

# Agenda 5

CEO's Report

5.D.00

# Report to Boards of Directors, Delegates and CEOs of Member Organizations

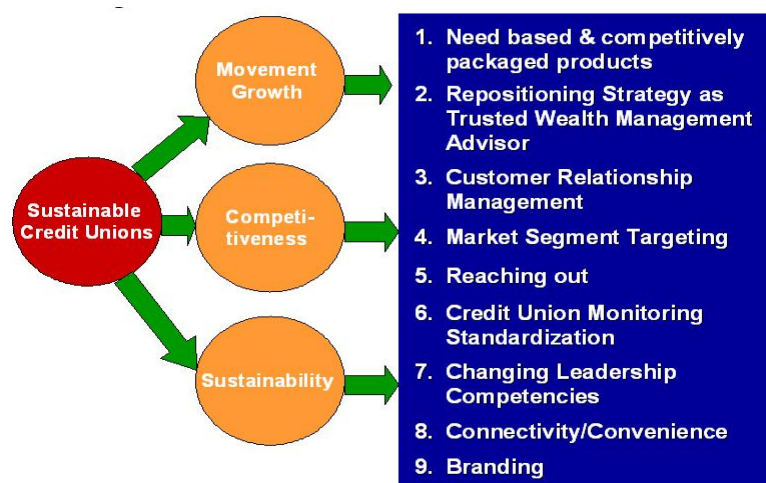
Road Map 2004-2009 as of March 15, 2009

The report provides highlights of ACCU activities from September 2008 to March 2009 plus scorecard of the Road Map of ACCU 2004 to 2009.

The management carried out the programs and business plan of ACCU as approved by the General Meeting. Updates of the monthly activities (Management Report) are consistently communicated to all member organizations, development partners and ACCU Board on a monthly basis. We are ensuring that constant flow of information from ACCU to its stakeholders would pave the way to increase sense of ownership besides ensuring that members' needs are addressed through our services.

The Road Map 2004 to 2009 began the official implementation on the first half of the fiscal year July 1, 2004/2005 until June 30, 2009. The activities carried out were in consistent with the three goals and nine strategies of the Road Map:

## Vision: "Sustainable Credit Unions in Asia"



### ACCU represents:

Type of Members	Total No CUs	Total No of Members	Total No of Assets US\$ Million
16 Regular Members	44,596	34,586,720	50,486
01 Associate Member			
15 Affiliate Members	3,779	883,355	363
Non Affiliated	2,152	355,114	7
Grand Total	50,527	34,662,329	50,856
27 Supporter Members			

As of March 15, 2009, two Affiliate Members failed to meet their dues obligations for 2008/2009: Mauritius Co-operative Savings and Credit League Ltd. (MACOSCLE) and USC Nepal. Collection letters were sent by the management and final letter was sent by the Treasurer.

ACCU's vision includes the organization's long term dream and indicates the route of transformation required to reach it. The Road Map of ACCU is aimed at reaching our destination of building a Sustainable Credit Unions in Asia characterized by the following key competencies:

- financial viability
- knowledgeable and involved board
- member-customer orientation
- technological competence
- price-competitive products and services
- proficient staff and sales culture
- focus on continual growth

It is my pleasure to provide the Board of Directors, in their first meeting, the first round of update on the implementation of the ACCU Road Map for 2004-2009.

In partnership with members, we have worked hard to successfully leverage our core strengths to create sustainable growth for credit unions in Asia. The team members of ACCU and member organizations have executed our strategies and achieved major milestones. ACCU now represents 45.3 million individual members from 56,030 credit unions in 20 countries.

<b>Credit Union Solutions</b>	<b>No. Trained as of 2007</b>	<b>2008/ 2009</b>
1. Credit Union Management Tools (Model Policies)	3,500	210
2. Credit Union Business Development Center Operations Manual	240	60
3. ACCESS Diagnostic Tool	840	45
4. Trainer's Manual on Credit Union Directors Competency Course	270	40
5. Credit Union Promotional Manual	12,000	160
6. Trainer's Manual on Credit Union CEOs Competency Course	80	20
7. Credit Union Microfinance Innovation Methodology	10,800	740
8. Tool on Poverty Alleviation Program Impact Assessment Software	40	20
9. Marketing Tool to Reach the Youth Market Segment	770	60
10. Credit Union Governance Checklist	40	12
11. Credit Union Risk Based Supervision Service Manual	60	40
12. ACCESS Audit Procedures Manual		40
13. Credit Union Product Catalogue		60
14. Credit Union Director Toolkit		50
<b>Total</b>	<b>28,640</b>	<b>1,557</b>

This year, I am proud to report that our concerted focus on solutions development has strengthened the foundation for credit union growth and competitiveness. In today's environment, being good is not enough. Credit unions need to offer excellent service. In the last decade, ACCU has been working hard to bridge the gaps in credit union performance. Fourteen credit union solutions are now available for members.

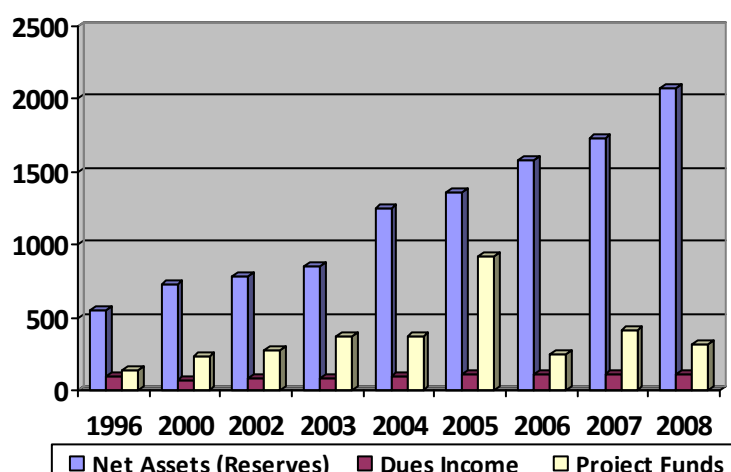
More than 100 credit union professionals have been trained to use the credit union solutions that will serve as tools to respond to the challenges faced by credit unions. Some examples of the credit union solutions are the Directors and CEOs Competency Courses (CUDCC and CUECC), ACCESS Branding and others. We have started stepping up, as we developed the Credit Union Risk Based Supervision and Stabilization Fund that will embark upon protecting the interest of credit union members.

The ongoing relevance of ACCU continues to be founded on our values. Strengthening our long-term membership relationships through our high-value services makes up our first foundation. We grow from that foundation by adding value to our existing members. We stretch our team's imagination and resourcefulness to offer up to date management solutions to modernize credit union operations.

### Long-Term Sustainability Target:

Building on our relationships with our long-term development partners and building our own internal capital are focused to ensure the continuity of our services to Asian credit unions.

ACCU's long-term financial objective is to build the Reserve Fund to a level where it can generate income sufficient to cover our trade and development missions. The target set in the new Strategic Plan is US\$ 5 million. Today, ACCU has US\$ 2 million in Reserves. It was built from US\$ 600,000 in 1995.



### Development Projects: Supports the Vision and Builds Capability of Members

The current development projects of ACCU helps members build their capacity in addressing critical issues in credit union sustainability that consequently supports the achievement of the Asian Credit Union roadmap. The list of current projects is listed in the attached annex.

The following are some highlights of the evolving partnership with development partners:

- Cordaid agrees to provide financial support for the new project in 2009 to 2012. The new project will continue the work in lobbying for enabling regulatory framework for credit unions and reach 1 million poor people by CUMI. The project proposal has been submitted to Cordaid.
- Agriterro approved the project on the promotion of Savings and Credit Unions (SCUs) in Lao PDR. A total of 15 credit unions will be organized in three provinces of the northern part of Laos (Oudomxay, Luang Namtha and Sayaboury).
- Rabobank Foundation agrees to provide financial support for Euro 15,000 to the Asian Credit Union Forum 2009. Part of the contribution is to support the participation of participants from Rabobank's project countries such as Laos, Cambodia and Indonesia.
- Irish League of Credit Unions provided a short term financial support to promote credit unions in Pakistan.

Both leaders and professionals need to be highly skilled and passionate about ensuring credit unions are world-class financial service provider to their members.

Though people are the most important assets of the credit union, we should not forget to institutionalize policies and systems for world-class standards of operation and sound business practices so that even people change, the same quality of operation is practiced.

I would like to thank my team members, the members of Asian Leaders and Managers Institute, CEOs of member organizations for their continued dedication to identifying, implementing and driving the opportunities that create our sustained growth and strong member value.

We convey our heartfelt thanks to the Board of Directors of ACCU for providing strategic and policy direction.

Our thanks to the Board of Directors of member organizations for supporting every initiative of ACCU.

Thank you.

Ranjith Hettiarachchi  
Chief Executive Officer

### ***ACCU Management Team***

#### ***Bangkok Office***

1. Mr. Ranjith Hettiarachchi, Chief Executive Officer
2. Ms. Elenita V. San Roque, Manager Member Services
3. Ms. Thanawankhon Toscha, Assistant Administrative Officer
4. Mr. Kamon Kiattisirikumpon, Program Assistant
5. Mr. Sathianphan Khunmontri, Program Assistant
6. Ms. Porramaphorn Artrit, Secretary/Program
7. Mr. Seksan Seenil, Office Assistant

#### ***Field Office (project based)***

• Bangladesh	1
• Cambodia	1
• Indonesia	1
• Lao PDR	4
• Nepal	2
• Philippines (NATCCO/PFCCO)	2
Total	11

Asian Leaders and Managers Institute (ALMI)	8
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## PROJECT AND PROGRAM

Summary of ACCU projects 2009 to 2011							
Project Title	Partner	Objectives	Activities	Time Frame	Budget	Countries	Activities of 2008 & 2009
<ul style="list-style-type: none"> <li>Credit Union Strengthening in Asia</li> </ul>	CCA-Canada	<ul style="list-style-type: none"> <li>Improve the professional management capacity,</li> <li>CUDCC training ,</li> <li>Structural changes,</li> <li>Benchmark services improvement,</li> <li>ACCESS Auditors training</li> </ul>	<ul style="list-style-type: none"> <li>Credit Union Strengthening in Asia</li> <li>Benchmarking Service,</li> <li>CUDCC, TA to partner credit unions,</li> <li>ACCESS Auditors Training ,</li> <li>CUMI,</li> <li>CEOs to Canada Exposure</li> </ul>	April 2007-March 2010	CDN\$ 356,550	Bangladesh, Nepal, Philippines	<ul style="list-style-type: none"> <li>ACCU web services benchmark services</li> <li>Costumer Relation training CUMI replication</li> <li>CUDCC Training in Bangladesh</li> <li>Wealth creation Manual,</li> <li>On side diagnosis</li> <li>Semi Annual training</li> </ul>

Summary of ACCU projects 2009 to 2011							
Project Title	Partner	Objectives	Activities	Time Frame	Budget	Countries	Activities of 2008 & 2009
<ul style="list-style-type: none"> <li>CCU/Agriterra Block Fund project</li> </ul>	Agriterra-Netherlands	<ul style="list-style-type: none"> <li>CUDA-CUs promotion in Lao PDR,</li> <li>Cambodia, WECUMI-Replication,</li> <li>E- mall,</li> <li>Youth Program</li> </ul>	<ul style="list-style-type: none"> <li>CUs promotion</li> <li>Seminar Training Field staff in Laos</li> <li>Cambodia Exposure program,</li> <li>TA for CUs,</li> <li>BDC Training and piloting youth initiative in regional</li> </ul>	January 2008 - December 2010	Euro 496,020 Local Contribution Euro 77,250	Cambodia, Indonesia-Yogyakarta, Ende Ngada, Lao PDR, Nepal, Sri Lanka	
<ul style="list-style-type: none"> <li>CUDA II- Consolidation of Credit Union Development in Asia</li> </ul>	Cordaid-Netherlands	<ul style="list-style-type: none"> <li>Consolidation of CUMI</li> <li>BDC Training Monitoring Union ,</li> <li>Stabilization Fund,</li> <li>CUDCC, CUMCC and Regulators Conference</li> </ul>	<ul style="list-style-type: none"> <li>Consolidation of CUMI</li> <li>BDC Training Monitoring Union 2 countries,</li> <li>Stabilization Fund 1 country,</li> <li>Amalgamation of CUDCC, CUMCC and Regulators Conference</li> <li>Transitional economy countries</li> </ul>	October 2006- June 2009	Euro 263, 300 Local contribution Euro 128,200 Euro 384,000	India, Indonesia, Mongolia, Myanmar, Philippines, Vietnam,	<ul style="list-style-type: none"> <li>Indochina Training,</li> <li>Regulators conference,</li> <li>BDC Training,</li> <li>Professionalization Manual,</li> <li>Training Access,</li> <li>Trainers training</li> </ul>

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Summary of ACCU projects 2009 to 2011							
Project Title	Partner	Objectives	Activities	Time Frame	Budget	Countries	Activities of 2008 & 2009
<ul style="list-style-type: none"> <li>CU Promotion in Pakistan</li> </ul>	Irish CU League Foundation	<ul style="list-style-type: none"> <li>CUs promotion in Pakistan Strengthening 12 credit Unions and 4 new credit Unions</li> </ul>	<ul style="list-style-type: none"> <li>TOT Training on CUs promotion,</li> <li>Promotional Seminar ,</li> <li>Leadership Training,</li> <li>Financial Management training</li> </ul>	October 2008-2009	Euro 14,000	Pakistan	<ul style="list-style-type: none"> <li>TOT training August,</li> <li>Financial Management training in November,</li> <li>In-country Training in April</li> </ul>
<ul style="list-style-type: none"> <li>Credit Union promotion in Lao PDR</li> </ul>	Luang Prabang, Udomxay, Luang Namntha and Xayaboury Provinces, DPI	<ul style="list-style-type: none"> <li>5 Savings and Credit Cooperatives/ Credit Unions in 9districts,</li> <li>To promote second tire organization</li> </ul>	<ul style="list-style-type: none"> <li>TOT Training on CUs promotion 5 Modules , Accounting and bookkeeping training,</li> <li>Leadership training,</li> <li>Exposure program registration of SCU in BOL</li> </ul>	February-December 2011	Agriterra: Euro 288,900 ACCU's Euro 36,000	Luang Prabang, Udomxay, Luang Namntha and Xayaboury Provinces, DPI	<ul style="list-style-type: none"> <li>Staff recruitment</li> <li>Set up office</li> <li>Orientation of staff Planning meeting,</li> <li>1<sup>st</sup> SCU organization Training publication</li> </ul>



## Measuring up the Achievements Strategic Plan 2004-2009

### Financial Perspective

Strategic Objective	Performance Measure
<p><b>Safety and soundness of established credit unions.</b></p> <p><b>Strategy:</b> Standardization and monitoring strategy</p> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Advocacy to credit union regulators</li> <li>• Development of standards and policies for self-regulation</li> </ul>	<p><b><i>Credit Union Movement Growth in 2007 as compared with 2006</i></b></p> <ul style="list-style-type: none"> <li>• Assets - 8.5 % (USD 64.9 billion)</li> <li>• Savings and Shares - 10.5 % (USD 58 billion)</li> <li>• Loans Outstanding - 1.3 % (USD 39.2 billion)</li> </ul> <p>ACCU Target: US\$ 5 million Reserve Fund As of March 31, 2009, ACCU has US\$ 2 M</p>

### Member-Customer Perspective

Strategic Objective	Performance Measure
<p><b>Image building by demonstrating the credit union difference.</b></p> <p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Need based and competitively priced products &amp; services</li> <li>• Customer Relationship Management</li> <li>• Repositioning Strategy as Trusted Wealth Creation Advisor for members</li> <li>• Reaching Out</li> <li>• Market Segment Targeting</li> </ul> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Developing tools &amp; credit union solutions</li> <li>• Marketing credit unions</li> </ul>	<p><b><i>Credit Union Movement Growth in 2007 as compared with 2006</i></b></p> <ul style="list-style-type: none"> <li>• Individual Members of credit unions - 30 % ( 45.3 million)</li> <li>• Number of credit unions - 14 % (56,030 credit unions)</li> </ul> <p><b><i>Credit Union Solutions Developed</i></b></p> <ul style="list-style-type: none"> <li>• No. 2 - Business Development Center Operations Manual</li> <li>• No. 5 - Credit Union Promotion Manual</li> <li>• No. 7- Credit Union Microfinance Innovation (CUMI) Manual</li> <li>• No. 8 - Tools on Poverty Alleviation Impact Assessment</li> <li>• No. 9 - CU Marketing to Youth</li> <li>• No. 13 - Credit Union Product Catalogue</li> </ul>



## Three Goals:

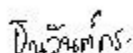
### *Movement Growth; Competitiveness & Sustainability*

Internal Business Processes Perspective	<b>Strategic Objective</b>	<b>Performance Measure</b>
	<b>Credit union excellence in service and soundness</b> <p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Branding</li> <li>• Connectivity and convenience</li> </ul> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Formulate and communicate credit union tools &amp; solutions</li> <li>• Forging and facilitating partnership with reputable IT players in the market</li> <li>• Execute and study credit union best practices</li> <li>• Equip trainers of members organizations</li> </ul>	<p><b>Credit Union Solutions Developed</b></p> <ul style="list-style-type: none"> <li>• CU Solution 1 - Management Tools (Credit Union Policies)</li> <li>• CU Solution 3 - ACCESS Brand Diagnostic Tool</li> <li>• CU Solution 10 - Credit Union Governance Checklist</li> <li>• CU Solution 11 - Manual on Credit Union Risk Based Supervision Service</li> <li>• CU Solution 12 - ACCESS Auditor's Manual</li> </ul> <p><b>Future Actions:</b></p> <ul style="list-style-type: none"> <li>• Establishing Brand Department at the national federation, on-going</li> <li>• Branding pilot credit unions, on-going</li> </ul>
Knowledge & Learning Perspective	<b>Strategic Objective</b>	<b>Performance Measure</b>
	<b>Optimize people resources</b> <p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Changing Leadership Competencies</li> </ul> <p><b>Improvement Actions:</b></p> <ul style="list-style-type: none"> <li>• Formulate and communicate credit union competency skills for volunteers and professionals</li> <li>• Develop competence profiles required for volunteers and general managers of credit unions</li> <li>• Train the trainers</li> <li>• Provide opportunity for advance training to build the competitive advantage of credit unions based on knowledge, skills, and capabilities of its people.</li> </ul>	<p><b>Credit Union Solutions Developed</b></p> <ul style="list-style-type: none"> <li>• CU Solution 4 - Credit Union Directors Competency Course (CUDCC)</li> <li>• CU Solution 6 - Credit Union CEOs Competency Manual (CUCCC)</li> <li>• CU Solution 14 - Credit Union Directors Toolkit</li> </ul> <p><b>Training Opportunities</b></p> <ul style="list-style-type: none"> <li>• Annual Asian Credit Union Forum</li> <li>• Asian Development Education Program</li> <li>• South-Asia Sub-Regional Program</li> <li>• Exposure Programs in Korea, Taiwan, and Thailand</li> </ul>

**Project Fund Received of August 11, 2008 Until March 17, 2009**

<b>Date</b>	<b>Project &amp; No.</b>	<b>Amount Baht</b>	<b>Amount Currency</b>
28/10/2008	Agriterra-2 <sup>nd</sup> Installment of Credit Union Development in Asia 2008-2010 Contract No. 07au-5053-08at-1529	1,786,292.03	EUR 41,335.-
3/11/2008	Credit Union Central of Indonesia-Facilitator of CUDCC and CUCCC training activity on October 11-23, 2008 in Indonesia	169,844.52	US\$ 4,868.-
4/12/2008	The Federation of Savings and Credit Cooperatives of Thailand Limited – Financial support of ACCESS Branding Auditors Training on January 25-30, 2009, Bangkok Thailand	248,000.-	
5/12/2008	CORDAID-The Netherlands – 3 <sup>rd</sup> installment of Consolidation of Credit Union Development in Asia , Project No. 300/10016 A	2,749,833.88	EUR 59,350.-
17/12/2008	ILCU Int Development Foundation-Ireland – Credit Union Promotion in Pakistan	720,524.10	EUR 14,920.-
21/1/2009	Canadaian Co-operative Alliance-Canada- Technical training on Governance for Cambodia Mission	80,475.75	US\$ 2,283.-
12/2/2009	Agriterra-Netherlands – 1 <sup>st</sup> installment of Savings and Credit Union Developemnt in Laos PDR Project No. 07au-5052-09at-1938	3,660,352.48	US\$ 104,881.16
18/3/2009	Canadaian Co-operative Alliance-Canada Credit Union Strentenhing in Asia	578,805.56	US\$ 16,235.78
19/3/2009	CORDAID-The Netherlands – The Partner Consulutation on Technical Assistant for Microfinance	479,216.78	EUR10,047.-
19/3/2009	Air Mauritius-Mauritius – Study Tour on Credit Cooperatives in Thailand	82,358.54	US\$2,318.-
	<b>Total</b>	<b>10,555,703.64</b>	

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Verified by:



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