

Credit Union



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accu news



Serving Credit Unions for more than 36 years

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3rd Regulators Conference



38 New Development Educators Join the Ranks - now 262!

Past Events

CEOs Meeting Means CU Business



Is Stabilization Fund for liquidity? That was the question most CEOs were in mind. The answer of the DID (Desjardins International Development) consultant Michel Belanger – No. Stabilization Fund is to protect credit unions against insolvency and maintains credit union in operation whenever possible.

FSCT in particular has established some sort of protection fund to serve the liquidity requirements of members. FSCT envisions that the Fund could also expand its purpose to securing the savings and credit cooperatives. Meanwhile, CULROC-Taiwan is pooling the reserve fund of credit unions and providing loans to credit unions in need of financial assistance.

In partnership with Cordaid, ACCU will be piloting the Stabilization Fund with select member organizations. At the meeting, PFCCO and NATCCO (Philippines) agreed

as pilot for Stabilization Fund. The DID consultant is also going to assist ACCU in preparing a feasibility study this coming September 2007. Ranjith said, the experience in the pilot project can be replicated to other countries.

The CEOs on its meeting on May 25 cleared gray areas on Stabilization Fund, implementation of ACCESS and terms of the Microfinance Regional Fund being established by Cordaid. The CEOs showed interest as investment and source of loan fund.

The meeting is a platform for ACCU and CEOs to deliberate on the future credit union development programs, international relations, governance and technical assistance needed by members. CEOs are considered backbone of ACCU as they provide feedback and input to ensure ACCU adds value to national federations.

Laos Credit Union Promotion Target Reviewed with DPI



The Department of Promotion and Investment (DPI) of the provincial government of Luang Prabang collaborated with ACCU in organizing the planning workshop attended by credit union leaders and promoters on May 28-29. The promotional plan is in response to the needs identified such as the training and close monitoring for the growth of credit unions. The plan also sets targets on membership, savings and loans. The credit union promotion in Laos is carried out in partnership with the provincial government of Luang Prabang. The government assigned staff as promoters of credit unions.

Following the planning meeting, the 12 staff of Vientiane Savings and Credit Union (VSCU) studied savings and credit cooperatives in Thailand on May 30 to June 2. The Federation of Savings and Credit Cooperatives of Thailand provided financial support to the exposure. The participants gained knowledge on savings mobilization, loan administration, Board and committee operations and prudential standards.

WCCS' Taking Big Step to Deliver Financial Services Professionally to Members



ACCU provided technical assistance to Workers Cooperative Credit Society (WCCS) in reviewing its Strategic Plan on May 12. Issues on delinquency, innovation of products and services and development of comprehensive policies were identified as important tasks to professionalize WCCS' operations. The consultation meeting recognized the need to professionalize the operation of its area offices by converting them as full pledge branches. Volunteers are serving as collectors in more than 400 area offices. The Board, with careful consideration of viability, decided to establish branches on a pilot basis. The next task of the Board was to prepare the Strategic Plan for WCCS.

The Area/Liaison officers conform on the proposal to professionalize the operations of the areas at the consultation meeting that followed on May 13. At the meeting, ACCU, as an independent consultant presented the challenges of WCCS particularly the problem on delinquency. The area officers offered way out of the problem for which the Board will carefully study. Delinquency housekeeping, strengthening the role of WCCS as trusted wealth creation advisor for members and innovating financial services are some of the suggestions given by the group. Effective marketers and financial advisors for members are the perceived tasks of the area leaders when the branch is in operation. WCCS is preparing for its reinvigorated role. .

WCCS, a member of ACCU in Malaysia operates more than 400 area offices serving more than 40,000 members across the country. Having professional paid staff managing the areas is seen as a big step forward to professionally deliver financial services to their members. Currently, volunteers are collecting loans and savings of members. The volunteers are also the ones evaluating the loan proposals.

Member Events

Klongchan CU Gets Ready for ACCESS



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

Many leaders and staff of Asian credit unions had visited Klongchan Credit Union. Visitors of Klongchan always show appreciation of the credit union's extraordinary achievements in services to members, financial disciplines, growth in assets and concern for the community. Having achieved ACCESS, Klongchan will inspire many Asian credit unions to excel in its operations. Klongchan CU was organized to help low-income people gain access to financial services. Today, it has more than 7,000 members and assets of US\$ 45 million. The new office of Klongchan will be inaugurated at the end of 2007.

Members Events

PFCCO's CUCCC first batch Graduates in Bangkok



CEOs attending the Credit Union CEOs Competency Course (CUCCC) organized by the Philippine Federation of Credit Cooperatives (PFCCO) had their culminating activity in Bangkok on May 23-26. ACCU, along with the Philippine legislator, Hon. Guillermo P. Cua, Regulator, Ms. Lecira Juarez, federations CEOs Dave Pajaron and Cris Paez and Ranjith handed the Certificate of Attendance to 14 CEOs. The CEOs also visited successful cooperatives in Thailand with the Asian Cooperative Regulators. Participants expressed enormous satisfaction meeting the Asian coop regulators and important cooperative personalities from the Philippines. "Truly inspiring and motivating," said Girlie, CEO of Angat Multi-Purpose Cooperative.



PFCCO, NATCCO and CCULB commence ACCESS Branding

Part of the ACCU project supported by the Canadian Co-operative Association (CCA) the three federations: PFCCO, NATCCO and CCULB launches ACCESS Branding project with their respective partner credit unions. In the Philippines, the launching was attended by 14 credit unions on June 1 while 15 credit unions attended in Bangladesh on June 14.

The project presents an opportunity for partner credit unions to achieve ACCESS Brand. Partner credit unions will receive technical assistance from their federations. The process involves assessment of the credit union performance as compared with standards, filling the gaps, and final ACCESS audit. The process will approximately take one year for which successful credit unions are to receive ACCESS Brand certification.

Five credit unions from Bangladesh immediately volunteered to take part in the project. In the Philippines, credit unions will have to get approval from their Board of Directors due to the cost involvement. The certification involves adoption of new products, policies, systems and procedures for the efficient operation of credit unions. The technical assistance in adopting the tools would entail costs for the credit unions.

Fostering team spirit among CU General Managers

The 2nd CEOs and Staff Conference organized by CCULB on June 12-13 emphasized teamwork to push through the movement's initiatives to grow and professionalize the credit unions in Bangladesh. The Credit Union General Managers Association conducted their Annual General Meeting in conjunction with the Forum. The Association, under the auspices of CCULB, serves as a platform for General Managers to exchange experience, networking and promotion of welfare credit unions staff. The General Manager of CCULB, Mr. Ratan F. Costa is elected Chairman of the Association.





22 Directors Graduate in CULT's CUDCC Training

The training team of CULT, all of them Development Educators was very much elated to complete the first batch of CUDCC training. Twenty-two Directors in attendance conferred their thumbs up to CUDCC and the way CULT team handled the training professionally. The 10-course module was organized in two separate classes – April and July 2007 or a total of 8 days.

“The course is very good. I gained a lot of new knowledge. The course will help Directors effectively fulfill their responsibilities. Nevertheless, we really need to work very hard in this course. Very worthwhile,” said Daranee, Director of Klongchan Credit Union. According to the participants, investment of their time and resources are very worthwhile.

CULT translated the training modules. Translation of the CUCCC modules is underway. CUDCC and CUCCC are now new offerings in CULT training on a fee basis.



Members Events

CULT Reinforces Youth Connection in Credit Unions



Youth marketing is now a worldwide obsession. CULT and ACCU will work in developing financial services and marketing tools to reinforce connections of credit unions with youth. Initial discussion with the 20 credit unions in Petchaburi Chapter on July 5 to 6 marks the start of the two-year youth project of ACCU and CULT. The credit unions agreed to adopt innovations on their current youth programs to ensure their services are matching the youth lifestyles. The workshop shed light on youth segmentation as Generation Y as those persons between ages 0-19 and Generation X as those persons between ages 20-35. The project also recognizes youth in poverty and will ensure their needs are addressed such as education and employment.

Global Events

First-ever CCA's Credit Union Partner Forum in Calgary

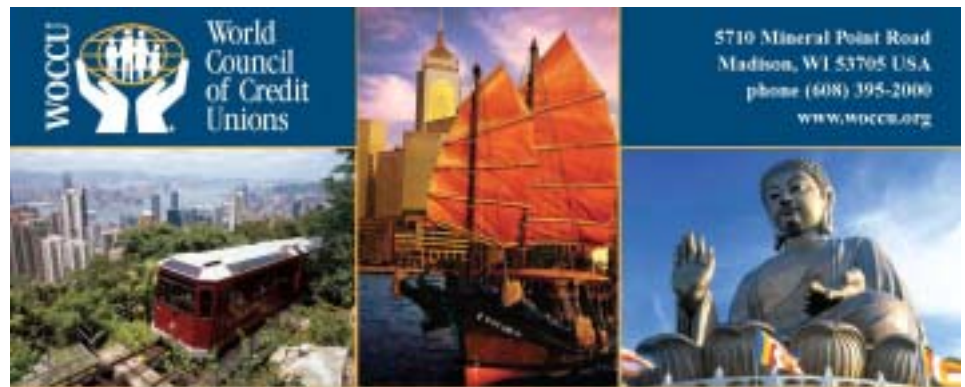


ACCU is fortunate to have been invited by the Canadian Co-operative Association's (CCA) to participate in the first-ever Partner Forum on July 28, 2007 prior to the World Credit Union Conference in Calgary. The topic is Co-operative Microfinance – a topic of growing interest to credit unions around the world and at CCA. CCA's partners from eight countries will attend the forum.

The CEO of ACCU, Ranjith Hettiarachchi will be sharing the poverty alleviation strategies implemented by Asian credit unions. According to Ranjith, he is excited to interact, learn best practices, and be aware of the challenges faced by other CCA partners. With the support of CCA, the partners are also fortunate to attend the World Credit Union Conference on July 29 to August 1.

ACCU enjoys meaningful partnership with CCA since 1983. It is continuing and evolving along with the opportunities and challenges in Asia. ACCU bestowed CCA the prestigious ACCU Recognition Award in 2002 in admiration for its support to credit unions and promotion of 'people helping people' philosophy.

2008 World Credit Union Conference in Hong Kong!



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From the Editor

With the exception of Korea, Hong Kong, Taiwan and Papua New Guinea, the rest of the Asian credit unions are regulated under the general Cooperative Law. Without clear guidelines, credit unions are anticipated to be more vigilant in observing financial disciplines, strict adherence to good governance framework and adopt sound business practices to ensure the safety of credit unions.

At the 3rd Regulators Conference in Bangkok, the regulators have acknowledged the issues confronted by credit unions and recognized the initiatives of the credit union sector to fill the gap with necessary operational framework in the absence of regulations such as ACCESS, CUDCC, CUCCC and Stabilization Fund.

ACCU considers the Cooperative Regulators Declaration 2007 as a big achievement of the conference. ACCU suggests member organizations take leadership in their respective countries to realize the Declaration. The recommendations on the Declaration are practical and address issues critical to credit union development.

We have been successful in bringing new perspectives in our relationship with regulators. From the last conference, we have seen more harmonious relationship of regulators and regulated. The ones seen as enemies or foes are now partners for development.

ACCU commits to support its members to build a meaningful partnership with their regulators by continuing to provide platform where they can discuss issues, share experiences and plan for credit union development.



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President's Corner

Assoc. Prof. Sawat Saengbangpla, Ph.D.



Ensuring Credit Unions Continue to be Relevant in helping people fulfill their financial destinations – ultimately their dreams.

The 3rd Regulators Conference on the theme Monitoring and Standardization of Credit Unions was held on May 22-24, 2007 in Bangkok, Thailand. Following is the message of ACCU President at the opening of the conference.

“ It is my great pleasure to welcome each and everyone of you in this important milestone of the Asian Credit Union System. This will for sure recorded as an important landmark which one day will be remembered by our next generation. I should say that this conference is aimed at protecting the life of the credit unions so that it would continue to be relevant in helping people fulfill their financial destinations – and ultimately their dreams.

The reality of the financial services industry is that credit unions today can do more than a bank can do, only if they have the right regulatory framework, competent people, bold vision and innovative strategies. The once-familiar model of a group of people — typically brought together by their common needs — pooling their resources to promote savings and to make small consumer loans is threatened by aggressive financial institutions.

As credit unions transform to a full service, diversified, financial institutions serving hundreds of groups, there is much more



need to provide them of the necessary guidance to ensure their safety and soundness.

ACCU believes that the regulators, the national federations and ACCU have a common vision for the credit union system. Our role is to arm the credit unions with the latest information and appropriate action steps, helping them develop policies that are more effective, communicate expectations to employees, and offer stronger protection for credit unions, board, and members.

Let this conference becomes the platform of our continued partnership to ensure that credit union system in Asia becomes solid and strong cooperative financial institutions.”

Past Events

3rd Coop Regulators Conference: Positive Reception for CUDCC, CUCCC, ACCESS & Stabilization Fund



The 3rd Asian Coop Regulators Conference on the theme: Monitoring and Standardization of Credit Unions in Asia was attended by 46 Regulators and representatives of National Federations from 14 Asian countries on May 22-24.

The regulators appreciated the valuable initiatives of the Asian credit unions in their goal to build sustainable credit union system in Asia, particularly the development of performance standards, tools for sound business practices and self-regulation mechanisms. The Credit Union Directors Competency (CUDCC), Credit Union CEOs Competency Course (CUCCC) and ACCESS branding attracted the interest of the regulators for its possible inclusion in the administrative requirements for credit unions.

The conference was also the start of the dialogue on Stabilization Fund. Desjardins International Development (DID) expert, Michel Belanger explained the legal, technical and benefits of the Fund. Belanger underlined that the Fund protects credit unions against insolvency and maintains credit unions in operation whenever possible. The system builds the confidence of the public for credit unions.



The regulators acknowledged the need for Stabilization Fund as 'in-system' mechanism to secure the credit union movement from operational risks.

A Declaration concluded the conference wherein the regulators commit to support the credit unions on the following areas:

- Establishment of Asian Cooperative Regulators Forum as venue for dialogue, collaboration and exchange of information and technology and pledge to actively participate and involve in all its undertakings;
- Asian Credit Union Development and Competitive Agenda;
- Adoption of ACCESS as quality control toolkit for credit unions and consider its possible incorporation in

our respective countries regulatory framework;

- Endorsement for the implementation and enforcement of the CUDCC and CUCCC as a pre requisite competency course requirement for Directors and CEOs and consider its adoption in national training courses and in the administrative compliance;
- Support and complement the efforts of the Credit union sector in the establishment of the Stabilization and deposit insurance systems as mechanisms for securing the credit union financial system.

ACCU willingly accepted the request of the regulators to act as facilitator for the Coop Regulators Forum.

Asian DE Program: Now in its 9th Year . . . Well Established and Highly Valued

Past Events



The 9th Asian Development Education Workshop was conducted at the Development Academy of the Philippines, Tagaytay City, Philippines 3-8 June. Thirty-eight attended from Indonesia, Hong Kong, Korea, Thailand, Malaysia, Singapore and Philippines. The strong support of PFCCO and NATCCO was a major factor in the numbers who nominated for this highly valued training course.

Mentors included, Dr. Sylvia Flores (PFCCO Chair and ACCU Secretary), Bing Juarez (Cooperative Dev't. Authority Chair), Soc del Rosario, Ranjith Hettiarachchi (ACCU CEO), Leni San Roque (ACCU Manager Member Services) and Bill Field (WAW Chair).

As with previous workshop, the objective was to provide participants with the knowledge, skills and confidence to be effective Credit Union Advocates and this was achieved through the commitment and enthusiasm of all concerned. Asian DEs now number 262 who are located with the National Federations of countries affiliated with ACCU, all with extra dedication and ability to spread the message of safe and sound credit unions throughout Asia.

The Asian Development Education program started in 1999. ACCU considers DEP as one of the training grounds for developing credit union's most important assets – its people.

By: Bill Field, DE, ALMI and WAW Chair

What DEs Say?

- “ I am now equipped with a convincing communication skill
- I've learned lots of things about coops not only locally but also internationally. We have to be at par or think globally
- The active participation of the group is a manifestation of great success of this workshop.
- NO substitute for being participatory!
- My glass of learning is almost half of the bin. Wonderful!
- In teamwork, there is no need to ask your group mates to move but unconsciously just put their best feet forward for the success of group presentation.
- Good mentors really bring out many talents and remove a lot of fear. ”



Asian CUs Help Build 10 Houses for Tsunami Victims in Chennai

As of today, all the 10 houses were completed and families have formally occupied the houses. Each shelter has a plinth area of approximately 416 sq. ft. including a staircase consisting of verandah, hall, bedroom, kitchen with attached toilet and a wall portion of 76 sq. ft. inside the house. The Government has given the land in the name of both husband and wife. The Government has also provided the electricity connection to the homes as well as water supply.

The official inauguration was held on 14th April 2007. The entire village wore a festive look and all the families participated in the function. Money can build house, but it needs love and care to make it a home. We do trust that the families would make the shelter constructed with brick, mud, cement and iron a lovable home.

In this area (Tuticorin), we have in total 13 self-help groups (SHGs) members of ACCU families spread over 1 SHG. All the 10 families are continuing their participation in the SHGs as members. Our Social Worker is also in touch with them and she makes regular presence one in a month in the SHG meeting.

We are grateful to ACCU officials and the Asian Credit Union Movement for granting funds for this programme. We do trust that your partnership will go a long way in providing permanent shelter to these families affected by Tsunami on December 26, 2004.

R. Bhakter Solomon, Chief Executive Officer, Development Promotion Group (DPG)—India (Affiliate Member of ACCU)

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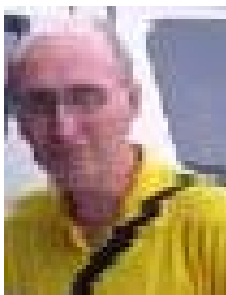
New Office for Nias Credit Unions

Fr. Adrianus Hems, the credit union pioneer in Nias Island personally visited ACCU office on July 17 to hand over the credit union rehabilitation report to CEO Ranjith Hettiarachchi. It may be recalled that ACCU provided fund to Nias Island through CUCO-Indonesia for the construction of two credit union offices in Nias Island. Fr. Hems said that the funds were able to cover 35% of the costs of two offices. Fr. Hems appreciated the Asian credit unions for helping them in times of calamity such as the Tsunami.

On December 26, 2004, an earthquake struck a few kilometers north of the island, creating tsunamis as high as 10 meters. 122 people were killed and hundreds more rendered homeless. On March 28, 2005, the island was again hit by earthquake, regarded as the most powerful earthquake in the world since 1965. At least 800 people are reported dead, with the possibility of more than 2,000 casualties.

New Post for Rik Delnoye

Rik Delnoye, is leaving his post as Agriterra's Liaison Officer for Asia in July 2007 to take a new post in Wageningen International, part of Wageningen Agricultural University in the Netherlands. Rik has worked with ACCU in implementing projects on poverty alleviation in credit unions, promotion of credit unions in Cambodia and Lao PDR. Ranjith said, he would always remember Rik as being unassuming, cordial and supportive partner in credit union development. Asian credit union leaders may remember Rik as he attended the Asian Credit Union Forum in 2002 in Thailand and 2004 in Korea, where he received the ACCU Recognition Award for Agriterra.



Fr. Ad was very pleased that he was able to share his compassion and vision with Ranjith and Leni. Fr. Ad introduced a prudent management system in Nias Island where the 18 credit unions operate under one management. The system is now working efficiently to provide better services to less fortunate members. Fr. Ad believes discipline, honesty, equality and spiritual guidance are among the main factors contributed to the success of credit unions. Ranjith said the Nias model is applicable to developing movements.



Fr. Ad, a missionary priest, loves his work in Nias up to the extent of giving up his Dutch nationality. Now an Indonesian, Fr. Ad has spent 30 years living in Indonesia and plans to dedicate the rest of his life in the country. After visiting CULT and Klongchan CU, Fr. Ad wishes long life to be able to translate his new vision for Nias credit unions. Fr. Ad is seriously thinking to put his experience and vision into writing. Ranjith said many credit union leaders would learn from his experience.

Visited

Fr. Adrianus Hems, the credit union pioneer in Nias Island visited ACCU, CULT and Klongchan Credit Union on July 16. "The visit and the way we were treated have deeply touched us," said Fr. Ad. He added that the visit exceeded his expectations.

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.

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