in the last 100 years

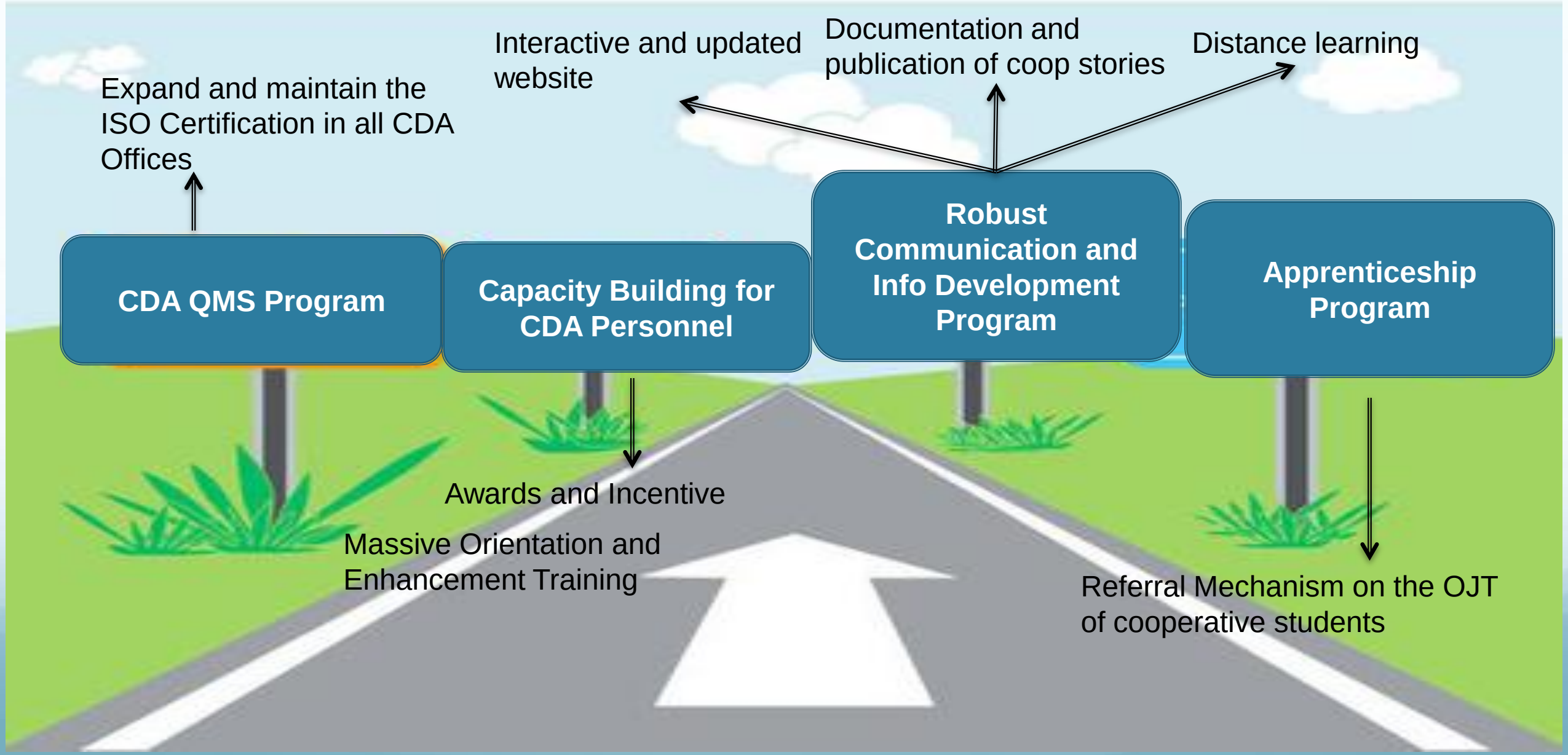
"We have not inherited the environment from our parents, but we owe this to our children. That at the rate that we have exploited God's creation, we have robbed the future generations of their inheritance."

Unsustainability in ecology



GLOBAL WARMING MELTING OF ICEBERG RISING OF OCEANS EXTINCTION OF SPECIES

PROGRAM NO. 8: STRENGTHENING CDA



PROGRAM NO. 9: STRENGTHENING THE COOPS

- COOP APEX

- UNIFICATION OF ALL COOPERATIVES THRU FEDERATIONS

PROGRAM NO. 10: ADVOCACY

FOLLOWING THE SEVEN COOPERATIVE PRINCIPLES

June 5, 2017. CLIMBS Insurance Cooperative Distributed Cash and Goods Donations Worth P300,000 to Marawi siege evacuees.

June 8, 2017 Cooperatives Relief Operation to Marawi Crisis Victims

MASS-SPECC, NATCCO Network and the MSU-IIT NMPC also distribute relief goods to Marawi crisis victims

OTHER COOPERATIVE ADVOCACIES

1. Continue and maintain current macroeconomic policies, including fiscal, monetary, and trade policies.
2. Institute progressive tax reform and more effective tax collection, indexing taxes to inflation.
3. A tax reform package will be submitted to Congress by September 2016.
4. Increase competitiveness and the ease of doing business. This effort will draw upon successful models used to attract business to local cities (e.g., Davao) and pursue the relaxation of the Constitutional restrictions on foreign ownership, except as regards land ownership, in order to attract foreign direct investment.
5. Accelerate annual infrastructure spending to account for 5% of GDP, with Public-Private Partnerships playing a key role.
6. Promote rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism.

7. Ensure security of land tenure to encourage investments, and address bottlenecks in land management and titling agencies.
8. Invest in human capital development, including health and education systems, and match skills and training to meet the demand of businesses and the private sector.
9. Promote science, technology, and the creative arts to enhance innovation and creative capacity towards self-sustaining, inclusive development.
10. Improve social protection programs, including the government's Conditional Cash Transfer program, to protect the poor against instability and economic shocks.
11. Strengthen implementation of the Responsible Parenthood and Reproductive Health Law to enable especially poor couples to make informed choices on financial and family planning.

Have a
GREAT
Day!