



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

ADMINISTRATIVE ORDER NO. 6
Series of 1990

SUBJECT: DEPARTMENT OF AGRARIAN REFORM (DAR) GUIDELINES
GOVERNING THE PROMOTION OF AND SUPPORT TO COOPERATIVES
AND OTHER SELF-HELP ORGANIZATIONS FOR BENEFICIARIES OF
THE COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP)

I. RATIONALE

The success of the Comprehensive Agrarian Reform Program not only depends on the distribution and transfer of lands to farmer beneficiaries, but also and more importantly, on the provision of necessary support services and an organizational vehicle that will propel the beneficiaries to attain economic independence and self-reliance.

Such prescription for the CARP has been embodied in Executive Order 129-A and Republic Act 8657 which provide, among others, that aside from land distribution, the DAR, in cooperation with other government and non-government entities, shall extend support in the organization and development of agrarian reform beneficiaries. Towards this end, these guidelines are hereby adopted.

II. OBJECTIVES

- A. To provide a common framework in the promotion of and support to cooperatives and other self-help organizations for the beneficiaries of CARP.
- B. To clarify the role of DAR in the promotion of and support to cooperatives among CARP beneficiaries and;
- C. To guide the various DAR units in planning and programming their cooperative-related activities in identified CARP areas wherein a CARP Cooperative Development Program shall be developed in collaboration with the cooperative movement, Non-Government Organizations (NGOs) and People's Organizations (POs).

III. DEFINITION OF TERMS

The following terms are operationally defined:

CARP Cooperative - refers to a business enterprise owned, controlled and patronized by the small farmers, farmworkers, or other agrarian reform beneficiaries, organized voluntarily for purposes of satisfying a common need or needs and whose costs, risks and benefits are equitably shared among themselves. It

may be for a single purpose like a specialized cooperative for procurement, production, credit, service or multi-purpose. Cooperatives may also be classified in terms of their levels of operations such as:

Primary cooperative - which is a cooperative composed of individuals and directly providing services to its members and non-members;

Secondary cooperative - which is a federation of primary cooperatives rendering services to its member and non-member cooperative in terms of cooperative education and training, cooperative audit, consultancy and other business functions such as inter-coop trade;

Tertiary cooperative - which is a confederation of secondary cooperatives servicing various types of registered cooperative operating in different parts of the country in terms of human resource development, cooperative funds mobilization, institutional linkages, research and other business functions.

Promotion - refers to a process involving various activities in order to inform and advocate people to move towards certain action like organization and development of cooperatives.

Support - refers to financial and technical assistance which DAR may provide to NGOs/POs, cooperatives and other self-help organizations in relation to CARP cooperatives.

Non-government Organization (NGO) - refers to a broad category of private non-profit organizations that is committed to the task of socio-economic development and established primarily for service.

Self-help organization - refers to organization composed mainly of small farmers, farmworkers or other agrarian reform beneficiaries who, though lacking the formal requisites for registration as cooperative, nevertheless voluntarily organize themselves and operate according to standard cooperative principles. Bayanihan or pre-cooperative groups are considered to be self-help organizations.

Beneficiaries - the beneficiaries of CARP as defined under Section 22, Chapter VII of R.A. 6657 are as follows: agricultural lessee and share tenants, regular farmworkers, seasonal farmworkers, other farmworkers, actual tillers or occupants of public lands, collectives or cooperatives of the above

beneficiaries, others directly working on the land, children of landowners who are qualified under Section 6 of R.A. 6657 and beneficiaries under P.D. 27 who have not sold, disposed or abandoned their lands.

People's Organizations (PO) - refers to a voluntary organization composed and operated directly by the small farmers, farmworkers or other agrarian reform beneficiaries established primarily for mutual assistance, and other social needs. It may either be registered or not registered. Farmers Associations (FAs)/Farmer's Organization (FOs) are example of POs.

IV. BASIC POLICY DIRECTIONS

- A. The DAR shall not engage in the organization and development of cooperatives. Its role shall be "assistory," "facilitative," and "supportive" of the organization and development of beneficiaries' cooperatives. This means that DAR shall operate on a principle of subsidiarity where necessary assistance can be extended in the form of training, research and support services. DAR shall facilitate the NGOs access to financial, technical and other resources.
- B. Cooperative organization and development shall be undertaken by the cooperative sector, non-government organizations and people's organizations with demonstrated technical capability.
- C. In the planning and monitoring of the delivery of support services, the DAR shall involve the NGOs, POs, cooperatives and other self-help organizations.
- D. In areas where there are no cooperatives, POs, and NGOs, DAR shall take a more aggressive promotional role in raising the level of consciousness of the beneficiaries on the advantages of organizing farmers' cooperatives.
- E. In the promotion of and support to cooperatives, the DAR shall uphold the following principles:
 - o Voluntary membership without artificial restriction or discrimination;
 - o Democratic administration and control;
 - o Limited interest on share capital;
 - o Surplus, if any, should be utilized or distributed in an equitable manner;
 - o Continuing education; and

- o Cooperation with other cooperatives at local, national and international levels.

F. The evolutionary process of forming a cooperative shall be observed and the decision of the beneficiaries to join an existing one shall be respected. However, if there are viable and successful cooperatives in the community, the beneficiaries shall be encouraged to join these cooperatives.

V. OPERATIONAL AND OTHER SUPPORT ACTIVITIES

To operationalize the basic policy directions, the promotional and other support activities of DAR at various levels shall be focused on the following:

A. Coordination/Linkages/Promotional Activities

1. Establish linkages or work with the cooperative sector and NGOs in their respective level and identify areas for possible collaboration, e.g., organization and development of cooperative, trainers' training on cooperative, development of information materials, etc.
2. Provide assistance in arranging consultations, dialogues, fora, meetings, workshops, immersion programs or exchange of cooperatives success stories/experiences among NGOs, organized cooperatives and farmers organizations (FOs) for the purpose of surfacing specific problems, recommendations, learnings, and insights which could help the cooperative sector.
3. Identify groups of farmer-beneficiaries or farmer organizations who signify interest in forming cooperatives and establish their linkage with professional cooperative groups who are in charge of cooperative organizing and training.
4. Encourage farmer - beneficiaries to organize themselves into "Bayanihan" or self-help organizations for eventual development into full-pledged cooperatives.
5. Follow-up existing and newly organized cooperatives of beneficiaries and, in coordination with government agencies and NGOs, facilitate the provision of necessary services to help them attain self-reliance.



B. Orientation Training of DAR Personnel

Conduct orientation training on the basic concepts, principles and practices of cooperatives for DAR personnel involved in the promotion and support to cooperatives and other self-help organizations.

C. Information Dissemination

Assist NGOs and organized co-operatives at various levels in the conduct of information dissemination regarding latest developments about the cooperative sector through print and mass media.

D. Registration Assistance

Link-up or work with appropriate government entities to facilitate the formal registration of institutions organized by CARP beneficiaries.

E. Research

Conduct research work in cooperative organization and development which could be utilized in information dissemination and could serve as basis for improvements and/or formulation of policies.

F. CARP Cooperative Planning Workshop

1. The DAR-Support Services Office (SSO) through the Bureau of Agrarian Reform Beneficiaries Development (BAREBD) and Bureau of Agrarian Reform Information and Education (BARIE) shall conduct a workshop to discuss the guidelines on the promotion and support to cooperatives to be attended by key staff from the DAR-Regional Offices, other government representatives, NGOs, and POs involved in cooperative development.
2. In coordination with Field Operation Office (FOO), SSO through BARIE and BAREBD shall conduct provincial planning workshops to be attended by DAR provincial and municipal staff, GO representatives, NGOs and POs. The outputs of these workshops are:
 - o Assessment of the capability and commitment of POs, FOs, cooperatives and other self-help organizations as conduits of support services in their area of operation.
 - o Provincial CARP cooperative development plan which will reflect the cooperative promotion activities and other support services sector of DAR, and the cooperative organization and development activities of NGOs and POs.



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- o Projects and programs which NGOs and FOGs would like to be implemented.

The development plans shall be submitted to SSO through BARED to serve as bases for inclusion in the DAR budget to support the program.

For monitoring and evaluation purposes, quarterly report on the implementation of the program shall be submitted by FOG to SSO through BARED.

VI. REPEALING CLAUSE

All orders, circulars and other issuances inconsistent herewith are deemed repealed, amended and/or modified accordingly.

VII. EFFECTIVITY CLAUSE

These Guidelines shall take effect ten (10) days after publication in two (2) national newspapers of general circulation.

Quezon City, June 15, 1980


BENJAMIN T. LEONG
Acting Secretary