



**ASSOCIATION  
OF ASIAN  
CONFEDERATION  
OF CREDIT UNIONS**

**Management Report September 2011**



## 2011 – The Most Attended Asian CU Forum in 22 years

Considered as the most attended in 22 years, the Asian Credit Union Forum in Malaysia on September 19-21, 2011 drew 540 credit union leaders and professionals from 25 countries. The forum on the theme Reflections on Asian Credit Union Movement's Past, Present and Future was hosted by the Association of Co-operative Credit Union of Malaysia.

The forum featured resource persons from the best and the brightest in credit union industry across the world. Breakout session presenters were selected from caliber credit union practitioners and international experts in the field. The learning tracks represented high interest issues on Governance, Products and Services and Movement. Recommendations emanating from the topics discussed were adopted at the closing program. Addressed to all levels, ACCU considers these recommendations as inputs to its programming. The forum is another means for ACCU and its member organizations to solicit inputs pertinent to the current needs and issues faced by credit unions.

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## ACCU Recognition Award 2011 Given to Two Distinguished Individuals



The 2011 Recognition Award is bestowed to Hon. Cresente C. Paez, Sr. and Dr. Augustine K. Lim for their exemplary contribution, committed involvement and dedication in the promotion and strengthening of credit unions in their respective country and Asia. Both Hon. Paez and Dr. Lim advocated the credit union philosophy of “People Helping People” at the local, regional, national and international scene. They performed their volunteer and professional roles in the cooperative movement with exceptional ability. Their contributions are unique in the financial world for which they assumed tremendous responsibilities and demanding workloads. May their service to the credit union movement remain an inspiration of the credit union professionals and leaders in Asia.

## CUMI Performance Award Goes to Credit Cooperative in Bangladesh

Baridhara Mohila Samobaya Samity Ltd. from Bangladesh received the 2011 CUMI Performance Award from ACCU on September 21 in Malaysia. The award was in recognition of the credit union’s fulfillment of its social responsibility by offering opportunities to low income and disadvantaged communities through the provision of affordable financial services, education on the value of thrift and generating means to create wealth to more than 25,000 ‘have less’ families.

ACCU inspires Asian credit unions to fulfill their mission of helping members particularly the poor and disadvantaged improve lives through the services they provide. Consequently, credit unions contribute to the achievement of the MDG on poverty alleviation.

In 2010, two credit unions were recognized: Paglaum Multi-Purpose Cooperative from the Philippines and Bhindavasini Savings and Credit Cooperatives from Nepal. These credit unions have 35,000 and 6,000 outreach respectively.



The Chairperson Ms. Golap Banu receiving the plaque of recognition from ACCU President Dr. Dulsamphant along with the General Manager Mr. Nitty Adhikary (3rd from left) and the Chairman of The Cooperative Credit Union League of Bangladesh Mr. Simon A. Pereira (extreme right) during the Asian Credit Union Forum in Malaysia.

## Four Pre-Forum Workshops Held in Malaysia



**CEOs:** Attended by 19 CEOs and designated delegates of member organizations, the workshop on the theme 'Credit Union Business Model Management – a defining topic for the next decade' presented the training solutions of Développement international Desjardins (DID), Select Credit Union's experience on due diligence on mergers, and WAW Credit Union's experience on CU community. The CEOs defined the Federation's mission statement and institutional framework as prelude to the standardization of federations.



**HRD:** 61 technical staff of member organizations in seven countries attended the workshop. The workshop introduced the Trainer Manual on Loan Officers Competency Course as Solution no. 17. The training marks the start of the full deployment of the solution to member organizations. ACCU anticipates that the training solution will influence responsible lending practices in credit unions. The solution emphasizes on lending that helps members build wealth and acquire sustainable livelihood. It also discourages lending that worsens members' financial situation.



**Youth:** Twenty credit union leaders and staff in charge of youth programs from four countries attended to this year's workshop on Youth Marketing: Enrichment Strategies for Youth Outreach. The workshop introduced six innovative strategies to market the credit unions to youth. At the end of the workshop, the participants prepared recommendations on the adoption of the strategies at three levels: credit union, national federation and ACCU. Ageing leadership is a strategic issue that Asian credit union must address urgently.



**Women:** 18 women from five countries attended the 12th Women Regional Workshop. The women recommend that the respective credit unions, federations and ACCU should have women empowerment and gender equality program, formulate annual plans, and allocate budget for the implementation. There is also a need to regularly monitor and evaluate the implementation. It is requested that ACCU and national federations provide technical assistance, such as reading materials and training modules on gender, to the credit union primaries.





The 73rd Board of Directors Meeting was held in conjunction with the Forum on September 17 in Malaysia. All the Board members were present (L-R) Treasurer Mr. Tae-jong Zhang, 2nd Vice-President Mr. Min Raj Kadel, President Dr. Chalernpol Dulsamphant, 1st Vice-President Mr. Walis Pelin, Secretary Mr. Reynaldo Gandionco and CEO/Ex Officio Mr. Ranjith Hettiarachchi. The Board meets in person twice a year - in March and September.



The 30th Annual General Meeting of ACCU was held on September 22 in Malaysia. In attendance were ten regular members, nine affiliate members and five supporter members. The meeting confirmed the venue of the 2012 AGM and Asian Credit Union Forum in the Philippines hosted by the Philippine Federation of Credit Cooperatives and National Confederation of Cooperatives.



## **Recommendations of the Pre-Forum Workshops and Asian Credit Union Forum 2012**

September 16-21, 2011, Malaysia

### **PRE-FORUM WORKSHOPS**

#### **1. 12<sup>th</sup> Women Regional Workshop: Formulating Strategies and Indicators for Women's Empowerment in Credit Unions**

Generally, the recommendations from the 2010 workshop held in Korea are still applicable to the credit unions, federation and ACCU, specially the following: make gender issues a priority; increase women representation in governance; and explore possibility to initiate study visits to countries showing good gender empowerment practices; use of gender-sensitive language.

The women workshop recommends that the respective credit unions, federations and ACCU should have a women empowerment and gender equality program, formulate annual plans, and allocate budget for the implementation. There is also a need to regularly monitor and evaluate the implementation. It is requested that ACCU and national federations provide technical assistance, such as reading materials and training modules on gender, to the credit union primaries.

<b>Areas</b>	<b>CU level</b>	<b>Federation level</b>	<b>ACCU level</b>
In terms of organizational policies and structures	<ul style="list-style-type: none"> <li>- formalize women's place in CU;</li> <li>- include women on BOD;</li> <li>- Strengthen and encourage existing gender committee in all levels;</li> <li>- Organize and assign a gender empowerment focal person in all levels;</li> </ul>	<ul style="list-style-type: none"> <li>- Set quota for women representatives and formalize this in the constitution;</li> <li>- match government policies (e.g. in Nepal, there is policy for 33% women representation in all levels, this should include national federations of credit unions; in Indonesia - 30%) ;</li> <li>- Strengthen and encourage existing gender committee in all levels;</li> <li>- Organize and assign a gender empowerment focal person in all levels;</li> </ul>	<ul style="list-style-type: none"> <li>- update policies and by laws of ACCU to include women representation in the Board;</li> <li>- organize a gender committee in ACCU Board</li> </ul>

On trainings	<ul style="list-style-type: none"> <li>- Allocate budget for study visit and allocate financial support for women training and education program;</li> <li>- develop curriculum for men and women</li> </ul>	<ul style="list-style-type: none"> <li>- Allocate budget for study visit and allocate financial support for women training and education program;</li> <li>- develop curriculum for men and women</li> <li>- intensify follow-up of the implementation of the curriculum on gender and family enrichment programs</li> </ul>	
On gender mainstreaming program	<ul style="list-style-type: none"> <li>- to develop specific strategies and indicators in the proper implementation of the Gender Equality and women's empowerment framework in the 2011 workshop</li> </ul>	<ul style="list-style-type: none"> <li>monitor and evaluate together with the ACCU the gender mainstreaming program</li> <li>-the national federations, with ACCU, to review the technical support extended</li> </ul>	<ul style="list-style-type: none"> <li>monitor and evaluate together with the national federations the gender mainstreaming program</li> <li>-ACCU, with the national federations, should review the technical support extended</li> </ul>
On pre-forum workshops	<ul style="list-style-type: none"> <li>-monitor and evaluate the 2010 pre-forum workshop recommendations to update status of the women's program</li> </ul>		
On budget allocation (from nepal and bangladesh)	<ul style="list-style-type: none"> <li>- 10% of budget for loans to be allotted for poor women who are not yet CU members;</li> <li>- teach finance skills before giving loan;</li> <li>- budget for training workshop empowerment programs (10%)</li> </ul>	<ul style="list-style-type: none"> <li>- for leadership and empowerment programs;</li> <li>- to encourage establishment of more CUs in rural areas</li> <li>- support CU to build gender sensitive and friendly programs</li> </ul>	<ul style="list-style-type: none"> <li>- create international programs valuable for all members</li> <li>- international visits for 30 women each year for 10 years</li> </ul>

## 2. 12<sup>th</sup> Regional Workshop: Youth Marketing: Enrichment Strategies for Youth Outreach

CU Level	Federation Level	ACCU
<b>Strategy 1- Comprehensive Youth Financial Education</b>		
<ul style="list-style-type: none"> <li>• Launching of Financial Literacy Program for Youth in the Credit Unions - must be applicable to teens and tweens.</li> <li>• Implement a deposit double scheme for the Youth to attract youth professionals to invest in the credit unions.</li> <li>• On-line financial literacy topics and games incorporated in credit unions website.</li> </ul>	<ul style="list-style-type: none"> <li>• Support for the organization of training the Trainers on Financial Literacy for youth.</li> <li>• To collaborate with the youth leaders in credit unions in designing Financial Literacy modules for youth.</li> <li>• To organize a national gathering for youth in credit unions highlighting the theme “Financial Literacy for Youth”</li> </ul>	<ul style="list-style-type: none"> <li>• Provide generic financial literacy to member countries.</li> <li>• To organize a regional workshop on Financial Literacy</li> </ul>
<b>Strategy 2 Gear up Community Events and Social Marketing</b>		
<ul style="list-style-type: none"> <li>• To conduct community based activity, partner with local government and other agencies to promote credit unions in the community.</li> <li>• To indulge in green marketing of products and services of credit union in order to prompt the youth to be socially responsible.</li> </ul>	<ul style="list-style-type: none"> <li>• To conduct a National Youth Credit Union Day every Year.</li> <li>• To organize various competitions nationwide involving the participation of the youth members coming from the credit union.</li> </ul>	<ul style="list-style-type: none"> <li>• To initiate youth activities during the International year of Cooperative (2012)</li> <li>• Youth in credit unions may showcase their talents during the celebration.</li> </ul>
<b>Strategy 3 Youth Advisory Board in Credit Unions</b>		
<ul style="list-style-type: none"> <li>• To have a youth advisory board.</li> <li>• To have a youth representative in the BOD</li> </ul>	<ul style="list-style-type: none"> <li>• To have a youth representative in the BOD of the federation.</li> <li>• To have a quarterly meeting and evaluation on the youth programs and activities of the credit union.</li> <li>• To award the best CU Youth advisory board.</li> </ul>	<ul style="list-style-type: none"> <li>• To have a youth representative in the ACCU board. (ACCU staff is responsible)</li> <li>• To set-up a protocol manual to have a compulsory youth advisory board in every CU.</li> </ul>



<b>Strategy 4 - Youth Internship</b>		
<ul style="list-style-type: none"> <li>To give scholarship to the youth interns in the CU.</li> <li>To conduct the selection process and recommendation to the federation.</li> </ul>	<ul style="list-style-type: none"> <li>To have a joint body of CUs in the youth internship program.</li> <li>To consider inter federation internship based on each youth candidate skills and talents. (ex: IT, accounting, training )</li> </ul>	<ul style="list-style-type: none"> <li>To draft the youth internship guidelines and disseminate it to the ACCU members.</li> <li>To consider accepting youth interns in different member federation to work with ACCU on a volunteer basis.</li> </ul>
<b>Strategy 5 - Youth Entrepreneurial Society</b>		
<ul style="list-style-type: none"> <li>To conduct youth empowerment program by experts employed by credit unions</li> <li>To develop microfinance assistance to the potential youth entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>To develop a module on youth entrepreneurship.</li> <li>To support for entrepreneurial Skills Building for youth- Training, Technical Assistance related to business development including market research, product development and marketing</li> </ul>	<ul style="list-style-type: none"> <li>To monitor the Youth Entrepreneurial programs of the federations.</li> </ul>
<b>Strategy 6 Youth (Wired) Generation</b>		
<ul style="list-style-type: none"> <li>To utilize the social networking sites such as facebook, hi5, BADOO and etc., in information campaign about the CU movement.</li> <li>To have a youth corner in the CU website.</li> <li>To provide mobile banking services.</li> </ul>	<ul style="list-style-type: none"> <li>To provide policies and assistance to the CU in terms of the use of new technology.</li> </ul>	<ul style="list-style-type: none"> <li>To provide an international linkages using the new technology.</li> <li>To create a regional forum binding together youth of all member countries of ACCU.</li> </ul>





### **3. HRD Advisory Committee Workshop Trainers Training on Credit Union Loan Officers' Competency Course**

#### **Primary Credit Unions**

- Review credit policy and process
- Study and adopt the designed Job Descriptions for Loan Officers and Credit Committee in the Manual
- Review and implement the Delinquency Policy and Procedures as proposed in the Manual
- For countries like Indonesia, Bangladesh, Nepal, Cambodia and Laos translate the Manual into their language
- Manualize the credit management system – Policy and procedures
- Develop Training Program for the Board, Credit Committee, Top Management and Loan Officers regarding Credit Mgt. System

#### **Federation Level**

- Assist the Credit Unions in manualization of Credit Policy and Procedures
- Develop comprehensive Training Program for Loan Officers
- Train Audit Committee of CU in Compliance Audit particularly for loans
- Implement the Loan Officer Competency Course for Credit Unions/conduct Training of Trainers
- Monitor and follow-up progress of Loan Officer Competency Program in Credit Unions

#### **ACCU Level**

- Conduct ToT of Loan Officer Competency Course for National Federations
- Set up a group forum for all trainers on-line
- Standardize and simplify loan documents and forms in Credit Unions
- Disseminate a Standard Loan Process Flowchart for all member credit unions
- Assist CU's technically to develop new loan products with guidelines.
- Continue technical support in improving credit management system for credit unions

### **4. CEOs Workshop**

- Standard framework for National Federation – adaptation of ACCESS
- Business Solution No. 18 – Social Performance Management
- CEO Seminar on Financial Decision Making with DID
- Assets & Liability Management (Investment)
- Review of Competency Courses – CEO & Directors
- Internship for Credit Union Managers
- Financial Literacy short course



## **Asian Credit Union Forum Recommendations**

### **BREAKOUT 1:**

#### **Session 1: Social Performance Management and Application in Credit Unions**

- Promotion of Social performance management and social audit to credit unions
- National Federations to take the lead in educating credit unions about social performance management and social audit
- ACCU to provide the National Federations the tool for SPM and Social Audit. Can be posted in the website
- SPM and Social Audit - next topic for HRD Workshop 2012

#### **Session 2: Credit Union Amalgamation: What to Consider before Taking the Thrust and what Benefits would be Derived?**

- Promotion of MERGER to small credit unions.
- Federations to take the lead in educating credit unions about MERGER, gather relevant data and materials to show to credit unions the benefits of mergers to prepare their mind-set.

#### **Session 3: Asian Credit Union Best Practices Models of Success**

- His presentation is indeed a very inspiring success story.
- Let us live the real MISSION OF THE CREDIT UNION, touching and improving lives of PEOPLE.
- As LEADERS, let us FORGET OUR OWN VESTED INTEREST, SERVE SINCERELY for best interest of our MEMBERS.

### **BREAKOUT 2**

#### **Session**

#### **1: Social Responsibility of Credit Unions to serve the Poorer Members in the Communities**

To enhance credit union performance through SPM:

Develop your brand

- Select & satisfy your longtime investors
- Know & serve your clients better

Reinforce your organizational capacity by:

- Increasing your staff motivation
- Reviewing your internal information System
- Reinforce your internal control



- Enhancing your risk management practices
- Implementing delinquency control

#### Members:

- Must be taught on how to become financially literate and to develop a plan to achieve their goal in life
- Reach out to the poor, women, youth & economic transition
- Continue thinking of development of social & financial tools for credit unions' solutions to the problem

### **Session 2: Serving Your Members in Today's Competitive Environment**

#### Personalized Service

##### Minimize Transitions

- Problem Resolutions
- New Account Opening
- Financial Advice
- Lending Transactions
- Choice

##### Building Trust & Confidence

- Knowing the customers wants & meeting those wants
- Focus on the Service & Trust "word of mouth" marketing is the cheapest & best source of marketing

### **Session 3: Building Future Members: How Credit Unions Can Tap the Youth, Today's Most Powerful Trendsetters**

- Share the Journey
- Youth Group Networking
- Appropriate products & channels

#### Why we need to tap the Youth Market?

- Decreasing demographic
- Succession planning
- Credit Union Sustainability





## **BREAKOUT 3**

### **Session 1: 13 Years Development Education: Asian Experience**

- Send at least 2 CU members (Board and staff) to DE training annually
- Tap the DE graduates as resource speakers and technical resource in-country and internationally
- Create a blog or networking platform for DEs to share experience
- Hold the next DE workshop in Indonesia as per invitation of CUCO

### **Session 2: Change Culture, Change the Game: The Breakthrough Strategy for Energizing Your Credit Union and Creating Accountability for Results**

- Large exposures in terms of loaned amounts and borrowers must be limited
- Loaning must be based on capacity to pay and purpose of loan
- Benchmarking of products and services must be compatible with government policies and industry standards
- There must be a continues education and training for credit union management, board and other officers to make them at par with the global credit union community and competitive
- There must be sufficient motivation for CU staff in terms of recognition, facilities and attractive compensation packages.
- Policies and guidelines must be in place to ensure compliance with government laws and regulations
- Credit unions must live by the mantra that ‘members are no. 1’

### **Session 3: Effective Succession Planning: Ensuring Leadership Continuity and Building Talent from Within**

- Establish a robust succession plan and process that must be monitored annually
- Develop and strengthen a talent mindset
- Encourage and promote bilingualism and language expertise
- Establish gap analysis
- Credit unions must aim to be the best employer.