mcpi
MICROFINANCE COUNCIL OF THE PHILIPPINES, INC.

BUILDING SUSTAINABLE RISK MANAGEMENT AT K-COOP

Integrating ESG into Daily Microfinance Operations & Strategic Governance

AUGUST 12-13, 2026 | CENTURY PARK HOTEL MANILA

KASAGANA - KA COOPERATIVE 2016

KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE

K-COOP

is a cooperative duly registered under the Cooperative Development Authority on February 5, 2016. Aims to help improve the quality of life of members in urban and peri-urban communities.

Through authentic economic and social empowerment using microfinance as a strategy for its members.

45,140

MEMBERS

PHP 366M LOAN PORTFOLIO

As of JUNE 2026

35 SATELLITE OFFICES

Bulacan, NCR, Rizal, Cavite and Laguna

KASAGANA-KA
SYNERGIZING ORGANIZATIONS

The Starting Point

SHARED/EMBEDDED RISK GOVERNANCE

FUNCTIONAL RISK TREATMENTS

INFORMAL RISK EVALUATIONS

RISK REGISTER OF ACTUAL AND POTENTIAL RISKS

EMBEDDED IN OPERATIONAL AND FUNCTIONAL STRATEGIES

Developing Strategy and Integrating ESG Principles

2023: Assessment

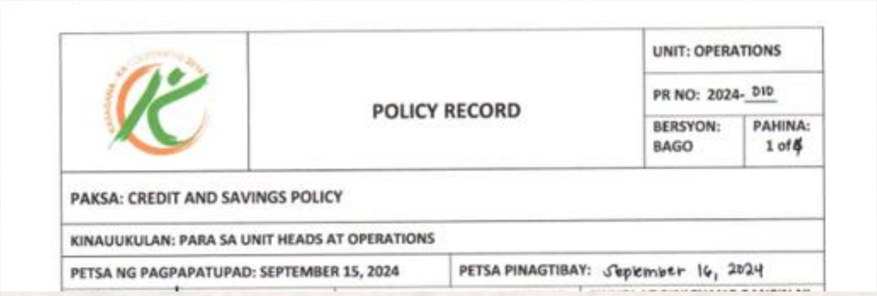
- BRS Assessment

  (RM identified as Partnership Focus Area)
- Enterprise Risk Management introduced to Management

2024: Action & TWG

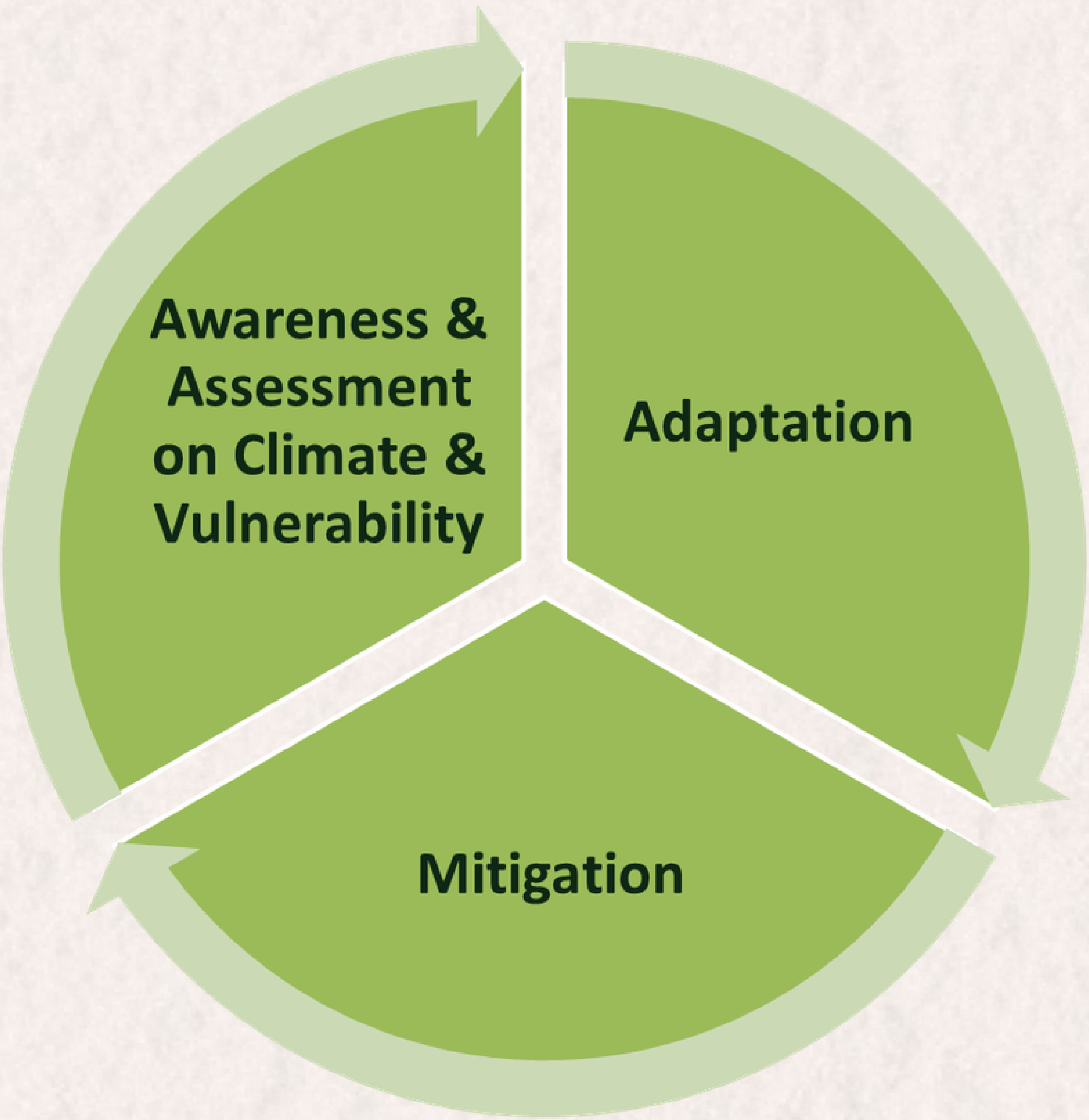
- Initial run of "Risk in Focus Survey"
- Created a TWG

  (Risk Management Learning Session and Risk Identification Workshop)
- Technical assistance from BRS
- EPM Assessment
- Credit and Savings Policy



	POLICY RECORD	UNIT: OPERATIONS
		PR NO: 2024-010
		BERSYON: BAGO / PAHINA: 1 of 4
PAKSA: CREDIT AND SAVINGS POLICY		
KINAUUKULAN: PARA SA UNIT HEADS AT OPERATIONS		
PETSA NG PAGPAPATUPAD: SEPTEMBER 15, 2024	PETSA PINAGTIBAY: September 16, 2024	

Environment, Resiliency and Sustainability Program Framework



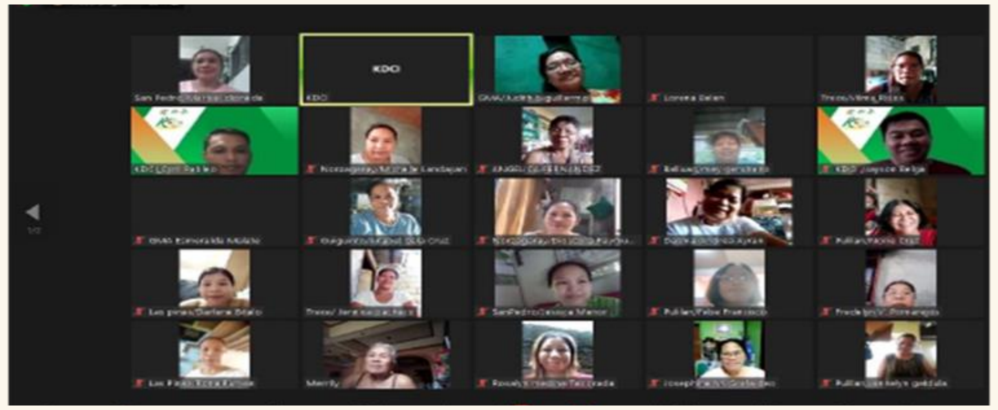
ERS Program Key Highlights:

AWARENESS AND CAPACITY BUILDING

- Training members, staff and 3S Kadets on DRR and CCA


CENTER RISK MAPPING

- Web-grid mapping of centers and satellite offices to pin point hazard exposure.



FINANCIAL SAFEGUARDS

- Savings, insurance and calamity funds that cushion members against external shocks.

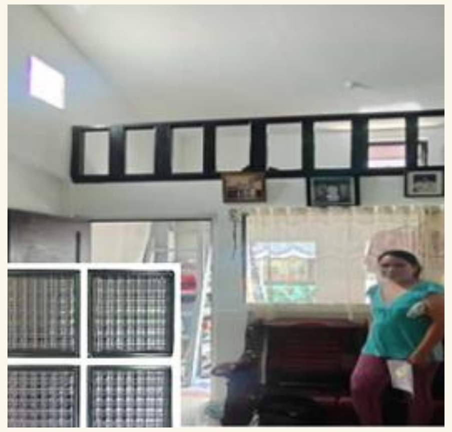
ERS Program Key Highlights:

GREEN LOANS

- Financing for clean energy, resilient housing and sustainable livelihoods.

Sunking Solar Products

Gaz Lite Bundle Products



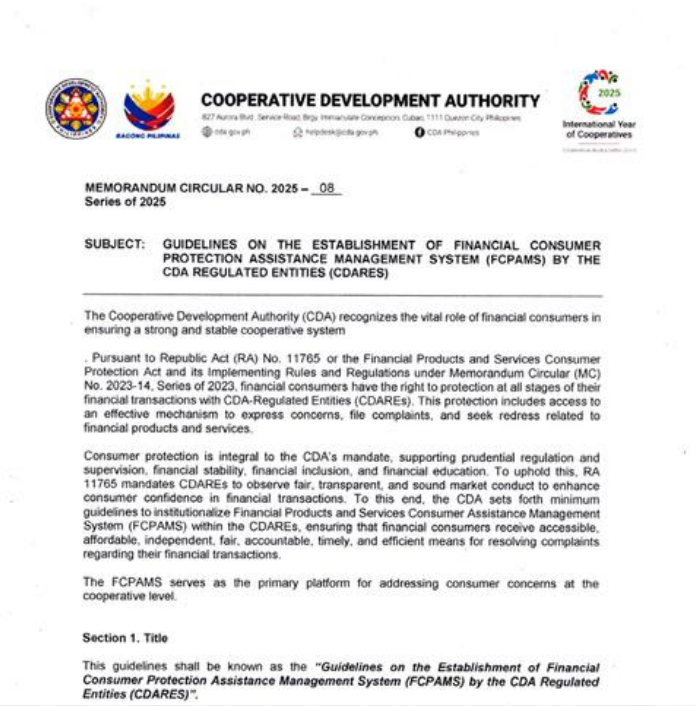
RECOVERY MEASURES

- Relief, loan restructuring and rebuilding support in the wake of disasters.

COMMUNITY DEVELOPMENT FUND

- Statutory allocation funding shared resilience and local community projects.

Developing Strategy and Integrating ESG Principles



COOPERATIVE DEVELOPMENT AUTHORITY

International Year of Cooperatives

MEMORANDUM CIRCULAR NO. 2025 – 08
Series of 2025

SUBJECT: GUIDELINES ON THE ESTABLISHMENT OF FINANCIAL CONSUMER PROTECTION ASSISTANCE MANAGEMENT SYSTEM (FCPAMS) BY THE CDA REGULATED ENTITIES (CDARES)

The Cooperative Development Authority (CDA) recognizes the vital role of financial consumers in ensuring a strong and stable cooperative system

. Pursuant to Republic Act (RA) No. 11765 or the Financial Products and Services Consumer Protection Act and its Implementing Rules and Regulations under Memorandum Circular (MC) No. 2023-14, Series of 2023, financial consumers have the right to protection at all stages of their financial transactions with CDA-Regulated Entities (CDAREs). This protection includes access to an effective mechanism to express concerns, file complaints, and seek redress related to financial products and services.

Consumer protection is integral to the CDA's mandate, supporting prudential regulation and supervision, financial stability, financial inclusion, and financial education. To uphold this, RA 11765 mandates CDAREs to observe fair, transparent, and sound market conduct to enhance consumer confidence in financial transactions. To this end, the CDA sets forth minimum guidelines to institutionalize Financial Products and Services Consumer Assistance Management System (FCPAMS) within the CDAREs, ensuring that financial consumers receive accessible, affordable, independent, fair, accountable, timely, and efficient means for resolving complaints regarding their financial transactions.

The FCPAMS serves as the primary platform for addressing consumer concerns at the cooperative level.

Section 1. Title

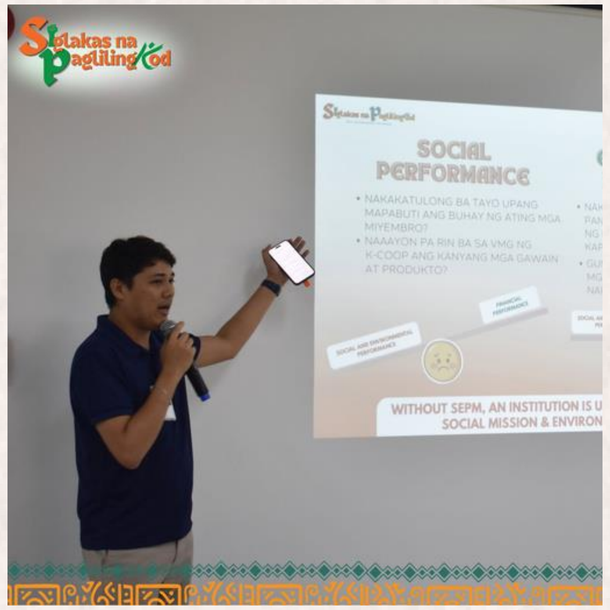
This guidelines shall be known as the ***"Guidelines on the Establishment of Financial Consumer Protection Assistance Management System (FCPAMS) by the CDA Regulated Entities (CDARES)"***.

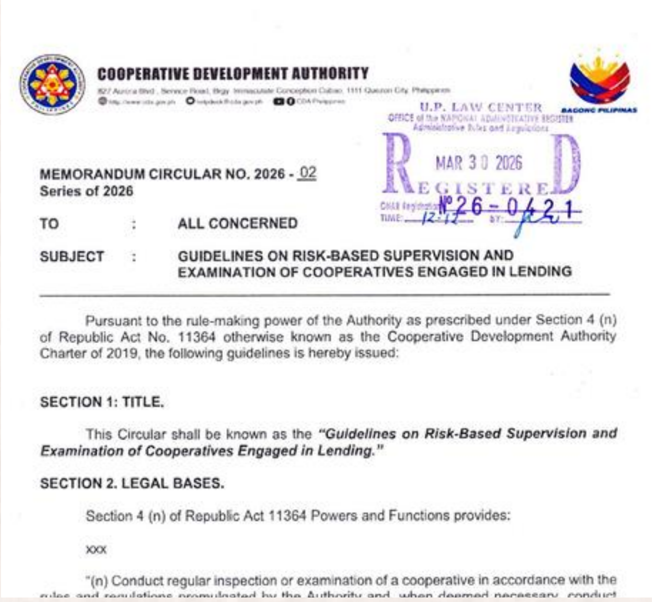
- CDA MC 2026-02: Guidelines on Risk-Based Supervision and Examination of Cooperatives Engaged inLending
- SEPM Development of Action Plan including ERM integration
- FCPAMS implementation

2026: Regulatory Mandate

2025: Audit Alignment

- Technical assistance from BRS
- SPI5 Audit (SEPM)
- CDA issued MC 2025-08: Guidelines on the Establishment of Financial Consumer Protection Assistance Management System (FCPAMS) by the CDA-Regulated Entities (CDARES)





COOPERATIVE DEVELOPMENT AUTHORITY

U.P. LAW CENTER
REGISTERED
MAR 30 2026
№ 26-0421

MEMORANDUM CIRCULAR NO. 2026 - 02
Series of 2026

TO : ALL CONCERNED

SUBJECT : GUIDELINES ON RISK-BASED SUPERVISION AND EXAMINATION OF COOPERATIVES ENGAGED IN LENDING

Pursuant to the rule-making power of the Authority as prescribed under Section 4 (n) of Republic Act No. 11364 otherwise known as the Cooperative Development Authority Charter of 2019, the following guidelines is hereby issued:

SECTION 1: TITLE.

This Circular shall be known as the ***"Guidelines on Risk-Based Supervision and Examination of Cooperatives Engaged in Lending."***

SECTION 2. LEGAL BASES.

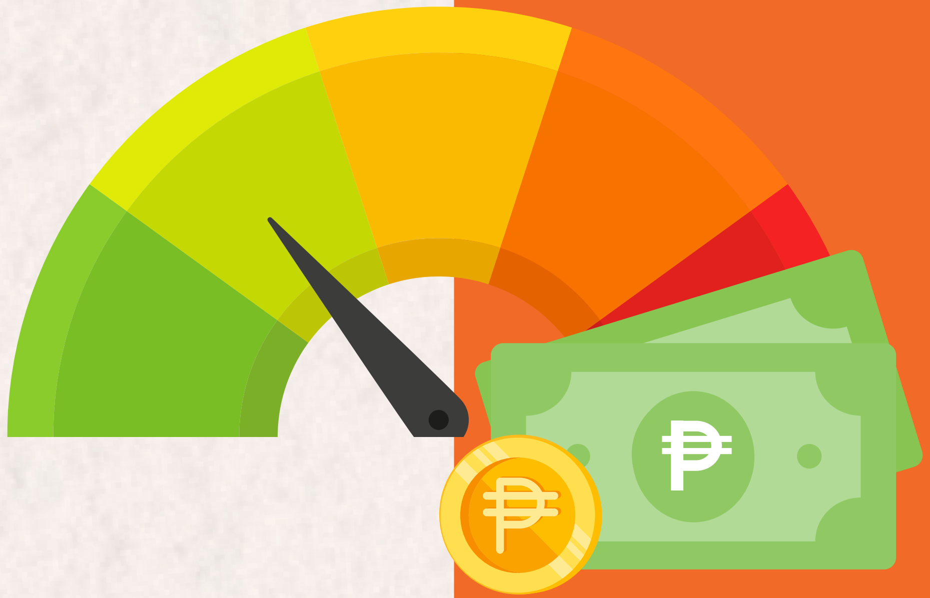
Section 4 (n) of Republic Act 11364 Powers and Functions provides:

xxx

"(n) Conduct regular inspection or examination of a cooperative in accordance with the

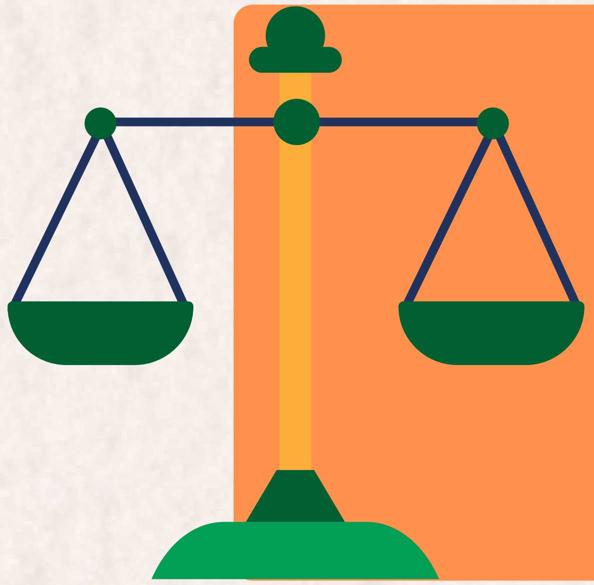
2027

Contribution to Credit Decisions and Institutional Efficiency



BETTER CREDIT DECISIONS

STRONGER PORTFOLIO QUALITY



GOVERNANCE & REGULATORY COMPLIANCE

CLIMATE RESILIENCE & SUSTAINABLE FINANCE

Institutionalization Challenges & Solutions

CHALLENGES	ACTIONS TAKEN
RISK MANAGEMENT IS SILOED AND INFORMAL • owned per unit with no shared framework	• Created a technical working group and ran coop-wide risk identification workshops. This 2026, a RiskOfficer is designated. • Studied reference frameworks and CDA issuances; formed K-COOP's ERM Framework
LIMITED IN-HOUSE TECHNICAL CAPACITY • ERM tools • Risk analytics	• Drew on BRS technical assistance and EPM and SPI5 assessments to build capability
BUILDING THE RISK MANAGEMENT SYSTEM WHILE K-COOP MANAGES RISKS TRADITIONALLY	• Adopted a "build while implementing" approach (testing and refining the framework using actual operational risks instead of waiting for a perfect model) • Align with the regulatory expectations (CDA: FCPAMS & Risk-Based Supervision)
COMPLEX DATA PROLIFERATION	• Identified priority data sets with the IT Unit, cleansed data for accuracy, and continue collaborating on integration and automation in the future

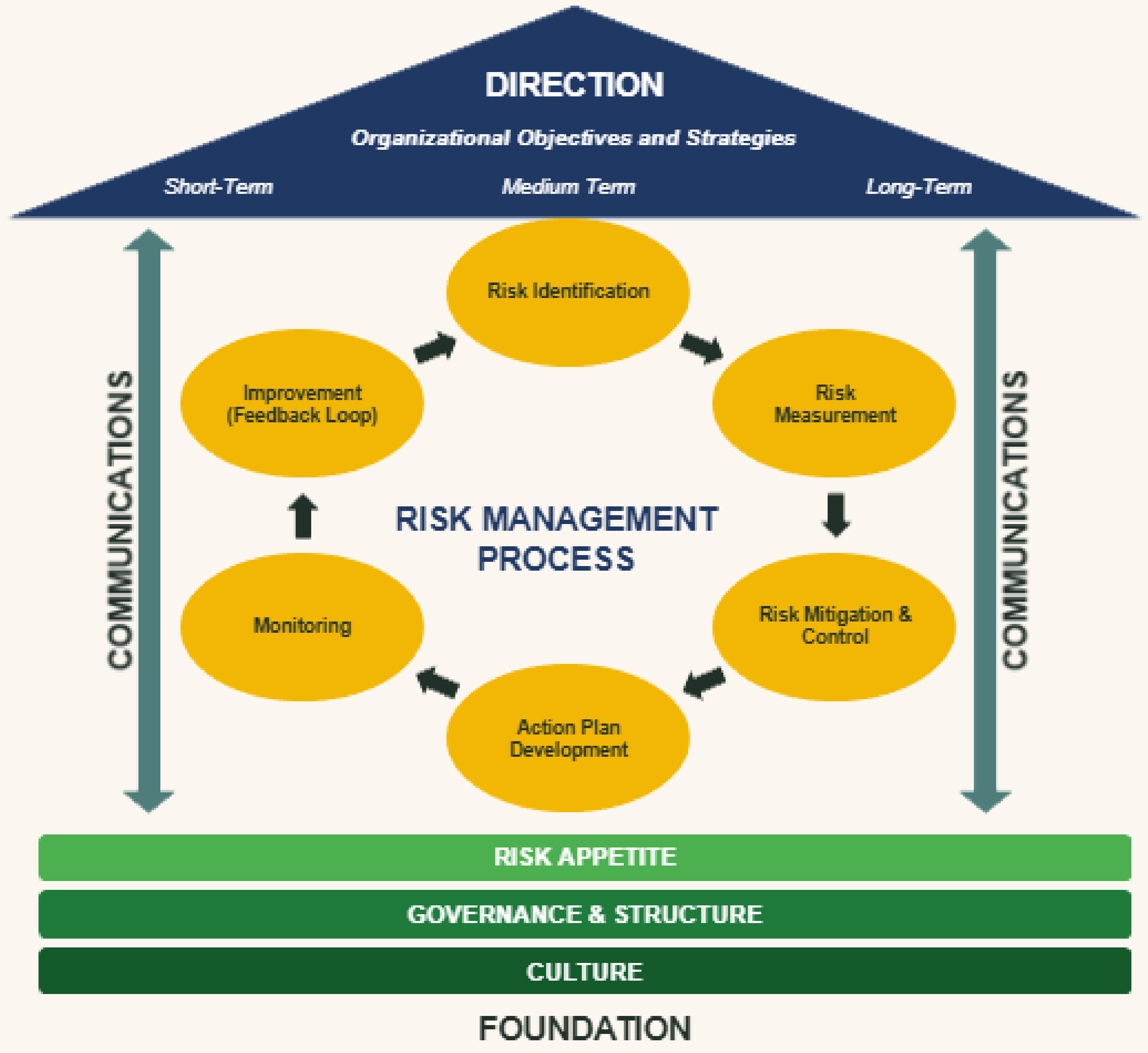
Lessons Learned and Ways Forward

LESSONS LEARNED

- Perfection is the enemy of progress (Risk Management is a journey, not a one-time project.)
- Partnerships accelerate organizational learning.
- ERS Program, Social Performance, ESG, and Risk Management are interconnected.
- Good risk decisions depend on good data.

WAYS FORWARD

- Full institutionalization by 2027 and continue maturing K-Coop's ERM Framework through regular review and refinement.
- Sustain collaboration with regulators and development partners to adopt leading practices.
- Full mapping of specific SPI dimensions in the Risk Reports (risk registers)
- Continue ERS initiatives and strengthen campaigns in related products and services
- Continue harmonizing data sets and automate risk reporting through closer collaboration between Risk Management, IT, and business units.



"RISK MANAGEMENT is fundamentally an act of INSTITUTIONAL STEWARDSHIP AND CARE...

...protecting our people, our planet, and our shared future."

THANK YOU!

AUGUST 12-13, 2026 | CENTURY PARK HOTEL MANILA