

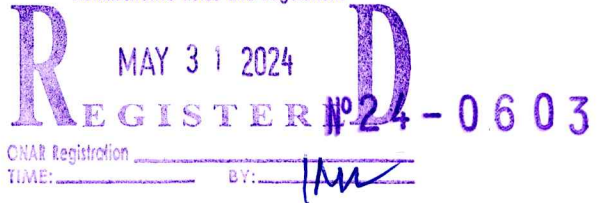


COOPERATIVE DEVELOPMENT AUTHORITY

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U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations



MEMORANDUM CIRCULAR NO. 2024 - 12 Series of 2024

TO : ALL CONCERNED

SUBJECT : GUIDELINES ON THE GRANT OF AGRI-MACHINERY TO MICRO AND SMALL AGRICULTURE COOPERATIVES

Section 1. Title

This Memorandum Circular shall be known as the Guidelines on the Grant Of Agri-Machinery to Micro and small Agriculture Cooperatives.

Section 2. Legal Bases

The legal bases of this Guidelines are the following:

1. Republic Act No. 11364, Section 4. *Powers, Functions, and Responsibilities.* - The Authority shall have the following powers and functions:
 - (b) Formulate, adopt, and implement integrated and comprehensive plans and programs on cooperative development consistent with the traditional policy on cooperatives and establish an integrated framework on cooperative development for all government agencies;
 - (m) Administer all grants and donations exclusively intended for cooperatives coursed the Authority for cooperative development, without prejudice to the right of cooperatives to directly receive and administer such grants and donations upon agreement with the grantors and donors thereof;
2. Republic Act No. 11975, otherwise known as the General Appropriations Act Volume I-C Fiscal Year 2024.

Section 3. Qualified Beneficiaries

The beneficiaries of the program will be the micro and small agricultural cooperatives included in the tentative list. If any listed cooperative is found to be non-compliant with existing CDA rules, it will be disqualified. Both the listed cooperatives and those replacing the disqualified ones must meet the following minimum qualifications:

1. Must be duly registered [agriculture cooperative] with the Cooperative Development Authority (CDA);
2. With a valid Certificate of Compliance (COC) from the CDA;
3. Belongs to the Micro cooperative category;
4. Rice and/or corn production is provided in the Articles of Cooperation of the Cooperative with a Certificate of Accreditation issued by the CDA; Not in default or delay in liquidating public funds and properties received from CDA and other government agencies.



5. When there are more than 10 qualified applicants for the agri machinery, a first-come-first-serve basis shall be applied. Therefore, the first 10 applicants to comply with and satisfy the minimum requirements shall be the beneficiaries of the agri machinery. Suppose a cooperative that is included in the tentative list of cooperative beneficiaries is disqualified. In that case, it is in the discretion of the Regional Director to replace said cooperative that satisfies the minimum qualifications stated herein.

Section 4. Purposes of the Grant:

The CDA shall grant the agri-machinery for brevity to selected micro and small agricultural cooperatives to:

1. empower agriculture micro cooperatives in food security towards inclusive and sustainable growth and development of agricultural cooperatives, and
2. provide assistance/grants to deserving micro cooperatives in agriculture through farm pieces of machinery/equipment.

Section 5. Documentary Requirements for the Release of Grant

The following documents are required to be submitted by the cooperatives in the tentative list of beneficiaries, including those that have applied for the farm machinery should a cooperative in the tentative list be disqualified. The following documentary requirements should be submitted to the CDA Extension Office prior to the release of the machinery to the qualified micro and small cooperatives:

1. Letter of intent submitted by the Chairman and/or Chief Executive/General Manager of the Cooperative addressed to the CDA Extension Office through its Regional Director with jurisdiction over the cooperative;
2. Resolution of the Cooperative's Board of Directors approving the request to CDA for the agri-machinery;
3. Valid Certificate of Compliance (COC) from CDA;
4. Certificate of Accreditation issued by the CDA, and
5. Notarized Memorandum of Agreement and Deed of Donation and Acceptance between the CDA and the cooperative

Section 6. Procedures for the release of agri-machinery

1. The CDA Regional Extension Office shall verify whether the cooperative is eligible to be a recipient of agri-machinery using the technical and financial evaluation form (supplied) after meeting the qualification requirements in Section 3;
2. If found eligible to be a recipient, the CDA REO shall submit the list/names of cooperatives to the CDA Board through the Administrator and the Agriculture Cluster

Head, for Board's consideration and approval. The approval shall be supported with a Board Resolution;

3. Upon receipt of the Board Resolution, the CDA REO shall require the cooperative to submit the documents. Once completed, the CDA REO shall prepare a Memorandum of Agreement (MOA) and Deed of Donation and Acceptance (DDA) between the CDA and the cooperative;
4. Once the MOA and the DDA are approved and signed, the CDA shall release the agri-machinery to the Cooperative;
5. The MOA and DDA shall be notarized; each party shall have their own original and notarized copy, and
6. An orientation shall be conducted by the CDA Extension Office relative to the guidelines to ensure that the cooperative beneficiaries are fully informed about the process stated herein.

Section 7. Recording of the Release of the Agri-Machinery

The CDA shall record the receipt of the agri machinery from the supplier as well as the release of the agri machinery to the cooperative beneficiary following the illustrative journal entry:

Debit	Credit		
Subsidies-Others	Property, Plant and Equipment (PPE) account or asset used/debited when the agri-machinery were paid and delivered	xx	xx

Section 8. Monitoring and Evaluation.

The CDA Head Office and Extension Offices, through a Technical Working Group created for this purpose, shall maintain a database for the proper monitoring of the implementation of these guidelines. There shall be a regular monitoring of the strict adherence to these guidelines and establish a systematic feedback mechanism; and evaluate, address, and report implementation and policy issues that may arise. This MC shall be reviewed every three (3) years for purposes of amendment and/or revision or earlier if necessary to address any policy gaps or concerns.

Section 9. Separability Clause

If, for any reason, any part or provision of this Guidelines is declared null and void or unconstitutional, the other provisions not affected thereby shall continue to be in force and effect.

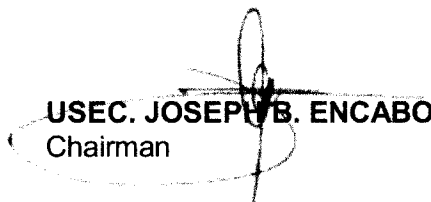
Section 10. Effectivity

This Circular shall take effect fifteen (15) days following the completion of its publication in the Official Gazette or newspaper of general circulation.

Approved by the CDA Board of Directors on May 29, 2024 per Board Resolution No. 425, S-2024.

Issued this 31st day of May 2024.

For the Board of Directors:


USEC. JOSEPH B. ENCABO
Chairman

Attached:

1. Template on Technical and Financial Evaluation
2. Proforma Memorandum of Agreement
3. Pro-Forma Deed of Donation and Acceptance

CDA REGIONAL OFFICE

FINANCIAL AND TECHNICAL EVALUATION OF COOPERATIVE

Requirements	Yes	No	Remarks
1. Copy of the Certificate of Registration issued by CDA to the applicant cooperative			
2. Copy of Valid Certificate of Compliance			
3. Audited Financial Statements for the past three (3) years preceding the date of project implementation. For cooperatives which have been in operation for less than three (3) years, financial report/s for the years it has been in operation.			
4. Cooperative Profile namely: a. Organizational Chart or Governance Structure; and b. List of officers and members with their complete names, date of birth (if known and registered), complete address, and contact numbers, if available			
5. If the recipient of financial assistance is from another department or agency, the applicant shall show proof coming from other government agencies that such cooperative has liquidated, in accordance with government accounting and auditing rules and regulations, all funds transfer due for liquidation. If the cooperative Applicant has received public funds prior to its application, a certificate of good standing from the government agency or agencies from which it has received such public funds, specifically stating that the cooperative has liquidated, in accordance with COA regulations, all fund transfers due for liquidation			
6. A sworn affidavit of the Secretary of the cooperative that none of its cooperators, organizers, directors, or officials is an agent of or related by consanguinity or affinity up to the fourth civil degree to the officials of the Authority authorized to process and/or approve the accreditation, the MOA and the release of funds. Relationships of this nature shall automatically disqualify the cooperative applicant from being accredited.			

<p>7. The cooperative has undergone social preparation from the CDA (For every program or project to be implemented by the CDA, a social preparation shall be conducted. Needs Assessment and Evaluation of the proposed programs and projects should be made in consultation with the cooperative beneficiary)</p>			
<p>8. Other pertinent documents as may be deemed necessary and applicable to the cooperative-applicant</p>			

Evaluated by:

Reviewed by:

Approved by:

MEMORANDUM OF AGREEMENT

KNOW ALL PERSONS BY THESE PRESENTS:

This Memorandum of 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. 11364 with principal office address at _____ herein represented by its Regional Director, _____ herein referred to as the **CDA**,

and

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

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

WITNESSETH

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

WHEREAS, the **CDA Board of Directors** hereby authorizes the Regional Director of the Extension Office to represent the CDA in this agreement by virtue of a Board Resolution No. _____;

WHEREAS, the **Board of Directors** of the **Cooperative** hereby authorized its (Position) _____, (Name) _____, to represent the cooperative in this agreement by virtue of the Board Resolution No. _____;

WHEREAS, the **Cooperative** which belongs to the micro category of cooperatives is a registered cooperative and is indeed in need of a portable 2-in-1 Corn Mill combined Rice Mill with 10 KVA Generator Set being a producer and/or into enterprises on rice and/or corn.

WHEREAS, the production of rice or corn is provided in the business undertaking of the Cooperative as written in its Articles of Cooperation;

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

1. RESPONSIBILITIES OF THE PARTIES

1.1 The **CDA** shall have the following responsibilities:

- 1.1.1 Release and distribute agri-machinery to qualified micro agricultural cooperatives approved by the CDA Board;
- 1.1.2 Record the issuance of the agri-machinery appropriately in the books of **CDA**;
- 1.1.3 Evaluate, monitor, and assess the utilization of the agri-machinery issued to the qualified cooperative beneficiaries through the concerned CDA Regional Extension Office.

1.2 The **Cooperative** shall have the following responsibilities:

- 1.2.1 Receive and use the agri-machinery issued to them for the improvement of their business operation and other related cooperative activities;
- 1.2.2 Ensure the maintenance of the agri-machinery to keep it in good condition following the supplier's tips has conducted orientation and product demonstration on the operation and maintenance of the machine;
- 1.2.3 Record the receipt of the agri-machinery issued by the CDA in the inventory of the **Cooperative**
- 1.2.4 The obligations of the **Cooperative** shall survive even after the termination of this Agreement.
- 1.2.5 That, for purposes of monitoring the implementation of the program relative to the donation, the Cooperative shall provide such necessary information or data to CDA upon request.
- 1.2.6 That the Cooperative shall not dispose of the agri-machinery for a period of 5 years.
- 1.2.7. That if the CDA found that the Cooperative committed perjury in the documents it submitted for the grant, it shall be held liable in accordance with the existing laws and shall return the agri-machinery to CDA and if the same is not possible it shall pay the equivalent amount thereof.

2. FORCE MAJEURE

- 2.1. 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

3. SETTLEMENT OF DISPUTES

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

4. AMENDMENT/MODIFICATION OF MOA

4.1. 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**.

5. EFFECTIVITY AND TERMINATION

5.1. This Agreement shall take effect upon signing hereof by the **Parties** and shall remain valid and binding until the issuance of the agri-machinery issued to the cooperative unless earlier terminated by either of the **Party**. Either **Party** may terminate this Agreement, by serving a written notice of termination to the other **Party**, at least thirty (30) days prior to the effective date of 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

**COOPERATIVE DEVELOPMENT AUTHORITY
REGION _____ EXTENSION OFFICE**

ACKNOWLEDGEMENT RECEIPT

QUANTITY	UNIT	DESCRIPTION	DATE ACQUIRED	AMOUNT
RECEIVED BY		ISSUED BY		
SIGNATURE OVER PRINTED NAME		SIGNATURE OVER PRINTED NAME		
_____ Position or Designation/Office		_____ Position or Designation/Office		
Date _____		Date _____		

DEED OF DONATION AND ACCEPTANCE

This Deed of Donation and Acceptance is executed by:

The **COOPERATIVE DEVELOPMENT AUTHORITY**
_____ EXTENSION OFFICE, a government agency
created by virtue of Republic Act No. 11364 with principal office address at
_____ herein
represented by its Regional Director, _____ herein referred
to as the **DONOR**,

-in favor of-

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

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

WITNESSETH

That the **CDA**, being the agency in charge of the development, registration and regulation of cooperatives under Republic (RA) Act No. 11364 is mandated to promote the viability and growth of cooperatives as instruments of equity, social justice and sustainable economic development;

That the **DONEE** is a CDA registered Micro/Small Agriculture Cooperative and is in need of agri machinery _____ (name/type of equipment to be donated) being a producer and/or into enterprises on _____ (kind of agri products);

That the the production of _____ (kind of agri products) is provided in the business undertaking of the **DONEE** as written in its Articles of Cooperation;

That the **DONEE** shall comply with the obligations set forth in the Memorandum of Agreement signed last _____ by the **DONOR** and the **DONEE**;

THAT FOR AND IN CONSIDERATION of the foregoing, the **DONOR** voluntarily and freely gives, transfers, and conveys by way of donation to the **DONEE** for the above-stated purpose the _____ (name/type of equipment to be donated).

IN WITNESS WHEREOF, the Parties have hereunto signed this Deed of Donation this _____ day of _____ 20 ____ at _____, Philippines.

**COOPERATIVE DEVELOPMENT
AUTHORITY**

COOPERATIVE BENEFICIARY

By: _____
Regional Director

By: _____
Authorized Signatory

SIGNED IN THE PRESENCE OF:

WITNESS

WITNESS

ACCEPTANCE:

The **DONEE** hereby **ACCEPTS** and receives the donation made in its favor by the **DONOR** representing _____ and expresses its appreciation and gratitude for the liberality and generosity of the **DONOR**.

IN WITNESS WHEREOF, the **DONOR** and **DONEE** enter into and sign this Deed of Donation and Acceptance this _____ day of _____, 20__ in _____.

**COOPERATIVE DEVELOPMENT
AUTHORITY**

COOPERATIVE BENEFICIARY

By: _____
Regional Director

By: _____
Authorized Signatory

SIGNED IN THE PRESENCE OF:

WITNESS

WITNESS

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

ACKNOWLEDGEMENT

BEFORE ME, a Notary Public for and in _____, Philippines,
personally appeared the following who exhibited to me their proof of identities indicated
below:

Name	ID/Passport No.	Date and Place Issued
Name of Donor	_____	_____
Name of Donee	_____	_____

known to me to be the same person who executed the foregoing instruments and
acknowledged to me that the same is their free and voluntary act and deed and that of the
institutions they respectively represent. This instrument refers to abDeed of Donation and
Acceptance consisting of ___pages, including this page whereon this Acknowledgement is
printed and signed by the parties and their instrumental witnesses.

WITNESS MY HAND AND NOTARIAL SEAL, on the date and place first mentioned.

Notary Public

Doc. No. _____
Page No. _____
Book No. _____
Series of 20 _____