



Management Report - December 2009

Reminiscing the Original Credit Union Philosophy



ACCU CEO Ranjith Hettiarachchi paid tribute to the founder of credit union Friedrich Wilhelm Raiffeisen (1818-1888) by visiting the Raiffeisen Museum on December 4. The term credit union is rapidly becoming a household word - the idea of inculcating financial literacy, that consequently raises small savings pooled into the credit union to make affordable loans to members has now been tested for more than a century. On these ideas, Raiffeisen has involved millions of people in develop and developing countries enable to help themselves and be responsible for their financial future. Meanwhile, the visit to the International Raiffeisen Union was an appropriate time to explore opportunities for the collaboration with DGRV (Raiffeisen CU National Federation in Germany) the credit union promotion work in Laos and in Asia. IRU Director Dr. Paul Armbruster is considering attending the 2010 ACCU Forum in Korea.

Window for CUs in Social Microfinance Technical Assistance Facility

ACCU CEO Ranjith Hettiarachchi participated in the stakeholders meeting of the Social Microfinance Technical Assistance Facility (SMF) organized by Cordaid in The Hague, Netherlands on November 30 to December 2. Sixteen representatives of 12 initiating institutions in Asia and Africa attended the meeting. ACCU represented credit unions to the meeting.

The main goal of the Social Microfinance TA Facility is to provide access to technical assistance for those financial initiatives actively targeting the lower poverty segments of the population. The Facility aims to reach this goal through co-financing costs of technical assistance to some 20-50 microfinance institutions per year. The Facility has considered opening up a window for savings and credit cooperatives. ACCU will involve in the preparation of a study on the technical assistance requirements for credit unions.

Rabobank Foundation Joins in the CU Promotion in Laos

While in The Hague, ACCU CEO met with the officers of Agriterra and Rabobank Foundation (RF) concerning the collaboration in the implementation of the Credit Union Promotion Project in Laos. RF in principle, agreed to share financial support to carry out the project in 2010. The project is targeting to organize 20 savings and credit unions and a 2nd tier organization in the north of Laos.

Sharpening Accounting Skills of Laos Staff

Program Assistant Kamon Kiattisirikumpon conducted accounting training for the staff of the project on Credit Union Promotion in Laos on December 6-12. The training was aimed at developing the skills of the staff on accounting that will enable them assist savings and credit unions to maintain reliable financial information through proper accounting and reporting.



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Sharing ACCU Experience on Financial Management with Farmers' Organizations



The Manager, Member Services Elenita V. San Roque attended as participant and observer to the Financial Management Training for Farmer Organizations organized by Agriterra in Hyderabad, India on December 6-11. The workshop was primarily aimed at staff and board members of Agriterra's clients in India and Nepal who are involved in programme implementation and/or the management and control of financial resources. The training is designed to strengthen the financial management skills and confidence of the staff to integrate good financial management systems into operations, and manage and control financial resources more efficiently and effectively.

Coops in the Philippines Getting Ready for Final ACCESS Audit

NATCCO and PFCCO organized a review meeting on December 16 for the four ACCESS partner cooperatives in the Philippines. These partner cooperatives have been under ACCESS accreditation process for the last two years. Significant changes in operations of partner coops are visible which can be attributed to the professional management approaches inculcated by ACCESS. The final ACCESS audit of four coops will take place in February and the verification audit is proposed in March 2010. ACCU also introduced four policies on Risk Management: operations, structure, market and liquidity.

SANASA Programs in December

- **CUMI Summit in Sri Lanka:** A Summit on Credit Union Microfinance Innovations (CUMI) was organized for SANASA Sri Lanka on December 12 attended by 60 managers and leaders of credit unions. ACCU highlighted the mission of credit unions to reach out to the poor. Participants agreed to recruit at least 300 new members belonging to the poor segment. Meanwhile, SANASA introduced housing program for the poor part of the poverty alleviation program of the movement.
- **SANASA Women Camp:** SANASA Federation organized a Women Camp on December 14-15 attended by 100 women leaders and managers. The camp was aimed at developing the positive thinking, creativity, leadership and entrepreneurial ability of women in credit unions. ACCU facilitated a discussion on enterprise development being part of the women empowerment program under CUMI.
- **COOP-RUPEES training:** One hundred (100) managers and leaders attended the one day training (December 19) on COOP-RUPEES, the prudential standards for thrift and credit cooperatives in Sri Lanka. COOP are financial ratio standards derived from PEARLS while RUPEES are standards on management, governance and planning. COOP-RUPEES was developed after the first Asian Cooperative Regulators Conference organized by ACCU in 2003.
- **Courtesy Visit:** The CEO Ranjith Hettiarachchi paid a courtesy visit to SANASA Leader Dr. P.A. Kiriwandeniya on December 16. Dr. Kiriwandeniya is the past President and Board of Director of ACCU. Because of his contribution to Asian credit union system and in Sri Lanka, Dr. Kirwandeniya was awarded the 2003 ACCU Recognition.
- **Gampaha SANASA AGM:** CEO Ranjith Hettiarachchi was invited to speak at the Annual General meeting of the Gampaha SANASA District Union on December 27. He presented the challenges and opportunities for credit unions in the present market environment. The AGM was attended by 400 credit unions out of 500 members.



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Press Release
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Department of Public Information • News and Media Division • New York **United Nations Declares 2012 International Year of Cooperatives**

NEW YORK, 21 December (Department of Economic and Social Affairs) -- The United Nations General Assembly has declared 2012 as the International Year of Cooperatives, highlighting the contribution of cooperatives to socio-economic development. In adopting resolution 64/136 on 18 December, the Assembly noted that cooperatives impact poverty reduction, employment generation and social integration.

A cooperative is an autonomous voluntary association of people who unite to meet common economic, social and cultural needs and aspirations, through a jointly owned and democratically controlled enterprise. In general, they contribute to socio-economic development.

As self-help organizations that meet the needs of their members, cooperatives assist in generating employment and incomes throughout local communities. Cooperatives provide opportunities for social inclusion. In the informal economy, workers have formed shared service cooperatives and associations to assist in their self-employment. In rural areas, savings and credit cooperatives provide access to banking services that are lacking in many communities and finance the formation of small and micro businesses, promotes inclusive finance.

The cooperative sector worldwide has about 800 million members in over 100 countries and is estimated to account for more than 100 million jobs around the world. The strength and reach of cooperatives are illustrated in the following examples:

- under the umbrella of the World Council of Credit Unions, 49,000 credit unions serve 177 million members in 96 countries, and 4,200 banks under the European Association of Cooperative Banks serve 149 million clients;
- agricultural cooperatives account for 80 to 99 per cent of milk production in Norway, New Zealand and the United States; 71 per cent of fishery production in the Republic of Korea; and 40 per cent of agriculture in Brazil;
- electric cooperatives play a key role in rural areas. In Bangladesh, rural electric cooperatives serve 28 million people. In the United States, 900 rural electric cooperatives serve 37 million people and own almost half of the electric distribution lines in the country.

International Years are declared by the United Nations to draw attention to major issues and encourage action. To commemorate the Year, regional conferences will raise awareness of cooperatives and seek ways to leverage their contribution to socio-economic development and foster regulatory frameworks. A research agenda will be proposed and Member States are to form national committees that will serve as focal points for the Year's activities.

For more information, contact the Department of Economic and Social Affairs focal point on cooperatives, Felice Llamas,