



# COOPERATIVE DEVELOPMENT AUTHORITY

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## MEMORANDUM CIRCULAR NO. 2023- 06

Series of 2023



TO : ALL CONCERNED

SUBJECT : CONSULTATION, COLLABORATION, AND COORDINATION FRAMEWORK OF THE COOPERATIVE DEVELOPMENT AUTHORITY (CDA) WITH THE NATIONAL ALLIANCE OF COOPERATIVES (NAC), COOPERATIVE DEVELOPMENT COUNCILS (CDCs), AND THE NATIONAL COORDINATING COMMITTEE FOR COOPERATIVE DEVELOPMENT (NCC-CD)

### SECTION 1. TITLE

This Memorandum Circular shall be known as the ***Consultation, Collaboration, and Coordination Framework of the Cooperative Development Authority (CDA) with the National Alliance of Cooperatives (NAC), Cooperative Development Councils (CDCs), and the National Coordinating Committee for Cooperative Development (NCC-CD)***.

### SECTION 2. LEGAL BASES

- a) Section 4, (a) RA 11364, Develop and formulate, in consultation with the cooperative sector and other concerned institutions, appropriate regulations, standards, rules, orders, guidelines and/or circulars to implement this Act and Republic Act No. 9520 to ensure the effective and sound operation of cooperatives;
- b) Section 4, (b) RA 11364, Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and establish an integrated framework on cooperative development for all government agencies;
- c) Section 4, (z) RA 11364, Powers, Functions and Responsibilities. Recognize sectoral apex organizations and a national alliance representing all types and categories of cooperatives which shall function as the overall consultative and coordinating body with the Authority, for this purpose, the pertinent provisions of RA 9520 are hereby amended accordingly, and the Authority shall issue the necessary IRR for this provision;
- d) Section 4, (cc) RA 11364, Establish the formation and organization of cooperative development councils in the national, regional, provincial, city, and municipal levels in order to provide the cooperative movement a system for policy consultation and program coordination in accordance with the guidelines to be prescribed by the Authority.
- e) Section 4 (b) of RA 11364, Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the

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**national policy on cooperatives and establish an integrated framework on cooperative development for all government agencies.**

- f) Section 4 (aa) of RA 11364, Establish a consultative mechanism consistent with Section 18 of this Act in order to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs, and policies affecting cooperatives.**
- g) Section 4 (dd) of RA 11364, Collaborate with concerned agencies that can provide technical, professional, and marketing assistance including trainings on transfer of technology to ensure the viability, growth, competitiveness and innovativeness of cooperatives, giving special concern to agrarian reform, agriculture, fishery and the economically depressed sectors.**
- h) Section 4 (ee) of RA 11364, Provide assistance on cooperative product development and facilitate their marketing both in the domestic and international market in coordination with the concerned agencies.**
- i) Section 4 (ii) of RA 11364 Formulate, adopt and implement, in a manner consistent with Section 17 of this Act, a standard of training for cooperative officers or members which shall focus on basic cooperative principles and values, good governance, business and entrepreneurial management, human resource management, risk management, conflict management, and technical skills required for the efficient and effective operations of the cooperatives.**
- j) Rule IX of IRR of RA 11364 provides the recognition of Regional Clustered Organizations (RCOs), Sectoral Apex Organizations (SAOs), and National Alliance of Cooperatives (NAC).**
- k) Section 2, Rule X of the Implementing Rules and Regulations (IRR) of RA 11364 otherwise known as Cooperative Development Authority Charter of 2019, Purposes of the Cooperative Development Councils. The CDC is a multi-sectoral body created to provide a system with regard to policy consultation and coordination of cooperative programs and projects to be established at the national, regional, provincial, city, and municipal levels under the supervision of the Authority.**

**It shall serve as the mechanism for collaboration, consultation and coordination in the implementation of various cooperative programs and projects implemented by all government branches, instrumentalities, subdivisions and agencies, and policy initiatives for cooperative development.**

- l) Section 3. Rule X of the Implementing Rules and Regulations of RA 11364 otherwise known as Cooperative Development Authority Charter of 2019, Organization of CDCs. The organization of CDCs shall be initiated by the Authority. The membership of the CDCs shall come from cooperatives, LGUs, NGAs, NGOs, academe, and other stakeholders at the national, regional, provincial, city, and municipal levels.**
- m) Section 2 of Rule IV of Implementing Rules and Regulation of RA 11364, CDA as the lead agency in cooperative development. The CDA, as the lead agency of the**

government in the promotion and development of cooperatives, shall synchronize the efforts of other relevant government institutions toward the common goal of empowering the cooperatives in achieving their growth as instruments of equity, social justice and economic development.

- n) Section 3 of Rule IV of IRR of RA 11364, National Coordinating Committee. All government branches, instrumentalities, subdivisions and agencies with programs and projects concerning cooperatives, shall coordinate such programs and projects with the Authority, with a view to providing a comprehensive technical and financial program for cooperatives, through the creation of a National Coordinating Committee, chaired by the Authority. The Committee shall be composed of representatives from said government branches, instrumentalities, subdivisions and agencies whose ranks should not be lower than the Director level in charge of cooperative programs.
- o) Paragraph 3, Sec. 5. RA 11032 An Act Promoting Ease of Doing Business and Efficient Delivery of Government Services, Amending for the Purpose Republic Act No. 9485, Otherwise Known as the Anti-Red Tape Act Of 2007, and for Other Purposes, Reengineering of Systems and Procedures. – All proposed regulations of government agencies under Section 3 of this Act shall undergo regulatory impact assessment to establish if the proposed regulation does not add undue regulatory burden and cost to these agencies and the applicants or requesting parties: Provided, that when necessary, any proposed regulation may undergo pilot implementation to assess regulatory impact.

### **SECTION 3. RATIONALE**

Under the CDA Charter of 2019 (RA 11364), the Authority is mandated to establish the formation of a system with regard to policy consultation and coordination of cooperative programs and projects to be established at the national, regional, provincial, city, and municipal levels under the supervision of the Authority.

*It shall serve as the mechanism for collaboration, consultation, and coordination in the implementation of various cooperative programs and projects implemented by all government branches, instrumentalities, subdivisions and agencies, and policy initiatives for cooperative development.*

From the legal bases stated above, there is an imperative need to establish a coordination, collaboration, and consultation framework between the Authority and the consultative bodies. This is to mitigate divergences, ensure policy and program coherence, and promote mutually supporting actions across sectors and institutions.

This framework is based on the guiding principles of governance; the legal bases for coordination; the principal actors in the coordination and consultative process and their principal roles; the areas or entry points of coordination and consultation; and the structure and institutional mechanism for coordination and consultation.

## SECTION 4. COVERAGE

This covers all activities pertaining to consultation, collaboration, and coordination of the Cooperative Development Authority Head Office and Regional Extension Offices with the Regional Clustered Organizations (RCOs), Sectoral Apex Organizations (SAO), NAC, CDCs, and the NCC-CD.

## SECTION 5. GUIDING PRINCIPLES OF CONSULTATION AND COORDINATION

The need for coordination between and among the sectors involved in the development process cascades from the principles of good governance. Governance in this case is defined as the exercise of economic, political, and administrative authority to manage the nation's affairs at all levels. It comprises all the mechanisms, processes, and institutions through which the citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences<sup>1</sup>.

The following interrelated principles would shape sound coordination and consultation.

- a) **Principle of Complementation and Subsidiarity.** This principle espouses that the state should, whenever and as long as possible leave to the private initiative, the affairs of the market. It recognizes the private sector as the engine of growth and development with the state providing the facilitative and enabling environment.
- b) **Principle of Circumscribed Governance.** This principle is based on the realization that the State has limited resources to fund the provision of public goods and services. Thus, the government allows itself to be circumscribed by the following: citizen's basic rights, basic obligations, the financial system, the judicial system, well-defined public goods and limited resources. Thus, from playing basically a regulatory role, the government becomes a facilitator of private initiative.

On the other hand, the private sector's ability to function depends critically on the reliability and effectiveness of institutions to provide the necessary public goods such as guaranteeing the rule of law or the protection of property rights.

- c) **Principle of Empowerment.** The principle recognizes that the principal responsibility of peoples to chart their own development and destiny rests in themselves with the State providing measures to facilitate the same. This principle espouses that the most vulnerable sectors of society be economically empowered by expanding their capabilities and opportunities to generate sustainable sources of income, propagating awareness for positive collective action, and increasing their participation in decision-making.
- d) **Principle of Transparency.** This principle relates to the right to allow those affected by administrative decisions to know about the resulting facts and figures and about the process that resulted in those decisions. It also means that

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<sup>1</sup> UNDP Policy Paper 1997

information is freely available and directly accessible to those who will be affected by such decisions and their enforcement.

- e) **Principle of Strategic Alliance and Critical Collaboration.** This principle is premised on the realization that governance is not the sole domain of government; that there are other important actors as well. The principle of critical collaboration recognizes the full, substantial, independent but intersecting and reinforcing roles and partnerships of key actors in the cooperative sector.

**SECTION 6. PRINCIPAL ACTORS AND THEIR ROLES IN THE CONSULTATION/COORDINATION PROCESS**

- a) Cooperative Development Authority
- b) National Alliance of Cooperatives
- c) Cooperative Development Councils
- d) National Coordinating Committee on Cooperative Development (NCC-CD)

The specific roles of each of these actors are summarized in the following table:

Agency/Actor	Roles
Cooperative Development Authority	<p>Lead agency in the promotion, development regulation and adjudication of cooperatives of whatever type and nature throughout the country.</p> <p>CDA is mandated by its charter to establish a consultative mechanism in order to provide the cooperative sector a system to ensure participation on matters concerning government plans, programs and policies affecting cooperatives.</p>
National Alliance of Cooperative	<p>Overall consultative and coordinative body with the Authority, the NAC shall have the following functions:</p> <ol style="list-style-type: none"> <li>1. To participate in the formulation and monitoring of the implementation of the cooperative development plan at the national level;</li> <li>2. To promote and uphold the cooperative principles and values;</li> </ol>

3. To conduct forums, consultations and such other activities necessary in the promotion of their advocacies and to collect reasonable fees therefor, as may be permitted by the Authority;

4. To submit to the Authority reports on every activity conducted or participated;

5. To make policy proposals and or endorse policy proposals from SAO and RCO;

6. To disseminate relevant information, engage in public relation activities in order to stress the significance and impact of cooperatives in the society and in the economy and to encourage participation therein; and

7. To adopt internal rules for the operation of the NAC, subject to the approval of the Authority

As the overall consultative and coordinating body with the Authority, the **SAO** shall have the following functions:

1. To represent such cluster in the National Alliance of Cooperatives in the performance of the Alliance's role and functions;

2. To promote and uphold the cooperative principles and values;

3. To conduct forums, consultations and such other necessary activities pertaining to the specific cluster and to collect reasonable fees therefor, as may be permitted by the Authority;

4. To submit to the Authority reports on every activity conducted or participated;

5. To make policy proposals and to engage in negotiations to protect member's livelihoods, jobs and local communities; and

6. To adopt internal rules for the operation of the SAO subject to the approval of the Authority

As the overall consultative and coordinating body with the Authority, the RCO shall have the following functions:

1. To represent in the SAO the clusters in the region;
2. To promote and uphold the cooperative principles and values;
3. To conduct forums, consultations and such other necessary activities pertaining to the cluster in the region and to collect reasonable fees therefor as may be permitted by the Authority;
4. To submit to the Authority reports on every activity conducted or participated; and
5. To make policy proposals and engage in negotiations to protect member's livelihoods, jobs and local communities

**Cooperative Development Councils** Serves as a mechanism for collaboration, consultation and coordination in the implementation of various cooperative programs and projects implemented by all government branches, instrumentalities, subdivisions and agencies, and policy initiatives for cooperative development; Coordinate and harmonize the implementation of various cooperative plans, programs and projects of the government; Assist the CDA in the broad-based monitoring and coordination of the Philippine Cooperative Development Plan (PCDP) through the collective efforts of all sectors and to develop such mechanism in line with the PDCP; and Propose policies affecting cooperatives for local and national implementation.

National Coordinating Committee  
for Cooperative Development

Coordinate the formulation and implementation of programs, projects and activities with the CDA, with the view to providing comprehensive technical and financial programs for cooperatives;  
Harmonize the formulation of policies, regulations and reforms as well as the pursuit of development initiatives that are mutually important for the promotion of the respective mandates of member agencies; and

Assess current cooperative programs, projects and activities of national government agencies and the provision of policy recommendations and technical guidance of the NCC-CD.

## **SECTION 7. OBJECTIVES OF COORDINATION/CONSULTATION**

This framework, as envisioned, provides a system for policy consultation, program coordination, and the promotion of a workable and sustainable collaboration between and among government agencies (both national and local), cooperatives, and civil society, to ensure the viability and growth of cooperatives as instruments of equity, social justice, and economic development.

## **SECTION 8. AREAS/ENTRY POINTS FOR CONSULTATION/COORDINATION FOR COOPERATIVE DEVELOPMENT**

The proposed framework identifies the following areas or entry points for coordination and/or consultation:

### **NAC**

- a) Consultation on regulations, standards, rules, orders, guidelines and/or circulars to implement cooperative laws to ensure the effective and sound operation of cooperatives;
- b) Coordination of institutionalized cooperative activities such as the Cooperative Month, International Day of Cooperatives, and other similar activities; and
- c) Consultation on other measures or initiatives concerning cooperatives at the discretion of the Authority



## **CDCs**

- a) Consultation on policies proposed by other agencies or jointly proposed by the Authority and partner agencies for cooperatives;
- b) Consultation on the crafting of the Philippine Cooperative Development Plan;
- c) Monitoring of the implementation of the Philippine Cooperative Development Plan;
- d) Coordination on the formulation and implementation of programs, projects, and activities with the CDA with the view to providing comprehensive technical and financial programs for cooperatives; and
- e) Consultation on other measures or initiatives concerning cooperatives at the discretion of the Authority.

## **NCC-CD**

- a) Coordination on the formulation and implementation of programs, projects, and activities with the CDA with the view to providing comprehensive technical and financial programs for cooperatives.

## **SECTION 9. CONSULTATION/ COORDINATION PROCESSES**

Consultation/coordination with the consultative bodies may be undertaken through any of the following processes:

- a) **Informal consultation.** Informal consultation includes all forms of discretionary, ad hoc, and unstandardized contacts between regulators and interest groups. It takes many forms, from phone-calls to letters to informal meetings, and occurs at all stages of the regulatory process. The key purpose is to collect information from interested parties. This approach can be less cumbersome and more flexible than more standardized forms of consultation; hence, they can have important advantages in terms of speed and the participation of a wider range of interests. In this type of consultation, considering the available resources and time, a substantial percentage of the affected segment should be consulted.
- b) **Circulation of policy proposals for public comment.** This is a relatively inexpensive way to solicit views from the public and it is likely to induce affected parties to provide information. It is flexible in terms of the timing, scope and form of responses. It differs from informal consultation in that the circulation process is generally more systematic, structured, follows a routine, and may have some basis in law, policy statements, or instructions. It can be used at all stages of the regulatory process – but is usually used to present concrete policy proposals for consultation. Responses are usually in written form. The proposed policy may be posted in a dedicated portion of the CDA website and other social media platforms of the Authority. The posting should include the timeframe for submission of

inputs/comments/recommendations which may be extended at the discretion of the Authority.

- c) **Public Consultations.** These are public meetings on a particular policy/regulatory proposal in which interested groups or stakeholders are invited to comment in person. The policy proponent may ask the interested parties or stakeholders to submit written information or data during the meeting.
- d) Combination of any or all of the above.

## **SECTION 10. DOCUMENTED INFORMATION**

In the interest of efficiency and exigency of service, the NAC and the concerned Cooperative Development Council shall submit to the CDA Regional Extension Office the following records of every consultation undertaken not later than forty-five (45) days or earlier, as may be required by the Authority:

a) CDA- initiated policy proposal

1. Subject matter Submitted for Consultation
2. Recommendations and other Highlights of the Consultation Conducted
3. Attendance Sheet or List of Participants in the Consultation
4. Place, Date, and manner of consultation

b) NAC-SAO-RCO-CDC- NCC-CD- initiated policy proposal

1. Proponent, Subject Matter, Background/Legal Bases
2. Results of Consultation Conducted on the proposal
3. Attendance Sheet or List of Participants in the Consultation
4. Place, Date, and manner of consultation

c) Monitoring Report on the Philippine Cooperative Development Plan (for CDCs)

## **SECTION 11. IMPLEMENTATION ARRANGEMENTS BETWEEN AND AMONG THE NAC, CDCs, and NCC-CD**

a) The authorized representative to the NAC, CDCs and NCC shall observe the following:

- Should be clothed with authority to represent his/her organization until otherwise revoked, in the meetings of the NAC, SAO, RCOs, CDCs and NCC.
- Present, after due consultation with his/her respective organization, any proposed policy/program or activity to be decided upon by the NAC, SAO, RCOs, CDCs and NCC.

- Present to his/her organization a report on the meetings he/she attended.
- b) The CDA shall recognize the internal consultation processes of the NCC, CDCs, NAC, SAO, and RCOs. In the case of the NAC and SAO their internal rules for their operation is subject to the approval of the CDA pursuant to MC 2020-28, series of 2020.
- c) Inputs and recommendations as a result of consultations shall be submitted to CDA after transmittal of the proposed policy measure or on the date specified by the CDA for final consideration of the CDA Board of Directors. The CDA Board of Directors in its discretion may call for a clarificatory meeting.
- d) The default mode of conduct of the meeting shall be virtual. For this purpose, the CDA shall allow the use of the consultative body/organization's virtual platform. However, if a face-to-face meeting is extremely necessary, the use of the local CETF may be allowed. If the CDA calls for a face-to-face meeting, it shall shoulder the cost of the meetings.

**SECTION 12. REPEALING CLAUSE**

This Memorandum Circular repeals or otherwise modifies all previous issuances that are inconsistent with it.

**SECTION 13. EFFECTIVITY**

This Memorandum Circular shall take effect fifteen (15) days after the completion of its publication in the Official Gazette.

Approved by the CDA Board of Directors (BOD) on January 26, 2023 per Board Resolution No. 042, series of 2023.

Issued this 20th day of March 2023.

**FOR THE CDA BOARD OF DIRECTORS**

**USEC. JOSEPH B. ENCABO**  
Chairperson

