

[CDA RESOLUTION NO. 36, s. 1993, February 19, 1993]

COUNTRYWIDE DEVELOPMENT FUND POLICIES AND PROCEDURES

The General Appropriation Act provides among others a Countrywide Development Fund, the main purpose of which is to develop the rural areas. Specifically, the Fund is established to meet the maintenance and operating expenses of funded project/activities and to provide capital outlays. As envisioned in the Act, capital outlays may be disbursed for land acquisition/improvement, building structures, equipment, investment and loan/grant outlays. At the discretion of the President of the Philippines, a Congressman/Senator is allocated P 12M to support his development efforts. The loan/grant outlay component of the Fund may be used as loanable funds for selected recipients. This loan component is channeled to recipient only through a government agency/financial institution providing financial assistance to the rural sector. One of the agencies selected is the Cooperative Development Authority.

For smooth implementation, certain procedures have to be observed. First, the Congressman/Senator shall request the Department of Budget and Management (DBM) for the release of the fund indicating the amount and the purposes. Second, if approved, CDA, shall arrange with the depository bank where the DBM will send the amount. Third, CDA will release to the selected cooperatives the amount of loan/grant after compliance with all the requirements.

In the administration of this loan/grant outlay component of the Countrywide Development Fund, the following policies shall be adopted:

A. Loan Outlay

1. The CDA shall enter into Memorandum of Agreement with Congressmen/Senators regarding the disposition of their Countrywide Development Fund to cooperatives.
2. With the assistance of CDA, the Congressman/Senator shall be responsible for the selection of the borrower cooperatives. He shall indicate the amount and type of loan, interest rate as well as loan maturity.
3. The extension of loan shall be consistent with sound lending and business principles so that the cooperatives may prosper and grow in size, scope and quality and service to their members.
4. The CDA shall require the borrower cooperatives to file with CDA Extension Office having jurisdiction in the area, loan application together with a project feasibility study and other supporting documents including resolutions from the