



Management Report - February 2010

CUMI & Enterprise Dev't. Training – Enabling ‘Have Less’ Gain Financial Independence



The Trainers Training on CUMI and Enterprise Development held on February 22-27 in Bangkok, Thailand provided trainers with deepened appreciation on why credit unions have to reach the ‘have less.’ Emphasized at the training, the ultimate goal of the credit union on poverty alleviation is for the poor to gain financial independence; thus, CUMI is not about giving credit but enabling poor people acquire the ability and desire to chart their financial future. The 14 trainers from Bangladesh, Nepal, Philippines and Thailand acquire skills on preparing business plan, CUMI methodology, and developing training design focused on financial literacy and savings. The objective evaluation of the current microfinance programs revealed drift in the mission of credit union on poverty alleviation. The Credit Union League of Thailand hosted the training while Cordaid, Netherlands provided financial support.

Bangladesh Coop Regulators to Strengthen Credit Union Supervision

Forty regulators and credit union leaders attended the conference on Monitoring and Governance of Credit Cooperatives held on February 3-4 in Dhaka. Facilitated by ACCU, the conference talked about the need for strong regulation and supervision for the safety and soundness of credit unions. The two days workshop ended with the following recommendations:

- The issuance of a memorandum circular by the Cooperative Department for the credit unions to use PEARLS – GOLD prudential standards to monitor the operation of credit unions on a monthly basis and part of the

auditing of credit unions. Credit unions have to submit the PEARLS-GOLD to CCULB on monthly basis and in turn, CCULB shall submit the summary of the PEARLS-GOLD to the Cooperative Department.

- CCULB and the Cooperative Department jointly conduct awareness training on risk-based supervision to all credit unions. The audit report should also identify risk areas in credit unions.
- CCULB and the Cooperative Department introduce the Good Governance Framework for Credit Unions
- CCULB and the Cooperative



Department appoint a Task Force Committee to prepare the Stabilization Fund operational system

- to promote the adoption of ACCESS as quality control toolkit for credit unions and consider incorporation in the regulatory framework



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Good Governance Framework for Credit Unions adopted in Bangladesh

Forty credit union leaders attended the workshop on February 5-6. The workshop presented the Governance Framework for Credit Unions assigned as CU Business Solution no. 14. The workshop recommended the following:

- Translation of the Framework in Bangla language by April 2010
- Circulation of the first draft of Bangla translation to the participants of the workshop by 15 May 2010
- Feedback and test workshop on the Governance Framework by 31 May 2010
- Good Governance Framework as an on-going training in CCULB
- Adoption of the framework to all credit unions under CCULB network



SHACTEE Summit to Contribute to International Year of Cooperatives 2012



State Minister of Cultural Affairs and past Vice-Chairman of CCULB Mr. Promode Mankin (2nd from left) delivers inspirational message at the closing program.

Eighty Directors and Managers from 34 credit unions across Bangladesh attended the SHACTEE (Self-Help Advancement of Community through Economic Empowerment) or CUMI on February 7. The following are the recommendations:

- To institutionalize SHACTEE Methodology to reach "have less" or low income people in the 34 participating credit unions reaching minimum 350 members annually;
- To allocate human resource to manage the program;
- To share the achievements of the SHACTEE program by providing monthly report to CCULB and ACCU at least on the 10th of every month.

Renewing Commitment to Reach the Poor in Indonesia



Organized by the Credit Union Central of Indonesia and Khatulistiwa Chapter (Kalimantan), the CUMI summit on February 7-9 drew 130 participants who pledged renewed commitment to reach the poor.

ACCU Chief Executive Officer Ranjith Hettiarachchi presented the CUMI methodology emphasizing the social responsibility of credit union to 'go down market' in order to be more meaningful vehicle for socioeconomic development of people. CUCO Indonesia has a commitment to reach minimum 150,000 'have less' in addition to what have already been reached by CUMI program.



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Keling Kumang Credit Union, a supporter member of ACCU opened its new headquarter on February 8. ACCU CEO Ranjith Hettiarachchi underscored professionalism, quality service to members and good governance in his greeting message.



ACCU CEO Ranjith Hettiarachchi attended the inauguration of the ATM Machine of Puyang Credit Union on February 8 in Kalimantan. The Puyang CU is the 2nd to introduce ATM machine in Kalimantan (Keling Kumang CU being the first).

New Supporter Members

- Agusan Del Norte Teachers, Retirees, Employees and Community Cooperative (ANTRECCO), Butuan City, Philippines
- Dumaguete Cathedral Credit Cooperative, Dumaguete City, Philippines

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 of the supporter members are earmarked to the initiatives in developing countries. Members under this category have accelerated access to information, networking and experience sharing at international level. As of February 2010, ACCU has 34 supporter members from 8 countries.

Ensuring Proper Accounting for Cambodian CBFIs



ACCU Program Assistant Kamon Kittiasirikumpon reviewed the recording of financial transactions of the Community Based Financial Institutions (credit unions) in Cambodia on February 8-12. In 2009, CBFIs treasurers and managers underwent an on the job training on bookkeeping. ACCU is supporting Farmer Life Improvement and Future Light Youth (FLIFLY) and Socioeconomic Development Organization of Cambodia in the promotion and strengthening of credit unions.



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Nepal Technical Assistance Mission – February 13 to 18



- **Self-Regulation:** ACCU CEO Ranjith Hettiarachchi provided inputs to Nepal Federation of Savings and Credit Cooperative Unions (NEFSCUN) in setting up the self-regulation system for SACCOS and the progress review of the Strategic Plan on February 13. The Annual General Meeting of NEFSCUN approves the adoption of self-regulation for the safety and soundness of SACCOS.
- **ACCESS:** The Chairman and Manager of seven partner SACCOS attended the ACCESS review meeting on February 14. A detailed scrutiny on the adherence to delinquency disclosure was made during the meeting. Being the most important prudential norm, the partner SACCOS agreed to review the disclosure of portfolio at risk on a monthly basis. It was also made clear that compliance to delinquency and institutional capital ratio are pre-requisites to ACCESS accreditation.
- **CUCCC:** Thirty-two managers of SACCOS signed up in the first CEOs Competency Course organized by NEFSCUN on February 15-16 for Modules 1-4. The part two will be organized in May (Module 5-10) after the participants have submitted the post course assignment by April 15. NEFSCUN runs the competency course for Directors and CEOs on a fee basis.

- ACCU CEO facilitated the promotional seminar of NEFSCUN's institutional development program in the western part of Nepal (Biratnagar) on February 17. The seminar, attended by 30 SACCOS created awareness on the need to adopt prudential standards, offer financial services according to members' needs and establish comprehensive policies for professional management. On fee basis, the SACCOS agreed to access the technical assistance from NEFSCUN to professionalize their operations.
- The CUMI Summit on February 18 was participated by 45 leaders from 30 SACCOS. NEFSCUN has a commitment to share minimum 100,000 new 'have less' to the Asian credit union target of 1 million poor reached by CUMI in 2012. An intensive campaign on CUMI is being made by NEFSCUN across Nepal.