



Management Report - May 2007

PFCCO 47th Educational Forum Presents Challenge for Solidarity



ACCUCU facilitated two sessions at the 47th Education Forum of PFCCO held on May 3-4 at Bohol Tropics in Tagbilaran City (South) Philippines. ACCUCU CEO Ranjith challenged the more than 300 credit union delegates to demonstrate their solidarity through their diligent patronage of the services and development efforts of PFCCO. At the forum, ACCUCU presented the building blocks for credit union sustainability in Asia, which among others include the Credit Union Competency Course for Directors and CEOs, ACCESS Branding and the Credit Union Microfinance Innovations (CUMI). The Annual General Meeting of PFCCO followed the Forum on May 5.

Credit Union Experience Shared in Japan Microfinance Symposium

ACCUCU CEO made a presentation on the credit union experience on poverty alleviation at the Japan Microfinance Symposium held on May 10 in Tokyo. The conference organized mainly by JICA and ADB, brought together global leaders in microfinance, specialists and practitioners in the field, and key thinkers in Japan. The conference discussed the future of microfinance as a tool for fighting poverty, its sustainability, and the role of Japanese individuals, companies and the public sector. The CEO met with the leaders of Japan Credit Unions and Research Institution of Labour Banks; he discussed with the leaders salient matters on membership.

Professionalization: WCCS Branches Seen in the Future



ACCUCU provided technical assistance to Workers Cooperative Credit Society (WCCS) in reviewing its Strategic Plan on May 12. Issues on delinquency, innovation of products and services and development of comprehensive policies were the focal point to professionalize WCCS' operations. The consultation meeting recognized the need to professionalize the operation of its area offices by converting them as full pledge branches. Volunteers are serving as collectors in more than 400 area offices. The Board, with careful consideration on viability, decided to establish branches on a pilot basis. The next task of the Board was to prepare the Strategic Plan for WCCS. The Area/Liaison officers conform on the proposal to professionalize the operations of the areas at the consultation meeting that followed on May 13. At the meeting, ACCUCU, as an independent consultant presented the challenges of WCCS particularly the problem on delinquency. The area officers offered way out of the problem. The Board will carefully study the suggestions.

Project Review Meeting with Agriterra

Agriterra's Liaison Officer for Asia, Mr. Rik Delnoye met with ACCUCU technical team on May 21 to review the progress of the projects on Credit Union Promotion in Laos and Rural Financing in Cambodia. ACCUCU is currently negotiating a new project with Agriterra aimed to establish strong community based credit unions in southern part of Laos. This project will be implemented in partnership with SNV Laos.



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3rd Regulators Conference Recognizes ACCU Efforts in Professionalizing CUs in Asia



The 3rd Regulators Conference on the theme: Monitoring and Standardization of Credit Unions in Asia was attended by 46 Regulators and representatives of National Federations from 14 Asian countries. ACCU and its members shared with the regulators their initiatives to self-regulate and standardize the operations of credit unions in Asia, in its attempt to respond to the changing market environment. The regulators commended the credit union sector for their initiatives particularly the Credit Union Competency Course for Directors & CEOs, and ACCESS branding. The conference was also the start of the dialogue for Stabilization Fund. A Declaration indicating the support of the regulators on the initiatives of the Asian credit union movement concluded the conference. In principle, the regulators commit to support the credit unions. *(The Declaration is part of this report).*



Klongchan Credit Union Gets Ready for ACCESS

ACCUCU presented the ACCESS Branding concept and standards to Klongchan Credit Union, a member of the Credit Union League of Thailand and a Supporter Member of ACCUCU during its annual Board and Staff meeting on May 26. Klongchan Credit Union came forward as pilot credit union in Thailand. In collaboration with CULT, ACCUCU will support the credit union to achieve ACCESS.

Many leaders and staff of Asian credit unions had visited Klongchan Credit Union. Having achieved ACCESS, Klongchan will inspire many Asian credit unions excel in its operations and services to members.

Credit Union Promotion Planning in Lao PDR

The Luang Prabhang (Lao PDR) provincial government collaborated with ACCUCU in organizing the planning workshop attended by credit union leaders and promoters on May 28-29. The promotional plan is in response to the needs identified such as the training and close monitoring from the promoters. The plan also sets targets on membership, savings and loans.

The credit union promotion in Laos is carried out in partnership with the provincial government of Luang Prabhang. The government assigned staff as promoters of credit unions as part of its commitment to alleviate poverty by ensuring access to affordable financial services of rural community people.



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PFCCO CUCCC first batch Graduates in Bangkok



CEOs attending the Credit Union CEOs Competency Course (CUCCC) organized by the Philippine Federation of Credit Cooperatives (PFCCO) had their culminating activity in Bangkok. ACCU, along with the Philippine legislator and regulator handed the Certificate of Attendance to 14 CEOs.

Reinvigorating CUMI in PFCCO

The meeting with PFCCO staff and League Managers on May 30 in Manila discussed the need for PFCCO to promote and encourage credit unions to reach to the poor segment of the market. The meeting agreed that PFCCO would assign a staff to compile the information regarding CUMI implementation. The meeting also recognizes the need to maintain information on the outreach of credit unions to show the credit union contribution to the worldwide campaign on poverty alleviation, the first in the Millennium Development Goals. Moreover, PFCCO league managers reported their achievements on CUDCC and CUCCC. They also expressed gratitude to ACCU for bringing very relevant programs to PFCCO.

CEOs Advisory Committee Meeting Held in Bangkok



The CEOs Meeting on May 25 followed the regulators conference. Ten CEOs of member organizations attended the meeting. The meeting was a platform for ACCU and CEOs to deliberate on the future credit union development programs, international relations, governance and technical assistance needed by members.

At the meeting, the consultant from Desjardin International Development (DID) clarified questions on the establishment of Stabilization Fund. In partnership with Cordaid, ACCU will be piloting the Stabilization Fund with select member organizations. The CEOs recognized the importance of the Stabilization Fund to protect the credit union system in Asia. The next CEOs meeting will be held on September 19, 2007 in Bali, Indonesia.

ACCU recognizes the important role CEOs play in ensuring that the services of the confederation meet the current needs and challenges of credit unions. In the last 17 years, CEOs have been providing inputs and feedback to ACCU, and in turn they are considered as the backbone of the organization.

ADMINISTRATIVE MATTERS

The April to June issue of the ACCU News was circulated to member organizations and subscribers.

The early bird registration for the Asian Credit Union Forum 2007 ended on May 31, 2007. More than 100 registrants availed of the early bird. Regular registration fee applies after May 31, 2007.

Invitation letter to nominate participants to Youth and Women Workshops on September 17-19, 2007 in Bali, Indonesia was circulated to member organizations.

BANGKOK COOPERATIVE REGULATORS DECLARATION

WE, THE REGULATORS OF ASIAN CREDIT UNIONS AND COOPERATIVES DURING THE **3RD ASIAN CREDIT UNION/ COOPERATIVE REGULATORS CONFERENCE**, MAY 21-24, 2007, AT AMBASSADOR HOTEL, BANGKOK, THAILAND WITH THE THEME “MONITORING AND STANDARDIZATION OF ASIAN CREDIT UNIONS,”

- recognize the need for a venue wherein regulators can exchange ideas, collaborate plans, discuss issues and focus particularly on regulatory agenda for credit unions/cooperatives,
- appreciate the valuable initiatives of the Asian credit unions in their goal to build sustainable credit union system in Asia, particularly the development of performance standards, tools for sound business practices and self-regulation mechanisms;
- recognize the significance of the development of ACCESS as quality control toolkit to ensure financial viability, operational efficiency, competitive position, member satisfaction, employee satisfaction, knowledgeable and involved Board of Directors, quality products and services of credit unions;
- recognize and commend the efforts of developing competency courses for Directors and Chief Executive Officers to ensure sound governance and management in credit unions;
- acknowledge the need for Stabilization Fund as ‘in-system’ mechanism to secure the credit union movement from operational risks;

THUS, WE DECLARE

- to fully commit to the establishment of Asian Cooperative Regulators Forum as venue for dialogue, collaboration and exchange of information and technology and pledge to actively participate and involve in all its undertakings;
- to affirm the Asian Credit Union Development and Competitive Agenda;
- to promote the adoption of ACCESS as quality control toolkit for credit unions and consider its possible incorporation in our respective countries regulatory framework;
- to proactively endorse for the implementation and enforcement of the CUDCC and CUCCC as a pre requisite competency course requirement for Directors and CEOs and consider its adoption in national training courses and in the administrative compliance;
- to strongly support and complement the efforts of the Credit union sector in the establishment of the Stabilization and deposit insurance systems as mechanisms for securing the credit union financial system.

In this context, we graciously request Association of Asian Confederation of Credit Unions (ACCU), the umbrella organization of credit unions in Asia to take on the responsibility as facilitator and secretariat for the Asian Coop Regulators Forum.

And finally to work in active collaboration and partnership with the National Federations in the journey and endeavor to build a COMPETITIVE and SUSTAINABLE CREDIT UNIONS AND COOPERATIVES IN ASIA.

HENCEFORTH, WE, THE REPRESENTATIVES OF OUR RESPECTIVE GOVERNMENT REGULATORY AGENCIES, WHEREBY PLEDGE AND COMMIT TO THIS DECLARATION AS OUR CONTRIBUTION TO THE DEVELOPMENT AND SUSTAINABILITY OF THE CREDIT UNION/ COOPERATIVE SECTOR AS VEHICLES FOR SOCIAL JUSTICE AND ECONOMIC DEVELOPMENT IN OUR COUNTRIES.