



# COOPERATIVE DEVELOPMENT AUTHORITY

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MEMORANDUM CIRCULAR NO. 2022 - 23  
Series of 2022

TO : ALL CONCERNED

SUBJECT : GUIDELINES GOVERNING THE IMPLEMENTATION OF THE SEAL OF GOOD COOPERATIVE GOVERNANCE (SGCG) PROGRAM

## SECTION 1. TITLE

This Memorandum Circular shall be known as the **GUIDELINES GOVERNING THE IMPLEMENTATION OF THE SEAL OF GOOD COOPERATIVE GOVERNANCE PROGRAM.**

## SECTION 2. LEGAL BASES

This Guidelines is anchored on the following provisions of law:

- a. RA 9520, Philippine Cooperative Code of 2008, Article 4, Cooperative Principles. – Every cooperative shall conduct its affairs in accordance with Filipino culture, good values and experience and the universally accepted principles of cooperation which include, but are not limited to the following:
  - Voluntary and Open Membership- cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, cultural, political or religious discrimination.
  - Democratic Member Control- cooperatives are democratic organizations that are controlled by their members who actively participate in setting their policies and making decisions. Men and women serving as elected representatives, directors, or officers are accountable to the members. In primary cooperatives, members have equal voting rights of one-member, one-vote. Cooperatives at other levels are organized in the same democratic manner.
  - Member Economic Participation- members contribute equitably to, and democratically control the capital of their cooperative. At least part of that capital is the common property of the cooperative. They shall receive limited compensation or limited interest, if any, on capital subscribed and paid as a condition of membership. Members allocate surpluses for any,



or all of the following purposes: developing the cooperative by setting-up reserves, part of which should at least be indivisible; benefitting members in proportion to their patronage of the cooperative's business; and, supporting other activities approved by the membership.

- **Autonomy and Independence-** cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including the government, or raise capital from external sources, they shall do so on terms that ensure democratic control of their members and maintain their cooperative autonomy.
  - **Education, Training and Information-** cooperatives shall provide education and training for their members, elected or appointed representatives, managers and employees, so that they can contribute effectively and efficiently to the development of their cooperatives.
  - **Cooperation Among Cooperatives-** cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.
  - **Concern for Community-** cooperatives work for the sustainable development of their communities through policies approved by their members.
- b. RA 11364, the Cooperative Development Authority (CDA) Charter of 2019, Section 4 (l) Grant awards, recognition and incentives to cooperatives, cooperative leaders and partners.

### **SECTION 3. DESCRIPTION OF THE PROGRAM**

The Seal of Good Cooperative Governance is an award, incentive, honor and recognition-based program for cooperatives for their continuing commitment to enhance their performance. It shall be awarded by the Cooperative Development Authority (CDA) to cooperatives which exemplify good governance in their management and operations.

### **SECTION 4. OBJECTIVES OF THE PROGRAM**

This program has the following objectives:

- a. To recognize cooperatives for their exemplary performance in good governance, and;

- b. To search for models of cooperative best practices and programs that will serve as benchmarks and standards of cooperative performance.

## **SECTION 5. COVERAGE**

This Guidelines shall apply to all compliant cooperatives operating for at least three (3) years.

## **SECTION 6. GENERAL REQUIREMENTS AND IMPLEMENTATION MECHANICS**

- a. The following cooperatives are qualified to be awarded the Seal of Good Cooperative Governance:
  - All cooperatives with a valid Certificate of Compliance (COC)<sup>1</sup>; and
  - All cooperatives that receive a rating of Very Satisfactory, subject to criteria and conditions of the CDA in the Governance and Management and Audit Report (GMAR).
- b. The Supervision and Examination Section (SES) shall generate from the Cooperative Assessment Information System (CAIS) the list of cooperatives that meet the requirements as provided in letter (a) above. In the case of Insurance Cooperatives, Cooperative Banks, and Credit Surety Fund Cooperatives, the generation of the GMAR rating shall be undertaken by the Supervision and Examination Division (SED).
- c. The Regional Extension Office Director and the Chief of the Supervision and Examination Division shall submit to the Cooperative Research, Information and Training Division (CRITD) a list of cooperatives with a certification that such cooperatives are qualified to be awarded the Seal of Good Cooperative Governance.
- d. The Seal of Good Cooperative Governance bearing the signature of the Chairperson of the Authority shall be conferred to the qualified cooperatives by the Regional Director in fitting ceremonies.
- e. The Authority shall maintain a list of cooperatives that have awarded given the Seal of Good Cooperative Governance which shall be posted on the CDA website and its social media platforms.
- f. The Seal shall be conferred annually.

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<sup>1</sup> CDA Memorandum Circular No. 2016-07 Amended Guidelines Governing the Issuance of Certificate of Compliance (COC)

**SECTION 7. EFFECTIVITY**

This Memorandum Circular shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette and receipt of the Office of the National Administrative Register (ONAR).

Approved by the CDA Board of Directors on July 11, 2022, per BOD Resolution No. 621, s-2022.

Issued this 4th day of August 2022.

**THE BOARD OF DIRECTORS**

By:

  
**USEC. JOSEPH B. ENCABO**  
Chairperson