



2019 ANNUAL REPORT

2019 Annual Report



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The Chairman's Corner

It has been a long-enduring but fulfilling journey marked with new beginnings for the Cooperative Development Authority for the year 2019. The year was highlighted by two major feats by the Authority, one of which is the passage of Republic Act No.11364 or “An Act Reorganizing and Strengthening the Cooperative Development Authority, Repealing for the Purpose Republic Act No. 6939, Creating the Cooperative Development Authority” also known as the CDA Charter of 2019 which was signed by His Excellency, President Rodrigo Roa Duterte on August 08, 2019. The other major event was the series of consultations with the Cooperative Sector in the crafting of the Implementing Rules and Regulations for R.A. No. 11364 in which the CDA Board of Directors and Technical Committee gathered the cooperatives at the different venues to discuss the salient features of the newly assed law.

Under the law, the Authority’s functions were increased from 15 based on R.A. 6939 to 37 in which the three major pillars were included — Developmental, Regulatory, and Adjudicatory functions. With these, the Authority can now fully implement integrated and comprehensive plans and programs on cooperative development as well as settle inter and intra cooperative disputes and conflicts. This breakthrough allows the Authority to widen its horizons in bringing forth growth and development for the cooperative movement in the country in consonance with its mandate, as provided for in the highest law of the land, which is to promote the viability and growth of cooperatives as instruments of equity, social justice, and economic development. It is the dawn of a new era for the Cooperative Development Authority and throughout the year 2019, the Authority has accomplished various feats which were highlighted in this Accomplishment Report.





The Cooperative Development Program (CDP) was strengthened by the different programs and activities implemented by the Authority, including the Koop Kapatid Program, which used the Big/Small Brother concept and have provided assistance to small and newly formed cooperatives throughout the country by showcasing the 6th Cooperative Principle which is Cooperation among Cooperatives. One classic example was the assistance provided by the Most Holy Rosary Multipurpose Cooperative and the AFP Finance Center Multipurpose Cooperative (AFPFC) to their small brother cooperative, the Wounded Soldiers Agriculture Cooperative (WSAC), a cooperative composed of our modern heroes from the Armed Forces of the Philippines who were wounded in the line of duty. These big brother cooperatives provided cash donations for the establishment of WSAC's training center in Batangas and they also gave them office equipment for their office.

The Cooperative Business Matching Information System (CBMIS) on the other hand, is an information system of the Authority designed to provide an avenue for cooperatives to link up with other cooperatives and potential buyers for their products and services. During its inception in 2019, a total of 500 cooperatives initially registered in the system and the numbers kept getting bigger while the Authority developed new ways to improve the CBMIS to further enhance the user interface and the accessibility of the system.

The Authority also implemented the Mindanao Peace and Normalization Through Cooperative Development (MPNCD) which is considered as one of the major peace initiatives of the agency. The program aims to promote the inclusive growth and development of cooperatives in the areas of conflict in Mindanao through the provision of agriculture equipment and livelihood assistance to qualified cooperatives. The Marawi Rehabilitation Through Cooperativism (MRTCP) is also being implemented by the agency with the aim of providing livelihood assistance to cooperatives whose members are Internally Displaced Persons (IDPs) in the area. These two program greatly contributed to the overall effort of the government in maintaining the peace and stability in the regions of Mindanao while uplifting the lives of the members of the co-op beneficiaries.

Likewise, in our quest to bring forth advanced growth and development of cooperatives in the country, we have forged partnership with the different government agencies, private institutions, and international organizations. Such partnerships include the CDA-DAR partnership to ensure sustainable operation of registered Agrarian Reform Cooperatives (ARCs) and the CDA-DA partnership, which was intended to capacitate the compliant agricultural cooperatives in the selected provinces in the country. Furthermore, the Authority became a member of the different councils headed by the Department of Agriculture. The partnership with the Technical Education and Skills Development Authority (TESDA) was established to further strengthen the capacity and competence of cooperative members, officers and staff through access to technical and skills development trainings offered by their agency, giving priority to the indigenous peoples (IPs) and internally displaced persons (IDPs) in Marawi, Maguindanao, and its nearby municipalities, including the rebel returnees, for them to become productive citizens.



In the government's efforts to solve the insurgency problems in the country, the agency also actively participated in the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) which utilizes a holistic governmental approach in the implementation of their plans and programs. In this area, the agency has been actively engaging with cooperatives, former rebels, and indigenous peoples, among others.

In Camp Bilal, Munai, Kora-Kora, Lanao del Norte, some 15,000 MILF combatants of the North Western Mindanao Front with 5 division commanders and hundreds of front commanders under Kumander Bravo are now laying down their arms (but have not yet surrendered) to be organized into some 151 cooperatives. They are now shouting, "MGA PAGARI AKON, SAMA-SAMA NA TANU KOOPERATIBA. ISA LANG ANG AMING ARMAS NGAYON - KOOPERATIBA!"





This amazing development was followed by the MILF combatants of the North Eastern Mindanao Front from the Special Unit Task Group in Camp Argam, Lanao del Sur with some 1,500 combatants under the command of Sultan Abdul Amoran, who is half Maranaw and half Higaonon. They are now organized into the IGPANAYADUG SA ABAGA TA BAYUG AGRICULTURE COOPERATIVE.

In Sibagat, Agusan Sur, no less than the amazing Chieftain of the 10,000-Manobo Tribe by the name of Datu Arnold Acebedo, who was known before as Kumander Datu Subang of the NPA, surrendered and are now organizing themselves into cooperatives. This was also true in Lingig, Surigao del Sur where the Manobo Cemuliwanon Agri Cooperative was organized with some 1,300 members, 300 of whom were former NPA combatants.

Indeed, the spirit of cooperativism shines through amidst the darkness of poverty and social injustices -- where the poor become the poorest especially the Indigenous Peoples because they are powerless to craft their own destiny, and where massive hunger looms because of social injustice as the mode of production and ownership of basic utilities continue to be controlled by the most influential capitalists.

Through the programs, projects, and activities implemented by the Cooperative Development Authority, in partnership with the cooperative sector, the national government agencies, local government units, and private institutions, the Authority surely made a difference in the lives of the Filipino people. In the study conducted by the team of Dr. Judith Hermanson from the International Cooperative Research Group of the U.S Overseas Cooperative Development Council which has been supported by the U.S Agency for International Development (USAID), it was highlighted that “The existence of cooperatives positively influences the over-all quality of life of the community and the members enjoy better economic position.”



The accomplishments of the Authority for 2019 is a manifestation that it continues to strive in fulfilling its mandate, as stated in the highest law of the land, the 1987 Philippine Constitution, to “promote the viability and growth of cooperatives as instruments of equity, social justice and economic development” not just for the year 2019 but in the years to come.

A. Report of the Executive Director

The Cooperative Development Authority is mandated by law to promote the viability and growth of cooperatives as instruments of equity, social justice, and economic development in fulfillment of the mandate in Section 15, Article XII of the Constitution.

As a response to this, the Authority has been continually developing, improving, and enhancing methods, approaches, and systems to cope with the ever-changing laws, rules, and regulations and efficiently serve the cooperative sector, cooperative development partners, and national agencies.

The Authority has stood its ground in delivering excellent services anchored on its Quality Policy and as an ISO Certified agency, notwithstanding its meagre financial, human, and material resources.

With the advent of the Republic Act No. 11364, also known as the Cooperative Development Authority Charter of 2019, the functions of the Authority, as enshrined in the Constitution, are clearly defined and strengthened. The law further provides the agency with power to regulate and adjudicate cooperatives.

The Annual Report 2019 encapsulates the projects and programs accomplished by the Authority, how they correlate with its amended Charter and the Philippine Cooperative Development Plan (PCDP). It demonstrates the complementary functions of the Authority within the thrust of the National Government.





As of December 2019, there are

18,581

Operating Cooperatives
in the following islands

Luzon

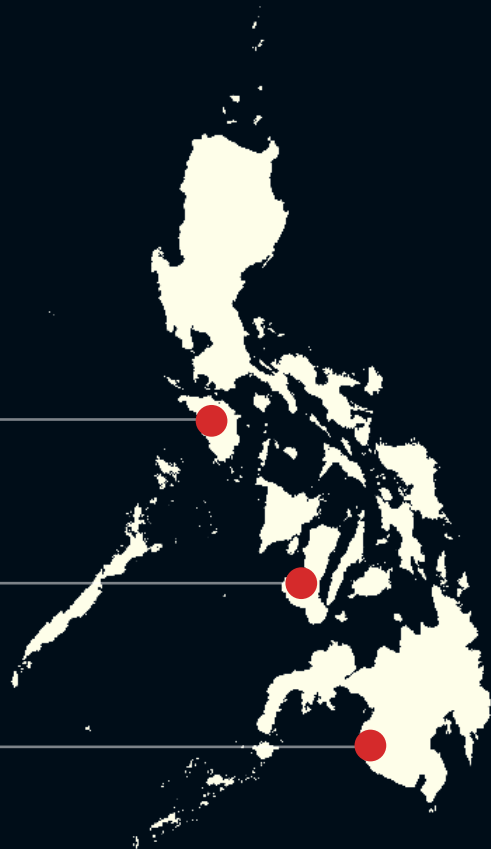
10,234

Visayas

3,608

Mindanao

4,739



These cooperatives have

Total membership of

11.6

million

Male members

5,042,995

Female members

6,512,510

Total asset of

512

Billion pesos

a net surplus of

22

Billion pesos

and have generated

513,000

jobs

To address the needs of thousands of cooperatives and their millions of members, the Authority has 2 major programs focused on improving the growth and viability of cooperative enterprises:

- 1) Cooperative Development Program; and,
- 2) Cooperative Regulation Program.

Cooperative Development Program (CDP)

The Authority has exceeded its targets for this year in terms of the graduation of micro cooperatives to small cooperatives, and small cooperatives to medium cooperatives. This can be attributed to the Handholding Program of the agency implemented in 2018, by providing developmental interventions.



Target



Accomplishment

Number of compliant micro and small cooperatives graduating to small and medium (in terms of asset)



334 from micro to small



415 from micro to small

164 from small to medium

212 from small to medium

As for the percentage and number of registered cooperatives provided with technical assistance, the Authority has once again exceed its targets, consistent with the implementation of the handholding program. Details can be seen in the table below:



Target



Accomplishment

Percentage and number of registered cooperatives provided with technical assistance

80%

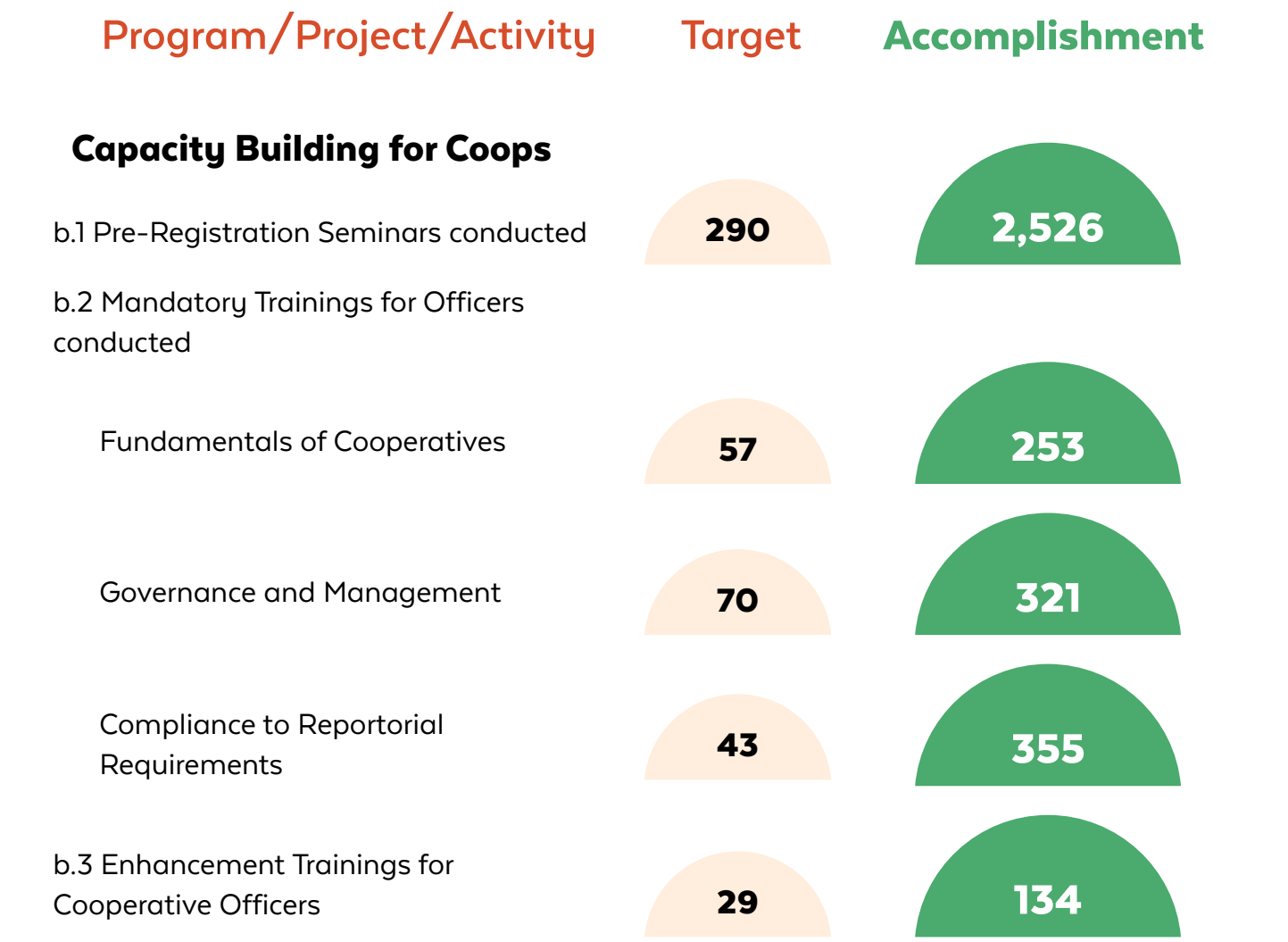
or 9,924 of micro and small coops

172%

or 13,553 micro and small coops



The agency also has a Capacity Building Program for Cooperatives, Pre-Registration Seminar, mandatory trainings for micro cooperative officers, and enhancement trainings for cooperative officers. Based on the physical report of the Authority for 2019, the target set has been accomplished more than 100%.



These numbers show that there were those interested in forming cooperatives as long as they are well-informed of the basic principles of cooperatives, laws, rules, and regulations. For those who have just started a cooperative, particularly the micro cooperatives, the Authority equips them with capacity building for entrepreneurial and managerial skills in order for them to efficiently operate. This is also to inculcate in them the cooperative way of life. Taking into consideration their financial limitations, the Authority provides these trainings for free.

The Authority also has several sub-programs under the CDP. These programs ensure the provision of assistance to cooperatives even in the farthest areas of the country. This is also part of the Authority’s advocacy to promote people, planet, prosperity, and peace through cooperativism, joining the call of the United Nations in its 17 Sustainable Development Goals (SDGs) that includes stopping poverty, hunger, social injustice, and gross social inequities.

The programs implemented were the following:

- 1) Koop Kapatid Program;
- 2) Cooperative Market Access through Cooperative Business Matching Information System (CBMIS);
- 3) Marawi Rehabilitation Through Cooperativism (MRTCP); and,
- 4) Mindanao Peace and Normalization Through Cooperative Development (MPNCD).

There were partnerships forged also, both locally and internationally, by establishing and continuing programs that will benefit both the Authority and the cooperative sector. the Authority has displayed its enthusiasm to take head-on such collaborations that are certain to revitalize and elevate the entire cooperative community as a contributing sector in the socio-economic endeavors of the country. These partnerships were with the following national agencies and private organizations:





As part of its PCDP Strategic Goal No. 2, Improved Institutional Development, Governance, and Management, CDA has established an awards system, the CDA Gawad Parangal, where stories of winners were documented and published in the Authority’s website. In 2019, the Authority also partnered with GMA Network Inc. to create an Audio Visual Production (AVP) on CDA Gawad Parangal winners. This partnership with mainstream media to promote cooperatives is a first in the history of the Authority. Best practices of cooperatives were also documented, as well the conduct of Forum on Research Studies and National Research Forum on Cooperatives, where inventories of existing research materials on cooperatives were presented and showcased.

Cooperative Regulation Program (CRP).

Even before RA 11364 was approved, the Authority already has established regulatory services in response to the call of the times. Systems were in place to ease the conduct of business of both external and internal clients. CDA has been regularly undergoing capacity enhancement, helping personnel become adept in using the said systems.

In terms of registration, the CDA Head Office has



The Authority also received numerous applications for Transport Cooperatives as a result of the PUV Modernization Program.

Cooperatives within the jurisdiction of the CDA Head Office were also monitored and inspected, as part of the responsibilities of the Registration Division (RD) and the Regulation Division (ReD). ReD is a newly created division approved by the Department of Budget and Management (DBM).

The Authority has also been very pro-active in performing its regulatory functions by crafting various issuances that are guiding cooperatives in their day-to-day operations. Some of these guidelines were crafted with the participation of the cooperative sector and cooperative development partners.

The Authority has continually provided legal services for internal and external clients. Apart from the technical advisory services provided, policy issuances were released for the standard interpretation of laws, rules, and regulations. A series of review of the revised Implementing Rules and Regulations (IRR) of RA 9520 were held, in compliance with the automatic review of the IRR every 3 years as provided in the said law.

Another newly formed department is the Credit Surety Fund (CSF) Department. The CSF Department was created in pursuant to RA 10744, otherwise known as the Credit Surety Fund Cooperative Act of 2015. Orientation-seminars for its personnel were conducted to familiarize them with RA 10744 and its implementing rules and regulations. As of December 2019, there were three (3) CSF Cooperatives registered, as result of the monitoring and thorough evaluations of documentary requirements.

Management and other support services. The management of the Authority delivered and exceeded its target for year 2019. Through collaborative efforts between the management and support services for the Authority’s workforce, workshops on the Omnibus Rules on Appointments and other Human Resource Actions (ORAOHRA) were conducted so that CDA will have a deeper understanding of the ORAOHRA and be able to update its Merit Promotion Plan.

To recognize the contributions of the Authority’s employees, a Gawad sa Natatanging Kawani ng CDA was initiated and guidelines were crafted. For the supervisors and personnel to develop skills that will result in a more systematic, effective, and highly productive people management scheme, the Supervisory Development Program (SDP) and Human Resource Development Training were conducted.

In order to be at par with the constantly changing information system requirements and for CDA personnel to be able to provide effective and efficient services to clients, procurement and upgrading of ICT machineries and equipment were necessary. The development and enhancement of Information Systems were put in place to ease the conduct of business of cooperatives and facilitate the orderly submission of cooperative mandatory requirements to the Authority.

As an ISO-certified agency since 2012, the Authority has maintained its ISO 9001:2005 certification and enhanced the processes involved in order to attain that, through the combined efforts of its Head Office, Regional Offices and external partner, TUV Rheinland.

These accomplishments were done with the excellence, integrity, and teamwork of each and every official, officer, and personnel of the Authority. These accomplishments were made possible because of the Authority’s commitment and dedication to achieve the targets, despite the challenges and trials encountered along the way to success.

RAY R. ELEVAZO, CESE, MNSA
Executive Director



B. Introduction

“COOPERATIVISM: Trailblazing The Paradigm Shift Towards Sustainability and Social Inclusion”

The 2019 Annual Report embodies the Authority’s nationwide gains and accomplishments in relation to its (1) mandate, particularly in registration, development, and regulation of all types of cooperatives; and, (2) thrust and advocacy in line with the UN Sustainable Development Goals (SDGs) for people, planet, prosperity, and peace. In effect, trailblazing the paradigm shift towards sustainability and social inclusion.

The report highlights the roadmap of existing and new policies and programs, which draws those in the margins into the mainstream of development processes through cooperativism and democratizes wealth and power despite a highly skewed pyramidal societal order. Subsequently, year 2019 is a big break for the Authority because the long-dreamed amendment to its charter, the R.A. 11364 also known as an Act Reorganizing and Strengthening the Cooperative Development Authority, Repealing for the Purpose Republic Act No. 6939, was finally approved.

Under the new charter, six (6) Board of Directors will respectively represent a cluster of cooperatives instead of per island group. They are to represent the following cooperative sectors:

- a) Credit and financial services, banking, and insurance;
- b) Consumers, marketing, producers, and logistics;
- c) Human services: health, housing, workers, and labor service;
- d) Education and advocacy;
- e) Agriculture, agrarian, aquaculture, farmers, dairy, and fisherfolk; and
- f) Public utilities: electricity, water, communications, and transport.

Further, they will also function as a policy-making body and adjudicating body on cases involving cooperatives and their members.

Indeed, this will further empower the Authority to respond effectively and efficiently to the demands and issues of the cooperative sector. This will advance the promotion of cooperativism as a countervailing force against poverty, inequity, social injustice, insurgency, and climate change.

Empowering the poor and the vulnerable and drawing them into the mainstream of development are not easy tasks. It is imperative to strengthen an Authority that is mandated to promote the viability and growth of cooperatives. With the new law, R.A. 11364, the Authority will be able to perform its developmental, regulatory, and developmental functions to advance human dignity, ecological integrity, equity, peace, and progress.

As we, in the Authority, made history in 2019, we look forward to more productive and successful years in public service. We count on the continuous and active participation as well as the unfaltering trust and support of the National Government, partner Government Agencies, Local Government Units, cooperative leaders, members, and stakeholders.

C. 2019: A look at the Authority’s Programs which Trailblazed the Paradigm Shift Towards sustainability and Social Inclusion

A. KOOP Kapatid Program

The Koop Kapatid Program serves as one of the flagship activities of CDA in support of the “Biyaya ng Pagbabago Tungo sa Masagana at atiwasaay na Buhay Pilipino”, a newly conceptualized poverty alleviation program of the Duterte Administration. Essentially, the program was crafted to establish a formal and effective linking relationship among cooperatives for mutual economic advantage and improvement of management efficiency.

Anchored on the 6th Cooperative Principle, which is “Cooperation Among Cooperatives”, the main objective of the program is for the Authority to link successful cooperatives (Big Brother) with micro/ small cooperatives (Small Brother) and help provide assistance to make the small cooperatives viable and sustainable. The Authority also consolidated the list of “Big Brother” and “Small Brother” cooperatives which participated under the program. This was necessary in the assessment and evaluation of the cooperatives.

After preparing the guidelines on the implementation of the Koop Kapatid Program, the regional offices were consulted and on November, the Board of Administrators approved the proposed guidelines. A consultation forum was conducted last December 16, 2019 with the participating cooperatives in NCR, Region III, and Region IV.



B. Cooperative Market Access through Cooperative Business Matching Information System (CBMIS)

The Cooperative Business Matching Information System (CBMIS) was designed to promote cooperative products and services through an online platform. The roadshows conducted last year on a per island-region setting have gained headway as the system generated a total of 500 cooperatives that have made their products and services available for prospective clients and business partnerships.

With the introduction of CBMIS, the Authority is optimistic that the system will play a pivotal role in matching the producer and consumer cooperatives in a more efficient way by sharing relevant online information in this modern era.

The System is being enhanced for a more interactive process to promote transactional efficiency among cooperatives.

C. Marawi Rehabilitation Through Cooperativism (MRTCP)

The project was launched by The Authority last July 2018 with the aim of helping cooperative members who were identified as Internally Displaced Persons (IDPs). The cooperative beneficiaries, selected based on the criteria made by the Authority, were capacitated and the IDPs who are members of such cooperative were provided with business and livelihood assistance. As of December 2018, the project has already surpassed its initial target beneficiary. It reached 103 vis-a-vis the 73 cooperatives that were targeted for the year 2018-2019. This translated to almost 4,500 individual member-coverage. The Authority's Central and Kidapawan Regional Offices also implemented the Project worth Php 76.15 million for 2018.



D. Mindanao Peace and Normalization Through Cooperative Development (MPNCODE)

This project is a key socio-economic component of the peace initiatives of the Authority. With a budget of Php 73.7 Million, cash incentives were given to seventy (70) beneficiaries identified by five (5) Regional Offices (ROs) in Mindanao. It intends to positively contribute to the normalization process in conflict areas of Mindanao through a development package that aims to organize sustainable and self-reliant cooperatives among the decommissioned combatants of the Bangsamoro Islamic Armed Forces (BIAF). The project primarily aims to provide mobile mini rice mills among pre-selected cooperatives in Mindanao and a complementing livelihood support program to sustain their cooperatives' operations.



Representatives from the Authority attended various meetings on the Notice of Suspension, Consultation and Review of the Policy Guidelines, Work and Financial Planning of the Project, consultation regarding proposed accreditation guidelines for cooperative beneficiaries of MPN-CODE and the Commission on Audit (COA).

In order to put a system of procedure for orderly disbursement of the MPN-CODE, the actions, such as the following, were undertaken: (1) submitted to BOA for approval the proposal to Centralize the Disbursement of the 2019 MPN-CODE; (2) increased of the Fidelity Bond under the 2019 MPN-CODE Project; (3) initiated action on the letter from Davao Regional Office regarding COA Suspension; (4) revised the monitoring form of MPN-CODE; (5) proposed amendments on the approved list concerning the MPNCODE; (5) prepared a memo to the Extension Offices on the revised monitoring form of MPN-CODE; and- revised the Monitoring Form of MPN-CODE. Also, the Head Office prepared and sent a memorandum to five (5) ROs in Mindanao to facilitate the preparation of the Monthly Disbursement Program as one of the requirements for the release of funds by DBM while expecting for the release of SARO.



E. CDA-DAR Partnership Program II

The Authority and the Department of Agrarian Reform (DAR) undertook a collaborative project “CDA-DAR Partnership Program II: Ensuring Sustainable Operations of Registered Agrarian Reform Cooperatives (ARCs)”. It seeks to develop the ARCs’ functional goals and manage profitable and sustainable enterprises in order to help their members improve their quality of life.

A technical working group meeting was conducted in March which explored the requirements for the implementation of Program II. The CPDAD also facilitated the refund of Php 92,030.26 to DAR. This was the excess from the fund under the CDA-DAR Partnership Program I. CDA was able to submit the Liquidation Report of the Five Million Pesos (Php 5,000,000) which was released by DAR to CDA for the beneficiaries under the Partnership.

F. CDA-DA Partnership

This partnership program aims to capacitate the compliant agricultural cooperatives in ten (10) selected poorest provinces of the country, namely: Lanao del Sur, Eastern Samar, Apayao, Maguindanao, Zamboanga del Norte, Sarangani, North Cotabato, Negros Oriental, Northern Samar, and Western Samar.

In line with this partnership, the Authority participated in two meetings with the Philippine Council for Agriculture and Fisheries (PCAF) in January and February to discuss the proposed guidelines regarding agriculture and fisher folks. Also, the CPDAD staff attended the Philippine International Livestock Nutrition Health and Production and Meat Industry Exposition, meeting with Agriculture & Food Committee at the House of Representatives, meeting with the Department of Agriculture (DA) and Ministry of Agriculture and Marketing of Buyhan Representative, meeting with DA-Farmers and Fisherfolks Enterprise Development Council (FFEDC)’s 1st Council, consultative meeting on the Philippine Rural Development Project (PRDP) for possible funding of cooperatives, meeting with the Agriculture and Food Committee where an initial deliberation of House Bill No. 392 took place, and several meetings on IRR drafting and consultation of Sagip Saka.

G. Asset Recovery Program (Cleansing of Records/Writing Off)

In pursuit of the Authority’s asset recovery program on cooperatives with delinquent accounts, twenty-three cooperatives with delinquent accounts were endorsed to the Commission on Audit (COA) to write them off. The total amount recommended for writing-off is Two Million Three Hundred Ninety-Six Thousand Seven Hundred Seventy-Seven Pesos and Fifty-One Pesos (Php 2,396,777,51). Related activities in this initiative include the retrieval of loans and CDF/CIA documents from the storeroom for validation, liquidation report of Libacao MPC and Ylang Ylang Multipurpose Cooperative, meeting with Finance regarding the reconciliation of the Authority’s financial records especially on accounts due from NGOs/POs, sending a letter to Land Bank Trust Banking Group, and conducting a meeting regarding the redemption of Sinking Fund.

Through CPDAD, the Authority wrote to the Philippine Deposit Insurance Corporation (PDIC) regarding the claims against the Peninsula Development Bank, Inc. (now a closed bank) which was one of the identified beneficiaries granted with a loan under the Cooperative Development Loan Fund (CDLF), a loan program which was assumed by the Authority from DA intended for the Samahang Nayon (SN).

H. Other Advocacy Programs and Initiatives

a. Promotion/Advocacy for Housing Coops - The Authority coordinated/facilitated the meeting of the Joint Monitoring Evaluation Committee (JMEC) composed of DENR, DILG, FPSDC, HDMF, HUDCC, IPSCED, SHFC, NATCCO, NHA, NHMFC and CDA which was held on February 20, March 3 & 29, 2019 in preparation for the conduct of assessment on housing cooperatives. Also, the Authority conducted the Assessment Workshop to review the proposed Memorandum Circular on Guidelines for Cooperative Housing Program. This was held at Bohol Bee Farm on May 15-17, 2019.

b. Modernization Program & Services of Transport Cooperatives - The Authority coordinated/facilitated the orientation on Public Utility Vehicle (PUV) Modernization Program to create awareness among Head Office officers and personnel on January 16, 2019 at the CDA Head Office. This was in partnership with the Office of Transport Cooperatives (OTC);

c. Labor Service Cooperatives Consultation - A consultation meeting with labor service cooperatives was held on January 23, 2019 at the CDA Head Office. A meeting to draft the guidelines concerning labor service cooperatives was held on March 20-21, 2019;



d. Initiatives Showing Support for Youth Cooperatives – In support of our youth cooperatives, the Authority participated in the Youth Entrepreneurship Summit which was held on March 8 and the Youth Entrepreneurship Program (YEP) NCR Roadshow that was held on November 26 and the Mindanao Roadshow of DTI's launching of Youth Entrepreneurship Program on June 27, 2019 in Davao City. The Authority likewise participated in the Workshop on the Role of Micro, Small, and Medium Entrepreneurs (MSMEs) in Achieving the Social Development Goals (SDGs) in the Philippines, with focus on youth entrepreneurship, on April 3, 2019 at the City Garden Grand Hotel. The Authority coordinated with the LGU of Montalban, Rizal and successfully conducted the Cooperative Youth Fair in the same place where approximately 244 youth participants attended the event.

e. Efforts to Strengthen the Cooperative Banks – The Authority facilitated a meeting regarding the status of Cooperative Banks and reviewed the bills filed in Congress on the Cooperative Banking Act on March 7, 2019. A meeting with other government agencies regarding the merger, consolidation, and acquisition of banks on June 17, 2019 was attended at the PDIC Building, Makati. The Authority participated in TWG meetings with BSP and LBP and attended the House of Representatives' hearing on the representation of the cooperative sector in the LBP Board;

f. Promotion/Advocacy on the National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) – The Authority attended the 6th NTF-Poverty Reduction Livelihood and Employment Cluster meeting held on October 31, 2019 at TESDA Head Office.

g. Establishing Foreign Alliances/Linkages – The Authority sent representatives to establish partnerships with foreign organizations. CPDAD Chief Pedro Defensor, Jr. attended the 8th ASEAN Cooperative Business Forum (ACBF) in Bangkok, Thailand on Feb 25 to 28, 2019. Mr. Defensor's attendance is part of the Authority's active membership in the Asian Pacific Rural and Agricultural Credit Association (APRACA), Network for the Development of Agricultural Cooperatives (NEDAC), and the International Cooperative Alliance (ICA). Also, Acting Chief Cherry Reyes attended the meeting with the Department of Agriculture Marketing and Cooperatives (DAMC) of the Ministry of Agriculture and Forests (MOAF) of the Kingdom of Bhutan. This was held on November 26, 2019 at the CDA Head Office

h. Strengthening of Cooperatives as Business Enterprises – CDA Head Office consolidated the reports submitted by Regional Offices on the profiled cooperatives with financial inclusion activities and attended the meeting with LBP regarding Financial Inclusion through Cooperativism (FIT Coop) which was held on Nov. 20, 2019. The Authority also attended the conference on crafting market and developing movable asset finance systems for financial inclusion held on December 6, 2019. In line with the Value-Chain Program for Cooperatives, the profile of cooperatives engaged in value chain processes was updated.



D. Research and Development

1. Forum on Research Studies in Cooperatives In partnership with the Polytechnic University of the Philippines (PUP) College of Social Science and Development and the University of Asia and the Pacific (UAP), the Authority conducted the Forum on Research Studies in Cooperatives on August 6, 2019 at the CDA Head Office. Faculty professors and deans of different State Universities and Colleges attended the program.

During the forum, inventories of existing research materials on cooperatives were presented by the Authority, PUP, and UAP. The group agreed to have a second round of forum where these research materials will be presented. Prior to the actual forum, two (2) Technical Working Group (TWG) meetings were conducted at the CDA Head Office to discuss the preparatory task and activities, program preparations, presentation of speakers, and the facilitation of the actual forum.



2. National Research Forum on Cooperatives and Launching of Call for Papers On Studies regarding Cooperatives To drumbeat researches on co-operatives, a National Research Forum on Cooperatives and the Launching of Call for Papers on Studies on Cooperatives with a theme "Co-ops Raising the Bar on Research and Development in the IR 4.0" was held on October 30, 2019 at the Polytechnic University of the Philippines, Sta. Mesa, Manila. This event was organized to present and showcase some research studies on cooperatives. About 100 participants from universities/colleges with cooperative programs, universities/colleges with existing co-ops, cooperative federations, unions, 120 PUP students, and other stakeholders participated in the forum. The forum also launched the International Conference on Studies in Co-ops.

Among the Research Studies presented during the forum were:

A Case Study of A Century Co-operative: Factors for Sustainability by Prof. Bien P. Nieto of UAP
Community Development Best Practices by Prof. Rimando E. Feliciano of PUP
Development of Performance Models and Capacity Building Framework for Micro and Small Multipurpose Cooperatives in Ilocos Norte, Philippines by Prof. Errol John V. Valdez, PhD of the Divine Word College of Laoag
The Theory and Praxis of Workers Co-operatives as Models of the Social Economy as Paradigm for Capital Innovation by Prof. Hilda F. San Gabriel, DBA
Chairperson, Department of Cooperatives and Social Development of PUP
Increasing the Capacity of the Co-operative Development Authority for Sustainable Growth of Cooperatives in the Philippines byt Exec. Dir. Ray R. Elevazo, CSEE, MNSA of the Cooperative Development Authority



3. Research Conference in Coordination with the Overseas Cooperative Development Council (OCDC) of USAID CDA, being the country partner of the OCDC in their initial launching of their studies on cooperatives, attended the conference entitled **INITIAL FINDINGS AND POLICY DIALOGUE: WHAT DIFFERENCE DO COOPERATIVES MAKE? PHILIPPINES COUNTRY STUDY**. The conference was conducted at the EDSA Shangri-La on July 30, 2019. The activity was attended by invited representatives of cooperatives, academe, national government, and non-government organizations. OCDC presented a report on their study which was conducted through a commissioned research organization.



E. Information and Advocacy

1. Development of the Authority's Audio-Visual Presentation (AVP) The Authority's AVP was created in coordination with Red Root Artists and Artisans Multipurpose Cooperative. The AVP has three (3) series:

- a) About the CDA;
- b) CDA Programs; and
- c) The Phil. Cooperative Development Plan.

Initially, eight (8) cooperatives have been identified to be part of the presentation materials. In creating the AVP, Red Root Artists and Artisans Multipurpose Cooperative prepared the scripts and storyboard and visited regional offices and other cooperatives as part of the agreement with CDA.



2. Radio/TV Program Coordination

CDA officers and cooperatives participated in the weekly program of Ugnayang Kooperatiba – Radio Pillipinas and with Buhay Kooperatiba of Radio Veritas. Representatives from the Authority and cooperatives nationwide were interviewed for about 30 times from July to December of 2019

3. Review and Printing of Information Materials

A review of the Authority's primers and cooperative primers was conducted and the production thereof was made during the year.

4. Coop Film Festival

The Co-op Film Festival project, which featured documentaries on outstanding cooperatives, started with the initiative of former Administrator Benjie S. Oliva and was put into action when former Senator Joseph Victor Ejercito inserted Php 6,500,00.00 for the full implementation of the project.

Former Adm. Benjie S. Oliva, together with the Authority's IDD-CRITD staff initially met with the Film Development Council of the Philippines (FDCP) and had a proposal on how to proceed with the program, but due to the change in management, the FDCP team with whom the CDA group initially met with, was no longer connected to FDCP. However, with the professional and technical assistance of GMA News Inc., the project pushed through and was implemented in November featuring the following 2018 Gawad Parangal winners: Lamac Multipurpose Cooperative – Pinamungajan, Lamac, Cebu; San Jose Sico Landfill Multipurpose Cooperative – San Jose Sico, Batangas City; Barbaza Multipurpose Cooperative – Cubay, Barbaza, Antique; and Manuel Guianga Sirib Growers and Employees Multipurpose Cooperative – Calinan, Davao City.

The film documentary centered on the impact of the cooperatives in the lives of their members and at the same time promoted the services of the cooperatives.

Among other perquisites, the Authority was able to engage in a partnership with GMA Networks for the coverage of the Gawad Parangal Awarding Ceremony. Interviews with Chairperson Orlando Ravanera, Executive Director Ray Elevazo, and CDA Regional Directors whose cooperatives were also featured. The coverage of the CDA Gawad Parangal Awarding Ceremony was shown in the Unang Hirit Program



5. CDA Gawad Parangal for Cooperatives and Partners Various activities were undertaken in line with the implementation of the program which includes the review GP Guidelines, orientation and workshop among CDA GP Focals in the Regional Offices, review and evaluation of the nomination documents based on completeness, criteria (off-site) and field validations (on-site), Technical Working Group (TWG), Program Management Committee (PMC), and Board of Judges (BOJ) meetings, preparation of reports, materials, and presentations for all these meetings, invitations and coordination with partners, venue preparation, and coordination of participants and winners.



Gawad Parangal Winners



Micro Category

Litolet Consumers Cooperative - Litolet, Siayan, Zamboanga Del Norte Region IX	Diocese Of Maasin-Bec Credit Cooperative Rizal, Sogod, Southern Leyte Region VIII	Sayaw Consumers Cooperative Sayaw, Siayan, Zamboanga del Norte Region IX
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Small Category

San Jose Sico Landfill Multipurpose Cooperative San Jose Sico, Batangas Region IV-A	Tabon Secondary Teachers and Employees Multipurpose Cooperative Tabon, Bislig City Region XIII	Cortes Multipurpose Cooperative Basilisa, Dinagat Islands Region XIII
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Medium Category

Kooperatiba Naton Multipurpose Cooperative Buyuan, Tigbauan, Iloilo Region VI	East Avenue Medical Center Cooperative East Avenue, Diliman, Quezon City NCR	Tilambo Multipurpose Co-operative Tilambo, Taysan, Batangas Region IV-A
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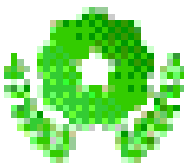
Large Millionaire Category

Bagong Barrio Multipurpose Cooperative Bagong Barrio, Pandi, Bulacan Region III	Watchlife Workers Multipurpose Cooperative Mariveles, Bataan Region III	Lezo Multipurpose Cooperative Poblacion, Lezo, Aklan Region VI
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Large Billionaire Category

DCCCO Multipurpose Cooperative Dumaguete City, Negros Oriental Region VII	Barbaza Multipurpose Cooperative Cubay, Barbaza, Antique Region VI	
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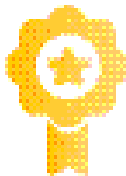
Hall of Fame



Small Category

San Jose Sico Landfill Multipurpose Cooperative San Jose Sico, Batangas Region - IV-A

Special Citations



Exemplary Performance in Cooperative Social Responsibility

1. Steward-Leaders Savings and Credit Cooperative - Lalud, Calapan City
2. San Jose Sico Landfill Multipurpose Cooperative - San Jose Sico, Batangas
3. Lezo Multipurpose Cooperative - Poblacion, Lezo, Aklan

Excellence in Providing Financial Inclusion Services

Providers Multipurpose Cooperative - Magsaysay, Naguilian, Isabela

Excellence in Membership Growth and Expansion Program

Kooperatiba Naton Multipurpose Cooperative - Buyuan, Tigbauan, Iloilo

Best in Gender and Development Mainstreaming

1. Government Employees of Tayabas Multipurpose Cooperative - City Hall Compound, Tayabas City
2. DCCCO Multipurpose Cooperative - Dumaguete City, Negros Oriental



6. Other Advocacy Activities

International Cooperative Day 2019 - Facilitated the celebration of the International Day of Cooperatives which was held on July 6, 2019. During the event, the launching of the Coop Film Festival was undertaken.



F. Accreditation Programs



1. Accreditation of Cooperative Training Providers (CTPs) The Authority evaluated all applications for accreditation of CTPs, show cause orders were issued to applicants with violations or who were non-compliant. The Authority also conducted the monitoring and pre-testing of tools for the Accredited Training Providers (ATPs): 1 NGA and 1 coop union.

As of December 31, 2019, there were one hundred fifteen (115) valid accredited training providers. From July to December 2019, the CDA Board of Directors approved the application of thirty-seven (37) cooperative training providers giving them renewed accreditation which is good for two (2) years.

2. Accreditation of Cooperative External Auditors (CEAs) A total of 92 individual CEA applications and 14 applications of Auditing Firms for initial and renewed accreditation were approved by the CDA Board of Directors from July to December of 2019. The Authority's Cooperative Research, Information and Training Division (CRITD) discussed and updated the monitoring tools, prepared show cause for the erring CEAs, and attended hearings of the CEAs with cases. The total number of accredited Cooperative External Auditors (CEA), as of December 2019, was 1,517 Individual CEAs with 786 valid accreditation and 140 accredited Auditing Firms with 83 valid accreditations. Below are the total valid Cooperative External Auditors

VALID INDIVIDUAL CEA AS OF DECEMBER 2019

REGION	NO. OF VALID CEA	PERCENTAGE
CAR	30	4%
I	28	4%
II	25	3%
III	76	10%
NCR	169	22%
IV-A	129	16%
IV-B	19	2%
V	24	2%
VI	50	6%
VII	58	7%
VIII	16	2%
IX	22	3%
X	40	6%
XI	55	7%
XII	28	4%
CARAGA	17	2%
TOTAL	786	100%

VALID AUDITING FIRMS AS OF DECEMBER 2019

REGION	NO. OF VALID CEA	PERCENTAGE
I	1	1%
II	1	1%
III	7	9%
NCR	43	52%
IV-A	5	6%
V	3	4%
VI	2	2%
VII	9	11%
VIII	1	1%
X	5	6%
XI	5	6%
CARAGA	1	1%

G. Review of Guidelines and Standards



A meeting on July 10, 2019 was organized by CRITD together with the Regulation Division (ReD) and other personnel from nearby CDA Regional Offices for the finalization of the amendment of the memorandum circular on Philippine Financial Reporting Framework (PFRF) and Standard Chart of Accounts (SCA) for Cooperatives.

The CDA Board of Directors approved on August 2019 the Memorandum Circular 2019-10 Revised Guidelines on the Accreditation of Cooperative External Auditor which was submitted to the Office of the National Administrative Register on September 4, 2019. The approved revised guidelines were transmitted to all CDA Regional Offices through a memorandum dated September 19, 2019. The Authority also issued an advisory to all Cooperative External Auditors (CEAs) on the revised guidelines for their information and guidance. The said advisory and the MC 2019-10 were posted on our official website for easy access.

A review on the Circular on the Allocation of Patronage Refund, CDF, and CETF in consultation with cooperatives were held on June 11, 2019 where approximately 70 participants attended.

H. Gender and Development (GAD)

The Authority facilitated the 4th National Summit on Gender and Development (GAD) in Cooperatives with the Gender Equality Resource Center Inc. (GERC Inc.) as organizer. The theme of the summit is Co-ops Flexing Resiliency through Gender and Youth which was scheduled to be held on April 2-3, 2020 at SMX, Lanang, Davao City.

In preparation of the summit, the Authority and GERC Inc. held and attended the TWG, LCDOP, GAD Promotion and Development in the LGUs meetings, GAD Training of Trainers, and Gender Analysis and Planning Workshop. It was also during this month that the DILG Memorandum Circular 2019-212 4th National Summit on Gender and Development (GAD) in cooperatives was signed.

Aside from the preparatory activities for the summit, nine (9) personnel from the Authority's regional offices attended the Training of Trainers on GAD for Cooperatives Level 1 from July 22-26, 2019 at Davao City.





I. Partnership and Linkages



1. National Cooperative Development Council (NCDC) Meetings were conducted for the continuing plans and programs of the NCDC including the proposed National Convention for Cooperative Development Council. The following meetings were held:

Review of budgetary requirements for the proposed Convention of Cooperative Development Council which was held on August 8, 2020; Joint meeting with RCDC members by the Executive Officers on November 13, 2019; and Discussion on the proposal to conduct a Convention of Cooperative Development Council which was finalized and approved by NCDC Officers and Regional Cooperative Development Officers (RCDC) on December 5, 2019.



2. CDA-TESDA Partnership Program

A Partnership program between Cooperative Development Authority (CDA) and Technical Education and Skill Development Authority (TESDA) was established to strengthen the capacity and competence of the cooperative members, officers, and staff through technical and skill development trainings. The signing of Memorandum of Agreement (MOA) was conducted last October 22, 2019.

The partnership aims to prioritize the strengthening and competency of the cooperators, especially indigenous peoples (IPs), rebel returnees, and internally displaced persons (IDPs), in Marawi, Maguidanao, and its nearby municipalities in order to help them become productive citizens of the Philippines.

After the successful signing of the agreement, the Authority and TESDA (Partnership and Linkages Office) technical staff conducted a meeting to discuss the implementation of the partnership program wherein the Authority was briefed on the scholarship programs that TESDA is implementing. In the said meeting, it was decided that the constitution of the Coordinating Committee be crafted. The said committee will be in charge for the conduct of regular monitoring and updating in the implementation of the partnership program, as well as the formulation of guidelines. The Coordinating Committee is composed of the following:

For TESDA: Executive Director for PLO Ms. Sonia S. Lipio, Officer-in-Charge, PND-PLO Ms. Cecilia G. Ofindo, and Mr. Rodger Patrick M. Castillo, Senior TESDS, PND-PLO and,

For CDA: Executive Director Ray R. Elevazo, Director Pedro T. Defensor, Jr., Chief Melissa C. Santos, and EA IV Edmund Chris S. Acosido

The CDA Board of Directors approved the abovementioned CDA representatives on December 17, 2019 and a corresponding Special Order was issued

During the CPAPC in December 2019, CDA invited TESDA to give an orientation/briefing among the CDA officials, officers, and staff. Supervising TESD Specialist Cylie Amor G. Litao acted as the resource person of TESDA's Technical Vocational Education and Training (TVET) and Competency Development Program.



3. CDA-PICPA Partnership

Meetings were conducted as part of the preparations for the ISLAND-WIDE FORA OF COOPERATIVE EXTERNAL AUDITORS. Likewise, the Authority held meetings on the review of the Guidelines for Accreditation of Cooperative External Auditors (CEA) and Philippine Financial Reporting Standards (PFRF) including Standard Chart of Accounts (SCA) with the Philippine Institute of Certified Public Accountants (PICPA) and review of the SCA and PFRF with consideration on special types of cooperatives on January 25, 2019.



4. Seminars, Conferences and Partnership/ Collaboration with Other Organizations

- Teleconference/Research forum with US OCDC on June 19, 2019 on the difference that cooperatives make;
- Meeting with the National Wage and Productivity Commission (NWPC) regarding Productivity Olympics on June 20, 2019 at the Pan Pacific Hotel;
- Meeting with the Department of National Defense (DND) on the Balik-Loob Program on June 19, 2019;
- Meeting with CODE-NGO regarding the MOA on June 24, 2019;
- Micro Insurance Round Table Conference with the Insurance Commission on June 24, 2019;
- Meeting with DENR-Forest Management Bureau on June 24, 2019;
- Office of Transportation Cooperatives (OTC) on PUV Modernization and Pre- Registration Seminar (PRS) and Coop Education on Transportation Operation Seminar (CETOS) on May 14, 2019;
- Joint Monitoring and Evaluation Committee (JMEC) on Housing in Bohol on May 15-17, 2019;
- Kick off Meeting of CDA-Small Business Corporation (SBC) on P3 on May 22, 2019;
- Cyber Security Forum on April 4, 2019 in Makati City; and
- Workshop on the Role of SMEs in Achieving SDGs with focus on Youth Entrepreneurs on April 3, 2019



J. Registration of Cooperatives



1. Enhancement of the Cooperative Registration Information System (CoopRIS)

The Registration Division from the Head Office together with the Management Information System (MIS) were tasked to cascade to the different CDA regional offices the new and enhanced system, “E-CoopRIS”, and to facilitate its implementation. The said project includes the partnership agreements between CDA and the SMS developer with guidance from the IT Consultant. Hence, there is a need to conduct a training for users, specifically for the CDS/ Senior CDS in the regional offices, for a smooth implementation of the said system before the year ends.

The enhanced system primarily aims to capacitate and familiarize the CDS/Senior CDS staff in using the said system, assist the client cooperative in filing the ACBL, and facilitate the fast and efficient flow of the registration process. The task and responsibilities are important to be delivered and implemented by the Head Office as well as the Regional Offices.



2. User’s Training Seminar on E-Cooperative Registration Information System (ECoopRIS)

An “E-CoopRIS” seminar was conducted where more than 60 CDA officials and personnel participated in the said training. This was composed of directors, assistant directors, senior CDS, CDS II, MIS Unit and Planning Division personnel, members of the Board of Administrators, the SMS developer, and consultant. The seminar aims for the smooth implementation of the system and following objectives:

- a) capacitate and help CDA staff become familiarized in using the new and enhanced system;
- b) make it easy for client cooperatives to fill up the ACBL; and
- c) establish a fast and efficient registration process.

Preparatory activities include the forging of partnership agreements between the Authority and the SMS developer with the guidance from the IT consultant who facilitated the development of the new and enhanced registration system. Issues and concerns in the simulation of the system were identified. This led to a series of consultation meetings with the consultant and developer to further improve the system.



3. Monitoring - Out of 10 targeted cooperatives for inspection, twenty-four (24) cooperatives that were registered and within the jurisdiction of the Head Office were inspected with complete inspection reports. This was successfully done in partnership and collaboration with the Regulation Division.

The investigation/examination of the following cooperatives was also conducted: CLIMBS, PANELCO I, Agdao MPC, ALAMCCO, Mamburao Vendors Multi-Purpose Cooperative, and AFP Finance Center Multi-Purpose Cooperative. The Authority issued Show Cause Orders to CLIMBS and PANELCO Cooperatives which failed to comply with the inspection findings.

The Authority also conducted investigation/hearing/validation of reports of the following cooperatives: DANECO, OFW Credit Cooperative, PCC, CUP, OCSCMCI, AGDAO, and AMVAMC .

The Authority also formulated and facilitated the approval of registration related guidelines, such as MC 2019-03 - Guidelines Governing the Online Payment of CDA Registration Fees Through the Landbank Link.Bizportal and MC 2019-05 - Relaxation of Documentary Requirements for Registration of Credit Surety Fund Cooperatives (CSF Coops).

K. Regulation of Cooperatives

1. Newly Created Regulation Division (ReD)

The Department of Budget and Management (DBM) approved the creation of the Authority’s Regulation Division (ReD) which started to transition from the Ad-Hoc Supervision and Examination Unit (SEU) and is now fully operational. The ReD is composed of eight (8) plantilla positions namely, the Chief CDS, the Supervising CDS, two (2) Senior CDS, two (2) CDS II and two (2) CDS I.

ReD monitored the process of recruitment and filling up of the Regulation Sections (ReS) in the sixteen (16) Regional Offices (ROs). The ReS is composed of one (1) Senior CDS and one (1) CDS II. Towards the end of the 1st Quarter, almost all of the ROs completed the hiring process which gave way to the planning and finalization of the Intensive Orientation and Capability Building of CDA Regulation Division/Sections personnel. The capability building was held on May 5-11, 2019 in Cebu City.

2. Cooperative Assessment Information System (CAIS)

The Technical Working Group (TWG) was created to conceptualize and develop the Cooperative Assessment Information System (CAIS). A series of meetings was conducted for the review and finalization of the System. The System will be used as a tool in monitoring the progress and operational growth of cooperatives. CAIS generates the level of maturity of the cooperatives upon submission of all the required reports in the system and through the use of the inspection tool that was also included in the system.

The system is projected to be ready and can be used in time for the submission of required reports and in the conduct of inspection by FY2020.

3. Investigations and Examinations

The Authority conducted two (2) investigations and four (4) examination activities. The problems on leadership, governance, and membership besetting the two (2) cooperatives subjected for investigation were finally resolved. The results of the investigation were presented to the members in the General Assembly (GA). The GA was called for the purpose of disseminating proper information and adoption of therecommendations for lasting harmony and continuous stability of the concerned cooperatives.



4. Formulation of Regulatory Policies

a. Guidelines/Circulars

The draft memorandum circular governing the conduct of examination and the crafting of the Examination and Supervision Manual was set aside for the meantime since the Authority concentratedinthecraftingoffive(5)equallyimportantmemorandumcirculars.Thesearethefollowing:

- i. Guidelines Governing the Submission of Required Reports for Micro Cooperatives;
- ii. Procedures in the Submission of Annual Tax Incentive Report Pursuant to the Joint Administrative Order No. 1, Series of 2019;
- iii. Policy Guidelines Governing the Allocation, Utilization and Remittance of the Cooperative Education and Training Fund (CETF) of the Cooperative;
- iv. Policy Guidelines in the Allocation and Distribution of Patronage Refund; and
- v. Policy Guidelines Governing the Allocation and Utilization of the Community Development Fund (CDF) of the Cooperatives.

ReD actively participated in the Technical Working Group (TWG) for the drafting of the Cooperative Banking Act (CBA) of 2019 and the template By-Laws and Articles of Cooperation for Cooperative Banks.



5. Other Regulatory Activities

a. Joint Administrative Order (JAO) No. 1, Series of 2019

The Joint Administrative Order was signed on May 16, 2019 between the Cooperative Development Authority (CDA) and the Bureau of Internal Revenue (BIR).This is in compliance with Section 3 of R.A. 10963 or the Tax Reform for Acceleration and Inclusion (TRAIN) Law that requires CDA to submit a tax incentive report to the BIR. This report contains information about the tax incentives availed by registered cooperatives under R.A. 9520. ReD conducted an aggressive information campaign so that cooperatives which have Certificates of Tax Exemption (CTE) will be able to comply with the submission of the Annual Tax Incentives Report required under the said order.

The Authority submitted the first Consolidated Annual Tax Incentives Report to the Bureau of Internal Revenue (BIR). A total of 8,260 cooperatives submitted their reports. This is equivalent to 45.72% of the 18,065 operating cooperatives.

b. Regulatory Sanctions

The ReD sent reminder letters to the Head Office-registered cooperatives for the annual submission of mandatory reports. Twenty-three (23) cooperatives were able to submit complete mandatory reports and issued a Certificate of Compliance (COC) out of forty-four (44) cooperatives. The division also issued Certificates of Compliance (COCs) to ten (10) Head Office-reg-istered cooperatives and one hundred forty-four (144) newly registered cooperatives. Four (4) co-operatives were issued Notices of Non-Compliance while six (6) cooperatives were issued State-ment of Accounts (SOA) and a total of Twenty-Six Thousand Five Hundred Pesos (Php 26,500.00) was collected from them. This is for the monetary penalties which they have incurred. Likewise, ReD issued one hundred ninety-seven (197) Certificates of Compliance (COC) to new cooperatives registered in the Head Office. These were mostly transport cooperatives.

ReD received thirty-two (32) requests for condonation of monetary penalties for the non-submission, delayed submission, and late submission of the required reports but only seventeen (17) were approved while six (6) were disapproved by the Board of Administrators.

L. Legal Services Rendered to the Cooperatives



The second semester of 2019 of the Authority’s Legal Division shows an over and above actual accomplishment of the targets set for the said semester. This was consistent with the percentage of accomplishment for the first semester of 2019. In fact, there was a gradual increase from the actual accomplishment of the first semester, which shows that the Legal Division continually made improvements along the way in the performance of its duties and functions.

The number of technical advisory services rendered definitely shows that the Legal Division can address the queries of both its external and internal clients. Taking into account the timeliness of acting upon requests for legal opinions within the prescribed period of time is quite an accomplishment. Investigations were conducted against cooperatives and all yielded positive outcomes when the cooperatives involved complied with investigation reports. Requests for mediation and conciliation were acted upon and pending cases for voluntary arbitration were closely monitored so that the parties will be guided with the necessary steps or requirements fora smooth conduct of the voluntary arbitration (VA) proceedings during the hearing proper. While it is unpleasant to dissolve a cooperative, the Legal Division was steadfast on acting over petitions for dissolution and over cases recommended by the Regulation Division for the issuance of Show Cause Orders (SCOs)



1. Policy Development

The Authority issued the following Memorandum Circulars:

- a. MC 2019-02 - Revised Rules of Procedure Governing the Conduct of Investigation or Inquiry by the Cooperative Development Authority;
- b. MC 2019-01 - Establishment, Maintenance, and Submission of Basic Credit Data by Cooperatives Pursuant to Republic Act No. 9510, Otherwise Known as The Credit Information System Act (CISA); and
- c. MC NO. 2019-06 - Procedures in the Submission of Annual Tax Incentive Report Pursuant to the Joint Administrative Order No. 1, Series of 2019;



2. Reviewed and drafted the Revised IRR of RA 9520

The Authority conducted clustered regional consultations of the Implementing Rules and Regulations (IRR) of RA No. 11364 in the following dates and locations: Pampanga - November 11, 2019, Cagayan de Oro City - November 20, 2019, Davao City - November 21, 2019, and Quezon City - December 10, 2019.

The Authority’s Legal Division also reviewed twenty-four (24) contracts, MOA’s / Deeds of Donation and conducted voluntary arbitrations wherein nine (9) cooperative cases were acted upon. The Authority submitted position papers on Senate Bill No. 2181 and House Bill No. 5682 both entitled “An Act Making the Position of Cooperative Officer Mandatory in the Municipal, City and Provincial Levels, Amending for the Purpose Republic Act No. 7160, otherwise known as the Local Government Code of 1991.” The Authority, through its Legal Division, acted upon foreclosure cases, rendered sixty (60) written legal opinions, and provided technical assistance to seventy-three (73) walk-in queries.

M. Credit Surety Fund Program

Republic Act 10744 otherwise known as the Credit Surety Fund Cooperative of 2015 aims to provide financial inclusion to micro, small, and medium enterprises and grant them access to bank loans for their developmental projects and programs through membership in the CSF Cooperatives. Pursuant to the Credit Surety Fund Cooperative Act of 2015, the Authority created the Credit Surety Fund (CSF) Department, which is composed of two Divisions – the Technical Assistance Division (TAD) and Inspection and Examination Division (IED). The CSF Department has fifty-seven (57) overall plantilla positions primarily tasked to regulate, monitor, and supervise the Credit Surety Funds Cooperatives nationwide.

With 2019 being the first year of CSF Department operation, the accomplishments revolved around capacity building of personnel, formulation of policies, rules and regulations, crafting of documents or templates and attending meetings.

The first CSF cooperative registered with the CDA is the Tacloban City CSF Cooperative (TCCSFC). TCCSFC was registered on July 9, 2019. It was followed by the Baguio City CSF Cooperative (BCCSFC) on November 25, 2019 and the Benguet CSF Cooperative (BCSFC) on December 20, 2019.



1. CSF Technical Assistance Services

a. Capacity Building Program for Personnel

i. Seminars on CSF Law & its IRR for CDA Personnel By virtue of S.O. Nos. 2019-064 and 2019-088, selected CDA officials and personnel were authorized to attend on February 18-23, 2019 at the Makati Palace Hotel in Makati City and March 4-9, 2019 at the Royal Mandaya Hotel in Davao City, respectively, the “CDA’s Digital Transformation Program: An Orientation-Seminar on CSF Act of 2015, Its Implementing Rules and Regulations, Registration Guidelines, and Other Relevant Laws, and Consultation on the Development of Information System and Procedures for the Credit Surety Fund Cooperative (CSFC).”

Participants in the said seminars were apprised of the CSF Act and its IRR as well as the basic concepts, legal basis, registration guidelines and Articles of Cooperation and By-laws pertaining to CSF cooperatives.

ii. Personnel Orientation of the CSF Law and its IRR Following through with the trainings conducted in the Luzon and Vis-Min areas, a focused group discussion on the CSF Law and its Implementing Rules and Regulation were conducted at the CSF Department one after the other on March, April, and June 2019.

The purpose of the activity was to deepen the understanding of the CSF personnel about the CSF Law and its IRR as well as its application to real situations. To facilitate the group dynamics, topics were distributed to each presenter tasked to prepare a powerpoint presentation and discuss his/her topic with the group.

Overall, the activity was effective and successful as participants were encouraged and allowed to freely share their ideas and thoughts.

b. Contributors Orientation Seminars for Organized Credit Surety Funds

The Contributors Orientation Seminar (COS) is one of the essential requirements for the registration of CSF Cooperatives. This is similar to the PRS which is an integral part in registering a regular cooperative. The COS intends to orient the would-be contributors of the CSF Cooperatives regarding the CSF Law, its IRR as well as the documentary requirements for registration. It is necessarily conducted by the Authority in tandem with the BSP as the latter is the prime mover of the program.



In early January up to late June this year, the CDA and BSP jointly conducted six (6) COS activities held in Baguio City, Davao City, Valencia City, Cagayan De Oro City, Butuan City and General Santos City. The total participants in the said activities was nearly four hundred forty (440) mainly composed of officers & staff of CSFs, CSF Members and non-members, LGU officers & staff, LBP & DBP officers & staff. The topics that were discussed included the following:

- i. Roles & Plans of BSP
- ii. Guidelines for Registration
- iii. Lending Policies of LBP & DBP
- iv. Discussion and Workshop on the Articles of Cooperation & By Laws for CSF Coops
- v. Understanding Financial Component
- vi. Roles of CDA
- vii. How to capacitate the Oversight Committee and the Management Staff in transitioning existing CSFs to full-pledge CSF Coops.

c. Registration of CSF Cooperatives

- i. Reviewed draft copies of ACBL of the following proposed CSF Cooperatives The Technical Assistance Division was able to review the drafts of Articles of Cooperation and By-laws of the following CSFs: Cabanatuan City CSF, Cavite Coopreneurs CSF, Albay Mayon CSF, Aklan CSF and Misamis Oriental CSF. These documents were sent for initial evaluation. After the evaluation, the documents were mailed back to their respective regional offices with attached summary of findings for rectification.
- ii. Facilitated the registration of the proposed CSF Cooperatives As a result of continuous effort, monitoring, and thorough evaluation of documentary requirements of proposed CSFs, three (3) proposed CSF Cooperatives were registered before the end of the semester namely: Tacloban City, Baguio City, and Benguet CSF Cooperatives.

The Authority through the CSF Department also crafted the Work Instruction (WI) that serves as a detailed guide in the process flow of documents submitted by aspiring CSF Cooperatives. The Authority also attended the MOA signing of Ifugao Credit Surety Fund together with Bangko Sentral ng Pilipinas on December 5, 2019. The Routing Slip for CSF Registration called Technical Assistance Service Evaluation Sheet (TASES) was also developed and implemented.

A template for CSF Certificate of Registration was also developed. Since a CSF Cooperative is considered sui generis or as a class of its own, a new design of the certificate of registration and certificate of compliance was proposed and drafted. On 21 May 2019, the final copy of the said certificates was submitted to the Office of the Executive Director for approval.

2. CSF INSPECTION AND EXAMINATION SERVICE

During the initial operating year of the Authority’s CSF Department, the accomplishments basically revolved around the formulation of policies, rules and regulations, crafting of documents or templates, and attending meetings.

a. Crafting of Related CSF Guidelines and Templates

The Authority, through the Inspection and Examination Division, formulated thememorandum circular on the relaxation of documentary requirements for CSF Cooperative applicants in view of the agreements reached during the dialogue between the Authority and the Bangko Sentral ng Pilipinas (BSP), and considering the then prevailing circumstances in the organization and establishment of CSFs by the BSP. This is in reference to MC No. 2018-05, series of 2018 or the Guidelines for Registration of Credit Surety Fund Cooperatives dated November 6, 2018.

b. Focused Group Discussions

i. Individual Monitoring Status Report (IMSR) Tool

Conducted a group discussion regarding the Individual Monitoring Status Report (IMSR) tool. The IMSR is currently being used by the Bangko Sentral ng Pilipinas (BSP) to monitor the Credit Surety Funds (CSFs) particularly their issuance of surety covers, the loan borrowings of their members, and the industries/economic activities which benefited from the loan. The group discussion was aimed to familiarize the participants with the monitoring tool that would eventually be utilized to craft the Department’s version.

ii. CSF Inspection Instrument Workshop

Discussed, analyzed, and enhanced the existing inspection instrument to suit the peculiar nature of CSF Cooperatives. The tool will be used in the event that the department and regional technical personnel need them to inspect registered CSF cooperatives nationwide.



N. Management and other Support Services



1. Office of The Chairman

The Office of the Chairman (OC) is composed of one (1) chairman and six (6) members of the Board of Directors. The Board acts as the collegial policy making body of the Authority. Its functions include, among others, institutional governance and management, conduct of top-level strategic planning and team building, program implementation, advocacy on 4P's (People, Planet, Prosperity, and Peace), institutional administration, and ministerial functions.

The highlights of the accomplishment consist of the following:

- i. Conduct of twelve (12) regular monthly Board meetings and ten (10) special Board meetings in 2019.
- ii. Chairman Ravanera, representing the oversight of the Agricultural Cluster, spearheaded the meeting of Agri Coops last March 2019.
- iii. With Chairman Ravanera, Administrator Abad Santos, representing the oversight of Transport Cluster, attended the Transportation Cooperative Summit dated March 20-21, 2019 in Davao City, Transportation Cooperative's training on Cooperative Education & Transport Operation Seminar (CETOS) in Palawan City, and in Davao City dated June 27-28, 2019. He also represented the Labor cluster and attended the CEA meeting and Labor Service & Workers' Cooperative Congress dated April 22-27, 2019. He represented the Housing Cluster and has attended the Post Assessment Seminar workshop of the Joint Monitoring and Evaluation Committee (JMEC) on Housing Cooperatives in Bohol dated May 15-17, 2019.
- iv. Also, with the Chairman, Administrator Paisal I. Cali and Administrator Abdulsalam Guinomla, as representatives of the IP's & Muslim Cluster, attended the meeting of the personnel of the Marawi Rehabilitation Program and coop leaders regarding the 2019 Budget dated March 20-23 & March 25-28, 2019.
- v. The Chairman also attended the meeting of CLIMBS and Bukidnon IP's last March 27- April 1, 2019. Under the Institutional Governance and Management in Consultative Meetings in IP's & Muslim, our BOD attended the meeting with Chairman Dimasangcay Cabugatan of Darusalam MPC in Marawi, Davao, on July 1-4, 2019, meeting with Coop Leaders in Kidapawan dated July 7 & 14-21, 2019, attended the Mindanao Summit dated Sept 4-6, August 31 and September 9, 2019 in CDO, meeting on Bangon Marawi Project at MILF base in Lanao Del Sur dated November 23-28, 2019, and attended another meeting w/ CLIMBS dated November 27- December 06, 2019 in CDO, Cebu and Ilollo.

vi. They also attended the Cooperative and Fisherfolks Summit in Iloilo dated December 5, 2019 and the 2019 National Youth Conference for the Development of Laboratory and Youth Cooperative dated November 12-14, 2019.

vii. In the conduct of the Top- Level Strategic Planning and Team Building in Year- End Assessment, the Board of Directors attended the IDD Assessment in Sarangani dated July 15-16, 2019, attended the CPAPC dated December 11-13, 2019, and attended the 2019 Closing of Books dated January 27, 2020. Under the Institutional Governance in Consultative Meetings in Transport Cluster, our BOD attended the Transport Forum with the Sector together with OTC and DBM held at CDA Central Office dated October 03, 2019.

viii. Under the Program Implementation, the Chairman and the Board of Administrators has visited 12 Regional Offices and spearheaded the "Development of Partnership with other government agencies and other institutions, stakeholders and cooperatives. The Board of Directors also attended the 9th Tripartite Conference for Cooperative Development dated September 12-13 in General Santos City and Consultative Forum on 11364 and IRR on November 12, 2019 in Pampanga, November 15, 2019 in Cebu, November 16-18 in CDO, November 19-21 in Davao and December 14-19 in Cebu and Davao.

ix. The Chairman also approved the "Conduct of Crafting on Implementing Rules and Regulations of CDA Charter dated June 24-28, 2019, and third is "International Linkages" such as the attendance of CDA Officers to the NEDAC meeting in Thailand last March 7-9, 2019 and the participation of eight (8) cooperative leaders and representatives in Seminar on Agricultural Processing in Beijing, People's Republic of China on May 19- 25, 2019.

x. As an advocate of 4P's, Chairman Ravanera, in collaboration with the Climate Change Commission, Philippines led the Climate Change Adaptation and Mitigation Summit on February 4, 2019 in Cebu City and Climate Change Forum on April 15-16, 2019 in Cagayan De Oro City, Climate Change dated July 13, 2019, National Climate Change action plan updating dated on November 14, 2019. He attended the Task Force Balik-Loob dated on April 24-29, 2019 in CDO & Cebu and attended the meeting on the wounded soldier, Regulation Division Orientation and Capability building dated May 08-14, 2019 in CDO. Bangon Marawi and Task Force Kaiyahan last July 18-23 and July 26-30 in Cebu City and CDO and Attended the meeting w/ BARMM MP Abdulah Macapaar Known as Commander Bravo and the MILF Community in Camp Bilal, Lanao Del Norte on December 22, 2019.



xi. Under the Institutional Administration, one of the programs of the Office of the Chairman is to approve policies, guidelines, and memorandum circulars. The Office of the Chairman has approved the following Memorandum Circulars, among others:

2019-01 (Establishment, Maintenance and Submission of Basic Credit Data by Cooperatives Pursuant to RA 9510 Otherwise known as the Credit Information System Act (CISA);

2019-02 (Revised Rules of Procedure Governing the Conduct of Investigation or Inquiry by the Cooperative Development Authority);

2019-03 (Guidelines Governing the Online Payment of CDA Registration Fees through the Land Bank Link. Bizportal);

2019-04 (Guidelines Governing the Submission of Required Reports for Micro Cooperatives); and

2019-05 (Relaxation of Documentary Requirements for Registration of Credit Surety Fund Cooperatives (CSF Coops).

For the plans and programs including board resolutions, the Office of the Chairman has approved 511 Board Resolutions and the Work and Financial Plan 2019.

xii. Under the Communication & Info in Radio/ TV Guestings, the Chairman was interviewed at DZXL on November 23, 2019 and the Office of the Chairman posted and published the reports, activities, and accomplishments of every cooperative that he has attended.

2. Office of The Executive Director

2019 was a very busy year for the Office of the Executive Director. The Executive Director attended and conducted activities that helped shape the Authority into what it is today. The OED reviewed and approved six (6) policies and recommended them to the Board of Administrators, signed 356 Special Orders, attended six (6) Regular Board of Administrators Meeting and eleven (11) Special Board meetings, and convened six regular Executive Committee (Execom) meetings and six special Execom meetings to discuss the instructions of the Board of Administrators. The Executive Director also visited four (4) Regional Offices for the Island wide consultation meetings with the Extension Office Directors. The Executive Director attended Inter-Agency conferences, and conducted, together with the Execom and the Philippine Statistic Office a Philippine Standard Industry Classification (PSIC) Seminar. He and all of the five personnel of the Office of the Executive Director who were involved in the NTF-ELCAC attended the EO 70 NTF ELCAC monthly meetings. The Executive Director also reviewed and presented for the Board of Administrators’ approval the agency’s Work and Financial Program. The OED convened the Budget Committee three (3) times in the preparation of the 2019 budget.

The Deputy Executive Director led and participated in four (4) Promotion and Selection Board (PSB) meetings for hiring and promotion. The Deputy Executive Director also responded to many outside communication including 48 communications made by the OED. The Deputy Executive Director also attended 3 Bids and Awards meetings and PMT meetings.

The OED visited six (6) Regional Offices and attended six (6) HRD and Staff Development seminars. 2019 also saw the other intervening activities of the OED, including:

- i. **Monitoring of the submission of the Annual Report (Regulation Division);**
- ii. **Signed Certificate of Compliance (Regulation Division);**
- iii. **Monitored Legal issues such as the case of the AMVA MPC (Legal Division);**
- iv. **Attended the Gawad Parangal Post assessment (CRITD);**
- v. **Preparation of Cooperative Data (Planning);**
- vi. **Attendance to the sectoral forum of Congressman Ben Canama;**
- vii. **Attendance to the different speaking engagements with invitation of the sector;**

The OED also oversaw the creation of CSF Department and the Regulation Division. These newly established units conducted their hiring process, orientation/seminar and creation of units in all Regional Offices, which were monitored by the Executive Director and the Deputy Executive Director. The Office of the Executive Director thru its leadership also managed to find the necessary equipment and budget to operationalize the new units.



O. Planning Services



The Planning Division was mandated to ensure that the Agency Work and Financial Plan is formulated, consulted, cascaded and implemented in all delivery units in pursuit of the Authority’s vision, mission and goals, the Philippine Development Plan, and the Philippine Cooperative Development Plan (PCDP). Further, the accomplishment of targets in view of the agreed programs, projects, activities, and parameters of the execution were monitored, evaluated, and reported.

1. Plan Preparation

The Authority, through the Planning Division, facilitated the formulation of the FY 2020 Agency Work and Financial Plan that went through the processes of drafting the parameters, consultation meetings with the Executive Committee and Regional Directors and their assistants, approval of the Board of Directors, and the eventual cascading of the Plan to all CDA delivery units.

The Planning Division participated in the preparation of the Budget Proposal for the FY 2020 together with the Finance Division Division by coming up with the programs, projects, and activities, preparation of DBM Form 202 with budget proposals observing the process of consultation with all the heads of delivery units and their planning officers and accountants, and submitted the budget proposal for approval of the Board of Directors before finally submitting to the Department of Budget and Management (DBM).

2. Monitoring of the Plan

The Authority revised its Strategic Performance Management System and revised the guidelines of the 2019 Rating and Ranking of the CDA Delivery Units. This revision is in consonance with the Memorandum Circular issued by the AO No. 25 Inter-Agency Task Force on the Harmonization of National Government Performance, Monitoring and Reporting Systems.

Accountability reports were also submitted to the National Economic Development Authority (NEDA), Department of Budget and Management (DBM), Department of Trade and Industry (DTI), and other offices.

The Authority, through the Planning Division, participated in the Philippine Development Plan (PDP) Cluster Committee meetings of NEDA particularly on the Sub-Committee on Service and Industry and submitted the PPA indicators for the updating of PDP. The Authority also participated in the NEDA meetings and assessment activity on the online encoding of the Agency PPAs required under the Public Investment Program(PIP) and Three-Year Rolling Infrastructure Program (TRIP).

The Authority also participated in the specialized training of the Development Academy of the Philippines (DAP). The learning program and experiences were cascaded by the Planning Division to the Head Office personnel in the regular Quality Management System (QMS) activities.

The Authority conducted three CDA Performance Assessment and Planning Conference (CPAPC) activities:

10th CPAPC which was held on February 27 to March 1, 2019. The 10th CPAPC focused on the presentation of the CDA Codified Approving and Signing Authority (CASA), updates on the proposed processes of frontline services in compliance with the Ease of Doing Business and Streamlining Program, the implication of the re-enacted budget and expected landscape of 2019, the 2020 Programs, Projects, and Activities, and the updates and status of the Authority’s Information Systems/Features of the Revised CDA ISSP;

The 11th CPAPC, which was held on October 14-18, 2019, focused on the presentation of the Authority’s reorganization plan in view of the passage of Republic Act No 11364 Creating the Cooperative Development Authority with a timeline to submit a Plan; and

The 12th CPAPC, which was held on December 11-13, 2019, featured a workshop to formulate the Authority’s Program Expenditure Classification (PREXC) Organizational Outcome and Parameters under the new charter pursuant to RA No 11364. The 12th CPAPC was held in dovetail to the annual Management Review. The Management Review is the assessment and planning of activities, plans, and programs as a result of the internal audit of the Authority’s past performance and in preparation for the conduct of external audit which will be held within the framework of the QMS and the maintenance of ISO Certification.



P. Administrative Services

The Authority conducted the following initiatives:

1. Introduced improvement in the process of notifying the Regional Offices about approval of appointments by incorporating in the transmittal letter itself the specific requirements to be submitted disaggregating the original and promotional appointments. Further, it is now required to fill up the form by providing the details that will be inputted in the Identification Card of new personnel. This will enable the HR Section to prepare the personnel IDs and send it back to the EOs together with the signed appointment purposely:

To lessen errors and to shorten turn-around time in the processing of appointments; and To ensure the fast Issuances of ID Cards of personnel.

2. Updated the Personnel Statistics Board Monthly on a timely basis to have a ready reference pertaining to important human resource (HR statistics);

3. Initiated a review as to the status of the HRIS which was started in 2017 in order to know the status of the project because this has already been paid;

4. Developed a matrix to track status of appointments to facilitate the monitoring of status of processing of appointments to avoid delays and loss;

5. Prepared various request for exemptions from the COMELEC ban through the Commission on Elections to get facts about the issues raised and, if possible, assist in the amicable settlement among the parties;

6. Started a systematic filing system of HR files to facilitate retrieval and avoid loss;

7. Held a meeting with the Civil Service Commission to discuss the Authority's compliance with the program in order to institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM), to regain the Authority's accreditation status, and improve the Authority's program in the areas of recruitment and placement, learning and development, rewards and recognition, and performance management;

8. Facilitated a workshop on the Omnibus Rules on Appointments and other Human Resource Actions (ORAOHRA) to get a deeper understanding of the ORAOHRA to guide CDA in the updating of its merit Promotion Plan;



11. Conducted Seminar/ Orientation for Bids and Awards Committee Members on May 8, 2019 and May 10, 2019 to capacitate the BAC members of the CDA Extension Offices;

12. Conducted a Two-day Seminar on Strategic Performance Management System for Leaders on May 28-29, 2019 - To enhance the knowledge Department Heads, Division Chiefs and Extension Office Directors in relation to the CDA SPMS;

13. Submitted a revised policy guidelines on recruitment and promotion. On June 8, 2019, the Board approved the guidelines;

14. Conducted HRMPSB on July 8, 2019 - The HRMPSB panel interview for Chief CDS, Attorney III, and Human Resource Management Officer III was conducted on July 8, 2019 to fill-up the vacancies in the Registration Division, Legal Division and Administrative Division. The following activities were also conducted in 2019, as follows:

Name and Description of the Activity	Objectives	Profile and Number of Participants	Remarks
Training of CDA Bids and Awards Committees on the Revised Implementing Rules and Regulations of Republic Act No. 9184 otherwise known as the Government Procurement Reform Act(1st Batch) on August 8- 9, 2020	The training aimed to build the knowledge of the Bids and Awards Committee and empower both Central Office and Extension Offices with regards to the public bidding and procurement law.	The participants were the BAC Committee members from CDA CAR, Tuguegarao, Calamba, Iloilo, Cebu, Pagadian, Naga, Manila, MIMAROPA and Central Office with a total of 45 participants.	The participants were able to learn the Government Procurement Reform Act because of the well interactive and effective discussion during the said training. However, there was still a need to conduct the same training (2nd batch) for the CDA Extension Offices that were not included in the said training.
Supervisory Development Program (SDP) Courses 1, 4 & 5 on September 2-7, 2019	This program aimed to develop critical leadership skills that will result in a more systematic, effective and highly productive peoplemanagement scheme.	The SDP was designed for CDA Officers and personnel in the Central Office, and the Extension Offices of Dagupan, Calamba, Naga and CAR. There were a total of 40 participants who attended the SDP.	The training content were: Achieving Leadership Effectiveness; Empowering and Engaging People; and Improving Organization and Individual Performance. The CSC can only accommodate 40 participants. Hence, the Administrative Division shall organize the same training for two more batches.
CDA HRD Training on September 18-20, 2019	The training aimed to develop skills that will result in a more systematic, effective and highly productive humanresource management scheme.	There were a total of 35 participants from CDA Central Offices and Extension Offices.	The designated HRMOs and HRMAs from CDA Extension Offices attended the training. However, CDA Dagupan, Pampanga and Cebu Extension Offices were able to send one participant only
Training of CDA Bids and Awards Committees on the Revised Implementing Rules and Regulations of Republic Act No. 9184 otherwise known as the Government Procurement	The training also aimed to build the knowledge, and empower, the CDA Extension Offices' BAC who were not able to attend the said training for 1st batch with regards to the public bidding and procurement law.	The participants came from Central Office, Dagupan, Pampanga, Tacloban, Cagayan de Oro and Kidapawan Extension Office with a total of 32 participants.	The participants learned the Government Procurement Reform Act because of the well interactive and effective discussion during the said training.
Friendship Day on November 29, 2019	The activity was a friendly competition that aimed to boost up the well-being of the CDA Central Office employees and the camaraderie among them.	The participants were the CDA Central Office permanent, casual, coterminous employees and Job Order personnel.	The one-day activity was full of fun and learning. The HR
Training on 2017 Revised Rules on Administrative Cases in the Civil Service (RACCS)	The training aimed to capacitate the CDA Lawyers and other concerned personnel in relation to the various rules that governs civil service.	The said training was attended by lawyers in the CDA Central Office and Extension Offices, and selected Administrative Division personnel.	



Q. Finance-Related Matters



The Finance Division is composed of the Budget and Accounting Sections. Its main functions are the preparation and monitoring of the Authority's Budget and the disbursement of funds in accordance with the existing COA and DBM Rules and Regulations.

Through the Finance Division, the Authority was able to accomplish the following:

1. Conducted the Annual Closing of the Books Workshop/ Seminar last January 7-11, 2019 at Iloilo City. The activity facilitated the preparation of the Authority's consolidated Year- end Financial Statements. It was also the opportunity to update the Regional Offices participants of the New Government Accounting Manual and the new accountants and acting Budget Officers were oriented on the Government Budgeting and Accounting process;
2. Consolidated and submitted the Consolidated Annual Financial Statements to the Commission on Audit (COA);
3. Prepared the response to the different Audit Observation Memorandum (AOM) issued by COA;
4. Facilitated the Exit Conference conducted by COA. The management's comments were given together with the actions being undertaken to implement the recommendations of the auditors in their AOMs;
5. The Division also facilitated the Authority's Budget proposal for CY 2020. The different units prepared their proposals and it was consolidated and evaluated to craft the CY 2020 Budget Proposal with the prescribed BP Form duly filled-up;
6. Submitted the Authority's FY 2020 Budget Proposal to the Department of Budget and management (DBM) as approved by the CDA Board of Administrators and attended the Technical Budget Hearing called by DBM to discuss the Tier 2 budget proposal;
7. Encoded online the Unified Reporting System (URS) the Budget and Financial Accountability Report (BFARs) for the 2019 quarterly reports and posted in the CDA website;
8. Coordinated with the DBM for the release of the budget of the newly created units of the CDA. i.e. CSF department, Regulations Division, and the MIMAROPA Extension Office. Prepared letter to DTI and Office of the President requesting their full support by endorsing the same for President approval;
9. Evaluated and endorsed to DBM the various requests of Central and Extension Offices for the release of Notice of Cash Allocation for payment of Accounts Payable for FY 2019 and current accounts payable for FY 2019 due to insufficient Notice of Cash Allocation release for the first and second semester;
10. Attended the orientation on the Bureau and Treasury Management System (BTMS) at the DBM for the automation of the budget and disbursement process and re-echo the same during a meeting initiated by the Finance Division;

R. Management Information System Programs



In 2019 the Authority implemented the following management information system programs:

1. Procurement of ICT Machineries and Equipment

Through the MITHI funding, the Authority procured a total of 79 units of desktop computers and 130 units of laptop computers. All computers were also procured with Office Productivity tools. Portable LCD Projectors were also procured for all the field Cooperative Development Specialists (CDSs).

The Smart Televisions also procured both deployed to CDA Head Office and CDA Regional Offices.

Other additional ICT machineries and equipment procured were a micro data center through a small value procurement. It is an enclosure device which provides all-in-one management of power, cooling, monitoring, and racks.

2. ICT Software Development/Enhancement

The AIS ICT project is an enhanced project which does not only cover the Human Resource Personnel Data Information System (HRPDIS), HRPIS, HRWFPIS and HRPMIS but the whole processing system of the administrative division office including, but not limited to, the inventory system. The subsystems of the AIS are the following: The Human Resource Management Information Subsystem (HRMIS-S); Payroll Management Information Subsystem (PMIS-S); and Asset Management Information Subsystem (AMIS-S). The development of the Administrative Information System (AIS) commenced through a public bidding.

Through the Board of Administrators (BOA) resolution no. 2019-202, the CDA Manila Regional Office piloted the implementation of the Document Management System or the Electronic Records Management System (ERMS).





3. ICT Software Subscription

The primary purpose of the ICT Software Subscription is to purchase the licenses for our Information Systems Application and Server’s Operating System (OS). This subscription is not yet applicable because the Information System of CDA is still stable with the current configuration through the presence of the Department of Information and Communications Technology (DICT) which is the host of cloud computing service provider of our Information System through Amazon Web Services (AWS).

Another thing, there was a change of plan regarding the Mission-Critical ICT Projects and its Information System (IS) structure. The Authority, through the MIS, merged four (4) ICT Projects into one. These were formerly the Cooperative Registration System, Cooperative Monitoring Systems, Online Cooperative Inspection Report System and the Cooperative Membership Registry System. Now it has been merged into one big Cooperative System (CS).

In the CS project we have now only two (2) major Information Systems:

- Cooperative Registration Information System (CoopRIS); and
- Cooperative Assessment Information System (CAIS).

The CoopRIS has the following modules:

- Cooperative Name Reservation Module;
- Cooperative Registration Module;
- Credit Surety Fund (CSF) Cooperative Registration Module;
- Cooperative Registration of Amendments Module.
- Cooperative Branch/Satellite and Lab Tracking Modules; and
- Dissolution / Liquidation / Cancellation / Delisting (DLCD) of Cooperatives Module.

The CAIS comprises of the following subsystems:

- Cooperative Annual Progress Report Information Subsystem (CAPRIS-S);
- Cooperative Annual Financial Statement Information Subsystem (CAFSIS-S);
- Cooperative Performance Annual Report Information Subsystem (CPARIS-S);
- Cooperative Officer’s Training Management Information Subsystem (COTMIS-S);
- Cooperative Social Audit Report Information Subsystem (CSARIS-S); and
- Cooperative Information Registry Subsystem (CIRS-S)

Part of the ICT Subscription was sub-allotted to 260 field CDS’s in the form of data prepaid load of Php 500/month until December 2019. This was for their mobility in accessing the internet to monitor their cooperatives in the field.

Taken also from the ICT Software Subscription, the Authority has procured antivirus softwares. These were deployed and installed in all the desktop and laptop computers of CDA Head Office and sub-allotted to all CDA Regional Offices. The Authority has also procured the Windows Server License (WSL) with Client Access License for initially 100 units, this WSL will be used in configuring the CDA Head Office’s Active Directory (AD) service as part of the CDA ICT infrastructure’s security measure. The specific purposes are the following:

- Centralized user and machine account management;
- Centralized access control using Active Directory security groups;
- Centralized configuration management with Group Policy Objects; and
- Centralized DNS for our office.

The Authority also subscribed to a Security Socket Layer (SSL) for our website and renewed our Firewall Device’s License Subscription. The Authority also subscribed to a corporate email with an online productivity suite. This is now being used by CDA personnel with the configured DNS @cda.gov.ph

4. ICT Supplies and Materials

The Authority has sub-allotted the budget for CDA Regional Offices for the procurement of the portable printers and portable LCD Projectors for all field Cooperative Development Specialists.

Funds from the Repairs and Maintenance and other parts of MOOE budget were disbursed for the supply, delivery, and installation of spare parts for the repair of CDA Head Office elevator.





5. Trainings

The E-Coopris Users Training was conducted on September 30 to October 4, 2019 through Special Order No. 2019-617. This 1st phase training was intended for the users of our enhanced Cooperative Registration Information System under Cooperative System (CS) ICT Project.

An ICT training was attended by CDA ICT personnel nationwide entitled “6-day Transcending the Cutting Edge Towards CDA Digital Transformation (TraCE-TCDT)” at Baguio City. This was held from October 20 to 26, 2019.

The Authority’s DIGITAL TRANSFORMATION PROGRAM: An Orientation-Seminar on CSF Act of 2015, Its Implementing Rules and Regulations, Registration Guidelines, and other Relevant Laws, and Consultation on the Development of Information System and Procedures for the Credit Surety Fund Cooperative (CSFC) was conducted in the Luzon and Vis-Min areas.



Other seminars/training that were conducted/attended:

- The eGovernment Project Management Seminar;
- Training Course on the Cisco Certified Network Associate (CCNA) 200-125 With Cisco Video Telephony Bootcamp;
- Orientation on Basic CDA Website Features held on December 17, 2019 at the CDA Head Office;
- Hands-on Training on Spatial Mapping held on December 18, 2019 at the CDA Head Office;
- In-depth Orientation on the Google Suite held on December 19-20, 2019 at CDA Head Office;
- and
- Other small group meetings, consultations and conferences conducted and attended by the Technical Working Groups (TWGs) regarding the planning and implementation of various CDA’s ICT projects including travelling expenses and per diems of CDA personnel were considered.

CDA, TESDA Inks Agreement to Empower Cooperative Members, IDPs, IPs, and Rebel Returnees

Taguig City - The Cooperative Development Authority (CDA) under the leadership of Chairman ORLANDO R. RAVANERA and Technical Education and Skills Development Authority (TESDA) under Director-General ISIDRO S. LAPEÑA further strengthened partnership by signing a Memorandum of Agreement (MOA) that will empower deserving members, officers and staff of cooperatives, including the Indigenous People (IPs) and Internally Displaced Person (IDPs) of Marawi, Maguindanao and its nearby municipalities and rebel returnees as part of the CDA’s mandate and developmental functions on October 22, 2019 at TESDA Central Office.



TESDA, as the authority in technical and vocational education and training (TVET), is mandated to provide direction, policies, programs and standards towards quality technical education and skills development.

While the CDA is the government agency mandated to promote the viability and growth of cooperatives as instruments of equity, social justice and sustainable economic development.

Stipulated in the agreement, the TESDA will facilitate the access to technical vocational education and training (TVET) programs of the cooperative members, officers and staff, to include among others technology-based, community-based training programs, scholarships, enterprise development and others;Provide scholarship annually to deserving members, officers and staff of cooperatives, especially IPs and IDPs of Marawi, Maguindanao and its nearby municipalities including rebel returnees subject to compliance with the guidelines prescribed by TESDA on scholarship programs and availability of funds; and issue a National Certificate (NC) or Certificate of Competency (COC) to those selected scholars who passed the competency assessment. While the CDA is tasked to promote the programs of TESDA; and Identify and submit the list of beneficiaries taking into consideration the requirements of the TESDA.

Ravanera expressed his gratitude to TESDA. “This program is indeed very significant in scaling the heights of the capacity and productivity of every beneficiary. This will eventually transform the IDPs to “PRDs” or Parents Receiving Dollars, Ravanera said. Lapeña also recognized the significance of the cooperatives as one of the partners of the government in economic development, and as source of intelligence. “Providing good and appropriate livelihood and skills training will definitely empower the lower strata of the Philippine society-making them more productive and responsible citizens,” Lapeña stated.



Land Bank Supports CDA FIT-Coop Program

The Cooperative Development Authority (CDA) Chairman, USEC. Orlando R. Ravanera and the Land Bank of the Philippines, President and CEO Cecilia C. Borrromeo signed a Memorandum of Agreement (MOA) on December 12, 2019 at the Land Bank Main Office in Malate, Manila to boost the CDA's Financial Inclusion Through Cooperatives (FIT-Coop) Program.

FIT-Coop is a capacity-building program of the CDA that aims to capacitate and empower the micro and small cooperatives to be successful agents of economic growth. It will focus on the Micro and Small Cooperatives of the 92 unbanked municipalities of the country which will be subjected to "Environmental Scanning" and the 220 operating cooperatives with more 31,000 members which will be subjected to "Level of Maturity Assessment".



Environmental Scanning Tool was devised to identify the necessary but missing facilities in the community which hinder the cooperative's growth and development. While the Level of Maturity Assessment Tool measures the readiness and maturity level of the cooperatives to access formal credit assistance and receive other support services and developmental interventions from the Land Bank and other partner government agencies.

"This signing is a great breakthrough to bring those in the margins into the mainstream of the development process. For the CDA, this a great leap forward to fulfill our mandate as well as to put categorically the cooperatives to be countervailing force against hunger, poverty, social injustice, equity, terrorism and climate change." Chairman Ravanera said as he expressed gratitude for the support of the LBP to the CDA and to the cooperatives.

Meanwhile, President Borrromeo commended the CDA and Land Bank team for coming up with a comprehensive Coop Assessment Tool in just two weeks. *"Land Bank is no stranger to cooperatives. Lot more could be done with this partnership. There are small and weak coops to be strengthened, to be given access to loans through the Country Side Development Foundation of the Land Bank. We are very excited to see big difference to those communities where government services are most needed."* She stated.

STATEMENT OF FINANCIAL POSITION GENERAL FUND AS AT DECEMBER 31, 2019

	2019	2018 As Restated
Assets		
Current Assets		
Cash and Cash Equivalents	6,072,657.68	10,646,879.73
Receivables	955,799,165.43	971,455,640.71
Inventories	4,688,893.66	1,150,744.68
Other Current Assets	3,677,256.55	3,404,434.71
Total Current Assets	970,237,973.32	986,657,699.83
Non-Current Assets		
Investments	134,040,073.85	134,040,073.85
Property, Plant and Equipment	166,942,747.58	157,926,871.93
Intangible Assets	21,966,608.94	19,950,824.36
Other Non-Current Assets	18,263,314.82	18,245,636.38
Total Non-Current Assets	341,212,745.19	330,163,406.52
Total Assets	1,311,450,718.51	1,316,821,106.35
Liabilities		
Current Liabilities		
Financial Liabilities	24,019,169.83	44,335,176.00
Inter-Agency Payables	18,994,074.12	16,830,231.97
Trust Liabilities	448,536.42	2,160,119.55
Other Payables	1,772,765.39	1,538,621.29
Total Current Liabilities	45,234,545.76	64,864,148.81
Non-Current Liabilities		
Deferred Credits/Unearned Income	26,762.14	26,762.14
Provisions	-	259,200.00
Total Non-Current Liabilities	26,762.14	285,962.14
Total Liabilities	45,261,307.90	65,150,110.95
Total Assets Less Liabilities	1,266,189,410.61	1,251,670,995.40
Net Assets/Equity		
Accumulated Surplus/(Deficit)	1,266,189,410.61	1,251,670,995.40
Total Net Assets/Equity	1,266,189,410.61	1,251,670,995.40



STATEMENT OF FINANCIAL PERFORMANCE

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 As Restated
Revenue		
Service and Business Income	30,948,049.49	24,106,674.33
Shares, Grants and Donations	-	26,000.00
Total Revenue	30,948,049.49	24,132,674.33
Less: Current Operating Expenses		
Personnel Services	438,030,102.17	397,963,618.83
Maintenance and Other Operating Expenses	137,627,595.70	137,139,495.18
Financial Expenses	35.31	2,160.59
Non-Cash Expenses	21,443,880.61	11,432,591.27
Total Current Operating Expenses	597,101,613.79	546,537,865.87
Surplus/(Deficit) from Current Operations	(566,153,564.30)	(522,405,191.54)
Net Financial Assistance/Subsidy	624,131,829.02	607,750,074.64
Miscellaneous Income	14,079.14	9,428.55
Gains	82,683.00	107,699.60
Losses	(48,142.87)	(470,625.84)
Surplus/(Deficit) for the period	58,026,883.99	84,991,385.41

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 As Restated
Balance at January 1	1,259,131,271.55	1,299,681,648.99
Changes in Accounting Policy	(4,414.51)	(251,980.71)
"Prior Period Errors Expenses"	(4,209,977.54)	(11,198,587.05)
Other Adjustments	(3,245,884.10)	(75,142,465.46)
Restated balance	1,251,670,995.40	1,213,088,615.77
Changes in Net Assets/Equity for the Calendar Year		
Surplus/(Deficit) for the period	58,026,883.99	84,991,385.41
"Adjustment of net revenue recognized in net assets/equity"	(40,044,530.35)	(41,043,770.10)
Others	(3,463,938.43)	(5,365,235.68)
Balance at December 31	1,266,189,410.61	1,251,670,995.40



STATEMENT OF CASH FLOWS

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018 As Restated
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation	802,452,609.54	692,619,259.67
Collection of Income/Revenues	31,039,683.38	23,494,458.87
"Receipt of Assistance and Subsidy from Other NGAs, LGUs and GOCCs"	-	2,019,913.33
Collection of Receivables	997,155.16	720,818.69
Receipt of Inter-Agency Fund Transfers	925,934.56	10,923,056.25
Receipt of Intra-Agency Fund Transfers	-	1,939,333.32
Trust Receipts	29,959.46	16,122.20
Other Receipts	551,878.52	3,487,244.99
Adjustments	1,810,306.51	47,674.70
Total Cash Inflows	837,807,527.13	735,267,882.02
Cash Outflows		
Remittance to National Treasury	32,091,536.66	30,758,931.21
Payment of Expenses	431,535,394.11	401,185,550.20
Purchase of Inventories	3,524,605.73	2,974,152.04
Grant of Cash Advances	2,869,434.56	1,333,194.52
Prepayments	546,928.55	1,610,154.87
Refund of Deposits	-	19,200.00
Payment of Accounts Payable	33,637,288.51	8,697,246.05
"Remittance of Personnel Benefit Contributions and Mandatory Deductions"	131,758,059.10	110,986,698.73
Grant of Financial Assistance/Subsidy	16,842,000.00	84,892,384.98
Release of Inter-Agency Fund Transfers	11,937,953.81	29,738.25
Release of Intra-Agency Fund Transfers	82,007,484.32	21,932,532.19
Payment from Trust Liabilities/Fund Transfers	260,483.85	2,046,558.81
Other Disbursements	446,740.63	14,081,159.05
Reversal of Unutilized NCA	77,029,244.73	40,897,916.45
Adjustments	42,705.20	38,651,701.86
Total Cash Outflows	824,529,859.76	760,097,119.21
Net Cash Provided by Operating Activities	13,277,667.37	(24,829,237.19)
Cash Flows from Investing Activities		
Cash Inflows		
Proceed from Sale/Disposal of PPE	-	18,795.86
Proceed from Sale of Investments	-	6,000,000.00
Total Cash Inflows	-	6,018,795.86
Cash Outflows		
Purchase/Construction of PPE	16,406,294.42	4,957,408.10
Purchase of Intangible Assets	1,445,595.00	9,435,932.00
Adjustments	-	10,732.02
Total Cash Outflows	17,851,889.42	14,404,072.12
Net Cash Used in Investing Activities	(17,851,889.42)	(8,385,276.26)
Increase (Decrease) in Cash and Cash Equivalents	(4,574,222.05)	(33,214,513.45)
Cash and Cash Equivalents, January 1	10,646,879.73	43,861,393.18
Cash and Cash Equivalents, December 31	6,072,657.68	10,646,879.73

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2019

Particulars	Budgeted Amount		Actual Amounts on Comparable Basis	Difference (Final Budget and Actual)
	Original	Final		
RECEIPTS				
Service and Business Income	9782000.00	9782000.00	30,777,030.75	(20,995,030.75)
Total Receipts	9782000.00	9782000.00	30,777,030.75	(20,995,030.75)
PAYMENTS				
Personnel Services	398,974,000.00	437,935,045.00	435,338,140.50	2,596,904.50
"Maintenance and Other Operating Expenses"	212,248,200.00	219,792,531.98	145,031,797.46	74,760,734.52
Capital Outlay	32,551,975.43	31,879,086.35	25,521,849.71	6,357,236.64
Total Payments	643,774,175.43	689,606,663.33	605,891,787.67	83,714,875.66
NET RECEIPTS/ PAYMENTS	(633,992,175.43)	(679,824,663.33)	(575,114,756.92)	(104,709,906.41)



COOPERATIVE DEVELOPMENT AUTHORITY

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of COOPERATIVE DEVELOPMENT AUTHORITY is responsible for all information and representations contained in the accompanying Statement of Financial Position as at December 31, 2019 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


JOSELITO O. HALLAZGO

Chief, Finance Division


ORLANDO R. RAVANERA

Chairman

Date Signed: FEBRUARY 20, 2020

Date Signed: FEBRUARY 21, 2020



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