



# COOPERATIVE DEVELOPMENT AUTHORITY

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**MEMORANDUM CIRCULAR NO. 2023- 09**  
Series of 2023

**SUBJECT : INTERNET CONNECTIVITY PROJECT FOR COOPERATIVES**

## Section 1. Title

This Memorandum Circular shall be known as the Cooperative Development Authority (CDA) Internet Connectivity Project for Cooperatives or Connectivity Project for brevity.

## Section 2. Legal Basis

1. Republic Act (R.A.) No. 11364, Section 4 provides:
  - (g) Require the submission of annual reports, audited financial statements, and such reports in compliance with Republic Act No. 9520, in such forms as may be prescribed by the Authority;
  - (h) Create an information system from the reports and other documents submitted by cooperatives;
  - (dd) 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;
  - (ee) Provide assistance on cooperatives product development and facilitate marketing both in the domestic and international market in coordination with the concerned agencies.
2. DBM-NEDA-DOST Joint Memorandum Circular 2012-01 or the Government-Wide Medium-Term Information and Communication Technology (ICT) Harmonization Initiative (MITHI) for 2014 to 2016 to ensure the coherence of ICT programs and projects with each other and the consistency of the same with the five (5) Key Result Areas (KRA) of the Administration as laid down in EO No 43 and the Philippine Development Plan 2011-2016;
3. DBM-NEDA-DOST Joint Memorandum Circular 2017-001 or the Extension of the Life of Government-Wide Medium-Term Information and Communication Technology (ICT) Harmonization Initiative (MITHI) and Reconstitution of the MITHI Steering Committee (MSC). The Circular aims to inform agencies of the processes integral to the extension of the MITHI covering FY 2017- FY 2022.

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### **Section 3. Objective and Purpose of the Connectivity Project**

The Connectivity Project aims to:

- Provide a satellite internet connection to micro and small cooperatives located in the unserved and underserved areas in Luzon, Visayas, and Mindanao.
- In line with the total digitalization of CDA to better serve the cooperatives, the project seeks to bridge the digital gap among cooperatives. This will provide the cooperatives, particularly micro and small, an access to opportunities, information and the ability to participate in the digital economy.
- Assist cooperatives in the electronic submission of their periodic reports with the CDA.
- Boost market and business activity of the cooperatives.
- Serves as an instrument to inform the cooperatives and its members about government services and provide them means to access these services.

### **Section 4. Qualified Beneficiaries**

- Cooperatives registered with the CDA falling under the category of a micro or small cooperatives;
- Cooperatives located in the unserved or underserved areas in terms of internet connectivity, based on the Department of Information and Communication Technology (DICT)'s list and/or as recommended by the CDA Extension Office.

### **Section 5. Component of Connectivity Project**

The Connectivity Project has the following components:

1. Satellite Internet Service Subscription for twelve (12) months free of charge starting from the date the internet service is connected;
2. Training for basic troubleshooting and operation of WiFi hotspot system
3. Technical assistance and on-site support

### **Section 6. Project Implementation**

- The CDA through its Extension Offices shall identify, from its masterlist of cooperatives, potential beneficiaries of the project based on Section 4 of this Guidelines;
- The CDA Extension Office shall determine the readiness and interest of these cooperatives for the Connectivity Project and recommend to the CDA Head Office potential cooperative beneficiaries of the project;
- The Internet Service Provider (ISP) shall install equipment and satellite internet services in the location of the identified cooperative beneficiaries;
- Subscription shall be provided on a voucher-based system;

- The subscription fee shall be paid for a 12-month period by the CDA Head Office to the ISP.
- The CDA Extension Office shall take charge of the implementation and coordination of the Project in their respective region.

### **Section 7. Responsibilities of the Cooperative-Beneficiaries**

- The cooperative shall use the internet services to comply with the mandatory requirements of the CDA such as reportorial reports, trainings, and other regulatory requirements and of other national and local agencies;
- The cooperative shall also optimize the Connectivity Project for business opportunities and livelihood undertaking;
- The cooperative shall be provided with an internet service subscription for a maximum period of twelve (12) months. The details of which shall be stipulated in the Agreement between the CDA and the cooperative;
- After the twelve (12) months period or unless earlier terminated or revoked, the cooperative shall be responsible for the payment of subscription to the ISP;
- The cooperative shall designate a focal person for the coordination and technical concern of the Connectivity Project;
- The cooperative shall undergo Training and Orientation on Connectivity Project troubleshooting and other related activities;
- In the event of cancellation or revocation as a cooperative-beneficiary, the proper disposition of the internet subscription and its corresponding equipment shall be decided by the CDA Board.

### **Section 8. Responsibilities of the Contractor or the Service Provider**

- Provide internet service using satellite technology;
- Provide and deploy WIFI Access Points - provide brand new WIFI access point equipment per identified location;
- The service provider shall furnish a service report receipt, to be verified by the CDA, certifying that the service is already available;
- The service provider must provide pre-test results to CDA three (3) days before the scheduled date of acceptance. All documentation necessary during acceptance including test forms, as-built documents which includes test result and installed equipment pictures, if any, must be submitted within five (5) working days. Failure to do so will void the acceptance conducted;
- Provide repair and replacement at no charge to the Procuring Entity during the warranty period of one (1) year inclusive of parts of the system proven to be defective due to improper materials or workmanship under normal use;
- Provide a maintenance at a minimum of twice (in a year) on-site support per site; and

- Faithful compliance with the obligations under the contract with the CDA.

### **Section 9. Prohibition**

In the implementation of the Connectivity Project, the cooperative-beneficiaries are prohibited to:

- Use the Internet service in any unlawful activity;
- Allow other entity to manage or use the internet service which are inconsistent with its purpose;
- Replace parts of the Managed WiFi equipment without prior authorization from the CDA;
- Sell, alienate or dispose any part of the satellite set and/or its additional components such as router, modem, and others;
- Use the internet service for purposes other than the operation of the cooperative.
- Aside from removal as a cooperative beneficiary, appropriate legal action will be imposed against the cooperative who violates the listed prohibitions.

### **Section 10. Project Monitoring**

The CDA Head Office and Regional Offices concerned shall closely coordinate in the implementation and monitoring of the Project on a quarterly basis. They shall ensure that the installed services in every site/cooperative are in good condition, and shall provide feedback to the head office on any concerns and issues.

In the Project monitoring the following shall be responsible:

#### **CDA HEAD OFFICE**

- A. Cooperative Project Development and Assistance Division (CPDAD)
  - Implement the project under direct supervision of the Institutional Development Service (IDS) Deputy Administrator;
  - Coordinate with the concerned CDA Extension Offices any concerns or updates on its implementation;
  - Prepare and develop issuances and announcements related to the Project;
  - Develop tools for monitoring and evaluation; and
  - Prepare and submit a report to the CDA Board of Directors.
- B. Information and Communication Technology Division (ICTD)
  - Issue Certificate of Completion and Acceptance for payment for every site of completion and its monthly subscription;
  - Monitor the status of the internet services and the installed devices of the

project; and

- Coordinate with the LTSI as the Contractor of the project regarding the identified escalated technical issues from the Sites;

C. General Services Section of the Administrative Division

- Process the payment for the provider, in coordination with Finance Division and Cashier Section;
- Ensure timely process of payment to refrain from incurring surcharges;

CDA EXTENSION OFFICE

A. CDA Regional Director

- Supervise the implementation and monitoring of the Connectivity Project in their respective area of jurisdiction.

B. Cooperative Project Development and Assistance Section (CPDAS)

- Coordinate the project under the supervision of its Regional Director;
- Provide necessary support and feedback to the Head Office;
- Conduct monitoring and evaluation of the Project; and
- Submit reports to the CDA Head Office.

C. Field Cooperative Development Specialist

- Assists in the monitoring and evaluation of the Project; and
- Coordinate with the cooperative-beneficiaries any update related to the Project;

D. Information and Communication Technology Section (ICTS)

- Provide assistance to cooperatives on how to get the site coordinates;
- Provide assistance to cooperatives on how to get the Line of Sight using the available application software;
- Check the bandwidth of the configured VSAT per site or cooperative if it conforms with the technical requirements of the project; and
- Provide reports and documentation (pictures, screenshots) of the installed devices to CDA Head Office as required for the issuance of a Certificate of Acceptance of the Project per site.

**Section 11. Effectivity**

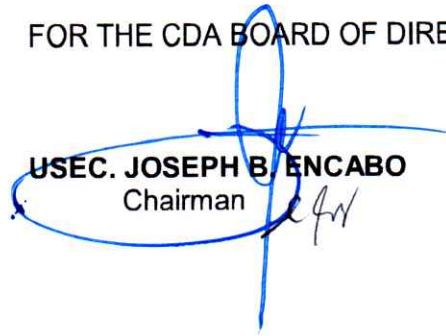
This Guideline shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or the filing of the copy thereof with the Office of the National Administrative Register.

Approved per Board Resolution No. 084 S-2023 dated February 13, 2023.

Issued this 30th day of March 2023.

FOR THE CDA BOARD OF DIRECTORS

**USEC. JOSEPH B. ENCABO**  
Chairman



## MEMORANDUM OF AGREEMENT

KNOW ALL PERSONS BY THESE PRESENTS:

This Memorandum of Agreement ("Agreement") entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ at \_\_\_\_\_ Philippines, by and between:

The COOPERATIVE DEVELOPMENT AUTHORITY \_\_\_\_\_ EXTENSION OFFICE, a government agency created by virtue of Republic Act No. 6939 as amended by Republic Act 11364 with principal address at \_\_\_\_\_, herein represented by its Regional Director, \_\_\_\_\_, hereinafter referred to as the **CDA**.

and

The \_\_\_\_\_ a duly organized cooperative and existing by virtue of Republic Act No. 9520 with address at \_\_\_\_\_ represented its incumbent Chairman, \_\_\_\_\_ and hereinafter referred to as the **Cooperative**.

The **CDA** and **Cooperative** may hereafter be referred to individually as a "**Party**" or collectively as the "**Parties**".

WITNESSETH

**WHEREAS**, the **CDA** is mandated by the Constitution to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development;

**WHEREAS**, the **CDA**, in line with its digitalization program, shall provide micro and small cooperatives an opportunity to access and participate in the program;

**WHEREAS**, the **CDA** on September 8, 2021 approved the Internet Connectivity Project with a budget to be sourced from MITHI Funds;

**WHEREAS**, the **CDA's** Internet Connectivity Project aims to provide a satellite internet connection to micro and small cooperatives located in the unserved and underserved areas in Luzon, Visayas, and Mindanao

**WHEREAS**, the **Cooperative** was one among the identified cooperative-beneficiaries of the Connectivity Project;

**NOW, THEREFORE**, for and in consideration of the foregoing premises, the parties do hereby bind themselves to become partners and agree to the following terms and conditions:

### 1. RESPONSIBILITIES OF THE PARTIES

1.1. The responsibilities of the **CDA** are as follows:

- 1.1.1. Provide the Internet Subscription of the **Cooperative** for the maximum period of twelve (12) months unless earlier terminated or revoked;

- 1.1.2. Provide the necessary assistance to **Cooperative** in the implementation of the Internet Connectivity Project;
  - 1.1.3. Conduct monitoring of the Project sites;
  - 1.1.4. Prepare monitoring report and submit to **CDA** Head Office;
  - 1.1.5. Provide feedback to **CDA** Head Office any concern that may affect the implementation of the Internet Connectivity Project in the **Cooperative**;
  - 1.1.6. Pay the necessary repairs, maintenance and installation of other equipment during the implementation period of the Internet Connectivity Project.
- 1.2. The **Cooperative** shall have the following responsibilities:
- 1.2.1. Use the internet services to comply with the mandatory requirements of the **CDA** such as reportorial reports, trainings, and other regulatory requirements and of other national and local agencies;
  - 1.2.2. Optimize the Connectivity Project for business opportunities and livelihood undertaking;
  - 1.2.3. Pay the amount of the excess usage outside of the amount of the subscription directly to the Internet Service Provider (ISP);
  - 1.2.4. Pay the internet subscription after the twelve (12) month period of the Connectivity Project unless earlier terminated or revoked;
  - 1.2.5. Designate a focal person for the coordination and technical concern of Connectivity Project;
  - 1.2.6. Undergo Training and Orientation on Connectivity Project troubleshooting and other related activities;
  - 1.2.7. Assist the **CDA** in the conduct of its monitoring of the Project installed in the Cooperative office;
  - 1.2.8. Pay charges or expenses for repair or damages not within the warranty period
  - 1.2.9. Faithful compliance with its obligation under this Agreement.

## 2. **IMPLEMENTATION**

- 2.1. In case of earlier termination or revocation as cooperative-beneficiary, the cooperative may appeal to regain its status as cooperative-beneficiary, subject to the approval of the **CDA** Board of Directors (BOD). Provided, however, that in the event of approval, the period of the Connectivity Project shall continue from the date of termination or revocation but shall not exceed the twelve (12) months period;
- 2.2. In the event that the **Cooperative** decided not to continue the Internet Service Subscription prior to its 12-month period, the Chairman or the General Manager shall submit a letter to **CDA** Regional Office of their decision specifying therefore their reason for termination of being a beneficiary, subject to approval of the **CDA** BOD. All the equipment used during the implementation of the Connectivity Project shall be returned by the cooperative to the **CDA** Regional Office;
- 2.3. If, at the end of the Connectivity Program, the cooperative decides to continue with the internet service, all of the **CDA**'s rights and obligations arising from its contract with the Internet Service Provider shall be transferred to the Cooperative, including ownership of all equipment used during the Connectivity Project's implementation, subject to applicable governmental



accounting and auditing rules.

**3. AMENDMENT/MODIFICATION OF MOA**

3.1. The **Parties** hereto may, upon mutual consent, amend or modify this Agreement, in writing at any time through addendum duly signed and executed by both parties.

**4. FORCE MAJEURE**

4.1. Either **Party** shall not be liable for its failure to comply with the obligations under this Agreement due to a fortuitous event, provided that the **Party** invoking the fortuitous event is not negligent or in delay.

**5. SETTLEMENT OF DISPUTES**

5.1. The **Parties** shall make every effort to resolve amicably by negotiations any disagreement or dispute arising between them under this Agreement. Any and all disputes arising from the implementation of this Agreement shall be submitted to arbitration, in accordance with R.A. No. 876 (Arbitration Law) and R.A. No. 9285 (Alternative Dispute Resolution Act of 2004). The **Parties** may agree in writing to resort to other alternative modes of dispute resolution by mutual agreement.

**6. EFFECTIVITY AND TERMINATION**

6.1. This Agreement shall take effect upon signing hereof by the Parties and shall remain valid and binding until the end of the Connectivity Project, unless earlier terminated by either Party;

6.2. Either **Party** may terminate this Agreement, by serving a written notice of termination to the other **Party**, at least thirty (30) days before the effectivity of the termination.

IN WITNESS WHEREOF, the Parties have hereunto signed this Agreement this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ at \_\_\_\_\_, Philippines.

COOPERATIVE DEVELOPMENT  
AUTHORITY

COOPERATIVE-BENEFICIARY

By: \_\_\_\_\_  
Regional Director

By: \_\_\_\_\_  
Authorized Signatory

SIGNED IN THE PRESENCE OF

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
WITNESS

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES )  
City of \_\_\_\_\_ ) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction this \_\_\_\_\_  
personally appeared the following:

Proof of

Name	Identification	Date and Place Issued

known to me and to me known to be the same persons who executed the foregoing Agreement and they acknowledged to me that the same is made of their free will and voluntary act and deed as well as that of the corporations herein represented.

WITNESS MY HAND AND SEAL in this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, Philippines.

Notary Public

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Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 202\_\_