

Credit Union



People Helping People

# accu news



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**Credit Unions Renewed  
Commitment to World's Biggest  
Promise - MDGs**



**Exposure Program  
to Thailand**



**Kalimantan CUs  
ready for ACCESS**

# From the Editor

The International Cooperative Alliance and the International Labour Organization are spearheading the global campaign for poverty alleviation on the theme **Cooperating Out Of Poverty (COOP)**. The ultimate goal of the campaign is to make a significant contribution to poverty reduction by increasing the role of co-operatives in MDG achievement particularly with regard to reducing poverty by half by the year 2015. To this purpose, two main immediate objectives can be distinguished:

- Create a conducive environment for co-operative development by sensitizing stakeholders on co-operative potential and strengthening capacities of relevant organizations.
- Demonstrate the relevance of the co-operative response through co-operative projects designed by relevant local institutions in the serviced country.

The only dream of the campaign is to enable poor people to help themselves through a user-owned enterprise bringing together collective action and mutual assistance.

In the last South Asia Sub-Regional workshop, ACCU-USC-Nepal and NEFCUN inspired participating NGOs and INGOs to use savings and credit cooperative model in their poverty alleviation programs. In the same manner, we urge credit union leaders and managers to develop a plan to reach out to the have less. Let us not label credit unions as an organization of the elite and middle class. Let us prove that we are organization of people, which themselves seek to eradicate poverty, gain economic independence to make our world a better place to live.



## Content

*Issue April to June 2007*

- 
- |    |  |
|----|--|
| 2  | From the Editor  |
| 3  | President's Corner   |
| 4  | CULT Exposure:<br>"7 countries, 7 days<br>in Thailand  |
| 5  | CUs Demonstrate<br>Commitment to World's<br>Big Promise - MDGs   |
| 6  | 5th South-South Exposure<br>NACUFOK Exposure:<br>21 Years of Continuous<br>Support to Asian Credit<br>Unions |
| 7  | Four Coop Development<br>Projects Get Support from<br>FSCT; AFCUD: Assists<br>Human & Social Dev't.          |
| 8  | CUDCC & CUCCC Keep<br>PFCCO & NATCCO on<br>the Go  |
| 9  | Members' Educational<br>Forum & General Meeting<br>On the Row  |
| 10 | CUCO's Kalimantan CUs<br>All Set for ACCESS<br>Branding  |
| 11 | Future Events  |
| 12 | Credit Union People  |



# President's Corner

## *Assoc. Prof. Sawat Saengbangpla, Ph.D.*



### **“In Context of Decision Making - Board becomes a Single Unit”**

The 61<sup>st</sup> Board Meeting of ACCU was held on March 13-14 in Bangkok, Thailand. The meeting was the first meeting of the Board elected in the September 2006 Annual General Meeting. The first day was allocated for the Board's orientation that covers governance, operations, services, and challenges faced by ACCU and credit unions across Asia. Below is an excerpt of the President's message at the opening of the meeting. We believe this is relevant to all Board of Directors of credit unions in Asia.

*“Teamwork in our board is very important factor in the success of our organization. In the context of decision-making, the board becomes a single unit: it exercises authority and it decides. Although ACCU board is composed of individuals from different countries, background and culture, we must be able to come to sufficient agreement to make a single decision that is the board's statement on an issue. We will deliberate some sensitive issues in this meeting. I believe we will bear in mind the bottom line – protecting the interest of our members, our organization and the credit union movement as a whole. When we sit here, we are a leader of the regional organization and not a leader of our own organization. Today, we are representing the interest of the whole Asian Credit Union movement. We are wearing a different hat today.*

*During the last three months, I had the opportunity having several meetings with the management to learn ACCU*



*Consultation meeting with CCSF (Cambodia) Board of Directors in February 2007*

*operation. Being a regional organization, ACCU has developed 5 years Strategic Plan with the inputs of members. As Board of ACCU, our prime responsibility is to provide enabling policy framework in the implementation of Strategic Plan.*

*The most effective way for the board to do this is to enact specific policies that clearly define the relationship it wants with management. These policies direct the board's behavior and give guidance to the board chair. Policies in this category define how the board delegates its authority to management, how management will be accountable to the board, what the manager's role is in the organization, how management will be compensated, and how the board will measure organizational and managerial performance.”*

## Past Events

# CULT Exposure: “7 countries, 7 Days in Thailand”



“Seven countries, seven days in Thailand is the best description of the first CULT’s Exposure Program held on February 19 to 27 in Bangkok,” said Kruewan Boonrin, CULT’s Executive Staff. On the theme Credit Unions in the Marketplace, twenty-three participants from Malaysia, Myanmar, Nepal, Pakistan, Philippines, Sri Lanka, and Thailand critically discussed the challenges of credit unions in governance and in today’s marketplace.

The participants recognized the need for credit unions to increase membership particularly on the ‘have less’ segment of the society with the mind to contribute towards achieving the Millennium Development Goals. “I have realized that credit unions are presented with enormous potential to demonstrate their difference in our communities. It is not only the best practices that we value in this program. Above all, the Thai culture and values that contribute to the success of their credit unions and their country are great examples for us,” shared Emma Sable, participant from the Philippines.



Sharing of strategies to increase the credit union market share was one of the interesting highlights of the exposure. This has enabled participants prepare practical action plan to increase membership of their respective credit unions. ACCU team provided technical support as resource persons. “The exposure program of CULT is an annual event,” said the CULT’s General Manager Sahaphon Sangmek. He added CULT Board and management are committed to share Thai experience and to facilitate exchanges of knowledge for the development of the Asian credit union system.

CULT Exposure program becomes the third regular platforms for learning in support of ACCU overall mission. Regular exposure programs are also organized annually by the National Credit Union Federation of Korea (NACUFOK) and the Credit Union League of the Republic of China – Taiwan (CULROC). Interested participants may contact their national federations for more information.

The first exposure program of CULT was organized in collaboration with the Association of Asian Confederation of Credit Unions and the Asian Women in Co-operative Development Forum.

# CUs Demonstrate Commitment to World's Biggest Promise - MDGs

Past  
Events



Small as it may seem, SACCOS (Savings & Credit Cooperatives) in Nepal are demonstrating their care to society, not being aware that they are directly contributing to the achievement of the Millennium Development Goals (MDGs). The INGOs/NGOs applauded the SACCOS for the remarkable contribution to MDGs during the South Asia Sub-Regional Workshop on the Contribution of SACCOS towards the Achievement of the Millennium Development Goals on April 19-21 in Nepal. The workshop was organized by USC Nepal and co-organized by the Nepal Federation of Savings and Credit Cooperatives (NEFSCUN) with the technical assistance of ACCU.

The workshop attended by 35 leaders and senior officers of SACCOS, INGOs, and NGOs from seven countries (Bangladesh, Nepal, India, Pakistan, Japan, Philippines, and Sri Lanka) was a stage on the critical assessment of the contributions of credit unions in the MDGs. There was an understanding on the need for each organization to commit and strengthen partnerships to create a significant impact on the achievement of the goals. The Registrar of the Department of Cooperatives in Nepal, Mr. Tanka Mani Sharma cited SANASA in Sri Lanka, SEWA in India, Fair Price in Singapore, and Japan Consumers Cooperatives in Japan as some of the best practices in Asian cooperatives.

“Knowing the great potential of credit unions in creating hope for people is an eye opener for me. It was amazing to know that the savings and credit services of the credit union are the entry point to the lives of its members enabling them fulfill their dreams

and gain financial independence,” said Ms. Suman Subbha of GTZ Nepal. Participating NGOs and INGOs are using the credit union model in their poverty alleviation programs. The workshop deepened their understanding on the value of credit unions in making human difference. The participants walked away with a changed perception of credit unions and an action plan toward achieving MDGs.

The Millennium Development Goals (MDGs) are the world's time-bound and quantified targets for addressing extreme poverty in its many dimensions – income poverty, hunger, disease, lack of adequate shelter, and exclusion – while promoting gender equality, education, and environmental sustainability.

They are also basic human rights – the rights of each person on the planet to health, education, shelter and security as pledged in the Universal Declaration of Human Rights and the UN Millennium Declaration. The Goals are ends in themselves to be sure, but they are also capital inputs – that is – they are the means to a productive life, economic growth, and to development. This launches a whole new era in human development. This is the first time our community of nations has come together to create a unified plan of action to solve the basic issues facing humankind.

Initiated by USC Nepal and ACCU, the South Asia Sub-Regional Workshop has been running for the last 3 years. The workshop serves as platform to discuss critical development issues evolving in credit unions.



## Past Events



### 5<sup>th</sup> South to South Credit Union Exposure Held

CCULB and NEFSCUN organized for fifth time the Mutual Exposure Program on April 15-20 in Bangladesh. Leaders of credit unions and Cooperative Department officials get the opportunity to share challenges, issues, policy environment and market environment of the credit cooperatives of each country.

Twelve delegates from Nepal headed by NEFSCUN Director Mr. Som Raj Khaniya and District Cooperative Officer Ms. Maiya Devi Dhamala of the Nepal Cooperative Department led the group in visiting four credit unions in capital city Dhaka and Port City Chittagong, Directorate of Cooperative of Bangladesh and

CCULB Central Office. Mr. Jonas Dhaki, Chairman of CCULB, in his welcome address expressed that learning from both South Asian countries is valuable considering the similarities in culture, geography, heritage and economy. He also cited that the participation of the cooperative regulators in the program has resulted to a friendly working relation between regulators and regulated.

The Registrar of Cooperatives Mr. Ekram Ahmed welcomed the delegates while the team paid visit at the cooperative directorate. The Additional Registrar Mr. Kaisarul Alam, Joint Registrar Mr. Abul Hossain were present in the meeting.

Addressing the delegates, the Registrar cited the remarkable role of CCULB and credit unions in promoting savings to the have-less people.

“The Bangladesh cooperative act and rules are very liberal compared with Nepal like the tax exemption,” said Ms. Maiya, the Coop Officer of Nepal. She said she would lobby with the government to also get tax exemption for savings and credit cooperatives.

According to NEFSCUN CEO Mr. Suman, participants have high satisfaction rating of the program at the debriefing held shortly after their arrival from Bangladesh.

## NACUFOK Exposure: 21 Years of Continuous Support to Asian Credit Unions

The 21<sup>st</sup> NACUFOK Exposure program was organized last 22<sup>nd</sup> until 27<sup>th</sup> of April 2007. Eight leaders and credit union professionals from Indonesia, Thailand, Philippines, Russia, and Sri Lanka attended the program on the theme: E-Finance Business and Service Models.

The Korean credit union system offers E-finance services wherein members can access their account wherever they are and whenever they want. The credit union also provides credit card services allowing members heightened amenities such as Inter-bank wiring, ATM access, E-finance

services and other financial services delivered through technological means. NACUFOK is unfolding various activities ranging from development of electronic system to provide financial services of a great convenience to survey and research activities to support effective and efficient management to welfare business to promote development in local community. On line banking, online mutual assistance, mobile SMS services, phone banking/ mutual insurance services, FAX banking, and mobile banking are some of the other amenities offered by credit union for greater and freer access to different

products and services beyond the boundaries of time and place. NACUFOK provided learning opportunity to more than 200 credit union leaders and professionals across Asia through its Annual Asian Credit Union Exposure Program in Korea. Traces of Korean learning can be found in many Asian countries. Among others are the interlending program, mutual insurance and training. Most significantly, the five days exposure generates enormous impact in building vision for the credit union system in Asia. For more information visit: [www.cu.co.kr](http://www.cu.co.kr)



ACCU CEO Ranjith presenting the grant to NEFSCUN Chair on behalf of FSCT.

## Four Coop Development Projects Get Support from FSCT

For two straight years, Federation of Savings and Credit Cooperatives of Thailand (FSCT) demonstrates its commitment to strengthen credit unions/cooperatives movements in countries where support is needed. FSCT has developed a special program to provide financial support to credit union movements in the Asia Pacific countries. An annual budget has been set aside for this purpose.

With the assistance of ACCU, applications from members and partner organizations are accepted, scrutinized according to grant criteria, and approved by the Board of FSCT. Generally the projects may cover activities in line with the development of environment, women and youth and innovative community initiatives.

Four cooperative development projects get support from the FSCT.

- Nepal Federation of Savings and Credit Cooperative Union (NEFSCUN) – Training Day and Networking Workshop in Support of Small Business Development and Networking among Key Stakeholders in the

Nepali Fair Trade Crafts Industry. The project aims to enhance the technical skills of selected poor entrepreneur members, link them to market and adopt fair trade practices.

- Cooperative Credit Union League of Bangladesh (CCULB) – Credit Union Development through the Credit Union Directors Competency Course (CUDCC). The project is specifically designed to cover the cost of CUDCC training for 50 Directors of 10 credit unions.
- SANASA Federation in Sri Lanka – Development on Women and Youth in Cooperatives. The project aims at building awareness on cooperatives to women and youth especially the disadvantaged ones.
- Savings and Credit Union in Laos – Credit Union Development on Financial Management. The project aims to rehabilitate the financial structure and management of the Vientiane Savings and Credit Union.

The recipients of the financial support will have to report back to FSCT the successful completion of the project.

## Past Events

### AFCUD: Assists Human & Social Development

Contributors to the Asian Fund for Credit Union Development (AFCUD), in their small way, contribute to reach out poor youth and women to gain access of the services of credit unions in India and Sri Lanka. Three credit union projects (1 from Sri Lanka and 2 from India) were supported by AFCUD for this year.

AFCUD is one way of continuing the ideals and beliefs of our co-operative pioneers in seeking to bring about human and social development wherever you are. The credit union ideal is to extend service to all who need it even beyond your boundaries. Everyone is either a member or potential member and appropriately part of the credit union sphere of interest and concern.

AFCUD founded in 1980, is aimed at aiding the credit union promotion and strengthening programs to economies in transition and developing movements like Laos, Cambodia, Mongolia, Myanmar, India, Sri Lanka, Indonesia, Vietnam, and Sabah Sarawak. It has been raising funds from the auction held annually at the Asian Credit Union Forum. The fund has helped ACCU reached people who needed credit union services.

## Members Events

# CUDCC & CUCCC Keep PFCCO and NATCCO on the go



CUDCC Trainers



Full packed training calendars for Credit Union Directors Competency Course (CUDCC) and Credit Union CEOs Competency Course (CUCCC) of Philippine Federation of Credit Cooperatives (PFCCO) and National Confederation of Cooperatives (NATCCO) for 2007 would surely keep them on the go.

At PFCCO, master trainers Dave Pajaron, Mabel Gulay, Charlie Samson, and Ernan Palabyab are taking turns in facilitating both courses. "We are very happy on the response of our member cooperatives to both courses. It changed the landscape of training in the Philippines as the impact trickles down to members though the professional management demonstrated in its high standard financial discipline,

products and services, customer-member service, and good governance of credit unions," said Dave Pajaron of PFCCO. This is a course that member credit unions are ready to pay because we give them the value of their investment added Dave.

Both federations trained trainers for CUDCC. PFCCO is implementing CUDCC through its regional leagues while NATCCO implements the program at national level.

Master Trainers Bing Cabal and Mon Aragon of NATCCO trained eight (8) Managers of credit cooperatives as trainers for the Credit Union CEOs Competency Course (CUCCC) in February of this year. Bing said the trainers are mostly Managers of the partner cooperatives under the project implemented by ACCU/NATCCO/PFCCO and thus are aware of the new development trends, standards, issues and changes needed for the professional operation of credit unions. She said the trainers themselves spearheaded changes transforming a professionally managed credit unions.

Bing and Mon are confident that given the proper tool – the CUCCC Trainers Manual – the eight Managers will effectively deliver an excellent training outcome. Mon indicated that the experience of the Managers in pursuing dramatic changes in their credit unions was a significant factor in convincing other managers to change their traditional thinking. Mon and Bing are currently carrying out two batches of CUCCC training with the support of the eight trainers. Meanwhile, Bing was happy to report that they have completed 7 batches of Credit Union Directors Competency Course (CUDCC). According to Bing, their training calendar is full packed with CUDCC and CUCCC schedules as demand for such training is very high.

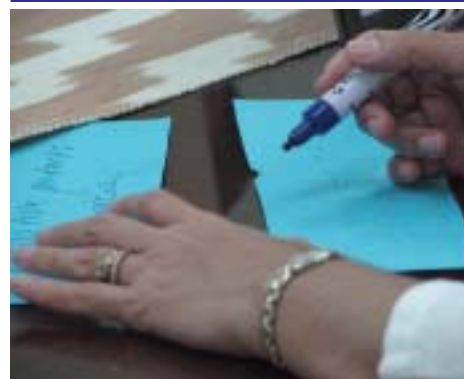
The ten modules of CUDCC and CUCCC were developed by ACCU to provide guidance in the main areas of responsibility encountered by the Board and Management.

PFCCO and NATCCO are running the courses on a fee for service basis.





## Members Events



## Members' Educational Forum & General Meeting on the Row

### NATCCO: APRIL 14-15

The election of the members of the Board of Directors (BOD), the Audit and Inventory Committee (AIC), and the Committee on Election (ELECOM) was held during the NATCCO General Assembly in Pryce Hotel, Cagayan de Oro City on April 15, 2007. Prior to the General Meeting, a one day forum was held on the theme Merger and Consolidation.

### CULT: APRIL 25-27

A seminar for CEOs of credit unions was held on April 25-26 followed by Open Forum on April 27. Members of CULT reaffirmed their commitment to increase

individual members to 2 million by the end of 2007. Part of the event was singing contest featuring songs composed by the President of CULT, Mr. Supachai Srisupaaksorn. About 350 credit union leaders attended the event.

### PFCCO: MAY 3-5

Approximately 250 cooperators attended the PFCCO Education Forum on the theme The Challenges of Leadership in Credit Union Management and 47th Annual General Meeting on May 3-5 held at the scenic Bohol Islands in the Philippines. Cooperators learn and celebrate in this three day momentous occasion.

### WCCS: JUNE 10

The Workers Cooperative Credit Society will also hold its Annual General Meeting on June 10. According to WCCS, 90% of the delegates across Malaysia usually participate in the one day meeting. The meeting will be held in Kuala Lumpur.

### FSCT: JUNE 16

The Federation of Savings and Credit Cooperatives of Thailand will hold its Annual General Meeting on June 16 in Bangkok. Held annually in the month of June, the meeting is usually attended by more than 2,000 delegates from 843 primary cooperative members of FSCT.



## Join us in Bali, Indonesia this September ***Block your calendars:***

*September 17-19 - Specialized Workshops: CEOs, HRD, Women & Youth*

*September 20-22 - Asian Credit Union Forum 2007*

*September 23 - ACCU General Meeting*

**Host: Credit Union Coordination Indonesia (CUCO)**

**Venue: Sanur Paradise Plaza Hotel & Suites**

[www.primeplazahotels.com](http://www.primeplazahotels.com)

**Early Bird Registration by May 31, 2007**



## Member Events



# CUCO's Kalimantan CUs All Set for ACCESS Branding

With the technical assistance of ACCU, a workshop introducing ACCESS Branding was organized by CUCO Kalimantan Chapter on March 26-28. Eighty-six Directors and Managers of 30 credit unions attended the workshop according to Ranjith Hettiarachchi, ACCU CEO who facilitated the workshop.

“It was one of the most successful workshops ACCU conducted. I was so inspired by the enthusiasm of participants to learn ACCESS. At least twenty laptops were in the room as participants were rating their credit unions while each standard is being discussed,” said Ranjith. The participants were very serious in learning the technology. According to Ranjith participants worked until 10:00 in the evening without any hesitation.

Kalimantan credit unions represent 1/3 of the credit union movement of Indonesia. It

has 250,000 members, the largest having 64,000 individual members. The credit unions in this chapter use PEARLS as monitoring tool on a regular basis. They also introduced innovation relaxing membership entrance requirements.

With the support of CUCO Indonesia, the credit unions are determined to get ACCESS Brand certification. Mr. Cale, Chair of the Supervisory Committee of CUCO Kalimantan Chapter, said the credit unions are always very open in embracing sound business practices to ensure competitive services and sustainability of the credit unions. Mr. Cale is a master trainer for CUCCC.

ACCESS branding is the movement's fundamental strategic focus involving national federations in its delivery to credit unions. It is anticipated that ACCESS will deliver high value, and must be defined in member terms. With

ACCESS, credit unions can build a continuous relationship with their members and users; but they must always work to maintain it.

The role of ACCU and its members is central in supporting credit unions to achieve the goals of ACCESS. ACCESS Brand is a product of the collective effort of ACCU's member organizations through its CEOs who provided inputs to create the brand. Leaders of member organizations endorsed the ACCESS in the 2005 Asian Credit Union forum. ACCESS is a credit union quality assurance that ensures excellence in service and financial soundness.

Ranjith was also happy to share the recognition of Kalimantan credit unions on the important role of ACCU. At the end of the workshop, the credit unions demonstrated this support by affiliating as Supporter member.

## MEMBERS EVENTS

### CULROC - Taiwan November 4-11, 2007

This serves as advance notice for the exposure program to be organized by the Credit Union League of the Republic of China (CULROC) on November 4-11. The program will allow nomination of one participant per member organization. Selection of participants will be on a first come first served basis. Limited number of participants will be accepted.

### December to Remember in Thailand



It is an opportune time for members of ACCU to block the dates on December 3-7, 2007 for ACCU Regional Trainers Training on Wealth Creation Advisory Role of Credit Unions. The training will be attended by the staff of national federation in-charge of training.

As practiced in the last two years, the participants will also get the opportunity to witness the biggest credit union event of the year – the belated ICU Day Celebration organized by the Credit Union League of Thailand (CULT). In 2006, 15,000 credit union enthusiasts attended the event in Phuket. This year will be held in Petchaburi province. According to the General Manager of CULT the host is now getting ready to welcome international guests and credit union leaders across Thailand.



## Future Events

### Thailand - 3rd ASIAN COOPERATIVE REGULATORS CONFERENCE - May 21-24, 2007

ACCU considers an urgent need to follow up the activities to promote and implement prudent operational standards for credit unions in response to the Road Map's Strategy – Credit Union Monitoring and Standardization. The compulsory training for directors and CEOs, Stabilization Fund, and branding were among those identified by the member organizations of ACCU as the next agenda with the regulators.

The 3<sup>rd</sup> Asian Regulators Conference on May 21-24, 2007 will be attended by the heads of the Cooperative Departments in Asian countries and CEOs of ACCU's member organizations. The conference will provide opportunity for the regulators and the regulated to review the action plan of the 2nd Conference, share experiences on the development of prudential standards and look at important regulations necessary for the sustainability of credit unions in Asia. *Hosts: Cooperative Promotions Department, Credit Union League of Thailand, Ltd. and Federation of Savings and Credit Cooperatives of Thailand, Ltd.*

### Philippines - 9th ASIAN DEVELOPMENT EDUCATION WORKSHOP - June 3-8, 2007

The Development Education Workshop is an intensive personal motivation and awareness raising process that begins with the participation in a five days residential workshop conducted by ACCU in partnership with WAW Credit Union (Australia). The workshop will be held at the Development Academy of the Philippines, Tagaytay City. Important dates:

**Early bird Deadline: March 15, 2007**

**Application Deadline: May 15, 2007**

**Who should attend?** Employee or volunteer in a credit union, institute, association or National Federation of credit unions and possess credit union experience and knowledge plus the potential to learn or enhance presentation and writing skills; good in spoken and written English.

**Hosts:** Philippine Federation of Credit Cooperatives and National Confederation of Cooperatives. For more details e-mail: [accu@aaccu.coop](mailto:accu@aaccu.coop)