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RULES AND REGULATIONS IMPLEMENTING EXECUTIVE ORDER NO. 316, DEVOLVING CERTAIN POWERS AND FUNCTIONS TO THE AUTONOMOUS REGION IN MUSLIM MINDANAO

CDA MEMORANDUM CIRCULAR NO. 96-07, July 29, 1996

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After proper consultation with the authorized representatives of the Autonomous Regional Government (ARG) of the Autonomous Region in Muslim Mindanao (ARMM), the Authority hereby issues the following Rules and Regulations Implementing Executive Order No. 316, transferring or sharing certain powers and functions to the ARG, pursuant to Section 5 thereof:

RULE I

Policy, Principles and Application

SECTION 1. Purpose — These Rules and Regulations are formulated for the implementation of the provisions of Executive Order No. 316, transferring or sharing certain powers of the Authority to the ARG and the Memorandum of Agreement entered into by and between the Authority and the ARG, in order to ensure the effective and orderly transfer or sharing of such powers and functions, and attain the objectives thereof.

SECTION 2. Declaration of Policies — It is the declared policy of the State to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice.

Further, the State recognizes the principle of subsidiarity under which the cooperative sector will initiate and regulate within its own ranks the promotion and organization, training and research, audit and support services relating to cooperatives with government assistance where necessary.

SECTION 3. Cooperative Principles — The promotion, organization, development and operation of cooperatives in the Autonomous Region shall be pursued in accordance with Islamic principles, prevailing traditions, and local practices, and in accordance with the universally accepted principles of cooperatives, which include:

(1) Voluntary and Open Membership

(2) Democratic Member Control

(3) Member Economic Participation

(4) Autonomy and Independence

(5) Education, Training and Information

(6) Cooperation Among Cooperatives

(7) Concern for Community

SECTION 4. Definition of Terms — As used in these rules, the term:

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1) Devolution means a political decentralization involving the transfer of powers and functions from the National Government and its agencies to the ARG;

2) Sharing of Powers and Functions refers to the distribution of powers and functions and assignment of specific roles, responsibilities and duties to agencies and parties involved;

3) Plans refer to the plans on cooperative development to be adopted and implemented by the ARG for the Autonomous Region, formulated by the Cooperative Development Authority of the ARMM (CDA-ARMM), and approved by the Regional Planning and Development Board (RPDB) of the Region;

4) Programs means the programs and their component projects and activities on cooperative promotion, organization, development and protection, including technical and financial assistance, both those embodied in the Regional Cooperative Development Plan and those to be adopted by the ARG to implement existing programs/concerns;

5) Cooperative Laws refer to existing national cooperative laws and those related regional acts that may be enacted by the Regional Legislative Assembly of the Autonomous Region;

6) Standard means the standards, criteria and appropriate measures formulated by the CDA-ARMM to guide the implementation of cooperative development plans and programs in the region which include promotion, organization and management, development and protection, technical and financial assistance, supervision and monitoring;

7) Status Report pertains to the quarterly report on the state of the implementation of Executive Order No. 316 to be submitted to the President through the Office of Regional Concerns;

8) Memorandum of Agreement refers to the bilateral agreement between the CDA and the ARG which identifies shared powers, functions and responsibilities and assigns specific functions, duties and responsibilities to the parties concerned;

9) Rules refer to these Rules and Regulations issued to implement the provisions of Executive Order No. 316;

10) Transition Period is the transition period of one (1) year, which shall start immediately after the effectivity of the E.O.; and

11) Autonomous Region refers to the ARMM.

SECTION 5. Application — These Rules shall apply, during the one (1) year transition period to the following:

1) Transfer and assumption of transferred or shared powers, functions and responsibilities, as well as related programs and projects;

2) Coordination and working relationship between the CDA and the CDA-ARMM in the exercise of retained, shared and transferred powers and functions;

3) Administration and supervision of cooperatives and their federations and unions in the Autonomous Region;

4) Organization, administration and operation of the CDA Extension Office and the CDA-ARMM during the transition period;

5) Mechanics, procedures and guidelines in determining resources needed to implement the transfer order such as budget, personnel, equipment, properties and records to be transferred to the ARG; and

6) Transfer and turn-over of such resources and liabilities available from the CDA to the ARG.

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Thereafter, the Authority may issue such rules and regulations concerning cooperatives within the Autonomous Region, upon proper consultation with the CDA-ARMM.

SECTION 6. Rules of Interpretation — In the interpretation of the provisions of the Executive Order, the following rules shall apply:

1) Any provision on the powers, functions and responsibilities of the ARG shall be interpreted in its favor and, in no case, be meant to diminish the authority, power and/or jurisdiction over matters expressly devolved to it by the Constitution and the Organic Act for the Autonomous Region (R.A. No. 6734); and

2) In case of doubt or conflict in the provisions between the enabling Executive Order and the Organic Act, the latter prevails.

3) In case of doubt or conflict between the ARG or the CDA and any cooperative, the rules shall be liberally interpreted in favor of the cooperative.

RULE II

Organization of the Regional Cooperative Development Authority of the Autonomous Region

SECTION 1. Organizational Structure — The organizational structure of the Regional Cooperative Development Authority of the Autonomous Region in Muslim Mindanao (CDA-ARMM) shall be determined and organized by the ARG considering the unique geo-political reality, socio-cultural condition, needs and Islamic values prevailing in the Autonomous Region, and, as much as practical, be patterned after the national CDA structure.

SECTION 2. Functions and Responsibilities — The CDA-ARMM shall assume its transferred and shared powers, functions and responsibilities as provided for under the Executive Order and the Memorandum of Agreement. In the execution of such functions, it shall perform both the central decision-making and area implementation of related programs and activities.

SECTION 3. Status and Relationship — The CDA-ARMM, while it is directly responsible to the Chief Executive of the ARMM, shall also serve as the area office in the implementation of national cooperative programs, projects and related activities. As such, it shall accomplish the periodic CDA reportorial requirements as if a CDA extension office, and furnish the CDA copies of such resolutions, decisions and other pertinent documents. Appeals from any adverse decision of the CDA-ARMM shall be appealable to the CDA.

SECTION 4. Staffing Pattern — The staffing pattern of the CDA-ARMM shall be incorporated by the ARG in its budget proposal for Fiscal Year 1997 for consideration by the Department of Budget and Management (DBM); Provided, That its initial plantilla positions for its needed skeletal personnel shall be immediately submitted to the DBM for consideration to make it functional and operational in the Third and Fourth Quarters of 1996.

RULE III

Bilateral Coordination Committee

SECTION 1. Composition — A Bilateral Coordination Committee (BCC) shall be jointly organized by the CDA and the ARG composed of five (5) members: two (2) from the CDA-ARMM; two (2) from the concerned existing CDA Extension Offices; and one (1) recommended from the cooperative sector.

SECTION 2. Functions — The BCC shall formulate the needed MOA and undertake the required inventory of resources, assets and liabilities, identification of programs and projects, fast track the actual turn-over, and

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perform related tasks to implement the Executive Order. It shall also coordinate and oversee the operation of the interim CDA-ARMM and the CDA Extension Office during the transition period, serve as the functional forum of coordinating and harmonizing policies, plans and programs of the CDA and the CDA-ARMM, and for the effective coordination of related functions, services and activities within the Region.

RULE IV

Implementation Mechanism

SECTION 1. Procedures and Guidelines — The following procedures and guidelines shall be observed in the order of sequence in the implementation of the Executive Order, viz:

1) A Memorandum of Agreement (MOA) shall be entered into by and between the CDA and the ARG which identifies shared powers, functions and other related matters it covers, and distributes or assigns specific functions, duties and responsibilities to the parties concerned;

2) An inventory of equipment and properties for the four (4) ARMM provinces acquired by the CDA;

3) Identification of programs and projects with the corresponding budgetary components, which are on-going or being implemented region-wide or locally based and/or intended to the ARMM provinces, shall likewise be transferred to and placed under the control and supervision of the CDA-ARMM as special and autonomous area;

4) Turn-over of such equipment, properties and other assets and liabilities, including budget, plantilla positions and records, and existing program and projects together with the corresponding funds as earlier determined from the CDA to the CDA-ARMM. Plantilla positions refer to those effectively assigned to or located in the ARMM provinces as their official or primary stations including those area based which may be allocated by the CDA to the ARG, whether filled or unfilled.

SECTION 2. Period of Transfer — Actual transfer and turn-over of all equipment, properties and other assets and liabilities, including budget, personnel and records, as well as programs and projects earlier identified, shall begin after the inventory and identification, and shall be completed within the transition period herein defined.

SECTION 3. Ad Hoc Transition Task Force — A joint Ad Hoc Transition Task Force shall be immediately constituted with six (6) members, three from the CDA and the other three (3) from the ARG.

RULE V

Programs and Projects

SECTION 1. Programs and Projects — All existing programs and projects which are not transferred to the CDA-ARMM shall be reviewed when necessary and such components thereof which do not have national security implications may be reconsidered by the BCC for transfer or to be delegated to the CDA-ARMM to harmonize the same with regional priorities and projects.

SECTION 2. Consultation and Participation — The CDA-ARMM, shall be consulted with and involved in the formulation of national policies/plans and programs on cooperatives, particularly those affecting the Autonomous Region. It shall be encouraged to actively participate in related inter-regional, national and international fora and activities.

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RULE VI

Supervision and Control

SECTION 1. Supervision and Control — The CDA-ARMM, shall exercise general supervision and control over the administration and implementation of cooperative development plans, programs and projects in the Autonomous Region, subject to the limitations as provided for in the MOA. It shall see to it that the cooperative laws, rules and regulations, and the regional standards and criteria are complied with, subject to the review of the CDA.

SECTION 2. Monitoring and Reporting — The CDA-ARMM shall monitor the day-to-day operations and activities of cooperatives and copies of its necessary annual and operational reports shall be furnished the CDA which shall be an integral part of the national report on the state of cooperatives in the country.

RULE VII

Consultation and Effectivity

SECTION 1. Consultation — These Rules and Regulations are formulated after proper consultation with the authorized representatives of the ARG which shall be the basis of the concurrence of the Regional Governor of the ARMM hereon.

SECTION 2. Effectivity — These Rules and Regulations shall take effect immediately upon concurrence of the Regional Governor and the approval of the Board of Administrators of the CDA.

Adopted: 29 July 1996.

For The Board of Administrators:

(SGD.) EDNA E. ABERILLA
Chairman

Concurred in by:

(SGD.) LININGDING PANGANDAMAN
Regional Governor

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