

Credit Union



People Helping People

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accu

news



Prime Minister of Sri Lanka Graces ACCU Forum

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For the very first time, the Asian Credit Union Forum was opened by the Prime Minister of host country. The Prime Minister of the Democratic Socialist Republic of Sri Lanka, Honorable Rathnasiri Wickremanayake, graced the opening of the Asian Credit Union Forum held on September 22-23, 2006 in Sri Lanka. He recognized the enormous contribution of SANASA and the worldwide credit union movement as a whole, in building communities and fostering peace. Wickremanayake is the 14th Prime Minister of Sri Lanka and a veteran politician. He was sworn in as Prime Minister of the Democratic Socialist Republic of Sri Lanka by the President Mahinda Rajapakse on November 21, 2005. Wickremanayake is a former Prime Minister (August 2000-December 2001) who succeeded the late Sirimavo Bandaranaike after she resigned from the position at the age of 84.

The Prime Minister commended the leadership of Dr. Kiriwandeniya for the achievements of SANASA Movement. Dr. Kiriwandeniya, SANASA Leader has been recently appointed by the President of Sri Lanka as Chairman of the People's Bank, the 2nd largest bank in the country. The Prime Minister indicated the greater role of Dr. Kiriwandeniya in the country, being the head of two important financial institutions.

The SANASA movement represents a cooperative approach to community empowerment and mobilization. Having been formed as a credit and thrift cooperative in 1906, the SANASA movement has had 100 years of experience as an indigenous force in Sri Lankan development. The Forum coincides with



HONORABLE RATHNASIRI WICKREMANAYAKE

the SANASA movement's celebration of its 100 years service to communities.

Dr. P.A. Kiriwandeniya and the leaders of the SANASA movement threw their all out support to make the forum a success. Two hundred eighty six (286) leaders and professionals from 27 countries attended the 17th Asian Credit Union Forum 2006 on September 21-23. The Forum culminated with recommendations in improving the quality of leadership in credit unions. The next step would be the refinement of the recommendations and incorporating them in the business plan of ACCU.

president's corner

New President Dr. Sawat Saengbangpla



READY FOR THE JOB: *Dr. Sawat Saengbangpla receives the ACCU President's necklace from the outgoing President, Mr. Supachai Srisupaaksorn after the oathtaking*

Associate Professor Sawat Saengbangpla, Ph.D., a cooperative man with nearly 30 years of experience in the savings and credit cooperative movement in Thailand is elected as President, a top post in the Asian Credit Union movement. He succeeds his Thai colleague, Mr. Supachai Srisupaaksorn, President of the Credit Union League of Thailand. Dr. Sawat represents the Federation of Savings and Credit Cooperatives of Thailand Ltd. (FSCT) as its President. Before the acceptance of Maharashtra State Federation of Cooperative Credit Societies Ltd in India, FSCT's movement ranks number two (now no. 3) in Asia in terms of membership. It represents 2.1 million individual members from 843 savings and credit cooperatives and total movement's assets of US\$ 15 billion.

The establishment of the FSCT's Training Institute aimed at improving the management capabilities of the volunteers and staff of savings and credit cooperatives nationwide was one of Dr. Sawat's initiatives. He himself devoted his time and efforts as trainer and adviser to many credit unions to support the development of the movement. As an advisor to the Senate's Commission on

Agriculture and Cooperatives and Parliament's Commission on Amendments of the Cooperative Society Act, Dr. Sawat made a significant contribution by articulating the support needed by credit unions.

With his outstanding achievements and important role played in different key positions in both national and international cooperative organizations, the Ministry of Agriculture and Cooperatives in Thailand bestowed to Dr. Sawat the prestigious award as the "Cooperative Man of the Year 1999." ACCU bestowed the Recognition Award 2001 to Dr. Sawat in appreciation of his contribution to the Asian Credit Union movement. He is received the "IT Man of the year 1995." Dr. Sawat served as Vice President of ACCU in 1999 to 2000.

"I will do my best to serve the Asian Credit Union movement to the best of my abilities," said Dr. Sawat. He said he will continue the track introduced by his predecessor Mr. Supachai. His first task is to set the 'best practice' governance framework for ACCU that will set the tone for the Asian Credit Union movement.

editorial

*Rededicating credit unions
to poverty alleviation . . .*



After listening from Dr. David Hulme at the Forum and reading the statement of ICA and ILO on the occasion of the International Day for the Eradication of Poverty, we feel that credit unions have a lot of soul searching to make primarily examining our achievements and our commitment to help people help themselves.

ACCU developed the Credit Union Microfinance Innovation (CUMI) as a revived product. It has been proven CUMI is effective provided that Board and management commit themselves to reach the 'have less.' We strongly believe that we should not stop in increasing our outreach and provision of quality and evolving services to the poor. We should revisit our reason of existence. In fact, credit unions are born out of the need to help people fulfill their financial goals. Credit unions need to offer opportunities to people whom situations and circumstances make it difficult for them to rise up from poverty.

We are calling the attention of credit unions in Asia to rededicate our credit unions to poverty alleviation. Let us contribute to the world-wide promise. Everyone is part of it. Credit unions have many advantages to offer. Let us enable poor people to choose credit union and cooperative model of enterprise to improve their lives. We should always bear in mind that Asia is the home for more than 800 million poor people. We have a lot of work to do. **Let's do it!**

ACCU Elects New Board of Directors for 2006-2008



The 25th General Meeting of ACCU on September 24, 2006 in Sri Lanka elected the new set of Board of Directors who will serve for two years term from September 2006 to September 2008. (L-R) 2nd Vice-President - Mr. P.M. Sitanggang - CUCO-Indonesia; 1st Vice-President - Mr. Oh-man Kwon - NACUFOK, Korea; President - Dr. Sawat Saengbangpla - FSCT, Thailand; Treasurer - Mr. G. Lahmana - WCCS, Malaysia and Secretary - Dr. Sylvia Flores - PFCCO, Philippines.

The new Board of Directors will lead the process of developing the good governance framework for the Asian Credit Union movement. They are expected to first set the tone by adopting the framework in ACCU level. Guidance and documentation will be provided to member organizations for adoption and that will in turn be introduced to the whole credit union system in Asia.

ACCU Board meets twice a year, one in March and September in conjunction with the General Meeting. Furthermore, the Board is provided with the necessary information on the operations of ACCU on a monthly basis and as necessary, conducts meetings using electronic means. After having sworn in as President, Dr. Sawat indicated the importance of being in spirit of teamwork to effectively fulfill their duties and responsibilities as Board Members of ACCU. He said it is important for every Director to contribute to the development of ACCU.

Dr. Hulme: What CUs can do to make the achievement of the MDGs more likely

Dr. David Hulme's keynote at the Asian CU Forum explores a number of practical ideas about what credit unions can do to make the achievement of the Millennium Development Goals (MDGs) more likely. The MDGs are the biggest promise in the world. In 2000, 189 countries signed up to them at the Millennium Summit. "They are not simply the United Nation's MDGs – they are yours and mine as (I think) the governments of everyone here has signed up to them on behalf of their citizens," explained Dr. Hulme at the Forum. He pointed out that there are also a set of fundamental values that are meant to underpin them – freedom, equality, solidarity, tolerance, respect for nature and shared responsibility.

"Historically, credit unions have done many different things in different areas. This makes it difficult to come up with a clear analysis of their past contributions to poverty-reduction and

how this might be built on in the future," said Dr. Hulme.

No-one should try to force credit unions to ask these questions – but credit unions that want to engage with the MDGs, and help keep the world's biggest promise, should be encouraged to. The actions that credit unions might take to support MDG achievement are divided in to direct and indirect actions.



SEE HULME MDGs ON PAGE 8

ACCU Sets the Tone for Good Governance in Asian Credit Unions

The Board of Directors were positive that ACCU could set the tone for the credit union system in Asia by having high standard and 'best practiced' governance framework after going through the recommendations presented by the Consultant, Ms. Kelly Bottone. The consultant, appointed by the Board of Directors in the person of Ms. Kelly Bottone, President of Frameworks for Change (Canada) reviewed the Bylaws, Regulations in Support of the Bylaws, operational policies and procedures of ACCU between April to August 2006. In the process, members, Board of Directors, and management opinions were solicited in the form of questionnaire sent out by the consultant.

The Delegates and CEOs of member organizations were consulted on the recommendations for the improvement of governance framework of ACCU in a meeting held on September 20 in Sri Lanka. It was recognized that members may have different opinions on some of the important recommendations, however, the President indicated that the bottom line is the preservation of solidarity, sustainability of ACCU as an organization and that the best interest of members is represented in changes made. He said, no doubt change is always for the betterment.

The General Meeting on September 24 appointed a Governance Review Committee to study the recommendations of the consultant in consistency with the mission and vision of ACCU as regional organization. Appointed committee members are Mr. Supachai Srisupaaksorn (CULT); Mr. Charles Yip Wai-Kwong (CULHK); Mr. Jonas Dhaki (CCULB); Mr. Anan Chatruracheewin (FSCT); Mr. Cresente C. Paez (NATCCO); Dr. Sawat Saengbangpla (ACCU President) and Mr. Ranjith Hettiarachchi (ACCU CEO) as resource. The committee is to propose recommendations on the changes of Bylaws and regulations.

In the separate workshop of the CEOs, governance issues were also discussed with serious attention. The CEOs recommended that the credit union system in Asia at all levels adopts governance structure, processes and practices and that ACCU will provide guidance and support through the provision of documentation where required.

It is anticipated that the exercise would come up with Governance Guidelines that summarizes governance processes and guidelines to assist the Board in following business



THE REAL WORK ON GOVERNANCE: (Above) CEOs taking a break in between presentation of the consultant (below) Ms. Kelly Bottone on the consultation meeting with Members on September 20 in Sri Lanka.

practices that serve the best interests of members. Conducting the credit union business in accordance with the highest ethical standards in order to merit and maintain the confidence and trust of its members and the public in general was recognized as an important element of governance by the CEOs.

Meanwhile, the management is preparing information for the Governance Committee in time for its meeting in December. Since ACCU is registered in Thailand under the Association Act, there is also a necessity to consult the regulatory agency on the Bylaws changes. The Canadian Co-operative Association supported the governance review exercise of ACCU this year as well as in 1996 carried out by the Overall Planning Committee.

Credit Union CEO Competency Course

Credit Union Performance from “Ordinary” to “Exceptional”



100% EXPERIENTIAL LEARNING: Like CUDCC, attendees of CUCCC will be involved in the course through experiential learning methodologies

The Credit Union CEO Competency Course (CUCCC) recognizes the competencies needed by CEOs to move the credit union performance from “ordinary” to “exceptional” by exploring change from an organizational, personal and strategic perspective. ACCU will unveil the new Training Manual developed in the Masters’ Training on CUCCC to be held on December 4-11, 2006 in Phuket, Thailand. The training would be attended by the training staff of ACCU’s member organizations.

ACCU recognizes the important role of the Chief Executive Officers or General Managers of credit unions. The CEO is the singular organizational position that is primarily responsible to carry out the strategic plans and policies as established by the board of directors.

The CEO is responsible for the success or failure of the credit union. Operations, marketing, strategy, financing, creation of organizational culture, human resources, hiring, firing, compliance with regulations, sales, PR, etc.—it all falls on the CEO’s shoulders. Much more the CEOs have to be well rounded in the credit union because the Board of Directors changes at least every two or three years. Further, issues on Board and CEO relationship is being experienced in many credit unions and it is weakening the ability of the credit unions to provide services to members and meet its sustainability goal.

Equivalent to the Credit Union Directors Competency Course (CUDCC), CUCCC is also directly linked to the Changing

Leadership Competency Strategy in the Strategic Plan of ACCU. CUDCC has been successfully implemented by ACCU through the development of the Trainers Manual and training the trainers of member organizations that in turn adopted and run the program on fee basis. It has been proven that CUDCC can significantly change a director. Similarly, CUCCC is a course that represents an invitation and challenge to open the CEO’s mind to the wide ranging responsibilities involved in operating credit unions in the changing landscape.

ACCU has developed the Credit Union Solution No. 6 - Credit Union CEO’s Competency Course (CUCCC) bearing in mind the diversity of experience and culture in Asia. The course combines elements of pre and post-course projects, presentation, group discussion, case study examination and syndicate/team exercises. The toolkit would enable the trainers of ACCU’s member organizations to deliver the course with minimum supervision. The manual is a complete guide, which includes Lesson Plans, PowerPoint and Handouts with pre-course and post-course project work. “We anticipate that our member organizations will adopt the program as a new service offering on a fee for service basis,” said Ranjith.

This Master Trainers’ Training on CUCCC is designed to develop the overall capacity of ACCU’s member organizations’ trainers and technical team to carry out the fee basis course for CEOs of credit unions at their respective countries. The course is designed for a credit union’s CEO with minimum membership of 1,500 individual members and an assets size of US\$ 1 million.

CULT’S International Credit Union Day Celebration in Phuket, 9-10 Dec.

The five day training will end on December 9 after which, the participants will join the International Credit Union Day celebration of the Credit Union League of Thailand in Phuket.

Mr. Supachai Srisupaaksorn estimated more than 10,000 credit union leaders across Thailand will be joining the celebration. The affair is also in honor of His Majesty the King Bhumibhol Adulyadej on the occasion of his 60th Anniversary of ascension to the throne and his birthday on December 5.

Asian Credit Union Forum

Back to Sri Lanka after 17 years



The very first Asian Credit Union Forum was held on August 1-5, 1990 at the Intercontinental Hotel Colombo with approximately 60 attendees recalled Ranjith Hettiarachchi, ACCU CEO, then the General Manager of the host, SANASA Federation. Handful of prominent Asian leaders who attended the 2006 Forum could also remember the memories of the first forum like Andrew So, Dr. Kiriwadeniya, Robby Tulus, Dr. M. Letchumanan and L.B. Dasanayake.

The ACUF has evolved as part of ACCU's commitment to offer opportunities for credit union leaders and professionals to explore opportunities and solutions, new ideas and changes required to respond to the challenges brought by the changing financial landscape. In the last 5 years or so, leaders and professionals attending the forum are unexpectedly swelling in numbers and countries represented. Despite political tension in Sri Lanka, the forum was well attended with 234 international and 52 local leaders and professionals representing 27 countries. For the very first time, the host country Prime Minister was the Chief Guest of the opening program. The Prime Minister of the Democratic Socialist Republic of Sri Lanka, Honorable Rathnasiri Wickramanayake cheerfully greeted the attendees of the forum.

As of to date, the ACUF has provided opportunity to at least 3,200 leaders and professionals to participate and share in discussing relevant issues and development in credit unions. "It is quite an achievement for all of us to have this platform continuing and evolving," said Ranjith. "It also provides us many experiences and learning as we continue the journey in

building the Asian Credit union movement," added Ranjith.

ACCU, in consultation with the CEOs of member organizations is taking a serious attention in choosing the most urgent and critical issues that affects the credit union operation. The theme Challenges of Leadership in Credit Union Management is very timely as the Asian credit union movement is developing good governance 'best practices' standards.

The forum featured a prominent line-up of speakers who addressed most essential board topics. Attendees benefited from insightful **four** general and **15** breakout sessions that explored new and innovative ways to advance credit union governance. The powerful keynote speech of Prof. David Hulme of the University of Manchester stirred the audience to keep on examining what their credit unions had actually done to contribute to poverty eradication. All the speakers brought an enormous value to the forum by voluntarily sharing their expertise and time. "I am puzzled what session to attend to; all are just very interesting and inspiring," said Ampy Rimas, a leader from the Philippines.

The attendees networked and exchanged ideas with credit union colleagues—in learning sessions, at the Sri Lankan and International Night. Value, education, and entertainment come together perfectly at the Asian Credit Union Forum. SANASA treated the participants with an array of Sri Lankan dances at the Sri Lankan night. This is a must-attend occasion for credit union volunteers and professionals.

Specialized Workshops Provides Valuable Inputs for ACCU



Annamalai and Bing



Shoba and Sally

HRD Workshop

The Finance and Management Analyst of the National Confederation of Cooperatives (NATCCO), Ms. Bing Cabal and the Finance Manager and Development Educator of the Workers Co-operative Credit Society, M. Annamalai, facilitated the workshop. The three-day workshop introduced five (5) credit union solutions developed by ACCU. Participants demonstrated their eagerness to adopt the credit union solutions in their respective movements. The action plans of the 41 participants from 8 countries included Train the Trainers aimed at multiplying human resources to promote the tools. The tools introduced were Credit Union Policies; CUMI; ACCESS Branding; and Credit Union Directors Competency Course Manual.

Women and Youth Workshop

Facilitated by the Regional Coordinator of the Asian Women and Cooperative Forum, Ms. Sally Ganibe and the General Manager of Telecoms Credit Cooperative and Development Educator, Shoba Gunasekaran, the workshop concluded with recommendations addressed to all levels: primary, federation and ACCU. Providing opportunities for skills development, increase support on entrepreneurship development and leadership opportunities were among the top priorities in the recommendation. Meanwhile, the youth group recommended all levels to become truly aggressive in attracting youth, adopt strategies based on the lifestyles of youth and provide more opportunities for youth to involve in credit unions. A total of 33 women and youth volunteers and professionals in 10 countries attended the workshop.

CEOs emphasize continuous improvement of Good Governance 'Best Practices'



Building Strength and Stability of the Asian Credit Union System was the topic of this year's CEOs Workshop. The workshop serves as platform for CEOs to reflect on the movement's achievement, analyze current market trends alongside the impact to credit unions and plan for the future development of the movement in consistency with the shared vision.

The CEOs reflected on the achievements of the 5-year Road Map of ACCU and identified the credit union development outlook for the years ahead. The two days workshop (September 18-19) was followed by the CEOs Advisory Committee Meeting. ACCU solicits input and suggestion from the CEOs in the services it provides to members.

As part of the workshop, the CEO attendees participated in a session regarding issues in Asian Credit Union Governance. "In spirit of continuous improvement and with our desire to adopt 'best practices' in cooperative governance, the CEOs group recognize the opportunities for changes in current Board structure, board processes and information management techniques at all levels of the Asian Credit Union movement," said Anan Chatruratchewin, General Manager of FSCT. The workshop concluded with the recommendations to strengthen the governance of credit unions in Asia. ACCU will provide guidance and support through the provision of documentation where required.

The Chairman of WAW, Development Educator and ALMI, Bill Field and the Secretary General of the Asia Pacific Agricultural Credit Association, Benedicto Bayaua facilitated the two days workshop. The presence of Bobby McVeigh, 1st Vice-President of the Credit Union Central of Canada and Director WOCCU and Kathleen Speake, Director, Asia and Eastern Europe of the Canadian Co-operative Association added enormous value through the sharing of governance practices in Canada.

Information Technology Project:

Bringing Modernize Computer World to Credit Unions in Maharashtra

Mumbai – “An International Project worth an amount of Rs. 150 crores (US\$ 37.5 million) would be shortly launched in Maharashtra with the help of non-resident Indians settled in USA,” said Mr. Lalit Gandhi, President of the Maharashtra State Federation of Cooperative Credit Societies Ltd. (MAFCOCS) upon his return from a successful tour in USA.

Speaking at the press conference upon his arrival in Mubai, Mr. Gandhi said the giant project on Information and Technology that would be launched in Maharashtra would have additional facilities of a call centre and Knowledge and Business Process Outsourcing. The project is likely to be settled at places like Pune, Kolhapur or Aurangabad. He further stated that approximately 2,000 youths are likely to get employment, services and jobs through these projects. He said the requirement of availability of land and a special approved economic zone, eligible and qualified manpower are the terms and conditions.

Mr. Lalit Gandhi, during his 15 days visit to USA in July also visited Sacramento – a capital of California and the Californian Credit Union League. He said with the help of Credit Unions of California, the Credit Unions of India could get good amount of work done by Knowledge and Business Process Outsourcing.



IT MISSION: Mr. Lalit Gandhi (3rd from left) is welcomed by Ms. Lucy Ito (4th from left) with her colleagues at the California Credit Union League in his recent visit to USA.

Mr. Lalit Gandhi upon completing agreement with WIPRO, a world wide National company and INTEL, an international computer company, had initial talks with some American companies situated in USA such as Microsoft, Intel, and Hewlett Packard in order to bring modernized culture and huge changes in computer world of credit unions in India. He also visited some important personalities such as the Vice-President of California Credit Union League Ms. Lucy Ito and key officers Ms. Silvia Path, Ms. Carol Reni and Ms. Letty Carlen. He was welcomed by hundreds of co-operative activists at Sahara Mumbai Airport and congratulated for his successful mission in the USA.

Hulme: MDGs continued from page 2

The direct actions require that CUs ask themselves:

- Why can poor people not access our services?
- What products and services do poor people want?
- How can we provide these types of products on a sustainable basis?

He said answering these questions will entail listening carefully to what poor people say, examining the geography of their organizations (where don't we work?) and asking difficult questions about whether their organizations are socially inclusive or whether they discriminate (consciously or unconsciously) against women, ethnic, racial or religious groups, classes of worker or the disabled. He said poor want services that are simple, reliable and flexible. They expect to pay for services. Dr. Hulme suggested the indirect actions that credit unions can pursue are:

- Employment effects – encouraging small and medium scale business-people in their groups to be good employers who provide safe and fair working conditions to their workers.

- Rural services effects – if CUs can spread their services to rural areas without banking/financial services this can make such areas more attractive/less unattractive to public servants.
- Social support – seeing if they can extend the informal and formal charitable activities of their members for poor people in their locality and in response to emergencies and disasters.
- Lobbying for pro-poor public policies – taking a more activist role in debates about national Poverty Reduction Strategies and PRS monitoring.
- Social cohesion – taking a serious look at whether they are inclusive organizations, setting up simple monitoring systems to see if they are becoming more or less discriminatory and taking action especially if they find they are adding to social alienation and differentiation.

Dr. Hulme's conclusion calls on credit union leaders to explore these ideas with their boards and members. He said that there are simple ways in which they might directly or indirectly engage with global poverty reduction.

Co-operating Out of Poverty

ICA-ILO Statement on the Occasion of the International Day for Eradication of Poverty 17 October 2006

Geneva - "Working Together out of Poverty," the theme of this year's International Day echoes the theme of the Global Co-operative Campaign against Poverty, "Co-operating Out of Poverty."

The Campaign is a call for action to the global co-operative movement and its partners to join hands in fighting poverty. By demonstrating the collective response of the co-operative world, the Campaign shows that collective solidarity is one of the most successful strategies for addressing poverty. By harnessing the financial and ethical strength of the world co-operative movement and its partners, it strengthens the capacity of co-operatives to make a significant contribution to poverty reduction by enabling poor people to co-operate out of poverty and create decent job opportunities.

Several examples from East Africa demonstrate the impact of co-operatives promoting decent work and combating poverty. The SYNDICOOP Programme, a joint programme of the International Labour Office, International Confederation of Trade Unions and the International Co-operative Alliance has shown that informal workers can improve their lives by organizing themselves into co-operatives and in this way focus on stimulation equitable growth and empowerment through self-help and mutual assistance.

For example, in Rwanda the SYNDICOOP approach set up a trade union co-operative store where workers who had not been paid at all or not received their full salary could purchase provisions after receiving loans that were to be paid back once their salaries had been transferred to their accounts. In Tanzania, a group of young people came together to establish the Association for Poverty Reduction, a savings and credit co-operative to help local small entrepreneurs grow their businesses. In this case the co-operative is providing much needed capital to initiate income-generating activities and facilitate the establishment of effective linkages of the poor



with the market. In both cases co-operatives equally play an important role in creating and maintaining jobs.

However, co-ops are not just for workers, they are found in all sectors and in all parts of world. They are a significant part of the global economy, ranging from small-scale to multi-billion dollar businesses across the globe that employ more than 100 million women and men and have more than 800 million individual members. Co-operatives make a significant contribution to economic and social development and their impact on reducing poverty and keeping people out of poverty is demonstrated around the globe.

On this International Day for the Eradication of Poverty, the International Co-operative Alliance (ICA) and International Labour Office (ILO) call on co-operative organizations, development agencies and the United Nations to work with the Global Co-operative Campaign against Poverty enabling people around the world to choose the co-operative model of enterprise to improve their lives and those of millions of people. Co-operatives are essential partners in the global efforts to achieve social and economic justice.



Join us in Bali, Indonesia in 2007!

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)



Brief History:

International Credit Union Day, October 19

Credit unions: A history of

community ownership and support

The credit union difference began in the 1840s in Germany. Organized by Herman Schulze-Delitzsch and Friedrich Raiffeisen after crop failure and famine had devastated their community, the first “people’s bank” was created to provide credit to farmers. Their early principals of cooperative interdependence, a community-first mentality and a volunteer management structure are still in place today. Over the years, credit unions spread to communities around the world. In the early 1900s Alphonse and Dorimene Desjardins started a credit union (caisse populaire) in Lévis, Quebec. Shortly afterward, Alphonse, along with Americans Edward A. Filene and Roy F. Bergengren, helped establish credit unions in the United States.

The first credit union day

As time passed, a desire emerged to establish an annual



from the MAILBOX

Thanks to the ACCU Challenge! PHCCCO ISO 9001:2000 Certification

Greetings from the Philippines! I wish to inform you that the Parish of the Holy Cross Credit Cooperative (PHCCCO), an active member of the Philippine Federation of Credit Cooperatives (PFCCO) has made history as the first ISO Certified Credit Cooperative in the Philippines. Last July 13, 2006, the formal awarding was held in the presence of SGS, the Certifying Body which conducted the Quality Management System (ISO 9001:2000), and distinguished representatives from the Cooperative Development Authority (CDA), PFCCO, NATCCO, and other cooperative leaders.



Fr. Mar D.J. Arenas

As an ISO Certified Credit Union, PHCCCO is evermore determined to give quality service to its members, and that the system it implements is continuously being evaluated and enhanced to give customer satisfaction, and likewise, it should increase as it already did the financial gain from the improved operational system gained through such accreditation from ISO.

I really have to give credits to Mr. Ranjith of ACCU for the challenge he dared on the Philippine Cooperatives during the Joint Educational Forum of PFCCO and NATCCO held in Subic Bay some two years ago when he asked if any cooperative in the Philippines is an ISO certified. It dawned on me to ask myself, "Why not?" So this is it! It is no longer a dream for cooperatives in the Philippines to be global. Though it was not easy and inexpensive, the process taught us many things. I really see the need to upgrade the structural flaws in the Philippine Cooperative system wherein the constant changes in the Board membership make the Cooperatives volatile due to ambivalent policy directions. What can protect Cooperatives from suffering from this inherent weakness? There must be a way,

and I think we have found a way to create structural and operational sustainability through a quality management system. With ISO Certification, PHCCCO can now be assured of being globally competitive and not deterred by personal and unprofessional bickerings that most cooperatives suffer due structural leak in the system. The Parish of the Holy Cross Credit Cooperative wishes to inspire other cooperatives especially in the Philippines that Cooperatives can be at par with big financial and multinational institutions in the world. Thanks to the ACCU challenge!

Fr. Mar D.J. Arenas, Founding Chairman, Parish of the Holy Cross Credit Cooperative & Immediate Past Chairman of PFCCO

FFECCC, 1st Credit Cooperative in Russia to Receive Planet Rating

The First Far Eastern Credit Consumer Cooperative (FFECCC), an affiliate of ACCU's member organization Interregional Association of Credit Unions of the Far East and Zabaikalye (IACUFEZ), is the first credit union in Russia to receive an international rating from Planet Rating, a specialized microfinance rating agency based in France.



Ekaterina V. Ovchinnikova

According to the rating report, FFECCC has been assigned a global rating of "B" (Good) because it has been successful in filling the space left by commercial banks in consumer lending, through a personalized approach, high interest rate on deposits and innovation in the design of products and services. Despite its relatively small size, the institution is today the leading cooperative in the Khabarovsk region, continued the report. FFECCC's main challenge in the medium term will be to develop cheaper financing mechanisms, either through a redesigning of its interest rates policy on deposits or through access to debt at a competitive cost. Planet Rating has also given a **Stable** trend indicating that the access to debt or the redesign of FFECCC's financing strategy through deposits will determine its capacity to continue growing.

We are truly proud of the rating we received and would like to share this with our colleagues in the entire Asian Credit Union movement. I also share with pride that FFECCC received 5 Star rating from Mixmarket, a global web-based microfinance information platform. FFECCC was founded in 1995. As of December 2005, FFECCC has served 3,109 active member-borrowers and 1,670 depositors, maintains a loan portfolio of 4.4 million US\$ and outstanding deposit portfolio of 3.9 million US\$.

credit union people

The Association of Asian Confederation of Credit Unions is an alliance of national credit union leagues, federations and promotion centers of Asian countries. ACCU works in partnership with members to strengthen and promote credit unions as effective instruments for socioeconomic development of the people.

BOARD OF DIRECTORS

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P.M. Sitanggang

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