

# ACCUnews<sup>®</sup>

Quarterly Publication of the Association of Asian Confederation of Credit Unions

October to December 2008

Credit Union



People Helping People



*ACCU Board of Directors 2008-2010*



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 34.9 individual members from 49,176 credit unions in 23 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.



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## SOLICITING INPUTS for 2009-2014 ROAD MAP

ACCU is currently soliciting inputs for the 2009-2014 Road Map of the Asian Credit Union Movement. We are in the process of critical examination to probe the existing or perceived Strengths, Weaknesses, Threats and Opportunities of credit unions. The Board of Directors of ACCU is meeting on April 2009 for planning. We want to ensure that the Asian Credit Union Road Map is in response to the challenges of credit unions and introducing innovation for credit union growth and competitiveness. Your inputs are very valuable to us. Please e-mail us: [accu@aaccu.coop](mailto:accu@aaccu.coop)





**WHEN WE SAY "I DO":** Election Officer Mr. Peter Challis inducts the new Board of ACCU on Sept. 28, 2008. (R-L) Mr. Oh-man Kwon-President, Ms. Norma Pereyras-1st Vice-President, Mr. Chuang Chin-Sheng-2nd Vice-President, Mr. Gunarathna Perera-Secretary & Mr. Suriya Montripak-Treasurer

## Excellence, Integrity & Accountability in Governance

The 27<sup>th</sup> Annual General Meeting on September 28, 2008 in Bangladesh elected the members of ACCU Board who will serve for 2009 to 2010. Mr. Oh-man Kwon of the National Credit Union Federation of Korea (NACUFOK) is re-elected as President. For the 3<sup>rd</sup> time in ACCU history, a woman Board of Director is elected in the Board. Ms. Norma Pereyras of the National Confederation of Credit Unions (NATCCO) is elected as the 1<sup>st</sup> Vice-President. Mr. Chuang Chin-Sheng of the Credit Union League of the Republic of China –Taiwan (CULROC) is the 2<sup>nd</sup> Vice-President, Mr. Suriya Montripak of the Credit Union League of Thailand (CULT) as the Treasurer and Mr. Gunarathna Perera of the Federation of Thrift and Credit Cooperative Societies (FTCCS) as Secretary. Mr. John F. Rodrigues of CCULB and Mr. Theofilus Woghe of CUCO were elected as Alternate Board 6 and 7 respectively.

ACCU Board serves as an institution of trust for the Asian credit union movement. Sound governance principles help ensure that our standards of excellence, integrity and accountability are applied to all aspects of our operations. ACCU's reputation for excellence and integrity is one of our most valuable assets. We have earned this reputation over the last 37 years by delivering quality products and services, and by adhering to the highest standards of business conduct.

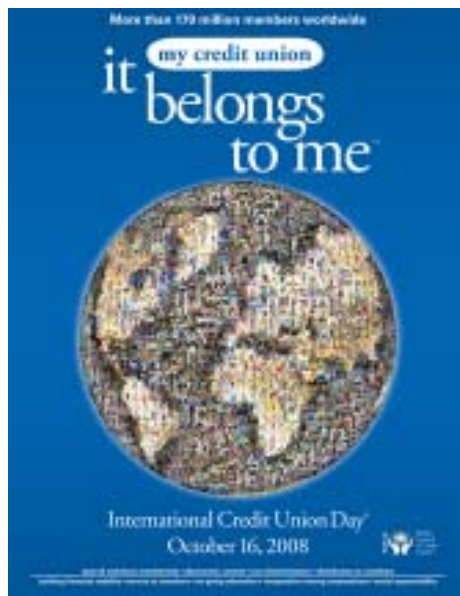
The Board ensures that an internal system encompassing policies and processes, which serves the needs of members and other stakeholders are in place. This is the means of directing and controlling management activities with sound judgment, objectivity and integrity. ACCU strives to excel in governance to demonstrate to Asian credit unions the benefits that will flow back to organization in terms of public confidence and members trust.

## International Credit Union Day, 16th October 2008

WOCCU and a U.S./Canadian committee on behalf of credit unions and cooperatives worldwide have picked the theme for the ICU Day and Co-op Week according to WOCCU's press release in May 2008. Credit unions and cooperatives around the globe shared the theme "It Belongs to Me." For the first time in history, the same theme was used in celebrating the International Credit Union Day on October 16 and Co-op Week from October 12-18.

The International Credit Union Day is an annual occasion to call attention to the impact of credit unions on the lives of millions of people – to honor the gifts and achievements of the many pioneers who founded credit unions and their service groups over the past 150 years. It is also considered important to pay tribute to the many people who today continue to demonstrate the commitment that is building new credit unions or sustaining and developing existing savings and credit cooperatives.

**The first Credit Union Day:** On January 17, 1927, the Credit Union League of Massachusetts in the United States of America celebrated the first official holiday for credit union members and workers. January 17th was chosen because it was the birthday of America's "Apostle of Thrift," Benjamin Franklin (1706-



1790). Two American credit union movement pioneers believed that Franklin symbolized "the life and teaching embodied in the spirit and purpose of credit unions." At that time, however, there was so much activity in the development of credit unions in North America that people were either too busy to celebrate or too new to the movement to recognise the significance of their actions. Thus, after a brief trial period, the practice of Credit Union Day ceased.

**The second chance:** In 1948, the U.S. Credit Union National Association (CUNA) decided to try a new national Credit Union Day celebration. CUNA and CUNA Mutual Insurance Society set aside the third Thursday of Oct. as the national day of observance.

**Sending a message around the world:** During the 1950s, CUNA's World Extension Department provided technical assistance and philosophical guidance for credit union development access the globe. So many countries had established credit union movements by 1964 that CUNA's mission was formally expanded and CUNA International was formed. Each year, new national movements joined the credit union family and more and more people were interested in celebrating their uniqueness and unity.

By 1971, worldwide credit union progress was so substantial that it was again decided to restructure the movement and to form a fourth tier of service. The World Council of Credit Unions, Inc. (WOCCU) was created and commenced its work of assisting others in the establishment and maintenance of viable credit union movements, wherever the need and desire were expressed. In Canada, Australia, Latin America, the Caribbean, Africa, Asia, New Zealand, Great Britain and the South Pacific, national and regional credit union federations and confederations were established to support and endorse credit union development. To aid in the process, that same year, WOCCU also created the first ICU Day materials that were used around the world. (Source: [www.woccu.org/events/icuday/history](http://www.woccu.org/events/icuday/history))



## Regional Event

# ACCU Recognizes Outstanding Contributions to Asian Credit Unions

The Association of Asian Confederation of Credit Unions institutes a regular and permanent means of recognizing the contributions of individuals and institutions to credit union development in Asia. The award policy establishes that, on the occasion of the General Meeting/ Asian Credit Union Forum, plaques of appreciation be presented publicly and officially to appropriate individual and institution on behalf of the Asia-wide credit union movement.

For 2008, Mr. Supachai Srisupaaksorn of Thailand was bestowed the Award for Individual Category for his exemplary contribution, committed involvement and dedication in the promotion of credit unions in Thailand and Asia. Mr. Supachai advocated the credit union philosophy of "People Helping People" during his service in various key positions in the Credit Union League of Thailand (CULT 1986 - 2007), Association of Asian Confederation of Credit Unions (ACCU 2000, 2004 - 2006) and Klongchan Credit Union (since 1983 to present). His contributions and achievements are unique in the financial world for which he assumed

tremendous responsibilities and demanding workloads.

Cordaid of the Netherlands receives the Recognition Award-Institution Category for exemplary contribution in strengthening credit unions and cooperatives in Asia through the provision of financial support to promote innovation and accelerate growth.

Cordaid's financial support has enabled ACCU to espouse critical development issues in credit unions such as poverty alleviation, enabling policy environment for credit unions and professional development of credit unions. Through Cordaid's support, ACCU has developed the Credit Union Microfinance Innovation (CUMI), a sustainable financial service and education specially designed for poor and low-income groups now institutionalized in seven credit union movements in Asia. Thus, the recognition was bestowed as a sincere demonstration of appreciation to Cordaid for its outstanding partnership and support to ACCU in the last nine years and the Asian Credit Union movement as a whole.



*ACCEPTANCE Speech: (Top) Mr. Supachai Srisupaaksorn (bottom) Mr. Frans Goosens of Cordaid.*

Since 1989, ACCU has recognized the achievements and contributions of 18 individuals and 9 institutions. ACCU accepts nominations of qualified individual and institution from its member organizations.

Witnessed by 380 credit union leaders from 24 countries, the Recognition Award was presented to Mr. Supachai and Cordaid at the opening of the Asian Credit Union Forum in Bangladesh.



## Regional Event

*"The credit union movement, with its principle of self-help, mutual help, democratic ownership and control, values competition as a cornerstone of success!"*

**Andrew So**  
**Founding President of ACCU**



Hosted by The Cooperative Credit Union League of Bangladesh Ltd. (CCULB), the Asian Credit Union Forum convened this year in Bangladesh on September 25-27. Bangladesh is a country with unique history, dating back more than 2,500 years ago. It has evolved over the centuries, and encompasses the cultural diversity of several social groups. Today, Bangladesh is known for its 'micro credit' program having an outreach of approximately 20 million poor from different players. This year, credit union leaders discovered Microcredit, a financial innovation originated in Bangladesh where it has successfully enabled extremely impoverished people to engage in self-employment projects that allow them to generate an income and, in many cases, begin to build wealth and exit poverty. Grameen Bank, ASA and BRAC are the top players of microcredit in Bangladesh.

The Forum theme - Credit Unions Growing to New Heights brought critical issues on the growth of credit unions. Every credit union today, regardless of size, product or service, faces a marketplace of ever-increasing competition and complexity. Consequently, adapting to change is now a requirement for all credit unions that are positioning themselves for the future.

The forum advised the attendees that solution to growth would mean significant outreach of the poor, youth and women market considering that more than 800 million poor are living in Asia. 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.

# Credit Unions Significant Outreach of the Low-income Reinforced in Bangladesh Forum

## Regional Event

The presentations made by the Founder and President of ASA Md. Shafiqul Haque Choudhury and Cordaid's Team Leader for the Sector Entrepreneurship Mr. Frans Goosens had drawn attention on significant confines credit unions have to be cautious if they want to reach the poor. As always, the Founding President of ACCU Mr. Andrew So had touched the hearts of attendees on his powerful speech on credit union identity and values in today's competitive environment. Thirty speakers and moderators unselfishly volunteered their time to the forum. A. T. M. Fazlul Karim, Secretary, Rural Development & Cooperatives Division, Ministry of LGRD & Cooperatives of Bangladesh graced the opening of the Forum.

The significant outreach of the poor to ensure relevance of credit unions was an important recommendation reinforced to 381 forum attendees from 24 countries. Bangladesh was well represented at the forum with 165 attendees. The pre-forum workshops on CEOs, HRD, Women and Youth on September 22-24 also culminated with recommendations to all levels, which have been incorporated by ACCU in its work plan and the Asian Credit Union Road Map for 2009-2014.

With two days marathon sessions, attendees were treated by CCULB with Bangla music, dance and distinct cuisine and culinary tradition at the Bangladesh night on September 26 followed by International night on September 27. Meanwhile, the 2009 Forum hosts – Credit Union League of Thailand and the Federation of Savings and Credit Cooperatives of Thailand have started preparations to welcome credit union leaders in Thailand.





## Member Events

# TOT on Credit Union Directors and CEOs Competency Courses (CUDCC & CUCCC) for Indonesia

A FIVE-DAY TRAINERS TRAINING ON CUDCC AND CUCCC WAS FACILITATED BY ACCU 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 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. The project work when completed would mean deployment of business standards and procedures in the credit unions.

The topic on The Role of Credit Unions as Trusted Wealth Creation Advisor for Members was a revelation for participants according to Yati, Director of Pancur Kasih CU. The session made the directors and CEOs realized that a member could be out of control of spending habits or a lifestyle that exceeds available income resulting in chronic debt. In the absence of financial counseling program and training on financial budgeting, members could end up in an unhealthy financial situation. The session led to a renewed perception on how credit union services should be positioned.

Looking at future business trends to shape the development of leadership competencies, credit unions must ensure their directors and CEOs have the essential skills to be able to lead their organizations as to what it should become rather than to see what it is today.

CUDCC and CUCCC are credit union solutions 4 and 6 respectively developed by ACCU for the professional development of Asian credit unions. Since introduction in 2005, members have trained 797 directors and 428 CEOs in the Philippines, Thailand, Bangladesh and Indonesia. These data are in addition of those who were trained by Directors from Indonesia who have completed CUDCC in Bangkok.



# MOCCU to Establish Human Resource Pool to Strengthen Credit Unions 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, trainers and leaders, the training introduced four credit union solutions developed by ACCU, which includes Strategic Planning, Products and Services, Risk Management, and Policies and Procedures.

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 the ability to carry out training and consulting services to credit unions on behalf of MOCCU. With the HR Pool, MOCCU anticipates to create opportunities for credit unions to professionalize its operation, meet international standards for credit union operation

and build the image of credit unions in Mongolia. According to the Chairman and President Mr. Gookhuu, MOCCU needs support in the coming years to rebuild the image and consolidate credit unions in Mongolia.

The training concluded with a list of would-be credit union trainers and consultants who demonstrated their commitment to volunteer their time. MOCCU Director Enthuvshin was hopeful that the creation of HR Pool would serve as a uniting platform for the credit union leaders in Mongolia. Select trainers who attended the workshop came from large credit unions, cooperative federations and institutions.

ACCU commits to provide extensive training to those who would qualify as members of MOCCU Human Resource Pool in March 2009.

## Member Events

### 'In System' Supervision for Credit Unions Introduced



The workshop on August 18-19 in the Philippines presented the framework on Credit Union Risk Based Supervision System (CURBSS) developed by ACCU. Select credit union professionals in the Philippines, particularly the technical persons from PFCCO, NATCCO, Cooperative Development Authority (CDA) and partner cooperatives recognized the need for an 'in system' supervision for credit cooperatives to ensure safety and soundness. The system backs up the Stabilization Fund, the national reserve fund for credit cooperatives and the compliance to the regulatory requirements. The participants provided inputs in the development of specific risk assessment criteria based on the actual risks in credit cooperatives in the Philippines.

## Member Events



## E-Coop Mall now opens at [www.e-coop.cultthai.coop](http://www.e-coop.cultthai.coop)

With the support of Agriterria, ACCU and the Credit Union League of Thailand (CULT) have embarked into a project called E-coop mall (e-commerce). It provides platform for credit unions' small entrepreneurs who have achieved a level global market acceptance on their products. The E-coop provides opportunities for entrepreneurs to gain market leadership and value of their products.

For more than 150 years, credit unions around the world provide access to affordable financial services to millions of people particularly those who cannot access capital from formal financial institutions. The loan provided by credit unions to its members (microfinance loans) enables them to engage in small enterprises for self-employment and income generation. Nevertheless, only viable business can guarantee

members' financial freedom or alleviation from poverty. In the context of globalization and technological advancement, cooperative entrepreneurs need support to a more sustainable linkage to market.

At initial stage, CULT, the national organization of credit unions in Thailand has taken leadership in pioneering E-coop. CULT has chosen the finest products from different entrepreneurs in its network. On October 30-31, CULT trained 18 entrepreneurs who will open 8 shops in the website. With the training, the entrepreneurs and their staff would be able to manage their shops like uploading of products, pricing and responding to orders.

Very soon, as other Asian cooperative entrepreneurs are joining, E-coop would be offering collection of high

quality products from different parts of Asia.

The E-coop is committed of providing marketplace for entrepreneurs who are now members of credit unions' Microfinance Innovations (CUMI). Finest products from top cooperative entrepreneurs are chosen on sale in the E-coop website. Buyers can be assured that the products on sale promote fair trade practices, environmental stewardship and unique wisdom of every village in each respective country.

Above all, buying from the E-Coop will help thousands of small entrepreneurs and ordinary people in the remote villages of Asian countries gain financial independence – a contribution to the Millennium Development Goal No. 1 – reducing poverty by half by 2015.

## CCCUL Dhaka, First Supporter Member from Bangladesh



*CCCUL Chair Mr. Nirmal Rozario hands over the first Annual Dues for Supporter Members to ACCU President & CEO at the International Night of the Forum in Bangladesh.*

ACCU welcomes the Christian Cooperative Credit Union Ltd. Dhaka (CCCUL) in its roster of Supporter Members. CCCUL becomes the first Supporter member of ACCU in Bangladesh. CCCUL is the largest credit union in Bangladesh in terms of assets and membership. With the cooperation and people helping people demonstrated by CCCUL, credit unions in Bangladesh are formed across Bangladesh among not only Christian communities but also other religious groups like Muslims, Hindus and Buddhists. CCCUL has been a model for other credit unions. In fact, majority of the credit unions formed after CCCUL's foundation has almost identical financial services and practices.



## Get Involved!

# Regional Microfinance Fund for Credit Unions is Building Up

Recognizing the need for Asian credit unions to demonstrate its mission by achieving significant outreach on the poor and low-income, the CEOs' Advisory Committee Meeting on September 23, 2008 decided to establish fund to support credit union microfinance programs of member organizations. The fund will most likely to provide lending facility to support credit unions/federations with significant potential to succeed in reaching poor members.

The CEOs Advisory Committee recognized that starting from small fund would be more feasible. Setting

up this fund had been discussed in several occasions for the last 5 years or so, but regulatory limitations on foreign currency remittances was seen as a major impediment.

The National Confederation of Cooperatives (NATCCO) and Vacoas Popular Multi-Purpose Cooperative agreed to contribute US\$ 10,000 to the Fund. Further, ACCU strategic partner – the Asia Pacific Rural and Agricultural Association (APRACA) also agreed to invest US\$ 10,000. The Board of Directors of ACCU on its meeting on September 25, 2008 approved the Committee proposal.

## Member Events



*Vacoas Popular MPC & NATCCO CEO in serious discussion.*

ACCU management is tasked by the Board to prepare the Fund management policy that will be reviewed by the Board on its meeting on April 2009. Member organizations and development partners are welcomed to contribute any amount to the Fund.

## OBITUARY



Bill Field passed away on September 7, 2008. ACCU is very grateful to Bill as an active member of the Asian Leaders and Managers Institute (ALMI) where he took up volunteer work in editing ACCU publications and technical reports. He is an encouragement to the 345 Asian Development Educators whom he inspired. His professional inputs and experience in developing the Credit Union Directors and CEOs Competency Courses for Asia is an achievement ACCU is dedicating to him. These courses have trained 757 Directors and 384 CEOs of credit unions in Asia. Bill was a Development Education and Chairman of WAW Credit Union in Australia. Bill also connected ACCU in Australia by promoting the Supporter Membership. With his effort, WAW Credit Union

and other credit unions have become members of ACCU. The dues paid by the supporters are used to promote and strengthen credit unions in developing countries, which will mean improving the lives of the poor people.



Ramon Aragon passed away on September 16, 2008 at the age of 48. Mon was the Training Officer of the National Confederation of Cooperatives (NATCCO). He dedicated most of his life in the cooperative service. He became a member of a credit union in the Philippines at the age of 13. He volunteered as trainer, then served in key leadership position in San Dionisio Credit Cooperative in the Philippines. He landed a job with the National Confederation of Credit Cooperatives in 1990. He was a Master Trainer on Credit Union Directors and CEOs Competency Courses, a Master ACCESS Auditor and a Development Educator. His tireless efforts in carrying training sessions for CUDCC and CUCCC has motivated and inspired more than 400 leaders and

professionals in the Philippines.

# TIMETABLE

## ACCESS Auditors Training

Attendees are the Trainers or technical staff of the national federations of ACCU member organizations and technical person from the Cooperative or Auditing Department in charge of the supervision and inspection of cooperatives/credit unions. Deadline of submission of application by November 30, 2008.

**When:** January 25 - 31, 2009

**Where:** Bangkok, Thailand

## ACCU Board of Directors Meeting

66th Regular Board of Directors Meeting of ACCU and Board planning session for the 2009-2014 Asian Credit Union Roadmap.

**When:** April 20 - 23, 2009

**Where:** Bangkok, Thailand

## 4th CUs/Coops Regulators Conference

Attendees are regulators or registrars of Credit Unions/ Cooperatives in Asian countries and CEOs of ACCU member organizations.

**When:** April 22 - 26, 2009

**Where:** Bangkok, Thailand

## CEOs Workshop

Attendees are Chief Executive Officers/General Managers of ACCU member organizations. The CEOs serves as advisory group for ACCU to ensure that its services are responding to the current needs and issues of credit unions. The workshop intends to present the first draft of the 2009-2014 Asian Credit Union Roadmap.

**When:** April 26 - 29, 2009

**Where:** Bangkok, Thailand

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