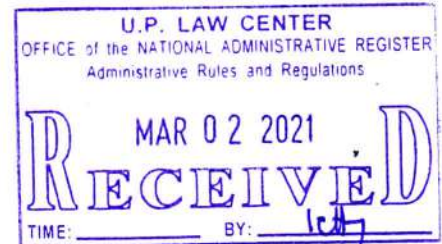




# COOPERATIVE DEVELOPMENT AUTHORITY

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## MEMORANDUM CIRCULAR NO. 2021-05 Series 2021.

**SUBJECT : PROCEDURAL GUIDELINES IN THE ORGANIZATION, ELECTION AND RECOGNITION OF NATIONAL ALLIANCE OF COOPERATIVES (NAC), SECTORAL APEX ORGANIZATIONS (SAOs), AND REGIONAL CLUSTERED ORGANIZATIONS (RCOs)**

In accordance with Memorandum Circular No. 2020-28, Series of 2020, dated November 5, 2020, the Authority hereby prescribes the following procedural guidelines:

### Section 1. TITLE.

This Circular shall be known as the Procedural Guidelines in the Organization, Election and Recognition of National Alliance of Cooperatives, Sectoral Apex Organizations and Regional Clustered Organizations.

### Section 2. INITIAL ORGANIZATION OF REGIONAL CLUSTERED ORGANIZATIONS (RCOS).

1. Regional Clustered Organizations (RCOs) shall be organized in all regions, including the Province of Palawan, for each of the following clusters:
  - a) Credit and Financial Services, Banking, Insurance and Credit Surety Fund;
  - b) Consumers, Marketing, Producers, and Logistics;
  - c) Human Services: Health, Housing, Workers and Labor Service;
  - d) Education, Advocacy, and Unions;
  - e) Agriculture, Agrarian, Aquaculture, Farmers, Dairy and Fisherfolk; and
  - f) Public Utilities: Electricity, Water, Communications and Transport.
2. The CDA regional offices shall initiate and spearhead the organization of RCOs, in coordination with the respective CDA board member cluster heads;
3. The CDA regional directors shall create a team for the conduct of organizational meetings and elections of officers;

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4. An inventory of primary, secondary and tertiary cooperatives shall be made, clustered on the basis of their authorized business activities as provided for in their Articles of Cooperation. For multipurpose cooperatives, their main line of business shall be identified based on their submitted AFS and CAPRs;
5. The Authority shall invite qualified cooperatives to attend the organizational meetings. At least five (5) days prior to the conduct of the meetings, the cooperatives shall submit their official representatives. Official representatives must present a board resolution giving them the authority to represent the cooperative.

Multipurpose cooperatives shall identify their official representatives for each business activity.

Newly registered cooperatives may participate in the meeting as observers.

6. Conduct of meetings may be virtual, physical/face to face, or a combination of both;
7. Organizational meetings must follow the agenda set forth in this Guidelines;
8. During an organizational meeting, the election of officers shall be conducted in a plenary. In the election of representatives, however, breakout sessions shall be done.

Representatives shall be elected as follows:

- One (1) representative for each type of cooperatives;
  - One (1) representative per province;
  - One (1) representative per highly urbanized city, and
  - In the case of NCR, one (1) representative for each district.
9. Election of officers shall be conducted following the procedures provided in this Guidelines;
  10. ~~Once organized, the officers elected shall file with the CDA regional office an application for recognition as stated in this Guidelines.~~

### **Section 2.1. Composition of membership of RCOs.**

~~Membership in RCOs shall come from all types and categories of cooperatives.~~

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

### **Section 2.2. Officers of the RCOs.**

The following shall be the officers of the RCOs:

- a) President
- b) Vice-President
- c) Representatives, as specified in Section 2 (8)
- d) Secretary
- e) Treasurer

Officers can only be elected once. The Presidents of the RCOs shall automatically represent the organization in the SAO.

### **Section 3. INITIAL ORGANIZATION OF SECTORAL APEX ORGANIZATION.**

1. A sectoral apex organization or SAO shall be organized for each of the following clusters:
  - a) Credit and Financial Services, Banking, Insurance and Credit Surety Fund;
  - b) Consumers, Marketing, Producers, and Logistics;
  - c) Human Services: Health, Housing, Workers and Labor Service;
  - d) Education, Advocacy, and Unions;
  - e) Agriculture, Agrarian, Aquaculture, Farmers, Dairy and Fisherfolk; and
  - f) Public Utilities: Electricity, Water, Communications and Transport.
2. The CDA Head Office, through the cluster heads, shall spearhead the organization of SAO for each cluster;
3. The cluster head shall identify the team who shall work for the conduct of organizational meeting;
4. The CDA regional offices shall submit to CDA cluster heads the official list of representatives for each RCO;
5. The conduct of the organizational meeting for the SAO shall only be held after all the RCOs have been organized and recognized;
6. The organizational meeting shall follow the agenda set forth in this Guidelines;

7. The election of officers shall be conducted based on this Guidelines;
8. Once organized, the officers elected shall file the application for recognition with the CDA Head Office.

### **Section 3.1. Composition of Membership of SAOs.**

- 3.1.1. Credit and Financial Services, Banking, Insurance and Credit Surety Fund
  - Presidents of the RCOs
  - Two (2) representatives from cooperative banks
  - Two (2) representatives from insurance cooperatives
  - Two (2) representatives from Credit Surety Fund cooperatives
- 3.1.2. Consumers, Marketing, Producers, and Logistics
  - Presidents of the RCOs
- 3.1.3. Human Services: Health, Housing, Workers, and Labor Service
  - Presidents of the RCOs
- 3.1.4. Education, Advocacy, and Unions
  - Presidents of the RCOs
- 3.1.5. Agriculture, Agrarian, Aquaculture, Farmers, Dairy and Fisherfolk
  - Presidents of the RCOs
- 3.1.6. Public Utilities: Electricity, Water, Communications and Transport
  - Presidents of the RCOs

Once approved, the identified cooperatives shall be convened by their respective cluster heads to elect their representatives. Upon the recommendation of a cluster head, the CDA Board may include additional members in the SAO for each cluster.

### **Section 3.2. Officers of the SAOs.**

- a) President
- b) Vice-President
- c) Alternative representative in the NAC
- d) Secretary
- e) Treasurer

The President and the Vice President shall represent the SAO in the NAC, while the representative shall act as alternate in the absence of either the President or the Vice President.

#### **Section 4. INITIAL ORGANIZATION OF NATIONAL ALLIANCE OF COOPERATIVES.**

1. The National Alliance of Cooperatives or NAC shall be composed of two (2) permanent representatives and one (1) alternate representative from the sectoral apex organizations (SAOs) from each of the following clusters:
  - a) Credit and Financial Services, Banking, Insurance and Credit Surety Fund;
  - b) Consumers, Marketing, Producers, and Logistics;
  - c) Human Services: Health, Housing, Workers and Labor Service;
  - d) Education, Advocacy, and Unions;
  - e) Agriculture, Agrarian, Aquaculture, Farmers, Dairy and Fisherfolk; and
  - f) Public Utilities: Electricity, Water, Communications and Transport.
2. The conduct of organizational meeting for the NAC shall only be held after all the SAOs have been organized and recognized;
3. The organizational meeting must follow the agenda set forth in this Guidelines;
4. The election of officers shall be conducted following the provisions of this Guidelines;
5. Once organized, the elected officers shall file the application for recognition with the CDA Head Office.

#### **Section 5. ELECTION OF OFFICERS AND VOTING PROCEDURES.**

##### **Section 5.1. Nominations.**

Candidates for election of officers shall be through nominations during the meeting. Nominations can be virtual, face to face or a combination of both. For succeeding elections, the conduct of elections shall be in accordance with the internal rules to be adopted by NAC, SAOs and RCOs, respectively, as approved by the Authority.

Those nominated may decline the nomination and said nominee(s) shall not be included in the ballot. If a nominee is eligible for the office and does not expressly decline such nomination, he/she shall be considered as a candidate.

For multipurpose cooperatives, the representative can only be nominated as an officer in the cluster where they have their main line of business as determined by the CDA regional office on the basis of the submitted financial statements and/or Cooperative Annual Progress Report.

### **Section 5.2. Conduct of election.**

1. Election may be virtual or through electronic means or face to face or a combination of virtual and face to face.
2. The Authority shall declare the floor open for nomination for each position.
3. Anyone can move to close the nomination and after it is seconded, the election shall proceed. If there is only one nominee, he/she shall be proclaimed as the winning candidate. In case of two or more nominees, casting of votes shall proceed.
4. The Authority shall canvass the votes right after casting. Counting and tallying shall follow thereafter and shall be shown to the members.
5. In case of a tie, the winner shall be determined by drawing lots.
6. If there is no objection to the results, the Authority shall proclaim the winning candidate/s.
7. In case of protest, the same shall be decided by the body during the said meeting.

### **Section 6. QUORUM.**

A quorum during the organizational meeting shall be:

- RCOs - 25% of qualified cooperatives
- SAOs - 50%
- NAC - 100%

### **Section 7. ORDER OF BUSINESS.**

The order of business at the meeting of NAC, SAOs, and RCOs shall be as follows:

- a) Invocation
- b) National Anthem

- c) Cooperative Pledge
- d) Call to Order
- e) Roll Call
- f) Determination of quorum
- g) Presentation of the Legal Bases of NAC, SAOs and RCOs
  - Relevant provisions in RA 11364 and IRR;
- h) Duties and responsibilities of the officers
- i) Election of officers
- j) Proclamation of officers
- k) Oath taking of officers (to be administered by the cluster head)
- l) Announcements
- m) Adjournment

**Section 8: RECOGNITION OF THE NAC, SAOs, AND RCOs.**

The recognition of the NAC, SAOs and RCOs shall be in accordance with the requirements in MC No. 2020-28.

The application for recognition shall be submitted to the Authority within fifteen (15) days from its organization.

**Section 9. EFFECTIVITY.**

This Memorandum shall take effect after the filing of the copy hereof to the Office of the National Administrative Register (ONAR).

Approved pursuant to Board Res. No. 065, S-2021 dated February 17, 2021.

Date: March 2, 2021

FOR THE CDA BOARD:

  
**ORLANDO R. RAVANERA**  
Chairperson 