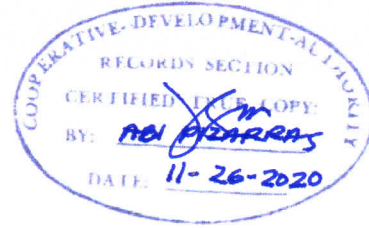




# COOPERATIVE DEVELOPMENT AUTHORITY

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MEMORANDUM CIRCULAR NO. 2020-28  
Series of 2020.

TO : ALL CONCERNED

SUBJECT : GUIDELINES GOVERNING THE ORGANIZATION AND RECOGNITION OF A NATIONAL ALLIANCE OF COOPERATIVES (NAC), SECTORAL APEX ORGANIZATIONS (SAOs) AND REGIONAL CLUSTERED ORGANIZATIONS (RCOs)

The Cooperative Development Authority (CDA) hereby adopts and promulgates the following Guidelines:

## Article I Title

This Circular shall be known as the *“Guidelines Governing the Organization and Recognition of a National Alliance of Cooperatives, Sectoral Apex Organizations and Regional Clustered Organizations”*.

## Article II Legal Bases

This Circular is issued based on the following:

**Sec. 4 par. (a), RA No. 11364. Powers, Functions and Responsibilities.** Develop and formulate, in consultation with the cooperative sector and other concerned institutions, appropriate regulations, standards, rules, orders, guidelines and/or circulars to implement the Act and R.A. No. 9520 to ensure the effective and sound operation of cooperatives;

**Sec. 4 par. (z), RA No. 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 No. 9520 are hereby amended accordingly, and the Authority shall issue the necessary IRR for this provision;

**Section 18, 2<sup>nd</sup> par., RA No. 11364. Partnership with the Cooperative Sector.** The Authority, the cooperative sector, and the academe shall formulate guidelines for the implementation of the partnership that may give rise to the recognition

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of apex organizations and a national alliance representing all types and categories of cooperatives, as provided for under Sec. 4 (z) of this Act, that shall function as the overall consultative and coordinating body with the Authority.

Rule IX, IRR of RA No. 11364, Recognition of Regional Clustered Organizations (RCOs), Sectoral Apex Organizations (SAOs) and the National Alliance of Cooperatives(NAC).

### Article III Purpose

This Guidelines is promulgated to prescribe the procedures for the organization and recognition of the National Alliance of Cooperatives, Sectoral Apex Organizations and Regional Clustered Organizations in order to:

1. Create a unifying organization that represents the interests and welfare of the cooperative movement; and
2. Systematize the consultative mechanism of cooperatives.

### Article IV Definition of Terms

As used herein, the following terms shall mean:

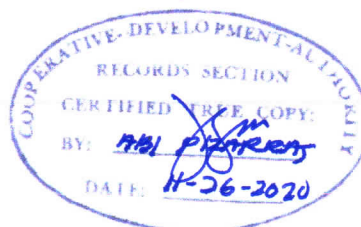
**National Alliance of Cooperatives (NAC)** - A recognized association of Sectoral Apex Organizations in the national level acting as the primary advocacy and overall consultative and coordinating body for national issues and concerns of cooperatives.

**Sectoral Apex Organization (SAO)** – A recognized association of Regional Clustered Organizations, including tertiary cooperatives and union of cooperatives operating nationwide, to serve as consultative body in the national level on issues and concerns affecting their respective clusters;

**Regional Clustered Organization (RCO)** – A recognized association of primary, secondary and tertiary cooperatives as well as union of cooperatives belonging to a specific cluster operating in the region, which purpose is to serve as a consultative body of cooperatives in the regional level.

**Cluster of Cooperatives** - shall refer to a group of duly registered cooperatives with products and services under the following groupings:

- a. Credit and Financial Services, Banking, Credit Surety Fund 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.

**Sectoral union of cooperatives**– shall refer to a union catering to the interest and welfare of a particular sector of registered cooperatives and/or federations at the city, provincial, regional, and national levels.

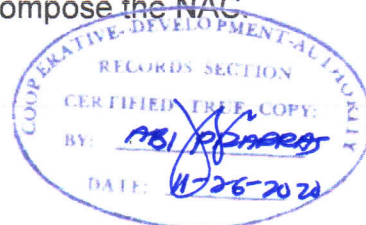
## Article V National Alliance of Cooperatives

**Section 1. Composition.** The National Alliance of Cooperatives (NAC) shall be composed of representatives from the Sectoral APEX Organizations (SAOs). Each SAO shall be represented by not more than three (3) representatives. The first two (2) shall serve as permanent members while the other one (1) shall be an alternate representative.

**Section 2. Functions.** As the overall consultative and coordinating body with the Authority, the NAC shall have the following functions:

- a. To participate in the formulation and monitoring of the implementation of the cooperative development plan at the national level;
- b. To promote and uphold the cooperative principles and values;
- c. 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;
- d. To submit to the Authority reports on every activity conducted or participated;
- e. 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
- f. To adopt internal rules for the operation of the NAC, subject to the approval of the Authority.

**Section 3. Organization of the National Alliance of Cooperatives.** Under the supervision of the CDA Head Office, to be spearheaded by the CDA Board, the representatives of each recognized SAO shall compose the NAC.



The members of the NAC shall convene and elect from among themselves its officers and such other officers as may be necessary to carry out its functions.

**Section 4. Term of Office.** The representatives and officers shall serve a term of two (2) years.

**Section 5. Submission of Requirements for the Recognition of the NAC.** The following documents shall be submitted to the Authority in four (4) copies:

- a. Letter-request to be recognized as the NAC;
- b. Resolutions from the SAOs signifying their recognition and commitment to support the NAC; and
- c. Minutes of organizational meeting.

**Section 6. Issuance of Certificate of Recognition.** Upon submission of the requirements set forth in the preceding section, a Certificate of Recognition shall be issued by the CDA Head Office to the NAC.

## Article VI Sectoral Apex Organizations (SAOs)

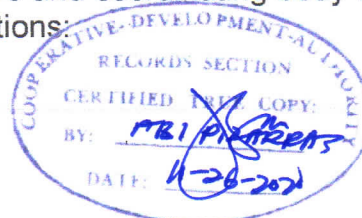
**Section 1. Composition of Sectoral APEX Organizations (SAOs).** Initially, the SAO shall be composed of one (1) representative from each RCOs and representatives from each type of cooperative that the Authority may identify to have representation in the SAO.

The composition of the SAO shall be subject to automatic review after every two (2) years.

There shall be one apex organization for each clustered sectors, as follows:

- a. Credit and Financial Services, Banking, Credit Surety Fund 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.

**Section 2. Functions.** As the overall consultative and coordinating body with the Authority, the SAO shall have the following functions:





- a. To represent such cluster in the National Alliance of Cooperatives in the performance of the Alliance's role and functions;
- b. To promote and uphold the cooperative principles and values;
- c. 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;
- d. To submit to the Authority reports on every activity conducted or participated;
- e. To make policy proposals and to engage in negotiations to protect member's livelihoods, jobs and local communities; and
- f. To adopt internal rules for the operation of the SAO subject to the approval of the Authority.

**Section 3. Organization of the SAO and election of representatives/officers.** Under the supervision of the CDA Head Office, to be spearheaded by the Cluster Head, the representatives of each recognized RCO and from each type of cooperative that the Authority may identify to have representation in the SAO shall compose the SAO.

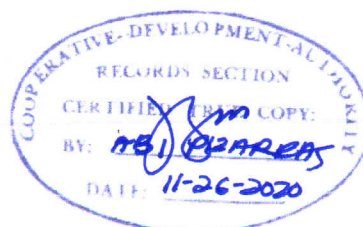
The members of the SAO shall convene and elect from among themselves its officers and such other officers as may be necessary to carry out its functions.

**Section 4. Term of Office.** The representatives of the SAO and its officers shall serve a term of two (2) years.

**Section 5. Submission of Requirements for the Recognition of the SAO.** The following documents shall be submitted to the Authority in four (4) copies:

- a. Letter-request to be recognized as SAO;
- b. Resolution from each RCO signifying its recognition and commitment to support the respective SAO; and
- c. Minutes of organizational meeting.

**Section 6. Issuance of Certificate of Recognition.** Upon submission of the requirements set forth in the preceding section, a Certificate of Recognition shall be issued by the CDA Head Office to the SAO.



**Article VII**  
**Regional Clustered Organizations (RCOs)**

**Section 1. Composition of Regional Clustered Organizations (RCOs).** There shall be automatic membership of all qualified primary cooperatives, federations of cooperatives to the cluster based on their authorized business activities in their Articles of Cooperation.

Unions shall join the education and advocacy cluster. In the case of sectoral cooperative unions, they shall join the cluster where the sector belongs.

The RCOs shall be composed of one (1) authorized representative from each of the cooperatives to the concerned cluster.

Cooperatives whose area of operation is national or inter-regional, shall join in the region where the principal office is located.

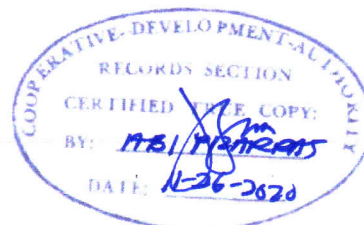
Multipurpose cooperatives may join more than one (1) cluster depending on the business activities they are engaged in.

There shall be six regional clustered organizations (RCOs) for every region, as follows:

- a. Credit and Financial Services, Banking, Credit Surety Fund 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.

**Section 2. Functions.** As the overall consultative and coordinating body with the Authority, the RCO shall have the following functions:

- a. To represent in the SAO the clusters in the region;
- b. To promote and uphold the cooperative principles and values;
- c. 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;
- d. To submit to the Authority reports on every activity conducted or participated; and





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

**Section 3. Organization of the RCO and election of representatives/officers.** Under the supervision of the CDA Regional Office, the authorized representative from each of the cooperatives to the concerned cluster shall convene and elect among themselves the representatives to the RCO and such other officers as may be necessary to carry out the functions of the RCO.

Representatives of multi-purpose cooperatives to the SAO, can only be elected as officers in the cluster where they have their main line of business.

**Section 4. Term of Office.** The representatives and officers shall serve a term of two (2) years.

**Section 5. Submission of Requirements for the Recognition of the RCO.** The following documents shall be submitted to the Authority in four (4) copies:

- a. Letter-request to be recognized as RCO; and
- b. Minutes of organizational meeting

**Section 6. Issuance of Certificate of Recognition.** Upon submission of the requirements set forth in the preceding section, a Certificate of Recognition shall be issued by the CDA Regional Office to the RCO.

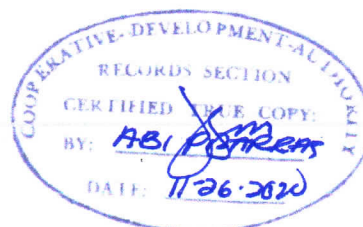
**Section 7. Qualifications of Cooperatives to Become Members of the RCOs**

- a. Must be a duly registered cooperative issued with a Certificate of Compliance; and
- b. Must be operating for at least two (2) years.

## Article VIII Administration

**Section 1. General Assembly.** The General Assembly shall refer to the full membership of the body of representatives elected by each national alliance, sectoral apex organization and cluster organization, respectively, duly assembled for the purpose of exercising such powers and functions as prescribed by the Authority and in accordance with their manual of operations.

**Section 2. Elective Officers.** The following shall be elected by the member-representatives composing the national alliance of cooperatives, sectoral apex organization and regional cluster organization, respectively:



1. President
2. Vice President
3. Representatives, except for the national alliance of cooperatives
4. Secretary
5. Treasurer

Gender balance shall be observed in the election of representatives in the RCOs, SAOs, and NAC.

**Section 3. Voting System.** Each representative shall have only one vote. Voting by proxy shall not be allowed. Each voter should elect through secret balloting.

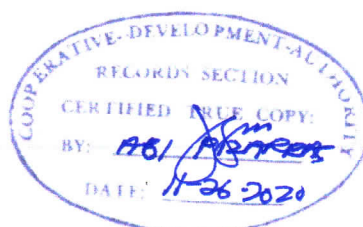
**Section 4. Qualifications of a Representative:**

- a. Filipino citizen and of legal age;
- b. Must have a proven track record in coop management;
- c. Must not hold any government position whether appointive/elective;
- d. Must not have been sanctioned by the Authority for violation of this Memorandum Circular; and
- e. Must be willing and able to participate in all activities on a voluntary basis.

**Section 5. Proclamation.** The Authority acting as secretariat shall tally the votes and proclaim the winners.

**Section 6. Accountability of elective officers.** The elective officers shall be accountable for their actions to the respective organization and its members. Issues and concerns that may be raised by any member of the organization shall be ventilated within the organization.

**Section 7. Vacancy in an Elective Office.** Any vacancy in an elective office, other than by expiration of term, must be filled by the vote of at least a majority of the remaining elective officers, if still constituting a quorum; otherwise, the vacancy must be filled by the general assembly in a meeting called for the purpose. An officer so elected to fill a vacancy shall serve only the unexpired term of his predecessor in office.





**Article IX  
Prohibitions and Sanctions**

**Section 1. Prohibitions.** The following acts shall be prohibited:

- a. Undertaking fund raising and/or income generating activities;
- b. Registering with any government agency that grants juridical personality;
- c. Receiving grants, donations, and subsidies from local and foreign sources; and
- d. Engaging in any activities other than those allowed by R.A. 11364, its IRR and this Memorandum Circular.

**Section 2. Sanctions.** Any violation of this Memorandum Circular shall be a ground for removal as officer/representative of the NAC, SAO or RCO, as the case may be, after due process.

**Article X  
Repeal**

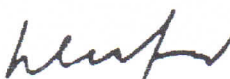
All previous circulars and/or guidelines issued by the Authority which are inconsistent with this Guidelines are hereby repealed or modified accordingly.

**Article XI  
Effectivity**

This Circular shall take effect upon the approval of the Board of Directors of the Authority and fifteen (15) days after filing with the Office of National Administrative Registry (ONAR).

Approved per BOD Res. No. 335, S-2020, dated November 5, 2020.

For the CDA Board of Directors:

  
**ORLANDO R. RAVANERA**  
Chairman  
IOC345 