



*Thailand*

**Break out 3** Accountability in reaching disadvantaged and low income segment of society

ASIAN CREDIT UNION FORUM 2014

coop

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*Credit Union Network Accountability in Reaching the Disadvantaged and Low – Income Segment of Society*



**Paul Luchenburg**  
Programme Specialist Inclusive Finance - UNCDF



**Gadwin Handumon**  
General Manager Paglaum MPC



**George Ombado**  
CEO - ACCOSCA



**Golap Banu**  
Chairperson Bharidara Mohila Samity

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*Recommandations*

## How to respond?

- Poverty in Philippines has actually increased in the last decade – 1 out of 4 Filipinos poor
- Where is our focus as CUs? Easy accessible areas or the challenging areas where there is the greatest need
- The values of the CUs – Equality, solidarity, self help and mutual responsibility should create a natural focus on working with the underserved
  - Question we should reflect on – CUs are about uplifting and improving lives. Why do many disadvantaged shun CUs
  - CU leaders should have accountability
  - **What should be the role of government support?**
  - Golap gave an inspiring story of a poor uneducated women who was able to develop with over 100,000 members with no government support
    - Beware of costs
    - Outside funds can undermine coop sustainability mindset
    - Philippines experience – many CUs are linked to Gov support/ intervention – less on CU principles

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## Additionally

- **Need to have the mind set/ focus to reach down**
  - Being a social enterprise; Programs and services should be tied to reaching down
- **Structure is key**
  - Credit Unions should be a part of federation.
  - This helps to balance the potentially competing issues of developing a strong CU while at the same time being able to move down market

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## Making an impact

- There are instant noodles, instant milk, instant coffee but there is no such thing as instant success. Be warned against the quick fixes. Solutions cannot come from some super magnificent miraculous actions. Good results come from a consistent and good process of execution.
- Impacting poverty will take time and on going focus
- We need to have a focus on reaching the underserved, be continually willing to change, learn and improve and have a structure/ federation which allows this to happen

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*Growth and Sustainability of the Credit Union Network – Korean Experience*



**Mark Diken**  
Director – WAW Credit Union



**Chung Sung-won**  
NACUFOK

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**Benefits of Collaboration**

1. Credit Union ready for change
2. Shared IT = Cheaper, faster, more efficient
3. Financial **stabilization & rival banks**
4. Responsible lending & **less delinquency**
5. **Standardised** processes + scale
6. Improved governance and **self regulation**
7. High levels of **trust** and better reputation
8. National branding to support **CU image**
9. Stronger **local identity, social performance**

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## Recommendation


- We believe in the benefit of integration and Recommend that all Federations move forward and integrate in every nation.

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## *Fit and Proper Requirements for Board of Directors & Senior Management of Credit Unions*



**Divina Quemi**  
Chairperson - NATCCO



**Mark Worthington**  
Chief Executive, Select Credit Union

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### *Recommendations*

*Require all BOARD OF DIRECTORS and Managers or CEO to undergo the CUDCC and CUCC Training and Adopt a program to continuously capacitate both Officers and Management and also Adopt the BOD Performance Assessment Tool presented by Mr. Mark Worthington.*