

# ACCUnews

Quarterly Publication of the Association of Asian Confederation of Credit Unions

July to September 2010

Volume 39 Issue No. 3



CREDIT UNION



People Helping People Help Themselves



12th Development Education Workshop



Myanmar



Malaysia



Indonesia



Korea



Russia



Philippines



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 35 million individual members from more than 29,000 credit unions in 20 countries in Asia. ACCU works in partnership with its member organizations [apex body of credit unions] to promote and strengthen credit unions as vehicles of community development and socioeconomic development of people.



**3 - OUTLOOK: Participate!**  
International Year of Co-  
operatives 2012



**4 - 25 DEs Certified at the 12th**  
Development Education  
Workshop



**6 - 360 Degrees Financial Literacy**  
Trainers Training Manual  
Receives Thumbs Up



**7 - 3 Years Offering: Mini Master's**  
Program on Credit Union  
Management



**8 - Conference in Khavaroovsk**  
Highlights CU Achievements;  
Azerbaijan Credit Union



**9 - CSS CUMI Program Reaches**  
60,000 'have less' in Myanmar



**10 - Malaysia Coop Leaders**  
Inspires of Thai CUs; Best  
Coop Award - KKCU



**11 - NACUFOK Exposure**  
Generates Persona  
Motivation; Supporters



**12 - TIMETABLE**

## PARTICIPATE! International Year of Co-operatives 2012

**“Cooperatives are a reminder to the international community that it is possible to pursue both economic viability and social responsibility.”**

**United Nations Secretary - General Ban Ki-moon**

### Aims of the International Year of Co-operatives

#### Increase Awareness

- Increase public awareness about co-operatives, how they benefit their members and contribute to socioeconomic development and the achievement of Millennium Development Goals;
- Promote awareness of the global network of co-operatives and their efforts in community building, democracy and peace;

#### Promote Growth

- Promote the formation and growth of co-operatives among individuals and institutions to address common economic needs and for socio-economic empowerment;

#### Establish appropriate policies

- Encourage Governments and regulatory bodies to establish policies, laws and regulation conducive to co-operative formation and growth.

The International Co-operative Alliance (ICA) works closely with the United Nations Headquarters on issues such as the development of the official UN International Year of Co-operatives (IYC) web site, logo for the IYC, follow-up with governments regarding the naming of national focal points and national committees, preparatory events, strategic planning and the UN launch of the IYC.

The United Nations has just launched its website for International Year of Co-operatives: <http://social.un.org/coopsyear/>. The site will be updated regularly and its content expanded.

However, it currently includes the following useful information:

- A list of national committee focal points by country. Co-operatives should contact their national focal points to ensure coordination in the planning of events for the IYC.
- A list of focal points within UN agencies which are interested in working on the International Year of Co-operatives. These include the International Labour Organisation (ILO), Food and Agriculture Organisation of the UN, International Fund for Agriculture (IFAD), UN Conference on Trade and Development (UNCTAD), United Nations Development Programme (UNDP), UN Habitat, and the World Food Programme (WFP). Many of these agencies have regional and national offices which are potential partners for co-operative development and promotional activities related to the IYC and beyond.

The United Nations has invited each country to form an International Year of Co-operatives National Committee. National Committees co-ordinate activities for preparing for, conducting and following up the IYC at the national level. To date Algeria, Brunei Darussalam, Cyprus, Germany, Japan, Mauritius, Mongolia, Panama, Peru, Philippines, Slovakia and Spain have indicated that they will form national committees.

On ACCU's end, the observance of IYC started as early as September 2009 when it launched the target of additional 1 million CUMI outreach of the 'have less' by 2012. ACCU members supported the target and the focal point is intensifying the Credit Union Microfinance Innovation (CUMI) as its meaningful contribution to the IYC. The CEOs of member organizations on its September 2010 meeting is anticipated to lay down activities based on the UN and ICA suggestions.

**Source:** [www.ica.coop](http://www.ica.coop) & <http://social.un.org/coopsyear/>



## 25 DEs Certified at the 12th Development Education Workshop



Twenty-five credit union enthusiasts from seven countries (Bangladesh, Indonesia, Nepal, New Zealand, Philippines, Singapore and Thailand) receive the Development Educator title from ACCU upon completion of the five-day intensive education session on June 20-24 in Bangkok, Thailand. The new DEs join the 326 certified DEs from 1999 to 2009 – now 351!

Apart from internalizing the vital development issues in credit unions, DEs were trained to master their skills in delivering persuasive presentations that would enable them to fulfill their role in promoting the unique role of credit unions in cooperative development around the world. The Development Educator is a title recognized by credit unions around the world. The educational sessions, networking, training methodologies and approaches make the DE workshop a unique experience for every DE. The DEs share the same passion to educate leaders, employees, members and public on the unique role of credit unions in cooperative development worldwide.

The workshop revisited the credit union mission as originally promoted by F. W. Raiffeisen, the founder of credit union. DEs have realized the departure of credit unions to the original mission of helping people help themselves.





The DEs recognized that most credit unions are inclined to offer more loans without carefully analyzing whether they are helping members reach financial independence, instead putting members into additional financial trouble. As the original statement of Raiffeisen pointed out, credit unions must not confine themselves to granting loans, the main objective is to help members acquire the necessary financial literacy that would enabling them take control of their financial future.

Among the development issues discussed at the workshop were the quality assurance, governance, competencies of Board and Management, impact of the financial crisis, and the contribution to Millennium Development Goals of credit unions. Inputs for effective communication skills have always been part of the DE workshop wherein participants acquire essential guidelines in delivering persuasive presentations within a given time.

According to ACCU CEO Ranjith Hettiarachci, "the participants performed extremely well in their presentations, developed self-confidence, and widened understanding of the global credit union movement and issues it now confront." On the final day of the workshop, every DE had to deliver a 3-minute persuasive presentation for the entire group. The DEs receive their certification after passing the three individual presentations and one group presentation during the five day workshop.

The DEs are required to contribute to the annual program goals and objectives, according to the performance criteria set by the group as a whole. They have to report quarterly, in writing, to the DEP Registrar or national representative concerning individual progress in meeting personal goals set; most importantly, the DEs are expected to help in the recruitment of new development educators. "A clamor for a DE reunion cum professional update is now suggested by DEs," according to DE Administrator Leni San Roque. ACCU is looking at the possibility to accommodate such request, she added. Meanwhile, ACCU has created the Facebook account for DEs to communicate and update each other. The account name is Asian Credit Union Development Educators.

The Asian Development Education Workshop is an annual (every June) educational opportunity offered by ACCU aimed at building talented people in credit unions who internalize and demonstrate the passion to promote and uphold credit union values and principles.

*The significance of the logo is that all the circles are connected and the primary objective of every credit union organization is to provide co-operative, financial services to benefit the members.*





## 360 Degrees Financial Literacy Trainers Manual Receives Thumbs Up



Twenty-five Directors and Managers of credit unions appreciated the initiative of ACCU in developing the trainers' manual on 360 Degrees Financial Literacy for Credit Union Members after its testing on July 6 to 8 in the Philippines. Speaking at the closing program, the Chairperson of the Cooperative Development Authority, Ms. Lecira Juarez emphasized that a financially literate membership of credit unions is key to its success and fulfillment of its original mission. She declared that she herself is an advocate of financial literacy.

The manual is a guide for national federation trainers to train credit union staff to enable them carry out financial literacy program for members and potential members. Assigned as Credit Union Business Solution No. 16, the training manual is anticipated to set the tone for standard financial literacy education in Asian credit unions.

The pressing need for improved financial literacy on credit union

members is of vital importance due to the deterioration of personal finances and the proliferation of new, and often complex, financial products that demand more financial expertise of consumers. The financial illiteracy of members has also tremendous consequences in the institution level (credit union) such as non-payment of loans resulting to high delinquency, low profit, unable to increase institutional capital and negative image.

The education delivered by credit unions, unfortunately does not include topics dealing with financial literacy such as the basic financial principles (budgeting and cash management), debt planning, retirement planning, investing, college funding, insurance planning, and estate planning. The common topics of education to members include the history of cooperatives, principles of cooperatives, cooperative laws, services of the credit union, responsibilities of members, credit



**FinLit Advocate:** CDA Chair Ms. Lecira Juarez hands certificate to a participant.

union Board and management, and finally - the most awaited topic – how to obtain loan. Generally, members are sitting for a half day pre-membership seminar in the hope for loan entitlement. The types of training provided by credit unions send a different message – where credit union is the place to get easy credit.

ACCU considers that the best approach is to educate credit union members and potential members. The manual will be introduced to member organizations at the HRD Workshop on September 4-6, 2010.

## 3 Years Offering: Mini Master's Program on CU Management

In 2006, ACCU has introduced the Directors and CEOs Competency Courses (CUDCC and CUCCC) which are now an ongoing training provided by national federations for credit union directors and CEOs. To add value to these courses, ACCU has partnered with Kasetsart University in Thailand to offer a Mini Master's Program on Credit Union Management that will be held on November 27 to December 4 for year 2010, 2011, and 2012.

The mini master's program is designed for directors and managers who want to develop their professional skills and master the latest management concepts and techniques needed to excel in credit union business. The program prepares the students to take on management and leadership roles in credit unions. It is ideal for those who wish to expand their knowledge and skill as it relates to general management concepts and practices. Certification from Kasetsart University, a leading university in Thailand can validate knowledge and skills and position the attendees for career advancement.

The managers or directors, who lack experience and ability, can lessen the time needed to gain the pertinent knowledge and skills for being an effective director by completing the program. Experienced directors, who certainly can use improvement in some areas, can accurately pinpoint weaknesses to address. Whether the board is new or a veteran, they will find something in this program to enrich their contributions to the credit union that, in turn, will increase the satisfaction they will gain from the service to the credit union.

This program helps the learner to round out the board of directors and ensure they are fully functioning for the credit union.

The mini master's program can greatly enhance the development of the credit union and the attendees by continuing to involve the leaders and staff of their respective credit unions in business decision discussions about topics and questions posed before and after this program.

Applicants to the program are required to have Grade 12 graduation or equivalent and five years experience in credit union management. Mature students who do not meet this requirement may be admitted based on a minimum of 10 years appropriate work experience in credit union management.

The Co-operative Academic Institute under the Faculty of Economics of Kasetsart University is collaborating with ACCU to provide educational opportunity for credit union volunteers and professionals in Asia. Kasetsart University, established in 1943 aimed to promote subjects related to agricultural sciences. The University revised its curricula and expanded the subject areas to cover science, arts, social science, humanity, education, engineering, medicine and architecture. Kasetsart University has established 7 campuses across all regions of Thailand. Currently, number of enrolled students at the University is more than 23,000.

For more information e-mail ACCU: [accu@aaccu.coop](mailto:accu@aaccu.coop) or download brochure at [www.aaccu.asia](http://www.aaccu.asia)





## Conference in Khabarovsk Highlights Credit Union Achievements



The Manager Member Services Elenita San Roque made a presentation on the Self-Regulation for credit unions at the International Conference on the Experiences, Issues and Future Perspectives of

Microfinance held in Komsomolsk, Khabarovsk, Russia on July 2-3. Self-regulation for credit unions is required in the new law. Discussions on what organization, standard, system and structure are currently ongoing among stakeholders. ACCU shared that based on the Asian experience; the national federation of credit unions is normally deputized as self-regulating organization – Korea for one, is a successful case.

ACCU Affiliate Member, the Interregional Association of Credit Unions in the Far East and Zabaikalye Region was one of the organizers of the conference along with the local government organizations and NGOs. The conference was a platform to educate the government on the significant role of credit unions in development and to discuss issues confronting credit unions and microfinance sector.

As culminating activity, the participants attended the 15th anniversary celebration of the Credit Union First Far Eastern, the founding member of the interregional association and the largest credit union in Khabarovsk. Government officers and MFI practitioners witnessed the overwhelming crowd of members. More than 500 members filled the auditorium. The celebration highlighted the milestones of the credit union which now serves 17,000 members.

Since 2005, the conference is held annually in July with the interregional association as the lead organizer. "We always extend our invitation to ACCU member organizations to share with us their experience. We need their support to develop our young credit union movement in Khabarovsk region," indicated Ekaterina Ovchinnikova, General Director of the association.

## First Look at Azerbaijan Credit Unions



**CONSULTATION:** ACCU CEO Ranjith Hettiarachchi and Chairman of Azerbaijan CU Association Elchin Bagirov at their meeting in Baku

ACCU CEO Ranjith Hettiarachchi carried out a training need assessment for Azerbaijan credit unions on July 4 to 9. The technical assistance is part of the project on Financial

Services for Small Agribusiness/ Credit Unions implemented by the Government of Azerbaijan. One objective of the project is to increase the availability of small rural financial services by strengthening and broadening the credit union outreach and expand rural financial services such as credit for working capital requirements.

The credit union was introduced to the rural community to implement the World Bank loan program. Recently there has been reviews to the project and found that there is not so much growth of credit unions. There is recommendation to conduct training on products marketing and share

mobilization for credit unions during 2010. Internalizing the credit union values, strategies for credit union growth (membership and shares) and viability were among the key training required by credit unions. There are approximately 62 credit unions with 14,572 members operating in the country.

Accepted as affiliate member of ACCU in March 2010, Azerbaijan Credit Union Association (ACUA), is the apex body of the credit unions. It provides training and education services to credit unions. ACCU will have the opportunity to participate in the development of credit unions in Azerbaijan with ACUA's membership.



## CSS CUMI Program Reaches 60,000 'Have Less' in Myanmar



**CO-OPERATIVE MICROFINANCE:** *CCS CEO U Kyaw Thien sharing the co-operative Microfinance experience in front of 120 attendees at the opening of the forum on August 12-13 in Yangon.*

The Chief Executive Officer of the Central Co-operative Society Ltd. (CSS), U Kyaw Thien announced the 60,000 outreach of its microfinance program at the opening of the Forum on Microfinance Awareness on August 12 and 13 in Yangon. "We are thankful that we learned the Credit Union Microfinance Innovation (CUMI) from ACCU. Our target is to reach 100,000 by the end of 2010," said the CEO. The CEO was referring to the CUMI training conducted by ACCU in 2006.

Attended by some 120 delegates from NGOs, Banks and development organizations, the forum was aimed to share the cooperative experience on Microfinance. Using the CUMI Build Operate and Transfer, CSS operates the program in one location for two years until it recruits 500 members. At this level, the program is registered as a credit cooperative. Since the program started in 2007, CCS has registered 29 credit cooperatives with membership of 40,000. The remaining outreach of 20,000 is still under the CUMI-BOT.

ACCU CEO Ranjith Hettiarachchi presented the CUMI methodology with emphasis on the original mission of credit unions as promoted by



the founder of credit unions F. W. Raiffeisen. He pointed out that credit unions or credit co-operatives as they call it in Myanmar, was born out of the desire of people to help themselves and others to alleviate sufferings due to poverty. He advised the leaders to always observe and follow the credit union mission by 'going down' market.

CCS, the Apex level body of the Cooperative Movement organized the forum along with the Union of Monetary Co-op Society, the federation of credit co-operatives. CCS is based in Yangon and works in partnership with the Department of Cooperatives. It is responsible for mobilizing and supporting the whole cooperative movement and is currently expanding its activities. CCS is developing more independent support activities.

The Department of Cooperatives is responsible for regulation, training, organization, supervision, planning,



inspection and liquidation of cooperatives. There are more than 2,100 Primary Credit Cooperatives, with approximately 400,000 members. CCS estimates that approximately 85% of members of the Credit Cooperatives are government employees. With CCS being active in microfinance, the credit cooperative membership will significantly increase on the segment of the 'have less' and rural people according to the Chairman of the Union of Monetary Co-op U Myin Maung Htun.

## Malaysian Coop Leaders Inspired of Thai CUs Achievements



ACCU facilitated the study visit of sixty-five Malaysian cooperative leaders on July 28-31 in Thailand. The leaders were impressed of the achievements of Klongchan Credit Union, St. Peter Credit Union, Credit Union League of Thailand and the Federation of Savings and Credit Cooperatives of Thailand.

"The exposure to the two federations gives us insights on our direction as a federation," said the Chair of the newly founded Federation of Credit Cooperative Union of Malaysia Dr. Mohd Ariff bin Araff. The formation of the federation was an outcome of the

conference held last January 2010 with the technical assistance of ACCU. "We thank ACCU for giving us guidance and advice in the formation of our federation," the Secretary of the federation S.Ahlaimuniandy indicated.

The Chairman and Secretary of the newly formed credit cooperative federation submitted the application for membership. The application will be acted upon by ACCU Board on their September meeting in Korea. "We want to cultivate our relationship with ACCU and other Asian counterparts to build our credit cooperatives in Malaysia," Dr. Araff said.

In the absence of a federation, credit cooperatives in Malaysia are affiliated with ANGKASA, the national co-operative organization of Malaysia. All types of cooperatives are also affiliated with ANGKASA.

With the formation of the Federation, credit cooperatives can now access information, technologies and learning opportunities from ACCU and other credit union movements in Asia. The federation can provide the necessary services distinct for savings and credit business. The leaders welcome the new opportunities presented to them.

## Best Cooperative Award for Keling Kumang Credit Union



**FIRST CREDIT UNION ATM IN INDONESIA:**  
*Chairman Munaldus Munal of Keling Kumang Credit Union displaying his ATM at the launching in 2009*

Keling Kumang Credit Union, a supporter member of ACCU in Kalimantan, Indonesia received the Best Cooperative Award from the Ministry of Cooperatives and Small and Medium Enterprises on July 15, 2010 in Jakarta.

Keling Kumang CU has 93,000 members and assets of 436 Billion Rupiah (approximately US\$ 43 million). According to the Chairman Munaldus Munal, 92% of its members belong to disadvantaged and low-income communities in Kalimantan.

The credit union has 55 branches and 196 staff. The mobile banking service of the credit union is a convenient means for members to receive services from their credit union even in the remotest villages. The first ATM in credit union started in Keling Kumang Credit Union. Currently, the credit union has 3 ATMs.

The credit union is applying the credit union business solutions of ACCU such as ACCESS, Governance Framework, CUMI, Product Catalogue, CUDCC and CUCCC.





## NACUFOK Exposure Generates Personal Motivation

The 24th NACUFOK Exposure program on May 31 to June 5 was attended by 8 delegates from Bangladesh, Philippines, Russia and Thailand.

“The exposure is a unique opportunity to showcase the steps NACUFOK has made in information technology, such as the development of the next generation IT system that anticipates market changes and members needs,” said Gadwin Handumon from the Philippines. “Most importantly, the program undoubtedly generates personal motivation to work hard by seeing what has become of NACUFOK today,” Handumon added. NACUFOK also started with the contemporary organization of small size credit unions and national federation. Hard work, discipline and cooperation among cooperatives are demonstrated in the way they operate a one unique system for the credit union movement – the motto “one for all, all for one”

With a membership outreach of 42% of the total working population, NACUFOK ranks as the 3rd largest credit union movement in the world. In 2009, NACUFOK represents 5.2

million individual members from 982 credit unions and movement's assets of US\$ 34.3 billion. With the entire institutional infrastructure in place, credit unions provide the highest quality financial services to its members, which is comparable or even better than any other financial institutions.

Participants were impressed of the services instituted by NACUFOK such as the credit union monitoring and supervision, deposit guarantee, high-tech financial services delivery (ATMs, Internet/Phone Banking etc.), centralized training, interlending, mutual aid, corporate PR/marketing, CU Mall and many others.

Since inception, NACUFOK has inspired at least 240 credit union leaders and professionals in Asia through the exposure program organized in collaboration with ACCU. The program featured a tour to NACUFOK's 20-floor building (3 under and 17 above ground), workshops, credit union visits and cultural immersion. Above all, participants bring home with them an unforgettable experience of Korean hospitality and camaraderie.

## ACCU Supporter Membership

- the Best way to practice the 6th Principle of 'Cooperation Among Co-operatives'

Welcome New Supporter Members!

- Fairchild Cebu Community Credit Cooperative, Philippines
- Nagari Christian Co-operative Credit Union Ltd., Bangladesh
- San Jose Del Monte Kooperatiba Ng Bayan Sa Kaunlaran, Philippines
- Trokmong Thaweesap Credit Union, Ltd., Thailand

Supporter Membership is the 4th category of membership in ACCU. Credit unions willing to participate in ACCU development initiatives are most welcome under the category. The dues paid by the supporter members are earmarked to the credit union initiatives in developing countries. Members under this category have accelerated access to information, networking and experience sharing at international level. Total Supporter Members is 36 credit unions.

The credit union represented by ACCU President Mr. John Rodrigues, 1st Vice-President Mr. Reynaldo Gandionco are now Supporter members. Further, the credit union represented by the President of CULT, Mr. Niphon Sumphuen is also now a Supporter Member. Mr. Niphon indicated CULT is promoting the supporter membership of ACCU.

# TIMETABLE

## September to December 2010 Regional Programs and Meetings

September 4-7	Pre-Forum Workshops: CEOs, HRD, Youth and Women	South Korea
September 4	70th ACCU Board Meeting	South Korea
September 7-9	Asian Credit Union Forum & 50th Anniversary Celebration of Korean Credit Unions	South Korea
September 10	29th ACCU Annual General Meeting	South Korea
September 10	71st ACCU Board Meeting	South Korea
September 15 - 17	ACCU Staff Planning and Evaluation Meeting	Thailand
October 19	International Credit Union Day	Members

September 22 - 25	Philippine Study Visit	Thailand
November 29	U-Tower Opening Ceremony	Thailand
November 7-13	CULROC Exposure Program	Taiwan
November 27 to December 4	Mini Master Degree Program on Credit Union Management	Thailand
December 10 - 11	Credit Union League of Thailand's Belated International Credit Union Day Celebration	Thailand

### Board of Directors

**John F. Rodrigues**  
*President - Bangladesh*

**Reynaldo Gandionco**  
*1st Vice-President - Philippines*

**M. Gunarathna Perera**  
*Secretary - Sri Lanka*

**Suriya Montripak**  
*Treasurer - Thailand*

**Ranjith Hettiarachchi**  
*CEO - Ex-Officio*

### Editorial Staff

Ranjith Hettiarachchi - Chief Executive Officer  
Elenita V. San Roque - Manager Member Services  
Porramaphorn Artrit - Secretary/Programs  
Nutchakarn Toscha - Assistant Administrative Officer  
Kamon Kiattisirikumpon - Program Assistant  
Seksan Seenil - Office Assistant



**ASSOCIATION OF ASIAN CONFEDERATION OF CREDIT UNIONS**

8th Floor, U Tower Building, No. 411, Srinakarin Road,  
Suanluang, Bangkok 10250, Thailand  
Tel: (66) 2 704 4252 to 54 Fax: (66) 2 704 4255  
E-mail: [accu@aacu.coop](mailto:accu@aacu.coop) Website: [www.aaccu.coop](http://www.aaccu.coop); [www.aaccu.asia](http://www.aaccu.asia)

**air mail**