

THE COOPERATIVE DEVELOPMENT AUTHORITY

Primer on Republic Act. 6939



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FEDERATION

WHAT IS RA 6939?

Signed by President Cory Aquino, RA 6939 is an act creating the **Cooperative Development Authority** to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development, defining its powers, functions and responsibilities, rationalizing government policies and agencies with cooperative functions, supporting cooperative development, transferring the registration and regulation functions of existing government agencies on cooperatives as such and consolidating the same with the authority, appropriating funds therefore, and for other purposes.



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POWERS, FUNCTIONS AND RESPONSIBILITIES

The Authority shall have the following powers, functions and responsibilities:

- Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and the overall socioeconomic development plans of the Government;
- Develop and conduct management and training programs upon request of cooperatives that will provide members of cooperatives with the entrepreneurial capabilities, managerial expertise, and technical skills required for the efficient operation of their cooperatives and inculcate in them the true spirit of cooperativism and provide, when necessary, technical and professional assistance to ensure the viability and growth of cooperatives with special concern for agrarian reform, fishery and economically depressed sectors;

POWERS, FUNCTIONS AND RESPONSIBILITIES

- Support the voluntary organization and consensual development of activities that promote cooperative movements and provide assistance towards upgrading managerial and technical expertise upon request of the cooperatives concerned;
- Coordinate the efforts of the local government units and the private sector in the promotion, organization, and development of cooperatives;
- Register all cooperatives and their federations and unions, including their division, merger, consolidation, dissolution or liquidation. It shall also register the transfer of all or substantially all of their assets and liabilities and such other matters as may be required by the Authority;
- Require all cooperatives, their federations and unions to submit their annual financial statements, duly audited by certified public accountants, and general information sheets;

POWERS, FUNCTIONS AND RESPONSIBILITIES

- Order the cancellation after due notice and hearing of the cooperative's certificate of registration for noncompliance with administrative requirements and in cases of voluntary dissolution;
- Assist cooperatives in arranging for financial and other forms of assistance under such terms and conditions as are calculated to strengthen their viability and autonomy;
- Establish extension offices as may be necessary and financially viable to implement this Act. Initially, there shall be extension offices in the Cities of Dagupan, Manila, Naga, Iloilo, Cebu, Cagayan de Oro and Davao;
- Impose and collect reasonable fees and charges in connection with the registration of cooperatives;
- Administer all grants and donations coursed through the Government 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;



POWERS, FUNCTIONS AND RESPONSIBILITIES

- Formulate and adopt continuing policy initiatives consultation with the cooperative sector through public hearing;
- Adopt rules and regulations for the conduct of its internal operations;
- Submit an annual report to the President and Congress on the state of the cooperative movement; and
- Exercise such other functions as may be necessary to implement the provisions of cooperative laws and, in the performance thereof, the Authority may summarily punish for direct contempt any person guilty of misconduct in the presence of the Authority which seriously interrupts any hearing or inquiry with a fine of not more than Five hundred pesos (P500.00) or imprisonment of not more than ten (10) days, or both. Acts constituting indirect contempt as defined under Rule 71 of the Rules of Court shall be punished in accordance with the said Rule.

GOVERNING BODY

The Authority shall be governed by a Board of Administrators consisting of a Chairman and six (6) members to be appointed by the President, all of whom shall be chosen from among the nominees of the cooperative sector with two (2) representatives each from Luzon, Visayas and Mindanao.

They shall serve for a term of six (6) years without reappointment: Provided, That among those first appointed, the Chairman shall serve for a term of six (6) years, three (3) members to serve for a term of four (4) years, and three (3) members to serve for a term of two (2) years:



GOVERNING BODY

Provided, further, That there shall be four (4) ex officio members, one (1) each from the:

- (a) Department of Agriculture,
- (b) Department of Transportation and Communications,
- (c) National Electrification Administration, and
- (d) Sugar Regulatory Administration.

Said representation status for the agencies is on a nonvoting basis and terminates one (1) year from the operation of the Authority, but said ex officio members shall not be holding any other board position in any government entity.

The Chairman and members shall serve on a full-time basis. Any vacancy in the Board shall be filled by appointment by the President in accordance with the membership allocation set forth in this section: Provided, That a member so appointed shall serve only for the unexpired term.

QUALIFICATIONS OF THE GOVERNING BOARD

No person shall be appointed Chairman or member of the Board of Administrators unless he possesses the following qualifications:

- A natural-born Filipino citizen of legal age;
- A Bachelor's Degree in Cooperatives, Economics, Finance, Agriculture, Fisheries, Veterinary Medicine, Business, Social Science, Law, Management, or in similar fields of study and five (5) years of experience as an official or officer of a cooperative, government agency, or non-government organization engaged in cooperative development or, in the absence of a Bachelor's Degree, at least ten (10) years of experience in cooperatives either as an officer of a cooperative or a government agency or non-government organization engaged in cooperative development; and
- Must be a resident of the region he represents for at least five (5) years.

POWER TO REGISTER COOPERATIVES

The power to register cooperatives shall be vested solely on the Authority. The functions of the following departments and agencies relating to the registration of cooperatives as such are hereby transferred to the Authority:

- The Department of Agriculture;
- The Bureau of Agricultural Cooperatives Development;
- The Department of Transportation and Communications;
- The Sugar Regulatory Administration;
- The National Electrification Administration; and
- Any other pertinent government agency.



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