

ACCUnews

Quarterly Publication of the Association of Asian Confederation of Credit Unions

April to June 2011

Volume 40 Issue No. 2



People Helping People Help Themselves



The Association of Asian Confederation of Credit Unions operates as a regional representative organization of credit unions and similar cooperative financial institutions in the region of Asia. ACCU is representing 37.5 million individual members from more than 21,778 credit unions in 20 countries in Asia. ACCU works in partnership with its member organizations [apex body of credit unions] to promote and strengthen credit unions as vehicles of community development and socioeconomic development of people.



3 - UN Releases the Official Logo of the IYC



4 - Skills Development on CU Operation Ongoing for SACUDIL Team



5 - SANASA Follows Up Managers Trained in CUCCC



6 - Financial Literacy Training of Trainers



7 - Bangladesh: 100 Ways to Save Amazes CCULB Trainers



8 - Indonesia: CUCO Launches ACCESS as More CU Seek for Accreditation, Nepal



9 - CCULB & NEFSCUN Board Orientation



10 - CUMI Summit in PFCCO

11 - Founding President Writes Inspiring Stories of ACCU

ACCU Team Incorporates 2010 Forum Recommendations

12 - TIMETABLE



UN Releases the Official Logo of the International Year of Cooperatives (IYC)

The IYC Secretariat is pleased to launch the new logo for the International Year of Cooperatives. The logo is based on the slogan for the International Year of Cooperatives (IYC), which is "Cooperative Enterprises Build a Better World."

The logo of IYC 2012 evokes the definition of cooperative enterprises as autonomous associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise.

The official logo for IYC is available to use for promotional materials for events organized in celebration of the Year. For more information on the eligible authorized uses of the logo, please read very carefully the IYC logo disclaimer and the guidelines for its use.

Any non-UN entity wishing to use the International Year of Cooperatives (IYC) logo for information and or fund-raising purposes must submit an application for approval to the IYC Secretariat via mail, fax, or email. On gaining approval, entities will be required to submit a signed waiver of liability form via mail, fax or e-mail. After approval is gained and the signed waiver of liability is received, the UN Secretariat will send the link to download and attach the logo onto promotional materials for events organized in celebration of the Year. There is no charge to download the logo.



The logo is available in all six official languages of the United Nations. For any questions, please email at coopsyear@un.org.

Each organisation seeking to use the logo must follow the process identified on the UN site, but the ICA is ready to assist should any organization encounter any difficulties or have any questions. The contact person is Ms. Nicola Kelly, ICA's Co-ordinator for the International Year of Co-operatives, at kelly@ica.coop.

The United Nations General Assembly has declared 2012 as the International Year of Cooperatives: Cooperative Enterprise build a better world, highlighting the contribution of cooperatives to socio-economic development, in particular recognizing their impact on poverty reduction, employment generation and social integration.

Goals of the International Year of Cooperatives:

- Increase public awareness about cooperatives and their contributions to socio-economic development and the achievement of the Millennium Development Goals.
- Promote the formation and growth of cooperatives
- Encourage Governments to establish policies, laws and regulations conducive to the formation, growth and stability of cooperatives

Source: <http://social.un.org/coopsyear/iyclogo.shtml>



Skills Development on CU Operation Ongoing for SACUDIL Team

ACCU Chief Executive Officer and Program Assistant had a progress review and planning meeting with the team in Laos on March 20 – 23. The staff were trained on credit management that included topics on loan evaluation, delinquency control and interest calculation. At the end of the meeting, the staff came up with their annual activity plan, which will serve as the basis of performance appraisal.

ACCU CEO acknowledges that the achievements of the project would essentially depend on the project

team. “Willingness to learn, work with people and seizing every opportunity to develop skills are vital outlook of the staff,” according to the CEO.

ACCU is also currently evaluating the accounting software called CUBIS (Credit Union Business Information System) for the savings and credit unions in Laos. The developer has customized the software and now on line to service the SCUs in Laos.

The project on the Savings and Credit Union Development in Laos (SACUDIL) supported by Agriterra

has six-member team including a volunteer external advisor from the Netherlands, Caroline Mol. Starting 2011; Rabobank Foundation enters into partnership with ACCU in the project.

Three savings and credit unions are to be registered after meeting the requirements of the BOL - Bank of Lao PDR (central bank), the regulatory agency for SCUs. Minimum membership of 100 individuals and paid up shares of 100 Million Kip or US\$ 12,500 are the requirements for registration.



CONSULTATION meeting with BOL on March 24: *The Director of Financial Institution Supervision Department Mr. Arkhon Prasert (4th from left) requested ACCU to train the Bank staff on credit unions and provide opportunity to learn the operations of credit unions in Thailand. Better understanding of the credit union nature would enable effective performance of the Bank's supervision staff of their role in SCUs development in Laos, according to the Director. In photo is the Vice-Director of the FISD Ms. Kaesone Manivong (3rd from left), an avid supporter and promoter of savings and credit union in Laos.*

SANASA Fed Follows Up Managers Trained under CUCCC

Two groups of Managers from 40 primary Sanasa (credit unions) in Kalutara (northern district of Sri Lanka) and Colombo convened in two different venues for the follow-up meeting cum training on April 7 and 8.

"The managers have completed the Credit Union Competency Course (CUCCC) conducted by the SANASA Federation," Sanasa trainer Bandara shared. It was the Managers request to conduct this follow-up training, added Bandara. The managers recognize that continuing professional education is needed to manage the credit unions in professional manner.

ACCU CEO Ranjith Hettiarachchi facilitated the review meeting. "The presentation on Management Wisdom of Mr. Ranjith was very excellent inspiration for me," shared a Colombo based Sanasa Manager.

ACCU CEO also introduced the Customer Care Guidelines, which at the end of the session was adopted by the Managers. "Credit union managers should always consider members as customers they need to satisfy.

The credit unions exist for their members and the lasting relationship with members leads to credit union sustainability and growth.

"Sanasa" is the Sinhala acronym for the movement of Thrift and Credit Co-Operative societies in Sri Lanka. Sanasa is the only micro finance cooperative network in Sri Lanka covering all provinces with 8,424 primary Societies.

The membership of the movement consists of persons belonging to all races and religions numbering 805,000. The total population coverage is over 3,100,000, making Sanasa the most representative Co-operative organization in Sri Lanka.

The fundamental strength of the movement has helped it to thrive and grow in spite of the devastating ethnic conflict fueled by multiple socio cultural political and economic issues.

The Vision of Sanasa is to create a new social order based on Co-operative principles and values, and does not challenge the political structures of Sri Lanka.



The Asian Credit Union Movement in 40 Years:

- | | |
|--------------------------------------|-----------------|
| • No. of Members | 37.5 million |
| • No. of Credit Unions | 21,778 |
| • Movement Assets | US\$ 70 Billion |
| • Countries Affiliated with ACCU | 23 |
| • Organizations Affiliated with ACCU | 77 |





FINANCIAL LITERACY:

Trainers Recommend a 360 Degrees Change in Credit Union Members Education



Attending twenty-six trainers of the ToT on 360 Degrees Financial Literacy for Credit Union Members recommend change on the member education. The reality, though, is that many credit unions would discuss topics such as history of credit unions, policies, duties and responsibilities of members, and services rather than talking about personal finances.



The credit union's mission is to improve the living standard of its members through the financial services it provides. The mission can be sustainably achieved if members acquire financial literacy skills enabling each individual to respond effectively to ever-changing personal and economic circumstances. According to Tita Viesca, a trainer from the Philippines and former credit union Manager, members normally assume loan as the solution to their financial problem. Participants realized that loans would create more dependency and thus undermine members own efforts to help themselves. Tita added that every individual needs to sacrifice their 'wants' in lieu of a brighter financial future.

Participants realized the need to realign the education program of credit unions to inculcate personal financial education. It is necessary to instill the values of thrift and prudence that will sustain members in the long-term. The credit union role is to help members build the skills on finance and teach them new ways of coping with life's ups and downs so that they can be ready for whatever life throws their way. In the absence of financial education, members are not able to discern the right financial choices (needs vs wants), discuss money and financial issues without (or despite) discomfort, plan for the future, and respond competently to life events that affect everyday financial decisions.

The training recognized that credit unions offer loans for emergencies instead of advising members prepare for it ahead of time. Credit unions at the same time must practice responsible lending according to ACCU CEO Ranjith Hettiarachchi. The loans receive by members should build wealth rather than creating financial burden for members.

The credit union role is to help members build the skills on finance and teach them new ways of coping with life's ups and downs so that they can be ready for whatever life throws their way.



The Trainers Manual on 360 Degrees Financial Literacy for Credit Union Members, designated as Credit Union Business Solution No. 16 recognizes that a financially literate membership of credit union is vital to its success and fulfillment of its original mission – helping people help themselves. National federations would be able to train credit union staff to carry out financial literacy program for members and potential members. The manual sets the tone for standard financial literacy education in Asian credit unions.

The 26 trainers are required to train at least 75 new trainers in 2011, which will roughly be 1,000 trainers on financial literacy in 11 countries. Countries represented were Bangladesh, Cambodia, Indonesia, Laos, Malaysia, Mongolia, Nepal, Philippines, Russia, Sri Lanka, and Thailand. The module will be incorporated in the educational program of the Credit Union Microfinance Innovations (CUMI).

The training was organized on January 24 to 28 in Bangkok, Thailand and was sponsored by the Canadian Co-operative Association (CCA).

BANGLADESH:

The 100 Ways to Save Amazes CCULB Trainers



Sixty Board and Managers of CUMI (Credit Union Microfinance Innovation) partner credit unions and field staff of CCULB (The Cooperative Credit Union League of Bangladesh) completed the Trainers Training on 360 Degrees Financial Literacy for Credit Union Members on February 27-28. Acknowledging that family budgeting is something they have not done before, the participants are optimistic that the training will help the low-income members develop financial prudence and change their financial behavior.

The exercise on the 100 ways of saving money amazed the participants, said CCULB General Manager Ratan F. Costa. If our people have ever thought about a strategy to save money for the future, they could easily do that by eliminating certain habits from their daily life, said Ratan. For example, the first step would be to reduce or eliminate taking tea at teashops; they rather have it at home, according to Ratan. Men gathering in the teashops are a common sight, he



said. They consume at least 3 cups of tea each time besides those that they offer for others. The strategies to save were unique and practical to Bangladesh context according to Ratan.

It seemed overwhelming to think of the 100 ways to save, but I believe it's because the credit unions have not seriously put their attention to it, said CCULB staff Vincent Chism. I think once you get moving on a program to save money, the momentum will build, and habits will form, making it progressively easier, he added. The most important is the motivation to save – every small saving is a road to the fulfillment of a dream.

CCULB has adopted the training module which will be translated in Bangla. The CUMI partners will now be introducing members to financial life planning that includes setting rule on financial management, commitment to 100 ways of saving money and family budgeting.



INDONESIA: CUCO Launches ACCESS as More CUs Seek for Accreditation

Three credit unions signed up for ACCESS branding accreditation during the ACCESS Auditors Training held in Jakarta, Indonesia on March 27-30.

The accreditation process entails an intensive technical assistance from the Credit Union Central of Indonesia (CUCO) and its respective chapter, which includes among others training of Board and staff, deployment of business solutions, coaching, and documentation of policies and procedures. The four credit unions are now ready to invest their resources to

earn the coveted accreditation according to CUCO General Manager Abat Elias. We are very happy of the trust placed on us by our credit unions; however, we need the guidance of ACCU to carry out the program, said Abat. Six credit unions are committed to sign up at the May 2011 Annual General Meeting of CUCO.

Meanwhile, the Auditors Training prepared the technical team of CUCO as demand for accreditation and TA is seen increasing in the future. Forty-one technical staff of 14 credit unions,



four chapters and CUCO attended the training. The auditors have been appointed to assist a credit union under the accreditation process. In September 2010, ACCU has awarded ACCESS Bronze accreditation to three credit unions in the Philippines.

Five SACCOS in Nepal to Enroll in ACCESS Accreditation



Fifty representatives from 11 SACCOS attended the ACCESS orientation on February 16 in Nepal. The Chairperson of Budol Samudayik and Samudayik SACCOS assured the participants that they are taking the right decision when they sign in for accreditation with NEFSCUN. Both of them admitted that their Boards were hesitant at the beginning, but now have realized the improvement on their operations because of ACCESS - increase in members, savings, decrease in delinquency and increase in institutional capital. Five SACCOS signified their intention to enroll for accreditation. Currently, seven SACCOS are undergoing accreditation. The final audit is scheduled in June or July 2011.

CCULB and NEFSCUN Board - Now on Board

Fifteen Board Members and three Supervisory Committee members of the Nepal Federation of Savings and Credit Cooperatives (NEFSCUN) and ten Board members of The Cooperative Credit Union League of Bangladesh (CCULB) attended the orientation facilitated by ACCU on February 12-14 and February 25-26 in their respective countries.

The workshop was an intimate self-reflection of individual's strengths and uniqueness to harness teamwork and effectiveness of the Board. The Board realized that the Board strength is the combined personal unique qualities and competence of every individual plus an understanding of theirs and that of the management's roles.

The workshop provided clarity on what to expect from the Board, their prime functions, expectations from the management, and the setting of the direction for the credit union movement. The Board also commits to acquire the necessary skills to fulfill their responsibilities. Both CEOs Dilli Ram Adhikari of NEFSCUN and Ratan F. Costa of CCULB joined their Boards during the workshop.

NEFSCUN's Board was elected in December 2010 while CCULB's Board was in January 2011. ACCU has facilitated NEFSCUN and CCULB Board orientation in the last three years.



NEFSCUN staff Set KPIs

For effective job performance, NEFSCUN key staff set the Key Performance Indicators for every department and service on the workshop facilitated by ACCU on February 15 in Nepal. Attended by seven senior staff and the CEO of NEFSCUN, the staff reconciled their unique qualities and competence with their current positions. According to the CEO Dilli Ram Adhikari, the KPIs are important in evaluating the success of the activities. KPIs are set on the areas of finance, interlending, IT, training, technical services, mutual aid, and stationeries. The KPIs are now the basis for reporting of accomplishments, not just merely activities.



Credit Union Microfinance Innovation



PFCCO Bolsters Campaign to reach out the Low-Income in time for IYC

The Philippine Federation of Credit Cooperatives (PFCCO) intensifies campaign for cooperatives to increase outreach of the have-less in the recent CUMI Summit held on February 12-13 in Manila. Thirty-seven leaders and managers of 19 cooperatives from Luzon [Philippines' main island] attended the Summit entitled "Building Vibrant Solutions to Reach and Empower Have Less through Credit Unions."

"This is the last leg of our summit to persuade our cooperative members to re-dedicate their efforts to reach the have less in line with the Millennium Development Goals and the meaningful celebration of the UN's International Year of Co-operatives in 2012," PFCCO General Manager Dave Pajaron, Jr. said. PFCCO held two summits for its Mindanao and Visayas Leagues in 2010. According to Pajaron, the cooperatives are in fact providing financial services to



the poor and disadvantaged using the CUMI methodology or their own innovated strategies. "PFCCO's task is to establish the data of our network and review the impact as to whether the financial services provided have resulted to the improved socioeconomic condition of members," clarified Pajaron.

In the summits, PFCCO team presented the CUMI impact assessment software developed by ACCU. The software is a tool cooperatives can use to measure the impact of CUMI services on the living conditions of its members. PFCCO recognizes that numbers of outreach is not sufficient to gauge the



success of the program; it is on how many 'have less' have built wealth, improve living conditions and cross the poverty line.

PFCCO has shared with ACCU its consolidated statistical data from three leagues (National capital region, Mindanao and Visayas) with total outreach of 134,000 from 50 cooperatives. PFCCO has more than 1,000 cooperative members. Pajaron admitted that collecting information is now an enormous task. The participants of the Summit pledged to increase outreach to more than 400 per credit union, allocate staff for the program and incorporate financial literacy education for members.



Founding President Writes the Inspiring Stories of ACCU



Andrew So reminisced the inspiring stories of ACCU while scanning the compilation of ACCUnews and minutes of the meetings on his first visit to ACCU new office on March 21. Featured at the 40th Anniversary Memoir of ACCU, the inspiring stories are vivid recollections of the dedication and ingenuity of Asian people to build better future for one another through credit unions. "The devotion of Andrew to credit unions until today is commendable," said ACCU CEO Ranjith Hettiarachchi, referring to the involvement of So in creating credit union awareness in China and serving as resource person [in his personal capacity] in ACCU Forums. In 2010, Andrew facilitated the translation of the Credit Union Microfinance Innovation Training Manual in Chinese language – now can be bought from Xinhua Book Stores all over China. He will deliver a Keynote speech at the 40th Anniversary celebration of ACCU on April 28 in Bangkok, Thailand.

ACCU Team Incorporates 2010 Forum Recommendations to Work Plan

ACCU management took time away from its daily office routine to assess the implementation of the 2009-2014 Strategic Plan and 2010/2011 Work Plan on January 13-14 in Bangsaen, Thailand. The team incorporated the recommendations of the September 2010 Forum and Workshops on CEOs, Women, Youth and HRD. Among others, the activities identified include the development of terms and reference for the Youth and Gender Advisory Committee, integration of Social Performance Management in ACCESS branding, adoption of the guidelines on excellence in management and rules of order of the meeting.

The two-day meeting also included session on team building where the CEO facilitated a Short Course on



Above: ACCU staff at the planning Meeting Below: ACCU CEO and Ms. Batistiana, Gender consultant at the evaluation supported by the Canadian Co-operative Association.

Human Relationship, Golden Rules of Living and organizational culture.

STEPS FORWARD ON GENDER:

The terms and reference (ToR) for the Gender Task Force Committee developed would provide platform to discuss issues and programs on gender balance participation at all levels.

The gender evaluation last February determined the extent to which gender is mainstreamed in the policies, programs and operations of ACCU and its members. The report of the consultant Ms. Brenda Batistiana mentioned the significant activities carried out by ACCU to promote gender equality; however more efforts have to be made to achieve gender equality at all levels.

TIMETABLE

2011 Regional Programs and Meetings

| | | | | | |
|-------------|---|----------|-------------------------|---|----------|
| April | NACUFOK Exposure | Korea | September | Pre-Forum Workshops: CEOs, HRD, Youth and Women | Malaysia |
| April 25-26 | 5th Asian Credit Unions/ Cooperative Regulators Conference: Theme: The Asian Credit Union Regulatory Regime: Prospects and Possibilities | Thailand | September 16 - 18 | | |
| | | | September 18 | ACCU Board Meeting | Malaysia |
| | | | September 19 | Credit Union Visit | Malaysia |
| April 27 | ACCU 72nd Board of Directors Meeting | Thailand | September 20 - 21 | Asian Credit Union Forum | Malaysia |
| April 27-28 | Credit Union Convention & 40th Anniversary of ACCU Theme: "Global Competitive Advantage of Credit Unions" | Thailand | September 22 | Annual General Meeting | Malaysia |
| April 29 | CEOs Networking session | Thailand | November 7-11 | CULROC Exposure Program | Taiwan |
| June 12-17 | 13th Asian Development Education Workshop | Thailand | November 27- December 4 | Mini Master on Credit Union Management in collaboration with Kasetsart University | Thailand |

Board of Directors

Chalermphol Dulsamphant
President - Thailand

Walis Pelin
1st Vice-President - Taiwan ROC

Min Raj Kadel
2nd Vice-President - Nepal

Reynaldo Gandionco
Secretary - Philippines

Tae-Jong Zhang
Treasurer - Korea

Ranjith Hettiarachchi
CEO - Ex-Officio

Editorial Staff

Ranjith Hettiarachchi - Chief Executive Officer

Elenita V. San Roque - Manager Member Services

Nutchakarn Toscha - Assistant Administrative Officer

Kamon Kiattisirikumpon - Program Assistant

Sukhmeet Sohal - Secretary/Programs

Seksan Seenil - Office Assistant



ASSOCIATION OF ASIAN CONFEDERATION OF CREDIT UNIONS

8th Floor, U Tower Building, No. 411, Srinakarin Road,

Suanluang, Bangkok 10250, Thailand

Tel: (66) 2 704 4252 to 54 Fax: (66) 2 704 4255

E-mail: accu@aacu.coop Website: www.aacu.coop; www.aacu.asia

air mail