



ASSOCIATION OF ASIAN CONFEDERATION
OF CREDIT UNIONS

MANAGEMENT REPORT - SEPTEMBER & OCTOBER 2008

Board of Directors of ACCU - 2008 to 2010



The 27th Annual General Meeting elected the Board of Directors serving two years term from 2008 to 2010. (R-L) Mr. Oh-man Kwon, President-NACUFOK, Korea; Ms. Norma Pereyras, 1st Vice-President, NATCCO-Philippines; Mr. Chuang Chin-Sheng, 2nd Vice-President, CULROC-Taiwan ROC; Mr. Gunarathna Perera, Secretary, FTCCS-Sri Lanka; and Mr. Suriya Motripak, Treasurer CULT-Thailand.

Significant Outreach of the Low-income Reinforced in Bangladesh Forum



(L-R) A. T. M. Fazlul Karim, Secretary Rural Dev't. & Cooperatives Division, Ministry of LGRD & Cooperatives of Bangladesh, Mr. Andrew So, Founding President of ACCU and Md. Shafiqul Haque Choudhury ASA Founder and President reinforce the need for significant outreach of the poor and low-income by credit unions.

The Asian CU Forum on the theme Credit Unions Growing to New Heights brought critical issues on growth of credit unions. The forum advised the attendees that solution to growth would mean significant outreach of the poor, youth and women market. The challenge is how to increase efficiency, sustain growth, innovate products & services, develop a highly creative team, and enhance profitability while maintaining balance on social responsibility. The significant outreach of the poor to ensure relevance of credit unions was an important recommendation reinforced to 381 forum attendees from 24 countries. The forum was held on September 25 to 27 in Dhaka, Bangladesh hosted by The Cooperative Credit Union League of Bangladesh Ltd. (CCULB).



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CEOs, HRD, Women and Youth Workshops Take a Closer Look at the Future Direction



THE CEOS WORKSHOP on the Asian Credit Union Future ‘a destination of choice, not chance’ reviewed the achievements of the Road Map 2004-2009 at both national and regional level. The workshop solicited inputs for the 2009-2014 Road Map of the Asian credit union movement. The CEOs mostly identified programs to build the credit union system like the establishment of Stabilization Fund, Risk Based Supervision and Asian Credit Union Microfinance Fund.



THE YOUTH WORKSHOP on the theme Winning the Hearts of the Future Adult Market reviewed the achievements of the youth participation in credit unions and shared the experience of member organizations based on the implementation of action plan prepared in the 2007 Bali Workshop. Fifteen youth from eight countries attended the workshop. Putting in place youth programs in credit unions is part of the recommendation of the youth.



WOMEN WORKSHOP: The three days workshop brought together 17 technical staffs, specialists and practitioners of CUMI from nine countries. The workshop discussed the future, sustainability, and the role ACCU and national federations in promoting CUMI program as tool for poverty alleviation. The workshop theme was Building Vibrant Solutions to Reach and Empower Poor Women through Credit Unions. The workshop recommendations consisted of providing opportunities for women on training, entrepreneurship and leadership development.



THE HRD WORKSHOP on the In-System Supervision and Monitoring of Credit Unions underscored the critical role of national federations in espousing a self-regulated supervision in the absence of regulation. Presented at the workshop were the Australian, Canadian and Korean supervision systems. Attending twenty-one professionals and leaders from 12 countries strongly recommended the establishment of risk based supervision system for the safety and soundness of Asian credit unions. ACCU shared the first draft manual on Credit Union Risk Based Supervision Service (CURBBS) at the workshop.



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HR Pool to Strengthen CUs in Mongolia



ACCU facilitated the Trainers Training on Credit Union Sustainable Development for the Mongolian Confederation of Credit Unions (MOCCU) on October 6-8. Attended by about 30 credit union managers and leaders, the training introduced the credit union solutions developed by ACCU.

As a long-term plan, MOCCU intends to create a human resource pool under its structure. The pool will be comprised of credit union volunteers and professionals with ability to carry out training and consulting services to credit unions on behalf of MOCCU. The training concluded with the list of would-be credit union trainers and consultants. ACCU commits to provide extensive training to those who would qualify as members of MOCCU Human Resource Pool. With the HR Pool in place, MOCCU will have more room to meet the needs of credit unions.

Forum Recommendations Adopted

The ACCU semi-annual staff-planning meeting on October 1-2 incorporated the recommendations of the Asian Credit Union Forum 2008 and Pre-Forum Workshops to the 2008-2009 Work plan of ACCU. Long-term and strategic recommendations are inputs to the new Asian credit union roadmap that will cover 5 years implementation from 2009-2014. ACCU organizes semi-annual staff meeting in January and October to review the achievements, challenges and future direction of its services to members.

Directors & CEOs Build Competencies

A five-day Trainers Training on CUDCC and CUCCC was facilitated for the Credit Union Central of Indonesia (CUCO) on October 13-22 in Jakarta. In attendance were forty (40) Directors for CUDCC and forty-four (44) managers and senior staff of credit unions from across Indonesia. In addition to the development of Directors and managers' competence, the two workshops identified weaknesses on credit union operations needing appropriate solutions. The participants also volunteered to share responsibilities in developing standards intended for Indonesian credit unions such as HRM Policy, Accounting, Credit Management, guidelines on the registration of credit unions etc. Certificates of Attendance were given to participants recognizing the completion of classroom requirement for the course. However, the course certificates will be given after the completion of the project work.

CREDIT UNION DIRECTORS COMPETENCY COURSE



CREDIT UNION CEOs COMPETENCY COURSE





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ACCU 2008 Recognition Award



ACCU recognized the outstanding contribution of individual/institution to the credit union development in Asia at the opening of the Asian Credit Union Forum in Bangladesh. Mr. Supachai Srisupaaksorn of Thailand receives the Individual ACCU Recognition Award while Cordaid of the Netherlands receives the Recognition for Institution Category. Mr. Frans Goosens accepted the award on behalf of Cordaid.

ACCU Treasurer Commences Work

The newly elected Treasurer Mr. Suriya Montripak gets himself acquainted of the financial policies and reporting standards of ACCU on his visit last October 24. The Treasurer is scheduled to visit ACCU office on the 15th of every month for the regular monitoring. Mr. Suriya is the President and Delegate of the Credit Union League of Thailand.

2008 Forum Evaluation

The overall rating of the Asian Credit Union forum in Bangladesh in response to the question: *Overall, how would you rate the Asian Credit Union Forum?* - 135 Respondents

- | | |
|-------------|-----|
| • Excellent | 36% |
| • Very Good | 50% |
| • Good | 14% |
| • Fair | 0 |
| • Poor | 0 |

The following are the comments: 1) I have learned a lot which will help me in the future 2) ACCU performance growing to new heights 3) Resource persons, Handouts and presentation were very good 4) Unexpected participants.

Developing Full Pledged CUs in Laos

An accounting training was conducted for the newly appointed Managers of five credit unions in Luang Prabang on October 27-29. ACCU is supporting the expansion of operation of five savings and credit associations to become full pledge credit unions. Meanwhile, talks with the representatives of Department of Planning and Investment of the three Northern Provinces of Laos was held on October 30 to find out the appropriate partner organization. With the support of Agriterria, the MOU is a cooperation agreement to promote five savings and credit unions in each of the three provinces.



Welcome to Thailand!
Asian Credit Union Forum 2009

Forum Preparation Starts NOW!

Identification of the 2009 Asian Credit Union Forum venue has started as early as October this year considering Thailand is a top tourist destination in Asia. ACCU and the hosts, Credit Union League of Thailand (CULT) and the Federation of Savings and Credit Cooperatives of Thailand (FSCT) met on October 27. Organizing responsibilities were clarified, number of attendees estimated and prospective venues were shortlisted at the meeting. The three parties primarily consider affordability of the conference package while maintaining high standards of the forum. Both hosts indicated their support to ensure the success of the Forum and memorable stay of attendees in Thailand.





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Asian Credit Union Forum 2009

Credit Unions Growing to New Heights

DECLARATION

“WE, THE 380 REPRESENTATIVES OF CREDIT UNIONS FROM 24 COUNTRIES GATHERED AT DHAKA, BANGLADESH FROM 26-27 SEPTEMBER 2008 FOR THE ASIAN CREDIT UNION FORUM ON CREDIT UNIONS GROWING TO NEW HEIGHTS,”

- Commit to give a fresh look at growth strategies enabling credit unions to present better choices, better organizations and better community to members and their families;
- Acknowledge the vital commitment of the Association of Asian Confederation of Credit Unions (ACCUC) for continuing to provide platform credit union leaders, professionals and supporters to explore unique solutions, new ideas and changes required to respond to the challenges brought by a changing market environment at the annual Asian Credit Union Forum;
- Consider the topics discussed in nine breakouts and six plenary sessions as a revelation of the ‘Blue Ocean’ or new market space. The sessions allow us to recognize the underserved market credit unions need to enter as a source of growth;
- Realize that the fight against poverty is the credit union original mission. The Forum is a great opportunity for

us to reexamine how far we have lived our mission for which our founding father F.W. Raiffeisen founded in 1846.

- The successful poverty alleviation programs of Microfinance Institutions like ASA and CARD-MBA have made us realize the enormous task presented to us in increasing the credit unions’ significant outreach of the ‘have less’ in order to demonstrate our mission into action;
- Recognize that the youth involvement in credit unions is less than 10% - an issue that has to be addressed urgently for the sustainability of Asian credit union system;
- Realize the need for credit unions to support marginalized women by developing appropriate economic programs, which will enhance women’s entrepreneurial skills, improve their small businesses thereby improving their economic lives;
- Appreciate the valuable initiatives of ACCUC in their goal to build sustainable credit union system in Asia, particularly the development of 14 Credit Union Solutions for sound business practices and self-regulation mechanisms;
- Affirm that the Asian credit union movement should work together to bring unprecedented developments

towards achieving our shared vision of Sustainable Credit Unions in Asia.

THUS, WE DECLARE:

1. to promote integration through the development of a National Credit Union Development Plan to guide all affiliated credit unions on the future direction of the movement;
2. to adopt and promote the 14 Credit Union Solutions developed by ACCUC to uphold integration and standardization of credit unions in Asia;
3. to proactively promote and adhere to the agreed upon credit union national policy on management, governance, products and services, prudential standards, competency programs etc.
4. to contribute in the achievement of Millennium Development Goals by reaching significant number of low-income poor men and women through the adoption of the Credit Union Microfinance Innovations (CUMI) or the equivalent program promoted by the national federation;
5. to strongly support and complement the efforts of ACCUC and its member organizations in the establishment of Credit Union Risk Based Supervision (CURBS) as ‘in system’ mechanism to promote safety and soundness of the credit union system;



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continuation of Forum Declaration . . .

6. to reorient organizational set up towards risk based and put in place an efficient risk management architecture, adopt risk focused internal audit, strengthen the management information system, and set up compliance units in order to comply with CURBBS;
7. to carefully study the youth market and consequently develop marketing campaigns, financial literacy programs and range of financial products for future members of credit unions;

8. to adopt ACCESS Branding (A-1 Competitive Choice for Excellence in Service and Soundness) to promote efficiency, effectiveness and professionalism of credit union operations.

In this context, we graciously request the Association of Asian Confederation of Credit Unions (ACCUC) to continue providing Asian credit unions a platform to discuss challenges and opportunities through the Asian Credit Union Forum.

Finally, we commit to work in active collaboration and partnership with the National Federations in the journey and endeavor to build a Sustainable Credit Unions in Asia.

HENCEFORTH, we, the representatives of our respective credit union movements, whereby pledge and commit to this Declaration as our contribution to the sustainability of the credit union movement as vehicle for social justice and economic development in our countries.