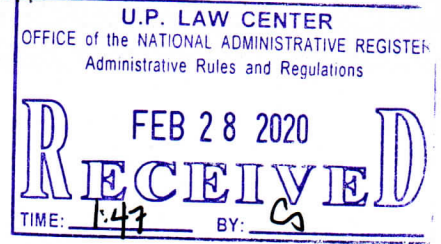




# COOPERATIVE DEVELOPMENT AUTHORITY

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception, 1111 Cubao, Quezon City, Philippines  
http://www.cda.gov.ph helpdesk@cda.gov.ph CDA @CDAPhils PH Cooperatives



## MEMORANDUM CIRCULAR NO. 2020-02 Series of 2020

**TO : ALL CONCERNED**

**SUBJECT : GUIDELINES ON THE IMPLEMENTATION OF THE KOOP KAPATID PROGRAM**

### SECTION 1. TITLE

This Memorandum Circular shall be known as the **“Guidelines on the Implementation of the Koop Kapatid Program”**

### SECTION 2. LEGAL BASES

The legal bases are the following:

1. Article II, Section 9 of the 1987 Philippine Constitution, states that:

“The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies, adequate social services, promote full employment, a rising standard of living and an improved quality life for all.”

2. Section 2 of Republic Act No. 11364, an Act Reorganizing and Strengthening the Cooperative Development Authority Repealing for the Purpose of Republic Act No. 6939, Creating the Cooperative Development Authority, states that:

“It is the declared policy of the State to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development xxx”.

“The State also recognizes the Cooperative Development Authority (CDA) as primarily responsible for the institutional development and regulation of cooperatives through partnership with cooperative sectors. Accordingly, the State recognizes the right of cooperatives to initiate and foster within their own ranks cooperative promotion, organization, training, information gathering, audit and support services, with government assistance where necessary.”

### SECTION 3. SCOPE

This Guidelines shall cover micro and small cooperatives in need of financial, technical and other forms of assistance which would qualify as beneficiary-cooperatives and medium and large cooperatives which have the capacity and willingness to render said forms of assistance which would qualify as partner-

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cooperatives under this Program. However, a non-operating cooperative may apply under the Program, provided that its Revitalization Plan is approved by the Authority.

Partner-cooperatives shall assist only beneficiary-cooperatives which are of the same category.

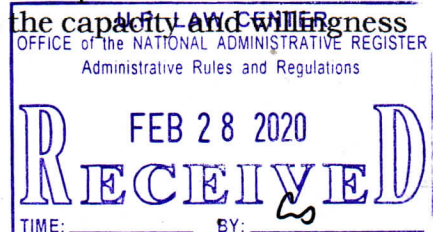
**SECTION 4. PURPOSE**

This Guidelines shall provide policies and procedures that will guide the CDA, the partner-cooperatives and beneficiary-cooperatives in the effective implementation of the Program.

**SECTION 5. DEFINITION OF TERMS**

For purposes of this Guidelines, the following terms or words, shall mean or be understood as follows;

- a. **Community Development Fund (CDF)** –refers to the amount which shall not be less than three per cent (3%) of the net surplus of the cooperative. It shall be used for projects or activities that will benefit the community where the cooperative operates;
- b. **Cooperation Among Cooperatives** – refers to the cooperative principle that cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures;
- c. **Beneficiary-Cooperative** – refers to a “Small Brother Cooperative” classified as micro and small cooperatives which have expressed willingness to be assisted by the partner-cooperative in this Program;
- d. **Koop Kapatid** – refers to the program of the CDA formerly known as “Small Brother –Big Brother Program” wherein the “Big Brother” extends assistance to “Small Brother.” All assistance arising from this Program will be covered by signing of Memorandum of Agreement between a partner-cooperative and beneficiary-cooperative to assist the latter in accelerating its development;
- e. **Mandatory reports** – refer to reportorial requirements required to be submitted annually by the registered cooperatives with the Authority such as the Cooperative Annual Progress Report (CAPR), with the following attachments:
  - e.1 Social Audit Report;
  - e.2 Performance Audit Report;
  - e.3 Audited Financial Statements; and
  - e.4 List of Officers and Trainings Undertaken/Completed.
- f. **Partner-cooperative** – refers to a “Big Brother Cooperative” classified as operating medium and large cooperatives which has the capacity and willingness to participate in this Program.





- g. **Social Service and Community Service Expense** –refers to expenses incurred by the cooperatives in its social community involvement including solicitation and donations to charitable institutions.

## **SECTION 6. PARTNERS AND BENEFICIARIES OF THE PROGRAM**

The partners of this Program are the operating medium and large cooperatives while the beneficiaries are the micro and small cooperatives. The participation in this Program is voluntary in nature and should be covered by a Memorandum of Agreement to be entered into by the partner-cooperatives and beneficiary-cooperatives.

## **SECTION 7. OBJECTIVE**

This Program aims to improve the management, governance and business operations of cooperatives through the provision of technical, financial, or other forms of assistance.

## **SECTION 8. COMPONENTS**

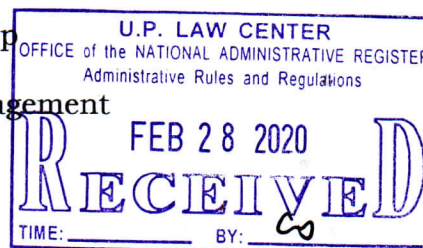
The program has the following components:

1. **Provision of Technical Assistance** – This may be in the form of mentoring, coaching, consultancy, and advisory services on various aspects of cooperative management, governance and business operations:

Forms of technical assistance shall be provided but not limited to the following:

- a. Mentoring, Coaching, Consultancy, and Advisory Services on the following areas:
  - Cooperative Annual Performance Report (CAPR)
  - Performance Audit Report (PAR)
  - Social Audit Report (SAR)
  - Operational Policies
  - Recording and Bookkeeping
  - Membership Expansion
  - Savings Mobilization and Capital Build-Up
  - Education and Training Program
  - Human Resource Development and Management
  - Products & Services
- b. Trainings/Seminars on the following areas:
  - Internal Control System
  - Basic Accounting for Non-Accountants
  - Other relevant trainings/seminars

2. **Provision of Subsidy/Assistance** – This may be in the form of financial subsidies and assistance, sponsorship in trainings/seminars/educational and other business exposure activities, or donation of units/items/in-kind



related to the various business activities/projects of the beneficiary-cooperatives;

3. **Other Assistance** – Other forms of assistance not categorized as above, but similar to the enumerated components under items 1 and 2 hereof.

### **SECTION 9. MECHANICS OF IMPLEMENTATION**

1. The CDA Extension Offices shall conduct information dissemination on the nature, objectives, and mechanics of the Program;
2. The CDA Extension Offices will provide the partner-cooperatives the list of micro and small cooperatives identified as beneficiary-cooperatives of the program in their respective regions;
3. The CDA Extension Offices will forge a Memorandum of Agreement (MOA) with the identified partner-cooperative and beneficiary-cooperative. The MOA shall contain the responsibilities and obligations among the parties in undertaking the Program;
4. The CDA Extension Offices shall validate the beneficiary-cooperatives to be indorsed to the partner-cooperative in their respective regions;
5. The partner-cooperative shall forge a MOA with the identified beneficiary-cooperative. The MOA shall contain the responsibilities and obligations of both parties in undertaking the Program.

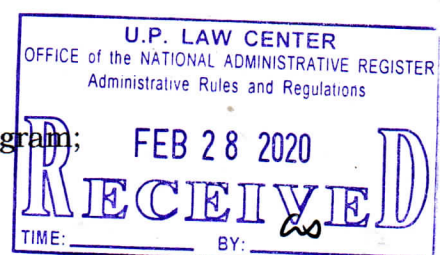
### **SECTION 10. RESPONSIBILITIES OF THE CDA, THE PARTNER-COOPERATIVE AND THE BENEFICIARY-COOPERATIVE**

#### **THE CDA**

1. To disseminate information and provide guidance about the Program to the partner-cooperatives and/or beneficiary-cooperatives;
2. To document the activities of the Program;
3. To require the partner-cooperatives to report the progress of the Program;
4. To give due recognition to partner-cooperatives who have successfully implemented the Program; and
5. To perform other functions as may be agreed upon with the parties.

#### **THE PARTNER-COOPERATIVE**

1. To ensure the successful implementation of the program;





2. To provide technical assistance, trainings or capacity-building activities for the growth, development, and sustainability of the beneficiary-cooperative/s;
3. To include the Program in its Social Development Plan and Budget;
4. To allocate funds and/or provide financial subsidies and assistance to the beneficiary-cooperative/s chargeable against the Community Development Fund (CDF) provided that the beneficiary-cooperative/s is/are within the area of its operation. Should the beneficiary-cooperative be outside its area of operations, the amount funded by partner-cooperative shall be recorded as "Social Service and Community Service Expenses";
5. To submit report on the progress of the Program to the concerned CDA Extension Office;
6. To terminate the contract upon consultation with the concerned CDA Extension Office on the bases of unsatisfactory support on the undertakings programmed by the partner-cooperative to the beneficiary-cooperative; and
7. To perform other functions as may be agreed upon with the parties.

**THE BENEFICIARY-COOPERATIVE**

1. The Board of Directors shall ensure the successful implementation of the Program;
2. To participate in all undertakings programmed by the partner-cooperative;
3. To designate a focal person upon whom the partner-cooperative or the CDA can coordinate;
4. To implement the activities/projects under the program; and
5. To perform other functions as may be agreed upon with the parties.

**SECTION 11. MONITORING AND EVALUATION**

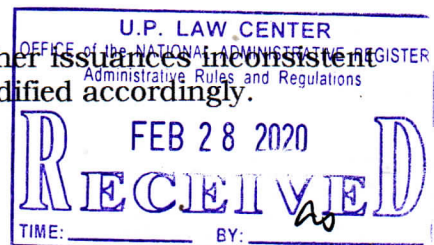
To ensure the successful implementation of the program, the partner-cooperative shall be required to submit a program progress report to the Extension Office concerned. A quarterly report will be submitted by the Extension Office to the Central Office thru the CPDAD.

**SECTION 12. SEPARABILITY CLAUSE**

If any provision of this Guidelines is declared invalid and unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

**SECTION 13. REPEALING CLAUSE**

All administrative circulars, rules and regulations and other issuances inconsistent with the foregoing provisions are hereby repealed and modified accordingly.



**SECTION 14. EFFECTIVITY**

This Guidelines shall take effect immediately upon the approval of the Board of Directors and fifteen (15) days after submission with the Office of the National Administrative Registry (ONAR).

Signed this February 21, 2020 in **Quezon City, Philippines**

**For the CDA Board of Directors:**

By:

  
**ORLANDO R. RAVANERA, CSEE, CEO VI**  
Chairman

